STAND FIRM

Local Authority Pension Fund Forum

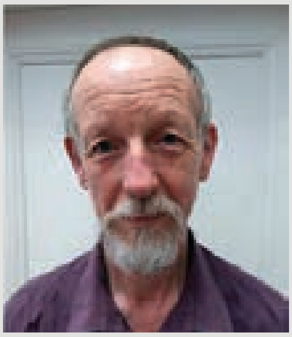
Annual Report 2024

LAPFF EXECUTIVE COMMITTEE 2024

Cllr Doug McMurdo,
Chair, LAPFF

Cllr Rob Chapman,
Vice-Chair, LAPFF

Cllr John Gray,
Vice-Chair, LAPFF



John Anzani,
LAPFF Executive Member

Rachel Brothwood,
LAPFF Executive Member

Cllr John Cooke,
LAPFF Executive Member

Cllr Ged Cooney,
LAPFF Executive Member

Tom Harrington,
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Cllr Heather Johnson,
LAPFF Executive Member

Cllr Yvonne Johnson,
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Sian Kunert,
LAPFF Executive Member

Euan Miller,
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Cllr Mark Norris,
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Cllr Eddie Pope,
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Neil Sellstrom,
LAPFF Executive Member

Cllr Toby Simon,
LAPFF Executive Member

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Chair's Foreward

Cllr Doug McMurdo, LAPFF Chair

I am delighted to present LAPFF's latest annual report and highlight the work that the Forum undertakes on behalf of our membership. Alongside presenting our work in 2023/24, we also reflect on engagements undertaken over a number of years that have culminated in successful outcomes in the period.

The year has not been without its challenges. Engagements have taken place against the backdrop of growing geo-political tensions and conflicts. The impacts of climate are all too apparent with 2023 being the warmest year on record. And we have witnessed concerted efforts to undermine the responsible investment agenda, resulting in a row back within some quarters of the investment community on environmental, social and governance policies and practices.

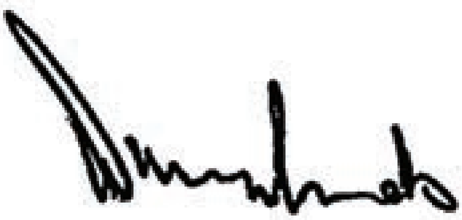
Despite this and testament to LAPFF's effectiveness, we continued to make progress in improving company performance on the environment, on social factors and in corporate governance practices. This has not only helped reduce the material risks that LAPFF members face it has also provided wider benefits to stakeholders.

Delivering change through engagement, collaboration and escalation

This year's report demonstrates the value of consistent and constructive engagement with companies. For example, LAPFF has been engaging Barclays over the past four years on its approach to climate risk. During the AGM season, we saw significant improvements in the company's approach, including a commitment to not provide finance for expansion projects in upstream oil and gas or related infrastructure.

LAPFF is a collaboration of LGPS funds and pools, but we also seek to work with other investors to leverage our collective voice to reduce the combined risks we face. LAPFF is part of multiple investor initiatives covering a range of ESG areas. This year saw the continued success of this approach, including at National Grid, a company LAPFF has engaged collaboratively through Climate Action 100+ as well as through our own engagements that have taken place for over a decade.

While LAPFF seeks to engage companies through constructive dialogue we also believe in engagement with consequences. The report illustrates the impact that LAPFF has for its members by escalating action that is too slow. Highlighted in the report is LAPFF's long-term engagement with the restaurant chain Chipotle over material water-related risks, which included the intention of filing a resolution in 2022 which was subsequently withdrawn conditional on prioritisation of water-related assessments and target setting. Following that escalation and through intense dialogue, earlier this year the company published a goal to support water stewardship efforts to conserve and restore watersheds in priority regions.



Focusing on issues of heightening importance

With the past year witnessing growing regional conflict, LAPFF continued its work engaging companies on approaches to minimising adverse human rights impacts. LAPFF joined an Investor Alliance for Human Rights pilot project which is focused on conflict-affected and high-risk areas (CAHRAs) and also undertook collaborative engagements through IAHR on Uyghur Forced Labour. Over the year LAPFF engaged with defence companies and continued its engagements with carmakers regarding their supply chains, with key transition minerals often coming from CAHRAs. With geo-political tensions showing few signs of subsiding the importance LAPFF places on these risks will continue in prominence over the coming year.

Responding to emerging biodiversity risks

LAPFF and other investors have increasingly become concerned about the investment risks associated with biodiversity and nature loss. As such, LAPFF was pleased to become a member of the newly established Nature Action 100 initiative, which includes 220 institutional investors representing nearly $30 trillion of assets under management or advice. Through this initiative and our own engagement work we will seek to ensure companies are meeting investor expectations on mitigating and managing the associated nature-related risks. Taskforce on Nature-related Financial Disclosures (TNFD) is an evolving science-based and government-supported global initiative, which in time will form a key part in the work of LAPFF in relation to the SDGs more generally.

Addressing sector and systemic risks

LAPFF continued its work on human rights in the mining sector. LAPFF's work engaging with communities was recognised this year within a UN working group report with the Forum's approach cited as an example of good practice. LAPFF's work on mining companies with the PRI Advance initiative continued in the year and we also saw some signs of progress through our own engagements. As the fines mount up after tragic tailing dam disasters, these issues are of significant financial materiality to LAPFF members and thus while the risks remain, we will continue to be seeking improved practices.

As well as looking at sector-specific risks, such as mining, LAPFF also seeks to address market-wide, systemic risks. LAPFF has become increasingly concerned about moves to lessen corporate governance standards in the UK and with it investor protections. Over the year, LAPPF has raised concerns with the London Stock Exchange Group about the influence of the Capital Markets Industry Taskforce. Alongside this work, LAPFF has continued its focus on policy work and I was honoured to be a member of the DWP-backed Taskforce on Social Factors which earlier in the year published its final report.

LAPFF and its executive

Through our company, collaborative and policy engagement work, LAPFF continues to be a leading voice on responsible investment. However, it is not without the support of our members that we are able to identify material risks, engage companies and have the impact that we do.

I am proud that LAPFF continues to represent the vast majority of the LGPS with its membership covering 87 funds and seven pool companies. LAPFF is a unique organisation because our engagements are undertaken by us as asset owners directly with the companies we are invested in. That uniqueness is only made possible by the dedication of the LAPFF executive who I thank for their continued commitment.

I would like to specifically thank John Anzani for all his work on the executive over the past years and the contribution of Cllr John Cooke, both of whom stepped down from the executive this year. I would also like to warmly welcome Cllr Paul Convery, Cllr George Jabbour and Laura Colliss on to the executive and look forward to working with them.

Looking ahead

As we look back over the year we can reflect on the impact we have had and progress that we have made. Progress that has been hard fought and the impact gained only through continued engagement spanning a number of years. Nevertheless, the report clearly demonstrates that progress can be made.

That means that as we look ahead to the future and at the new and emerging risks, we can do so from a position that is confident about our ability to change company practices and reduce the risks we face. Our focus on protecting and enhancing investment returns by promoting the highest standards of corporate governance and corporate responsibility is the golden thread running through everything we do. And will continue to be so as we serve the interests of our members in the coming year.

CLIMATE AND

STRATEGIC RESILIANCE

DECARBONISING ENERGY SUPPLY

Barclays

Objective: The role the banking industry plays in addressing the climate crisis is significant. It influences corporate behaviour in both public and private markets (including supporting client businesses to develop transition plans) and is vital to ensuring capital is readily available for the energy transition. Conversely its lending to the fossil fuel sector carries with it transition risks and the possibility of stranded assets. As such, LAPFF's engagement objectives have sought to reduce exposure to such risks and while also encouraging the banking sector to take advantage of the opportunities that the green transition presents.

Achieved: Barclays was identified by LAPFF as facing considerable risks. Indeed, Barclays was the biggest funder of the fossil fuel sector in Europe between 2016 and 2021.

Given this and material exposure to the bank, LAPFF has been engaging Barclays on climate finance since early 2020, when the Forum supported the filing of a climate-related shareholder resolution. The resolution requested the bank set targets to phase out the provision of financial services to electric and gas utility companies that are not aligned Paris Agreement. Ahead of the 2020 AGM, LAPFF met with the Barclays chair to discuss the proposal before issuing a voting alert to members recommending support. Between 2020 and 2024 LAPFF held six meetings with Barclays relating to climate change, two of which were with the chair.

In February 2024, with prospect of a further shareholder resolution, Barclays issued an updated Climate statement, which included the following commitments:

- No project finance, or other direct finance for expansion projects in upstream oil and gas or related infrastructure.
- Restrictions lending to on oil exploration and production engaged in "long lead" expansion.
- Additional restrictions on unconventional oil and gas, including Amazon and extra heavy oil.
- Requirements for oil and gas clients to have 2030 methane reduction targets, a commitment to end all routine / non-essential venting and flaring by 2030 and near-term net zero aligned Scope 1 and 2 targets by January 2026.

As a result of this statement ShareAction, who were facilitating the proposal, agreed to withdraw the resolution.

The statement was a major step forward and helps to address some of the major concerns that LAPFF has been raising for a number of years. This includes greater alignment with their lending positions with International Energy Authority position that new oil and gas infrastructure is not compatible with net zero.

In progress: Despite improvements, ShareAction, along with other investors including LAPFF, felt the statement could and should go further particularly as it relates to financing of fracking businesses in the US. LAPFF signed onto a letter to the company requesting the bank to broaden its commitment relating to the financing of fossil fuels to include lending to the US fracking industry. LAPFF will be continuing to engage the company to further improve its lending practices and reduce its exposure to climate risks.

REDUCING FINANCED EMISSIONS

JANUARY 2020
LAPFF supports member funds in co-filing resolution requesting Barclays phase out financing of fossil fuel
↓
FEBRUARY 2020
LAPFF meets with Barclays chair to encourage company to align broadly with the asks of the resolution
↓
APRIL 2020
LAPFF issues voting alert recommending members support resolution
↓
MAY 2020
LAPFF attends Barclays AGM to ask question on climate strategy
→

DECEMBER 2020
Barclays commits to Net-Zero emissions by 2050 but lacks strategy relating to financed emissions
↓
JANUARY 2021
LAPFF meets with Barclays to discuss climate strategy, considers progress to be limited
↓
MAY 2022
LAPFF issues voting alert advising support be withdrawn for company 'say on climate' resolution
↓
MAY 2023
LAPFF meets with Barclays chair raising concerns over existing climate strategy
→

JANUARY 2024
Barclays commits to reducing financed emissions in a manner consistent with limiting global temperature increase to 1.5 degrees
↓
MAY 2024
LAPFF signs on to a public statement calling on the bank to broaden commitment to include lending to the US fracking industry
•••

National Grid

Objective: LAPFF has been engaging National Grid on decarbonisation for well over a decade. A consistent ask of the Forum has been for the company to provide enhanced disclosure on capital expenditure and how it will support the energy transition.

Alongside disclosures about plans to support the energy transition and reducing grid connection, LAPFF has sought greater transparency and accountability on its direct and indirect lobbying.

Achieved: In May, the company disclosed its capital investment plan which included raising £7bn through the issue of over £1bn new shares and the largest UK rights issue since 2009. The plan itself represents a significant increase in capital investment to around £60 billion over the five-year period to 2029 with around 85%, or £51 billion, designated as "green investment". The market initially reacted negatively to the rights issue with the share price falling over 20%, although has since recovered somewhat. At the company's AGM in July, LAPFF expressed support for the company's expanded capital expenditure plan and noted that decarbonisation plans required raising funds from shareholders through the rights issue.

Following the rights issue, on the 31st of May, National Grid launched its updated Climate Transition Plan (CTP), annual Responsible Business Report (RBR) and Fair Transition statement.

The refreshed CTP sets out National Grid's emission reduction targets, how the company plans to achieve net zero by 2050, the actions it is taking and where they need support from others. It is aligned to the recently published Transition Plan Taskforce guidance and progresses its approach in several areas including:

- setting near-term climate targets to align with the Science Based Targets initiative's (SBTi) 1.5°C pathway;
- broadening the scenario analysis to cover upstream Scope 3 emissions and evolving the company's procurement strategy with the aim of driving emissions reductions through the supply chains; and
- integrating GHG emissions reduction targets throughout the business, embedding into financial planning processes, performance management and governance structures, and continuing to be transparent on progress.

Following extensive engagement, including with LAPFF, National Grid has also released its 'Principles of a Fair Transition'. It builds on the view that energy networks enable the connection of new renewable energy sources and clean technologies. This will require significant growth in its networks, supply chains and workforce and the company recognise that new infrastructure will impact communities and vulnerable customers who will need support along the way.

LAPFF has been engaging National Grid on the issue of climate for over a decade, attending the company's 2014 AGM to press the company on the proposed emissions reduction target, a target LAPFF considered inadequate at the time. LAPFF has since attended six National Grid AGMs, including in 2024, and issued two voting alerts. Since 2014, it is LAPFF's view that the company has made significant progress in terms of improving disclosure, developing policies and implementing change in the real economy. As LAPFF noted at this AGM, the climate transition plan represented a major step in meeting the growing needs of the energy transition and Net Zero targets. This progress was also reflected in LAPFF's voting alert this year which recommended support for the transition plan. LAPFF has not been without criticism of the plan with continuing concerns raised in a meeting with the chair of the company which covered the plan and the importance of gas within its business model.

As a key enabler of the energy transition for the wider economy, there had also been concerns over the company's lack of disclosure on political lobbying and trade association membership, where it had been one of the least transparent of the major utilities. However, in March, National Grid addressed these concerns, publishing its Trade Association Review, detailing the organisations it is members of, its assessment of whether they were aligned on climate policy, and the actions National Grid was taking to improve alignment. Of the organisations reviewed, National Grid identified 31 as aligned and 4 as partly aligned. The report was detailed and comprehensive and, for the most part, satisfies the Forum's demands for greater transparency over lobbying and trade association membership.

In progress: Although significant progress has been made, LAPFF will continue to engage the company, including on the issue of gas distribution in North America. LAPFF would like to see specific targets or actions relating its role as an enabler of the roll out clean energy. LAPFF will also continue to press National Grid on the 4 partly aligned organisations contained within its lobbying report.

PERSISTENTLY ENGAGING FOR CHANGE

JULY 2013
LAPFF meets with Sir Peter Gershon, National Grid chair, to discuss carbon management
↓

JULY 2014
LAPFF attends National Grid AGM to request scope 3 emissions be incorporated into the recently established reduction targets
↓

JULY 2015
LAPFF again attends National Grid AGM to press for scope 3 emissions disclosure relating to purchased goods and services
↓

NOVEMBER 2016
LAPFF meets again with the company to discuss progress on mitigating carbon risk
↓

JULY 2017
LAPFF attends National Grid AGM to ask question on implementation of TCFD
↓

MAY 2018
LAPFF meets with Sir Peter Gershon to discuss how the company is planning for its climate resilience and overall sustainability in light of the 'clean energy revolution'
↓

JULY 2019
LAPFF attends AGM to acknowledge progress on net-zero emissions scenario
→

JULY 2020
LAPFF attends company AGM to request more information on the intention of setting scope 3 targets. LAPFF also asks a question relating to political lobbying
↓

OCTOBER 2020
LAPFF meets with Sir Peter Gershon to request the company's transition plan be put to vote at the 2021 AGM
↓

MARCH 2021
LAPFF meets again with Sir Peter Gershon to request a 'say on climate' vote be brought to the 2021 AGM
↓

JUNE 2021
Company announces scope 3 emissions target aligned with Science-based Targets Initiative. An issue first raised by LAPFF at the 2014 AGM
↓

JULY 2021
LAPFF attends company AGM to request enhanced disclosure relating to the company's UK and US transition plans
↓

JUNE 2022
Company includes 'say on climate' resolution at 2022 AGM. LAPFF issues voting alert recommending members support the plan
↓

JULY 2022
LAPFF meets with company to request enhanced disclosure relating to political lobbying
→

MAY 2023
LAPFF meets with Paula Reynolds to discuss concerns relating to the company's gas business and grid connectivity
↓

JUNE 2023
LAPFF meets with company to discuss progress on a new transition plan, grid connections, its US gas business and its lobbying disclosure process
↓

JANUARY 2024
National Grid releases updated climate transition plan, enhancing existing emissions reduction targets. The company also discloses political lobbying report, as requested by LAPFF at the 2020 AGM
↓

MAY 2024
LAPFF meets company chair, Paul Rosput Reynolds to discuss the company's transition plan, rights issues, and the nature of gas in its business model.
↓

JUNE 2024
LAPFF issues voting alert recommending members support the company's transition plan
↓

JULY 2024
LAPFF attends company AGM, acknowledging progress within the proposed transition plan
•••

Fossil fuel producers

Sector approach

LAPFF's focus has been on research to identify unsound claims which delay decarbonisation consistent with a Paris Aligned 1.5C scenario. For oil and gas companies to be claiming to be net zero by 2050, is not the Paris objective as Paris requires phased reductions before 2050, and 2050 is merely the phased to zero point.

For oil and gas companies, LAPFF has been concerned that they are prolonging fossil fuel extraction by lobbying governments, making claims that carbon capture and storage can counter upstream as well as direct emissions, relying on offsets which do not eliminate the emission in question, and unrealistic reliance on nature based solutions (absorption by trees).

LAPFF sector policy has been that fossil fuels need to, and are, being phased out. As well as decarbonisation, governments are also seeking to shift from fossil fuels due to cost and price volatility and geopolitical risk.

That means the sector needs to shrink the fossil fuel business segment, and either invest in renewables, or shrink the company by full distribution of profits. All of that is against a competitive background that residual demand over time will be met by lowest cost producers.

Shell

Objective: Shell has been used as a case study in a lack of progress to an orderly transition. Its transition plan, which was rejected by the Dutch judiciary, has also been rejected by voting recommendations in LAPFF Alerts since 2021. With the change of chair in 2022, attention has been given to the newly appointed chair, and the new chief executive, and the ability of the board to manage and incentivise change, which LAPFF felt was previously lacking.

Achieved: LAPFF has previously demonstrated how many trees were needed to reduce 100MT of emissions per year from 2030, a key part of the company's decarbonisation strategy. That approach is now discredited and Shell has since placed less emphasis on nature-based solutions within its strategy.

LAPFF also identified that disclaimers in the annual report and accounts ring fences the 'transition plan' from the annual report and accounts. Legally the annual report and accounts exist to inform voting at annual general meetings. A climate transition plan which sits outside of that is not suitable for gaining necessary reliable information. Added to that, the 'transition plan' itself has substantial disclaimers.

LAPFF thus stated that Shell's transition plan owed more to PR than substance. It was therefore welcome that Shell's new management team took transition planning away from the PR and investor relations reporting line and placed transition planning under the finance director.

In 2024, LAPFF took the position on supporting the new chair for AGM re-election, whilst voting against all directors appointed prior to his appointment. The board needs to have the skills and incentivisation to manage a transition in a world with shrinking fossil fuel extraction. The LAPFF Alert flagged that the remuneration report demonstrates a lack of both skills and appropriate incentivisation.

However, Shell with its new CEO has reversed some of its previous stated ambitions, on the basis that Shell's share price is not trading at the same level as its US peers.

It seems that Shell has missed the boat on renewable opportunities and seeks to be a "chemicals" rather than an "electron" (power generation) business. That is consistent with the fact that the financing to date of the rapidly expanding wind and solar power capacity has been from sources other than the cash surpluses of fossil fuel companies.

In progress: More work needs to be done on understanding the share-price argument as there is little evidence that rowing back from prior "ambitions" has led to a re-rating of the company for valuation purposes in secondary markets.

A factor that the company hasn't addressed is that US peers may have regulatory forbearance that enables non-Paris aligned extraction, but also that US peers may be seen as lower cost producers that gain more market share of a diminishing market, along with Middle East supply.

The board, and the chair remains a point of focus.

BP

Objective: BP had been one of the more difficult situations to read and react to. In terms of not denying climate change and making some progress to transition to renewables, it had been regarded as 'best in class'. For example, BP had said that "we aim to be a global leader in safely developing, building, operating and owning offshore wind farms. We're making waves towards our aims, developing cutting-edge offshore wind farms in the Irish and North Sea capable of contributing to the UK's 50-gigawatt and Scotland's 11-gigawatt wind power targets by 2030."

Given the change in leadership this year an objective was to determine whether the change in chief executive was going to change the decarbonisation strategy.

Achieved: LAPFF met with the chair following the departure of the chief executive, Bernard Looney, for disciplinary reasons. There was some scaling back of BP's 2030 emissions reductions said to be in reaction to the war in Ukraine and the need for short-term energy security. LAPFF did consider that there were problems with that, given that there is a finite carbon budget to limit global warming within Paris COP goals.

LAPFF then had a meeting with the new chief executive, Murray Auchincloss, and in that discussion the company outlined how it was seeking to transition and targets in line with national expectations. The meeting covered the scope for scaling up revenues from hydrogen, wind power, biofuels and electric vehicle charging; some of its major projects, including hydrogen and CCS hub; and investment in transition initiatives. However, further to that meeting reports suggest a shift in the company's approach, more in line with that of Shell, to reduce its targets for emissions (which means production) with the focus on the share-price. There has not been a re-rating further to those reports, which like Shell begs the question whether BP is seen as at risk for not shrinking production because it is not a lowest-cost producer, i.e. stranded asset risk.

In progress: It is now difficult to sustain a case that BP remains best in class as it seems to be moving closer to the class average. There needs to be further conversations with the company, and it remains to be seen whether investment analysis is lagging the type of change being projected as necessary by the International Energy Authority.

Drax:

Biomass Energy Carbon Capture and Storage (BECCS)

Objective: Drax is the UK's largest power station and largest CO2 emitter. Drax has converted from burning coal to produce electricity to burning wood. The wood is sourced primarily from southern states of the United States. Drax uses the concept of 'dynamic carbon sinks' to justify its claims to carbon neutrality, i.e., forests are harvested and the wood that is burned regrows.

LAPFF's focus has been on research to identify unsound claims which delay decarbonisation consistent with a Paris aligned 1.5C scenario. A central issue with Drax is seeking any evidence of short-run carbon neutrality as well as the wider community and ecological impacts.

Achieved: Achievements have relied largely on independent analysis which challenges the company position. LAPFF has seen no evidence that the forest stock in the US is growing to offset Drax's emissions. Drax commissions "catchment area" reports for each area in which wood is harvested. Once read in detail, it is apparent that rather than a quantitative test to prove contemporaneous offset, the test in the reports is that forest stock is not shrinking. These reports do not provide quantitative or qualitative evidence that the annual capture of carbon exceeds the emissions from Drax.

There remains significant concern that Drax is contributing to net increases in atmospheric carbon, in addition to wood being an inefficient source of energy which, per unit of energy obtained, creates more carbon emissions than coal.

The report for one catchment area where trees are harvested states that there may be increased carbon capture. However, this continues to state that this is due to natural native hardwood being replaced by faster growing conifers. That is therefore an ecological problem.

LAPFF attended the 2024 AGM and once more there was significant unease at Drax's activities, with only one shareholder speaking positively. There were also representations from people in the southern US states concerned about cutting down primary forest and health affecting emissions from pellet plants.

Issues flagged by LAPFF regarding the harvesting of trees in Canada, was also dealt with by Ofgem which resulted in Drax paying £25m in lieu of fines for providing inaccurate data regarding the type of material it was burning.

In progress: Drax is subsidy dependent. Subsidy decisions to have been taken by the last government were deferred because of the General Election and the position of the new Government remains to be seen.

Subsidy may be stand alone to continue the operation of the plant until it can be replaced by nuclear and renewables, or subsidy may be linked to capture carbon from its burning by using carbon capture technology. However, that is not proven at scale and is heavily subsidy dependent, on top of an already exceptionally large subsidy required for pellet burning. Drax's activities continue to attract cross party criticism.

As in prior years, some of LAPFF's analysis appears to go deeper than company dependent research done on the investment side. Balancing that with third party contrary evidence will remain a challenge. However, the fine regarding information provided to Ofgem is an example of information which may also have shaped the views of those shareholders reliant on company information.

Meetings with the company are to be arranged further to questions and answers at this year's AGM.

Asia Research & Engagement

Objective: As part of the continued engagement through Asia Research and Engagement's (ARE) Energy Transition Platform, LAPFF aims to support and accelerate the energy transition in Asia. This collaborative initiative focuses on influencing high-emitting companies based in Asia to adopt strategies that align with the goals of the Paris Agreement. Recognising that Asian economies play a critical role in global emissions—due to their significant reliance on coal and other fossil fuels—LAPFF seeks to understand how the focus companies plan to reduce their carbon footprints and transition to renewable energy sources. The objective is to assess the companies' readiness and commitment to a low-carbon economy, encourage transparent reporting on climate-related risks and opportunities, and advocate for the implementation of robust governance structures to oversee their energy transition strategies.

Achieved: LAPFF has joined multiple engagements with the power generation and banking sectors as part of the ARE engagement platform, notably with Huaneng Power, DBS Bank Ltd, CIMB Group, United Overseas Bank (UOB), and Kasikorn Bank. Whilst progress with the power generators was limited, improvements were more pronounced in the finance industry. Notable improvements include at UOB, where the company has adopted a no deforestation, no peat, and no exploitation (NDPE) commitment following continued engagement on the issue since 2023. This also comes as the company appointed an external Sustainability Advisory Panel which advises and challenges the board and management in developing targets and strategy. LAPFF also saw improvements in Huaneng Power's disclosures, which has made more explicit disclosures around controlling coal power additions and the optimising of existing coal power units.

In Progress: LAPFF continues to support ARE's collaborative engagement and will monitor progress against the initiative's objectives through continued engagement.

DECARBONISING ENERGY CONSUMPTION – CEMENT, HOUSEBUILDERS, AVIATION, STEEL

Objective: During 2024, LAPFF continued its engagement with companies in hard-to-abate sectors ie: sectors known for being difficult to decarbonise. These included major global players in cement, aviation, and steel, and UK housebuilding. The primary goal of these engagements is to explore how these companies are addressing the need for decarbonisation, while balancing the pressures of maintaining market relevance and delivering shareholder returns. Considering these engagements together provides an interesting insight, as each sector faces similar challenges in addressing emissions, highlighting common themes and obstacles in their decarbonisation efforts. Through direct engagement, LAPFF seeks to drive progress on both short-term measures and long-term decarbonisation targets and strategies.

Achieved:

Cement: Cement production is a major contributor to global carbon emissions due to the chemical process involved in its manufacturing. LAPFF met with cement company CRH to discuss the company's decarbonisation strategy. The meeting highlighted the challenges of addressing emissions from the sector, particularly with respect to the perceived necessity to use Carbon Capture and Storage (CCS) technology. CCS technology remains a critical, but unproven, technology for the industry. CRH has yet to implement CCS into its operations but noted its need to be site-specific, i.e. proximity to the North Sea or Atlantic Ocean. CRH noted that their transition strategy is currently focused on energy efficiency gains, including the use of cheaper electricity and recycling materials. LAPFF will continue to engage with CRH and other cement producers, of which LAPFF members have holdings, to compare progress across the industry.

Housebuilders: Decarbonising the housing and housebuilding sector will play an important role in the UK meeting its climate targets. Housebuilders' emissions are split between those from homes in use and those from suppliers, including cement and steel. LAPFF's engagements with Bellway and Vistry Group in 2024 revealed that both companies are making strides in preparing for the yet confirmed UK Future Homes Standard to reduce emissions from the homes in use, including through the use of heat pumps. More challenging is reducing emissions from supply chains. Here timber-frame construction can act as an important low-carbon substitute while the companies are seeking to work with their suppliers and contractors to seek solutions to reducing emissions.

Aviation: The aviation sector faces significant challenges in reducing its carbon footprint. LAPFF engaged with Ryanair, Wizz Air, and IAG to discuss integrating innovations like Sustainable Aviation Fuel (SAF), hydrogen power, and biofuels. SAF is playing a key role in meeting short- and medium-term emissions targets, while hydrogen powered technology is not expected to be viable before 2050. Airlines differ in their net-zero targets, with IAG and Ryanair committed to 2050 targets, while Wizz Air is planning to publish its goal next year. Discussions also highlighted the need for SAF incentives and more equitable global emissions regulations, especially given the burden of strict inter-EU flight rules. Despite shared progress, airlines face challenges balancing sustainability with operational demands, especially in adhering to evolving regulations and decarbonisation goals. The sector's reliance on developing technologies like SAF and hydrogen power highlights the complexity of achieving net-zero in a highly regulated environment.

Steel: The steel industry is another high emissions sector, due to the traditional steel manufacturing process and to the geographical distance between raw materials and European manufacturing plants. Companies LAPFF engaged with in 2024 included Swedish steel producer, SSAB, and ThyssenKrupp, the German steel producing company. Both companies are beginning to explore innovative technologies to reduce reliance on coal, coke and blast furnace technology.

From LAPFF engagement, it appears SSAB is leading efforts to transition to green steel production through the transition to making steel through the direct reduction of iron using hydrogen (DRI) and the replacement of traditional blast furnaces with electric arc furnaces. ThyssenKrupp is also investing in the DRI technology and noted long-term plans to produce CO_2-neutral steel by 2045 and the target to have net-zero operations by 2050, however, it noted challenges remain in securing green energy. SSAB's commitment to using renewable energy in the production process sets a positive example, though challenges remain in terms of scaling these technologies across the industry. SSAB are also producing recycled steel, although the "green" credentials of the steel are subject to debate due to inherent emission.

In progress: While LAPFF has made strides in engaging these hard-to-abate sectors , much of the work remains ongoing. These industries, when considered together, provide valuable insight into the common challenges in reducing emissions. Key themes emerge, such as the opportunities and challenges present in the development of disruptive technologies like Carbon Capture and Storage (CCS) and hydrogen power. These innovations represent significant potential in decarbonisation efforts, but sectors face similar obstacles, including advancing the technology, scaling up infrastructure, and ensuring economic feasibility.

LAPFF's commitment to fostering climate resilience through strategic industry collaboration will continue into 2025, with an ongoing emphasis on evaluating transition pathways and their alignment with broader decarbonisation efforts. The Forum commits to continued dialogue with companies to track their progress on decarbonisation efforts and to ensure they meet both regulatory and voluntary climate targets. Future engagements may aim to include a focus on sectors where carbon capture technologies will be essential, as well as on exploring the competitive dynamics within industries like steel and cement, where different approaches to and speeds in decarbonisation will undoubtedly reshape market leadership.

Climate Transition Plan Votes

Objective: To ensure that issuers are adequately planning for the decarbonisation of their business models and reducing transition risks, LAPFF engages companies on their climate transition strategies. Within these plans LAPFF expects companies to set out Paris-aligned targets with clear strategies outlining how they will be met. For investors to make informed investment and stewardship decisions, the plans should also include material impacts within the financial statements.

Given the scale of systemic and company-specific climate risks, LAPFF considers it good practice for issuers to put decarbonisation plans to a vote at their AGM. This provides investors through a specific vote the opportunity to signal support for the plan and any associated capital expenditure plans. Conversely, it also allows investors scope to first express concern through a dedicated vote rather than a vote against a director or other resolution on the ballot.

Achieved: In recent years LAPFF has been leading a collaborative effort to encourage companies to provide climate transition plan votes. Over the past three years, we have seen around a fifth of FTSE 100 companies providing shareholders such a vote. These have provided investors with the opportunity to raise specific concerns with the company, with around a fifth of votes resulting in a significant vote against the plans. Under the UK Corporate Governance Code where there is significant shareholder dissent, such companies should engage with shareholders about their concerns.

Building on the momentum of the previous letters the Forum has organised, LAPFF alongside CCLA sought to issue another letter this time to FTSE 100 companies that had not put their plan to a shareholder vote in the past three years. The letter outlined the importance of providing such a vote. It noted that emerging expectations, including from the Transition Plan Taskforce, was that transition plans should be updated every three years, and such a vote should be provided at least as frequently to align with these expectations.

LAPFF secured increased investor backing for the letter with a total of 41 investors signing up. These investors represented £1.6 trillion of AUM demonstrating the collective scale of support. In the letter, LAPFF requested a response and has received substantive responses from around two-thirds of the companies, an increase on previous years. In those responses, LAPFF received commitments from two companies that they would be putting their transition plan to a future vote and the majority of companies stated that a vote was something that they would keep under review. To increase awareness of the issue and gain wider support LAPFF also press released the letter gaining coverage in specialist and national media.

In progress: LAPFF will monitor meeting ballots during the 2025 AGM season to see whether companies are putting 'say on climate' votes on their agenda. LAPFF will also be continuing to work with other investors on this issue to ensure shareholders have the opportunity to support transition plans or raise concerns.


THE NATURAL

Engaging on nature-related issues is crucial not only for preserving the natural environment but also for ensuring the long-term financial health of capital markets. Natural capital—which includes ecosystems, biodiversity, water, and land—forms the foundation of the global economy and is integral to the industries in which LAPFF members invest.

The degradation of these natural assets presents significant financial risks. The World Economic Forum has noted that over half of the world's GDP—approximately US$44 trillion in 2020—is moderately or highly dependent on nature. Looking at projected losses, we see a global decline in natural resources and a faster rate of biodiversity loss than at any other time in human history. The World Bank estimates that the deterioration of certain natural ecosystem services—such as wild pollination, marine fisheries, and timber from native forests—could lead to a $2.7 trillion decrease in annual global GDP by 2030, with emerging markets expected to experience the greatest economic impact.

There is a growing focus on the importance of nature, underscored by the Kunming-Montreal Global Biodiversity Framework established at COP15 in December 2022. This framework sets clear expectations for conservation efforts and maintaining a sustainable relationship with biodiversity. An evolving regulatory landscape is increasing corporate responsibilities regarding reporting and due diligence on the impact of business activities on nature and the environment. This includes regulations like the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), the EU's deforestation regulation, and voluntary initiatives such as the Science Based Targets Network (SBTN) and the Taskforce on Nature-related Financial Disclosures (TNFD).

1

Water Quantity

Companies do not negatively impact water availability in water-scarce areas across their value chain.

2

Water Quality

Companies do not negatively impact water quality across their value chain.

3

Ecosystem Protection

Companies do not contribute to the conversion of natural ecosystems critical to freshwater supplies and aquatic biodiversity and actively work to restore degraded habitats that their businesses depend upon.

4

Access to Water and Sanitation

Companies contribute to the social, economic and ecological resilience of communities they interact with by contributing to achieving universal and equitable access to WASH across their value chain.

5

Board Oversight

Corporate boards and senior management oversee water management efforts.

6

Public Policy Engagement

Companies ensure that all public policy engagement and lobbying activities are aligned with sustainable water resource management outcomes.

WATER STEWARDSHIP

In 2022, LAPFF was named co-chair of the Valuing Water Finance Task Force, a leadership initiative made up of some of the world's largest and most influential asset owners and financial institutions. Convened by the investor network Ceres, the task force aims to drive systemic change in how institutional investors, banks, and corporations value water—a resource vital to nearly all life and economic activity. Water is an increasingly significant systemic risk for asset owners due to mounting pressures on freshwater resources. Population growth, rising demand for food production, and energy needs will further strain these resources. At the same time, climate change intensifies water-related risks, leading to more prolonged droughts and more frequent and severe storms and floods. To prepare for a future with heightened water challenges, LAPFF maintains that investee companies treat water as a critical resource. To this end, the task force developed a set of corporate expectations for valuing water to support investors with engaging a focus list of companies considered to be most exposed to water-related risks.

LAPFF was initially appointed as the lead investor of two companies Chipotle and Constellation Brands, as well as a supporting investor at Burberry Plc. There have been significant developments at both Chipotle and Constellation Brands during 2024.

Chipotle

Objective: Despite taking on the lead investor position in 2022, LAPFF has been engaging with Chipotle on its approach to water stewardship since 2019. The initial engagement objective was met during 2022, with the company undertaking an ingredient level water risk assessment to identify areas of water stress within its supply chain. The mapping exercise identified suppliers operating in regions of water stress. Having identified priority regions, LAPFF's expectation is for the company to set measurable and time-bound targets to reduce negative impacts on freshwater.

Achieved: During 2024, LAPFF met with Chipotle in advance of the publication of its sustainability report. The company had requested the opportunity to provide an update on the work it had undertaken on managing water risk across the business. The discussion was relatively high-level given the sustainability report had not been released publicly. However, it was clear from the overview provided that the approach being proposed to drive improved water outcomes would fail to meet the expectations of LAPFF, specifically relating to measurability. As a result, LAPFF Executive member John Anzani wrote to the company immediately following the call, reemphasising the Forum's expectations, including by providing peer examples of best practice. Shortly after the engagement Chipotle published its sustainability report which included a goal to support water stewardship efforts to conserve and restore watersheds in priority regions.

In Progress: LAPFF welcomes the publication of the water-related goal set by Chipotle, as well as improved disclosures on the percentage of water withdrawn and consumed from regions with high baseline water stress. However, the goal itself lacks specificity and measurability, it is also not timebound and does not provide a framework of accountability. As such, LAPFF will continue to work with the company to develop robust and ambitious water goals.

ENGAGEMENT WITH CONSEQUENCE

JUNE 2019
LAPFF meets with Chipotle to discuss approach to managing water risk. LAPFF outlines expectations.
↓

DECEMBER 2019
LAPFF meets with company and requests it undertake a comprehensive water risk assessment for operations and supply chain.
↓

MAY 2020
Meeting held with company to discuss progress. Limited progress made.
↓

OCTOBER 2021
Further meeting held to discuss publicly stated intention to map water risk by commodity. Limited progress made.
→

DECEMBER 2021
LAPFF informs the company of its intention to file a resolution at the 2022 Chipotle AGM on behalf of a member fund. The resolution requested the company conduct an assessment to identify its total water risk exposure (including the agricultural supply chain), and policies and practices to reduce this risk and prepare for water supply uncertainties associated with climate change.
↓

JANUARY 2022
Meeting with company to discuss proposal.
↓

FEBRUARY 2022
Following intensive dialogue a withdrawal agreement is reached, conditional on prioritisation of assessment and target setting
→

OCTOBER 2022
LAPFF meets with company to discuss outcome of risk assessment.
↓

MARCH 2023
LAPFF outlines expectation that Chipotle use the results of the assessment to guide the setting of targets to reduce reliance on sourcing from high-risk regions
↓

APRIL 2024
Chipotle publishes a goal to support water stewardship efforts to conserve and restore watersheds in priority regions
•••

ESCALATING ENGAGEMENT

MARCH 2020

Company's planned expansion of its Mexicali brewery in Baja California was rejected by local public referendum over concerns relating to water shortages. The outcome of the referendum resulted in significant uncertainty regarding the approximately $900 million already invested in the $1.4 billion project, which was followed by significant decline in the company's share price.

↓

MAY 2021

LAPFF meets with company to discuss approach to managing water-related risk. LAPFF urges the company to conduct an assessment to better understand total exposure to water risk.

↓

FEBRUARY 2023

LAPFF meets with company to discuss outcomes of the risk assessment, which identifies a number of key commodities as heavily exposed to draught-affected regions. LAPFF requests company consider setting time-bound and measurable targets for sourcing from identified high-risk regions.

↓

JANUARY 2024

Following a lack of progress, LAPFF member fund advises company of intention to file a shareholder proposal.

↓

MARCH 2024

LAPFF meets with Constellation Brands to discuss the basis of the proposal. Engagement does not result in a negotiated withdrawal

↓

JUNE 2024

LAPFF issues a voting alert advising member funds support the 'water risk' shareholder proposal.

↓

JULY 2024

Water risk proposal is presented during the Constellation Brands AGM and receives significant support from the investor base (35%)

•••

Constellation Brands

Objective: LAPFF sought to engage Constellation Brands regarding setting time-bound, science or contextual goals, targets or policies to address impacts on water availability in water scarce areas across the sections of the value chain for which water is most material. LAPFF's engagements were undertaken as the lead investor for Constellation Brands as part of the Valuing Water Finance Initiative (VWFI).

Achieved: In January 2024, a LAPFF member fund filed a resolution requesting Constellation Brands issue a report assessing the feasibility and practicality of establishing time-bound, quantitative goals to reduce supply chain water usage to mitigate value chain risks related to global water scarcity in high-risk areas. During Q2 LAPFF issued a voting alert urging members to support the resolution, highlighting the importance for investors to be able to assess the extent to which companies, for which water is material, demonstrate sustainable practices. Constellation Brands AGM was held in July during which over 35% of votes supported the resolution, despite opposition from the Board. Given 2024 is the first year a resolution of this kind has been filed at Constellation Brands, the result is significant and demonstrates the need for the company improve its approach to managing water-related risks to meet investor concern.

In Progress: It is LAPFF's view that Constellation Brands remains acutely exposed to water-related risk within its supply chain, potentially limiting its ability to protect shareholder value. While Constellation Brands has committed to and worked to manage its water-related risks in direct operations, it has been unable to demonstrate they are managing the same risks across the supply chain which could lead to increased input prices and disruptions.

Water Utilities Companies

Objective: For past three years , LAPFF has been actively engaging with UK water utility companies to address water stewardship and tackle the issue of sewage overflows. Victorian infrastructure based on combined sewage system (for rainfall and waste water) means during periods of high rainfall the infrastructure comes under stress. To stop this resulting in sewage backing up into homes and businesses Combined Sewage Overflows (CSOs) were developed as overflow valves. Their use, however, results in untreated sewage being discharged into water bodies, resulting in pollution, regulatory scrutiny, and potential reputational damage for responsible entities. Climate change, through heavier rainfall and storms, exacerbates the issue by overwhelming outdated systems, highlighting the urgent need for infrastructure upgrades and sustainable management solutions to mitigate the impact on ecosystems.

LAPFF's goal is to ensure that water utilities companies are taking the necessary steps to reduce storm overflows and meet environmental objectives. In a highly regulated sector, additional investment requires sign off from the regulator through its price review mechanism. LAPFF sought to ensure that plans to address overflows were in place, progress was being made with regulators and also that investment represented value for money to shareholders and wider stakeholders. The engagements also sought to understand the financial resilience of the sector in light of challenges faced by companies like Thames Water.

LAPFF's water utilities engagements in 2024 included meetings with United Utilities (North West England), Pennon Group (South West England) and Severn Trent (Midlands and part of Wales).

Achieved:

Severn Trent Water

LAPFF met with the chair of Severn Trent Water (STW). This marked the third meeting between LAPFF and STW's chair, reflecting ongoing dialogue on environmental issues, particularly Combined Sewer Overflows (CSOs). The meeting followed Ofwat's release of draft determinations for the 2025-2030 regulatory period, which outlined proposed price controls and investment plans. Severn Trent's plans were well received by Ofwat, which will hopefully put the company in a stronger position to meet overflow reduction targets. In the meeting with the company, LAPFF discussed a range of interventions, including network-wide CSO monitoring, nature-based solutions, and innovations such as the company's "Zero Spills Hub". The meeting also covered the Environment Agency's environmental performance assessment, where STW gained the highest four-star rating.

United Utilities

LAPFF engaged with United Utilities to discuss its plans for reducing storm overflows, focusing on investment strategies in the context of Ofwat's price review process. LAPFF met the Chief Financial Officer where discussions centred around how the company intends to enhance its environmental performance while delivering value for money and maintaining affordability for customers. Key topics included supply chain capacity, adaptive planning, and support for lower-income households. In the second quarter of 2024, LAPFF continued its dialogue with United Utilities' chair, Sir David Higgins, to assess progress towards meeting the company's storm overflow reduction targets for 2025, along with its medium-term goal of a 60% reduction by 2030. The company faces challenges such as increased rainfall, but remains committed to improving environmental outcomes while ensuring that investments deliver value for money.

Pennon Group

LAPFF met with Pennon Group for the first time this year. In a meeting with Pennon's chair and CEO, LAPFF discussed efforts to reduce storm overflows and meet environmental commitments. Pennon Group, which includes South West Water, has been focusing on tackling pollution from CSOs and reducing coastal pollution. A key part of the discussions centred around Pennon's plans to meet its 2025 targets for storm overflow reductions, as well as its long-term environmental strategy. Pennon has committed to significant investments in infrastructure to address these challenges, incorporating a mix of traditional and innovative approaches, such as network monitoring and the use of nature-based solutions. The company also highlighted the importance of maintaining a balance between these environmental goals and ensuring value for money for its customers, particularly given the regulatory pressures of Ofwat's price reviews. Regulatory approval for capital expenditure on pollution reduction remains a key factor in determining the pace and scale of improvements Pennon can make. Additionally, the company faces challenges similar to others in the sector, such as the impact of increasingly wet weather and climate change, impacting on its ability to manage stormwater overflows effectively. The company also outlined how it intended to improve its environmental performance star rating.

In Progress: Public and political concern about pollution from overflows remain high with media stories about pollution incidents a common event. The scale of issues and required actions is such that concerns look set to remain for some time.

As such, LAPFF is closely monitoring the Ofwat regulatory determinations, which will shape the water sector's next five-year business plans. These determinations are critical to ensuring that companies meet their environmental and financial obligations, particularly medium-term 2030 goals.

LAPFF will continue engaging with water utilities to ensure that their investments are effective in addressing the pressing environmental, regulatory, and reputational challenges. Engagement will focus on the implementation of strategies, cost efficiency, and balancing the need for infrastructure upgrades with customer affordability. LAPFF will also track how these companies adapt to regulatory changes, ensure financial resilience, and maintain progress on their environmental and social commitments.

NATURE AND BIODIVERSITY LOSS

Objective: In 2024 LAPFF joined Nature Action 100 (NA100)—a newly established global investor-led engagement initiative focussed on companies with significant impacts on nature. The objective of the initiative is to provide a framework through which investee companies can take urgent action to halt and reverse nature loss by assessing how nature-related risks and dependencies affect their business models. Specifically, LAPFF aimed to engage with companies to understand and encourage their efforts in integrating nature into wider business considerations.

Alongside this collaborative initiatives, LAPFF also undertook engagements on other nature-related issues, including regenerative agriculture and deforestation.

Achieved: Through NA100, LAPFF participated in engagements with AbbVie, Merck & Co, Procter & Gamble, Novo Nordisk and Johnson & Johnson. Initial letters were sent to all focus companies in September 2023, by NA100 itself, outlining investor expectations regarding nature stewardship. Engagement groups were formed, facilitating dialogues with companies that allowed LAPFF to convey the aims of the initiative and afforded companies the opportunity to explain their current approaches to managing nature-related issues. A key focus was understanding whether these companies have mapped the extent to which nature loss could affect their business models, including the negative impacts of their operations and supply chains on nature. The engagements revealed that while companies are at different stages of assessing their full impacts and dependencies, all are engaged in the process to varying degrees.

In addition to our work through NA100, LAPFF initiated a dialogue with TJX Companies, a retailer specialising in brand-name clothing, home goods, and outdoor products. Despite its exposure to commodities potentially linked to deforestation within its supply chain, TJX lacked a public deforestation policy and did not address this issue in its vendor code of conduct. LAPFF met with company representatives for the first time to discuss the development of such a policy. The conversation began with an overview of TJX's sustainability priorities, focusing on climate and energy, before shifting to the topic of deforestation.

LAPFF also engaged with Nestlé to assess the extent to which the company is integrating regenerative agriculture into its business strategy, in line with the agri-food sector's shift toward more sustainable practices. During the meeting, LAPFF gained insights into Nestlé's specific goals, initiatives, and progress in implementing regenerative practices. Discussions covered how these efforts contribute to climate change mitigation and biodiversity conservation, and how regenerative agriculture is incorporated into its broader climate strategy. While the long-term effectiveness of these actions is yet to be determined, the conversations indicated a strong commitment from Nestlé to advance sustainability in its operations.

In Progress: LAPFF intends to deepen its engagement on nature-related issues as a core part of its stewardship activities, recognising the critical importance of preserving natural capital for both environmental sustainability and the long-term viability of

capital market. LAPFF will continue to collaborate with initiatives like the NA100, whose benchmark of the companies engaged was published at COP16 in October 2024. This benchmark will inform further engagement with the companies through the initiative.

Additionally, LAPFF continues to monitor the developments of the Taskforce on Nature-related Financial Disclosures, which finalised and released its framework in October 2023. Where appropriate, LAPFF will push for the adoption of the TNFD framework by companies, seeking to promote greater transparency and accountability in how businesses manage their impacts and dependencies on nature.

PLASTICS AND WASTE

Objective: Amid escalating global concerns over plastic pollution, companies are facing increasing pressure to eliminate single-use plastics from their product lines. Tobacco companies are significantly exposed to this issue because cigarette butts— which are predominantly composed of plastic filters—are the most littered item worldwide. With an estimated 4.5 trillion discarded annually, cigarette filters contribute to the issue of microplastics entering ecosystems. LAPFF aimed to engage with these companies to understand how they are assessing and managing the risks associated with plastic waste, preparing for necessary adjustments to their business models in a shifting regulatory landscape, and exploring alternatives to plastic components.

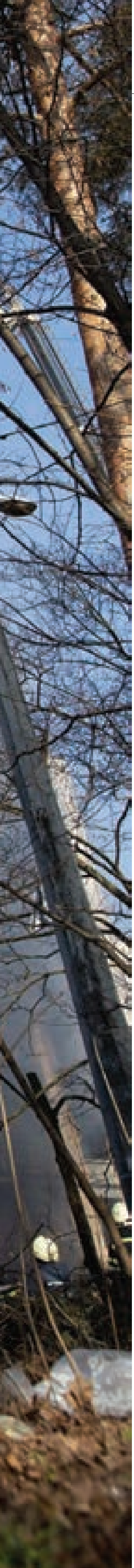
Achieved: Throughout the year, LAPFF held discussions with Philip Morris, Imperial Brands, and Japan Tobacco to discuss these issues. It became evident that the tobacco industry has yet to develop a viable alternative to plastic cigarette filters. The companies reported significant challenges, citing issues such as consumer acceptance, potential impacts on product performance and emissions, and the substantial costs involved in research and development. The lack of progress in finding alternatives may expose these companies to increased regulatory scrutiny and financial risks.

Despite traditional tobacco products remaining central to their business strategies, there is a noticeable shift toward developing “reduced risk” or “next generation” products, including heated tobacco devices and various vaping products. However, as these companies diversify their offerings, new environmental concerns emerge—particularly the increased use of plastics and the disposal of batteries from single-use vapes. Addressing these issues underscores the need for a transition to a more circular economy in product changes, where materials are reused and recycled to minimise environmental impact, although a circular economy does not seem viable for traditional tobacco products. Each company is adopting different strategies to achieve a sustainable future for their alternative products, but the industry as a whole has significant progress to make.

The discussions also touched on the intensifying global regulatory pressures on smoking and vaping. Proposed legislation like the UK Tobacco and Vapes Bill could have implications for the industry. If enacted, this bill would prohibit the sale of tobacco products to anyone born after January 1, 2009, effectively phasing out tobacco use for future generations. Such potential regulatory changes highlight the urgency for tobacco companies to adapt and innovate in response to evolving legal and societal expectations.

In Progress: The Forum will continue to monitor and engage on the progress being made by these companies, and

SOCIAL FACTORS



HUMAN RIGHTS

Conflicted-Affected and High-Risk Areas (CAHRAs)

This year witnessed increased and escalating geo-political tensions and conflicts, including within the Middle East. Rising geo-political tensions also played out through the rising levels of economic protectionism, which has also incorporated interventions that seek to take action against human rights violations associated with high-risk areas. More generally there has been a move within some jurisdictions to increase the responsibilities of companies to address adverse environmental and human rights impacts within their supply chain, which are often most prominent within conflict-affected and high-risk areas.

To address these issues LAPFF has undertaken work on behalf of the membership to develop its approach with regard to heightened Human Rights Due Diligence. This places additional responsibilities on businesses and other actors regarding human rights due diligence in conflict-affected areas.

Failure to address such risks can have severe impacts on affected communities and rights holders. And for Investee companies, LAPFF considers the failure to adequately manage human rights risks can be financially material, including via reputational damage, litigation and operational disruptions which can adversely affect financial performance and shareholder value.

As such, LAPFF seeks to ensure that companies have robust due diligence processes in place identify risks, manage and act on those risks, track measures taken, engage stakeholders and report on their approach and grievance mechanisms.

Achieved:

Uyghur Forced Labour

in 2024 LAPFF, alongside other investors and as part of the Investor Alliance for Human Rights Uyghur Working Group, engaged with Home Depot. This was the second engagement and followed reports in August 2023 that U.S. Customs had blocked shipments of luxury vinyl tiles (LVT) from Asia, including those destined for Home Depot amidst ongoing concerns over forced labour in the Xinjiang region in China. During the meeting, LAPFF requested enhanced disclosures on the steps Home Depot was taking to ensure its supply chain is free from forced labour. The Forum further interrogated the company's strategies to manage potential supply chain bifurcation and the auditing procedures being adopted to enhance transparency and accountability.

Electric Vehicle Manufacturers

The IEA has forecast that by 2040, demand for critical minerals such as lithium, cobalt, nickel, and other rare earth elements could increase by as much as six times, driven in large part by the growth in EV production. These minerals are often sourced from regions with poor governance and weak labour protections, and are considered conflict affected or high risk. In this context, LAPFF has sought engagement with electric vehicle manufacturers. Engagements have focussed on the human rights challenges within the electric vehicle (EV) industry, particularly concerning mineral supply chains. In second meetings with Ford and Renault, and a third with Mercedes-Benz, LAPFF noted progress in their human rights management processes as well as compliance with international regulations. The companies had improved the depth and transparency of their public reporting and appear to be more actively engaging with suppliers to pursue ethical sourcing in line with international human rights standards. Despite these advancements, LAPFF identified areas requiring further improvement and will continue to encourage these companies to fully integrate hHRDD practices throughout their operations.

Maersk

Amid the increasing scale and intensity of armed conflicts globally, LAPFF engaged with Maersk to understand the challenges the company faces when operating in conflict zones, particularly in the Red Sea region where shipping companies experienced attacks linked to the escalation of conflict in Gaza. As Maersk is widely held by LAPFF members, this engagement was crucial to assess the company's preparedness and response strategies. An initial meeting revealed that while Maersk has some policies and frameworks addressing operations in high-risk areas, there is a need for enhanced heightened human rights due diligence (hHRDD). In a subsequent meeting within the year the company provided some specific examples of hHRDD in its operations. LAPFF will be continuing to engage the company to understand how the company is seeking to implement such an approach across its entire operations.

Defence Companies

During 2024 LAPFF reached out to several defence and manufacturing companies—including Caterpillar, RTX Corp, BAE Systems, Lockheed Martin, and Thales—to discuss concerns about human rights impacts in high-risk and conflict-affected areas. Recognising that companies operating in or supplying products and services to conflict zones bear heightened risks and responsibilities, LAPFF aimed to ensure these entities were implementing robust human rights due diligence practices in adherence to international standards.

In its communications, LAPFF sought to understand how these companies manage human rights risks associated with the use of their products in conflict areas. Thales, RTX Corp, Lockheed Martin, and Caterpillar responded by providing links to their human rights policies, although they did not offer substantive details on the specific issues raised.

LAPFF met with the chair of BAE, Cressida Hogg, to discuss governance practices and the company's approach to human rights due diligence amid ongoing global conflicts. The conversation covered her first year in the role and how she navigated strategic and governance challenges in the face of heightened geopolitical tensions. BAE Systems expressed confidence in its business model and workforce, emphasising its commitment to robust governance.

IAHR pilot project on conflict-affected and high-risk areas (CAHRAs)

LAPFF has been an active participant in the Investor Alliance on Human Right pilot project on CAHRAs. The initiative is: "engaging a delimited set of portfolio companies in the technology and renewable energy sectors with exposure to risks in CAHRAs." The initiative is responding to growing interest among investors for support and collaboratively working to enable the identification and mitigation of CAHRA-related risks. Over the year, LAPFF engaged as a supporting investor through the pilot project which is helping inform engagement with other companies on CAHRA.

In Progress: LAPFF is continuing to engage and develop its approach to engaging sectors that operate in conflict-affected and high-risk areas. Through these engagements LAPFF seeks greater transparency around companies' human rights policies and human rights risk mitigation. Given the importance of the issue and growing geo-political tensions LAPFF will be focusing considerable attention to the issue over the coming year.

MINING AND HUMAN RIGHTS

Objective: LAPFF has had long-held concerns about human rights-related risks in the mining sector. Such concerns have tragically been observable in tailing dam collapses, which alongside the lives lost and lasting environmental damage have resulted in multi-billion dollar fines. As such, LAPFF seeks to engage communities about their ongoing concerns and companies about how they are seeking to identify, mitigate and manage their adverse human rights impacts.

Achieved: Over the year LAPFF continued to engage with major mining companies ensuring their approaches are in line with the UN Guiding Principles on Business and Human Rights. To assist with this engagement LAPFF continued engage stakeholders and contribute to policy discussions on the issue.

African Mining Indaba

LAPFF attended the African Mining Indaba in Cape Town, South Africa. Although the conference highlighted important issues such as health and safety, LAPFF expressed concern over the exclusion of mine workers and affected communities from panel discussions. LAPFF used the opportunity to promote its reports on mining and human rights, emphasising their financial relevance. Climate discussions were also noted, but LAPFF voiced concerns about the emphasis on continued coal use without a clear timeline for phasing it out.

OECD Forum

LAPFF participated in a panel organised by the PRI Advance human rights initiative at the Organisation for Economic Co-operation and Development (OECD) Forum. The discussion covered stewardship tools, human rights data, and stakeholder engagement, attracting a diverse audience including industry stakeholders such as Rio Tinto. The panel sparked productive discussions with other stakeholders, including companies and community representatives from South Africa and Tanzania.

UN Working Group on Investors and ESG

LAPFF submitted a response to the UN Working Group's consultation on investors and ESG, sharing its reports and work with affected communities. In its subsequent report the working group noted LAPFF's work with affected communities in response to tailing dam collapses in Brazil which it cited as an "example of meaningful consultation by investors".

LAPFF will continue to work with the UN and other international stakeholders to integrate human rights into mining best practices, with a focus on their financial relevance for investors.

Anglo American

LAPFF attended Anglo American's AGM to observe shareholder engagement on topics such as the BHP takeover proposal, human rights, and environmental issues in South America and South Africa. While there were limited responses on the takeover, the board responded to shareholder concerns about these broader issues.

Glencore

LAPFF maintained engagement with Glencore, participating in a collaborative effort led by Achmea Asset Management. The focus has been on addressing human rights concerns raised by affected communities and improving Glencore's climate governance. LAPFF issued a voting alert ahead of Glencore's 2024 AGM, expressing concerns about the company's lack of engagement on sustainability and human rights. This was part of a broader collaborative engagement led by Achmea Asset Management. LAPFF, along with other investors, was approached by community members from Peru, Colombia, and the Brazilian Amazon to raise concerns about Glencore's environmental and human rights practices.

Vale

LAPFF received a written response from Vale regarding the PRI group's requests related to the Samarco tailings dam collapse in Mariana, Brazil. Vale also welcomed a new CEO, Gustavo Pimenta (preceded by Eduardo Bartolomeo) and confirmed the appointment of a permanent CEO at the Renova Foundation, the entity responsible for administering reparations. Vale showed willingness to engage with the PRI group, which was seen as a positive step.

Rio Tinto

LAPFF has engaged Rio Tinto over its human rights impact with the focus of most recent engagements on water. LAPFF has focused these engagements on requesting the company undertakes independent water impact assessments following concerns about its QMM operations in Madagascar. During the year LAPFF met the chair of the company and attended the AGM to discuss the issue. Ahead of the AGM also issued a voting alert raising concerns regarding the company's water management approach.

In Progress: LAPFF continues to engage the sector because of its significant exposure to human rights risks and adverse impacts. This work will continue through LAPFF's direct engagement and through the Forum's involvement with the PRI Advance project. This work will continue to be informed by our engagement with wider stakeholders.

EMPLOYMENT STANDARDS

Luxury Goods

Objectives: Addressing forced labour and other employment-related violations continue to be a focus for responsible investors. LAPFF has engaged the luxury goods sector to ensure robust due diligence processes are in place to manage the associated risks.

Achieved: Recognising that the luxury goods sector can often rely on complex supply chains susceptible to labour rights violations, LAPFF engaged with several key luxury goods manufacturers – Burberry, Moncler, Richemont, Kering, and Louis Vuitton Moet Hennessy – to address concerns regarding employment standards. The engagements focused on assessing the companies' approaches to identifying and addressing human rights risks, particularly their social auditing processes, risk management strategies, and supply chain due diligence. LAPFF addressed issues such as the effectiveness of human rights policies, the robustness of monitoring systems, and the transparency of disclosures to investors and stakeholders. By initiating dialogues with these companies, LAPFF emphasised the importance of robust employment standards and effective supply chain management in mitigating legal and reputational risks. The Forum highlighted how enhanced disclosures and proactive management of human rights issues are critical for demonstrating a company's commitment to ethical practices and long-term sustainability.

In progress: LAPFF intends to follow up with these companies as they seek to enhance transparency around human rights practices.

Zero Hour Contracts

Objective: Following the July UK general election, the Labour Party committed to banning zero-hours contracts (ZHCs) through the Employment Rights Bill, published in October 2024. The bill proposes to grant individuals on zero or low-hours contracts the right to a guaranteed hours contract if they have worked regular hours over a defined period, providing greater earnings security. However, individuals may remain on ZHCs if they prefer this arrangement.

It is estimated that around 1 million workers in the UK are employed on ZHCs, with women and people from ethnic minority backgrounds disproportionately affected. The vast majority of ZHC workers occupy non-supervisory roles. The use of ZHCs is concentrated in several sectors, including hospitality, arts, entertainment, leisure, health and social care, transport and storage, wholesale, and retail.

The goal of LAPFF's engagement on this issue is to understand the potential financial impacts and materiality of reduced ZHC viability on companies and sectors who rely on their use.

Achieved: LAPFF initiated a series of engagements to explore the use and impacts of a ban on exploitative ZHCs in the UK. The Forum is engaging with companies in sectors that use ZHCs as a core part of their operations to understand the scale of their reliance, the potential business impacts of the ban, and any measures companies are taking to mitigate the associated risks. Where relevant, the Forum sought to request additional disclosure on ZHC exposure to help investors better assess potential effects on specific companies or sectors.

LAPFF received written responses from both Compass Group and Hollywood Bowl. Frasers Group refused LAPFF's invitation to engage and did not provide its position on ZHCs.

Mitie Group agreed to a meeting with LAPFF vice-chair John Gray to discuss the company's exposure to forthcoming legislative changes concerning ZHCs. Mitie Group indicated that only a very small proportion of its 60,000+ employees were on ZHCs, suggesting that a potential ban on these contracts would have minimal impact on its operations. The engagement also explored broader issues related to precarious work and the potential implications of the proposed Employment Rights Bill. Mitie Group expressed openness to ongoing discussions with LAPFF after the Employment Rights Bill is published.

In response to questions about its use of ZHCs, Compass Group clarified that ZHCs are employed in specific areas such as hospitality and sporting events, where operational flexibility is critical. The company explained that its flexible working policy allows employees on ZHCs to request fixed-hour contracts, and all ZHC workers are offered full employment contracts with the same terms and benefits as the rest of the workforce. Compass Group believes its approach aligns with industry best practices and anticipates minimal impact from the Labour Party's proposed legislative changes.

Hollywood Bowl reported that a small proportion of its hourly workforce, primarily university students, are on ZHCs. It noted its intention to phase out these contracts in favour of fixed-term contracts for seasonal workers. The company is awaiting further guidance on the 2024 Employment Rights Bill before finalising its broader approach. Hollywood Bowl remains open to continued engagement with the Forum as the bill develops.

In Progress: LAPFF maintains that there is no conclusive evidence suggesting that business models dependent on zero-hour contracts and precarious work outperform those that adopt more inclusive human capital strategies. The bill itself highlighted Trades Union Congress (TUC) research which found nearly two-thirds of managers (64%) believe that ending zero-hour contracts would have a positive impact on their business. With the passage of the bill set to take place over the coming year with new regulations perhaps not introduced until 2026, LAPFF will continue engagement with companies to ensure they are preparing for a potential ban on ZHCs.

PROMOTING GOOD GOVERNANCE

Executive Remuneration

Objective: The Financial Conduct Authority (FCA) in the UK has been reviewing its listing rules in an effort to make the London Stock Exchange (LSE) more attractive to companies and investors. Although proposed changes aimed at making it easier to pay directors more money have not explicitly been the focus of the FCA's reforms, any rule changes that provide more flexibility to companies, such as easing governance or shareholder approval requirements, could indirectly make it easier for boards to make decisions on executive compensation. For example, one of the key reforms has been simplifying the premium and standard listing segments into a single listing category. The goal is to increase flexibility for listed companies and encourage more global firms to consider London as a destination for going public. Whilst the FCA argues these changes are primarily designed to streamline corporate governance requirements and make the capital markets more accessible. Some commentators, including LAPFF, are concerned that making the process of listing on the LSE more desirable for companies would come hand-in-hand with eroding hard-won shareholder protections, including best practice guidelines relating to executive compensation. LAPFF is of the view that investor protection and maintaining strong corporate governance standards must form the bedrock of any proposed listing reforms.

Elements of executive pay are also governed by company law and shareholders will continue to be able to hold boards to account for decisions in approving directors' pay through binding votes on remuneration policies. That said, allowing companies to list with dual-class share structures, which it is understood is being considered as part of the reform, would further restrict shareholders ability to hold companies accountable on pay decisions. This may reduce the opportunity of shareholders to reach the 'significant dissent' threshold of 20% votes . It is this mechanism which LAPFF used to engage investee companies over poor pay practices during 2024.

During 2024 LAPFF requested engagement with UK-listed companies at which significant dissent to remuneration was observed during the 2024 proxy season. The objective of the engagements was to understand what was driving the dissent and steps being taken by the company to address shareholder concerns.

Achieved: LAPFF held meetings with AstraZeneca, Pearson and Synthomer to discuss the high levels of shareholder dissatisfaction. This included a meeting with the chair of AstraZeneca, Michel Demaré, to discuss the company's approach to Executive compensation following opposition of 35.6% to the remuneration report at the 2024 AGM. The CEO of AstraZeneca was the highest paid in the FTSE100 in 2024, receiving over £18 million in total compensation. Mr Demaré outlined that the company benchmarked pay against a US peer group, a market in which the quantum of pay is comparatively high versus the UK. Mr Demaré further highlighted the value created for shareholders by AstraZeneca over recent years. In response, LAPFF outlined expectations of its members regarding excessive quantum and observed that a focus on the development of talent internally for the purpose of succession planning could alleviate pressures on the granting of excessive awards for the purpose of retention.

LAPFF also met with Sherry Coutu, chair of the remuneration committee of the educational publishing company Pearson. The company had received an opposition vote of 30.2% to the remuneration report during its AGM earlier this year. Similarly to AstraZeneca, the company outlined that a relatively high percentage of its revenue derives from the US and higher quantum was necessary to retain and motivate talent. LAPFF raised concerns over the apparent excessive nature of a buyout award made for new CEO Omar Abbosh which totalled over £13 million. The award was granted to replace shares Mr Abbosh lost as a result of leaving the employment of Microsoft. LAPFF also raised concerns over the recent increase in maximum variable pay levels from 550% to 750% of the base salary.

Lastly, LAPFF met with the chair of Synthomer, Caroline Johnstone, alongside remuneration committee chair, Holly Van Deursen. The company had received 44.6% opposition to its remuneration report during its 2024 AGM. The primary driver behind the dissent was the apparent lack of alignment between the rate of vesting of CEO awards with recent shareholder experience, this in part a result of non-financial performance criteria vesting at 100%. LAPFF further raised concerns over the use of EBITDA as a performance metric in both the annual and long-term incentive scheme, which provided the opportunity for the CEO to be paid twice for the same performance.

In progress: LAPFF will continue to focus its attention on executive pay. LAPFF remains concerned that signals from regulators and parts of investment community over executive pay and will engage where practices fall short of the Forum's expectations.

Reliable Accounts and Capital Market Regulatory Reform

Objective: LAPFF has continued to focus on policy making in the area of reliable accounts given problems with accounting standards and standards of auditing. The focus also extends to climate change aspects of accounts, including decarbonisation. The governance of the Financial Reporting Council was a point of focus for over a decade, and the new Government made a commitment to turn the FRC into the Auditing Reporting and Governance Authority ('ARGA').

This year the LAPFF Executive has set up a capital markets working group to address potential concerns relating to the lowering of governance standards relating to the London Stock Exchange listing regime. That concern has crystalised, with relaxation of requirements for votes on related party transactions, 'Class 1' transactions (such as large takeovers) as well as other matters.

Pressure has been coming from a self-appointed organisation called the "Capital Markets Industry Taskforce" (CMIT) chaired by the chief executive of the London Stock Exchange and with taskforce members covering the accounting industry and IPO lawyers whose apparent remit is to lower corporate governance and stewardship rules, as well as other matters including dual class share structures, such as "crossover capital" which means non-voting capital (which isn't 'equity' by the meaning of that word).

The CMIT is turning its attention to pay, championing US style pay. That doesn't merely go against long held positions of asset owners but also previous government policy.

LAPFF recognised a number of years ago that technology companies in particular tend to have poor governance structures, including dual class shares and share concentration in the hands of their founders. Many of the technology companies LAPFF members hold are headquartered in the US and are notoriously hard to engage.

Also, the body known as the Investor Forum - which was already dominated by asset managers, thus diluting the independent voice of asset owners - had announced it was to become the Investor and Issuer (i.e. companies) Forum. At its launch that new body is described in structural terms as "backed by the London Strock Exchange".

Achieved: The first action of the capital markets working group was to write to the chair of the London Stock Exchange Group (LSEG), the parent of the LSE, as the listed company that LAPFF members have substantial holdings in.

The correspondence has three main areas of focus.

Firstly, that claims are being made about London losing (or not gaining) listings without overt public evidence, and that the LSEG as a listed company itself should only be making evidenced water-tight statements, given that the issues involve why the LSE is gaining or losing customers.

Secondly, that the CMIT has no remit from asset owners.

Thirdly, focus on Initial Public Offerings ('IPO') which have been investment disasters. NMC Health (100% loss), Finablr (100%) loss, Aston Matin Lagonda (95% loss), Patisserie Holdings (100% loss) and South Cross (100% loss).

Prior to the above issues, LAPFF had promoted the concept of Paris aligned accounts. That is now is now a mainstream issue and is getting into ambit of international accounting standard setters. The project started as an initiative between Sarasin Partners and LAPFF.

In progress: The capital markets working group is focussing on the governance of the capital markets regulatory regime, which will include the proposals for ARGA.

Also in progress is an exercise to help determine what makes a capital market attractive or not given the lack of balance in the CMIT led lobbying.

Board Diversity

Objective: LAPFF aims to enhance corporate performance and governance by promoting board diversity across various dimensions, including gender, cultural, and economic backgrounds. Recognising that diverse boards can contribute to better decision-making and improved financial returns, the Forum seeks to engage with companies to encourage the appointment of diverse board members and the integration of diverse perspectives into corporate strategies and practices.

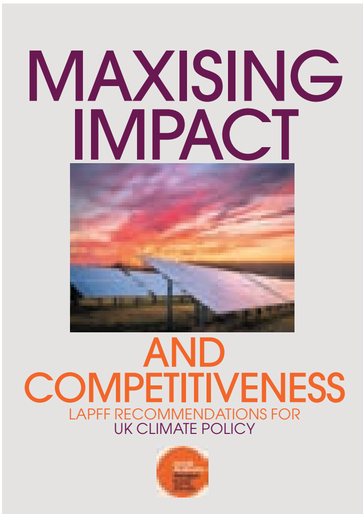
Achieved: LAPFF continued membership in the 30% Club Investor Group, focusing on increasing gender diversity on corporate boards worldwide. As part of the Group's Global Workstream, LAPFF met with KKR & Co., an American global investment company, to discuss its approach to gender diversity and potential targets. Despite the challenging environment in the USA, where there's mounting pressure on companies to reduce diversity, equity, and inclusion (DE&I) programmes, LAPFF navigated sensitivities by encouraging disclosures such as pay gap reports and fostering progress where possible.

The Forum also engaged with Glencore, questioning whether the company's smaller board size allows for sufficient diversity of views and expertise, particularly in areas like climate change and human rights. LAPFF advocated for broader diversity to enhance board effectiveness and oversight.

To address the issue of all-male boards in Japan, LAPFF wrote to five Japanese companies, including Toyota Industries responded positively, indicating plans to appoint a female director at its AGM. LAPFF subsequently met with representatives from the company and discussed various initiatives on supporting women in the company, as well as diversity across all levels.

In Progress: LAPFF continues to pursue dialogues with companies to promote board diversity and will pay close attention to pushback on issues of diversity in areas like the US.

POLICY ENGAGEMENTS



LAPFF UK Climate Policy Report

LAPFF's work in seeking to reduce climate risks faced by investors is influenced by the policymaking environment. In 2024 the Forum issued recommendations for how the UK government can support investment in climate action while boosting competitiveness and long-term growth. The report, "Maximizing impact and competitiveness: LAPFF recommendations for UK climate policy", acknowledged the significant progress achieved, including coal use being largely eliminated and the growth in renewable energy. However, the report further noted that the next stage of addressing the energy transition will be more challenging.

To deliver investment in the transition and make the UK a green finance centre, the report outlined attributes of good policy from an investor perspective. These include policy being: consistent to enable investors to plan ahead and allocate resources accordingly; conscious of financial materiality and thus having fiscal incentives for sectors to decarbonise; technologically realistic about what will work; and being internationally competitive to attract investment from UK and non-UK investors that operate in international markets.

The report highlighted concerns over CCS and recommended support focused on climate solutions in key industrial sectors such as iron and steel, housing and transport and the general electrification of industry. It also noted the importance of a just transition.

The report was well-received and was covered in specialist and national media. LAPFF intends to draw on the report in future engagement with policymakers.

Party Conference Fringe Meetings

As part of LAPFF's policy engagement, the Forum hosts fringe events at the political party conferences. These events provide the opportunity to engage parliamentarians and a wider range of stakeholders, to outline the work that LAPFF undertakes, to emphasise our fiduciary duties and to highlight how policymakers can better support responsible investors. At this year's conferences, LAPFF covered a range of topics related to Forum's workplan.

The first fringe meeting was at the Liberal Democrat conference held in Brighton where the focus of the discussion was on: Investing in the green transition – what needs to change? At the meeting LAPFF executive member, Cllr Toby Simon, set out the work that LAPFF undertakes engaging companies on the transition, the case for dedicated votes on climate transition plans and stressed the importance of pension funds' fiduciary duties. The other speakers included Wera Hobhouse MP, Energy and Climate Change Spokesperson, Baroness Shaista Sheehan, Director, Peers for the Planet Group and Cllr Martin Horwood, President Green Liberal Democrats, who all outlined their thoughts on supporting investment in the green transition. The discussion chaired by Gideon Amos MP covered divestment, fiscal incentives and fossil fuel subsidies and offsetting.

At the Labour Party conference in Liverpool LAPFF hosted a fringe meeting on: A new deal for working people – how will investors react? LAPFF vice-chair Cllr John Gray outlined the importance of social factors for investors, the impact LAPFF has had engaging companies on employment standards and the role of government in supporting investors to reduce the social risks they face. The other speakers at the event were Liam Byrne MP, chair of the Business and Trade Select Committee and Nicola Smith, Head of the Rights, International, Social and Economics department at the TUC. The speakers outlined the importance of good workplace practices for creating growth and the role investors can play in driving better standards. The discussion covered the employment rights bill, director and fiduciary duties and company disclosures on social factors.

LAPFF's third fringe meeting was at the Conservative party conference in Birmingham. The event was on: "Investing in the UK – can British pension funds do more?" and was chaired by Charlotte Pickles, the director of the think tank Reform. LAPFF's chair, Cllr Doug McMurdo, outlined the work of LAPFF, emphasised fiduciary duties and stressed the importance of corporate governance standards when it comes to investing in public equities – noting the Forum's correspondence with the London Stock Exchange on this issue. The other speakers were Lord Dominic Johnson, former Minister for Investment and Karim Palant, Director of External Affairs, BVCA. The discussion covered the number of DC schemes, pension fund consolidation, the government's pension investment review and the value-for-money framework.

All Party Parliamentary Group

Ahead of the general election, LAPFF held a meeting with the then LGPS minister, Simon Hoare MP. At the meeting, the minister outlined the government's response to the recent consultation and noted that fiduciary duties had always to be met, but that there was an opportunity to deliver public benefit from public pension funds. The discussion covered the issue of pooling and the goal of increasing local investment.

The APPG also had a presentation from Luba Nikulina, chair of the Taskforce on Social Factors (and Chief Strategy Officer, IFM Investors) ahead of the publication of its final report. She outlined the work of the DWP-initiated taskforce and consideration of social factors in pension scheme investments.

Social Factors Taskforce

LAPFF has been engaging on social factors such as employment standards and human rights since it was founded over 30 years ago. Despite the importance of social risks to investment returns, they have often not had the same level of attention as corporate governance and environmental risks. LAPFF has sought to change this through its work, collaborating with other investors and engaging policymakers. As such, in 2021 LAPFF responded to a Department of Work and Pensions consultation on social factors setting out the work LAPFF has undertaken and the impact we have had. In response to that call for evidence, DWP established an independent Taskforce on Social Factors and LAPFF was invited to become a member.

The establishment of the taskforce was a welcome sign of progress and showed that the impact of LAPFF's focus on social factors over the years was being recognised by policymakers. Indeed, it was testament to LAPFF's leadership and commitment on the issue that the forum was invited to join. The taskforce, chaired by Luba Nikulina from IFM, sought to look at why social factors are important, identify reliable data, and specifically look at modern slavery and supply chain risks. The taskforce included members such as LAPFF and observers from the Financial Conduct Authority, Financial Reporting Council, HM Treasury and the Pensions Regulator.

LAPFF played an active role in the taskforce attending meetings and being involved in a subgroup. The group issued a draft report for consultation in 2023 which outlined a series of recommendations to trustees, asset managers and policymakers. The final report was launched in March 2024 and included a series documents, including a 'quick start' guide for trustees and guides on data sources, stewardship and considering social factors in investments. The final report included a series of recommendations to pension trustees, the investment industry, regulators, government, civil society and businesses. The publication marked a significant step forward by having a focus on social factors, and LAPFF will be seeking to ensure that further strides are made in the integration of social factors in stewardship activities across the market.

ENGAGEMENT HIGHLIGHTS

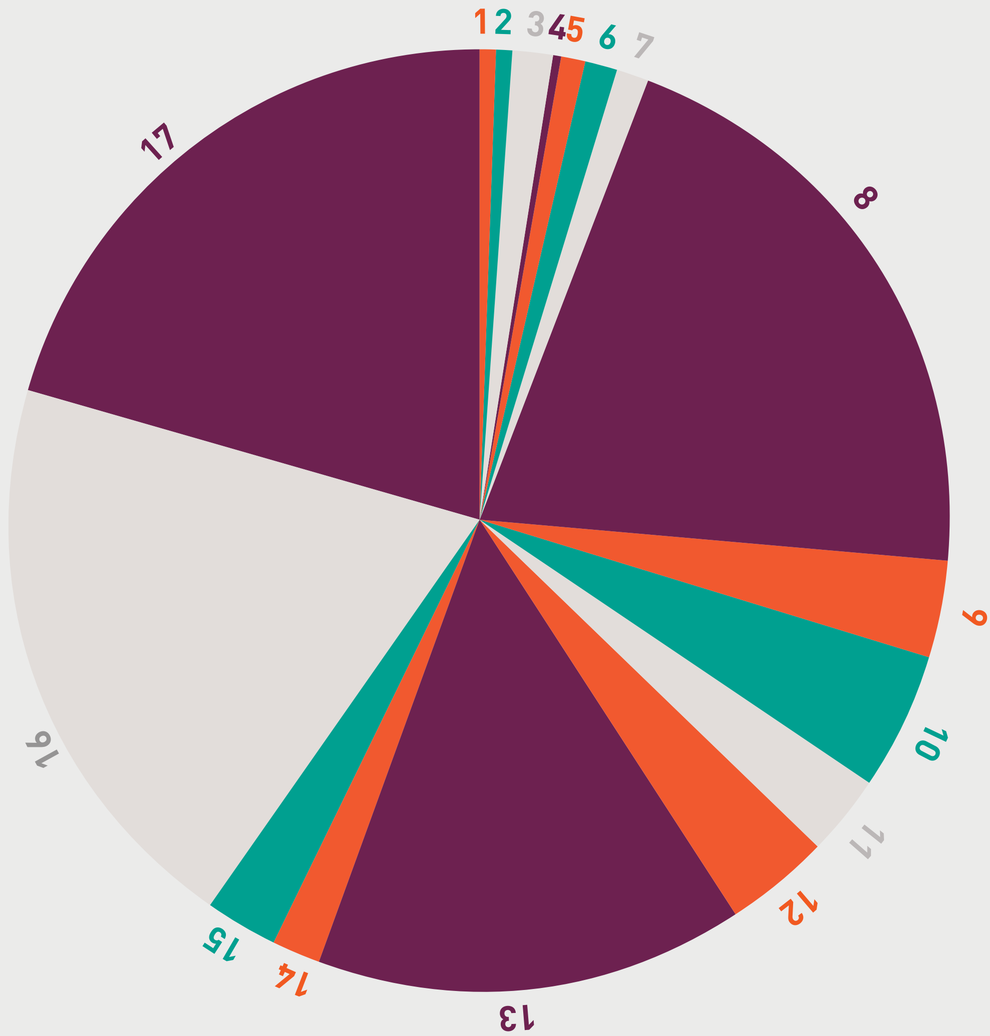
VOTING ALERTS

Company	AGM Date	Resolution	Recommendation	FOR	Against	Abstain/ Withhold
BHP Group Ltd	01/11/2023	10. Adoption of Remuneration Report	OPPOSE	99.2	0.5	0.3
BHP Group Ltd	01/11/2023	11. Approval of Equity Grants to CEO	OPPOSE	97.5	2.1	0.4
BHP Group Ltd	01/11/2023	4. Re-elect Gary Goldberg	OPPOSE	99.1	0.7	0.2
BHP Group Ltd	01/11/2023	6. Re-elect Ken MacKenzie	OPPOSE	99.3	0.6	0.2
BHP Group Ltd	01/11/2023	7. Re-elect Christine O'Reilly	OPPOSE	97.1	2.7	0.2
Apple, Inc	28/02/2024	3. Advisory Vote to Approve Executive Compensation	OPPOSE	91.8	7.7	0.5
Apple, Inc	28/02/2024	4. EEO Policy Risk Report	OPPOSE	1.3	97.6	1.1
Apple, Inc	28/02/2024	5. Report on Ensuring Respect for Civil Liberties	OPPOSE	1.8	96.9	1.3
Apple, Inc	28/02/2024	6. Racial and Gender Pay Gaps	FOR	30.8	68.4	0.7
Apple, Inc	28/02/2024	7. Report on Use of AI	FOR	36.5	60.8	2.7
Apple, Inc	28/02/2024	8. Congruency Report on Privacy and Human Rights	OPPOSE	1.6	97.2	1.2
Rio Tinto Plc	04/04/2024	1. Receive the 2023 Rio Tinto Annual Report	OPPOSE	99.2	0.4	0.4
Rio Tinto Plc	04/04/2024	12. Re-elect Simon Henry	OPPOSE	99.5	0.2	0.3
Rio Tinto Plc	04/04/2024	2 Approve the Remuneration Policy	OPPOSE	97.0	2.7	0.3
Rio Tinto Plc	04/04/2024	3. Directors' Remuneration Report: Implementation Report	OPPOSE	99.0	0.3	0.7
Rio Tinto Plc	04/04/2024	4. Directors' Remuneration Report	OPPOSE	99.0	0.3	0.7
Lennar Corp.	10/04/2024	7. Adopt GHG targets and issue transition plan (1.5C aligned)	FOR	19.9	76.2	3.9
Nestlé S.A	18/04/2024	7. Shareholder Resolution: Sales of Healthier and Less Healthy Foods	FOR	11.1	87.9	1.1
Bank of America Corp.	24/04/2024	6. Paris-Aligned Lobbying—Net Zero Assessment	FOR	26.9	71.0	2.0
Bank of America Corp.	24/04/2024	7. Disclose Sustainable Financing Ratio	FOR	25.7	73.3	0.9
Goldman Sachs	24/04/2024	8. Disclose Sustainable Financing Ratio	FOR	28.5	70.4	1.1
Drax Group Plc	25/04/2024	1 Receive the Annual Report	OPPOSE	99.3	0.3	0.4
Drax Group Plc	25/04/2024	15 Approve political donations	OPPOSE	98.3	1.5	0.2
Drax Group Plc	25/04/2024	2 Approve the Remuneration Report	OPPOSE	97.2	2.6	0.2
Drax Group Plc	25/04/2024	4 Elect Andrea Bertone (chair) as director	OPPOSE	99.6	0.2	0.2
Drax Group Plc	25/04/2024	5 Re-elect Will Gardiner (CEO) as director	OPPOSE	99.4	0.3	0.2
CenterPoint Energy, Inc.	26/04/2024	4. Adopt scope 3 GHG targets (1.5C aligned)	FOR	12.5	86.7	0.8
International Business Machines Corp. (IBM)	30/04/2024	7. Paris-Aligned Lobbying—Net Zero Assessment	FOR	31.2	67.0	1.8
International Business Machines Corp. (IBM)	30/04/2024	8. Adopt GHG targets and issue transition plan (1.5C aligned)	FOR	30.3	68.1	1.7
PACCAR Inc	30/04/2024	6. Report on lobbying in line with Paris Agreement	FOR	28.5	68.8	2.7
Wells Fargo & Company	30/04/2024	10. Paris-Aligned Lobbying—Net Zero Assessment	FOR	27.4	70.5	2.1
Huntington Ingalls Industries Inc	01/05/2024	5. Adopt GHG targets and issue transition plan (1.5C aligned)	FOR	27.9	71.3	0.8
Capital One Financial Corp	02/05/2024	5. Adopt scope 1-3 GHG targets (1.5C aligned)	FOR	10.0	89.3	0.6
DTE Energy Co.	02/05/2024	4. Report on climate transition plan (1.5C aligned)	FOR	11.5	87.6	0.9
Lockheed Martin Corporation	02/05/2024	5. Adopt GHG targets and issue transition plan (1.5C aligned)	FOR	31.4	66.1	2.5
RTX Corporation	02/05/2024	6. Shareholder proposal requesting a report on full value chain emissions reduction plan	FOR	25.5	73.1	1.4
Berkshire Hathaway Inc.	04/05/2024	2. Report on GHG emissions for underwriting	FOR	20.7	78.1	1.1
Berkshire Hathaway Inc.	04/05/2024	3. Report on GHG emissions data by scope for Berkshire Hathaway Energy	FOR	17.5	81.3	1.1
American Express Co.	06/05/2024	6. Paris-Aligned Lobbying—Net Zero Assessment	FOR	23.8	73.6	2.6
Expeditors International of Washington	07/05/2024	6. Climate Transition Plan and GHG Reduction Goals	FOR	22.3	76.9	0.8
Suncor Energy	07/05/2024	5. Report on climate change financial risks	FOR	11.5	88.5	0.0
Enbridge Inc	08/05/2024	5. Report on GHG Emissions	FOR	27.3	71.7	1.0
Kinder Morgan	08/05/2024	5. Adopt scope 1-2 GHG targets (1.5C aligned)	FOR	31.1	68.1	0.8
Power Corporation of Canada	09/05/2024	4. Report on GHG emissions	FOR	7.3	92.7	0.0
Centene Corp	14/05/2024	4. Adopt GHG targets and issue transition plan (1.5C aligned)	FOR	35.9	63.5	0.6
Equinor	14/05/2024	15. Proposal from shareholders that Equinor update its strategy and capital expenditure plan according to the commitment to the goals of the Paris Agreement	FOR	6.4	93.4	0.2
Skyworks Solutions Inc	14/05/2024	11. Adopt GHG targets and issue transition plan (1.5C aligned)	FOR	30.7	67.5	1.8
Old Dominion Freight Line Inc	15/05/2024	5. Adopt GHG targets and issue transition plan (1.5C aligned)	FOR	24.3	75.3	0.4
Chubb Corporation	16/05/2024	15. Report on GHG reductions for underwriting in line with 1.5C	FOR	28.1	71.1	0.8
Quest Diagnostics Inc.	16/05/2024	8. Adopt GHG targets and issue transition plan (1.5C aligned)	FOR	41.9	57.5	0.7
Boeing Co.	17/05/2024	5. Report on Climate Lobbying	FOR	24.6	72.2	3.2
Boeing Co.	17/05/2024	8. Report on GHG targets and transition plan (1.5C aligned)	FOR	30.4	66.3	3.3
Shell	21/05/2024	1 Approval of the Annual Report & Accounts	OPPOSE	98.5	0.9	0.6
Shell	21/05/2024	12 Reappoint Abraham Schot - Non-Executive Director	OPPOSE	97.7	1.7	0.6
Shell	21/05/2024	2 Approval of the Directors Renumeration Report	OPPOSE	62.2	34.0	3.8
Shell	21/05/2024	22 Shell's Energy Transition Strategy 2024	OPPOSE	73.3	20.6	6.1
Shell	21/05/2024	23 Shareholder Resolution – FollowThis	FOR	18.1	78.9	3.0
Shell	21/05/2024	4 Reappoint Neil Carson - Non-Executive Director	OPPOSE	8.9	90.5	0.5
Shell	21/05/2024	5 Reappoint Ann Godbehere - Non-Executive Director	OPPOSE	68.6	27.4	4.0
Shell	21/05/2024	7 Reappoint Jane Holl Lute - Non-Executive Director	OPPOSE	99.2	0.3	0.6
Shell	21/05/2024	8 Reappoint Catherine J. Hughes - Non-Executive Director	OPPOSE	94.7	4.0	1.3
Shell	21/05/2024	9 Reappoint Sir Andrew Mackenzie - Chair (Non-Executive)	FOR	89.0	9.7	1.3
Amazon.com, Inc	22/05/2024	10. Additional Reporting on Stakeholder Impacts	FOR	23.2	76.1	0.7
Amazon.com, Inc	22/05/2024	11. Report on Packaging Materials	FOR	28.4	70.9	0.7
Amazon.com, Inc	22/05/2024	12. Additional Reporting on Freedom of Association	FOR	31.6	67.7	0.7
Amazon.com, Inc	22/05/2024	13. Alternative Emissions Reporting	FOR	15.1	84.1	0.8
Amazon.com, Inc	22/05/2024	14. Report on Customer Use of Certain Technologies	FOR	18.9	80.2	0.8
Amazon.com, Inc	22/05/2024	15. Policy to Disclose Directors' Political and Charitable Donations	FOR	1.0	98.6	0.4

Amazon.com, Inc	22/05/2024	16. Additional Board Committee to Oversee Artificial Intelligence	FOR	9.6	89.5	0.9
Amazon.com, Inc	22/05/2024	17. Report on Warehouse Working Conditions	FOR	31.0	68.3	0.7
Amazon.com, Inc	22/05/2024	4. Additional Board Committee to Oversee Public Policy	FOR	6.5	91.3	2.3
Amazon.com, Inc	22/05/2024	5. Additional Board Committee to Oversee Financial Impact of Policy Positions	OPPOSE	0.6	97.6	1.8
Amazon.com, Inc	22/05/2024	6. Report on Customer Due Diligence	FOR	16.4	81.5	2.1
Amazon.com, Inc	22/05/2024	7. Additional Reporting on Lobbying	FOR	29.5	69.8	0.6
Amazon.com, Inc	22/05/2024	8. Additional Reporting on Gender/Racial Pay	FOR	29.3	70.3	0.4
Markel Corporation	22/05/2024	5. Adopt GHG targets and issue transition plan (1.5C aligned)	FOR	36.4	59.5	4.1
Mondelez International	22/05/2024	8. Third party report assessing effectiveness of implementation of human rights policy	FOR	0.6	97.8	1.6
Ross Stores Inc.	22/05/2024	4. Report on GHG emissions	FOR	25.8	73.7	0.5
Southern Company	22/05/2024	6. Adopt scope 1-2 GHG targets (1.5C aligned)	FOR	9.3	89.6	1.1
Travelers Companies, Inc.	22/05/2024	5. Report on GHG reductions for underwriting in line with 1.5C	FOR	15.3	83.7	0.9
Morgan Stanley	23/05/2024	7. Disclose Sustainable Financing Ratio	FOR	22.5	75.8	1.7
NextEra Energy	23/05/2024	5. Report on lobbying in line with net zero GHG commitment	FOR	32.0	66.7	1.2
Republic Services, Inc.	23/05/2024	4. Report on climate-related just transition plan	FOR	15.1	84.2	0.7
Alphabet Inc	24/05/2024	10. Report on Reproductive Healthcare Misinformation Risks	FOR	6.4	93.1	0.5
Alphabet Inc	24/05/2024	11. AI Principles and Board Oversight	FOR	7.4	92.4	0.2
Alphabet Inc	24/05/2024	12. Report on Generative AI Misinformation and Disinformation Risks	FOR	17.6	82.2	0.3
Alphabet Inc	24/05/2024	13. Human Rights Assessment of AI-Driven Targeted Ad Policies	FOR	18.5	81.2	0.3
Alphabet Inc	24/05/2024	14. Report on Online Safety for Children	FOR	14.1	85.1	0.8
Alphabet Inc	24/05/2024	3. Bylaw Amendment: Stockholder Approval of Director Compensation	FOR	0.6	99.2	0.2
Alphabet Inc	24/05/2024	4. EEO Policy Risk Report	OPPOSE	0.2	99.5	0.3
Alphabet Inc	24/05/2024	5. Report on Electromagnetic Radiation/ Wireless Technologies Risks	FOR	0.8	98.7	0.4
Alphabet Inc	24/05/2024	6. Policy for Director Transparency on Political and Charitable Giving	OPPOSE	0.3	99.6	0.2
Alphabet Inc	24/05/2024	7. Report on Climate Risks to Retirement Plan Beneficiaries	FOR	3.7	93.4	3.0
Alphabet Inc	24/05/2024	8. Lobbying Report	FOR	15.2	84.0	0.8
Alphabet Inc	24/05/2024	9. Equal Shareholder Voting	FOR	31.3	68.6	0.1
Yara International	28/05/2024	13. Set Scope 3 Target	FOR	7.5	89.0	3.5
Exxon Mobil Corporation	29/05/2024	7. Just Transition and Impact of Plant Closure	FOR	7.4	91.4	1.2
Glencore Plc	29/05/2024	1. Receive the Annual Report	OPPOSE	99.2	0.8	0.0
Glencore Plc	29/05/2024	12. Approve the 2024-2026 Climate Plan	OPPOSE	83.0	9.1	7.9
Glencore Plc	29/05/2024	13. Approve Director Remuneration Policy	OPPOSE	95.6	2.4	2.1
Glencore Plc	29/05/2024	14. Approve Director Remuneration Report	OPPOSE	95.5	3.6	0.9
Glencore Plc	29/05/2024	3. Re-elect Kalidas Madhavpeddi	OPPOSE	94.1	5.9	0.0
Glencore Plc	29/05/2024	4. Re-elect Gary Nagle	OPPOSE	99.6	0.4	0.0
Glencore Plc	29/05/2024	5. Re-elect Martin Gilbert	OPPOSE	97.0	3.0	0.0
Glencore Plc	29/05/2024	7. Re-elect Cynthia Carroll	OPPOSE	97.5	2.5	0.0
Glencore Plc	29/05/2024	9. Re-elect Liz Hewitt	OPPOSE	98.9	1.1	0.0
Meta Platforms, Inc	29/05/2024	10. HRIAs on AI Systems Driving Targeted Advertising	FOR	14.4	85.3	0.2
Meta Platforms, Inc	29/05/2024	11. Report on Child Safety Impacts and Actual Harm Reduction	FOR	18.4	81.4	0.2
Meta Platforms, Inc	29/05/2024	12. Report and Advisory Vote on Minimum Age for Social Media	FOR	0.3	99.5	0.2
Meta Platforms, Inc	29/05/2024	13. Report on Political Advantage and Election Cycle Enhanced Actions	FOR	3.0	96.6	0.3
Meta Platforms, Inc	29/05/2024	14. Report on Framework to Assess Lobbying Alignment with Climate	FOR	8.2	91.6	0.2
Meta Platforms, Inc	29/05/2024	5. Dual Class Capital Structure	FOR	26.3	73.7	0.1
Meta Platforms, Inc	29/05/2024	6. Report on Generative AI Risks	FOR	16.7	83.1	0.2
Meta Platforms, Inc	29/05/2024	7. Disclosure of Voting Results Based on Class of Shares	FOR	17.1	82.8	0.1
Meta Platforms, Inc	29/05/2024	8. Report on Human Rights Risks in Non-US Markets	FOR	5.5	94.3	0.2
Meta Platforms, Inc	29/05/2024	9. Amendments of Corporate Governance Guidelines	FOR	17.7	82.2	0.1
Tesla Inc	13/06/2024	3. A Tesla proposal to approve the redomestication of Tesla from Delaware to Texas by conversion	Against	86.6	12.7	0.7
Tesla Inc	13/06/2024	4. A Tesla proposal to ratify the 100% performance-based stock option award to Elon Musk that was proposed to and approved by Tesla stockholders in 2018	Against	76.2	22.9	0.9
Tesla Inc	13/06/2024	6. A stockholder proposal regarding reduction of director terms to one year	FOR	53.3	45.2	1.5
Tesla Inc	13/06/2024	8. A stockholder proposal regarding annual reporting on anti-harassment and discrimination efforts, if properly presented.	FOR	30.9	67.0	2.2
Tesla Inc	13/06/2024	9. A stockholder proposal regarding adoption of freedom of association and collective bargaining policy, if properly presented.	FOR	20.0	77.2	2.7
Toyota Motor Corp	18/06/2024	4. (Issuing annual report on the alignment with climate-related lobbying activities and the goals of the Paris Agreement	FOR	9.3	90.5	0.2
Nippon Steel Corp	21/06/2024	6.Enhanced climate targets and disclosures	FOR	21.0	79.0	0.0
Nippon Steel Corp	21/06/2024	8.Enhanced climate lobbying disclosures	FOR	27.5	72.4	0.0
Mizuho Financial Group Inc	22/06/2024	3. Transition Plan (Assessment of clients' climate change transition plans)	FOR	22.6	77.0	0.4
Kroger Co.	27/06/2024	7. Just Climate Transition Report	FOR	17.3	80.7	2.0
Mitsubishi UFJ Financial Group Inc	28/06/2024	4. Transition Plan (Assessment of clients' climate change transition plans)	FOR	18.6	80.8	0.6
Sumitomo Mitusi Financial Group Inc	28/06/2024	5. Transition Plan (Assessment of clients' climate change transition plans)	FOR	Not disclosed		
National Grid Plc	10/07/2024	17. Approve the Climate Transition Plan	FOR	94.1	1.0	4.9
Constellation Brands	17/07/2024	4. Shareholder Resolution: Managing supply chain water risk at Constellation Brands Inc	FOR	34.8	64.6	0.6
Alimentation Couche Tard	05/09/2024	8. Shareholder proposal requesting that the board disclose broad outlines of its action plan in order to contribute to the decarbonisation of the economy in the next ten years	FOR	Not Disclosed		
Nike Inc	10/09/2024	5. Shareholder Resolution: Supply Chain Management Report	FOR	13.0	86.1	0.8
Nike Inc	10/09/2024	6. Shareholder Resolution: Regarding Worker-Driven Social Responsibility	FOR	12.2	86.9	0.8

LAPFF ENGAGEMENT STATISTICS

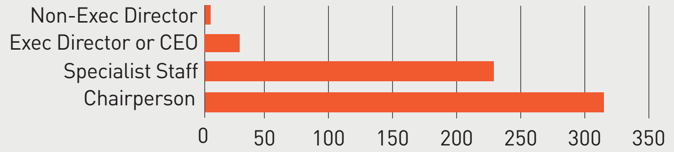
LAPFF engaged with 340 companies over the year



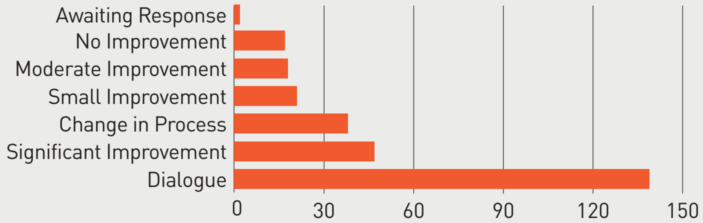
LAPFF SDG ENGAGEMENTS

Goal	
1 No Poverty	10
2 Zero Hunger	5
3 Good Health and Well-Being	17
4 Quality Education	4
5 Gender Equality	11
6 Clean Water and Sanitation	12
7 Affordable and Clean Energy	12
8 Decent Work and Economic Growth	251
9 Industry, Innovation, and Infrastructure	40
10 Reduced Inequalities	57
11 Sustainable Cities and Communities	35
12 Responsible Production and Consumption	43
13 Climate Action	179
14 Life Below Water	19
15 Life on Land	29
16 Peace, Justice, and Strong Institutions	241
17 Partnership for the Goals	246

POSITIONS

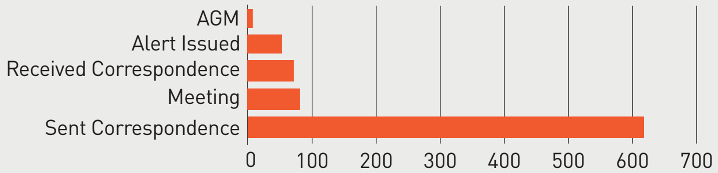


ENGAGEMENT OUTCOMES

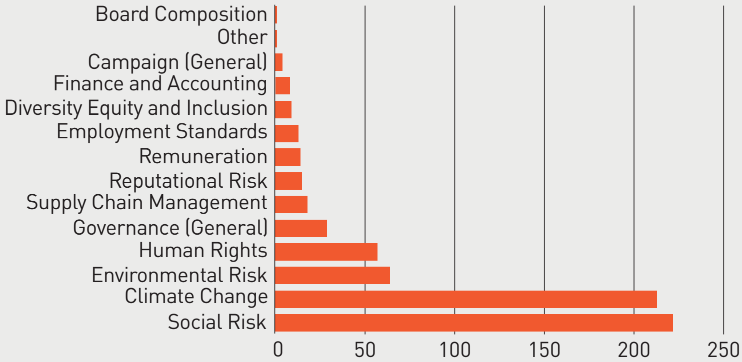


*Outcomes data is taken from 'Meetings', 'AGMs' and 'Received Correspondence' only

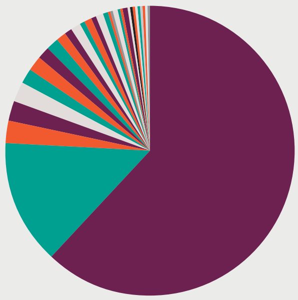
ACTIVITY



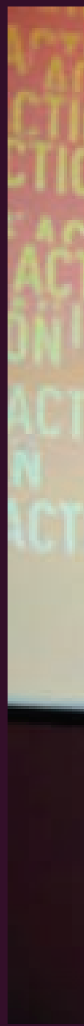
TOPIC

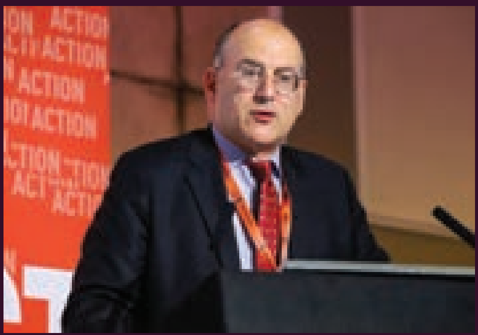


DOMICILES



GBR	348
USA	78
JPN	14
CAN	13
FRA	12
IRL	10
GGY	9
CHE	8
DEU	7
JEY	6
BMU	6
ISR	5
BRA	4
IMN	4
DNK	4
AUS	4
NOR	3
KOR	2
SWE	2
ITA	2
MYS	2
IND	2
CHN	2
GIB	2
HKG	2
THA	1
SGP	1
ESP	1
LUX	1
GEO	1
MEX	1
TTO	1
GRC	1
CYM	1
CYP	1



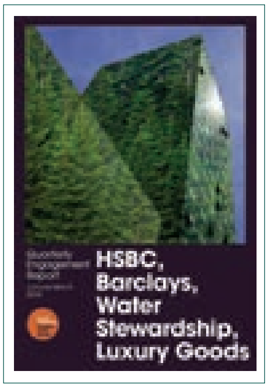


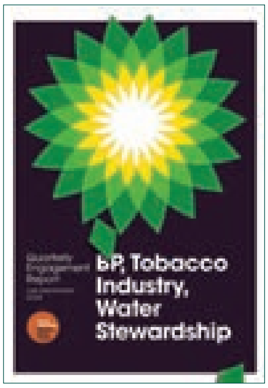
MEMBER SUPPORT

LAPFF ANNUAL CONFERENCE 2023

LAPFF's Annual conference in December 2023 took place at the Bournemouth Hilton. The conference discussed a number of issues related to LAPFF's workplan including climate, nature and biodiversity, climate related financial risk, equitable EV supply chains, water utility companies, modern day slavery, levelling up, as well as the impact of shareholder resolutions, proxy voting choice, listing rules, ESG backlash and executive pay. Across the three days delegates heard from a range of representatives including LAPFF members, companies and investors.

MEMBER SUPPORT





LAPFF Mid-year conference 2023

LAPFF's mid-year conference was held on 10 July 2024 in Church House, Westminster. The conference included talks and discussions on a range of topics including a fair and just transition, climate risk modelling, conflict-affected and high-risk areas, the banks' role in the climate transition, as well as a focused company discussion on Boeing,

Publications

Apart from this annual report, LAPFF issues quarterly engagement reports that are released publicly at the end of each quarter and a weekly chair's email to members with updates of LAPFF work during the relevant week. LAPFF also issues issue-specific reports from time to time as well as voting alerts to LAPFF members only, although LAPFF members are encouraged to share these alerts with their asset managers.

Media Outreach

When LAPFF deems it necessary to escalate an engagement, it sometimes does so through press releases and media outreach more broadly. Increasingly, members of the press approach LAPFF for comment on a variety of topics. Examples of LAPFF being cited in the press during 2024 included August 2024 when LAPFF issued a report outlining how UK government can ensure policies support investment in climate action. In September, LAPFF alongside other investors called on 76 FTSE companies that have not held a vote on their climate transition plans. More recently, in October, LAPFF expressed concern regarding what appears to be support from the London Stock Exchange for weaking of the Listing Regime.

Member Resources

LAPFF has a Forum Officer who conducts recruitment and retention on behalf of the organisation. LAPFF Executive members also liaise with current and prospective members to inform them of LAPFF's work and the benefits of membership. The LAPFF website has both public-facing pages and members only pages for documents such as voting alerts and business meeting reports.

Additional resources are provided to LAPFF members in the form of business meeting reports and induction training for new member funds and pools, or new joiners within existing LAPFF member funds and pools.

LOCAL AUTHORITY PENSION FUND FORUM MEMBERS

Avon Pension Fund
Barking and Dagenham Pension Fund
Barnet Pension Fund
Bedfordshire Pension Fund
Berkshire Pension Fund
Bexley (London Borough of)
Brent (London Borough of)
Cambridgeshire Pension Fund
Camden Pension Fund
Cardiff & Glamorgan Pension Fund
Cheshire Pension Fund
City of London Corporation Pension Fund
Clwyd Pension Fund (Flintshire CC)
Cornwall Pension Fund
Croydon Pension Fund
Cumbria Pension Fund
Derbyshire Pension Fund
Devon Pension Fund
Dorset Pension Fund
Durham Pension Fund
Dyfed Pension Fund
Ealing Pension Fund
East Riding Pension Fund
East Sussex Pension Fund
Enfield Pension Fund
Environment Agency Pension Fund
Essex Pension Fund
Falkirk Pension Fund
Gloucestershire Pension Fund
Greater Gwent Pension Fund
Greater Manchester Pension Fund
Greenwich Pension Fund
Gwynedd Pension Fund
Hackney Pension Fund
Hammersmith and Fulham Pension Fund
Haringey Pension Fund
Harrow Pension Fund
Havering Pension Fund
Hertfordshire Pension Fund
Hillingdon Pension Fund
Hounslow Pension Fund
Isle of Wight Pension Fund
Islington Pension Fund
Kensington and Chelsea (Royal Borough of)
Kent Pension Fund
Kingston upon Thames Pension Fund
Lambeth Pension Fund
Lancashire County Pension Fund
Leicestershire Pension Fund
Lewisham Pension Fund
Lincolnshire Pension Fund
London Pension Fund Authority
Lothian Pension Fund
Merseyside Pension Fund
Merton Pension Fund
Newham Pension Fund
Norfolk Pension Fund
North East Scotland Pension Fund
North Yorkshire Pension Fund
Northamptonshire Pension Fund
Nottinghamshire Pension Fund
Oxfordshire Pension Fund
Powys Pension Fund
Redbridge Pension Fund
Rhondda Cynon Taf Pension Fund
Scottish Borders Pension Fund
Shropshire Pension Fund
Somerset Pension Fund
South Yorkshire Pension Authority
Southwark Pension Fund
Staffordshire Pension Fund
Strathclyde Pension Fund
Suffolk Pension Fund
Surrey Pension Fund
Sutton Pension Fund
Swansea Pension Fund
Teesside Pension Fund
Tower Hamlets Pension Fund
Tyne and Wear Pension Fund
Waltham Forest Pension Fund
Wandsworth Borough Council Pension Fund
Warwickshire Pension Fund
West Midlands Pension Fund
West Yorkshire Pension Fund
Westminster Pension Fund
Wiltshire Pension Fund
Worcestershire Pension Fund

Pool Company Members
ACCESS Pool
Border to Coast Pensions Partnership
LGPS Central
Local Pensions Partnership
London CIV
Northern LGPS
Wales Pension Partnership

Local Authority Pension Fund Forum