

Corporate social responsibility report

2024/25



CCLA
GOOD INVESTMENT

Contents

| | |
|---------------------------------|----|
| A word from our Chief Executive | 3 |
| About us | 4 |
| People | 7 |
| Communities | 16 |
| Better World | 19 |
| Governance | 23 |

About this report

This report does not include information about our investments. Please see our separate [Better World Sustainable Investment Outcomes Report](#) for details of our approach to sustainability with regards to our investments.



CCLA supports Koestler Arts

Koestler Arts is the UK's leading arts charity. It is nationally respected for its ground-breaking work using the arts as a catalyst for positive change in the lives of people within the criminal justice system and in the public's perception of their potential.

Cover image courtesy of Koestler Arts.
Beach Scene on Canvas, HM Prison Long Lartin.

koestlerarts.org.uk

A word from our Chief Executive

For more than 60 years, CCLA has served the not-for-profit sector, seeking to maximise its positive impact on society by harnessing the power of investment markets. We have achieved this, and continue to do so, by putting our Good Investment philosophy into action, aligning the way we invest with the community-oriented values of our clients.

We want to drive positive, real-world change and the most powerful way we can do that is through our assets and investments. This has been the focus of many publications, including our recent [Better World Sustainable Investment Outcomes Report](#). But it's also important that we run our own operations in a sustainable manner.

We are publishing this account of the sustainability of our day-to-day operations and reporting against the internationally recognised Sustainability Accounting Standards Board (SASB) standards. It lists our practices and our achievements over the past financial year, but also identifies areas for improvement.

We use our leading position in our sector to catalyse change on issues such as mental health, modern slavery and climate. We continue to engage with policymakers and the investment industry to address these challenges, spearheading coalitions that exponentially increase our impact beyond the scope of our investments, and have established UK and global Corporate Mental Health Benchmarks to assess and promote good workplace mental health practices among 200 leading companies.

We are on a journey to become a more sustainable business.

Peter Hugh Smith
Chief Executive

About us

CCLA Investment Management Limited is an asset manager that has been pioneering ethical and sustainable investment, primarily serving the UK charity, church and local authority sectors. In 2022 we also started offering investment funds to UK individuals.

CCLA was established after the introduction of financial services regulations in 1987. But our foundations lie with the launch of the Church of England Investment Fund in 1958, which allowed church organisations to pool their funds for greater efficiency. Local authorities did likewise in 1961 and the Charity Commission followed in 1963.

Since then, we have grown to become one of the leaders in the sustainable investment sector, with £15.3 billion assets under management as at 31 March 2025. CCLA is predominantly owned by funds managed on behalf of our clients.

Beyond our investments, we are committed to having a positive impact on society and being a force for good in our industry.

Our purpose

Our purpose is to help our clients maximise their impact on society by harnessing the power of investment markets. This requires us to provide a supportive and stable environment for our employees and deliver trusted, responsibly managed and strongly performing products and services.

Our year at a glance

#1

Largest UK manager
by number of charities*

60+

years of applying and
enhancing our approach
to sustainability

£15.3 billion

assets under management

191

employees in
London and Edinburgh

£3.3 million

of support given to the charity,
faith and public sectors

39%

of our people have been
with us for 6 years or more

47%

of our workforce is female

33%

increase in the number of
staff on 100% renewable tariffs
when working from home

Year to 31 March 2025.

*As published in the *Charity Finance* Fund Management Surveys for 2020, 2021, 2022, 2023 and 2024.

Our philosophy: Good Investment

Through what we call Good Investment, we carefully select assets that add to the value of our clients' investments and engage with the companies we invest in to encourage positive change.

Our aim is to meet our clients' financial objectives and deliver investment returns in a way that aligns with their values. We believe we have a duty to go beyond the boundaries of traditional investment strategies and engagement, by working with others to address systemic risks that threaten communities, the environment and, ultimately, investment markets.

While this approach involves avoiding the companies that do the most harm, we also want to change how the world works, through active ownership.

During the year we continued to lead programmes that seek to increase the effectiveness of businesses action against modern slavery and address poor mental health in the workplace.

Learn more about our philosophy on our website, watch our Good Investment video and find detailed accounts of our approach to sustainable investments in the following reports:

- [Better World Sustainable Investment Outcomes Report](#)
- [A Climate for Good Investment.](#)

We believe investors have a responsibility to drive positive change. From climate-change, nutrition and human rights to biodiversity, investors can make their voice heard and can make change happen.

People

At CCLA, we believe that good investment management is built on the talent and dedication of good people. We're committed to hiring, developing, and retaining those who share our values and passion for the 'not-for-profit' sector. This shared purpose fosters open, lasting relationships – both within our team and with our clients.

CCLA is an accredited Living Wage employer. Our mission is to help our clients maximise their impact on society by harnessing the power of investment markets. This means we must provide a supportive and stable environment for our people, and deliver trusted, responsibly managed, and strongly performing products and services to our clients, irrespective of their size.

Our workforce

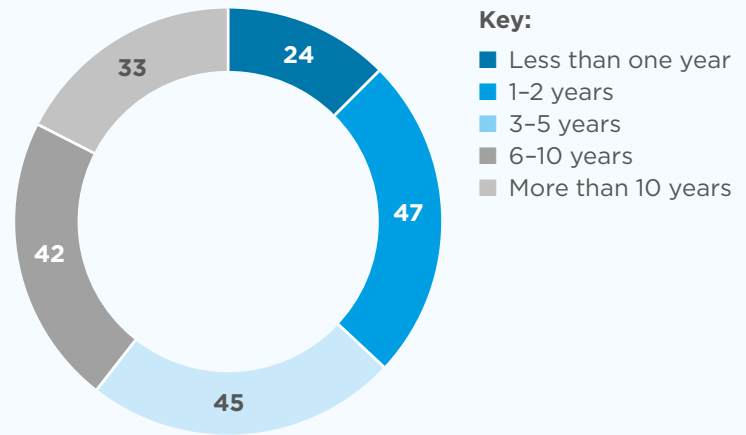
We have a hybrid mix of office-based and home-based working, which benefits our employees through helping them achieve a greater work-life balance. Read more about the gender and ethnicity of our workforce on page 13.

Workplace culture

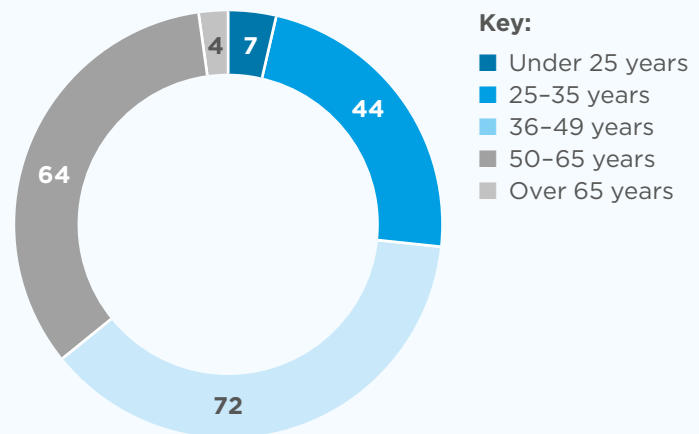
Our success depends on the skills, qualities and dedication of our employees. We are committed to providing a fair, supportive and rewarding working environment in which everyone at CCLA can fulfil their potential.

Our ownership structure enables us to operate in the interest of our wider stakeholder community. That includes the charities and non-profits working to change the world for the better. This has a big impact on our culture and ethos.

LENGTH OF SERVICE



AGE DISTRIBUTION




Our Behaviours Charter

The CCLA Behaviours Charter emphasises creating a positive, inclusive, and respectful working environment by recognising individual strengths, encouraging diverse opinions, and ensuring fair treatment. It also highlights the importance of teamwork, trust, speaking up against inappropriate behaviour, and celebrating success.

Our behaviours charter

| What you can expect from CCLA | What CCLA expects from you |
|---|---|
| 1 Positive working environment recognising individual strengths, encourage diversity of opinion | 1 Work as a team, always play to individual strengths, support each other, help and listen to colleagues |
| 2 Fair and respectful treatment always | 2 Trust and respect each other rely on each other, respect others' opinions and do the right thing |
| 3 Wellbeing consideration for your mental health | 3 Considerate behaviour towards everyone listen and care, be positive not defensive |
| 4 Listen to your concerns and take the right action | 4 Speak up and call out if you see, hear or experience any inappropriate behaviour in whatever form |
| 5 Respectful environment where all views are welcomed | 5 Debate and decide get involved in decision-making, share your views, challenge if concerned, respect decisions when they are made |
| 6 Positive culture focused on learning, not blame | 6 Admit mistakes they happen, learn from them, don't blame others, never hide them |
| 7 Inclusive workplace where no one is left out | 7 Be inclusive make sure individuals don't get left out, respect your colleagues' point of view |
| 8 Professional development we will invest in you | 8 Be the expert you are grow and share your knowledge |
| 9 Appreciation for the work you do | 9 Celebrate success say thank you or well done, share your and others' success |
| 10 Healthy and fun environment | 10 Have fun and thrive |



CCLA
GOOD INVESTMENT

Employee engagement

We are committed to providing our people with a strong sense of purpose to maximise our clients' impact on society. To do so, we are developing our policies and practices, and engage regularly with our employees to foster a supportive working environment.

Measuring employee satisfaction

In February 2025, we conducted our latest annual employee satisfaction survey. The level of engagement remained high (81.3%) and our overall average satisfaction score increased slightly to 5.3 (2024: 5.2) on a scale of 1-7.

According to the 2025 employee survey, the three words that continue to define our culture are 'friendly', 'supportive' and 'collaborative'. These results show that CCLA is consistently effective in communicating our purpose, sharing our progress, and providing meaningful benefits. Employees also value the encouragement they receive from line managers and colleagues, as well as the opportunities available for training and development.

Since last year's survey, we've taken meaningful steps to act on employee feedback – particularly around mental health and wellbeing. We enhanced our internal support by expanding health and wellbeing initiatives, providing training for new managers, and reviewed departmental working practices and hours to enhance efficiency and support employee wellbeing. We also monitored mental health-related absences and delivered refresher training to our 11 qualified Mental Health First Aiders.

In addition, we partnered with an independent Wellbeing and Culture consultancy to run an anonymised survey, giving us a clearer picture of overall wellbeing and workplace experiences at CCLA. This was followed by a series of roundtable sessions to explore the findings in more depth. A comprehensive SWOT analyst was then shared across the business to inform future actions.

Of course, there is always room for improvement so we will continue to reflect on the feedback received this year to further enhance the way we engage and support our employees.

Rewards and benefits

CCLA's Total Reward Approach aligns the organisation's remuneration practices with CCLA's values and goals to nurture a culture that adheres to CCLA's high standards of conduct and behaviour and provides a sense of purpose to employees.

Offering competitive compensation, rewards and benefits help us to attract, retain and motivate a talented workforce. Our core reward package includes a generous company pension, income protection cover and an Employee Assistance Programme. In addition, we offer our employees an opportunity to participate and celebrate in the success of the business through share incentive plans, which has an 81% take-up rate (as at 31 March 2025).

Aside from the financial rewards, we also support our employees with family-friendly policies and benefits, including, but not limited to, flexible working policies, enhanced maternity and paternity leave and pay, shared parental leave, etc. which we believe are key to retaining a healthy and fulfilled workforce.

In addition, our many optional benefits include subsidised gym membership, a cycle to work scheme, holiday buy and sell, company doctor scheme, life assurance and private medical insurance, as well as annual health and wellbeing checks.

Run by employees on a voluntary basis, our Social Committee arranges several events every year. Typically, these include trips to the theatre and sporting events, parties and quiz nights, as well as fortnightly pizza and drinks evenings.

Operating in a competitive and dynamic environment, our business relies on talented people and leaders who live our values, drive performance and champion our culture.

Our commitment to learning and development

CCLA is committed to nurturing talent and continuously supporting the training and development needs of our employees. Our focus is on equipping individuals with the skills and tools they need to excel in their roles and grow their careers within the organisation. Reflecting this commitment, CCLA invested £103,100 in employee training and development over the 12 months ending April 2025.

We encourage employees to study for professional qualifications relevant and appropriate to their role, and we support them with funding and study leave. All employees in investment management roles are encouraged to attain Chartered Financial Analyst (CFA) certification.

CCLA supports continuous professional development of skills and knowledge that improves performance. We will pay for subscriptions to professional bodies of which employees are members, and/or business journals that are relevant to the business and their role.

Line managers or a Certified Person under the FCA's Senior Manager and Certification Regime (SM&CR), must complete a minimum of 21 hours of Continuous Professional Development (CPD) on an annual basis plus 3.5 hours of ethical training (for example, training on values or behaviours, treating customers fairly, etc.)

INTERNSHIPS WITH IMPACT

We believe that internships are a great way for students to learn about particular roles and organisations. CCLA is committed in providing valuable learning experiences to students through our internship program designed to provide students with practical and hands-on experience in the Investment industry.

Internship opportunities at CCLA are determined by the projects available within the business during the summer period. These opportunities are advertised on our website and other relevant platforms. Additionally, we have a standing agreement with Murray Edwards College – a women-only college of the University of Cambridge – encouraging students to apply for internships with us. Our internship programme has many success stories; most recently an intern secured a permanent position within our investment team.

Mandatory e-learning

All employees need to complete and pass a number of e-learning modules. These span a range of ESG-related topics including anti-bribery and corruption and fraud prevention, cybercrime and data protection, sustainability and environmental management, bullying

and harassment, fire safety and evacuation, whistleblowing, treating customers fairly, complaint handling, and preventing modern slavery. All employees must retake these training modules every year.



In my 11 years at CCLA, I've benefited immensely from the learning and development opportunities on offer. Starting in an administrative role with no industry experience, I learned the basics through a combination of an inspirational manager, supportive team and external industry qualifications.

As well as completing numerous mandatory e-learning modules, I've received support to gain CISI certificates and diplomas, a BCS Foundation certificate in business analysis, and Prince2 and Agile project management qualifications. My professional development has also been bolstered by leadership coaching, CISI membership and associated seminars and online courses, industry events, and informal coaching from colleagues and managers.

Over the years, I've been promoted five times, and CCLA generously supported me with financial assistance and study leave to allow me to undertake an MBA from the University of Manchester, which eventually led to my current role.

Head of Projects



CCLA has been incredibly supportive and provided many career development opportunities in my eight years here. After completing an apprenticeship at a third-party administrator, I spent three years on our Transfer Agency team, which taught me the basics. I then gained wider industry knowledge as part of our Operations team. During all my internal moves and promotions, I've always been supported by management.

On top of e-learning modules in areas including data protection, fraud prevention and modern slavery, I have attended external training courses in support of my studies for the Investment Operations Certificate and Investment Management Certificate. I have also participated in team workshops and attended 'lunch & learn' sessions, where teams provide insightful overviews of their roles within CCLA.

Senior Investment Operations Officer

Diversity, equity and inclusion

CCLA is made up of brilliant people. Each of our employees is unique, whether in terms of background, personal characteristics, experience, skills, or motivations. These differences – this diversity – is powerful.

Fostering an inclusive culture helps each employee to benefit from a wider range of these different perspectives, experiences and skills. We believe that this creates a happier, more productive working environment for all.

To support this inclusive culture, CCLA's equality, diversity and inclusion (ED&I) policy outlines:

- our commitment throughout the employment lifecycle to equality, diversity and inclusion and sets out how we put this commitment into practice
- the behaviours we expect of our employees in support of this commitment
- the key steps we take to make our culture as inclusive as possible, including our diversity and inclusion framework and how we ensure equality of opportunity throughout the employment lifecycle.

CCLA is an equal opportunities employer. We strive to maintain a culture free from discrimination, harassment, bullying or bias and we treat all current and prospective employees fairly and on merit.

Recruiting the best talent

Our Recruitment and Selection Policy outlines our commitment to fair, transparent, and consistent recruitment and selection practices. We are dedicated to building an inclusive, diverse workforce and ensuring equal opportunities for all, regardless of age, race, religion, sex, disability, or other legally protected characteristics.

We are committed to ensuring equal opportunities at all stages of the recruitment and onboarding process, and we expect recruitment agency partners to provide a diverse slate of candidates for each vacancy. Our overall gender mix is well balanced, with 53% male employees and 47% female.

We make reasonable adjustments to the recruitment process to ensure no applicant is disadvantaged because of a disability, and line managers must ensure that interview questions are not discriminatory or intrusive. The interviews focus on the needs of the job and skills needed to perform it effectively. Prior to interview stage, HR anonymises CVs before sharing them with the hiring manager.

Next steps

We also conduct a formal gender pay audit once a year and monitor our reward practices to ensure there are no biases in our Total Reward Approach.

See our latest annual report and accounts for more details about our gender pay gap.

EMPLOYEE ETHNICITY

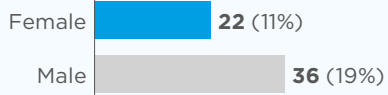
| Ethnicity | Number of employees | Number in management roles |
|------------------------------|---------------------|----------------------------|
| Asian | 16 | 0 |
| Black African | 4 | 1 |
| Black Caribbean | 2 | 0 |
| Chinese | 4 | 2 |
| Hispanic | 2 | 0 |
| Indian | 4 | 1 |
| Mixed/multiple ethnic groups | 4 | 3 |
| Other | 3 | 1 |
| White | 152 | 50 |

GENDER MIX

Employee gender



Number in management roles



Health and wellbeing

The health, safety and wellbeing of our people, and others we work with, is our number one priority.

We regularly review our policies, processes and training to ensure that employees conduct all activities safely, in line with legal obligations, industry standards and best practice.

Focused on wellbeing

CCLA has invested in several programmes and services to help maintain our employees' health and wellbeing and employees are encouraged to participate in these programmes.

We have also implemented a series of initiatives to help raise awareness of health and lifestyle issues affecting mental health and wellbeing and made a wide range of resources available to support our workforce with any specific health or wellbeing concerns they may have (including, but not limited to, menopause, stress, bereavement, etc.).

We provide access to occupational health professionals who can offer a comprehensive set of support services to help employees stay in work, or to return to work, after experiencing health problems. This will include preparing medical assessments of individuals' fitness for work following referrals from HR, liaising with GPs and working with employees to help them retain employment.

We supplement this with a range of other policies covering hybrid working, flexible working and compassionate and bereavement leave to name a few. Through our Employee Assistance Programme, employees can access support to help them through difficult or challenging times, with advice and guidance on family issues, addiction, relationships, childcare, financial issues and retirement, among others. We also promote additional employee support services offered by our company doctor schemes.

CCLA CORPORATE MENTAL HEALTH BENCHMARK

Having seen the government-commissioned 'Thriving at work' review back in 2019, we started engaging with our investee companies on workplace mental health. And after the pandemic hit, the need for urgent action became even more urgent. With the support of an expert advisory panel. We developed a set of 27 criteria to assess and rank companies on their mental health.

In early 2022, we evaluated 100 of the UK's largest listed companies and in May we launched the CCLA Corporate Mental Health Benchmark UK 100. By October

2022, we had published an equivalent Global 100 Report.

We produce these benchmarks every year and they serve as an important engagement tool and accountability mechanism for a growing global coalition of investors and asset owners.

In 2024, we assessed 220 companies and engaged with 123 companies, which was a 51% increase since 2022. 62 companies improved their tier ranking.

These benchmarks provide a roadmap for companies to manage and report on workplace

mental health, and highlight best practices for others to replicate. Assessing companies' mental health practices every year also gives investors an accessible way to evaluate corporate practice.

To show that we 'walk the walk', CCLA also undertook the UK assessment in 2024 and achieved a Tier 2 rating.

[2024 Corporate Mental Health Benchmark - UK 100 Report.](#)

[2024 Corporate Mental Health Benchmark - Global 100 Report.](#)

We also help employees maintain their health and wellbeing through subsidised gym and sports facilities, a lifestyle management programme, menopause support, a stress management programme, special leave arrangements and opportunities for flexible working.

A roadmap for better mental health

In the UK, around one in four people experience mental health issues. Covid-19 only made matters worse, bringing a combination of enforced remote working, social isolation, quarantine, bereavement and pending recession. This had unprecedented mental health consequences for many people, and was one of the drivers behind the development of CCLA's Corporate Mental Health Benchmark.

Supporting our own employees' mental health

One of the marks of a successful company is the safeguarding of employee mental health because that also safeguards economic success. We believe that companies have a duty to provide their employees with mental health support and a psychologically safe workplace.

To help everyone feel that CCLA is an inspiring, positive and fulfilling place to work, we published a Mental Health Charter and communicated it to all employees. As part of our Mental Health First Aid programme, we have also:

- trained 12 Mental Health First Aiders across the business
- enabled employees to select mental health days as a reason for absence from work
- monitored the number of absences due to mental ill-health (during the year, six employees reported absence due to mental ill-health).

We provide training for managers, which includes mental health in the workplace. In February 2025, 80% of new managers attended the training. We ran several well-being initiatives for employees throughout the year. Employee uptake of these initiatives remained high at 65%. CCLA employees are given the opportunity to contribute to the design or development of these initiatives, and 15% of employees volunteered to input their ideas and organise these events or workshops. Learn more about [our approach to mental health](#) on our website.

See our [investor statement on workplace mental health](#).

Read our [Mental Health in the Workplace Report](#).

Communities

We seek to drive change by educating and supporting these community organisations so that they can use their assets more efficiently.

Community development

To us, 'community' means the entire faith, charity and local authority sector across the UK, and we are committed to supporting this community through a range of policies and activities.

We encourage our employees to engage in voluntary work, even during working hours, and where a permanent employee takes part in a sponsored event or fundraising activity, we may match the amount they raise with a donation of up to £250 per person per year.

We operate a payroll giving scheme through the Charity Aid Foundation, with donations tax deductible to the employee, and recognise the value of Reserve Forces Training as a voluntary service by considering paid leave in addition to normal holiday entitlement on a case-by-case basis.

We also offer free training and skills development for trustees.

Work experience through Investment 20/20

We engage with local community partners to deliver financial awareness and work experience for young people. For example, through Investment 20/20, we offer work placements to graduates and school leavers with enthusiasm, good communication skills and an eye for detail.

The organisation helps young aspiring professionals start their career in investment management and is dedicated to creating a more diverse and inclusive investment industry, in which firms like CCLA consider potential when making hiring decisions, and not just academic background or experience.

£3.3 million

spent supporting the charity, faith and public sectors

THE ART OF POSITIVE CHANGE

Believing in the power of doing good to improve lives, strengthen communities and contribute to civil society, we support Koestler Arts.

This leading arts charity uses the arts to drive positive change in the lives of people within the criminal justice system, as well as in the public's perception of their potential. Through creative pursuits, prisoners and young offenders not only learn new skills but also gain the confidence to live more productive lives.

We support Koestler Arts' ground-breaking work by displaying artwork at our office, refreshing it every year.

Supporting our clients

While we focus on our duty to deliver investment performance, there are many other ways we support our clients to help drive positive change.

Financial and in-kind support

We provide our clients with in-kind support, and use our marketing budget to develop long-term relationships with charity sector infrastructure bodies. This engagement includes event sponsorship, support for awards programmes and putting our offices at our clients' disposal for a wide variety of initiatives as well as trustee meetings.

Meeting our clients' needs

By making our offices and facilities available for events and meetings, we create forums through which charity representatives can build consensus and share knowledge. This engagement also helps us to stay up to date with developments in the sector and understand the issues facing our clients.

Over the past year, we held or supported 465 meetings and events, 272 of which were at our offices – attended by more than 2,700 people – and 164 took place at various other locations around the UK. We also organised or collaborated on 37 online events. Our support included providing resources and meeting facilities, awards sponsorship and event branding for:

- the Association of Chief Executives of Voluntary Organisations (ACEVO), which seeks to inspire and support leaders of charities and social enterprises in England and Wales
- NHS Charities Together, a federation of more than 250 charitable organisations that support National Health Service employees, volunteers and patients across the UK



NHS Charities Together cannot thank CCLA enough for its continued partnership and dedication in supporting NHS charities. We have achieved a lot together in the last five years. I value CCLA's support and am inspired by its vision for good in the world.

Ellie Orton

Chief Executive
NHS Charities Together

- the Association of Chairs, an independent association of chairs of social purpose and not-for-profit organisations
- UK Community Foundations (UKCF), the membership organisation for 47 accredited community foundations that support their local communities through philanthropy, charitable funding and partnerships.



Marketing our products and services clearly and honestly is important to us. Our website has been awarded an Internet Crystal Mark by the Plain English Campaign, in recognition of its high standards of clarity, design and accessibility.

Stakeholder engagement

We recognise that our long-term success and our ability to create value depends on developing and maintaining strong relationships with all our stakeholders.

Below we summarise the main methods we use to engage with our main stakeholder groups.

| | |
|------------------------------------|---|
| Clients | <ul style="list-style-type: none">• Online and in-person events and meetings• Corporate website• Sponsoring and speaking at events• Hosting training sessions• Client survey |
| Shareholders | <ul style="list-style-type: none">• Meetings with Board members• Regular meetings held with our main shareholders by the CCLA Chair and CEO |
| Employees | <ul style="list-style-type: none">• Weekly briefings to all employees• Training and e-learning modules• Meetings with executive directors• Regular wellbeing sessions, with a focus on mental health, wellbeing, hybrid working and work-life balance• Annual employee survey |
| Communities and environment | <ul style="list-style-type: none">• Supporting awards programmes• Hosting, sponsoring and supporting in-person and online events• Making our office space available to clients |
| Regulators and government | <ul style="list-style-type: none">• Filings to Companies House, the FCA, the Charities Commission and HMRC• A robust governance framework of committees, policies and procedures• Responding to regulatory consultation papers• Engaging with the UK Government on modern slavery |
| Suppliers | <ul style="list-style-type: none">• Regular supplier due diligence• Addressing modern slavery |

As well as the impact of the investments we make for clients, CCLA also considers the environmental impact of its own business activities.

Environmental management

To manage the environmental issues associated with our own activities, we have implemented an Environmental Management System (EMS) in line with the requirements of the internationally recognised standard ISO 14001:2015.

Since 2016, this EMS, which has been certified, provides a framework that helps us to effectively manage our impact on the world around us and to show ongoing progress.

CCLA's executive directors have ultimate oversight of environmental management, and our environmental manager has day-to-day responsibility for the EMS. We also recognise that all employees have a part to play in improving our environmental performance and provide training to ensure that everyone can contribute to our objectives.

The Environmental Management System (EMS) is reviewed annually by the EMS Management Performance Review Team. Some environmental responsibilities are delegated to our head of facilities.

Reducing our environmental footprint

In August 2022, we moved our London Head Office to One Angel Lane. This decision was influenced by the fact that it is a building with a BREEAM¹ 'Excellent' rating and other excellent green credentials.

However, as a tenant in a building that we don't own or manage, there is only so much we can do – in collaboration with our landlord – to reduce the environmental impact of our activities. Despite such limitations, we continue to measure our carbon footprint and limit energy use (including home working and business travel), paper consumption and waste generation where we can.

While we have some general environmental objectives for 2025, we intend to develop specific longer-term environmental targets, including an ambition to have net zero operations.

OUR 2025 ENVIRONMENTAL OBJECTIVES

- Work with our Green Consultant to improve data capture and the accuracy for the CCLA carbon footprint for FY 2024/25, especially within hospitality and business travel.
- Continue to monitor paper consumption and energy consumption monthly and investigate pragmatic ways to decrease consumption.
- Recycle as much generated waste as possible including sweet and crisp wrappers, food and glass.

¹ BREEAM provides a sustainability assessment framework for buildings and infrastructure.

Energy and emissions

We view climate change as the largest challenge facing our planet. The consequence of leaving global warming unchecked – increasingly extreme weather events, rising sea levels and global temperatures, and biodiversity collapse – pose a systemic threat to our communities.

As a critical issue for investors, we have long supported the effort to limit global temperatures to below 1.5 degrees, in line with the 2015 Paris Agreement. We are committed to accelerating the transition to a net-zero emissions economy and to reducing the environmental impact of our own operations.

Read about our [climate pledge commitment](#).

Calculating our carbon footprint

Calculating our carbon footprint helps us to identify which areas of our operations produce the most emissions and informs the setting of suitable reduction plans. In this way, we can improve our efficiency, drive down operational costs and help to limit the effects of climate change.

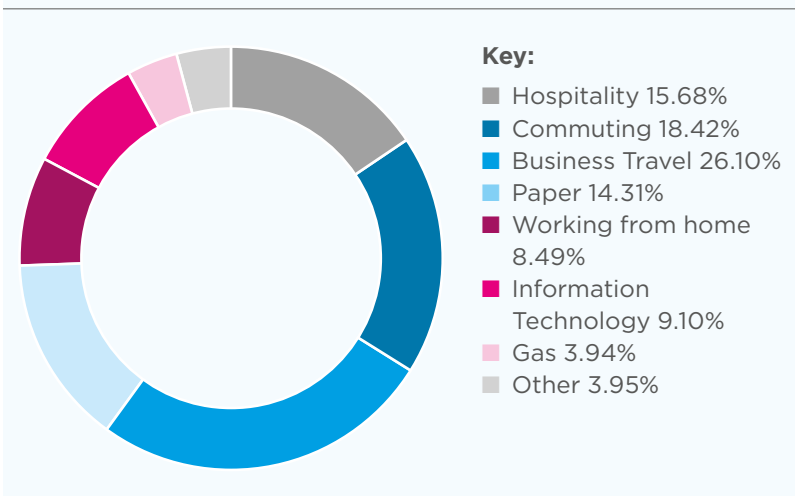
When calculating our carbon emissions, we include all measurable energy and fuel consumed at our London office, as well as business travel, working from home, and purchased goods and services. This encompasses Scope 1 (gas), Scope 2 (indirect emissions from the generation of purchased heat or electricity) and Scope 3 emissions (all other indirect emissions in our value chain).

In 2024–25, our carbon footprint increased 25% from 334 tCO₂e to 417 tCO₂e. This increase was due to an improvement in the collection of data quality and an increase in the coverage of Scope 3 emissions. In 2025/26, we hope to be able to accurately benchmark our emissions using the exact methodology of data collection year-on-year.

CARBON FOOTPRINT

| | FY 2023-24 | FY 2024-25 | Change (%) |
|------------------------------------|------------------------|------------------------|------------|
| Total GHG emissions (market-based) | 334 tCO ₂ e | 417 tCO ₂ e | 25% |

CARBON EMISSIONS BY ACTIVITY



Reducing energy use

Following our move to One Angel Lane, which uses a 100% renewable tariff, we can now accurately monitor our energy consumption and will be able to report actual data in the future.

Our efforts to improve energy efficiency continue to include the promotion of good practices among our employees, such as turning off workstations when not in use and trialling printer downtime periods. However, given that the office already has LEDs and motion-controlled lighting, the opportunities to further reduce energy consumption remain limited.

See the directors' report in our [2024 annual report and accounts](#) for our streamlined energy and carbon reporting disclosure.

CONSIDERING CLIMATE CHANGE IN INVESTMENT DECISIONS

Recognising that climate change has a significant impact on financial markets and the value of assets, CCLA is a founder signatory to the Net Zero Asset Managers' initiative.

This requires us to incorporate climate change considerations when making investment decisions, report on progress towards our net zero targets and seek to accelerate the transition to a zero emissions economy through our engagement with companies and policymakers.

We do this through our Act, Access and Align sustainability framework:

- **Act** to increase the pace of climate action through engagement with investee companies.
- **Assess** high-carbon sector companies' position against the energy transition and avoid those that do the most harm.
- **Align** our portfolios with our clients' requirements and disclose information about our approach to manage the risks and opportunities associated with climate change.

Read more about our approach in [A Climate for Good Investment](#) and our [Better World Sustainable Investment Outcomes Report](#).

² <https://www.ccla.co.uk/news-media/statement-net-zero-asset-managers-initiative>

Waste and resources

With landfills overflowing and our oceans awash with plastic, waste is a persistent problem that requires urgent action. We are committed to reducing the impact of our business by improving our waste management, generating less waste and increasing recycling.

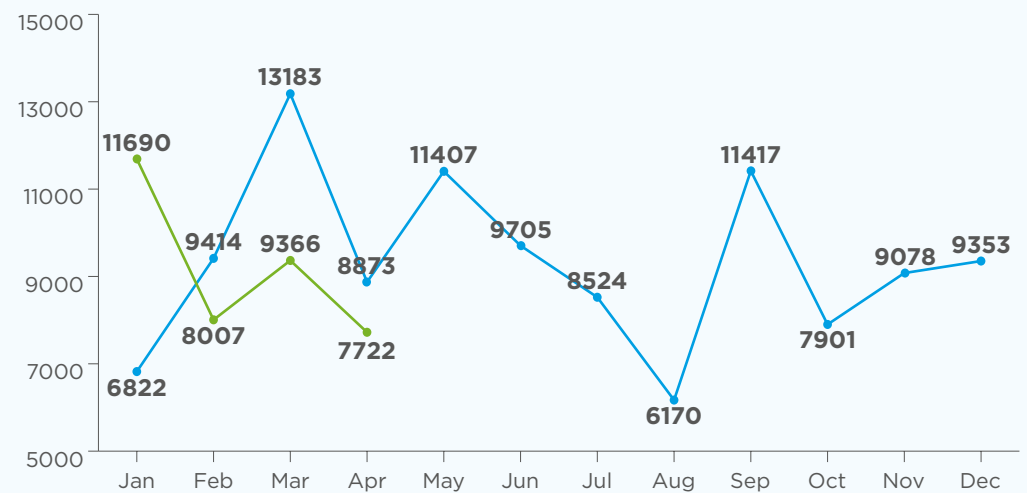
Since moving to One Angel Lane, our landlord has weighed all generated waste and provides us with a monthly report. We have recycling stations to separate major waste streams (paper, mixed

recycling, glass, food waste) and we are working with the building manager to further improve waste segregation and recycling.

We continue to monitor our paper use and communicate regularly with employees, reminding them to think before they print and to only print what is necessary. We also consider social and environment issues when purchasing stationery and consumables, and aim to buy fair trade items whenever possible.

PAPER USE

Total number of prints per month



Key:

—●— 2024 —●— 2025

Source: CCLA, as at April 2024.

Next steps

- Survey suppliers of paper and printing to capture activity data and produce more accurate GHG emission calculations within this category.
- Engage and internally communicate results from the carbon footprint as well as updating employees on planned reduction strategies, especially those directly impacted by employee behaviours.
- Continue to measure, track and reduce GHG emissions on an annual basis.

Governance

While our ownership and governance structure are responsible for the strategy, financial management and profitability of our organisation and the assets we manage, we also see our company as a catalyst for change, making an active difference in our industry and across society.

Our board of directors

We recognise that a board performs best when made up of members with a diverse range of skills, perspectives and backgrounds. We consider these differences when determining the composition of the CCLA board, alongside their skills, experience and other criteria.

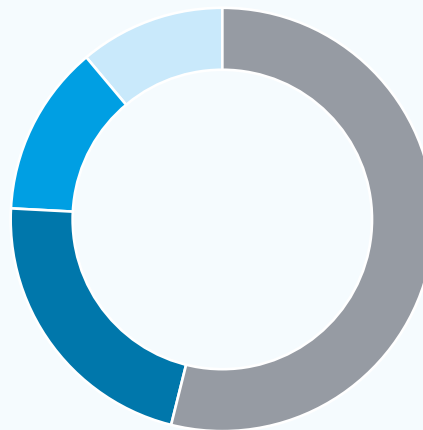
As of 31 March 2025, the CCLA board comprised nine members: three executive directors and six non-executive directors, including the chair. Four of the nine directors were women. We held four board meetings during the last financial year.

Uniquely, CCLA is owned by investment funds of our three client groups – churches, charities and local authorities. One trustee from each group is a CCLA non-executive director.

The executive directors form the Executive Committee along with other senior members of staff and have responsibility for our HR policy, while the non-executive directors form the Audit and Risk Committee and the Remuneration and Nomination committees.

Our chief executive holds overall responsibility for ESG stewardship and our anti-slavery policy.

OUR OWNERSHIP



Key:

- The CBF Church of England Investment Fund 54%
- COIF Charities Investment Fund 22%
- Local Authorities Mutual Investment Trust (LAMIT) 13%
- CCLA Directors and Employees 11%

Executive compensation

We regularly benchmark executive remuneration against the market to ensure we continue to hire and retain the best talent. Individual compensation depends on the overall performance of the individual, team and organisation against short- and long-term objectives, but is currently not linked to any sustainability-related targets or scorecards.

Risk management and compliance

Our governance framework for managing the main risks facing our business includes the board of directors, supported by the Board Audit and Risk Committee, the Risk Committee and the Investment Committee.

We have controls across the business through which we document any near miss, risk event or breach. The details of any remediation and recommendations for enhancing controls are shared at these committee and board meetings.

The Compliance Advisory and Policy team tracks new regulatory rules and publications from the FCA, ICO and other bodies, and liaises with the business to ensure necessary actions are implemented. We provide the senior risk manager with risk indicator data every month.

CCLA also has a yearly AAF001 review, as well as internal and external audits, while an independent third party, depositary, has responsibility for the safekeeping of our funds' assets.

Under FCA regulations, we have to consider our capital position. Our annual process starts with looking at potential risks within the business and quantifying them into a financial impact report. We then use this to decide how much regulatory capital we should hold to ensure we have sufficient funds to survive any market downturns.

Read more about how we address our 10 principal risks in our [2024 annual report and accounts](#).

CCLA's modern slavery statement outlines our compliance with the UK Modern Slavery Act 2015 and our approach to finding, fixing and preventing modern slavery in our business operations, supply chain and investment portfolios.

Human rights and modern slavery

We are committed to respecting human rights across our operations and proactively tackling modern slavery within our supply chain and client base.

With an estimated 50 million people² around the world entrapped in modern slavery, our working assumption is that human trafficking is a systemic issue and present in every supply chain. There is obviously an individual cost to this human rights tragedy but it impacts the business and investment community too.

Due diligence in our operations and supply chain

Our people are our first line of defence against modern slavery, and they need to understand the risks concerning modern slavery. That's why we have introduced an annual, mandatory e-learning module on modern slavery that all employees must complete and pass.

We already include modern slavery considerations in our due diligence questionnaires when assessing new suppliers and have started to look into how best to engage on the issue with our current suppliers and contractors in higher-risk sectors (construction, cleaning, catering, corporate hospitality and technology). And even though we procure very little in the way of materials and products, we prefer to source fair trade and sustainably sourced items where possible. However, we accept that we need to strengthen our supplier selection and management procedures in this area.

We have also joined the call for mandatory human rights due diligence legislation in the UK.

² International Labour Organization, Walk Free Foundation and the International Organization for Migration (2022), 'Global estimates of modern slavery: forced labour and forced marriage', online at www.ilo.org/global/topics/forced-labour/publications/WCMS_854733/lang--en/index.htm

FIND IT, FIX IT, PREVENT IT

Our Find it, Fix it, Prevent it engagement programme, launched in 2019, brings investors together and mobilizes them at scale to increase the effectiveness of corporate action against modern slavery.

Through the initiative, we have:

- Promoted a stronger regulatory environment through dialogue with the UK Government, regulators and other policy makers
- Engaged with companies to improve their processes for identifying, addressing and preventing modern slavery
- Worked with data providers, non-governmental organisations and academic institutions to develop better information about modern slavery
- Received the support of investors with collective asset under management and advisory of £15 trillion (as at 31 March 2025)

To find out more, download our latest [Find it, Fix it, Prevent it Annual Report](#).

Addressing modern slavery in our investments

Our highest chance of being exposed to modern slavery, forced labour and human trafficking comes through the companies and assets in our investment portfolios. But this is also where we can make the biggest difference. We use our position in the investment community as a catalyst for change through our Find it, Fix it, Prevent it initiative.

Read more about our approach to tackling [modern slavery on our website](#).

Transparency, ethics and integrity

We value our reputation for maintaining the highest ethical standards and complying with all applicable anti-bribery and anti-corruption legislation.

Anti-bribery and corruption

The conduct of all employees, and those working on our behalf, is fundamental to maintaining those high standards. To guide them, our Anti-Bribery Policy outlines our zero-tolerance approach to fraud, corruption and bribery, and details what actions and behaviours are prohibited. It also expands on how we conduct assessments and how employees should report any incidents or concerns. This is supported by our Conflicts of Interest Policy.

In addition, we conduct a range of mandatory training courses with relevant teams to address topics including fraud and money laundering, market abuse, vulnerable customers, suspicious activity and financial promotions.

MANAGING CLIENT RELATIONSHIPS

To understand and serve the needs of our large client base, we place value on efficient administration and strong relationships. We have an experienced team of 12 client investment directors and managers who are further supported by our London-based team of 25 client service and onboarding team who interact directly with clients.

Whistleblowing procedures

We take our commitment to safe and ethical behaviour seriously, and empower our employees to speak up if they experience or witness dishonest or unethical behaviour, discrimination, corruption, breaches of health and safety, bullying or fraud.

As outlined in our Whistleblowing Policy, we have procedures in place so that employees can report their concerns to their line manager, our Chief Risk Officer or the Chief People Officer. Beyond CCLA, employees can also report concerns to SafeCall, an independent, confidential hotline and secure web platform that's available 24 hours a day. This also allows them to report anonymously if they so wish.

Our Whistleblowers' Champion has responsibility for overseeing the integrity, independence and effectiveness of our whistleblowing procedures. Our designated Champion is currently the chair of our Audit and Risk Committee.

Data privacy and security

Guided by our Data Protection Policy, we are committed to maintaining the highest standards of security and confidentiality for information under our control. We use an array of cyber review and protection tools and have acquired Information Assurance for Small and Medium Enterprises (IASME) certification to demonstrate that our internet-connected devices contain the necessary security controls. We are also in the process of building a more comprehensive information security framework and making sure our approach to data protection is more widely understood around the business.

All employees have a part to play in following our information security and data-handling processes, ensuring that we comply with our legal obligations when dealing with personal and sensitive information. Employees undertake mandatory e-learning modules on cybercrime and data protection, as well as training on their data obligations under the UK's General Data Protection Regulation (GDPR).

Furthermore, we conduct due diligence on external suppliers to make sure their capabilities align with our own data protection requirements.

The correct and lawful handling of personal data helps to maintain confidence in our organisation and supports the success of our business. That's why data protection, privacy and security is an important issue for us.

Important information

This document is not a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. We strongly recommend you seek independent professional advice prior to investing.

CCLA Investment Management Limited (registered in England & Wales, No. 2183088) and CCLA Fund Managers Limited (registered in England & Wales, No. 8735639), whose registered address is One Angel Lane, London EC4R 3AB, are part of the Jupiter Group, and are authorised and regulated by the Financial Conduct Authority.

WANT TO KNOW MORE?

Please contact:

Client Services

clientservices@ccla.co.uk

Freephone 0800 022 3505

CCLA

BECAUSE GOOD IS BETTER