



## **PUBLIC TRANSPARENCY REPORT**

### **2025**

**CCLA**

Generated 24-11-2025

# About this report

PRI reporting is the largest global reporting project on responsible investment.

It was developed with investors, for investors. PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders. This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2025 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

As an asset manager our aim is to meet our clients' financial objectives in a way that aligns with their values and furthers their mission. We believe we have a duty to go beyond the boundaries of traditional investor engagement and work with the industry to address systemic risks that threaten communities, the environment and ultimately investment markets. We achieve this through the following three principles. Act: We act as an agent for 'change' because we believe investment markets can only ever be as healthy as the environment and communities that support them. We do this by:

- Using our ownership rights to improve the sustainability of the assets in which we invest
- Bringing investors together to address systemic risks that have not received the attention that they require
- Seeking to be a catalyst for change in the investment industry.

By helping to accelerate progress in meeting the major sustainability challenges that the world faces, we can limit risks before they negatively affect the performance of our clients' assets and the functioning of society.

Assess: We assess environmental, social and governance (ESG) standards (on listed equities within our portfolios only) because we believe that a combination of legislation, regulation and changing societal preferences will negatively impact the most unsustainable business models. We avoid investing in companies that have uncompensated, unwanted, unwarranted and unmitigated ESG risks as evidenced by:

- Poor management and weak corporate governance
- Having an unacceptable social and environmental impact
- Not demonstrating a willingness to improve through investor engagement.

This helps us avoid investments that we anticipate will underperform and, as the market has a poor record of pricing these risks, and helps us with our aim to deliver consistent long-term risk-adjusted returns to our clients.

(NB. A separate assess approach has been developed for property and fixed income – as delivered by our sub-contracted provider - that meets the specific needs of the asset class).

Align: As we are the guardians and not owners of the assets we manage, we aim to invest in a way that we believe aligns with our clients. We have a responsibility to:

- ensure that our portfolios are aligned with our clients' objectives, values and beliefs
- report on the outcomes of all our stewardship work By investing in a way that we believe is aligned with our clients we are better able to meet their objectives and offer more than a financial return.

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#### Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

At CCLA we believe that responsible investment finds itself at a cross-road.

Whilst the growth of interest in environmental, social, and governance (ESG) investing has been exponential the industry faces significant threats. These range from 'culture wars' impacting upon the ability for investors to integrate ESG factors into investment processes in the USA to proposed changes to legislation in the UK that could – by changing the corporate listing rules – disenfranchise investor stewardship.

But whilst these issues are important and are considerable headwinds to the continued growth of our movement, we believe that responsible investment faces a more significant threat. It is not delivering what people want.

We believe that people look to responsible investors to deliver positive change and it's record of doing this is mixed, at best. Instead of building a better world, it has focussed on the portfolio, themes and metrics. This must change if our sector is to become something meaningful and, during the year to the end of March 2025, CCLA has sought to play our part in building a more 'outcomes oriented' industry.

While our investment process focuses on financially material sustainability issues, our engagement work seeks to encourage companies to minimise their negative environmental and social impacts. This approach acknowledges that while many sustainability issues do not impact companies' short-term financial performance, they can have a significant negative impact on our environment and communities.

Accordingly, our active ownership program continues to focus on two areas:

1. Improving our investee companies' impacts on the real world
2. Creating, convening and participating in engagement programmes that seek to address systemic sustainability risks.

These efforts contain both engagement with companies and public policy makers and are based on three themes:

- better environment – considering both climate change and wider environmental concerns
- better work – encouraging high labour standards and protection of human rights
- better health – improving the health of workers, customers and communities.

At the end of 2024, our Find it, Fix It, Prevent it and Mental Health initiatives were supported by 70 and 57 investors (114 investors across both programmes excluding duplicates) in 15 countries across 4 continents representing assets under management of £22.3 trillion. These continue to contribute to significant progress from the companies engaged.

By way of example, The CCLA Corporate Mental Health Benchmark, launched in 2022, aims to inform and accelerate progress in this area – an area that has historically been hidden behind closed doors in the workplace. In 2024, the CCLA Corporate Mental Health Benchmark evaluated 220 listed companies against 27 assessment criteria based on the information publicly available during the assessment period. Of these companies 36 improved their score sufficiently year-on-year to improve by one or more performance tiers.

Many of the companies covered by both benchmarks are outside the CCLA portfolio reflecting our aim to work towards a better world not just a better portfolio.

To deliver this work we continued to invest in the development of CCLA's Sustainability team which is now comprised of 11 (9 FTE) dedicated staff members. I hope that this provides an overview of our approach to responsible investment and our commitment to building an investment industry that plays a full role in building a better, more sustainable, world.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Moving forwards CCLA will continue to play a significant role in building a more outcomes oriented responsible investment industry. We will do this by maintaining, and growing the influence of, our existing collaborative engagement programmes.

We will also seek to grow our influence in the intermediated wealth market. Specifically, we believe that IFAs, Financial Planners and other intermediaries in the retail market can play a more significant role in the development of sustainable finance particularly through embracing the power of active ownership. CCLA can, and will, play a key role in this development.

Finally, within our core market we will continue to support charities in their attempts to connect their mission with the management of their financial resources. Charities are unrivalled experts in delivering change and, by connecting their investments to their mission, we believe that we will be able to unlock significant progress in building a better, more sustainable, world.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Peter Hugh Smith

Position

Chief Executive

Organisation's Name

CCLA

☒ A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

## OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

### OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

- ☐ (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- ☐ (B) Directive on AIFM (2011/61/EU) [European Union]
- ☐ (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- ☐ (D) EU Taxonomy Regulation [European Union]
- ☐ (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- ☐ (F) IORP II (Directive 2016/2341) [European Union]
- ☐ (G) Law on Energy and Climate (Article 29) [France]
- ☐ (H) MiFID II (2017/565) [European Union]
- ☒ (I) Modern Slavery Act [United Kingdom]
- ☐ (J) PEPP Regulation (2019/1238) [European Union]
- ☐ (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- ☐ (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- ☐ (M) SFDR Regulation (2019/2088) [European Union]
- ☐ (N) SRD II (Directive 2017/828) [European Union]
- ☐ (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- ☐ (P) Climate Risk Management (Guideline B-15) [Canada]
- ☐ (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- ☐ (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- ☐ (S) Instrucciones para la Integración de Datores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- ☐ (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- ☐ (U) SEC Expansion of the Names Rule [United States of America]
- ☐ (V) SEC Pay Ratio Disclosure Rule [United States of America]
- ☐ (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
- ☐ (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- ☐ (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- ☐ (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- ☐ (AA) Financial Markets Conduct Act [New Zealand]
- ☐ (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- ☐ (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- ☐ (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- ☐ (AE) Modern Slavery Act (2018) [Australia]

- ☐ (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- ☐ (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- ☐ (AH) JSE Limited Listings Requirements [South Africa]
- ☐ (AI) Other
- ☐ (AJ) Other
- ☐ (AK) Other
- ☐ (AL) Other
- ☐ (AM) Other
- (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

**During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?**

- ☐ (A) Asset Owners Stewardship Code [Australia]
- ☐ (B) Código Brasileiro de Stewardship [Brazil]
- ☐ (C) New Zealand Stewardship Code
- ☐ (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
- ☒ (E) **Stewardship Code [United Kingdom]**
- ☐ (F) Stewardship Framework for Institutional Investors [United States of America]
- ☐ (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- ☐ (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- ☐ (I) Luxflag ESG Label [Luxembourg]
- ☐ (J) RIAA Responsible Investment Certification Program [Australia]
- ☐ (K) SRI Label [France]
- ☐ (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- ☐ (M) Code for Institutional Investors 2022 [Malaysia]
- ☐ (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- ☐ (O) Corporate Governance Guidelines [Canada]
- ☐ (P) Defined Contribution Code of Practice [United Kingdom]
- ☐ (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- ☒ (R) **Global ESG Benchmark for Real Assets (GRESB) [Global]**
- ☐ (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- ☐ (T) OECD Guidelines for MNEs - Responsible Business Conduct for Institutional Investors [Global]
- ☐ (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
- ☐ (V) Net Zero Asset Managers (NZAM) Initiative [Global]
- ☐ (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- ☒ (X) **Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]**
- ☐ (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- ☐ (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- ☐ (AA) Global Reporting Initiative (GRI) Standards [Global]
- ☐ (AB) IFC Performance Standard [Global]
- ☐ (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- ☐ (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
- ☐ (AE) Other
- ☐ (AF) Other
- ☐ (AG) Other
- ☐ (AH) Other
- ☐ (AI) Other
- (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.



# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	03	2025

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- ☐ (A) Yes
- ☒ (B) No

# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

**What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?**

**USD**

(A) AUM of your organisation, including subsidiaries not part of row (B), and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 20,181,426,275.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>10-50%	0%
(B) Fixed income	>0-10%	>0-10%
(C) Private equity	>0-10%	>0-10%
(D) Real estate	>10-50%	>0-10%
(E) Infrastructure	0%	>0-10%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>10-50%	>0-10%
(J) Off-balance sheet	0%	0%

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

Other Internal. Value of CCLA Money Market/Cash Funds as a percentage of AUM- 31st March 2025

**(I) Other - (2) Percentage of Externally managed AUM - Specify:**

Other External. Value of CCLA's investments in externally managed Contractual and Other Income as a percentage of AUM- 31st March 2025

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	>10-50%	>75%	0%	0%
(B) Passive	0%	0%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(C) Fixed income - active	>10-50%	>50-75%
(E) Private equity	>0-10%	>75%
(F) Real estate	>10-50%	>75%
(G) Infrastructure	>0-10%	>75%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity	0%
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(B) Active – quantitative	0%
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(C) Active – fundamental	0%
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(D) Other strategies	>75%
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**(D) Other strategies - Specify:**

CCLA's listed equity approach combines both quantitative and fundamental analysis.

**Additional context to your response(s): (Voluntary)**

CCLA adopts a long-term investment approach; when assessing an investment, we typically adopt a minimum of a five-year horizon. We employ a team-based approach to security selection, as we believe this approach harnesses the best elements of each investor, while reducing individual behavioural biases. Our objective is to buy and hold shares in predictable companies that can be acquired at a discount to intrinsic value and that can deliver increases in profits and underlying free cash in excess of market expectations over time. Philosophically, our preferred measure of 'quality' is profitability, measured as cash return on invested capital (CROIC), because we believe that high and sustainable CROIC leads to higher cash flows that are available for reinvestment in new assets either organically or by acquisition to generate additional incremental cash flows, or alternatively to be distributed to shareholders by way of dividends and share buy backs. Our investment process is centred around four key pillars Enduring competitive advantage Multiple Sources of growth Efficient use of capital Minimum ESG standards

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA >50-75%

(D) Active – corporate >10-50%

(E) Securitised 0%

(F) Private debt 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED PRIVATE EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 PE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed private equity	GENERAL

**Provide a further breakdown of your internally managed private equity AUM.**

(A) Venture capital 0%

(B) Growth capital 0%

(C) (Leveraged) buy-out 0%

(D) Distressed, turnaround or  
special situations 0%

(E) Secondaries 0%

(F) Other >75%

**(F) Other - Specify:**

CCLA is a private limited company. 76% of its shares are held in two funds which CCLA manages - the CBF Church of England Investment Fund and the COIF Charities Investment Fund.

## ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 RE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed real estate	GENERAL

**Provide a further breakdown of your internally managed real estate AUM.**

(A) Retail >0-10%

(B) Office >10-50%

(C) Industrial >50-75%

(D) Residential 0%

(E) Hotel >0-10%

(F) Lodging, leisure and recreation 0%

(G) Education 0%

(H) Technology or science 0%

(I) Healthcare 0%

(J) Mixed use 0%

(K) Other >0-10%

**(K) Other - Specify:**

Other mainly comprises car showrooms. In addition there is one property with a GAV of approximately £7million that was built as a college and is currently occupied by a healthcare provider (the NHS). This is less than 1% of the GAV of the combined property funds.

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

**What percentage of your organisation's externally managed assets are managed by PRI signatories?**

>50-75%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(2) >0 to 10%
(F) Private equity	(1) 0%
(G) Real estate	(1) 0%
(H) Infrastructure	(2) >0 to 10%



## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(3) Fixed income - active	(5) Private equity	(6) Real estate	(7) Infrastructure	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

#### (1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active

(12) 100%

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors  
into our investment decisions

(2) No, we do not incorporate ESG  
factors into our investment decisions

(D) Listed equity - other strategies

☒

☐

(E) Fixed income - SSA

☒

☐

(F) Fixed income - corporate

☒

☐

(I) Private equity

☒

☐

(J) Real estate

☒

☐

(V) Other: Other Internal. Value of  
CCLA Money Market/Cash Funds  
as a percentage of AUM- 31st  
March 2025

☒

☐

## EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

**For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when selecting external investment managers?**

	(1) Yes, we incorporate ESG factors when selecting external investment managers	(2) No, we do not incorporate ESG factors when selecting external investment managers
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Other External. Value of CCLA's investments in externally managed Contractual and Other Income as a percentage of AUM- 31st March 2025	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

**For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when appointing external investment managers?**

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Other External. Value of CCLA's investments in externally managed Contractual and Other Income as a percentage of AUM- 31st March 2025	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

**For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when monitoring external investment managers?**

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Other External. Value of CCLA's investments in externally managed Contractual and Other Income as a percentage of AUM- 31st March 2025	<input checked="" type="radio"/>	<input type="radio"/>

## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

**Describe how your organisation incorporates ESG factors into the following asset classes.**

Internally managed  
(C) Other

Our cash funds currently invest on behalf of our church, charity and local authority clients in the CBF Church of England Deposit Fund, the COIF Charities Deposit Fund and the Public Sector Deposit Fund.

These funds primarily invest in fixed income securities, which are certificates of deposit issued by financial institutions that are on CCLA's approved counterparties list. In addition, these funds may use term deposits and notice accounts. These instruments and deposits offer a fixed interest rate in exchange for a predetermined holding period. CCLA assesses potential counterparties based on their financial strength and a number of sustainability indicators. These indicators include:

our corporate governance rating (if a listed counterparty) the counterparty's position on CCLA's UK and Global Mental Health benchmarks (if relevant) the counterparty's position on CCLA's Modern Slavery benchmark (if relevant) an assessment of the counterparty's coal, oil and gas expansion policies. In addition, CCLA routinely monitors counterparties compliance with Global Standards through our third-party provider to determine whether they are compliant with and/or whether they have significant or severe controversies. When significant concerns about their governance, or wider social and/or environmental impact are identified, counterparties' eligibility for use by the fund is suspended.

Counterparties which do not comply with Global Standards, and/or have the most severe level of controversy (as advised by our third-party provider) are excluded. If they become non-compliant while we hold fixed interest securities issued by them in our funds, a time-limited engagement plan is created with regular monitoring by the CCLA Investment Committee. Should the counterparty not show sufficient improvement, the investment team has a six-month divestment window. Finally, no further fixed interest securities (or other types of cash instruments) issued by this counterparty can be purchased.

## Externally managed

### (F) Other

To ensure that we can implement our clients' values-based screens we seek to invest most of our assets directly. This allows us to exercise direct control over the selection of investments. However, to provide the investment returns required, within an acceptable risk budget, it is necessary for us to invest in specialist asset classes, such as private equity and infrastructure, where we do not have the expertise to gain direct exposure in a way that is fair to our clients. To do this we use externally managed investment products. Our external data providers have not been able to deliver comprehensive screening of fund-based investments. For this reason, we have developed an in-house approach to screening these vehicles against our values-based investment policies.

Our starting point is to seek to enter into an agreement with the relevant investment manager. These agreements seek to ensure that the fund does not invest in restricted activities or that CCLA clients' capital is not exposed to any such investments that are made. Should it not be possible to enter into an agreement, we undertake our own desk-based screening process. Prior to an investment in any third-party managed fund, CCLA's specialist team seeks to review all of the underlying exposures held within the product. On the back of this review each third-party managed product is assessed against the values-based criteria adopted by CCLA's clients. Through this assessment third-party managed funds are deemed to be ineligible for our clients' portfolios if:

- any of the underlying holdings are identified by CCLA as being exposed to companies involved in the manufacture of weapons that are banned by international treaties (for example, a fund would be ineligible for any CCLA product if an underlying investment is identified as providing critical parts to a cluster munitions system)
- 10% or more of the underlying capital value of the fund is dedicated to activities proscribed by the CCLA products' values based investment policy (for example, a fund would be ineligible for the COIF Charities Ethical Investment Fund if over 10% of the potential investee fund was exposed to companies that manufacture tobacco and alcohol).

For the sake of our values-based screening process, CCLA defines an investment fund as being 'An investment where CCLA seeks to be a participant in a collective pool of capital that is used to purchase investment assets'. This includes entities such as investment trusts, real estate investment trusts, property funds, open-ended investment companies, and exchange-traded funds. As such this definition does not include companies that manage financial products, such as private equity investment managers. These are considered to be listed equities and are screened using the data, definitions and exclusions provided by third-party data providers. Once invested, funds are monitored to ensure that they remain in compliance with these rules. As a final safeguard, we seek to ensure that the combined exposure to all restricted activities within our third-party managed fund holdings remains below 1% of the capital value of the CCLA fund.

Third-party fund reviews are labour intensive, and it is often not possible to obtain all of the necessary information. For example, some private equity funds invest in other funds that do not disclose all their holdings. For this reason, our screening of third-party managed funds is undertaken on a 'best endeavours' basis

All new third-party fund investments require the approval of CCLA's Investment Committee prior to investment for any CCLA product.

# ESG STRATEGIES

## LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	>75%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	0%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1
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**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only

0%

(B) Negative screening only

>75%

(C) A combination of screening approaches

0%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1
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**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

**(1) Fixed income - SSA**

**(2) Fixed income - corporate**

(A) Screening alone

>75%

0%

(B) Thematic alone

0%

0%

(C) Integration alone

0%

0%

(D) Screening and integration

0%

>75%

(E) Thematic and integration

0%

0%

(F) Screening and thematic

0%

0%



(G) All three approaches combined	0%	0%
(H) None	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Positive/best-in-class screening only	0%	0%
(B) Negative screening only	>75%	>75%
(C) A combination of screening approaches	0%	0%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

☒ **(A) Yes, we market products and/or funds as ESG and/or sustainable**

Provide the percentage of total AUM that your ESG and/or sustainability-marketed products or funds represent:

>75%

- ☐ (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- ☐ (C) Not applicable; we do not offer products or funds

**Additional context to your response(s): (Voluntary)**

**Sustainability approach**

We believe that the primary role of responsible investment is to drive positive change and this is best achieved by pushing companies to do more to address the major challenges facing us today. We aim to manage our clients' investments in a way that aligns with their values and to do this we consider environmental, social and governance (ESG) factors in our listed equity investment process and go beyond the boundaries of traditional investor engagement to drive change. The FCA has introduced sustainable investment labels to help investors find products that have a specific sustainability goal. CCLA products do not have a UK sustainable investment label because they do not have a sustainability goal.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

- ☐ (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- ☒ (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) Listed equity – other strategies	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(F) Fixed income – corporate	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(I) Private equity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

(V) External manager selection, appointment and monitoring (SAM) – fixed income - active	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(X) External manager selection, appointment and monitoring (SAM) – private equity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(Y) External manager selection, appointment and monitoring (SAM) – real estate	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(Z) External manager selection, appointment and monitoring (SAM) – infrastructure	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

## OTHER ASSET BREAKDOWNS

### REAL ESTATE: BUILDING TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 24	CORE	OO 21	RE 1, RE 9 - 10	PUBLIC	Real estate: Building type	GENERAL

What is the building type of your physical real estate assets?

- ☒ (A) Standing investments  
☐ (B) New construction  
☐ (C) Major renovation

### REAL ESTATE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 25	CORE	OO 21	N/A	PUBLIC	Real estate: Ownership level	GENERAL

What is the percentage breakdown of your physical real estate assets by the level of ownership?

- ☒ (A) A majority stake (more than 50%)  
 Select from the list:  
☐ (1) >0 to 10%  
☐ (2) >10 to 50%  
☐ (3) >50 to 75%  
☒ (4) >75%  
☐ (B) A significant minority stake (between 10–50%)  
☐ (C) A limited minority stake (less than 10%)

## REAL ESTATE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 26	CORE	OO 21	RE 1, RE 6–8, RE 13	PUBLIC	Real estate: Management type	GENERAL

### Who manages your physical real estate assets?

- ☐ (A) Direct management by our organisation
- ☒ (B) Third-party property managers that our organisation appoints
- ☐ (C) Other investors or their third-party property managers
- ☒ (D) Tenant(s) with operational control

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

### How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- ☐ (A) Publish as absolute numbers
- ☒ (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☐ (E) Guidelines on sustainability outcomes
- ☒ (F) Guidelines tailored to the specific asset class(es) we hold
- ☒ (G) Guidelines on exclusions
- ☒ (H) Guidelines on managing conflicts of interest related to responsible investment
- ☒ (I) Stewardship: Guidelines on engagement with investees
- ☒ (J) Stewardship: Guidelines on overall political engagement
- ☒ (K) Stewardship: Guidelines on engagement with other key stakeholders
- ☒ (L) Stewardship: Guidelines on (proxy) voting
- ☐ (M) Other responsible investment elements not listed here
- ☐ (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- ☒ (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- ☒ (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- ☒ (C) Specific guidelines on other systematic sustainability issues

Specify:

We realise that some of the key environmental and social challenges facing the medium to long term performance of our clients' investments are systemic and cannot be eliminated through diversification. For this reason, we seek to be a catalyst for positive systemic change and have a long track record on developing engagement initiatives that focus investor action on risks that have not been adequately addressed by the market. We also recognise that regulation and legislation are key tools in managing systemic sustainability risks. For this reason, we believe that we have a responsibility to work with public policy makers to push for progressive frameworks that accelerate positive change.

Our engagement prioritisation process is overseen by the Investment Committee and seeks to:

- Identify systemic risks and evaluate the extent to which these pose a threat to the value of our clients' portfolios. This is delivered through an informal process that includes reviewing materials such as the World Economic Forum's annual Risks Report and our clients' responsible investment priorities as we believe that these can act as an early indicator as to future issues of interest.

- Review existing investor action and CCLA's existing knowledge and expertise of the issue. We recognise that the investment industry has increasingly focused on responsible investment and, for this reason, want CCLA's activity to be additive, rather than replicative, to existing efforts. For this reason, before prioritising an issue we consider the extent to which it would be possible for us to act as a catalyst for further action.

On the back of this assessment, we prioritise a small number of issues for significant action. During the reporting year we have sought to work systemically to address challenges by climate change, promote better standards of mental health and work to increase the effectiveness of corporate actions on modern slavery.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

#### Which elements of your formal responsible investment policy(ies) are publicly available?

☒ **(A) Overall approach to responsible investment**

Add link:

<https://www.ccla.co.uk/main/sustainability>

☒ **(B) Guidelines on environmental factors**

Add link:

<https://www.ccla.co.uk/main/sustainability>

☒ **(C) Guidelines on social factors**

Add link:

<https://www.ccla.co.uk/sustainability/better-work>

☒ **(D) Guidelines on governance factors**

Add link:

<https://www.ccla.co.uk/sustainability/corporate-governance-and-voting>

☒ **(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.ccla.co.uk/sustainability/initiatives/climate-action>

☒ **(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.ccla.co.uk/sustainability/initiatives/modern-slavery>

☒ **(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://www.ccla.co.uk/mental-health>

☒ **(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://www.ccla.co.uk/about-us/policies-and-reports/policies/sustainability-approach-cash-funds>

☒ **(J) Guidelines on exclusions**

Add link:

<https://www.ccla.co.uk/documents/values-based-screening-policy/download?inline>

☒ **(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://www.ccla.co.uk/about-us/policies-and-reports/policies/conflicts-interest-disclosure>

☒ **(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.ccla.co.uk/documents/engagement-policy/download?inline>

☒ **(M) Stewardship: Guidelines on overall political engagement**

Add link:

<https://www.ccla.co.uk/documents/engagement-policy/download?inline>

☒ **(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://www.ccla.co.uk/documents/engagement-policy/download?inline>

☒ **(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.ccla.co.uk/documents/ccla-voting-guidelines/download?inline>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

**Additional context to your response(s): (Voluntary)**

Under (I) Guidelines tailored to the specific asset class(es) we have added the link our sustainability approach for our cash funds. The following are also available for other asset classes: Fixed interest: <https://www.ccla.co.uk/documents/approach-fixed-interest-investment/download?inline> Property: <https://www.ccla.co.uk/about-us/policies-and-reports/policies/approach-property-investment> Oppressive Regimes: <https://www.ccla.co.uk/about-us/policies-and-reports/policies/approach-sovereign-debt>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

☒ **(A) Yes**

Elaborate:

As an asset manager our aim is to meet our clients' financial objectives in a way that aligns with their values and furthers their mission. We believe we have a duty to go beyond the boundaries of traditional investor engagement and work with the industry to address systemic risks that threaten communities, the environment and ultimately investment markets. We achieve this through the following three principles.

Act: We act as an agent for 'change' because we believe investment markets can only ever be as healthy as the environment and communities that support them. We do this by: • using our ownership rights to improve the sustainability of the assets in which we invest • bringing investors together to address systemic risks that have not received the attention that they require • seeking to be a catalyst for change in the investment industry. By helping to accelerate progress in meeting the major sustainability challenges that the world faces, we can limit risks before they negatively affect the performance of our clients' assets and the functioning of society.

Assess: We assess environmental, social and governance (ESG) standards because we believe that a combination of legislation, regulation and changing societal preferences will negatively impact the most unsustainable business models. We avoid investing in companies that have uncompensated, unwanted, unwarranted and unmitigated ESG risks, as evidenced by: • poor management and weak corporate governance • having an unacceptable social and environmental impact • not demonstrating a willingness to improve through investor engagement. This helps us avoid investments that we anticipate will underperform and, as the market has a poor record of pricing these risks, enable us to deliver consistent long-term risk-adjusted returns to our clients.

Align: As we are the guardians and not the owners of the assets we manage, we aim to invest in a way that aligns with our clients. We have a responsibility to: • ensure that our portfolios are aligned with our clients' objectives, values and beliefs • report on the outcomes of all our work • be transparent about everything we do on our clients' behalf. By investing in a way that we believe is aligned with our clients we are better able to meet their objectives and offer more than a financial return.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

#### Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- ☒ (A) Overall stewardship objectives
- ☒ (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- ☒ (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- ☒ (D) How different stewardship tools and activities are used across the organisation
- ☒ (E) Approach to escalation in stewardship
- ☒ (F) Approach to collaboration in stewardship
- ☒ (G) Conflicts of interest related to stewardship
- ☒ (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- ☐ (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

#### Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- ☒ (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- ☒ (B) Yes, it includes voting principles and/or guidelines on specific social factors
- ☒ (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

#### Additional context to your response(s): (Voluntary)

Our template is not based solely on governance matters but incorporates both our position on environmental, social and governance (ESG) issues, and our main engagement themes. This ensures consistency across all of our stewardship activity.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

**Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?**

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

**Additional context to your response(s): (Voluntary)**

Stock lending policy: CCLA retains full control over its voting rights and to that end, does not participate in stock lending.

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

**What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?**

**Combined AUM coverage of all policy elements**

(A) Overall approach to responsible investment	
(B) Guidelines on environmental factors	(7) 100%
(C) Guidelines on social factors	
(D) Guidelines on governance factors	

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

**What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?**

**AUM coverage**

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

☒ **(A) Listed equity**

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ **(11) 100%**

☒ **(B) Fixed income**

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%

- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

☑ (C) Private equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

☑ (D) Real estate

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

☑ (E) Infrastructure

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

☑ (I) Other

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

#### What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

☒ **(A) Actively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%
- ☒ **(11) 100%**

#### Additional context to your response(s): (Voluntary)

CCLA invests money on behalf of over 31,000 non-profit organisations, representing a wide range of missions, as well as funds for private clients via intermediaries. We acknowledge that we are the stewards, not the owners, of the assets that we invest, and take our stewardship responsibilities seriously. One such responsibility is use of the voting rights that come from being a shareholder, allowing us to have our say at company General Meetings. We believe that it is in our clients' best interests to vote on all company resolutions, both domestic and overseas, and aim to do so whenever possible.

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

#### Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

☒ **(A) Board members, trustees, or equivalent**

☒ **(B) Senior executive-level staff, or equivalent**

Specify:

Chief Executive Officer, Head of Sustainability

☒ **(C) Investment committee, or equivalent**

Specify:

Chief Executive Officer, Chief Risk Officer, Investment Risk Manager, Head of Investment Solutions, Head of Client Relationship, Head of Product,

☒ **(D) Head of department, or equivalent**

Specify department:

Sustainability

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(L) Stewardship: Guidelines on engagement with other key stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

☒ (A) Yes

Describe how you do this:

CCLA is a mid-sized asset manager with approximately £15bn in assets under management and approximately 179 members of staff (172 full time equivalents). As a result, we do not have numerous disparate public policy strands of work. The importance of public policy work is reflected in CCLA's Engagement Policy, and all of our active ownership work requires the approval of our Investment Committee. CCLA sits on the Advisory and other important committees at key industry organizations. This includes the Investment Association where CCLA are represented on the Investment and Stewardship Committees. This is achieved via an appropriate governance framework made up of four major components: Board oversight, Committee responsibilities, management accountability and authority and policies and procedures.

- ☐ (B) No
- ☐ (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

☒ (A) Internal role(s)

Specify:

The Sustainability Team comprised eleven sustainability experts (nine full time equivalent) of which six had experience in the sustainable finance industry of more than 10 years. The team's focus is on driving change through active stewardship, supporting the integration of ESG into our investment process and being responsible for the delivery of CCLA's Good Investment beliefs and all systemic sustainability initiatives. Investment team members are responsible for ESG integration at asset level.

- ☐ (B) External investment managers, service providers, or other external partners or suppliers
- ☐ (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Describe: (Voluntary)

CCLA's responsible investment KPI is to achieve the best possible grades on the PRI Assessment Process. This applies to our CEO Peter Hugh Smith who is a member of the CCLA Board.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

- (1) KPIs are linked to compensation

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

Stewardship responsibilities are included in the job specifications and competency assessments of all investment management staff. However, variable pay is provided on a discretionary basis and is not allocated subject to fixed key performance indicators. We believe this enables us to reward our staff for their wider contribution to the company culture and our meeting clients' objectives. Specifically, principle 2 of CCLA's remuneration policy, "supports the delivery of its business strategy, objectives and long-term interests of the organisation, with consideration of:

- the organization's risk appetite including environmental, social and governance factors;
- the organization's culture and values; and
- the long-term effect of the investment decisions taken."

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?**

- ☒ (A) Any changes in policies related to responsible investment
- ☒ (B) Any changes in governance or oversight related to responsible investment
- ☒ (C) Stewardship-related commitments
- ☒ (D) Progress towards stewardship-related commitments
- ☒ (E) Climate-related commitments
- ☒ (F) Progress towards climate-related commitments
- ☒ (G) Human rights-related commitments
- ☒ (H) Progress towards human rights-related commitments
- ☒ (I) Commitments to other systematic sustainability issues
- ☒ (J) Progress towards commitments on other systematic sustainability issues
- ☐ (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?**

- ☒ (A) Yes, including governance-related recommended disclosures
- ☒ (B) Yes, including strategy-related recommended disclosures
- ☒ (C) Yes, including risk management-related recommended disclosures
- ☒ (D) Yes, including applicable metrics and targets-related recommended disclosures
- ☐ (E) None of the above

Add link(s):

<https://www.ccla.co.uk/documents/climate-good-investment-tcfd/download?inline>



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

- ☐ (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)
- ☐ (B) Disclosures against the European Union's Taxonomy
- ☐ (C) Disclosures against the CFA's ESG Disclosures Standard
- ☒ **(D) Disclosures against other international standards, frameworks or regulations**

Specify:

Response to the UK Stewardship Code Principles

Link to example of public disclosures

<https://www.ccla.co.uk/documents/response-uk-stewardship-code-principles/download?inline>

- ☐ (E) Disclosures against other international standards, frameworks or regulations
- ☐ (F) Disclosures against other international standards, frameworks or regulations
- ☐ (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

- ☒ **(A) Yes, we publicly disclosed all of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement**

Add link(s):

<https://www.ccla.co.uk/documents/better-world-sustainable-investment-outcomes-2024-online/download?inline=1>

- ☐ (B) Yes, we publicly disclosed some of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- ☐ (C) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- ☐ (D) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

# STRATEGY

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

### Which elements do your organisation-level exclusions cover?

- ☒ (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
  - ☒ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
  - ☒ (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
  - ☒ (D) Exclusions based on our organisation's climate change commitments
  - ☒ (E) Other elements
- Specify:

CCLA's organisational level restrictions cover the following areas Values: companies involved in the manufacture of weapons that are banned by international treaties to which the UK is a signatory (cluster munitions landmines, chemical or biological weapons) Tobacco producers, companies that derive more than 5% of revenues from tobacco; companies that derive more than 10% of revenues from non-medicinal cannabis. Regional: Sovereign debt from the most oppressive regimes Minimum Standards: companies in breach of UN Global Compact, guiding Principles on Business and Human Rights or who fail our internal controversies process or excluded by NBIM for conduct based activities or who are identified as having a high ESG Risk rating by our data providers Climate Change: companies that derive more than 5% of revenues for tar sands or thermal coal or 10% of revenues from the extraction, production or refining of Oil and Gas. Companies that produce more than 10 million metric tons of coal, or have plans to expand their coal production. Electricity generating utilities that are not Paris aligned and utilities and infrastructure that plan to increase coal fired power generating capacity Other: companies identified as high-risk under CCLA proprietary governance matrix.

- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

### How does your responsible investment approach influence your strategic asset allocation process?

- ☐ (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- ☐ (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (C) We incorporate human rights-related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- ☒ (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

	(1) Listed equity	(2) Fixed income	(3) Private equity	(4) Real estate	(5) Infrastructure
(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

We act as an agent for 'change' because we believe investment markets can only ever be as healthy as the environment and communities that support them. This is underpinned by the notion that systemic 'sustainability-related' risks are investment risks for our clients due to the long-term nature of their time horizons. Our 'act' work is also supported by the ability for charities (including churches) to use their investment portfolios to drive their mission. Engagement is the principal method that we use to drive change as we believe that it can lead to tangible changes in company practice. In contrast to "assess", which focusses on "financial materiality" our "Act" program focusses on "real-world materiality". By this we mean that we are seeking – through engagement with company management and public policy makers - to improve the negative effects that our investee holdings have upon the real world. This means that all of our engagement work is designed to 'drive change'. Whilst our work is designed to drive change, and we measure the outcomes of our dialogues, it is difficult for us to claim direct attribution for any changes companies make. We should, therefore, take care when discussing engagement to recognise that change is the result of 'an eco-system of actors' rather than solely us as an individual investor. Listed Equity Engagement Priorities: We apply our Engagement priorities on a 'top-down basis'. This means that we:

- prioritise a number of specific 'stewardship' themes' to prioritise for engagement.
- We identify a specific data point for each of these themes
- We then prioritise engagement with portfolio holdings that score poorly on these data points This is reflected in the Better World Engagement Framework .

Whilst some firms' engagement approach are 'bottom up' as they are bespoke programmes designed to address specific issues at individual companies, we believe that our 'top down' approach allows us to limit the number of ongoing dialogues, build up specialist knowledge in specific areas and – in so doing - increase our ability to drive change. At present, three engagement themes are applied. These are:

- Better Health: which includes working with companies to push for better standards to protect the mental health of employees and push for improvements in the nutritional standards of products.
- Better Environment: where we are working to accelerate the transition to a net-zero emissions economy and address concerns regarding biodiversity loss. This includes issues such as addressing climate change and tackling biodiversity loss.
- Better Work: where we are working to address modern slavery and wider concerns regarding human rights, poor labour standards and the living wage Cash/Money Market Funds:

We have a dedicated engagement programme for the financial institutions that our cash funds invest with. This includes concerns about 'fossil fuel financing' as well as CCLA's wider Better Health, and Better Work engagement themes. Fixed Interest: Engagement is undertaken by Federated Hermes (to whom the management of the fund has been sub-assigned) engagement is undertaken in accordance with the Federated Hermes EOS agreed engagement principles. Alternatives: engagement is focused on board structural and management contractual issues as we believe that these are the areas where as shareholders we have greatest influence.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other

- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

CCLA believe in the power of collaboration. We have a long track record of driving positive change through our active ownership practices. However, we recognise that by working collaboratively with other investors we can have a much bigger impact. For this reason, we seek to build, or participate in, the most effective engagement coalition to achieve our goal. We also recognise the importance of industry partnership and seek to take an active role in influencing the wider investment industry. We act as an agent for 'change' because we believe investment markets can only ever be as healthy as the environment and communities that support them. We do this by not only using our ownership rights to improve the sustainability of the assets in which we invest but bringing investors together to address systemic risks that have not received the attention that they require and seeking to be a catalyst for change in the investment industry.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

- ☒ **(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**  
Select from the list:  
● **1**
- ☒ **(B) External investment managers, third-party operators and/or external property managers, if applicable**  
Select from the list:  
● **4**
- ☒ **(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**  
Select from the list:  
● **5**
- ☒ **(D) Informal or unstructured collaborations with investors or other entities**  
Select from the list:  
● **3**
- ☒ **(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**  
Select from the list:  
● **2**
- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

#### How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

As active ownership is at the centre of our investment process. Listed Equity: A sustainability team members attend the weekly stock meeting and are involved in discussions regarding stock selection. In addition, we use this forum to share insights gained through our engagement activities. Alternatives: A sustainability team member attends the monthly alternative investments (private equity and infrastructure). Engagement in these areas is focused on governance arrangements at the investee company. During the year we engaged with six listed alternatives held in our portfolios, focusing on the need for board members to undertake a strategic review to either address an underperforming share price or to return value to shareholders. Money markets: In 2024, we developed a bespoke assessment framework for counterparties used in our money market funds. As a minimum, we consider a counterparty's: • corporate governance practices • approach to financing climate change • association with any controversies.

In terms of a governance process all engagement priorities are set, and progress against them monitored, by CCLA's Investment Committee which is chaired by the CEO and includes the Chief Risk Officer. In turn the Investment Committee is supported by the Sustainability Forum. The Forum's role is to provide an environment for in-depth discussion about CCLA's Sustainability activity across the Investment Team. This includes CCLA's work to drive change through active ownership (ACT), CCLA's work to integrate financially material ESG issues into our investment processes (ASSESS), and work to align investment portfolios with client values (ALIGN) across all asset classes. Its membership comprises: • Head of Sustainability (Chair); • Members of the Investment Leadership Group; • Director Governance and ESG Integration; • Manager ESG Integration • Senior Compliance Manager (Advisory and Policy) or delegate • A representative (as nominated) from the equity, cash, property, and alternative assets teams.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

#### If relevant, provide any further details on your organisation's overall stewardship strategy.

Long-term investment returns can only be as healthy as the communities and environment that supports them. For this reason, we believe that we have a responsibility to push for progress in meeting the world's sustainability challenges. Our approach to Stewardship, therefore, includes commitments to:

1. Use our ownership rights to improve the sustainability of the assets in which we invest. This includes developing targeted engagement plans for our listed equity holdings.
2. Bringing investors together to address systemic risks that have not had the attention that they require. As part of this work by the end of 2024 our sustainability initiatives on Better Health and Better Work were supported by: a total of 114 investors (excluding duplicates), covering a range of institutional asset managers, asset owners, across 15 countries in 4 continents and represented assets under management totalling £22.3 trillion. Separately our Find it, Fixed it, Prevent it modern slavery programme is supported by 70 investors and mental health by 57 investors. the second iteration of the CCLA UK Modern Slavery Benchmark. The Pilot for the CCLA Global Modern Slavery Benchmark was launched in early 2025.

Support for the CCLA Corporate Mental Health Benchmark, which was launched in 2022, aims to inform and accelerate progress in this area – an area that has historically been hidden behind closed doors in the workplace. We acknowledge that benchmarking is a long game, but at three years old, our initiative appears to be doing its job in driving corporate performance on workplace mental health. In 2024, the CCLA Corporate Mental Health Benchmark evaluated 220 listed companies against 27 assessment criteria based on the information publicly available during the assessment period; and

3. Be a catalyst for change in the investment industry. We recognise that we are better able to achieve change by working collectively so are committed to bringing the investment industry with us on our journey. For this reason, we are pleased that PRI serve on the Advisory Committees of both our Mental Health and Modern Slavery benchmarks.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

- ☒ (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes
- Select from the below list:
- ☒ (1) in all cases
  - ☐ (2) in a majority of cases
  - ☐ (3) in a minority of cases
- ☒ (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear
- Select from the below list:
- ☒ (1) in all cases
  - ☐ (2) in a majority of cases
  - ☐ (3) in a minority of cases
  - ☐ (D) We do not review external service providers' voting recommendations
  - ☐ (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

- ☐ (A) We recall all securities for voting on all ballot items
- ☐ (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- ☐ (C) Other
- ☐ (D) We do not recall our securities for voting purposes
- ☒ (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- ☒ (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- ☐ (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- ☐ (C) We vote in favour of shareholder resolutions only as an escalation measure
- ☐ (D) We vote in favour of the investee company management's recommendations by default
- ☐ (E) Not applicable; we do not vote on shareholder resolutions

**Additional context to your response(s): (Voluntary)**

Shareholder resolutions are a meaningful way for shareholders to encourage improved corporate responsibility and often reflect our clients' aims and priorities. Where a shareholder proposal is consistent with the aims and objectives of our vote guidelines, we will apply the stated vote outcome. Otherwise, we will review the resolution through our proprietary corporate governance and sustainability lens and vote accordingly. We will support all resolutions where we believe that the long-term interests of shareholders stand to gain. Where a resolution has been filed by a PRI signatory our default position is to vote FOR the resolution subject to the resolution intention being consistent with the aim of our guidelines.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- ☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- ☒ (B) We pre-declared our voting intentions publicly by other means, e.g. through our website  
Add link(s) to public disclosure:  
<https://www.ccla.co.uk/sustainability/corporate-governance-and-voting>
- ☒ (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- ☐ (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- ☐ (E) Not applicable; we did not cast any (proxy) votes during the reporting year



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

● (A) Yes, for all (proxy) votes

Add link(s):

<https://www.ccla.co.uk/sustainability/corporate-governance-and-voting>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company	(1) for all votes	(1) for all votes

(C) We did not publicly or privately communicate the rationale, or we did not track this information

○

○

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

○

○

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://www.ccla.co.uk/sustainability/corporate-governance-and-voting>

**Additional context to your response(s): (Voluntary)**

The following three vote areas have been identified as 'Key Votes' and are subject to separate disclosures in our vote reports each area includes the vote instruction and the rationale for how the vote was cast. These areas are Votes outside standard policy Votes against management recommendations (this includes both management and shareholder proposed resolutions) Vote instructions for all shareholder resolutions.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

We recognise that proxy voting is an important tool for driving positive change in corporate behaviour and note that problems remain in regards to the proxy systems 'plumbing'. This can lead to votes being lost instead of counted towards resolutions. Specific alerts are set up on the ISS system to inform voting team members when a ballot is rejected and why. These instances are reviewed and where necessary process documents are amended to reduce the risk of such events reoccurring. Where the vote outcome is considered specifically important we will work with the company and the registrar to ensure that the vote has been received.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input checked="" type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>
(F) Divesting	<input type="checkbox"/>
(G) Litigation	<input type="checkbox"/>
(H) Other	<input type="checkbox"/>
(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings	<input type="radio"/>

**Additional context to your response(s): (Voluntary)**

During 2024, we co-filed five proposals at investee companies, summarised below

**NextEra Energy (climate)** In 2024, we led the filing of a climate-related shareholder proposal at NextEra Energy. Our proposal asked the board to report to shareholders on its approach to identifying and addressing misalignments between NextEra's lobbying and policy influence activities, and its 'Real Zero' goal.

**McDonald's (biodiversity)** We initiated engagement with McDonald's as part of our membership of Nature Action 100 in 2024. While the company responded to the initial outreach, we have been unable to secure a meeting. Accordingly, we escalated the engagement by co-filing a shareholder proposal for the company's 2025 AGM asking for McDonald's to prepare a public report assessing the extent to which its supply chains and operations impact biodiversity and are vulnerable to biodiversity loss.

**Amazon (collective bargaining)** We co-filed a shareholder proposal for Amazon's 2024 AGM, requesting publication of an independent report into the alignment of the company's practices on freedom of association and collective bargaining with its own policies and human rights standards.

**Nike (labour standards)** In 2024, we co-filed and voted on a shareholder proposal at Nike on labour standards within the company's supply chain.

**Coca-Cola Co (nutrition)** We have been engaging with Coca-Cola for several years on its approach to nutrition. Facing a continued lack of any meaningful progress, we co-filed a shareholder proposal at the company for its 2024 AGM, asking it to adopt an enterprise wide policy to move towards healthier products, beyond only sugar reduction. Unfortunately, the proposal was challenged by the company's lawyers and rejected by the US Securities and Exchange Commission (SEC) before going to a shareholder vote.

**Vote Escalation** Where we identify a concern, for example, inappropriate executive remuneration, we will first vote against the remuneration policy (or report), stating our rationale in writing to the company secretary. If the problem is not addressed, we escalate our concern by voting against the chair of the remuneration committee. Where we have multiple concerns or an egregious issue persists, we will vote, in addition, against the entire remuneration committee (in extreme cases, we will do so in year one). We expect directors to respond to shareholders. Company directors are accountable to shareholders and have a duty to respond to them.

We vote against a director's re-election where we have had an unsatisfactory outcome to sustained engagement and voting activity.

**Divestment** Voting is one part of our engagement programme. Should a company fail to make progress on an area of concern over several years, despite persistent targeted engagement dialogue and repeated dissenting votes, we will consider removing our ownership of a company by selling its shares. This has not occurred during the last three years.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- ☒ (A) Joining or broadening an existing collaborative engagement or creating a new one
- ☒ (B) Publicly engaging the entity, e.g. signing an open letter
- ☒ (C) Not investing
- ☒ (D) Reducing exposure to the investee entity
- ☒ (E) Divesting
- ☐ (F) Litigation
- ☐ (G) Other
- ☐ (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 38	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**Describe your approach to escalation for your SSA and/or private debt fixed income assets.**

(A) SSA - Approach to escalation

CCLA does not invest in sovereign debt issued by countries identified as the most oppressive. The identification of such countries is based on an analysis of the following four data sources: Freedom House Corruption Perception Index (CPI) US Commission on International Religious Freedom UN Embargoes (only state-led) / EU Embargoes This data is combined to produce the following list of restricted sovereign debt, the full list of countries can be found at Approach to sovereign debt | CCLA. We do not believe that positive engagement with these countries is possible and therefore no escalation process is in place.

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- ☒ (A) Yes, we engaged with policy makers directly
- ☒ (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- ☒ (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
  - ☐ (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?**

- ☒ (A) We participated in 'sign-on' letters
- ☒ (B) We responded to policy consultations
- ☒ (C) We provided technical input via government- or regulator-backed working groups

Describe:

In 2024 we continued our efforts to influence climate related public policy, both in the UK and overseas. Transition Plan Taskforce Progressive regulation and legislation will play a vital role in accelerating the transition to net zero. CCLA was represented on the Delivery Group of the UK government's 2022–24 Transition Plan Taskforce (TPT), which was established by HM Treasury to develop the 'gold standard' for transition plans and to strengthen disclosure requirements across the UK economy. Since 2017 we have taken an active role in the Powering Past Coal Alliance (PPCA), co-chaired by the governments of Canada and the UK. This coalition of national and subnational governments, businesses and organisations works to advance the transition from unabated coal power generation to clean energy. The PPCA's new Finance Principles were launched at the 29th United Nations Climate Change Conference (COP29), in 2024. We signed the 2024 Global Investor Statement to Governments on the Climate Crisis, which is considered the most comprehensive investor call for climate action to date. The statement has a greater emphasis on nature and calls for mandating climate-related disclosures. It also strongly advocates for a whole-of-government approach to achieving ambitious climate targets through implementing economy-wide policies and sector-specific strategies, particularly for high-emitting industries. CCLA is part of the Institutional Investors Group on Climate Change (IIGCC) UK Policy Working Group, which was set up in early 2024. IIGCC published its 'Call to action' to the UK government in May 2024.

- ☒ (D) We engaged policy makers on our own initiative

Describe:

As investors, we have long argued that the UK's Modern Slavery Act 2015 needs to be strengthened so that the requirements placed on companies to publish modern slavery statements are clearer and more exacting. We have also argued that there need to be sanctions for non-compliance and that the law should apply to public bodies as well as companies. During 2024 we gave both written and oral evidence to the House of Lords review of the Modern Slavery Act. We collaborated with Rathbones to make a joint written submission to the inquiry, and in April CCLA's Dame Sara Thornton and Dr Martin Buttle gave evidence to the committee. They argued for the Modern Slavery Act to be amended but also advocated for the need for the UK to go further and adopt mandatory human rights due diligence.

Over the course of the year, we engaged with Baroness Young of Hornsey as she sought support for her private members' Bill, the Commercial Organisations and Public Authorities Duty (Human Rights and Environment) Bill. The Bill had its second reading, but the July general election meant that it could progress no further. We continued to focus on exploitation in UK agriculture and in March met with Mark Spencer MP, then Minister of State for Food, Farming and Fisheries. We were accompanied by a group of 14 institutional investors. This was the group that had supported us in 2023 in writing to Thérèse Coffey, then Secretary of State for Environment, Food and Rural Affairs, urging the government to implement the recommendations of an independent review into labour shortages in the UK's food supply chain.<sup>34</sup> During the meeting we urged the government to support work being done by the Seasonal Worker Scheme Taskforce (SWST) on recruitment-related costs borne by agricultural workers. In particular, the Seasonal Worker visa scheme is not compliant with international best practice on the Employer Pays Principle.

☐ (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

- ☐ (A) We publicly disclosed all our policy positions  
☒ **(B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://committees.parliament.uk/writtenevidence/137598/html/>

- ☐ (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Co-Filing Shareholder Resolution: Climate Lobbying

(1) Led by

- ☒ **(1) Internally led**
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) **Environmental factors**
- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) **Listed equity**
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

NextEra Energy (climate) In 2024, we led the filing of a climate-related shareholder proposal at NextEra Energy. NextEra has a target to reach net-zero carbon emissions by 2045 although some of the trade associations to which it belongs can present forceful obstacles to addressing climate change. Our proposal asked the board to report to shareholders on its approach to identifying and addressing misalignments between NextEra's lobbying and policy influence activities, and its 'Real Zero' goal. The proposal received an encouraging 33% support at the AGM in May. A further resolution was filed for the 2025 AGM season which has subsequently been withdrawn due to an agreement by the company to improved disclosure in this area

(B) Example 2:

Title of stewardship activity:

Collaborative Engagement: Nutrition

(1) Led by

- ☒ (1) **Internally led**
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☒ (2) **Social factors**
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) **Listed equity**
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Coca-Cola Co (nutrition) We have been engaging with Coca-Cola for several years on its approach to nutrition. Facing a continued lack of any meaningful progress, we co-filed a shareholder proposal at the company for its 2024 AGM, asking it to adopt an enterprise wide policy to move towards healthier products, beyond only sugar reduction. Unfortunately, the proposal was challenged by the company's lawyers and rejected by the US Securities and Exchange Commission (SEC) before going to a shareholder vote. The SEC justified its rejection by arguing that the proposal related to ordinary business matters. We are coordinating with ShareAction and other investors collaborating on this topic to establish how to move the engagement forward with Coca-Cola Co in 2025.

(C) Example 3:

Title of stewardship activity:

Co-filing shareholder resolution: workers rights

(1) Led by

- **(1) Internally led**
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - ☐ (1) Environmental factors
  - ☒ **(2) Social factors**
  - ☐ (3) Governance factors
- (3) Asset class(es)
  - ☒ **(1) Listed equity**
  - ☐ (2) Fixed income
  - ☐ (3) Private equity
  - ☐ (4) Real estate
  - ☐ (5) Infrastructure
  - ☐ (6) Hedge funds
  - ☐ (7) Forestry
  - ☐ (8) Farmland
  - ☐ (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Amazon (collective bargaining) We co-fi led a shareholder proposal for Amazon's 2024 AGM, requesting publication of an independent report into the alignment of the company's practices on freedom of association and collective bargaining with its own policies and human rights standards. This followed ongoing media reports that Amazon has deployed tactics to discourage its workers from joining unions. The proposal received 31.8% the of shareholder vote, or 37.0% excluding insider votes (CEO Jeff Bezos alone owns 10.8% of the voting power). This was down 3% compared to votes for a similar resolution in 2023. As part of this engagement we wrote to Amazon in June 2024 with the backing of 48 investors with shares totalling \$1 trillion, in support of workers trying to form a union in the Coventry fulfilment centre. We asked Amazon to: • implement its stated commitment to the International Labour Organization (ILO) 'fundamental' conventions, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations' Universal Declaration of Human Rights<sup>75</sup> • cease all anti-union communications at Coventry and at all other facilities globally • commit to negotiating in good faith with the Coventry branch of the GMB union and with other unions at national and global levels. In December, we submitted paperwork to co-fi le again for the company's 2025 AGM. However the company successfully obtained a take no action approach SEC and the resolution was not put to shareholders.

(D) Example 4:

Title of stewardship activity:

Collaborative: Investor coalition modern slavery

- (1) Led by
  - **(1) Internally led**
    - (2) External service provider led
    - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - ☐ (1) Environmental factors
  - ☒ **(2) Social factors**
  - ☐ (3) Governance factors
- (3) Asset class(es)
  - ☒ **(1) Listed equity**
  - ☐ (2) Fixed income
  - ☐ (3) Private equity
  - ☐ (4) Real estate
  - ☐ (5) Infrastructure
  - ☐ (6) Hedge funds
  - ☐ (7) Forestry
  - ☐ (8) Farmland
  - ☐ (9) Other



(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

During 2024 we gave both written and oral evidence to the House of Lords review of the Modern Slavery Act. We collaborated with Rathbones to make a joint written submission to the inquiry and in April CCLA's Dame Sara Thornton and Dr Martin Buttle gave evidence to the committee. They argued for the Modern Slavery Act to be amended but also advocated for the need for the UK to go further and adopt mandatory human rights due diligence. We continued to focus on exploitation in UK agriculture and in March met with Mark Spencer MP, then Minister of State for Food, Farming and Fisheries. We were accompanied by a group of 14 institutional investors.

This was the group that had supported us in 2023 in writing to Thérèse Coffey, then Secretary of State for Environment, Food and Rural Affairs, urging the government to implement the recommendations of an independent review into labour shortages in the UK's food supply chain. In April 2024 we convened a roundtable bringing together investors, law enforcement, civil society, government officials and 23 construction industry representatives. The debate was positive. Since then, several companies have overhauled their approach, and representatives of the sector are working together to develop information and intelligence-sharing. We published a joint statement in August that was signed by 17 organisations, including seven major construction companies.

We also contributed to the Migration Advisory Committee's report on the Seasonal Worker visa, which was published in June.<sup>35</sup> The report recommends that there needs to be greater security about the future of the scheme, fairer work and pay for workers, and better communication and enforcement of worker rights. Significantly, the report also recommended consideration of the Employer Pays Principle. Finally the CCLA Modern Slavery UK Benchmark, published in November, also gave us a strong platform for engagement with policy professionals. In December, we presented our findings at both the Westminster Legal Policy Forum and the Cross Whitehall Group on Forced Labour in Supply Chains. The benchmark assessed 110 companies of which we engaged with 67 (many of which were not CCLA holdings) overall 35 companies improved significantly to move up one or more performance tiers.

(E) Example 5:

Title of stewardship activity:

Collaborative: Mental Health Benchmark

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☒ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

The CCLA Corporate Mental Health Benchmark, launched in 2022, aims to inform and accelerate progress in this area – an area that has historically been hidden behind closed doors in the workplace. We acknowledge that benchmarking is a long game, but at three years old, our initiative appears to be doing its job in driving corporate performance on workplace mental health. In 2024, the CCLA Corporate Mental Health Benchmark evaluated 220 listed companies against 27 assessment criteria based on the information publicly available during the assessment period. For 2024 the CCLA Corporate Mental Health Benchmark assessed 220 companies with CCLA staff engaging directly with 137 companies, many of whom were not CCLA holdings, overall 36 companies improved sufficiently to move up one performance tier or more. Already, the CCLA Corporate Mental Health Benchmark is starting to serve as an important engagement tool and an accountability mechanism for a growing global coalition of institutional investors and asset owners. The global investor statement on workplace mental health<sup>53</sup> was launched in July 2022 with 29 founding signatories representing \$7 trillion in assets under management. At the end of 2024, the investor statement had 56 investor signatories with a combined \$10 trillion in assets under management. Given the level of engagement we are already seeing – both from companies covered by the benchmark and from investors – we are confident that the benchmark will

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

☒ (A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

CCLA undertakes scenario analysis to identify the risks and opportunities that climate change poses to our business and the value of our clients' assets.

We explore three scenarios of an increasing mean temperature above pre-industrial levels.

1. A 1.5 degrees Celsius scenario where we transition in an orderly way to a low carbon economy. This scenario assumes climate policies are introduced early and become gradually more stringent over time.

2. A 2 degrees Celsius scenario with a disorderly transition. In this scenario the introduction of policies is being delayed or inconsistent across different countries and sectors.

3. Finally, a 3 degrees Celsius scenario where we assume a late transition to a low carbon economy. This is also referred to as 'hot house world'.

The output of our scenario analysis is twofold. First, there is the 'climate VaR' (value at risk). This measure quantifies the size of loss on a portfolio of assets over a given time horizon, at a given probability. Second, there is the 'implied temperature rise' (ITR). This captures a company's contribution to rising temperatures. The metric aims to quantify the alignment of a company's activities against future temperature goals.

We have modelled this on CCLA's listed equity assets and compared it with MSCI World as a proxy for the world economy. Under each scenario, CCLA's listed equity assets prove more resilient than the index aggregate losses that range from -9.7% to -5.0%.

☒ (B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Over the long-term, it is important that net zero is achieved through real-world emissions reductions. This is the only way to stop the negative impacts of climate change and requires an increase in the pace of the world's decarbonisation.

At CCLA, we seek to assist this process through engagement with policymakers by pushing for more meaningful regulatory action. We take the opportunity to lead engagement with companies to encourage them to accelerate action on emissions reductions. We call this approach 'actions, not transactions'.

While we, as investors, have control over our investment decisions and can be a significant force for good in accelerating the pace of climate action, we nonetheless invest in the 'real economy'. This means that if the world does not decarbonise at a sufficient rate, no matter how well intentioned or actively pursued, it will not be possible for the majority of net-zero targets to be realised.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

### Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

☒ (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

As a founding member of the Net Zero Asset Managers initiative, CCLA has committed to seek to achieve net-zero emissions listed equity portfolios no later than 2050. To ensure the best outcome for our clients, the planet, and our communities we will do this in two ways.

1. Over the long-term, it is important that net-zero is achieved through real-world emissions reductions. This is the only way to stop the negative impact of climate change and requires us to increase the pace of the world's decarbonisation. At CCLA, we do this through engagement with policymakers by pushing for more meaningful regulatory action. We lead engagement with companies to encourage them to accelerate action on emissions reductions. Where possible, we put our clients' capital to work by investing in low carbon solutions and technology. We call this approach 'actions, not transactions'.

2. In the medium term, we recognise that companies in high-carbon industries will face increased regulation and legislation that will disrupt their business models. For this reason, we will continue to avoid investing in the companies that are the most damaging to the environment and assess the alignment of others with the goals of the Paris Climate Change Agreement before adding them to our portfolios.

As a founding member of the Net Zero Asset Managers initiative, CCLA remains committed to managing our listed equity investments to a carbon footprint that is below a decreasing maximum ceiling. The ceiling has been set based on the 2018 weighted average carbon emissions of the MSCI World Index and decreases in line with the IPCC Special Report on Global Warming of 1.5°C. These targets will be reviewed in 2026.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

#### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

##### ☒ (A) Coal

Describe your strategy:

CCLA is a signatory to the Powering Past Coal Alliance Finance Principles and supports efforts to remove unabated coal power generation in the Organisation for Economic Co-operation and Development (OECD) and European Union by 2030 and the rest of the world by 2040. This commitment, and the harm caused by coal, is reflected in our investment approach where we will not invest in:

- mining companies that generate more than 5% of their revenue from the extraction of energy coal, produce more than 10 million metric tons of coal, or have plans to expand their coal production
- electrical utility and infrastructure companies that intend to expand their coal-fired generation capacity

##### ☒ (B) Gas

Describe your strategy:

We will not invest in companies that derive more than 10% of their revenue from the extraction production or refining of gas. Within our third party fund CCLA has a policy to cap exposure to midstream gas at 25% of net asset values (or equivalent) per asset.

##### ☒ (C) Oil

Describe your strategy:

We will not invest in companies that derive more than 10% of their revenue from the extraction production or refining of oil. In addition to this approach, we avoid investing in companies that derive more than 5% of their revenue from the extraction of oil sands. This is due to the energy intensive nature of their extraction and the widespread environmental destruction that extraction causes.

##### ☒ (D) Utilities

Describe your strategy:

The approval of CCLA's Investment Committee prior to investing in companies in the electrical utility and oil and gas that are not assessed as being aligned with the Nationally Determined Commitments. Additionally we do not invest in utilities that intend to increase their coal fired power generation capacity.

##### ☒ (E) Cement

Describe your strategy:

Recognising the potential for regulation, legislation and changing consumer preferences to impact upon future profitability we assess companies in carbon intensive sectors decarbonisation plans prior to purchase. To ensure transparency, this review is initially conducted using the, publicly available, Transition Pathway Initiative Performance Tool. This means that companies are assessed against sector specific decarbonisation requirements against a variety of different energy transition scenarios.

☒ **(F) Steel**

Describe your strategy:

Recognising the potential for regulation, legislation and changing consumer preferences to impact upon future profitability we assess companies in carbon intensive sectors decarbonisation plans prior to purchase. To ensure transparency, this review is initially conducted using the, publicly available, Transition Pathway Initiative Performance Tool. This means that companies are assessed against sector specific decarbonisation requirements against a variety of different energy transition scenarios.

☒ **(G) Aviation**

Describe your strategy:

Recognising the potential for regulation, legislation and changing consumer preferences to impact upon future profitability we assess companies in carbon intensive sectors decarbonisation plans prior to purchase. To ensure transparency, this review is initially conducted using the, publicly available, Transition Pathway Initiative Performance Tool. This means that companies are assessed against sector specific decarbonisation requirements against a variety of different energy transition scenarios.

☐ (H) Heavy duty road

☐ (I) Light duty road

☒ **(J) Shipping**

Describe your strategy:

Recognising the potential for regulation, legislation and changing consumer preferences to impact upon future profitability we assess companies in carbon intensive sectors decarbonisation plans prior to purchase. To ensure transparency, this review is initially conducted using the, publicly available, Transition Pathway Initiative Performance Tool. This means that companies are assessed against sector specific decarbonisation requirements against a variety of different energy transition scenarios.

☒ **(K) Aluminium**

Describe your strategy:

Recognising the potential for regulation, legislation and changing consumer preferences to impact upon future profitability we assess companies in carbon intensive sectors decarbonisation plans prior to purchase. To ensure transparency, this review is initially conducted using the, publicly available, Transition Pathway Initiative Performance Tool. This means that companies are assessed against sector specific decarbonisation requirements against a variety of different energy transition scenarios.

☐ (L) Agriculture, forestry, fishery

☒ **(M) Chemicals**

Describe your strategy:

Recognising the potential for regulation, legislation and changing consumer preferences to impact upon future profitability we assess companies in carbon intensive sectors decarbonisation plans prior to purchase. To ensure transparency, this review is initially conducted using the, publicly available, Transition Pathway Initiative Performance Tool. This means that companies are assessed against sector specific decarbonisation requirements against a variety of different energy transition scenarios.

☐ (N) Construction and buildings

☐ (O) Textile and leather

☐ (P) Water

☐ (Q) Other

☐ (R) We do not have a strategy addressing high-emitting sectors

**Provide a link(s) to your strategy(ies), if available**

<https://www.ccla.co.uk/sustainability/better-environment>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General
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**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- ☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)  
☐ (B) Yes, using the One Earth Climate Model scenario  
☐ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

☒ **(D) Yes, using other scenarios**

Specify:

We test the strategic resilience of our listed equity investment portfolios by using NGFS scenarios (1.5 degrees orderly, 2 degrees disorderly and 3 degrees hot house world). Our data provider is MSCI. We compare the results with that of the MSCI World benchmark, a proxy for the world economy. In each of the scenarios the Climate Value at Risk of our portfolio is significantly lower than that of the benchmark. We continue to engage with our largest GHG emitters in the portfolio with the aim to reduce climate risk within our listed equity investments. Unit MSCI MSCI World CCLA listed equities Orderly Aggregated

climate VaR	-9.70.1%	0.15% Disorderly	Aggregated climate VaR	-6.3%	-1.4% Hot
House World Aggregated climate VaR	-5.0%	-1.40%			

Additional analysis is available in our TCFD Entity report.

- ☐ (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General
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**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

☒ **(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

The nature of our business means we have identified five broad mitigations to our transition risk exposure: 1.Our exposure is largely through financial assets, many of which are listed, so we have significant flexibility to adapt by trading, especially if active engagement should fail. 2.Our equity assets are managed to meet low carbon footprints, measured relative to the benchmark (MSCI World Index ). They are absent of businesses which focus on extracting or refining coal, oil or gas. 3.Some of our alternative assets directly support the economic transition, such as wind and solar farms and energy storage. 4.We will continue to carefully manage our exposure to high-emitting businesses and sectors. We continuously analyse our carbon exposure, and where appropriate, seek out opportunities to improve our holdings through engagement. 5.Our portfolio of assets invested in our funds is well diversified across different sectors of the economy.

(2) Describe how this process is integrated into your overall risk management

Quarterly data setting out listed equity portfolio progress against decarbonisation is reviewed at the ESG Forum, that is chaired by the Head of Sustainability and includes the Director of Governance and ESG Integration, the Manager ESG Integration and the head of each asset area. Issues of concern are escalated immediately to the Investment Committee, chaired by the CEO and attended by the Chief Risk Officer. Climate change data including progress against the decarbonisation target are included as standard items in Investment Committee papers. In addition, our listed equity portfolios' Climate Value at Risk and Footprint metrics are embedded within our wider operational risk framework.

☒ **(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

Scenario analysis is a useful tool for understanding the implications of climate change on investments and therefore on CCLA as a business. It may prompt longer-term strategic thinking about risks and opportunities. We explore three scenarios of an increasing mean temperature above pre-industrial levels. 1.A 1.5 degrees Celsius scenario where we transition in an orderly way to a low carbon economy. This scenario assumes climate policies are introduced early and become gradually more stringent over time. 2.A 2 degrees Celsius scenario with a disorderly transition. In this scenario the introduction of policies is being delayed or inconsistent across different countries and sectors.

3.Finally, a 3 degrees Celsius scenario where we assume a late transition to a low carbon economy. This is also referred to as 'hot house world'. All three scenarios assume that society evolves broadly in line with past trends and global population peaks in around 2070. The output of our scenario analysis is twofold. First, there is the 'climate VaR' (value at risk). This measure quantifies the size of loss on a listed equity portfolio of assets over a given time horizon, at a given probability. The climate VaR is an aggregate figure comprising: •Policy climate VaR: captures each company's share of the costs of regulatory and policy changes in order to meet each country's emission reduction target.

•Technological opportunities VaR: illustrates which companies will be the likely beneficiaries if/when climate policies are implemented on a country and global level. •Physical climate VaR: indicates costs to business interruption associated with extreme weather. Thus, our estimates of climate VaR from climate change can be seen as a measure of the potential for changes in the value of asset prices due to climate change. Second, there is the 'implied temperature rise' (ITR). This captures a company's contribution to rising temperatures.

The metric aims to quantify the alignment of a company's activities against future temperature goals. We have modelled this on CCLA's listed equity assets and compared it with MSCI World as a proxy for the world economy.

(2) Describe how this process is integrated into your overall risk management

Quarterly data setting out listed equity portfolio progress against decarbonisation is reviewed at the ESG Forum, that is chaired by the Head of Sustainability and includes the Director of Governance and ESG Integration, the Manager ESG Integration and the head of each asset area. Issues of concern are escalated immediately to the Investment Committee, chaired by the CEO and attended by the Chief Risk Officer. Climate change data including progress against the decarbonisation target are included as standard items in Investment Committee papers.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?

☒ (A) Exposure to physical risk

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used

☒ (2) Metric or variable used and disclosed

- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>

☒ (B) Exposure to transition risk

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used

☒ (2) Metric or variable used and disclosed

- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>

☐ (C) Internal carbon price

☒ (D) Total carbon emissions

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used

☒ (2) Metric or variable used and disclosed

- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>

☒ **(E) Weighted average carbon intensity**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

● **(2) Metric or variable used and disclosed**

○ (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>

☐ (F) Avoided emissions

☒ **(G) Implied Temperature Rise (ITR)**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

● **(1) Metric or variable used**

○ (2) Metric or variable used and disclosed

○ (3) Metric or variable used and disclosed, including methodology

☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

☐ (I) Proportion of assets or other business activities aligned with climate-related opportunities

☒ **(J) Other metrics or variables**

Specify:

Portfolio's normalised carbon footprint per million dollars invested

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

● **(2) Metric or variable used and disclosed**

○ (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>

○ (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

☒ **(A) Scope 1 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

● **(1) Metric disclosed**

○ (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>

<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>

☒ **(B) Scope 2 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

● **(1) Metric disclosed**

○ (2) Metric and methodology disclosed



(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>  
<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>

☒ **(C) Scope 3 emissions (including financed emissions)**

(1) Indicate whether this metric was disclosed, including the methodology

☒ **(1) Metric disclosed**

☐ (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>  
<https://www.ccla.co.uk/documents/climate-good-investment-tcfid/download?inline>

☐ (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

☒ **(A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**

☐ (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

☒ **(A) The UN Sustainable Development Goals (SDGs) and targets**

☒ **(B) The UNFCCC Paris Agreement**

☒ **(C) The UN Guiding Principles on Business and Human Rights (UNGPs)**

☐ (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☒ **(E) The EU Taxonomy**

☐ (F) Other relevant taxonomies

☒ **(G) The International Bill of Human Rights**

☒ **(H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions**

☒ **(I) The Convention on Biological Diversity**

☐ (J) Other international framework(s)

☐ (K) Other regional framework(s)

☐ (L) Other sectoral/issue-specific framework(s)

☐ (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ (A) Identify sustainability outcomes that are closely linked to our core investment activities
- ☒ (B) Consult with key clients and/or beneficiaries to align with their priorities
- ☐ (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- ☒ (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- ☒ (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- ☐ (F) Understand the geographical relevance of specific sustainability outcome objectives
- ☐ (G) Other method
- ☐ (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- ☒ (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- ☒ (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- ☒ (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- ☒ (C) We have been requested to do so by our clients and/or beneficiaries
- ☒ (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- ☐ (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- ☐ (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- ☐ (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- ☐ (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potential negative outcomes for people connected to your investment activities?**

- ☒ **(A) We assessed the country level context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

These are reviewed via country specific governance and human rights reports

- ☒ **(B) We assessed the sector context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

These are reviewed via sector specific human rights and governance reports such as Know the Chain

- ☒ **(C) We assessed the human rights performance of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

These are reviewed via third party data sources including but not limited to Sustainalytics, the Business and Human Rights resource centre and the Corporate Human Rights benchmark.

- ☒ **(D) We monitored severe and emerging human rights controversies to understand how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

These are reviewed via third party data sources including but not limited to Sustainalytics, the Business and Human Rights resource centre and the Corporate Human Rights benchmark.

- ☐ (E) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

- ☐ (F) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potential negative outcomes for people connected to your investment activities?**

- ☒ **(A) Workers**

Sector(s) for which each stakeholder group was included

- ☐ (1) Energy
- ☐ (2) Materials
- ☐ (3) Industrials
- ☒ **(4) Consumer discretionary**
- ☐ (5) Consumer staples
- ☐ (6) Healthcare

- ☐ (7) Finance
- ☐ (8) Information technology
- ☐ (9) Communication services
- ☐ (10) Utilities
- ☐ (11) Real estate

☒ **(B) Communities**

Sector(s) for which each stakeholder group was included

- ☐ (1) Energy
- ☐ (2) Materials
- ☐ (3) Industrials
- ☒ **(4) Consumer discretionary**
- ☐ (5) Consumer staples
- ☐ (6) Healthcare
- ☐ (7) Finance
- ☐ (8) Information technology
- ☐ (9) Communication services
- ☐ (10) Utilities
- ☐ (11) Real estate

☒ **(C) Customers and end-users**

Sector(s) for which each stakeholder group was included

- ☐ (1) Energy
- ☐ (2) Materials
- ☐ (3) Industrials
- ☒ **(4) Consumer discretionary**
- ☐ (5) Consumer staples
- ☐ (6) Healthcare
- ☐ (7) Finance
- ☐ (8) Information technology
- ☐ (9) Communication services
- ☐ (10) Utilities
- ☐ (11) Real estate

☐ (D) Other stakeholder groups

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potential negative outcomes for people connected to its investment activities?**

☒ **(A) Corporate disclosures**

Provide further detail on how your organisation used these information sources:

Company information sources are part of our base level review for all investments (current and potential)

☒ **(B) Media reports**

Provide further detail on how your organisation used these information sources:

Various news alerts have been set up as part of the standard investment process to monitor company activity. These often identify issues of concern before data providers.

☒ **(C) Reports and other information from NGOs and human rights institutions**

Provide further detail on how your organisation used these information sources:

Specialist NGO reports provide detailed analysis that support our investment and engagement decisions.

☒ **(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**

Provide further detail on how your organisation used these information sources:

Specialist reports provide detailed analysis that support our investment and engagement decisions.

☒ **(E) Data provider scores or benchmarks**

Provide further detail on how your organisation used these information sources:

External data providers are used to provide an overview of a company's investment rating and controversies reviews and alerts.

☒ **(F) Human rights violation alerts**

Provide further detail on how your organisation used these information sources:

Specialist alerts provide information that support engagement with investee companies.

☐ (G) Sell-side research

☒ **(H) Investor networks or other investors**

Provide further detail on how your organisation used these information sources:

Different investors have specialist knowledge in particular areas that we do not. We believe that by sharing our specialists knowledge to grow understanding in the market as whole and change the market.

☒ **(I) Information provided directly by affected stakeholders or their representatives**

Provide further detail on how your organisation used these information sources:

Once stewardship themes have been identified - engagement is extended to relevant stakeholders to ensure the wider asks of the programme are not at odds with the aims of those stakeholder groups, such as the inclusion of discussions with trade unions as part of our Better Work programme.

☐ (J) Social media analysis

☐ (K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

☐ (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

☒ **(B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities**

## Describe:

As investors, it is our duty to champion the rights of these workers and to ensure that the company upholds the highest labour standards.

Background: During the summer of 2023, we held an investor webinar to highlight the plight of workers at Hong Seng Knitting and Ramatex and to raise investor awareness. We then drafted a public letter asking Nike to intervene and ensure remedy for the affected workers, gathering more than 60 investor signatories. Nike failed to provide a formal response.

Shareholder Proposal: In March 2024, CCLA co-filed a resolution calling on Nike to 'publish a report evaluating how implementing worker-driven social responsibility (WSR) principles and supporting binding agreements would impact the Company's ability to identify and remediate human rights issues in sourcing from high-risk countries'. WSR initiatives are designed to protect the rights of workers and include binding agreements between workers and brands and independent monitoring. They also support effective reporting of harms through grievance mechanisms and worker participation in the design and provision of remedy. WSR initiatives are aligned with the United Nations Guiding Principles on Business and Human Rights and considered effective, even where workers are vulnerable to exploitation. Our proposal rested on growing evidence that the prevailing approach of private regulation of global supply chains may no longer be fit for purpose, particularly at a time when the European Union is mandating human rights due diligence and remedy for people adversely affected by business practices. Many of Nike's peers have taken steps to improve conditions for workers and remediate rights violations by employing WSR approaches or binding agreements with labour organisations. Nike has failed to do the same.

Outcome: The proposal received 12.3% investor support at the AGM on 10 September, about average for a human rights resolution. We successfully raised awareness of WSR and binding agreements. CCLA has since divested from NIKE on financial (not sustainability grounds) and note that, in February 2025, Nike announced a remediation plan for the Hong Seng workers, finally acknowledging that workers' rights were violated and that compensation is due. Nike's compensation plan calls for workers to receive 100% of lost wages, consistent with the WRC's long-standing recommendation

- (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

#### (4) Other strategies

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

○

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

### (4) Other strategies

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(1) for all of our AUM

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

○

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

○

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

#### (3) Other strategies

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(1) in all cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

o



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

#### (4) Other strategies

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors

(1) in all cases

(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors

(1) in all cases

(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability

(1) in all cases

(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors

(1) in all cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

o

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

We believe that a combination of legislation, regulation and changing societal preferences will inevitably impact negatively upon the cash flow of the most unsustainable business models. For this reason, we avoid investing in companies that have uncompensated, unwanted, unwarranted, and unmitigated ESG risks as evidenced by: - poor management and weak corporate governance - having an unacceptable social and environmental impact - not demonstrating a willingness to improve through investor engagement. This helps us avoid investments that we anticipate will underperform and, as the market has a poor record of pricing these risks, enable us to deliver superior risk adjusted returns to our clients. One example of how we do this relates to corporate governance where we have developed a process that involves: - A bespoke quantitative rating tool, that assesses a universe of 8000 companies against corporate governance criteria prioritised by CCLA - A qualitative review process that ensures that a 'deep' review is conducted on all companies prior to purchase - Systems and controls that prevent the worst rated businesses being purchased for our clients' funds.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

### (4) Other strategies

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- ☒ (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- ☒ (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- ☒ (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- ☐ (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

**(3) Other strategies**

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion



(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

○

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.**

Due to the particular nature of the challenges facing companies operating in the Oil & Gas sector when looking at their future revenue expectations we amend company valuations to reflect anticipated long-term changes in energy demand during the low-carbon transition. This makes the sector less attractive in our investment model and is a contributing factor in our decision to currently not directly invest in the sector.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- ☒ (A) We share a list of ESG screens
- ☒ (B) We share any changes in ESG screens
- ☒ (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

# REAL ESTATE (RE)

## POLICY

### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 1	CORE	OO 21, OO 24, OO 26	N/A	PUBLIC	Investment guidelines	1 to 6

**What real estate-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?**

- ☐ (A) Guidelines on our ESG approach to real estate depending on use (e.g. retail and education) and geography
- ☒ (D) Guidelines on our ESG approach to standing real estate investments
- ☒ (E) Guidelines on pre-investment screening
- ☐ (F) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- ☐ (G) Guidelines on our approach to ESG integration into long-term value creation efforts
- ☒ (H) Guidelines on our approach to ESG reporting
- ☒ (I) Guidelines on our engagement approach related to third-party property managers
- ☒ (J) Guidelines on our engagement approach related to tenants
- ☐ (K) Guidelines on our engagement approach related to construction contractors
- ☐ (L) Our responsible investment policy(ies) does not cover real estate-specific ESG guidelines

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

**For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?**

- ☒ (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- ☐ (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- ☐ (C) We added responsible investment commitments in side letters upon a client's request
- ☐ (D) We did not make any formal responsible investment commitments for the relevant reporting year
- ☐ (E) Not applicable; we have not raised funds in the last five years

**Additional context to your response(s): (Voluntary)**

CCLA operates three property funds: The COIF Charities Property Fund, The CBG Church Of England Property Fund and the Local Authorities Property Fund., each of which is an open ended property fund. Each fund has its own approach to sustainability customer facing document which sets out the fund's basic approach with more detail available in CCLA's approach to property investment policy.

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3	CORE	OO 21	RE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential real estate investments?

☒ (A) We assessed ESG materiality for each property, as each case is unique

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☐ (B) We performed a mix of property level and property type or category level ESG materiality analysis
- ☐ (C) We assessed ESG materiality at the property type or category level only
- ☐ (D) We did not conduct ESG materiality analysis for our potential real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3.1	CORE	RE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential real estate investments?

- ☐ (A) We used GRI standards to inform our real estate ESG materiality analysis
- ☐ (B) We used SASB standards to inform our real estate ESG materiality analysis
- ☐ (C) We used the UN Sustainable Development Goals (SDGs) to inform our real estate ESG materiality analysis
- ☐ (D) We used GRESB Materiality Assessment (RC7) or similar to inform our real estate ESG materiality analysis
- ☐ (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our real estate ESG materiality analysis
- ☒ (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our real estate ESG materiality analysis
- ☐ (G) We used geopolitical and macro-economic considerations in our real estate ESG materiality analysis
- ☒ (H) We used green building certifications to inform our real estate ESG materiality analysis
- ☒ (I) We engaged with the existing owners and/or managers (or developers for new properties) to inform our real estate ESG materiality analysis
- ☒ (J) Other

Specify:

BNP Paribas Real Estate Due Diligence System

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence your selection of real estate investments?

- ☒ (A) Material ESG factors were used to identify risks  
Select from dropdown list:
- ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☒ (B) Material ESG factors were discussed by the investment committee (or equivalent)  
Select from dropdown list:
- ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☐ (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)
- ☒ (D) Material ESG factors were used to identify opportunities for value creation  
Select from dropdown list:
- ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☒ (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate  
Select from dropdown list:
- ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☐ (F) Material ESG factors impacted investments in terms of the price offered and/or paid
- ☐ (G) Material ESG factors did not influence the selection of our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential real estate investments?

- ☒ (A) We conduct a high-level or desktop review against an ESG checklist for initial red flags  
Select from dropdown list:
- ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☐ (B) We send detailed ESG questionnaires to target properties
- ☒ (C) We hire third-party consultants to do technical due diligence on specific material ESG factors  
Select from dropdown list:
- ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☒ (D) We conduct site visits



Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☒ (E) We conduct in-depth interviews with management and/or personnel

Select from dropdown list:

- ☐ (1) for all of our potential real estate investments
- ☒ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☐ (F) We conduct detailed external stakeholder analysis and/or engagement

☒ (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☒ (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☐ (I) Other

☐ (J) We do not conduct due diligence on material ESG factors for potential real estate investments

## SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY PROPERTY MANAGERS

### SELECTION PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 6	CORE	OO 26	N/A	PUBLIC	Selection process of third-party property managers	1, 4

During the reporting year, how did you include material ESG factors in all of your selections of third-party property managers?

- ☒ (A) We requested information from potential third-party property managers on their overall approach to material ESG factors
- ☒ (B) We requested track records and examples from potential third-party property managers on their management of material ESG factors
- ☒ (C) We requested information from potential third-party property managers on their engagement process(es) with stakeholders
- ☒ (D) We requested documentation from potential third-party property managers on their responsible procurement practices, including responsibilities, approach and incentives
- ☒ (E) We requested the assessment of current and planned availability and aggregation of metering data from potential third-party property managers
- ☐ (F) Other
- ☐ (G) We did not include material ESG factors in our selection of third-party property managers

## APPOINTMENT PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 7	CORE	OO 26	N/A	PUBLIC	Appointment process of third-party property managers	1, 4

**How did you include material ESG factors when appointing your current third-party property managers?**

- ☐ (A) We set dedicated ESG procedures in all relevant property management phases
- ☒ **(B) We set clear ESG reporting requirements**  
Select from dropdown list:
- ☒ **(1) for all of our third-party property managers**
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ **(C) We set clear targets on material ESG factors**  
Select from dropdown list:
- ☐ (1) for all of our third-party property managers
  - ☐ (2) for a majority of our third-party property managers
  - ☒ **(3) for a minority of our third-party property managers**
- ☐ (D) We set incentives related to targets on material ESG factors
- ☐ (E) We included responsible investment clauses in property management contracts
- ☐ (F) Other
- ☐ (G) We did not include material ESG factors in the appointment of third-party property managers

## MONITORING PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 8	CORE	OO 26	N/A	PUBLIC	Monitoring process of third-party property managers	1, 4

**How do you include material ESG factors when monitoring current third-party property managers?**

- ☒ **(A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors**  
Select from dropdown list:
- ☒ **(1) for all of our third-party property managers**
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ **(B) We monitor the performance of quantitative and/or qualitative targets on material social factors**  
Select from dropdown list:
- ☒ **(1) for all of our third-party property managers**
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ **(C) We monitor the performance of quantitative and/or qualitative targets on material governance factors**  
Select from dropdown list:
- ☒ **(1) for all of our third-party property managers**
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ **(D) We monitor progress reports on engagement with tenants**  
Select from dropdown list:

- (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- ☒ (E) We require formal reporting at least yearly
 

Select from dropdown list:

  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- ☒ (F) We have discussions about material ESG factors with all relevant stakeholders at least yearly
 

Select from dropdown list:

  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- ☐ (G) We conduct a performance review of third-party property managers against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors
- ☒ (H) We have internal or external parties conduct site visits at least yearly
 

Select from dropdown list:

  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- ☐ (I) Other
- ☐ (J) We do not include material ESG factors in the monitoring of third-party property managers

## POST-INVESTMENT

### MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11	CORE	OO 21	RE 11.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your real estate investments?

- ☒ (A) Yes, we tracked KPIs on environmental factors
 

Percentage of real estate assets this applies to:

  - (1) >0 to 10%
  - (2) >10 to 50%
  - (3) >50 to 75%
  - (4) >75 to 95%
  - (5) >95%
- ☐ (B) Yes, we tracked KPIs on social factors
- ☒ (C) Yes, we tracked KPIs on governance factors
 

Percentage of real estate assets this applies to:

  - (1) >0 to 10%
  - (2) >10 to 50%
  - (3) >50 to 75%
  - (4) >75 to 95%
  - (5) >95%
- ☐ (D) We did not track KPIs on material ESG factors across our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11.1	PLUS	RE 11	N/A	PUBLIC	Monitoring	1

**Provide examples of KPIs on material ESG factors you tracked across your real estate investments during the reporting year.**

(A) ESG KPI #1

GHG emissions are tracked by property (including properties where we have no data at present)

(B) ESG KPI #2

Water usage data is collected by property (including properties where we have no data at present)

(C) ESG KPI #3

Level of waste produced and re-cycling rates by waste type are tracked (including properties where we have no data at present)

(D) ESG KPI #4

All tenants are subject to CCLA's anti-bribery and corruption policy and review process.

(E) ESG KPI #5

All tenant are reviewed against compliance with UN Global Compact and Guiding Principles for Business and Human Rights.

(F) ESG KPI #6

All tenant are reviewed against fund values based screens

(G) ESG KPI #7

(H) ESG KPI #8

(I) ESG KPI #9

(J) ESG KPI #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 12	CORE	OO 21	N/A	PUBLIC	Monitoring	1

**During the reporting year, what ESG building performance data did you collect for your real estate assets?**

☒ (A) Energy consumption

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☒ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☒ (B) Water consumption

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☒ (3) for a minority of our real estate assets

☒ (C) Waste production

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☒ (3) for a minority of our real estate assets

☐ (D) Other

- ☐ (E) We did not collect ESG building performance data for our real estate assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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RE 13	CORE	OO 21, OO 26	RE 13.1	PUBLIC	Monitoring	1, 2
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**What processes do you have in place to support meeting your targets on material ESG factors for your real estate investments?**

☒ **(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance**

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☒ **(3) for a minority of our real estate assets**

☒ **(B) We implement certified environmental and social management systems across our portfolio**

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☒ **(3) for a minority of our real estate assets**

☒ **(C) We make sufficient budget available to ensure that the systems and procedures needed are established**

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☒ **(3) for a minority of our real estate assets**

☒ **(D) We hire external verification services to audit performance, systems, and procedures**

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☒ **(3) for a minority of our real estate assets**

☐ (E) We collaborate and engage with our third-party property managers and/or tenants to develop action plans

☒ **(F) We develop minimum health and safety standards**

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☒ **(3) for a minority of our real estate assets**

☐ (G) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users

☐ (H) Other

☐ (I) We do not have processes in place to help meet our targets on material ESG factors for our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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RE 13.1	PLUS	RE 13	N/A	PUBLIC	Monitoring	1, 2
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**Describe up to two processes you put in place during the reporting year to support meeting your targets on material ESG factors.**

(A) Process one

We undertook a review of all EPC ratings during the year and identified properties where action was required.

(B) Process two

We engaged with tenants to gain feedback on the management of properties.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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RE 14	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2
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**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period?**

☒ (A) We develop property-specific ESG action plans based on pre-investment research, due diligence and materiality findings

Select from dropdown list:

- ☐ (1) for all of our real estate investments
- ☐ (2) for a majority of our real estate investments

☒ (3) for a minority of our real estate investments

☐ (B) We review our ESG action plans based on performance monitoring findings at least yearly

☒ (C) We, or the external advisors that we hire, support our real estate investments with specific ESG value-creation opportunities

Select from dropdown list:

- ☐ (1) for all of our real estate investments
- ☐ (2) for a majority of our real estate investments

☒ (3) for a minority of our real estate investments

☐ (D) Other

☐ (E) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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RE 15	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2
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**Describe how you ensure that material ESG risks are adequately addressed in the real estate investments where you hold a minority stake.**

Where CCLA holds a minority stake via its investment in a Real Estate Investment Trust (REIT) we monitor risk via a review of the REITs signatory status to external assessments (PRI and GRESB).

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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RE 16	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2
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**Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.**

CCLA believe that ESG criteria are likely to affect the long-term value of property assets and for this reason, where CCLA is the sole owner of each property. To ensure that related responsible investment related concerns are reviewed and discussed the property team (along with a sustainability team representative) attend a quarterly Responsible Property Investment meeting with our external advisors EVORA Ltd and our property manager BNP. Where CCLA is a minority holder via a REIT ESG performance is reviewed and concerns raised at the monthly alternative investment review meeting. Both direct and indirect property investments are considered at the quarterly ESG forum.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 17	CORE	OO 21	N/A	PUBLIC	Monitoring	1

**What proportion of your real estate assets has obtained a green or sustainable building certification?**

- ☐ (A) All of our real estate assets have obtained a green or sustainable building certification
- ☐ (B) A majority of our real estate assets have obtained a green or sustainable building certification
- ☒ (C) A minority of our real estate assets have obtained a green or sustainable building certification
- ☐ (D) None of our real estate assets have obtained a green or sustainable building certification

## STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 18	CORE	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

**How does your third-party property manager(s) engage with tenants?**

- ☒ (A) They engage with real estate tenants on energy, water consumption and/or waste production  
Select from dropdown list:
  - ☐ (1) for all of our buildings or properties
  - ☐ (2) for a majority of our buildings or properties
  - ☒ (3) for a minority of our buildings or properties
- ☒ (B) They engage with real estate tenants by organising tenant events focused on increasing sustainability awareness, ESG training and guidance  
Select from dropdown list:
  - ☐ (1) for all of our buildings or properties
  - ☐ (2) for a majority of our buildings or properties
  - ☒ (3) for a minority of our buildings or properties
- ☒ (C) They engage with real estate tenants by offering green leases  
Select from dropdown list:
  - ☐ (1) for all of our buildings or properties
  - ☐ (2) for a majority of our buildings or properties
  - ☒ (3) for a minority of our buildings or properties
- ☐ (D) They engage with real estate tenants by identifying collaboration opportunities that support targets related to material ESG factors
- ☐ (E) They engage with real estate tenants by offering shared financial benefits from equipment upgrades
- ☐ (F) Other
- ☐ (G) Our third-party property manager(s) do not engage with tenants

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 19	PLUS	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

**During the reporting year, how did you or the organisations operating on your behalf engage with the local community above and beyond what is required by relevant regulations for asset design, use and/or repurposing?**

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. 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 397 meetings and events, 194 of which were at our offices – attended by more than 2,900 people – and 166 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 • 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.

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 20	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

**During the reporting year, what responsible investment information was shared with potential buyers of real estate investments?**

- ☒ (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory  
Select from dropdown list:
- ☒ (1) for all of our real estate investments
    - ☐ (2) for a majority of our real estate investments
    - ☐ (3) for a minority of our real estate investments
  - ☐ (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB
  - ☒ (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)  
Select from dropdown list:
  - ☒ (1) for all of our real estate investments
    - ☐ (2) for a majority of our real estate investments



- (3) for a minority of our real estate investments
- ☐ (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- ☒ **(E) The outcome of our latest ESG risk assessment of the property(s)**
  - Select from dropdown list:
    - ☒ **(1) for all of our real estate investments**
    - (2) for a majority of our real estate investments
    - (3) for a minority of our real estate investments
- ☒ **(F) Key ESG performance data on the property(s) being sold**
  - Select from dropdown list:
    - ☒ **(1) for all of our real estate investments**
    - (2) for a majority of our real estate investments
    - (3) for a minority of our real estate investments
- ☐ (G) Other
- (H) No responsible investment information was shared with potential buyers of real estate investments during the reporting year
- (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 21	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

**During the reporting year, how did you report on your targets on material ESG factors and related data to your investors?**

- ☒ **(A) We reported through a publicly disclosed sustainability report**
- ☐ (B) We reported in aggregate through formal reporting to investors
- ☒ **(C) We reported at the property level through formal reporting to investors**
- ☐ (D) We reported through a limited partners advisory committee (or equivalent)
- ☒ **(E) We reported at digital or physical events or meetings with investors**
- ☐ (F) We had a process in place to ensure that serious ESG incidents were reported
- ☐ (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

☒ **(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☒ **(1) The UN Sustainable Development Goals (SDGs) and targets**

☐ (2) The UNFCCC Paris Agreement

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

☐ (1) Environmental

☒ **(2) Social**

☐ (3) Governance-related

☐ (4) Other

(3) Sustainability outcome name

Improve Companies' willingness to address Modern Slavery through the CCLA Modern Slavery Benchmark (UK and Global)

(4) Number of targets set for this outcome

☐ (1) No target

☒ **(2) One target**

☐ (3) Two or more targets

☒ **(B) Sustainability outcome #2**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☒ **(1) The UN Sustainable Development Goals (SDGs) and targets**

☐ (2) The UNFCCC Paris Agreement

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☐ (10) Other international, regional, sector-based or issue-specific framework(s)

- (2) Classification of sustainability outcome
- ☐ (1) Environmental
  - ☒ (2) **Social**
  - ☐ (3) Governance-related
  - ☐ (4) Other
- (3) Sustainability outcome name
- Improve Mental Health through the CCLA Corporate Mental Health Benchmark (UK and Global)
- (4) Number of targets set for this outcome
- ☐ (1) No target
  - ☒ (2) **One target**
  - ☐ (3) Two or more targets
- ☒ (C) **Sustainability outcome #3**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- ☒ (1) **The UN Sustainable Development Goals (SDGs) and targets**
  - ☐ (2) The UNFCCC Paris Agreement
  - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - ☐ (5) The EU Taxonomy
  - ☐ (6) Other relevant taxonomies
  - ☐ (7) The International Bill of Human Rights
  - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - ☐ (9) The Convention on Biological Diversity
  - ☐ (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- ☐ (1) Environmental
  - ☒ (2) **Social**
  - ☐ (3) Governance-related
  - ☐ (4) Other
- (3) Sustainability outcome name
- Supporting vulnerable workers through Living Wage accreditation Engagement
- (4) Number of targets set for this outcome
- ☐ (1) No target
  - ☒ (2) **One target**
  - ☐ (3) Two or more targets
- ☒ (D) **Sustainability outcome #4**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- ☒ (1) **The UN Sustainable Development Goals (SDGs) and targets**
  - ☐ (2) The UNFCCC Paris Agreement
  - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - ☐ (5) The EU Taxonomy
  - ☐ (6) Other relevant taxonomies
  - ☐ (7) The International Bill of Human Rights
  - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - ☐ (9) The Convention on Biological Diversity
  - ☐ (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- ☐ (1) Environmental
  - ☒ (2) **Social**
  - ☐ (3) Governance-related
  - ☐ (4) Other

(3) Sustainability outcome name

Increase nutritional standards of food products

(4) Number of targets set for this outcome

- ☒ (1) No target  
☐ (2) One target  
☐ (3) Two or more targets

- ☐ (E) Sustainability outcome #5  
☐ (F) Sustainability outcome #6  
☐ (G) Sustainability outcome #7  
☐ (H) Sustainability outcome #8  
☐ (I) Sustainability outcome #9  
☐ (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Improve Companies' willingness to address Modern Slavery through the CCLA Modern Slavery Benchmark (UK and Global)
(1) Target name	Increase companies identifying modern slavery
(2) Baseline year	2023
(3) Target to be met by	2025
(4) Methodology	<p>Find It, Fix It, Prevent It is an investor-led, multi-stakeholder project. Developed by CCLA and supported by a coalition of investor bodies, academics and non-governmental organisations (NGOs), it is designed to harness the power of the investment community. The overarching aim is to make the corporate response to modern slavery more effective. This is judged by measuring the number of companies that disclose finding an instance of modern slavery within their operations and/or supply chain.</p> <p>The programme has three, complementary workstreams.</p> <ol style="list-style-type: none"><li>1. Public policy – to promote a meaningful regulatory environment through work with the government and the Home Office</li><li>2. Corporate engagement – aiding companies in developing and implementing better processes for finding, fixing and preventing modern slavery.</li><li>3. Developing better data – working with data providers, non-governmental organisations (NGOs) and academia to identify and develop better data.</li></ol>
(5) Metric used (if relevant)	Number of companies disclosing instances of modern slavery within their operations and/or supply chain

(6) Absolute or intensity-based (if relevant)	(1) Absolute
(7) Baseline level or amount (if relevant):	0
(8) Target level or amount (if relevant)	13
(9) Percentage of total AUM covered in your baseline year for target setting	6%
(10) Do you also have a longer-term target for this?	(1) Yes

#### **(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2:	Improve Mental Health through the CCLA Corporate Mental Health Benchmark (UK and Global)
(1) Target name	Increase companies' mental health benchmark scores
(2) Baseline year	2021
(3) Target to be met by	2025
(4) Methodology	<p>As part of our commitment to delivering systemic change, CCLA seek to bring investors together to address systemic risks that have not received the attention that they deserve. Mental health accounts for 14% of certified sickness absences in the UK, translating to a loss of approximately 80 million working days every year. However, investors are yet to grapple with the issue properly.</p> <p>For this reason, CCLA has launched the Corporate Mental Health Benchmark. We started to engage with companies on workplace mental health in early 2019. Following three years of research, data gathering, focused engagement and consultation, we have now created a new tool, designed to shine a spotlight on corporate mental health practices for the first time.</p> <p>The CCLA Corporate Mental Health Benchmark is the culmination of sustained collaboration with mental health experts, data providers, charities and listed companies.</p> <p>In May 2022, we launched the UK 100 benchmark, followed by the Global 100 benchmark in October.</p>

The companies in the two benchmarks employ between them more than 24 million people.

The benchmarks provide an objective assessment of listed companies employing more than 10,000 people. It does not attempt to gauge the 'happiness level' of a company's workforce. Rather, to evaluate the extent to which employers provide the working conditions under which individuals can thrive, based on a company's public disclosures.

The project has two explicit aims:

1 strengthen the hand of those within organisations that are trying to make headway on mental health

2 mobilise the investment community into action on this important topic.

(5) Metric used (if relevant)	CCLA Corporate Mental Health Benchmark Score
(6) Absolute or intensity-based (if relevant)	(1) Absolute
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	
(9) Percentage of total AUM covered in your baseline year for target setting	23%
(10) Do you also have a longer-term target for this?	(2) No
<b>(C1) Sustainability Outcome #3: Target details</b>	
(C1) Sustainability Outcome #3:	Supporting vulnerable workers through Living Wage accreditation Engagement
(1) Target name	Increase number of companies supporting workers
(2) Baseline year	2023
(3) Target to be met by	2025
(4) Methodology	In early 2024, we commenced engagement with several UK-listed companies with the aim of persuading them to become Living Wage accredited. We chose companies in sectors where there is a high proportion of low-paid workers, namely hospitality and retail, as well as businesses with large call centre
(5) Metric used (if relevant)	Number of companies that becoming Living Wage accredited employers

(6) Absolute or intensity-based (if relevant)

(1) Absolute

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

(2) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: Improve Companies' willingness to address Modern Slavery through the CCLA Modern Slavery Benchmark (UK and Global)	Increase companies identifying modern slavery	2026	We start from the assumption that Modern Slavery exist in all supply chains and the only way to address this is to encourage companies to review their supply chain and identify and report on instances of modern slavery. Our target is to increase the number of companies that have disclosed finding and subsequently provided remedy to victims of modern slavery.

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

**Does your organisation track progress against your nearest-term sustainability outcomes targets?**

### **(A1) Sustainability outcome #1:**

(A1) Sustainability outcome #1: Improve Companies' willingness to address Modern Slavery through the CCLA Modern Slavery Benchmark (UK and Global)

Target name: Increase companies identifying modern slavery

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

### **(B1) Sustainability outcome #2:**

(B1) Sustainability outcome #2: Improve Mental Health through the CCLA Corporate Mental Health Benchmark (UK and Global)

Target name: Increase companies' mental health benchmark scores

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

### **(C1) Sustainability outcome #3:**

(C1) Sustainability outcome #3: Supporting vulnerable workers through Living Wage accreditation Engagement

Target name: Increase number of companies supporting workers

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Improve Companies' willingness to address Modern Slavery through the CCLA Modern Slavery Benchmark (UK and Global)
(1) Target name	Increase companies identifying modern slavery
(2) Target to be met by	2025
(3) Metric used (if relevant)	Number of companies disclosing instances of modern slavery within their operations and/or supply chain
(4) Current level or amount (if relevant)	<p>CCLA Modern Slavery UK Benchmark There are clear steps that companies can take to reduce modern slavery around the world. Large listed companies can be particularly influential in setting international norms and in efforts to find, fix and prevent modern slavery. The CCLA Modern Slavery UK Benchmark, launched in 2023, aims to:</p> <ul style="list-style-type: none"> <li>• develop a framework on the degree to which companies are active in the fight against modern slavery</li> <li>• create an objective assessment of corporate modern slavery performance aligned with statutory requirements, government guidance, and international voluntary standards on business and human rights</li> <li>• support investor engagement with companies on their approach to modern slavery</li> <li>• provide a vehicle for learning and sharing good practice</li> <li>• create a mechanism to leverage business competition to drive improvement in practice. The CCLA Modern Slavery UK Benchmark assesses the largest UK-listed companies on the following: <ul style="list-style-type: none"> <li>• Modern Slavery Act compliance and registry</li> <li>• conformance with Home Office guidance</li> </ul> </li> </ul>

- efforts to find, fix and prevent modern slavery in business operations and supply chains.

Companies are assigned to one of five Performance Tiers based on an assessment of their published information. The Performance Tiers are designed to correspond with the Independent Anti-Slavery Commissioner's maturity framework:

- Tier 1: Leading on human rights innovation
- Tier 2: Evolving good practice
- Tier 3: Meeting basic expectations
- Tier 4: Barely achieving compliance
- Tier 5: No modern slavery statement. 110 companies assessed 67 companies engaged directly with CCLA 10 companies mentioned the CCLA modern slavery UK benchmark in their public reporting 35 companies improved sufficiently to move up by one or more performance tier

#### 2024 MODERN SLAVERY UK BENCHMARK IN NUMBERS

#### (5) Other qualitative or quantitative progress

Bunzl Industrials Bunzl is in the scope of the Modern Slavery UK Benchmark and ranked in Tier 3 (meeting basic expectations) in 2023. We corresponded with the company during 2024, and it subsequently moved up to Tier 2 (evolving good practice) in 2024.

Compass Group Consumer discretionary Compass was selected as a priority company for engagement on modern slavery in 2020 under the Find it, Fix it, Prevent it initiative.

It is also part of the Modern Slavery UK Benchmark, where it was ranked in Tier 2 (evolving good practice) in both 2023 and 2024. Compass Group have taken the lessons from their due diligence and remedy in the Middle East and applied the learnings to their broader supply base. They are members of the Fair Food Program in the US, for example.

Diageo Consumer staples Diageo is in the scope of the Modern Slavery UK Benchmark.

In 2023 the company was rated Tier 2 (evolving good practice). We met the company in September 2023 and in 2024 it retains its Tier 2 position.

Experian Industrials Experian is in the scope of the Modern Slavery UK Benchmark. In 2023 it was ranked in Tier 3 (meeting basic expectations). We met the company in 2023 to discuss its approach.

In 2024 the company has moved up one Tier in the benchmark to Tier 2 (evolving good practice). We continue to engage with the company on this topic.

InterContinental Hotels Group Consumer discretionary The InterContinental Hotels Group was selected for engagement in 2020 under the Find it, Fix it, Prevent it initiative. CCLA continues to engage with the company via the Modern Slavery UK Benchmark.

In 2023 it was ranked in Tier 2 (evolving good practice), where it remains in 2024.

London Stock Exchange Group Financials The London Stock Exchange Group is in the scope of the Modern Slavery UK Benchmark. In 2023 it was ranked in Tier 4 (barely achieving compliance). We met with the company in 2024 to discuss its approach to modern slavery.

By its 2024 modern slavery assessment, it had improved sufficiently to move up to Tier 3 (meeting basic expectations).  
 Reckitt Benckiser Group Consumer staples Reckitt Benckiser topped the Modern Slavery UK Benchmark in 2023 and representatives from the company spoke at our benchmark launch event. We met with Reckitt Benckiser in September 2024 and they continue to be ranked in Tier 1 (leading on human rights innovation) in 2024.  
 Rio Tinto Materials Rio Tinto is in the scope of the Modern Slavery UK Benchmark and ranked in Tier 2 (evolving good practice) in 2023.  
 We corresponded with the company in 2024 and it improved sufficiently to move up to Tier 1 in 2024 (leading on human rights innovation).  
 Spirax Group Industrials Spirax Group is included in the Modern Slavery UK Benchmark and ranked in Tier 4 in 2023 (barely achieving compliance). We met the company in February 2024 to discuss its approach to modern slavery. It improved sufficiently to move up to Tier 3 in 2024 (meeting basic expectations).  
 Unilever Consumer staples Unilever is in the scope of the Modern Slavery UK Benchmark. In 2023 it was ranked in the top Tier of the benchmark (leading on human rights innovation). We met the company to discuss this topic in 2024 and the company retains its Tier 1 position.

(6) Methodology for tracking progress

The CCLA Modern Slavery Benchmark Criteria can be found on the CCLA website <https://www.ccla.co.uk/documents/ccla-modern-slavery-global-benchmark-2025-assessment-criteria/download?inline>  
 Company scores are reviewed annually Companies are assessed against a set of 48 questions which produces a score out of 62. Company progress is tracked using these scores, and companies are assigned a performance tier. To qualify for Performance Tier 1, a company scored between 81% and 100% overall and had disclosed finding modern slavery or its indicators within its business or supply chain in the year under assessment. To qualify for Performance Tier 2, a company scored between 61% and 80% overall. To qualify for Performance Tier 3, a company scored between 41% and 60% overall. To qualify for Performance Tier 4, a company scored between 1% and 40% overall. To qualify for Performance Tier 5, a company will not have published a modern slavery statement for the year of assessment.  
 Progressed is tracked through both a change in score and a change in the tier within which a company is placed.

**(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2:	Improve Mental Health through the CCLA Corporate Mental Health Benchmark (UK and Global)
(1) Target name	Increase companies' mental health benchmark scores
(2) Target to be met by	2025
(3) Metric used (if relevant)	CCLA Corporate Mental Health Benchmark Score

(4) Current level or amount (if relevant)

The CCLA Corporate Mental Health Benchmark, launched in 2022, aims to inform and accelerate progress in this area – an area that has historically been hidden behind closed doors in the workplace. We acknowledge that benchmarking is a long game, but at three years old, our initiative appears to be doing its job in driving corporate performance on workplace mental health. In 2024, the CCLA Corporate Mental Health Benchmark evaluated 220 listed companies against 27 assessment criteria based on the information publicly available during the assessment period.

The criteria cover four thematic pillars:

1. management commitment and policy
2. governance and management
3. leadership and innovation
4. performance reporting and impact. 2 Companies are well on the way to demonstrating a strategic approach to workplace mental health management and disclosure 3 Companies are on the way to developing robust systems for workplace mental health management and disclosure 4 Companies are on the journey and have begun to formalise their approach to workplace mental health management and disclosure 5 Companies are at the start of the journey to adopting a formal approach to workplace mental health management and disclosure

Companies are assigned to one of five Performance Tiers based on an evaluation of their published information. Assessments take place annually, allowing investors to track company improvement over time. The performance framework recognises that every company is at a different stage in the journey towards integrating mental health into its business strategy and reporting. 1 Companies are leading the way on workplace mental health management and disclosure

2024 CORPORATE MENTAL HEALTH BENCHMARK IN NUMBERS 220companies assessed IN 2024 137companies engaged directly with CCLA on mental Health 36companies improved sufficiently to move up by one or more performance tiers

(5) Other qualitative or quantitative progress

Alphabet Communication services Alphabet remains in the lowest Performance Tier of the benchmark in 2024. It started to respond to emails at the end of 2023 and reviewed its preliminary assessment in 2024. We have not yet had a dedicated call with the company to discuss mental health, and representatives have told us that they do not accommodate individual calls.

Amazon Consumer discretionary We had two dedicated engagement calls with Amazon's Global Head of Behavioural Health to discuss mental health in 2024.

The first took place in August, after the 2024 benchmark assessments had taken place; the second followed the publication of the benchmark ranking. The company was disappointed to drop a Performance Tier in 2024 but is confident it can improve in 2025.

Coca-Cola Co Consumer staples Coca-Cola is ranked in Tier 5 (worst) in the Corporate Mental Health Benchmark. The company responded to a collaborative investor letter sent to its CEO in November 2024, and we had our first call with the company on mental health in the same month.

We suggested areas in the company's website and reporting where it could add certain information about its mental health approach, which was appreciated. The company does not seem hugely motivated to improve, but the 2025 benchmark outcome will be illuminating.

Diageo Consumer staples Diageo is one of the top improvers over three years, having improved its score by 17 percentage points since 2022 and being ranked in Tier 2 in 2024.

We were in regular contact with the company in 2024 and it is motivated to continue its upwards trajectory. Key recommendations relate to mental health training for line managers and objective and target-setting.

Hermès International Consumer discretionary Hermès improved from Tier 5 to Tier 4 between 2022 and 2023, and retained its Tier 4 ranking in 2024. The company did not engage with the benchmarking process, but it did respond to a collaborative investor letter that was sent to the company's CEO in November 2024.

We had a call with the company in December, where it outlined its commitment to mental health and shared the news that it is preparing a new publication, due out in early 2025, that will include information on mental health.

Mastercard Financials Mastercard has engaged with us on mental health since 2022. We had three meetings with the company in 2023 and a further call in 2024. At our most recent meeting, company representatives disclosed that following 2023's feedback, they built a dedicated project to follow our guidance and align with the benchmark.

They shared the news that they had rolled out a mental health champions programme and that it had received 10 times the expected uptake. Between 2022 and 2024 the company increased its score in the benchmark by 26 percentage points, resulting in a move from Tier 4 to Tier 3.

Novo Nordisk Health care Novo Nordisk told us it had taken our recommendations into account during the 2022 assessment period and made some improvements to its environmental, social and governance (ESG) reporting portal.

This took the form of increased disclosure on the company's website covering management responsibility for health and safety (including mental health); health and safety certifications in production facilities; and physical and mental wellbeing performance data. As a result, the company moved up from Tier 5 in 2022 to Tier 4 in 2023. Novo Nordisk has continued to improve in 2024, now ranking in Tier 3, having increased its underlying benchmark score by 35 percentage points since 2022.

We met the company in December 2024 to discuss how it could improve further ahead of the 2025 assessment.

Rio Tinto Materials Rio Tinto has engaged with us on mental health since 2021. The company has improved its score in the mental health benchmark by 30 percentage points since its first assessment in 2022 and is now ranked in Tier 2. During a meeting with the company in July 2024, we were told that the collaborative investor letter that we had sent to the company following the launch of the UK benchmark in June had been read by the CEO, who had praised the work and given the mental health team further impetus to reach Tier 1.

Roche Holding Health care Having been ranked in Tier 5 in 2022, Roche improved sufficiently to move up two Performance Tiers, to Tier 3, in 2023.

In 2024, it improved yet again and made it into Tier 2 (one of only four companies to achieve this ranking in the global benchmark). This makes the company the second largest improver in the global mental health benchmark since the project's inception; it has improved its score by more than 50% in three years. We are in regular contact with the company on mental health and met several times during 2024.

The Mental Health Benchmark Assessment Criteria can be found on the CCLA website <https://www.ccla.co.uk/documents/mental-health-benchmark-assessment-criteria-2024/download?inline>

(6) Methodology for tracking progress

Company scores are reviewed annually. The criteria against which we assess each company are set out below. Each company is assessed based on information that is publicly available at the time of the assessment. Full details about each question – the rationale, scoring and explanatory notes – are available on the CCLA website. Companies are scored against 27 criteria across four sections each of which carries a different weighting.

Section	Max achievable score	Weight%
Management and commitment and policy	68	31
Governance and Management	77	35
Leadership and innovation	22	10
Performance reporting and impact	50	23

NB: weights do not total 100% due to rounding.

Companies are assessed against a set of 27 questions which produces a score out of 217. Company progress is tracked using these scores, and companies are assigned a performance tier. To qualify for Performance Tier 1, a company scored between 81% and 100% overall. To qualify for Performance Tier 2, a company scored between 61% and 80% overall. To qualify for Performance Tier 3, a company scored between 41% and 60% overall. To qualify for Performance Tier 4, a company scored between 21% and 40% overall. To qualify for Performance Tier 5, a company scored between 0% and 20% overall.

Progressed is tracked through both a change in score and a change in the tier within which a company is placed.

**(C1) Sustainability Outcome #3: Target details**

(C1) Sustainability Outcome #3:	Supporting vulnerable workers through Living Wage accreditation Engagement
(1) Target name	Increase number of companies supporting workers
(2) Target to be met by	2025
(3) Metric used (if relevant)	Number of companies that becoming Living Wage accredited employers

(4) Current level or amount (if relevant)

In early 2023, we commenced engagement with several UK-listed companies with the aim of persuading them to become Living Wage accredited. We chose companies in sectors where there is a high proportion of low-paid workers, namely hospitality and retail, as well as businesses with large call centres. Also in 2023, we joined an alliance of financial institutions known as the Platform Living Wage Financials (PLWF). The alliance encourages companies to aim for living wages in their global supply chains. We are a member of PLWF's apparel and textile working group and are part of the engagement working group for the following companies.  
During the year our focus was UK listed equities within the portfolio.  
LIVING WAGE ENGAGEMENT IN NUMBERS 15 companies in scope for engagement  
15 companies engaged with One company achieved Living Wage accreditation

(5) Other qualitative or quantitative progress

Greggs Consumer discretionary: We have been engaging with Greggs on its policies on pay and retention as a member of ShareAction's Good Work Coalition since 2023. We met with the company in March and October 2024. Although Greggs is not a Living Wage accredited employer, it does have a collective bargaining agreement with the Bakers, Food and Allied Workers Union and claims that wages and benefits are negotiated with workers on an annual basis.  
Watches of Switzerland Consumer discretionary: Following engagement that commenced in 2023, Watches of Switzerland became a Living Wage accredited employer in 2024.

(6) Methodology for tracking progress

Given the outcome is for the company to achieve Living Wage accreditation the monitoring mechanism has been simplified into the following 1 No Response 2 Discussions ongoing but no commitment to attaining Living Wage Accreditation 3 Positive Change - the company has made commitment to reviewing and if possible achieving Living Wage accreditation 4 The company has become Living Wage accredited.

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets  
Select from drop down list:
  - ☒ (1) Individually
  - ☒ (2) With other investors or stakeholders
- ☒ (B) Stewardship: engagement with external investment managers  
Select from drop down list:
  - ☒ (1) Individually
  - ☒ (2) With other investors or stakeholders
- ☒ (C) Stewardship: engagement with policy makers  
Select from drop down list:
  - ☒ (1) Individually

- ☒ (2) With other investors or stakeholders
- ☒ (D) Stewardship: engagement with other key stakeholders
- Select from drop down list:
- ☒ (1) Individually
- ☒ (2) With other investors or stakeholders
- ☐ (E) Capital allocation
- ☐ (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## STEWARDSHIP WITH INVESTEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

### (A) Across all sustainability outcomes

(1) Describe your approach

We believe in the power of positive change. Investment markets, and the returns delivered by the assets traded upon them, can only be as healthy as the communities and the environment that support them. For this reason, we believe that delivering long-term returns to our clients requires us to drive real and positive change.

We do this by:

- actively using our ownership rights to improve the environmental and social performance of the assets in which we invest
  - bringing investors together to address systemic risks that have not received the attention that they require
  - seeking to be a catalyst for change in the investment management industry.
- By delivering positive change we can limit risks before they negatively impact on the performance of our clients' assets and the structure and function of society. Our active ownership work is governed by our engagement policy which sets out 10 rules that we apply to deliver on this philosophy.

These are applied to all assets under our care, irrespective of their geography. The 10 rules are:

1. Active ownership is an integrated part of our investment approach.
2. We monitor our investments and focus engagement resource where it is most needed.
3. We exercise our clients' voting rights.
4. We aim to act systemically
5. We believe in the power of collaboration
6. We do not engage for publicity or to tick a box
7. Our approach to active ownership extends to all assets in our care
8. We report on the outcomes of our active ownership work (within listed equity)
9. We manage our conflicts of interest
10. Our active ownership approach is subject to strict governance and continual improvement.



(2) Stewardship tools or activities used

- (1) Engagement
- (2) (Proxy) voting at shareholder meetings
- (3) Filing of shareholder resolutions or proposals

(3) Example

Case Study: Engaging with Nike on Labour Standard (Not held in CCLA portfolio(s) as at 31 December 2024)

In the mid-1990s, Nike became the poster child for a new type of globalised business model. In this model, the manufacture of apparel was increasingly outsourced to countries – mainly in Southeast Asia – where labour was plentiful and cheap.

Nike's so-called 'sweatshop scandal' was reputationally damaging and prompted measures to improve the working conditions of employees in its factories. The company pioneered a new form of private regulation for supply chain labour standards, including a supplier code of conduct and social auditors to monitor compliance. This approach has since been adopted by almost all major companies sourcing products from high-risk countries. In this context, we believe Nike can do more to strengthen labour rights in its supply chain, particularly given the recent passing of the European Union's Corporate Sustainability Due Diligence Directive (arguably a 30-years-delayed response to the issues that first surfaced in the 1990s).

Nike's problem is twofold. The first problem relates to non-payment of wages at two supplier factories following Covid-related closures. Workers at Hong Seng Knitting and Ramatex are owed an estimated \$2.2 million combined in terminal compensation and legally owed partial wages. Nike has refused to engage with trade union groups and non-governmental organisations and is now being investigated by the US National Contact Point for Responsible Business Conduct. Second, the company is not a member of the International Accord, which relates to building safety in the textile and garment industry.

The initiative is widely regarded as one of the most effective interventions in supply chain labour standards, and failure to support it puts workers' safety at risk. Shareholder proposal During the summer of 2023, we held an investor webinar to highlight the plight of workers at Hong Seng Knitting and Ramatex and to raise investor awareness. We then drafted a public letter asking Nike to intervene and ensure remedy for the affected workers, gathering more than 60 investor signatories. Nike failed to provide a formal response.

In March 2024, CCLA co-filed a resolution calling on Nike to 'publish a report evaluating how implementing worker-driven social responsibility (WSR) principles and supporting binding agreements would impact the Company's ability to identify and remediate human rights issues in sourcing from high-risk countries'. WSR initiatives are designed to protect the rights of workers and include binding agreements between workers and brands and independent monitoring. They also support effective reporting of harms through grievance mechanisms and worker participation in the design and provision of remedy. WSR initiatives are aligned with the United Nations Guiding Principles on Business and Human Rights and considered effective, even where workers are vulnerable to exploitation. Our proposal rested on growing evidence that the prevailing approach of private regulation of global supply chains may no longer be fit for purpose, particularly at a time when the European Union is mandating human rights due diligence and remedy for people adversely affected by business practices. Many of Nike's peers have taken steps to improve conditions for workers and remediate rights violations by employing WSR approaches or binding agreements with labour organisations. Nike has failed to do the same.

#### Building the vote

- During the summer of 2024, CCLA worked to build a supportive vote at Nike's September annual general meeting (AGM). We:
- published two 'exempt solicitations with the US Securities and Exchange Commission • spoke to proxy advisor firms Glass Lewis and ISS
- set up discussions with Nike's top 10 investors
- held an investor webinar to explain the necessity of the resolution • briefed media outlets.

The proposal received 12.3% investor support at the AGM on 10 September, about average for a human rights resolution and we successfully raised awareness of WSR and binding agreements, a new topic for some investors.

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Improve Companies' willingness to address Modern Slavery through the CCLA Modern Slavery Benchmark (UK and Global)

(1) Describe your approach

There are three complementary aims, each linked to a discrete workstream:

- Coordinated company engagement – helping companies to develop and implement better processes for finding, fixing and preventing modern slavery. This is currently focused on UK-listed companies in the hospitality and construction sectors
- Meaningful public policy – aims to strengthen the Modern Slavery Act 2015 through dialogue with policy makers
- Better data for investors – works with data providers, NGOs and academia to identify and develop better data on modern slavery risks.

(2) Stewardship tools or activities used	(1) Engagement (9) Other
(3) Example	Full details of the outcomes of our modern slavery corporate engagement are included elsewhere in this submission.
<b>(C) Sustainability Outcome #2:</b>	
(C) Sustainability Outcome #2:	Improve Mental Health through the CCLA Corporate Mental Health Benchmark (UK and Global)
(1) Describe your approach	The aim of the benchmark is to encourage employers to create the conditions under which workers can thrive; this necessitates a 360° view of mental health, from thriving, to struggling, to failing to cope. It also requires clear leadership commitments, watertight policies and cohesive workplace programmes that equip people with the knowledge and skills to support their own (and others') mental health. It is designed to open up a conversation with investors about the role of mental health in assessing the overall health of a business.
(2) Stewardship tools or activities used	(1) Engagement
(3) Example	Details of the progress made is included elsewhere in this submission.
<b>(D) Sustainability Outcome #3:</b>	
(D) Sustainability Outcome #3:	Supporting vulnerable workers through Living Wage accreditation Engagement
(1) Describe your approach	CCLA built a collaborative engagement programme to encourage companies to address the cost-of-living. This engaged through letters and meetings.
(2) Stewardship tools or activities used	(1) Engagement
(3) Example	Details of the progress made is included elsewhere in this submission.
<b>(E) Sustainability Outcome #4:</b>	
(E) Sustainability Outcome #4:	Increase nutritional standards of food products
(1) Describe your approach	CCLA has used public policy, direct engagement and filing shareholder resolutions to deliver change on the topic of obesity and nutrition.
(2) Stewardship tools or activities used	(1) Engagement (9) Other

(3) Example

One example of our corporate engagement work on nutrition is Nestlé. We first started engaging with Nestlé on nutrition in 2017. Over the past two years, the frequency of dialogue has increased, both via the ATNI, and via ShareAction's Healthy Markets Coalition.

There was a notable success in 2022. On increased shareholder pressure – and possibly influenced by Unilever's new commitments set out above – Nestlé agreed to the following:

Nutrition commitments:

- Nestlé will benchmark and disclose the nutritional information of its products, in terms of sales, in 14 countries (UK, France, Germany, New Zealand, Australia, Singapore, Indonesia, Thailand and some countries in Latin America), based on the Health Star Rating (HSR) where possible, or the prevailing local nutrient profiling system.
- Disclosures will be published in Nestlé's Annual Review.

Country-specific information will be contained in the Shared Values and Sustainability Report. Both publications will be released in March 2023.

- Nestlé will report on joint ventures when they have a large majority stake and will work with those where they have a minority stake to gain access to the data.

Marketing commitments:

- Nestlé will raise the age of marketing of unhealthy foods from 13 to 16 years.
- Data collection on minors will be ceased.
- Any social media influencers will be over the age of 18.
- Marketing will cease on gaming platforms with a user base comprising of >25% of under-16s.
- Marketing of 0–6 months infant formula ceased from 1 January 2023.

However it was less forthcoming on targets.

In 2023, having initially stated that it was too early for the company to set targets on sales of healthy foods, and facing the potential of a shareholder proposal, Nestlé agreed to set a target to increase the sales of healthy products. While this is a step in the right direction, we were disappointed that the target is absolute and not proportional. In 2024, we pre-declared our support for a shareholder proposal calling on the company to increase the number of healthy food options it offers compared to the amount of unhealthy food it sells.

In 2025, we took the role of lead investor for the Access to Nutrition Initiative coalition and attended the company's AGM in Geneva. We asked the new CEO to prioritise this topic. Since 2022, Nestlé has increased the age threshold from 13 to 16 for marketing unhealthy products; ceased infant formula marketing (0-6 months); and set a target on sales of healthier products.

In 2025, it announced new commitments on nutrition disclosure. We will be visiting the company in October 2025 to work towards stronger targets on sales of healthier products.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

☒ (A) We prioritise the most strategically important companies in our portfolio.

Describe how you do this:

Select from the list:

- ☒ 1
- ☐ 4

- ☒ (B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.

Describe how you do this:

Select from the list:

☒ 2

☐ 4

- ☒ (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.

Describe how you do this:

Select from the list:

☒ 3

☐ 4

- ☐ (D) Other

## STEWARDSHIP WITH EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 10	PLUS	OO 5, SO 5	N/A	PUBLIC	Stewardship with external investment managers	2

During the reporting year, how did your organisation, or the external service providers acting on your behalf, engage with external investment managers to ensure that they take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

### (A) Across all sustainability outcomes

(1) Describe your approach

CCLA has a long-track record of driving positive change through our active ownership practices. However, we recognise that by working collaboratively with other investors we can have a much bigger impact. For this reason, we seek to build, or participate in, the most effective engagement coalition to achieve our goal. We also recognise the importance of industry partnership and seek to take an active role in the life of the City of London.

Where CCLA has identified a specific engagement theme through our 'better world' action plans we work with some of our external managers to ensure that they are aware of these themes and that they are integrated into the managers' approach.

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Improve Companies' willingness to address Modern Slavery through the CCLA Modern Slavery Benchmark (UK and Global)

(1) Describe your approach

Our approach to building an engagement collaboration is detailed elsewhere in this submission.

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**(C) Sustainability Outcome #2:**

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(C) Sustainability Outcome #2:	Improve Mental Health through the CCLA Corporate Mental Health Benchmark (UK and Global)
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(1) Describe your approach	Our approach to building an engagement collaboration is detailed elsewhere in this submission.
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**(D) Sustainability Outcome #3:**

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(D) Sustainability Outcome #3:	Supporting vulnerable workers through Living Wage accreditation Engagement
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(1) Describe your approach	Our approach to building an engagement collaboration is detailed elsewhere in this submission.
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**(E) Sustainability Outcome #4:**

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(E) Sustainability Outcome #4:	Increase nutritional standards of food products
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(1) Describe your approach	Our approach to building an engagement collaboration is detailed elsewhere in this submission.
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## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach	We recognise that regulation and legislation are key tools in managing systemic sustainability risks. For this reason, we believe that we have a responsibility to work with public policy makers to push for progressive frameworks that accelerate positive change.
(2) Engagement tools or activities used	<ul style="list-style-type: none"> <li>(1) We participated in 'sign-on' letters</li> <li>(2) We responded to policy consultations</li> <li>(3) We provided technical input via government- or regulator-backed working groups</li> <li>(4) We engaged policy makers on our own initiative</li> </ul>
(3) Example(s) of policies engaged on	

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	Improve Companies' willingness to address Modern Slavery through the CCLA Modern Slavery Benchmark (UK and Global)
(1) Describe your approach	<p>We recognise that regulation and legislation are key tools in managing systemic sustainability risks. For this reason, we believe that we have a responsibility to work with public policy makers to push for progressive frameworks that accelerate positive change.</p> <p>Specifically on modern slavery our focus has been upon broadening the scope of the UK Modern Slavery Act (2015)</p>
(2) Engagement tools or activities used	<ul style="list-style-type: none"> <li>(1) We participated in 'sign-on' letters</li> <li>(3) We provided technical input via government- or regulator-backed working groups</li> <li>(4) We engaged policy makers on our own initiative</li> </ul>

(3) Example(s) of policies engaged on

During 2024 we gave both written and oral evidence to the House of Lords review of the Modern Slavery Act. We collaborated with Rathbones to make a joint written submission to the inquiry, and in April CCLA's Dame Sara Thornton and Dr Martin Buttle gave evidence to the committee. They argued for the Modern Slavery Act to be amended but also advocated for the need for the UK to go further and adopt mandatory human rights due diligence.

Over the course of the year, we engaged with Baroness Young of Hornsey as she sought support for her private members' Bill, the Commercial Organisations and Public Authorities Duty (Human Rights and Environment) Bill. The Bill had its second reading, but the July general election meant that it could progress no further.

We continued to focus on exploitation in UK agriculture and in March met with Mark Spencer MP, then Minister of State for Food, Farming and Fisheries. We were accompanied by a group of 14 institutional investors. This was the group that had supported us in 2023 in writing to Thérèse Coffey, then Secretary of State for Environment, Food and Rural Affairs, urging the government to implement the recommendations of an independent review into labour shortages in the UK's food supply chain.

During the meeting we urged the government to support work being done by the Seasonal Worker Scheme Taskforce (SWST) on recruitment-related costs borne by agricultural workers. In particular, the Seasonal Worker visa scheme is not compliant with international best practice on the Employer Pays Principle. We welcomed a joint feasibility study between the Department for Environment, Food and Rural Affairs and the SWST and are pleased to be the investor voice on the Project Advisory Group.

We contributed to the Migration Advisory Committee's report on the Seasonal Worker visa, which was published in June 2024. The report recommends that there needs to be greater security about the future of the scheme, fairer work and pay for workers, and better communication and enforcement of worker rights. Significantly, the report also recommended consideration of the Employer Pays Principle. Professor Brian Bell, chair of the committee, attended a meeting of CCLA's Find it, Fix it, Prevent it initiative to share his findings with investors. We then wrote on behalf of six investors with over £1 trillion in assets under management and advisement to Daniel Zeichner MP, Minister of State for Food Security and Rural Affairs, in support of the Migration Advisory Committee's report. Construction is another high-risk area for modern slavery and we have continued to work with investors and the construction sector to urge robust action.



In April we convened a roundtable bringing together investors, law enforcement, civil society, government officials and 23 construction industry representatives. The debate was positive. Since then, several companies have overhauled their approach, and representatives of the sector are working together to develop information and intelligence-sharing. As part of this initiative, in August we published a joint statement, that was signed by 17 organisations, including seven major construction companies. We continue to work with this sector and have participated in several events since our seminal roundtable. Over the past year we have contributed to the Home Office's Modern Slavery Engagement Forum on Prevention and Enforcement. In particular, we are members of the Forced Labour Forum, which is advising the Home Office as it revises the statutory guidance on transparency in supply chains. This guidance for businesses on Section 54 of the Modern Slavery Act is important and our work on the Modern Slavery UK Benchmark has demonstrated the need for it to be updated and revised. The Forced Labour Forum is a good opportunity to provide an investor perspective

Lastly, we present an investor perspective to the Commonwealth Parliamentary Association. This group of legislators, from across the Commonwealth, is considering the need for law and regulation on modern slavery. Led by CCLA's CEO, Peter Hugh Smith, we set out CCLA's approach to modern slavery within the wider context of 'good investment', the Financial Conduct Authority's Sustainability Disclosure Requirements regime and broader public policy

#### **(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:

Improve Mental Health through the CCLA Corporate Mental Health Benchmark (UK and Global)

(1) Describe your approach

We have joined a collaborative initiative pushing for pro-active regulation on corporate mental health provision.

(2) Engagement tools or activities used

(5) Other methods

(3) Example(s) of policies engaged on

#### **(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3:

Supporting vulnerable workers through Living Wage accreditation Engagement

(1) Describe your approach

We have not conducted public policy engagement on this theme

(2) Engagement tools or activities used

(5) Other methods

(3) Example(s) of policies engaged on

**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4:	Increase nutritional standards of food products
(1) Describe your approach	We joined other investors in pushing government to implement higher standards on nutrition.
(2) Engagement tools or activities used	(4) We engaged policy makers on our own initiative
(3) Example(s) of policies engaged on	

**STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

**(A) Across all sustainability outcomes**

(1) Key stakeholders engaged	(1) Standard setters (7) Academia (8) NGOs (9) Other key stakeholders
(2) Provide further detail on your engagement	CCLA seek to engage with the most appropriate individuals, groups and bodies to achieve our engagement objectives. This ranges from regulators to data providers and NGOs to audit companies.

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:	Improve Companies' willingness to address Modern Slavery through the CCLA Modern Slavery Benchmark (UK and Global)
(1) Key stakeholders engaged	(7) Academia (8) NGOs
(2) Provide further detail on your engagement	To support the development of Find It, Fix It, Prevent It we have developed an Advisory Committee. This features representation from industry bodies (including the PRI), NGOs (including the Business and Human Rights Resource Centre) and academia (including the University of Nottingham's Rights Lab).

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:	Improve Mental Health through the CCLA Corporate Mental Health Benchmark (UK and Global)
(1) Key stakeholders engaged	(6) External service providers (e.g. proxy advisers, investment consultants, data providers) (7) Academia (8) NGOs (9) Other key stakeholders
(2) Provide further detail on your engagement	<p>An Expert Advisory Panel, comprising independent workplace mental health experts and specialist practitioners, provides technical guidance on workplace mental health and supports CCLA and Chronos Sustainability on the development of the benchmark. Members of the panel currently include: Lord Dennis Stevenson CBE (co-architect of the UK government-commissioned 'Thriving at Work' review, and former Chair, HBOS, Pearson, GPA); Elizabeth Sheldon (CCLA); Dr Richard Caddis (Rolls-Royce); Remi Fernandez (Principles for Responsible Investment); Dr Sarah Hughes (Mind); Dr Shekhar Saxena (Harvard T.H. Chan School of Public Health); and Dr Junko Umihara (Showa Women's University).</p> <p>The panel is responsible for:</p> <ul style="list-style-type: none"><li>• ensuring that the benchmark – including its assessment criteria and scoring methodology – is credible, robust and based on best available knowledge</li><li>• providing independent technical guidance on workplace mental health</li><li>• reviewing the positioning of the benchmark's overarching findings</li><li>• supporting the effective dissemination of the benchmark findings</li><li>• guiding the refinement of benchmark criteria and scoring for future benchmark iterations.</li></ul>

**(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3:	Supporting vulnerable workers through Living Wage accreditation Engagement
(1) Key stakeholders engaged	(9) Other key stakeholders
(2) Provide further detail on your engagement	We have not consulted external stakeholders on this initiative.

**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4:	Increase nutritional standards of food products
(1) Key stakeholders engaged	(9) Other key stakeholders
(2) Provide further detail on your engagement	We have not consulted external stakeholders on this initiative.

## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	Find It Fix It Prevent It
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(A) We were a lead investor in one or more focus entities (e.g. investee companies)</p> <p>(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)</p> <p>(C) We publicly endorsed the initiative</p> <p>(D) We provided pro bono advice, research or training</p>
(3) Provide further detail on your participation in this collaborative initiative	<p>Find it, Fix it, Prevent it is an investor collaboration created, convened and resourced by CCLA. It was formally launched at the London Stock Exchange in 2019 and is overseen by an advisory committee that brings together investors, academics and non-governmental organisations to share knowledge, set targets and monitor progress.</p> <p>At the end of 2024, the Find it, Fix it, Prevent it investor coalition numbered 70 investors with a combined £18 trillion in assets under management.</p>

### (B) Initiative #2

(1) Name of the initiative	Nutrition and health
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(A) We were a lead investor in one or more focus entities (e.g. investee companies)</p> <p>(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)</p> <p>(C) We publicly endorsed the initiative</p>

(3) Provide further detail on your participation in this collaborative initiative	<p>We support ShareAction's Healthy Markets Initiative and the Access to Nutrition Index (ATNI).</p> <p>Through these coalitions, we have been engaging with three investee companies: Unilever, Nestlé and Coca-Cola.</p> <p>Primarily, we are asking these companies to commit to producing healthier products and to make these products more accessible, more affordable and more available. Our specific asks relate to disclosure, target setting, and reporting on progress against those targets.</p>
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### (C) Initiative #3

(1) Name of the initiative	Climate Change: shareholder Vote on Climate Action Plan
(2) Indicate how your organisation contributed to this collaborative initiative	(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)
(3) Provide further detail on your participation in this collaborative initiative	CCLA have supported the development of 'say on climate' resolutions at company AGMs. We believe that this allows more shareholders to signal their support, or otherwise, for the pace of a company's climate transition.

### (D) Initiative #4

(1) Name of the initiative	Improving Mental Health
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(A) We were a lead investor in one or more focus entities (e.g. investee companies)</p> <p>(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)</p> <p>(C) We publicly endorsed the initiative</p> <p>(D) We provided pro bono advice, research or training</p>
(3) Provide further detail on your participation in this collaborative initiative	The global investor statement on workplace mental health was launched in July 2022 with 29 founding signatories representing \$7 trillion in assets under management. At the end of 2024, the investor statement had 56 investor signatories with a combined \$10 trillion in assets under management.

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- ☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- ☐ (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- ☒ (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- ☒ (E) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- ☐ (F) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

#### Who in your organisation reviewed the responses submitted in your PRI report this year?

- ☐ (A) Board, trustees, or equivalent
- ☒ (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - ☒ (1) the entire report
    - ☐ (2) selected sections of the report
  - ☐ (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year