



PUBLIC TRANSPARENCY REPORT

2023

CCLA

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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 2023 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

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 2023 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 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.

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 sustainable 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 sustainable investment faces a more significant threat. It is not delivering what people want.

We believe that people look to ESG (or sustainable) investing to deliver positive change and its 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 ESG is to become something meaningful and, during the year to the end of March 2023, CCLA has sought to play a key role in building a more impactful industry.

We have delivered this through the continuation of our focus on active ownership and our efforts to bring the industry together to focus on systemic ESG risks that have not had the attention that they deserve. As such, our focus during the year has been, amongst other things, upon:

- Continuing to encourage businesses to increase the effectiveness of their actions to counter modern slavery.
- Seeking to protect vulnerable workers through the cost-of-living crisis.

- Pushing for a better way to look after the mental health of workers.
- Playing our role in accelerating the transition to a net zero emission economy.

On modern slavery our Find It, Fix It, Prevent It initiative continued to be one of our highest priorities. During the year the coalition, that now represents over £17 trillion of assets, engaged with 13 hospitality firms and 17 businesses in the construction industry. This led to a further business finding and reporting instances of modern slavery within their operations. We also sought to expand the initiative's influence in public policy. During the year Dame Sara Thornton, the former UK Independent Anti-Slavery Commissioner, joined CCLA to strengthen our approach.

Supplementing our long-standing work on workforce and inequality issues we launched a new cost-of-living engagement in the reporting year. To address this, we pulled together a new collaboration that attracted the support of £3.2 trillion in assets under management on behalf of our industry and called upon companies to do more to protect their most vulnerable workers.

We also continued our longstanding work on mental health. According to a study by Deloitte, mental ill health in the workplace costs employers annually an average of £1,652 per private sector employee. During the year, we launched the inaugural CCLA Corporate Mental Health Benchmark. The CCLA Corporate Mental Health Benchmark – across two publications - assesses 200 companies' approach to protecting the mental health of their employees. In May 2022, we launched the UK 100 benchmark, followed by the Global 100 benchmark in October. The benchmarks provide an objective assessment of listed companies employing more than 10,000 people. Although at the early stages the initiative has already delivered significant changes in corporate practice and facilitated wider investor engagement on this important topic.

On climate, we continued to support the creation of meaningful public policy. This has included contributing to the further development of the Powering Past Coal Alliance and joining the delivery group of the UK government's Transition Plan Taskforce.

At a company level we filed a shareholder resolution at NextEra Energy, an important US electrical utility, which was subsequently withdrawn due to an agreement by the company to improve disclosure in this area in autumn 2023. We also co-filed a shareholder resolution together with As You Sow for the 2023 AGM. Specifically, we asked Bank of America to issue a report disclosing a transition plan that describes how it intends to align its financing activities with its 2030 sectoral greenhouse gas emissions reduction targets. This included specific measures and policies to be implemented, reductions to be achieved by such measures and policies, and timelines for implementation and associated emission reductions.

To deliver this work we continued to invest in the development of CCLA's Sustainable Investment Team which is now comprised of 11 (2022:8) 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 impactful 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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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	2023

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, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 16,732,296,962.00

(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%
(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 Funds as a percentage of AUM- 31st March 2023.

(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 2023.

ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

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)
(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%
(B) Active – quantitative	0%
(C) Active – fundamental	0%
(D) Other strategies	>75%

(D) Other strategies - Specify:

CCLA's listed equity approach combined quantitative and fundamental analysis.

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 >10-50%

(D) Active – corporate >75%

(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 majority owned by the investment funds of our client base. We hold shares in both the CBF Church of England Investment Fund and the COIF Charities Investment Fund, both of which are private equity vehicles.

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 >0-10%

(H) Technology or science 0%

(I) Healthcare 0%

(J) Mixed use >0-10%

(K) Other

0%

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?

>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	(1) 0%
(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 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	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(I) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Other Internal. Value of CCLA Money Market Funds as a percentage of AUM- 31st March 2023.	<input checked="" type="radio"/>	<input type="radio"/>

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 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
(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 2023.

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 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

(E) Private equity

(F) Real estate

(G) Infrastructure

(K) Other: Other External. Value of CCLA's investments in externally managed Contractual and Other Income as a percentage of AUM-31st March 2023.

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 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
(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 2023.	<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

We offer three money market funds for our not for profit clients. These are the CBF Church of England Deposit Fund, the COIF Charities Deposit Fund and the Public Sector Deposit Fund. These Funds share our companywide commitment to responsible investment. All counterparties are assessed against a bespoke environmental, social and governance assessment framework prior to being admitted to our accepted list and we seek to actively use our influence through engagement to push for improvements in their ESG standards. Where we have concerns counterparties can, and have, been removed from the accepted list.

Externally managed
(F) Other

As a responsible investor we seek to manage the majority of our clients' assets directly. This allows us to better ensure that we are integrating ESG factors and investing in a way that is aligned with our clients' values. However, there are a number of asset classes, that would benefit our clients portfolios, which require external expertise. To ensure that these do not negatively impact upon our clients' reputations all externally managed vehicles require approval of our specialist Sustainability Team. This approval is then reviewed by the Investment Committee prior to any investment being made.

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
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

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
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

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 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 information: (Voluntary)

Investment markets can only be as healthy as the society and environment that support them. Through Good Investment we carefully select assets that add long-term value and act collectively to encourage systemic change.

Our purpose is to help our clients maximise their impact on society by harnessing the power of investment markets.

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"/>
(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

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/documents/better-world-sustainable-investment-outcomes-2022-report/download?inline=true>

- (B) Guidelines on environmental factors

Add link:

<https://www.ccla.co.uk/documents/better-world-sustainable-investment-outcomes-2022-report/download?inline=true>

- (C) Guidelines on social factors

Add link:

<https://www.ccla.co.uk/documents/better-world-sustainable-investment-outcomes-2022-report/download?inline=true>

- (D) Guidelines on governance factors

Add link:

<https://www.ccla.co.uk/documents/response-uk-stewardship-code-principles-2022/download?inline>

- (E) Guidelines on sustainability outcomes

Add link:

<https://www.ccla.co.uk/documents/response-uk-stewardship-code-principles-2022/download?inline>

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

Add link:

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

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

Add link:

<https://www.ccla.co.uk/documents/modern-slavery-engagement-expectations/download?inline=true>

(H) Specific guidelines on other systematic sustainability issues

Add link:

<https://www.ccla.co.uk/documents/response-uk-stewardship-code-principles-2022/download?inline>

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

Add link:

<https://www.ccla.co.uk/about-us/policies-and-reports/policies/responsible-property-investment-policy>

(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/documents/response-uk-stewardship-code-principles-2022/download?inline>

(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-2023-2pdf/download?inline>

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

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

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

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

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

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

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%

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, Chief Risk Officer

- (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"/>
(C) Guidelines on sustainability outcomes	<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 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 type="checkbox"/>	<input checked="" type="checkbox"/>

(M) Stewardship: Guidelines on (proxy) voting

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

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 £13.5 bn in assets under management and approximately 190 members of staff. 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.

- (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:

CCLA has an 11-strong dedicated Sustainability team, led by Dr James Corah. 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 all employees at CCLA including 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, including in the consideration of sustainability in the investment decision making process.

Specifically, principle 2 of CCLA's remuneration policy, 'Supporting business strategy, values and long-term interests' is consistent with the integration of sustainability factors. As set out in the Responsible Investment Report and CCLA's policies relating to the consideration of sustainability factors in its investment decision-making process, the consideration of these factors is central to CCLA's objectives, values and long-term interests

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

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

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

Add link(s):

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

<https://www.ccla.co.uk/documents/better-world-sustainable-investment-outcomes-2022-report/download?inline=true>

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:

UK Stewardship Code

Link to example of public disclosures

<https://www.ccla.co.uk/documents/response-uk-stewardship-code-principles-2022/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 our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement**

Add link(s):

<https://poweringpastcoal.org/members/>

<https://www.ccla.co.uk/documents/better-world-sustainable-investment-outcomes-2022-report/download?inline>

<https://www.theia.org/about-us/members/full>

<https://www.unpri.org/signatories>

- (B) 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

- (C) 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 (cluster munitions landmines, chemical or biological weapons)

Tobacco producers, companies that derive more than 5% of revenues from tobacco.

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.

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. 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.

Recognising the importance of our active ownership programme, all of our policies, processes and activities are approved and overseen by our Investment Committee.

The process is based on, but not restricted to • the materiality of ESG factors on financial and/or operational performance; • specific ESG factors with systemic influence (e.g. climate or modern slavery), and the ESG rating (internal or external) of the company.

We grade our equity engagements on a risk scale, which can escalate to reflect increased concerns. Our current practice ranges from Level One, routine voting, to Level Four where we divest automatically if no progress is achieved in a limited time period. These levels are set by the Investment Committee, based on the advice of our sustainability specialists.

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 the life of the City of London. 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, all engagements are conducted in partnership between our portfolio managers, analysts and team of sustainability specialists.

In addition, we have established a formal process for sharing the insights gained through our engagement activities. 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 ESG 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. The Forum was established by the Investment Committee, and 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 the majority of 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, during the reporting period, CCLA has: -

Further developed the Find It, Fix It, Prevent It initiative. This brings together investors with over £12.8trillion in assets under management to encourage more effective corporate action on modern slavery. - Resourced the creation of the inaugural Corporate Mental Health Benchmark – UK 100. This rates 100 UK listed companies on their approach to protecting employees' mental health in May and the equivalent Global Benchmark in October.

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 the Investment Association and the PRI serve on the Advisory Committees for one or more of our priority projects.

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

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
- (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/voting-records>

- (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

o

o

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

o

o

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

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

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. Where we hold large percentages of companies' share capital we work with ISS, as our voting provider, and the Company Secretary to ensure that our votes are received.

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, 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 checked="" 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"/>

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

Specify:

We use sell side as a means to contact unresponsive companies.

- o (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	OO 8, OO 5.3 FI	N/A	PUBLIC	Stewardship: Escalation	2

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

(A) SSA - Approach to escalation

In 2018, we took the decision to amend our approach and to exclude the investment into sovereign debt where the proceeds can be used for any purpose by the issuing oppressive regime.

The current list of restricted regimes is based on the following data sources:

- Freedom House: Freedom House is an independent, US-based, organization that analyses 'challenges to freedom' in the World. They produce an annual, 'Freedom in the World' publication ranking countries on their political rights and civil liberties with the standards set based upon the Universal Declaration of Human Rights. Countries are awarded rankings for 'Political Rights' and 'Civil Liberties' from 1 (the most 'free') to 7 (the least). Countries with an average score across both rankings of 6 or higher have been added to the restricted list.
- Transparency International: Transparency International is an NGO focussed upon developing 'a world in which government, business, civil society and the lives of daily people are free of corruption'. They produce an annual 'Corruptions Perceptions Index' that ranks '180 countries and territories by their perceived levels of public sector corruption'
- Arms Embargoes: Finally, we have included countries that are subject to 'arms embargoes' by either the UN or EU.
- PEW Institute of Religious Freedom Score.

The current scoring process creates final scores of countries by combining four different metrics to create an overall score (0-10). Countries are then ranked by their score. The worst scoring quintile of countries makes up the Oppressive Regime List. Singapore does not fall within these restrictions.

Given the application of the above at present we have not been required to implement an escalation process for SSA.

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
 - o (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:

During 2022, our Director of Climate Stewardship worked with the Powering Past Coal Alliance to refresh and update the Finance Principles, which were launched in spring 2023. She also joined the Delivery Group of the government's UK Transition Plan Taskforce, as an investment sector expert on mining and electrical utilities.

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

Describe:

As part of our work on Modern Slavery and our Find it, Fix it, Prevent it programme, CCLA responded to the Home Office Affairs Committee inquiry into Human Trafficking in the UK

- (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

Add link(s):

<https://www.ccla.co.uk/documents/better-world-sustainable-investment-outcomes-2022-report/download?inline=true>

(B) We publicly disclosed details of our engagements with policy makers

Add link(s):

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

<https://www.ccla.co.uk/news-media/response-fcas-sustainable-finance-labels-and-sdr-consultation>

(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.

Based in the US, NextEra is one of the world's largest generators of renewable energy. Despite its leadership in the generation of clean energy, the company has historically lagged peers in climate-related disclosure. CCLA co-filed a shareholder resolution calling for progress, and this was successfully withdrawn in 2021 once we had received a commitment that the company would report to CDP, thereby aligning with the recommendations of the G20's Task Force on Climate-Related Financial Disclosure (TCFD). This was a critical first step in building transparency and assessing progress. Separately NextEra's first trade association disclosure report scored poorly in benchmarking. We led the filing of a shareholder resolution in late 2022, which has subsequently been withdrawn due to an agreement by the company to improve disclosure in this area in autumn 2023.

(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.

Unilever is one of the largest food and drink manufacturers in the world. Its foods and refreshments division generates €19.1 billion annually, accounting for an estimated 40% of sales. Yet despite its reputation for sustainability, the 2021 ATNI showed that only 17% of its global sales come from healthier products. CCLA supported ShareAction in co-filing a shareholder resolution at Unilever. We called on the company to align its disclosure of sales of healthier products with government endorsed nutrient profiling models.

Also, to set targets to increase the share of sales of healthier products. What followed was eight weeks of intense negotiation with the company. The co-filing group met seven times, and with Unilever three times. In February 2022, sensing a lack of progress, we escalated the engagement by writing to Unilever's CEO, and President of Foods & Refreshment. This resulted in a meeting with Ms Faber, where we finally agreed the conditions under which we could withdraw the resolution.

Unilever pledged to set a new industry-leading standard on transparency around sales of healthy foods. It announced the new measures in a public statement on 7 March and published its findings in October. Unilever has now disclosed the 'healthiness' of its global portfolio against six government endorsed nutrient profiling models, in both sales volume and revenue. This involved a huge amount of resource and data gathering by the company, and we are grateful to Unilever for its positive engagement over the course of the year. CCLA attended Unilever's 2022 AGM and publicly congratulated the company in a statement, read on behalf of the co-filing group.

(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.

At the end of 2022, we co-signed a letter to Amazon, calling for the Board of Directors to commission an independent, third-party assessment of Amazon's adherence to its stated commitment to workers' freedom of association and collective bargaining rights as outlined in its Global Human Rights Principles. Six weeks later, having received no meaningful response, we escalated the engagement by co-filing a shareholder resolution at the company for its 2023 annual general meeting. The proposal went to vote on 24 May. The resolution achieved 34.6% of the overall vote and 41.8% of independent shareholders' vote. The resolution may not have passed, but we will continue to engage with Amazon on its approach to worker rights. As next steps, we are co-ordinating a collective open letter to Amazon, and will continue to support efforts to organise in the UK.

(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.

Despite the UK government's commitments to tackle modern slavery and the International Labour Organization stating that no recruitment fees or related costs should be charged to, or otherwise borne by, workers or jobseekers, there are allegations that workers have had to take out loans at high interest rates, or sign over assets and property, to cover the costs.

This has left workers at high risk of debt bondage, one of the key indicators of forced labour. In addition, some migrant workers in the UK have been deceived by promises of multi-year contracts, but due to the late release of 8,000 visas, found themselves with only weeks of work and in substantial debt.

CCLA convened 10 investors with an estimated £800 billion in assets under management to sign a statement calling on retailers and firms in, and directly sourcing from, the UK agricultural supply chain to: • implement the Employer Pays principle, such that the employer bears all recruitment costs (any recruitment fees and associated expenses such as travel) • undertake investigation of existing workers and ensure a fair process to repay recruitment related costs that may have been borne by the workers • encourage the government to bring the UK's Seasonal Workers' scheme into line with international commitments.

(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 UK 100 ('the benchmark') provides a window on how 100 of the UK's largest companies approach and manage workplace mental health, based on their published information. Fully integrating mental health into business strategies and reporting cycles takes time and each company is at a different stage in its own journey. Where disclosure on workplace mental health is absent, investors are unable to assess the effectiveness of a company's management controls or its performance relative to peers. The results of the inaugural CCLA Corporate Mental Health Benchmark UK 100 show that while the case for companies to act on mental health in the workplace is clear, more work is needed to formalise company approaches and to improve company disclosure.

44% of benchmark companies have published clear commitments to promoting a culture of openness on mental health. Yet only one in three UK company CEOs are signalling leadership commitment to mental health.

Only one-third of companies recognise the link between 'good work' principles and mental health. These principles include diversity, equality and inclusion, flexible working and job adjustment, and fair pay and financial security.

Companies need to strengthen their governance and management processes if they are to sustain a strategic focus on workplace mental health. 43% of companies demonstrate that they have assigned board oversight for mental health, but only 23% evidence that they have assigned operational management responsibility for mental health.

As an annual survey we will track and report progress against both the UK and Global benchmarks.

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 ACWI as a proxy for the world economy. Whilst, under each scenario, CCLA's listed equity assets prove more resilient than the index aggregate losses range from -8.36% to -6.25%.

We also identify significant opportunities created by the energy transition.

The OECD estimates that over \$6.9 trillion in investment is needed in order to move the world towards net-zero emissions. This is acknowledged in our investment approach – we recognise that well-managed 'impact' assets can play a significant role in diversifying portfolios, as well as having a positive social and environmental impact.

One example is our partnership with the UK government to launch the Clean Growth Fund. This will provide much needed venture capital to early-stage green businesses. We have set an aspirational target to dedicate 5% of the capital of the COIF Charities Ethical Investment Fund to such investments, and these opportunities tend to also be allocated to our other multi-asset funds. In our alternative assets we also hold funds that support the transition to a low-carbon economy, for example by expanding solar, hydro and wind electricity generation capacity in Europe. As of 31 March 2023, the market value of our investments in climate positive solutions in our alternative assets was £346 million (approximately 3% of our total AUM).

(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.

- o (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 term 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.
3. To fit with this approach, we have chosen to set our decarbonisation targets through a decreasing maximum carbon footprint based upon the MSCI World Index. This approach ensures that we are not taking on significant short-term regulatory risk, while allowing us freedom to invest in companies and use our active ownership expertise to drive change.

○ (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.

(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

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

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 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 ACWI IMI 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 equity investments.

Unit	MSCI	ACWI IMI	CCLA equities
Orderly climate VaR		-32.28%	-6.25%
Disorderly Aggregated climate VaR		-39.73%	-8.36%
Hot House World Aggregated climate VaR		-32.38%	-7.20%

- (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
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

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 and MSCI ACWI Investable Market 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 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 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 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 ACWI as a proxy for the world economy.

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

Quarterly data setting out 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 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/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/download?inline>

(C) Internal carbon price

(D) Total carbon emissions

(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/better-world-sustainable-investment-outcomes-2022-report/download?inline=true>

(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/better-world-sustainable-investment-outcomes-2022-report/download?inline=true>

- (K) Our organisation did not use or 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 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/download?inline>

<https://www.ccla.co.uk/documents/better-world-sustainable-investment-outcomes-2022-report/download?inline=true>

(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/download?inline>

<https://www.ccla.co.uk/documents/better-world-sustainable-investment-outcomes-2022-report/download?inline=true>

(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

- (D) Our organisation did not 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 potentially negative outcomes for people connected to your investment activities?

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes
- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts

Explain how these activities were conducted:

Brexit and the war in Ukraine have resulted in a shortage of migrant workers for the UK agricultural sector. The investor group is concerned that migrant workers in the UK, recruited and employed through the government's Seasonal Workers' scheme (SWS), are obliged to pay excessive fees to agents and middlemen, in addition to other fees, travel and visa costs for crucial but temporary roles in support of the UK's food sector.

CCLA convened 10 investors and NGS with an estimated £800 billion in assets under management to sign a statement calling on retailers and firms in, and directly sourcing from, the UK agricultural supply chain to:

- implement the Employer Pays principle¹⁶, such that the employer bears all recruitment costs (any recruitment fees and associated expenses such as travel)
- undertake investigation of existing workers and ensure a fair process to repay recruitment related costs that may have been borne by the workers
- encourage the government to bring the UK's Seasonal Workers' scheme into line with international commitments.

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

(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:

Compass Group

- Background: Compass Group is one of the largest contract foodservice providers in the world.
- Status: After engagement, focused on a joint venture in the Gulf with Abu Dhabi. Compass conducted a detailed external audit of migrant worker sourcing practices into the Gulf. Findings are detailed in latest modern slavery statement and the company has begun to document remedy

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

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

o

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

o

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 9000 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

o

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

o

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 the oil and gas industry, 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
- (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

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
- (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 21, 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 21, 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**
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 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
- (D) We set incentives related to targets on material ESG factors
- (E) We included responsible investment clauses in property management contracts**
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) 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 21, 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

(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

(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

(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
RE 13	CORE	OO 21, OO 26	RE 13.1	PUBLIC	Monitoring	1, 2

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

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

(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
RE 13.1	PLUS	RE 13	N/A	PUBLIC	Monitoring	1, 2

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
RE 14	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

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 adjust our ESG action plans based on performance monitoring findings at least yearly

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**

(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
RE 15	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

Describe how you ensure that material ESG risks are adequately addressed in the real estate investments where you hold a minority stake.

Managers ESG reports and GRESB ratings are reviewed, where these fall below a minimum standard the investment thesis is revised and appropriate actions taken.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 16	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

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. For this reason, we have established a quarterly Responsible Property Investment meeting to monitor all responsible property actions.

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?

In conjunction with our managing agents, we have ensured an increased focus on occupier and local community communications.

Occupier

- In November, we issued our energy response to all our occupiers amid the energy crisis. This included the impact to electricity and gas market rates, some potential solutions to reduce energy consumption and links to further useful resources.
- In December, our managers carried out an Occupier Satisfaction and Health & Wellbeing survey to capture feedback and understand occupier sentiment.

Local community

- A framework for deploying EV charging has been collaboratively developed. We are currently reviewing our assets within our funds to determine which sites would be suitable for a trial.
- We address biodiversity concerns and helped local communities improve their biodiversity by installing bird houses, bee hotels and bug hotels in various properties.

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

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

(C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)

(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)

(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

End Modern Slavery

(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

(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 the Cost-of-Living crisis

(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:	End Modern Slavery
(1) Target name	Increase companies identifying modern slavery
(2) Baseline year	2019
(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.</p> <p>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"> 1. Public policy – to promote a meaningful regulatory environment through work with the government and the Home Office 2. Corporate engagement – aiding companies in developing and implementing better processes for finding, fixing and preventing modern slavery. 3. Developing better data – working with data providers, non-governmental organisations (NGOs) and academia to identify and develop better data.
(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	100%	
(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	
(1) Target name	Increase companies' mental health benchmark scores	
(2) Baseline year	2021	
(3) Target to be met by		

(4) Methodology

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. 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.

The CCLA Corporate Mental Health Benchmark is the culmination of sustained collaboration with mental health experts, data providers, charities and listed companies.

In May 2022, we launched the UK 100 benchmark, followed by the Global 100 benchmark in October. 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	100%
(10) Do you also have a longer-term target for this?	(2) No
(C1) Sustainability Outcome #3: Target details	
(C1) Sustainability Outcome #3:	Supporting vulnerable workers through the Cost-of-Living crisis
(1) Target name	Increase number of companies supporting workers

(2) Baseline year 2021

(3) Target to be met by

The cost of living is the amount of money needed to cover basic expenses such as housing, food, taxes and healthcare. In a period where inflation of goods and services outstrips wage inflation, low-income households tend to bear a disproportionate burden – these households typically spend a larger proportion of their income on fuel and food.

(4) Methodology

According to the Living Wage Foundation Life on Low Pay report, there are currently an estimated 4.8 million workers earning a wage below the cost of living in the UK.¹⁷ During the winter months, many of these workers are facing bleak choices, such as whether to 'heat or eat'.

The government has a key role to play in supporting individuals and to that end it has introduced measures to support households in the face of rising energy costs.

While capping energy prices at £2,500 for a typical household will make a difference, this figure nonetheless amounts to around double the value of the average household bill in 2020.

As well as intervening to ensure base wages match the real Living Wage, companies can survey the needs of their workforce, provide vouchers to help employees buy food, bring forward or increase one-off bonuses, offer hardship funds, public transport discounts, train managers to look out for vulnerable colleagues and help employees to access financial training.

In Q3 2022, CCLA and the Church Investors Group wrote to the 100 largest publicly listed employers on the UK stock market, asking for details of what they are doing to support their workers through the cost-of-living crisis. The 100 companies in receipt of our letters employ a total of 5 million people (excluding contractors).

Specifically, we asked:

- whether they have taken, or plan to take, any steps to support their lowest paid employees
- what proportion of their workforce will benefit from these activities and how were they selected for assistance
- whether third-party contracted staff (such as cleaners, caterers and security guards) are eligible for assistance through any cost-of-living programme that they offer
- if they have no plans, why?.

(5) Metric used (if relevant)

Number of companies providing assistance to most vulnerable staff members

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

(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

100%

(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: End Modern Slavery	Increase companies identifying modern slavery		<p>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.</p> <p>Our target is to increase the number of companies that have disclosed finding and subsequently provided remedy to victims of modern slavery.</p>

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: End Modern Slavery

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

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 the Cost-of-Living crisis

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:	End Modern Slavery
(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)	Two companies included within the corporate engagement programme reported finding workers within their direct operation that displayed one or more of the International Labour Organisation's 11 risk indicators of forced labour.

(5) Other qualitative or quantitative progress

CCLA's engagement expectations document guides all engagements on the Find it, Fix it, Prevent it initiative. The objectives are based on the UN Guiding Principles of Business and Human Rights and draw upon existing best practice principles developed by the Business & Human Rights Resource Centre and KnowTheChain.

The list of indicators is extensive, though there are four primary questions that really matter:

1 Have you found modern slavery in your operations or supply chain?

2 If not,

can you demonstrate that you have rigorous processes in place to look for it?

3 If so, can you demonstrate the steps you have taken to improve the lives of victims?

4 Have you effectively reported your actions and the steps taken to prevent a reoccurrence?

The Find it, Fix it, Prevent it coalition's engagement programme is circular and designed to be repeated annually.,

The first phase of work, initiated in 2020, focused on 13 UK-listed companies within the hospitality sector: Carnival, Compass Group*, Domino's Pizza Group, EI Group, Greggs*, InterContinental Hotels Group*, J D Wetherspoon, Marston's, Mitchells & Butlers, PPHE Hotel Group, Restaurant Group, SSP Group, TUI Group, and Whitbread.

Phase two, initiated in late 2022, worked with 17 UK-listed construction companies: Balfour Beatty, Barratt Developments, Bellway, Countryside Developments, Crest Nicholson Holdings, Genuit Group*, Ibstock, Marshalls, Morgan Sindall Group, Persimmon, Redrow, RHI Magnesita N.

V., Taylor Wimpey, The Berkeley Group Holdings, Tyman, Vistry Group, and Volution Group.

The collaborative engagement group consists of 26 investors. Each investor is responsible for engagement with one or two companies over a one- to three-year timeframe.

Each company is allocated a minimum of two investors: one to lead, the other to support.

The coalition meets periodically to share progress and best practice.

We are pleased to report that several target businesses disclosed that their modern slavery processes had successfully identified areas of concern.

We are encouraging them to support the provision of remedy to those involved.

InterContinental Hotels Group (IHG)*

- Background: IHG is a global provider of hotels and resorts.

Most facilities are managed on a franchise model.

- Status: Found it IHG commissioned an investigation that identified breaches of the ILO's indicators of forced labour in their Oman operations.

- Next steps: Engagement focused on the provision of remedy to victims and roll out of investigation in other markets.

- Investor lead: CCLA, supported by Aviva.

Compass Group*

- Background: Compass Group is one of the largest contract foodservice providers in the world.

- Status: Found it After engagement, focused on a joint venture in the Gulf with Abu Dhabi.

Compass conducted a detailed external audit of migrant worker sourcing practices into the Gulf. Findings are detailed in latest modern slavery statement and the company has begun to document remedy.

- Next steps: Continue the engagement to develop a systematic process for finding modern slavery within the supply chain.
- Investor lead: CCLA, supported by Central Finance Board of the Methodist Church.

We thank our collaborators for their engagement efforts during the reporting year.

(* indicates CCLA holding as of December 2022.).

(6) Methodology for tracking progress

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2: Improve Mental Health through the CCLA Corporate Mental Health Benchmark

(1) Target name Increase companies' mental health benchmark scores

(2) Target to be met by

(3) Metric used (if relevant) CCLA Corporate Mental Health Benchmark Score

(4) Current level or amount (if relevant)

(5) Other qualitative or quantitative progress

By the end of 2022, more than six months had passed since CCLA launched the UK 100 mental health benchmark; and almost three months since the launch of the Global 100 benchmark.

Each of the companies evaluated received individual assessment reports and bespoke recommendations. Many companies engaged with us during the assessment process and many more have engaged since.

This has contributed to the following companies progressing on their mental health journey:

Amazon

In December, Amazon responded in writing to the collaborative investor letter. We learned that the company has launched a set of brand-new mental health benefits for employees, their families and households.

AstraZeneca

AstraZeneca engaged with the mental health benchmarking process well, with a large volume of email exchanges. They responded in writing to the collaborative investor letter later in the year, setting out several initiatives aimed at supporting good workplace mental health.

BHP Group

BHP had introduced new disclosure on mental health in the annual report ahead of its 2022 company assessment.

BHP's website also now includes performance reporting and impact on mental health.

Experian

Towards the end of the year, Experian notified us of a new publication, the Global Approach to Mental Health and Wellbeing, which outlines the company's commitment to mental health. This represents significant new disclosure by the company, for which we are grateful.

Ferguson

Ferguson used the findings of the pilot to enhance disclosure on mental health, published in the company's annual report.

HSBC

HSBC stated an ambition to achieve 100% in the benchmark. Since the launch of the UK benchmark, the company has published a new standalone mental health policy, which required the input of human resources, employee relations and legal teams across each of its major regional hubs. It is available on the company's website and now applies to every one of its 223,000 employees across the 64 markets in which it operates.

Novo Nordisk

Novo Nordisk has increased disclosure on the 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.

PepsiCo

PepsiCo disclosed new initiatives the company has taken to enhance its approach: ‘... since you last assessed our mental health programming in June 2022, we offered our associates several dozen mental health webinars and programs during World Mental Health week, which was promoted internally and externally by PepsiCo’s Chief Medical Officer’.

Shell

Shell is one of five companies in both the UK and Global benchmarks. Having ranked in Tier 5 in the UK benchmark (published May 2022) they improved sufficiently to move up to Tier 4 in the Global benchmark (published Oct 2022).

Unilever

Unilever is one of five companies in both the UK and Global mental health benchmarks. Increased disclosure on mental health resulted in an uplift in the company’s ranking, from Tier 3 in May (UK benchmark) to Tier 2 in October (Global benchmark).

Vodafone

Vodafone was in scope of the 2021 pilot benchmark and assessed again as part of the UK 100 benchmark in 2022. We learned that the investor relations team had shared the pilot report and recommendations with relevant colleagues. The 2022 Annual Report includes fresh disclosure on mental health, including training, awareness raising and reporting on uptake of initiatives.

(6) Methodology for tracking progress

(C1) Sustainability Outcome #3: Target details

(C1) Sustainability Outcome #3: Supporting vulnerable workers through the Cost-of-Living crisis

(1) Target name: Increase number of companies supporting workers

(2) Target to be met by

(3) Metric used (if relevant): Number of companies providing assistance to most vulnerable staff members

(4) Current level or amount (if relevant)

At the end of 2022, we had received 60 responses from the 100 companies in receipt of our letter, of which 53 are substantive, and seven are holding replies.

The companies that have replied collectively employ 3.4 million people and have a combined market capitalisation of £1.4 trillion.

The responses are from companies across multiple sectors, from advertising to industrials and retail. We found that:

(5) Other qualitative or quantitative progress

- 28 companies are accredited real Living Wage employers
- 39 companies provide support, such as mental health hotlines, financial management training, and debt counselling
- 28 companies provide one-off payments and discretionary annual bonuses of between £300 and £1,500, targeted at the lowest paid staff
- 15 businesses have collective bargaining agreements and ongoing negotiations with unions, or other mechanisms for formal social dialogue
- 9 companies have hardship funds and grants which employees – and in some cases, former employees – can access.

(6) Methodology for tracking progress

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
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

Case Study: Focus on Amazon and workers' rights

(3) Example

As the second largest employer in the US and one of the world's most influential businesses, it attracts criticism on a range of issues from customer data collection to working conditions, anti-union activities, tax avoidance and anticompetitive behaviour. Working conditions and trade union rights grew in prominence over 2022.

On 1 April, Amazon workers at the JFK8 Fulfilment Center on Staten Island voted to form the first Amazon Union. Since then, the Amazon Labor Union (ALU) has faced widespread and well publicised opposition and anti-union interference from the company. There are also concerns about the company's approach to unions in Europe: Germany's United Services Trade Union (Verdi) went on strike multiple times in 2022, including on Amazon's October 'Prime Day' sale, after the company refused to sign a collective agreement with the union.

In the UK, Amazon union members voted to strike at the Coventry fulfilment centre on dissatisfaction with proposed sub-inflation pay rises.

CCLA is a member of the Interfaith Centre for Corporate Responsibility (ICCR) Advancing Worker Justice working group and joined their Amazon 'Big Tent' investor coalition in 2022.

The group aims to coordinate and concentrate investor engagement with the company in advance of 2023's proxy season. We were signatories to a letter sent by SHARE Canada to Amazon in November 2022, supported by a coalition of investors with \$15 trillion in assets under management. Addressed to Amazon's Chair of the Leadership Development and Compensation Committee, the letter was prompted by a failure by Amazon to respond formally to an investor resolution on freedom of association and collective bargaining from May 2022 that received 39% of the votes cast.

Our letter asked the company to respond formally to the shareholder vote and demonstrate a higher level of commitment to freedom of association and collective bargaining by conducting an independent third-party assessment of Amazon's commitment, policies and practices on freedom of association.

If acted upon, we believe that this would help to identify, address and prevent any possible misalignments with the ILO Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights.

Six weeks later, we had received no response from the company. We therefore decided to escalate the engagement by co-filing a shareholder resolution at Amazon in December 2022.

The proposal calls for Amazon to ‘commission an independent third-party assessment of Amazon’s adherence to its stated commitment to workers’ freedom of association and collective bargaining rights as outlined in Amazon’s Global Human Rights Principles, which explicitly reference the Core Conventions of the International Labour Organization and the ILO Declaration on Fundamental Principles and Rights at Work’.

In addition to co-filing the proposal we used our voting rights to vote against directors who we believed were responsible for poor employee relations.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: End Modern Slavery

(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.

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2:	Improve Mental Health through the CCLA Corporate Mental Health Benchmark
(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.

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3:	Supporting vulnerable workers through the Cost-of-Living crisis
(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.

(E) Sustainability Outcome #4:

(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

One example of our corporate engagement work on nutrition is Nestlé.

(3) Example

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.

✗ On targets:

- The company tells us it is too premature to consider setting targets on sales of healthy foods.

Nestlé believes that the information being published in 2023 will inform strategy and that through responsible marketing and clear nutritional labelling, they hope to enable consumers to 'make better decisions'.

While very grateful for the progress made to date, we believe the company can go further and make itself a leader on this important issue. We will continue to push Nestlé to set 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:

End Modern Slavery

(1) Describe your approach

Our approach to building an engagement collaboration is detailed elsewhere in this submission.

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2:

Improve Mental Health through the CCLA Corporate Mental Health Benchmark

(1) Describe your approach

Our approach to building an engagement collaboration is detailed elsewhere in this submission.

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3:	Supporting vulnerable workers through the Cost-of-Living crisis
(1) Describe your approach	Our approach to building an engagement collaboration is detailed elsewhere in this submission.

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4:	Increase nutritional standards of food products
(1) Describe your approach	Our approach to building an engagement collaboration is detailed elsewhere in this submission.

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"> (1) We participated in 'sign-on' letters (2) We responded to policy consultations (3) We provided technical input via government- or regulator-backed working groups (4) We engaged policy makers on our own initiative
(3) Example(s) of policies engaged on	CCLA responded to a selection of the questions and topics raised in the Financial Conduct Authority's Sustainability Disclosure Requirements (SDR) and Investment Labels Consultation Paper.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	End Modern Slavery
(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	<p>(1) We participated in 'sign-on' letters (3) We provided technical input via government- or regulator-backed working groups (4) We engaged policy makers on our own initiative</p>
(3) Example(s) of policies engaged on	<p>In January 2022, CCLA met the Home Office Modern Slavery Unit to discuss revisions to the UK Modern Slavery Act. We supported extending the definition of supply chains in Section 54 of the Act (Transparency in the Supply Chain) to include investment portfolios.</p> <p>This would require asset managers and other investment businesses to report annually on the steps that they have taken to fight slavery in their portfolio.</p> <p>It was a positive discussion, and we were left feeling optimistic about the likelihood of this change occurring.</p> <p>In the 2022 Queen's Speech, the government duly announced a review of the Modern Slavery Act, including a new Modern Slavery Bill. However, given the changes in government since the Queen's Speech, it is – again – unclear whether this legislative agenda will go ahead.</p>

No further development was achieved in the reporting period.

Also in 2022, CCLA joined forces with civil society organisations, including Unseen and Justice & Care, pushing for stronger provisions in the Modern Slavery Act, including fines for non-reporters and more mandatory reporting data-points.

We signed a statement supporting stronger provisions and shared it across the Find it, Fix it, Prevent it network.

We expect there will be further opportunities in 2023 to engage with government, civil society and academia now that Dame Sara Thornton, the former UK Independent Anti-Slavery Commissioner, has joined CCLA's sustainability team.

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Improve Mental Health through the CCLA Corporate Mental Health Benchmark

(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

In addition to the CCLA Corporate Mental Health benchmark, we are also supporting the development of better public policy on workplace mental health in the UK.

(3) Example(s) of policies engaged on

This is conducted through participation in an advisory board, pushing for mandatory minimal standards for mental health support in companies with more than 250 employees in the UK.

Other members include Josh Kricheski, CEO GroupM EMEA & UK; Sarah Jones, Lancet COVID19 Commission Mental Health Task Force, and Expert Advisor, UK Cabinet Office International Joint Comparators Unit; Jan-Emmanuel De Neve, professor of economics and behavioural science at Oxford University; Mark Rowland, CEO Mental Health Foundation.

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Supporting vulnerable workers through the Cost-of-Living crisis

(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

In Q1 2022, we duly joined a small number of investors in meeting with the Minister of State for Farming, Fisheries and Food at the Department for Environment, Food and Rural Affairs (Defra), and representatives from the Department of Health and Social Care.

We discussed why mandatory nutritional reporting is important for investors, the role that investors could play, and how it could work in practice. The meeting was positive but non-committal.

In May 2022, we met again with Defra, including five members of Defra's Food Data Transparency Partnership team. We pushed hard for investors to have a role as a driving force in raising ambition on mandatory nutrition reporting and holding industry to account.

In June 2022, the government published its food strategy policy paper.³⁰ Encouragingly, mandatory reporting is included in the white paper and we welcome the commitment to improving food industry reporting standards.

The following months saw significant change in the government and news that several anti-obesity measures, including advertising restrictions on 'junk food', would be delayed until 2025.

This was disappointing news for the investor group. With government-imposed mandatory reporting on nutrition now more distant than ever, we refocused our attention on voluntary steps that companies can take to address the obesity crisis.

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:	End Modern Slavery					
(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 and 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

(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

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.

Co-chaired by Elizabeth Sheldon (COO, CCLA) and Lord Dennis Stevenson CBE, Panel members are: Paul Farmer CBE, Age UK; Dr Shekhar Saxena, Harvard T H Chan School of Public Health; Dr Junko Umihara, Showa Women's University; Dr Richard Caddis, BT; and Elena Espinoza, United Nations Principles for Responsible Investment (UNPRI).

The panel is responsible for:

- ensuring that the benchmark – including its assessment criteria and scoring methodology – is credible, robust and based on best available knowledge
 - providing independent technical guidance on workplace mental health
 - reviewing the positioning of the benchmark's overarching findings
 - supporting the effective dissemination of the benchmark findings
 - guiding the refinement of benchmark criteria and scoring for future benchmark iterations
-

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Supporting vulnerable workers through the Cost-of-Living crisis

(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

Addressing Modern Slavery

(2) Indicate how your organisation contributed to this collaborative initiative

- (A) We were a lead investor in one or more focus entities (e.g. investee companies)
- (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)
- (C) We publicly endorsed the initiative
- (D) We provided pro bono advice, research or training

(3) Provide further detail on your participation in this collaborative initiative

Addressing Modern Slavery: The Find It, Fix It, Prevent It initiative aims to increase the effectiveness of corporate actions against modern slavery. As we believe that modern slavery exists in the supply chain of nearly all businesses, it is our view that the only effective sustainability outcome is whether or not the company has identified any instances within the reporting year. Find it, Fix it, Prevent it, our Modern Slavery, is now supported by £17trillion assets under management. During the year we

- Continued to engage with 13 hospitality firms, with support of 16 investors. Outcomes include stronger policies, better implementation and partnerships with anti-slavery initiatives;
 - Initiated engagement with 17 construction companies, supported by 15 investors;
 - Drafted investor statement on the Seasonal Workers' scheme, signed by 10 investors;
 - Supported Unseen and Justice & Care pushing for stronger provisions in the Modern Slavery Act, including fines for non-reporters and more mandatory reporting data-points; and
 - Worked with Development International e.v. and Sustain Worldwide to analyse the 2021 modern slavery statements of the FTSE 100 to assess compliance with the Modern Slavery Act and the degree to which companies publicly declare whether they 'find, fix and prevent' modern slavery.
- Engagement example: CCLA, supported by Central Finance Board of the Methodist Church engaged with Compass group one of the world's largest contract foodservice providers. After engagement, focused on a joint venture in the Gulf with Abu Dhabi. Compass conducted a detailed external audit of migrant worker sourcing practices into the Gulf. Findings are detailed in latest modern slavery statement and the company has begun to document remedy.

(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 four investee companies: Unilever, PepsiCo, 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>

(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	(A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative (D) We provided pro bono advice, research or training
(3) Provide further detail on your participation in this collaborative initiative	Published a global investor statement on workplace mental health with 29 founding signatories

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) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
 - (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy
 - Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited
- (C) Listed equity
 - Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited
- (F) Real estate
 - Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

Provide details of the internal audit process regarding the information submitted in your PRI report.

Our responsible investment approach is subject to strict internal governance and a process of continual improvement to ensure that it is as effective as possible.

During the reporting year CCLA's Investment Committee oversee and evaluate the effectiveness of all of our stewardship activity. Should any aspect of our stewardship programme not achieve the intended result it is subject to review, reassessment and reformulation. Where potential investments are considered high-risk or controversial, Investment Committee approval is required prior to the purchase in accordance with scheme particulars.

Key parts of our active ownership work, and all the reports that we issue, are reviewed by CCLA's Compliance team and the investment area including the Sustainability is subject to regular internal audit review. This ensures that our stewardship reporting is fair, balanced, and understandable.

Internal audit reporting includes:

- the provision of Key Risk Indicators and a Risk and Control Self-Assessment that together form an important process for identifying and assessing the key operational risks faced by an organization and the effectiveness of controls that address those risks
- Our policies, processes and proxy voting activities are reviewed by our Senior Compliance Manager (Monitoring) as part of our Audit and Assurance Faculty (AAF) processes.

Additionally, the Sustainability Team is subject to CCLA's external audit process, the next external audit is set for September 2023.

To provide further reassurance, going forward we intend to work with, specialist consultancy, Chronos Sustainability to provide an external review of our annual PRI assessment process submission. This will allow us to identify further areas that require improvement and development.

The PRI submission was reviewed in full by our Compliance Department prior to submission.

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