



Environmental, Social & Governance Statement

Voting and engagement report

Q1 2025

1 January – 31 March 2025

Executive summary

Responsible Investment (“RI”) is a subject that the East Sussex Pension Fund’s (ESPF or the Fund) Pension Committee (“the Committee”) take seriously. Environmental, social and governance factors are considered throughout the Committee’s decision-making process.

This report sets out voting and engagement activity carried out during the last quarter.

Investment strategy

Generating sustainable long term investment returns is the Fund’s primary objective and it does so by investing across a range of asset classes such as equities, bonds, property, and infrastructure using both active and passive management styles. Asset allocation is expected to be the Fund’s main driver of returns and risk over the long term. The Fund’s Investment Strategy Statement describes the high-level principles governing the investment decision-making and management of the Fund.

The Fund believe that Responsible Investment (RI) supports the purpose of the Scheme – the provision of retirement income for individuals. RI is an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and to generate sustainable, long-term returns.

Investment managers

The Fund uses mostly active managed strategies, with the Committee seeking to achieve a balance between cost and return. Active and passive managers have a duty to act as responsible investors and are expected to act as good stewards for the companies they invest in or lend to.

All the Funds’ managers are required to report their engagement activity on a regular basis and exercise the voting rights in relation to the Funds’ investments as far as practical. This report summarises those activities.

Policies and approach

The Fund have policies detailing our Investment Strategy and approach to Responsible Investment. These policies are [available on the Fund’s website](#).

Collaboration

The Fund believes a philosophy of engagement is the most effective approach in addressing ESG concerns and driving long lasting change. To be effective, it is best done in conjunction with other parties. Participation in collaborative engagements enables the Fund to increase its ability to influence positive action among the companies it invests in. By utilizing combined size of investors’ assets makes it harder for companies to dismiss our concerns and does accelerate those companies targeted with making meaningful change to their business practices such as their transition to a sustainable pathway.

East Sussex Pension Fund Engagement

East Sussex Pension Fund Commitments

As an advocate of responsible investment, the Fund is a member of the following organisations:

- Institutional Investors Group on Climate Change (IIGCC)
- Local authority Pension Fund Forum (LAPFF)
- Principles for Responsible Investment (PRI)
- Pensions for Purpose
- UK Sustainable Investment and Finance Association (UKSIF)

In addition, the Fund has committed to reporting under the following initiatives:

- Financial Reporting Council (FRC) Stewardship Code 2020
- Taskforce on Climate Related Financial Disclosure (TCFD).

In addition to being members of these groups the Fund demonstrates its commitment to RI by actively participating via representation in:

- Membership of the IIGCC Corporate Programme Advisory Group

The Funds' Investment Managers will also have a number of memberships which are shown in the report below.

LAPFF Engagement Activity

All [engagement activities completed in Q1 2025 through LAPFF are available here](#)

Sample engagement updates

Proctor & Gamble - Nature

Objective: Since Nature Action 100 (NAI00) published its benchmark in October 2024, LAPFF has worked within investor groups to refine the asks of companies. This follows a series of calls with companies in 2024 that largely set out the expectations of investors working within NAI00 and to gain a better understanding as to how companies were approaching nature risk. The investor group that LAPFF works within for Procter & Gamble (P&G) had met with the company once, before the NAI00 benchmark was published, and sought a subsequent meeting with the company this quarter, choosing to focus on the 'Assessment', 'Target Setting' and 'Governance' pillars.

Achieved: There were positive updates from P&G noting its progress with the TNFD process, including working through the framework and refining its biodiversity disclosures. The company acknowledged transparency gaps in disclosures around biodiversity impact assessments but highlighted positive steps, including commitments to align with TNFD by 2026 and ongoing work on water stress assessments. On deforestation, P&G outlined its approach, which includes third-party certification, satellite monitoring covering 98% of its palm oil supply, and a grievance mechanism for non-compliance. It discussed preparedness for the EUDR (EU deforestation regulation), stating that its suppliers are responsible for compliance and that the additional delay will help smaller suppliers meet geolocation requirements. Finally, it touched on executive remuneration, indicating that ESG factors are integrated into compensation structures but without full disclosure of specific weighting or targets.

In Progress: LAPFF will continue to join engagements as a part of the NAI00 initiative and intends to progress engagements past the initial round of engagements which were designed to understand how companies were approaching nature risk.

[Further information on the Funds activities and policies can be found on our investment page.](#)

Engagement with policy Makers

IIGCC

As a member of IIGCC, policy engagement undertaken in the quarter includes:

Five climate-related investing areas to watch in 2025

January 2025

We are just a few weeks into 2025 and already it is clear that this will be a challenging but interesting year for investors addressing climate risk and opportunity. That said, it's important to acknowledge where we are and how far we've come.

Generally, climate change and its asset level and systemic impacts are now well understood. For investors, including our more than 400 members, climate-related physical risks and transition risks represent financial risks, and must therefore be considered as part of their duties to clients and beneficiaries.

How they navigate this fast-changing world is up to them, but as a future-facing organisation, IIGCC is here to help

[Read the full article here.](#)

Climate policy in 2025: Three themes for investors to look out for

February 2025

This year marks the tenth anniversary of the Paris Agreement, with a looming deadline for the next round of country Nationally Determined Contributions (NDCs) and a promised roadmap to address the climate finance gap. We explore how these milestones might offer opportunities for investors.

The dust has settled after a pivotal year of elections which saw many incumbents defeated at the ballot box. While this has signalled significant policy shifts away from climate objectives in some nations, the energy transition and decarbonisation of the economy are well underway.

In many cases, they are gathering pace.

[Read more in the article here](#)

LAPFF

As a member of LAPFF, policy engagement undertaken in the quarter includes the following:

EU Omnibus Plan

LAPFF has been keeping abreast of the EU's Omnibus Plan which was announced on 26 February. It has been designed to simplify and adjust existing EU rules that require companies to report on and manage their environmental and social impacts, aiming to reduce the burden on businesses while keeping sustainability goals in sight. Some of the notable proposals include:

- **Key Changes to Reporting:** The plan delays and scales back rules that make large companies report details like their carbon emissions and supply chain impacts (originally under the Corporate Sustainability Reporting Directive), reducing the number of companies that need to comply and cutting some detailed requirements—potentially affecting transparency.

- *Shift in Responsibility:* It weakens parts of a rule (Corporate Sustainability Due Diligence Directive (CSRD)) that holds companies accountable for human rights and environmental issues in their supply chains, removing strict requirements like multi-tier supply chain due diligence, climate action plans, and legal penalties.
- *Timeline Impact:* Companies were gearing up to meet deadlines starting in 2025 and beyond, but the Omnibus Plan pushes these out—some won't need to comply until 2028 or 2029.
- *Less Companies Reporting:* It stands to remove 80% of current companies in scope from the CSRD

United Nations Principles of Responsible Investment (UNPRI)

As a member of UNPRI, policy engagement undertaken in the quarter includes:

United Kingdom

The FRC has released a consultation on the UK Stewardship Code, setting out a revised code alongside proposals on the process for reporting. The current UK Stewardship Code has been in effect since 2020 and the FRC had committed to reviewing the Code after a few years in operation.

The revisions proposed in the consultation aim to ensure that the Code continues to drive effective stewardship by supporting high-quality disclosures, while reflecting evolving industry practices and maintaining its international standing, without imposing undue reporting burden on signatories.

Global

Switzerland: Swiss Federal Council consultation on amending the Ordinance on Climate Disclosures.

The PRI supports the proposal to set expectations for all companies that are subject to the Code of Obligations to adopt a net-zero roadmap, on a comply or explain basis, and to require reporting based on internationally recognised climate reporting standards.

Indonesia: The Indonesian Sustainability Standards Board of the Institute of Indonesian Chartered Accountants consulted on Exposure Draft Sustainability Disclosure Standards for Indonesian companies

The Indonesian Sustainability Standards Board of the Institute of Indonesian Chartered Accountants consulted on Exposure Draft Sustainability Disclosure Standards for Indonesian companies. The proposed requirements are aligned with the ISSB standards, with phase-in provisions to facilitate implementation by companies - an approach PRI supports in its response.

Global Investor Statement

To tackle the climate crisis, seven major groups have collaborated to pull together and elevate the best investor guidance on tackling the climate crisis. Together, these groups have formed the Investor Agenda, a common leadership agenda on the climate crisis that is focused on accelerating investor action for a net-zero emissions economy. Since creation this year, the Fund and half of its fund managers have signed the statement.

[More details around the Global Investor Statement can be found here](#)

Activities and training undertaken directly by the Fund.

The Fund has undertaken the following activities during Quarter 1 of 2025.

Fund manager meetings

During the quarter, the fund met with the below fund managers to discuss areas of concern. Priority areas that are discussed at these meetings are:

- Fund Performance (including risks to the fund and inflationary pressures)
- ESG (including management overview and follow ups to prior period engagements)
- Voting (what happens where votes contradict LAPFF guidelines, and challenge around votes taken)
- Others if applicable (e.g., fossil fuels, carbon intensity, portfolio emissions, and biodiversity)



1. WHEB Equity
2. Harbourvest Private Equity

Industry meetings, events, and training

- FRC Stewardship Roundtable (16th January)
- LAPFF Investment Forum (6th February)

- UKSIF Stewardship Conference (11th February)
- WHEB Sustainable reporting roundtable (27th February)
- UK Sustainable Investment Forum (6th March)
- Carden Park Conference (26th – 28th March)

Third party supplier commitments

Along with its investment managers, the Fund also encourages its third-party providers to part take in the industry relevant responsible investments activities and groups, to promote and consider these items. An example of the supplier commitments and activities is provided below

Barnett Waddingham (Fund Actuary)

As our fund actuary, Barnett Waddingham is responsible for performing high level calculations on our behalf, covering areas such as our valuation or IAS19 reports, and analysing the financial costs of risk and uncertainty.

[Barnett Waddingham – Sustainability page available here](#)

Barnett Waddingham is a founding signatory of the Net Zero Investment Consultants Initiative and is a member of the Pensions Climate Risk Industry Group (PCRIG). They also have a net zero pledge, with details on all the above being found under the attached link. BW have been net zero on scope 1 and 2 emissions since 2021.

Hymans (investment advisory service)

Isio is responsible with providing us with investment advice, as well as reporting on our current investment and strategy. They took over from our previous investment advisors (ISIO) at the start of the year.

Responsible Investment Updates can be found here: [Hymans News & Views](#)

Northern Trust (Custodian)

Northern trust is responsible for taking care of the funds cash, alongside the money it has invested.

[Northern Trust - Social Responsibility page - available here](#)

[Northern Trust - Latest Corporate Social responsibility report – available here](#)

Northern trust have made the commitment to be net-zero carbon by 2050
See “Selected memberships and initiatives” page for external engagement.

Eversheds (Lawyers)

Eversheds provide us with legal advice around all matters of the fund.

[Evershed's - sustainability page – available here](#)

Eversheds has committed to reducing its scope 1,2 and 3 emissions by 50% by 2030. In addition, they

recently became a founding member of the Net Zero Lawyers Alliance, alongside being the first global law firm to be accredited by the good business charter. This charter is formed of ten commitments including Environmental Responsibility and Diversity & Inclusion

LGPS Pooling

East Sussex are part of the ACCESS pool and all investment managers the fund invests in through the ACCESS pool need to comply with the ACCESS voting guidelines. [Link to Access website here.](#)

[Link to Access Responsible Investment guidelines and summary report here.](#)

Examples of what should be voted for and against below:

Vote for:

- Adoption of Report and Accounts unless Auditors Report is qualified.
- The annual report should include a separate section that describes the work of the Audit Committee.
- All directors should be subject to regular re-election, at least every three years.
- Long term incentive schemes should be based on challenging performance targets over a consecutive period of at least three years. Therefore, performance targets for minimum rewards should be based on at least producing median performance for the industry or average market returns.
- All political donations should be fully disclosed and justified. Any political donations should be subject to a separate vote.
- The company should publish a formal statement setting out its approach to dealing with environmental issues.

Vote against:

- The Report and Accounts are not considered to present a true and fair view of the company's financial position.
- The re-appointment of the auditors where the fees for non-audit work are material and exceed the fee for audit work.
- The election of an executive director, who is not subject to re-election by rotation at least every three years.
- Election of a chairman where the candidate combines the roles of Chairman and Chief Executive, unless there are exceptional circumstances e.g., a temporary arrangement, pending separation of the posts.
- Proposed dividend and special dividends which are not covered by earnings and the company offers no explanation of policy.
- Annual report, where significant environmental risks in relation to the company's activities are not disclosed or reported on or reporting is considered poor or inadequate.

Manager Engagement and Voting Activity

Longview (Active listed equity) Part of Access Pool

Fund Manager collaborate engagement groups - links on page 41.

- FRC Stewardship Code 2020
- Institutional Investors Group on Climate Change (IIGCC)
- UK Stewardship Code
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

Voting

Number of Voteable meetings	Resolutions voted	Votes for	Votes against	Abstained/ Withheld/ Did not vote	With management	Against management
3	56	26	30	0	28	28

Note: All data displayed is fund specific, not at fund manager level

Engagement

[Longview Partners - Responsible Investment & Engagement Policy](#)

Longview currently send tailored ESG reports to ESPF each Quarter. Anonymised Q1 25 engagement examples provided to us are below:

Company A

In January 2025, Longview held a call with the Independent Chairman of the Board of Directors of Company A, the Chief Legal & Corporate Affairs Officer and Corporate Secretary, the Head of Global Public Policy and Sustainability, the Chief People Officer, and the Head of Investor Relations. The purpose of the call was to receive an update on governance matters and a range of sustainability themes.

During the call, the Chairman provided an update on the company's strategy, highlighting a year of refocusing and simplifying the business following the sale of a subsidiary, and former acquisition, of Company A and the implementation of their "Future Forward" strategy. Two new board members were added.

Longview enquired about the composition of the board. It is currently at ten members, which they consider optimal. While some rotation can be expected over time, they believe the board is well-positioned at present. The recently appointed members have already brought significant operational experience. Company A also made changes to the executive compensation programme, noting that while there was a focus on share price appreciation in 2023, the awards for 2024 were also aligned with operational execution, including EPS and revenue growth.

Longview enquired into the main opportunities and risks for the business. The separation of Company A's subsidiary is largely complete; however transitional service agreements remain and both companies continue to benefit from cross-sell opportunities. The board sees ongoing opportunities to drive revenue growth and margin improvement, with significant cross-sell potential in Capital Markets and Banking yet to be fully realised. In terms of risks, they are focused on the competitive environment. They have allocated \$1 billion towards tuck-in acquisitions to leverage their distribution capacity.

Longview was interested in Company A's engagement with AI across the business. They explained that AI is central to Company A's strategy, viewed as both an opportunity and a potential risk, with strong oversight over its deployment and a governance framework evaluating more than 200 use cases, primarily aimed at improving internal efficiency. They also have an outward focused working group thinking through AI-enabled products.

Longview asked for an update on the company's climate goals. Company A is in the process of resetting its baseline following the separation of a subsidiary and working to define its new goals. They intend to take a thoughtful and deliberate approach, and while no timeline has been set yet, this remains a focus area for 2025. Longview will continue to monitor Company A's progress on climate and plans to re-engage as appropriate.

Newton (Diversified Growth Fund /Absolute Return) Part of Access Pool

Fund Manager collaborate engagement groups - links on page 41.

- Climate action 100+
- FRC Stewardship Code 2020
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Taskforce on Climate Related Financial Disclosure
- UN Global Compact
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

Voting

Number of Voteable meetings	Resolutions voted	Votes for	Votes against	Abstained/ Withheld/ Did not vote	With management	Against management
8	98	70	13	15	70	28

Note: All data displayed is fund specific, not at fund manager level

Engagement

[Newton – Responsible investment page - available here](#)

[Newton – Quarterly Reports - available here](#)

Example ESG Engagement

Barclays PLC

Relevance

E - Climate transition risk and net zero strategy = Robust disclosures on the bank's client transition framework (CTF) including details around its scoring methodology including factors such as sub-targets used for sectoral assessment and material topics used for scoring are very crucial to help investors understand the effectiveness of its client transition framework.

Key Takeaways

E - Climate transition risk and net zero strategy = Context:

Barclays has improved its CTF considerably over the years by providing information on its overall scoring methodology, governance structure and broad parameters it uses to assess clients. However, investors would gain more comfort if they understand the material parameters or risk indicators it uses to assess a specific sector.

Takeaways:

- Barclays highlighted its overall approach to use the CTF to identify clients that need more help to transition

and then seeks to engage with them.

- We highlighted we are appreciative of the direction of travel but conveyed some aforementioned points that would increase confidence in the CTF further. ||, E - Climate transition risk and net zero strategy =

Context:

Barclays has improved its CTF considerably over the years by providing information on its overall scoring methodology, governance structure and broad parameters it uses to assess clients. While the bank has highlighted it engages with its clients, more disclosures around its engagement process with a focus on key topics of discussion and expectations around best in class practice would provide investors more comfort.

Takeaways:

- Barclays highlighted that it regularly reviews client's disclosures and actions on transition and engages with them if it feels it can add value, it seeks to work with them and help them transition in the long-term.
- We highlighted that the best in class practices or key topics it discusses without disclosing competitive information would be beneficial for shareholders to assess the bank's actions.

Engagement Outcome

E - Climate transition risk and net zero strategy = We remain comfortable with the bank's overall approach to climate transition and our feedback was acknowledged by the bank to provide more disclosure on specific parameters or metrics used to analyze sub-sectors under the CTF. ||, E - Climate transition risk and net zero strategy = We remain comfortable with the bank's overall approach to climate transition and our feedback was acknowledged by the bank to provide more disclosure on its overall engagement process under the CTF.

Next Steps

E - Climate transition risk and net zero strategy = We will monitor the bank's update on its broader transition plan later this year and aim to engage again by early next year. ||, E - Climate transition risk and net zero strategy = We will monitor the bank's update on its broader transition plan later this year and aim to engage again by early next year.

Ruffer (Diversified Growth Fund /Absolute Return) Part of Access Pool

Fund Manager collaborate engagement groups - links on page 41.

- Climate action 100+
- FRC Stewardship Code 2020
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Sustainability Accounting Standards Board (SASB)
- Transition Pathway Initiative
- United Nations Principles for Responsible Investment (UNPRI)

Voting

Number of Voteable meetings	Resolutions voted	Votes for	Votes against	Abstained/ Withheld/ Did not vote	With management	Against management
6	68	56	6	6	56	12

Note: All data displayed is fund specific, not at fund manager level

[Ruffer – Quarterly Reports available here](#)

Engagement – from Quarterly Responsible Investment Report

Reckitt

OBJECTIVE: to understand why Reckitt engaged CO2 AI for assistance in estimating its Scope 3 emissions and how it uses the service provider's information

CO2 AI is a sustainability management platform that helps companies to measure their environmental impact and to identify strategies for emissions reduction through AI-powered solutions. We were curious to understand what insight Reckitt gains from the platform and how it may inform the company's carbon reduction and sustainability strategies.

Reckitt told us it had four main reasons for using CO2 AI. First, to mine CDP responses to gather insights. This may help it identify sustainability trends and thus spot environmental strategies, risks and opportunities on the horizon. Second, to estimate ingredient and substance-level CO2 footprints (for materiality). Third, to gather information to aid commercial discussions with suppliers. Lastly, to prioritise and set emissions reduction targets, based on contribution to Scope 3 footprint.

OBJECTIVE: to gain insights into the development of Reckitt's sustainability innovation calculator

Reckitt's sustainability innovation calculator (SIC) is a product life cycle assessment model used to evaluate and enhance its products' sustainability performance on carbon footprint, water usage, packaging, ingredients and plastics. New products are compared with existing benchmarks. Two points are awarded for additional certification, such as [sustainable palm oil](#), and a ten-point improvement in a product's overall score is needed for it to be deemed 'more sustainable'. Oversight of the SIC is important to investors, as executive pay is partly set by improvements in the sustainability of Reckitt's products or innovations. Credits such as carbon offsets are excluded from the scoring model for multiple reasons, including a focus on direct reductions and innovation.

OBJECTIVE: to determine how far the board is involved in the company's sustainability strategy

It's important to understand the board's oversight, questioning and approval of management's sustainability strategy, particularly where financial performance may suffer in the short term on the grounds that investment today will create more resilient shareholder value in the longer term. Holding executives accountable for sustainability and financial targets helps to drive change and, if appropriately structured, to align management and shareholder interests by ensuring environmental and social goals reinforce value creation or preservation. Reckitt stated its board formally considers the company's sustainability strategy twice a year, whilst the executive does so more frequently.

OBJECTIVE: to learn more about how Reckitt engages with various stakeholders and manages potential product risk and factors considered in its capital allocation

The consumer is critical to reducing Scope 3 emissions and environmental damage more broadly, and litigation is a potentially substantial risk. Given the product litigation against Reckitt and other consumer-facing companies, we remain alert to the product and ingredient risks the company may face. Reckitt is very aware of product liability and manages litigation risk through board oversight and monitoring, restricted substances lists (such as the EU REACH regulation) and horizon scanning (watching for ingredients that might be added to the substances of very high concern list, for example). Reckitt also shared that it has a consumer research group and tailors its marketing to appeal to consumer preferences (cost, efficacy) and varying degrees of consumer appreciation for the sustainability characteristics in its products.

We were pleased to hear that Reckitt thinks about factors including available water over the long term, alongside considerations such as logistics, permitting and energy security, when deciding to commit capital to build greenfield assets. We commended Reckitt's inclusion of biodiversity and nature when making long-term investment decisions.

NEXT STEPS

Given the relationship between product innovation, potential litigation risk and sustainability performance as measured by its SIC, we are keen to understand the governance and oversight of how the company directs its research and development spending to optimise between these three considerations. Reckitt is lagging on its plastics and water usage targets, and we are keen to investigate why. We aim to follow up on the company's strategy for further Scope 1 and Scope 2 carbon reduction, as it has achieved its short-term target. We also want to understand Reckitt's approach to carbon pricing, given its reliance on the World Bank's Carbon Pricing Dashboard. Further, we would like to follow up on the company's nature and biodiversity strategy.

Baillie Gifford Global Alpha Paris Aligned (Active listed equity) Part of the Access Pool

Fund Manager collaborate engagement groups - links on page 41.

- FRC Stewardship Code 2020
- Climate Action 100+
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)

Voting

Number of Voteable meetings	Resolutions voted	Votes for	Votes against	Abstained/ Withheld/ Did not vote	With management	Against management
11	161	137	12	12	141	20

Note: All data displayed is fund specific, not at fund manager level

Resolutions voted on in quarter.

[Baillie Gifford – Governance and sustainability \(LGPS\) – available here](#)

Baillie Gifford voting policies and guidelines

[Baillie Gifford - Stewardship & Climate Documents – available here](#)

Engagement

[Baillie Gifford - ESG information available here](#)

[Baillie Gifford - Quarterly reports available here](#)

Examples of engagement in quarter (as per Quarterly report)

Contemporary Amperex Technology Co., Limited

Objective: To discuss CATL's recent addition to the US Chinese Military Company (CMC) list and the potential impact that geopolitical tensions may have on the business. Additionally, we sought an update on progress towards net zero commitments made by the company and battery recycling initiatives.

Discussion: Our meeting was with the investor relations representative who oversees environmental, social and governance matters. The company asserted that its internal analysis showed that CATL's inclusion on the CMC list has had no material effect on its operations. The company actively engages with legal teams and

overseas customers to ensure smooth communication and consultation. CATL is optimistic about being removed from the CMC list. The confidence comes from a robust supply chain management system which ensures compliance and safety with traceability mechanisms. It is also diversifying its raw material suppliers to mitigate geopolitical risks, including investments in mining operations.

Regarding carbon management, CATL has significantly increased its green power ratio, with nine manufacturing bases reaching net zero. The company is committed to carbon neutrality across its value chain by 2035, focusing on reducing offset dependency and promoting research and development (R&D) in carbon-light battery materials. Battery recycling is also a key focus. The company is enhancing recovery rates and developing tailored recycling equipment for different battery types, aiming to reduce reliance on primary ores and save resources.

Outcome: The meeting provided a useful update on CATL's strategic initiatives in supply chain management, carbon neutrality, and battery recycling. We will continue to monitor the company's progress, particularly its efforts to be removed from the CMC list and planned net zero updates, ensuring alignment with long-term growth prospects.

Netflix, Inc.

Objective: We met with Netflix executives to discuss the company's strategic direction and growth prospects, namely Netflix's approach to live sports and advertising efforts, while assessing their potential impact on long-term growth and profitability.

Discussion: Netflix's foray into live sports is cautious yet promising. The company successfully hosted a major event, the Paul versus Tyson fight, which tested technological limits and drew a massive audience, reminiscent of historic TV events. Management explained that this cautious approach to live sports is strategic, as Netflix aims to focus on high-value hours that can attract larger audiences and improve unit economics. The introduction of live sports is seen as a way to enhance Netflix's original content strategy, potentially increasing subscriber retention by offering a broader slate of must-watch live events. The company's advertising strategy appears to be still in development, and behind where we might have expected it to be over two years post-launch of the advertising tier. There are still some outstanding questions, especially on the topics of Netflix's ad tools and consumer relevance.

Outcome: The meeting provided valuable insights into Netflix's strategic initiatives, particularly in live sports and advertising. While the live sports strategy shows promise, the advertising approach requires further development. The opportunity in advertising is significant, and we will continue to engage with the company on progress in this area. This meeting was crucial in assessing Netflix's growth potential and identifying areas needing improvement to enhance long-term profitability.

Storebrand Global ESG Plus (Passive listed equity)

Fund Manager collaborate engagement groups - links on page 41.

- Carbon Disclosure Project
- Climate action 100+
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

Voting

Number of Voteable meetings	Resolutions voted	Votes for	Votes against	Abstained/ Withheld/ Did not vote	With management	Against management
64	695	654	41	0	662	33

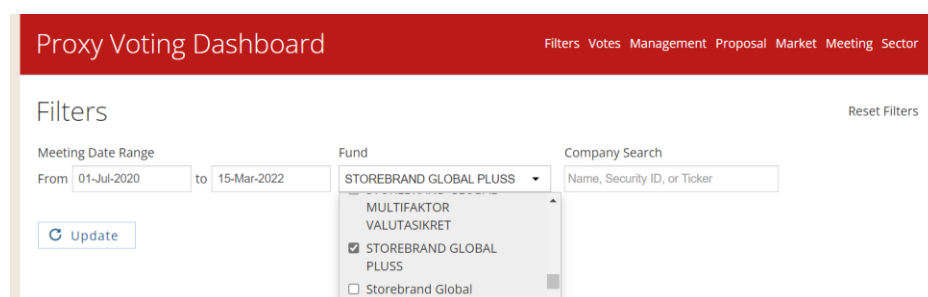
1 vote made was date related

Note: All data displayed is fund specific, not at fund manager level

Resolutions voted on in the quarter:

[Storebrand – Proxy voting dashboard – available here](#)

Note: Please select 'Storebrand Global Plus' in the 'Fund' dropdown box



Storebrand voting guidelines and policies:

[Storebrand – Proxy voting policy – available here](#)

Engagement

[Storebrand – Sustainability page available here](#)

[Storebrand – Quarterly Reports available here](#)

Engagement Example: Amazon.com

For several years, Storebrand has been engaging with the global retailer Amazon.com on various aspects of human rights and labour. The impetus for the engagement based on our assessment that there is a gap between the company's stated commitments in these areas, and how it implements them. We believe that this gap is a reputational and operational risk that the company should address.

Further action was taken in this engagement with Amazon.com during the first quarter of 2025.

On the voting front, Storebrand has been part of a group of investors seeking to file a shareholder proposal to be voted on at the upcoming Amazon.com annual general meeting (AGM). This proposal, which focused on the company's implementation of its own stated commitment to the principle of freedom of association of its workers, was co-filed in December 2024.

However, early this year, the US Securities and Exchanges Commission (SEC) granted Amazon's request to exclude our proposal from the proxy, which means that the proposal will not go to a vote at the AGM. Based on current SEC decisions, it can be inferred that the SEC's current position is that freedom of association is not permissible for a shareholder vote anymore under the new guidance, which is a change of direction from a precedent established a year ago by the SEC under the previous US federal government administration.

Within the same group of investors, we also collaborated early this year to issue a collective letter to two members of the board at Amazon.com. The letter documented our concerns regarding the decision that the company took this year in Canada, to close all its Quebec warehouses and end the jobs of approximately 1700 full-time and 250 part-time workers.

The company's actions followed recent unionization efforts by workers there that had resulted in the Laval, Quebec, warehouse becoming Amazon's first unionized warehouse in Canada. However, in a similar case, when Walmart shut down operations in Quebec shortly after workers obtained union certification, the Supreme Court of Canada ruled in 2014, that the company had violated Canadian labour laws by taking this action.

In the letter to the Amazon board members, we highlighted the risks that these actions pose; to Amazon's corporate brand reputation for respecting employee' freedom of expression and collective bargaining; and in turn to shareholder value.

So far, we have not received a response from the company on the issues raised in the investor letter.

[Read more in the quarterly report available here](#)

Wellington (Active listed equity – impact fund)

Fund Manager collaborate engagement groups - links on page 41.

- FRC Stewardship Code 2020
- Climate Action 100+
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)

Voting

Number of Voteable meetings	Resolutions voted	Votes for	Votes against	Abstained/ Withheld/ Did not vote	With management	Against management
7	87	87	0	0	86	0

Note: All data displayed is fund specific, not at fund manager level

Resolutions voted on in the quarter:

[Wellington – Global proxy voting disclosure – available here](#)

Wellington voting guidelines and policies:

[Wellington – Global proxy voting policy 2023 – available here](#)

[Wellington Sustainability related investment Disclosures October 2022 – available here](#)

Fund Overview

Actively managed equity fund which seeks to understand the world's social and environmental problems. The fund looks to identify and invest primarily in the equities of companies that Wellington believe are addressing these needs in a differentiated way through their core products and services. Through the investments, the fund seeks to improve access to, and the quality of, basic life essentials, reduce inequality and mitigate the effects of climate change. The Wellington fund focuses on investing in the world you want to live in: focusing on investments that aim to achieve a positive social or environmental impact.

Engagement

During the first quarter, we engaged with many companies in the portfolio to understand their plans to mitigate the impacts of potential tariffs. For example, Tecnoglass is shifting its manufacturing to use US-based aluminium for the majority of their impact-resistant products this year as a result of new aluminium tariffs introduced earlier in Q1. While the material costs are incrementally higher, they are manageable. So far, the company is not passing through costs, though we expect they may eventually be able to pass this through to consumers. Given the company's manufacturing footprint in Columbia, tariffs on imports from the country are a headwind. However, the company has started vetting sites for more US-based production and could accelerate plans to bring US production online if needed.

WHEB (Active listed Equity – Impact fund)

Fund Manager collaborate engagement groups - links on page 41.

- Access to Medicines Foundation
- B Corps
- British Standards Institute
- Carbon Disclosure Project
- Chemical Footprint Project
- Climate action 100+
- EUROSIF
- FRC Stewardship Code 2020
- Future Fit Business
- Global Impact Investing Network
- Impact Management Project
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Net Zero Carbon 10
- The Big Exchange
- UKSIF
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

Additional Information

WHEB were awarded Best ESG Global Equity Fund 2023 by MainStreet Partners, an ESG advisory and portfolio analytics firm

WHEB utilizes analysis tools to inform investors of the beneficial aspects of their investments. As of 31st March 2025, East Sussex has £200.7m invested in WHEB, which has resulted in:

97,139 MWh of renewable energy generated (equivalent to 8,429 European households)
 143,902 tons of CO2 emissions avoided (equivalent to the average yearly electricity use of 71,851 houses)
 240.8m litres of water use avoided (equivalent to the water used by 3.8m showers)

Voting

Number of Vote-able meetings	Resolutions voted	Votes for	Votes against	Abstained/ Withheld/ Did not vote	With management	Against management
8	138	116	19	3	116	22

Note: All data displayed is fund specific, not at fund manager level

Resolutions voted on in the quarter:

[WHEB – detailed voting record – available here](#)

WHEB voting guidelines and policies:

[WHEB – Stewardship and Engagement policy – available here](#)

[WHEB – RI policy – available here](#)

Engagement

[WHEB – Quarterly Reports available here](#)

[WHEB – Impact report available here](#)

Engagement example: Ecolab

WHEB's Objective

Limiting material negative social or environmental impacts

Company Objective

For Ecolab to clarify a time-bound phase-out plan of substances of very high concern (SVHC) and increase revenue from safer alternatives.

Desired Outcome

Reduced environmental pollution and negative impacts to human and ecological health leading to reduced regulatory and reputational risk. Improved competitive advantage.

Background

The Investor Initiative on Hazardous Chemicals (IIHC), led by ChemSec and backed by over \$18 trillion in AUM, engages with major chemicals producing companies to mitigate these risks. Ecolab, a global leader in water and hygiene solutions, has made strong progress over recent years and was ranked 4th in ChemSec's 2024 ChemScore.

Engagement Activity

WHEB co-leads the Ecolab investor group. We arranged and chaired a company call and drafted a letter setting out the groups' expectations and formalised engagement objectives:

1. **Transparency:** Disclose global revenue and volumes of Substances of Very High Concern (SVHCs), aligning with CSRD and E2 Pollution standards.
2. **PFAS Evaluation:** Provide an update on PFAS-related risks in the supply chain.
3. **Revenue Shift:** Set a 2030 target to increase revenue from safer alternatives and publish a supporting strategy.

Engagement Outcome

M2 - company shares or agrees to disclose information on the issue

These interactions represent an early stage in the current phase of dialogue. Ecolab is as yet to provide material updates against the objectives. It has however, reaffirmed its ambition to lead in hazardous chemical management and reach the top ChemScore ranking.

Ecolab also committed to improving near-term disclosure by publishing its Chemical Footprint Benchmark in 2025. We believe the company's prioritisation of this issue reflects its material importance and are reassured by its ambition and progress to date. A follow-up to review progress is expected later in 2025.

Atlas (Infrastructure listed equity)

Fund Manager collaborate engagement groups - links on page 41.

- FRC Stewardship Code 2020
- Climate Action 100+
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

Voting

Number of Voteable meetings	Resolutions voted	Votes for	Votes against	Abstained/ Withheld/ Did not vote	With management	Against management
1	1	1	0	0	1	0

Note: All data displayed is fund specific, not at fund manager level

Resolutions voted on in the quarter:

Atlas do not provide underlying quarterly voting information or their voting policy on their website. If required, this information should be requested directly from the fund manager.

[Atlas – Environmental, social and governance – available here](#)

Atlas voting guidelines and policies:

[Atlas – Responsible investment policy – available here](#)

Engagement

[Atlas - ESG Page available here](#)

Engagement Example taken from annual report:

American Electric Power Company

Opened 11th October 2023

Environment - Climate Mitigation: ATLAS assesses the alignment of expected company emissions with Paris Agreement goals of limiting global warming to Below 2 Degrees and ideally, to within 1.5 degrees. Our initial assessment for AEP suggested misalignment on both measures.

Engagement status:

Open

Engagement objectives:

ATLAS' management requests:

- A commitment toward mitigating the expected increase in emissions from 2022-26 through resource procurement or system management. Ideally reducing emissions within the B2DS budget
- Continue to commit to, and invest for, retirement of coal plants between 2026-38. Demonstrate commitment with plans and investments for required alternatives

Engagement outcomes:

On 20th November 2023, ATLAS joined a CA100+/CERES led engagement meeting to speak with AEP management regarding their new annual emissions guidance to 2040 given at EEI 2023, and their public comments submission on the US EPA's proposed new power plant emissions rules. AEP does not expect to be materially affected by the EPA's proposed rules. The new annual emissions guidance results in around -38% cumulative emissions over 2024-40 by ATLAS estimates. This would bring the company -6% within a 2030 B2DS emissions pathway. ATLAS has incorporated these assumptions to the model base case but retained the engagement as open pending further confirmatory signals from regulatory filings and approvals.

Investment impact / next steps:

ATLAS considering exiting the engagement group and closing the engagement following exit from the position in Q1 2024

UBS Osmosis Resource Efficient Core Equity (ex- Fossil Fuels) (Passive listed Equity) Part of the Access Pool

Fund Manager collaborate engagement groups - links on page 41.

- Carbon Disclosure Project
- Climate action 100+
- FRC Stewardship Code 2020
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

Voting

Number of Voteable meetings	Resolutions voted	Votes for	Votes against	Abstained/ Withheld/ Did not vote	With management	Against management
55	793	704	84	5	726	67

Note: All data displayed is fund specific, not at fund manager level

Resolutions voted on in the quarter:

[UBS – voting record \(Q1 2024\) – available here](#)

UBS Osmosis Achieved Environmental fund of the year 2021 for their listed equity portfolio.



Engagement

[UBS Sustainability page available here](#)

[UBS Annual Report available here](#)

Nike Inc

Topic: Human Rights in Supply Chain

Nike's 2024 AGM included a shareholder proposal requesting the Company to publish a report evaluating how implementing Worker-driven Social Responsibility (WSR) principles and supporting binding agreements would impact the company's ability to identify and remediate human rights issues in sourcing from high-risk countries. The resolution was proposed following investor concerns regarding the viability of social audits at Nike suppliers, whereby one supplier in East Asia had 26 separate social audits showing no rights violations in the same year that an investigation utilizing WSR principles unveiled extensive wage theft, forced and excessive overtime, unsafe conditions and abuse.

The proponents argued that supporting worker driven responsibility binding agreements could help improve the industry, potentially reducing the risk of human rights abuses and labour issues in the future.

We met first with the proponents, who explained that Nike is involved in voluntary Corporate Social Responsibility (CSR) initiatives that may include a "worker empowerment" or "worker voice" component, but the scope of these voluntary CSR initiatives does not account for workers in the remediation process or include an enforceable mechanism to ensure access to effective remediation as prescribed by the UNGPs. The proponent argued that CSR is characterized by voluntary commitments, broad standards that often merely mirror local law, ineffective or non-existent monitoring, and the absence of any commitment to or mechanisms for enforcement. Instead, they argue, VSR labour rights programs in corporate supply chains should be worker-driven, enforcement-focused, and based on legally binding commitments that place responsibility for improving working conditions on the global corporations at the top of the supply chain. The proponents also pointed out that some of Nike's peers had already agreed to binding agreements under the VSR principles.

When we met with Nike, the Company responded that it had set stretching targets on human rights oversight for the period targets set for 2020-2025 and expanded the scope of its audit program to Tier 2 and distribution centres. Nike also explained that its suppliers are not allowed to contract out to other parties without visibility and agreement from Nike.

UBS decided to support the proposal, as we determined that Nike remains at the centre of allegations of human rights abuse and poor working conditions, and the report could help the Company to strengthen and make more efficient its oversight of labour rights across its global supply chain. At the 2020 AGM the proposal was supported by 12.3% of the votes cast.

The company did not previously participate in OGMP 2.0 or sign the Global Decarbonization Accelerator at COP28, despite wide industry participation. UBS engaged with Chevron in 2023 to discuss these gaps. In 2024, the company joined OGMP 2.0. UBS continued our engagement with the company in 2024 to assess progress on additional gaps. The company was unable to commit to any timeline to update its targets.

UBS continues to monitor the credibility of its climate transition plan and will follow up to discuss gaps in the plan.

UBS Infrastructure Fund

Fund Manager collaborate engagement groups - links on page 41.

- Carbon Disclosure Project
- Climate action 100+
- FRC Stewardship Code 2020
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

Engagement

[UBS Sustainability page available here](#)

[UBS Annual Report available here](#)

Glencore (taken from latest annual sustainability report)

Case study results: In early-2024, Glencore published an updated climate action transition plan with expanded discussion on the strategy for its coal business, and a data provider upgraded its assessment of the management of community relations at Cerrejon Coal.

Next step: Continued engagement on the climate action transition plant and further improvement of community relations in Colombia.

Purpose of engagement: In recent years, our engagement with Glencore has covered a range of topics and we have seen a number of positive changes at the company. These have included board and senior management changes, the introduction of a new internal compliance system in response to bribery and corruption charges, and an overall enhancement in sustainability performance. One key operational improvement has been the reduction in fatalities in the company's mining operations. As a result of these changes, our engagement focus has steadily shifted to two additional topics. First, climate: Glencore published a transition action plan nearly three years ago and we are engaging to gain clarity into the company's strategy, with a particular focus on the managed decline of its thermal coal mining business. Second, community relations: Glencore's acquisition of full ownership of Cerrejon Coal in Colombia has brought longstanding community relations issues within the direct scope of the group. Here, our engagement is focused on ensuring good management of community relations in a complex social situation.

Action: We have been engaging with Glencore on climate change issues for more than three years. This has included discussions with the board chair, the head of sustainability and investor relations. In 2021 we supported Glencore's Say on Climate reflecting the overall depth and detail of its first climate transition action plan which incorporated targets for a significant reduction in scope 1, 2 and 3 emissions. Since then we have continued to engage with a focus on the strategy for the coal division, and especially for greater transparency into Glencore's plans to manage a reduction in overall thermal coal production. During this period, discussion has been against the backdrop of Glencore's purchase of a full interest in Cerrejon Coal,

the proposed merger with Teck Resources and the recent announced acquisition of Teck's metallurgical coal assets.

With regards to community relations at Cerrejon Coal, we engaged with the chair and head of sustainability, and have met with the Cerrejon Coal CEO and her team. In November 2023, alongside UBS-AM colleagues, we also met with community representatives and civil society organizations to discuss the situation.

Outcomes: Glencore will present its revised climate transition action plan for shareholder approval at its AGM in the first half of 2024. In our engagements the company has highlighted actions it has been taking to review its plan, and we expect that greater detail on implementation, just transition and policy advocacy will be provided. Glencore verbally confirmed its intention to wind down its thermal coal assets while the pace of the reduction will be determined by global policy, the stability of the global energy system and pricing.

Our meetings with Glencore and community representatives, as well as our broader research, confirm the complexity of the social situation in the La Guajira province which is the location of Cerrejon Coal. It is clear that community relations reached a nadir around six years ago and that action has been spurred by the intervention of the Constitutional Court. More recently, our research indicates an improvement in the approach to community relations, although legacy grievances remain and frustrations are ongoing.

Status and next steps: Engagement on both the group climate change plans and the community relations in Colombia are ongoing. Glencore's openness to receiving feedback from investors and its dialogue on both topics provides a constructive backdrop to our engagement.

We will engage further with Glencore on the details of the climate transition plan. The extent to which the plan contains further information, especially on the direction of the coal business, will be a factor in determining our position on the upcoming Say on Climate vote.

Since late-2022, we have taken the view that Glencore was making sufficient progress in managing the community issues in Colombia to allow us to assess the company as demonstrating credible corrective action in line with our SI Exclusion Policy. In March 2024, one of the major ESG rating agencies upgraded its view, removing its indication of a violation of the United Nations Global Compact principles, following a reassessment of Glencore's role and actions.

We are continuing to engage with Glencore on community relations in Colombia. This includes incorporating the insights from our recent contact with communities into our engagement dialogue with the company. We are especially interested in how Glencore progresses with Cerrejon's community consultation and agreements, and how the subsidiary implements the recent update of the human rights impact assessment.

CBRE (Property)

Fund Manager collaborate engagement groups - links on page 41.

- United Nations Principles for Responsible Investment (UNPRI)
- Institutional Investors Group on Climate Change (IIGCC)
- Sustainability Accounting Standards Board (SASB)

Engagement

[CBRE - Sustainability page available here](#)

UNITE UK Student Accommodation

Challenge

The USAF portfolio, whilst well-diversified and with strong exposure to Russell Group university cities and towns, has an average age of 16 years. With this in mind, CBRE IM Indirect have continued to engage with the USAF team to ensure that sustainability projects are a key focus going forward, so that the portfolio is sufficiently future-proofed.

Solution

Two examples of energy efficient projects completed in 2024 during 2024 include: the implementation of a new building management system at one asse, resulting in a projected c.80 kwh per year of energy savings (equivalent to 11% of the buildings total energy usage, and a saving of c. GBP 5.5k in running costs per year); and, the installation of LED lighting at another asset, saving a projected c.35 kwh per year of energy savings (equivalent to 4% of the buildings total energy usage, and a saving of c. GBP 8.0k in running costs per year).

Result & Next Step

This remains a key focus point for the USAF team, with GBP 2.9m of energy efficiency projects targeted too be delivered across 12 properties in 2025, including smart heating controls, LED lighting,, and air source heat pumps. The target payback time of the works is projected to be <10 years through utility savings.

Infracapital (Infrastructure unlisted equity)

Fund Manager collaborate engagement groups - links on page 41.

- Carbon Disclosure Project
- Climate action 100+
- Climate-wise Disclosures
- Financial Reporting Council
- ILPA Diversity in Action Initiative
- Institutional Investors Group on Climate Change (IIGCC)
- Investors Forum
- UK Sustainable Finance and Investment Association

Engagement

[Infracapital - Responsible Investment approach including ESG engagement available here](#)

Responsible Investment Update taken from Q1 2025 Management Report

Post-quarter end, we signed an agreement for the acquisition of SAF Aerogroup (SAF) as part of Infracapital Partners IV. As a leading European operator of mission-critical aerial services, SAF services complement and supplement medical teams by providing transport of patients, doctors and medical equipment in hard-to-reach areas and from accident scenes to centralised healthcare facilities. Additionally, SAF, as the largest private player active in the supply of aerial firefighting services in France, performs an increasingly important role in effectively monitoring, combatting and containing fire outbreaks in remote regions in France and other Mediterranean countries (i.e. Greece and Turkey) where it also operates.

As part of our philanthropic efforts, we are pleased to report on the success of Infracapital co-founded charity, the Infrastructure Industry Foundation (IIF). Post quarter-end, the IIF hosted its fourth fundraising gala dinner, raising c.£950,000 towards life-saving cancer research (The Ella Project and Alternatives for Cancer), the IIF's Social Mobility Programme, delivering breakfasts to children across the UK who otherwise would go hungry (Magic Breakfast), play to children in hospitals to reduce trauma (Starlight) and life-saving calls to those that are suicidal (CALM). As part of the IIF's social mobility programme, that aims to empower and inspire students from less advantaged backgrounds, Infracapital, and its portfolio companies, will be hosting a number of students this summer for a paid internship to broaden awareness of and access to our industry.

Lastly, on the theme of diversity equity and inclusion (DEI), post-quarter end, Infracapital's Women at Infracapital (WAI) group hosted its first networking event for colleagues and peers, bringing in inspirational speakers to address this year's International Women's Day theme of *Accelerating Action*. The event brought together c.150 people from across the industry in what was a dynamic and stimulating discussion. We look forward to hosting further events in the future.

Pantheon (Infrastructure unlisted equity)

Fund Manager collaborate engagement groups - links on page 41.

- Initiative Climate International (iCI)
- RepRisk
- Sustainability Accounting Standards Board (SASB)
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

Engagement

[Pantheon - ESG Page available here](#)

[Pantheon - ESG Reports available here](#)

Pantheon do not produce quarterly engagement reports; however, they do have a strict ESG Monitoring process both in securing investments and afterwards, including maintaining a log of ESG issues that are not dependent on themselves finding the issue, Customized monitoring on portfolio companies to track adverse ESG publicity, and utilization and provision of ESG metrics.

Engagement in the East Sussex portfolio

During the period 01/01/2025 – 31/03/2025, Pantheon completed three additional engagement calls with GPs within Pantheon Global Infrastructure III ("PGIF III"—the fund in which East Sussex is invested).

The calls covered a range of topics, with a key focus on our key stewardship priorities:

1. GHG data reporting
2. Decarbonisation
3. Biodiversity topics

1. GHG data reporting

- We collect asset-level GHG data annually from all underlying managers in PGIF III.
- During an engagement call with one manager we discussed their low coverage of Scope 3 emissions data relative to their peer group, and we used this call to highlight this point and encourage them to gather more data.
- Going forward, the manager in question confirmed that they will provide estimates for Scope 3 emissions where actual data is unavailable, in order to improve coverage.

2. Decarbonisation progress

- From our 2024 Annual GP Survey, 51% of infrastructure managers have set emission reduction targets for their portfolios.
- During all engagement calls with managers, we encourage those currently without decarbonisation targets to implement emission reduction targets within their portfolios. In addition, we also encourage the managers to align their emission reduction targets with the Private Markets Decarbonisation Roadmap ("PMDR").
- Going forward, the manager confirmed that they will review this initiative and are actively considering alignment with PMDR.
- Additionally, we discussed the emission profiles of two of the top emitters within the manager's Pantheon portfolio in order to allow them to gain a better understanding around these assets and the action plans and progress taken by the managers.

3. Biodiversity risks

- As per our 2024 Annual GP Survey, 25% of infrastructure managers conduct biodiversity impact and dependency assessments for their portfolios.
- During the engagement call with one manager, we encouraged them to undertake a biodiversity impact and dependency assessments for their portfolios.
- Going forward, the manager is considering implementing biodiversity assessments to remain aligned with their peers.

IFM Infrastructure Fund

Fund Manager collaborate engagement groups - links on page 41.

- United Nations Principles for Responsible Investment (UNPRI)
- Institutional Investors Group on Climate Change (IIGCC)
- Climate action 100+
- Global Real Estate Sustainability Benchmark (GRESB)
- Financial Reporting Council
- Net Zero Asset Managers Initiative

Engagement

[Sustainability Reports available here](#)

Engagement Example: Vienna Airport

Topic: Social - Inclusion & Diversity (I&D)

Rationale: Encouraging and supporting portfolio companies to build inclusive and diverse workplaces is central to our ownership philosophy.

Our Infrastructure team's approach to I&D is focused on developing an understanding of where portfolio companies are situated across a range of I&D measures. The data we collect is used to support the development of asset-specific long-term I&D plans, which are regionally and culturally relevant.

What have IFM done: Vienna received the Air Transport Awards Corporate Award for 2025, which are well recognized for its "Without women, nothing takes off here" campaign during International Women's Day.

Additionally, and for the fourth year in a row, Vienna's Airport's AirportCity was awarded Austria's strongest real estate brand.

Outcomes & Next Steps: The award recognises the AirportCity's key success factors of distinctive sustainability, high degree of innovation and the competent location management.

Engagement Example: Mersin International Port

Topic: Social - Safety

Rationale: Our Infrastructure team has a strong track record of working closely with investee companies to drive and continuously improve safety performance.

To date, our approach has had a meaningful impact, with incident data largely demonstrating a trend of overall improvement after we acquired each asset.

What have IFM done: IFM continues to support Mersin International Port on the delivery of its Safety Remedial Actions as well as with the set-up of its longer-term Safety Culture Transformation Programme.

Outcomes & Next Steps: In 2024, Mersin International Port continued to improve its safety culture, as evidenced by a further decrease in lost time injury frequency ("LTIF") rate by 19% vs pcp, to a reduced level of 4.43 per one million working hours.

M&G (Fixed Income) Part of the Access Pool

Fund Manager collaborate engagement groups - links on page 41.

- Carbon Disclosure Project
- Climate action 100+
- Climate-wise Disclosures
- Diversity in Action Initiative
- Financial Reporting Council
- Institutional Investors Group on Climate Change
- Investors Forum
- UK Sustainable Finance and Investment Association
- Net Zero Asset Managers Initiative

Engagement

[M&G - Sustainability page available here](#)

[M&G - Responsible Investment & Reports available here](#)

Engagement Example – Greene King Finance PLC

Engagement Objective – To ask UK pub and brewing company Greene King to confirm if it plans to take any actions in preparation for enhanced licensing requirements.

Engagement Result – A recent BBC article reports that councils across the UK are in the process of updating their licensing requirements to include the Ask for Angela scheme as a condition for granting new licenses. This may have implications for UK-based pub and restaurant chains who may need to implement enhanced staff training and reporting mechanisms.

We asked UK pub and brewing company Greene King to confirm if it expects the enhanced licensing requirements to impact its operations and if it plans to take any actions in preparation for the changes.

The company responded and confirmed that it does not expect the enhanced licensing requirements to materially impact its operations. Over the past 8 months the company has enhanced the training provided to its pub-based staff.

In October 2024, the company relaunched Ask for Angela to all pub operation teams, from Business Unit Director level to all team members in pubs, via team meetings. This was also included in pre-shift briefings to pub team members. The company confirmed that Ask for Angela Posters are displayed both front and back of house in all of its sites and that it included Ask for Angela in the Christmas Handbook that was issued and briefed to all sites. The company includes Ask for Angela training in its Managing the Risk Training, which is completed in face-to-face, webinar and e-learning formats. All General Managers, Assistant Managers and Pub Leadership Team members complete this training. Finally, the company now internally reports specifically on instances whereby guests have requested assistance or specifically Asked for Angela.

The company confirmed that all new employees that have contact with the public are trained on the scheme as part of their induction. The Ask for Angela training forms part of the company's e-learning induction which is given to all new pub-based employees regardless of seniority. As employees progress through the business, all Assistant Managers and General Managers are additionally given further training on the scheme through the company's Managing the Risk Course. The company also confirmed that at least annually teams

are reminded of Ask for Angela via communications to venues from the Operations Communications team and as part of a cascade to Area Meetings and in-house Team meetings. The Company conducts an annual check of the scheme and signage as part of its Best Bar None Accreditation.

The company is aware of the media reporting in Q4 2024 which was critical of Greene King as a business, however, it feels that it was an unfair reflection of what really happens in its venues in the vast majority of cases. The company confirmed that it was the first pub operator to partner with Best Bar None which assesses venues for their commitment to excellence in safety, customer service and responsible alcohol management practices, and that it was the first hospitality business to achieve a nationwide Best Bar None accreditation.

We believe this demonstrates the company's commitment to the Ask for Angela Scheme and to supporting customers who feel unsafe or vulnerable in its pubs.

Action Taken –M&G wrote to the company to request clarification

Bluebay (Total Return Credit) Part of the Access Pool

Fund Manager collaborate engagement groups - links on page 41.

- Climate action 100+
- Global Impact Investing Network
- IFRS Sustainability Alliance
- Responsible Investment Association
- UK Stewardship Code
- United Nations Principles for Responsible Investment (UNPRI)

Engagement

[Bluebay Responsible Investment and Climate Change policies available here](#)

Engagement Example – IHS Towers

BlueBay views and engagement

IHS Towers is one of the largest independent owners, operators and developers of shared communications infrastructure in the world, with operations across Africa, Latin America and the Middle East.

During Q4 2024, the BlueBay EMD team participated in a call with the company as part of an ongoing engagement on climate change and other ESG components.

During the meeting we followed up on the progress of some of the company's projects and work streams that we had discussed previously. On reporting, even though it is voluntary, we would like the company to align to the ISSB (International Sustainability Standard Board) reporting framework and the company had planned to take into account recommendations by Task Force on Climate-Related Financial Disclosures (TCFD) as the next step.

A further point of discussion was Scope 3 emissions targets, which the company is so far lacking, with targets referring to Scope 1 and 2. The company's key program is 'Project Green', which focuses on converting power supply for towers from diesel to non-fossil sources, such as solar, but also the use of batteries.

On the topic of absolute reduction targets, the company does not feel in the position to commit as their underlying portfolio has continued to change inorganically, both via acquisitions but also asset sales. The lack of absolute targets also means that they cannot get SBTi (Science Based Targets Initiative) validation, which is a weak point for us, but the company is aware and looking for solutions.

Overall, it was a helpful engagement that gave us continued comfort on their ESG trajectory as well as solidity of policies and intentions. As a significant player in Emerging Markets telecom infrastructure, IHS plays a key role in achieving a number of Sustainable Development Goals. On the other hand, the meeting also showed there is further room for improvement and transparency and targets. Their next sustainability report, which is expected to be released around May 2025, may give us further insight and reason to engage for change.

Adams Street (Private Equity)

Fund Manager collaborate engagement groups - links on page 41.

- Initiative Climate International (iCI)
- RepRisk
- Science based targets Initiative
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)

Engagement

[Adams Street - Responsibility page available here](#)

[2023 ESG Report available here](#)

Every investment decision Adams Street make is based on a careful analysis of both risk and opportunity. By integrating ESG considerations at every stage of the investment life cycle — from deal sourcing, through investment due diligence, to portfolio construction, and reporting and monitoring — they can better identify opportunities for risk mitigation and long-term value creation in their investments.

We can confirm that over the course of **Q1 2024**, Adams Street engaged with 112 GPs to which East Sussex currently has exposure through their Adams Street portfolio. The nature of these interactions were as follows:

- 11 due diligence calls
- 5 operational due diligence calls
- 32 advisory board meetings
- 21 LPAC meetings

Harbourvest (Private Equity)

Fund Manager collaborate engagement groups - links on page 41.

- Diverse Alternative Investment Industry Statement
- Diversity in Action Initiative
- Initiative Climate International (iCI)
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)

Engagement

[Harbourvest – Annual ESG report available here](#)

[Harbourvest – TCFD progress report available here](#)

Engagement Update (from 2024 ESG Report)

Climate Solutions: A case study

2023 witnessed a surge in the global deployment of clean technologies: For the first time, wind and solar added more to the global energy mix (in Exajoules) in 2023 than any other source. Continued advancement of renewable technologies in terms of cost efficiencies, driven by natural maturation of business models as well as by government incentives, have driven record capital inflows to clean technologies.

Notably, the first wave of projects into which private infrastructure investors have deployed capital have begun to reach operational maturity, and the earliest GPs to raise funds dedicated to the sector have begun to reach their harvesting stages. As a secondary investor, the opportunity set to deploy capital alongside these GPs, often in the form of continuation funds or co-investments, has never been more attractive.

As an example, in March 2024, the HarbourVest Infrastructure team invested in a multi-asset secondary portfolio of seven utility-scale solar and storage projects in the southwestern United States through Quinbrook Infrastructure Partners.

Investment characteristics

- A compelling mix of operating and de-risked near-term development opportunities.
- Generating low-cost renewable electricity in the U.S. Desert Southwest where the resource is abundant and capacity factors are highest in the country.
- Management team has a combined 28 years of experience operating utility-scale solar plus battery storage assets.
- Changes to tax regulations resulting from the Inflation Reduction Act (IRA) allowed for the conversion of investment tax credits (ITCs) to production tax credits (PTCs), which are expected to result in an additional \$60 million value uplift in 2024, enhancing returns for the investment.
- At the time of underwriting, the portfolio was expected to represent 2,707 MW of solar power generation capacity and 8,280 MWh of storage capacity.

One of the benefits to investing in the energy transition via secondaries is the ability of an investor to monitor the development of the underlying business over several months, sometimes years. In this case, HarbourVest was able to monitor the construction of the investment from 2022 to 2024, gain confidence in the eventual execution of PPAs for several of the underlying solar and storage platforms, and ultimately transact at a valuation that was favourable to buyers relative to the interim appreciation the team observed.

Fossil Fuel Exposure by Fund Manager

The fund actively monitors the fossil fuel exposure of its fund managers to allow for engagement when we feel that these values are of concern. The below table lists fossil fuel exposure as of 31st March 2025

Fund	Mandate	Exclusion	% Fund Assets	% Fossil fuel exposure of total fund value
UBS Osmosis	Equity - Passive - Resource Efficient	Fossil Fuel free	8%	0.0%
Longview	Equity - Global		10%	0.0%
WHEB	Equity - Sustainable Global	Fossil Fuel free	4%	0.0%
Baillie Gifford	Equity - Global	Fossil Fuel free	4%	0.0%
Wellington	Equity - Sustainable Global	Fossil Fuel free	5%	0.0%
Storebrand	Equity - Passive - ESG Plus	Fossil Fuel free	9%	0.0%
Harbourvest	Private Equity		4%	0.0%
Adams Street	Private Equity		4%	0.0%
Ruffer	Absolute Return		9%	0.2%
Newton	Absolute Return		6%	0.0%
CBRE	Property		7%	0.0%
ATLAS	Infrastructure Equity		2%	0.1%
Pantheon	Infrastructure		2%	0.0%
UBS	Infrastructure		1%	0.1%
M&G	Infrastructure		1%	0.0%
M&G	Fixed Income - Private Debt		1%	0.0%
M&G	Fixed Income - Multi Asset Credit		4%	0.0%
M&G	Fixed Income - Corporate Bonds		3%	0.0%
Bluebay	Total Return Credit		3%	0.0%
UBS - Over 5 Year IL Gilt	Fixed Income - Passive Index Linked Gilts		7%	0.0%
IFM	Infrastructure		5%	0.3%
Cash	Cash		2%	0.0%
Total Assets			100%	0.9%

Engagement Group Links

[Access to Medicines Foundation](#)

[B Corps](#)

[British Standards Institute \(BSI\)](#)

[Chemical Footprint Project](#)

[Climate Action 100+ \(CA100+\)](#)

[European Sustainable Investment & Finance Association \(EUROSIF\)](#)

[Financial Reporting Council Stewardship Code \(FRC\)](#)

[Future Fit Business](#)

[Global Impact Investing Network](#)

[Global Real Estate Sustainability Benchmark \(GRESB\)](#)

[ILPA Diversity in Action Initiative](#)

[Impact Management Project](#)

[Initiative Climate International \(iCI\)](#)

[Investors Forum](#)

[Local Authority Pension Fund Forum \(LAPFF\)](#)

[Net Zero Carbon 10](#)

[Net Zero Asset Managers Initiative](#)

[RepRisk](#)

[The Big Exchange](#)

[Transition Pathway Initiative \(TPI\)](#)

[Sustainable Accounting Standards Board](#)

[UK Sustainable Investment & Finance Association \(SIFA\)](#)

[UN Global Compact](#)

[United Nation Principals for Responsible Investment \(UNPRI\)](#)