

London CIV

The LGPS Investment Pool for London and Bucks
Prepared for: Camden Pensions Committee

16 July 2026



Working **together** to deliver sustainable prosperity
for the communities that count on us all

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Introduction to LGPS Pooling



Introduction to LGPS Pooling

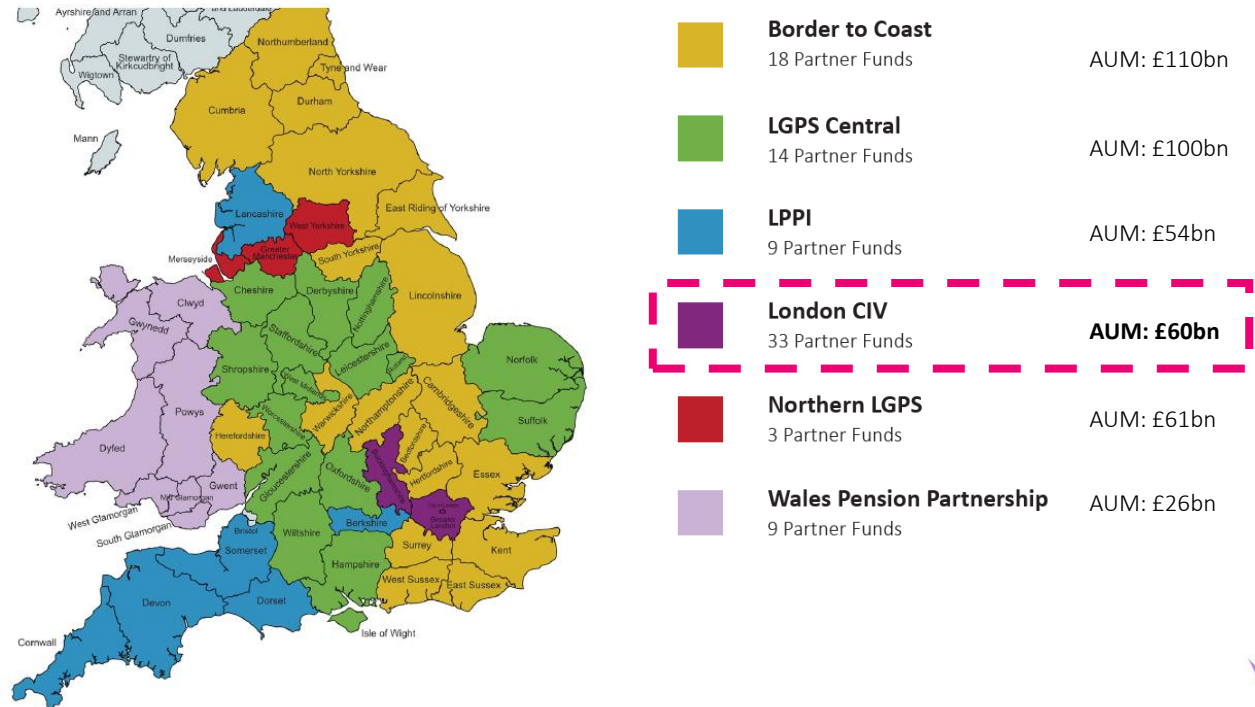
An LGPS Pool is a collective investment structure established to manage the combined assets of multiple LGPS funds, enabling investment at scale with enhanced governance, cost efficiency and broader access to opportunities.

- Dedicated pooled vehicles aggregate assets into single portfolios, improving access to specialist asset classes, thematic strategies and operational capabilities.
- Pools are purpose-built for participating LGPS funds and closed to external investors, maintaining alignment with statutory duties and fiduciary responsibilities.
- The work of LGPS pools shapes retirement outcomes and, through stronger performance, can reduce contribution pressures and support wider community investment.
- There are currently six LGPS pools across England and Wales, of which London CIV is the largest by number of Partner Funds.

AUM

£402bn

Total value of LGPS assets in England and Wales



About London CIV



Who We Serve

London LGPS CIV Ltd ('London CIV') is the investment pool for Local Government Pension Schemes (LGPS) of London and Buckinghamshire local authorities, which have combined assets of c.£60bn AUM.

- Authorised and regulated by the Financial Conduct Authority (FCA), London was the first pool to launch (2015) in England and Wales.
- We are owned by all London boroughs, the City of London and Buckinghamshire (also known as our Partner Funds).
- Our role is to bring these assets together so they are managed at scale, with stronger governance, lower fees and access to high-quality investment opportunities that individual funds could not achieve alone.
- We are led by our purpose statement: working **together** to deliver sustainable prosperity for the communities that count on us all



Our Approach to Pooling

London CIV's model recognises that each Partner Fund has distinct priorities and must retain control over its strategic direction.

At the same time, pooling enables greater scale, deeper capability and more consistent delivery across funds, while preserving local decision-making.

Our approach goes beyond asset pooling. We work in partnership with Partner Funds to strengthen implementation across the investment lifecycle, including product design, manager oversight, governance and reporting, supporting more efficient and effective delivery of LGPS strategies.

Principles

FIDUCIARY

This is the duty of both Pool and Partner Fund to ensure we deliver for the pensioners of today and tomorrow.

CHOICE

Is the cornerstone of a co-created service offering, recognising the idiosyncrasies of each fund.

VALUE

Together, we ensure that scale and collaboration translate into stronger governance, broader opportunity access and better outcomes for our Partner Funds.





Fit For Future



Fit for the Future Reforms

The Fit for the Future reforms were introduced in November 2024 as part of a wider government Pensions Review, aimed at strengthening the long-term effectiveness of the LGPS.

The reforms sought to address fragmentation across funds, improve investment outcomes through greater scale and consistency, and enhance the scheme's ability to support UK and local investment through:

A strengthened pooling model:

Mandatory delegation of investment implementation to pools, with all assets expected to be managed through FCA-regulated pooling companies.

Clearer roles and responsibilities:

Partner Funds retain strategic asset allocation, while pools take on delivery, manager selection and portfolio construction.

Enhanced governance requirements:

Introduction of stronger governance standards, independent reviews and clearer accountability frameworks for Partner Funds.

Greater focus on UK and local investment:

Requirement for Partner Funds to work with their pools to set out viable local investment strategies in collaboration with regional stakeholders.

Pension Schemes Act 2026

Following extensive consultation:

- London CIV's Strategic Development Plan, which set out how we would meet these requirements, was approved by our Partner Funds and the Government in May 2025.
- The eight original LGPS Pools were consolidated down to six. As a result, Buckinghamshire joined London CIV as its 33rd Partner Fund.
- The reforms were subsequently embedded in legislation through the Pension Schemes Act 2026, which received Royal Assent on 29 April 2026.
- The Act provides the statutory framework for LGPS pooling, governance reform and consolidation, with detailed implementation delivered through secondary legislation and guidance.





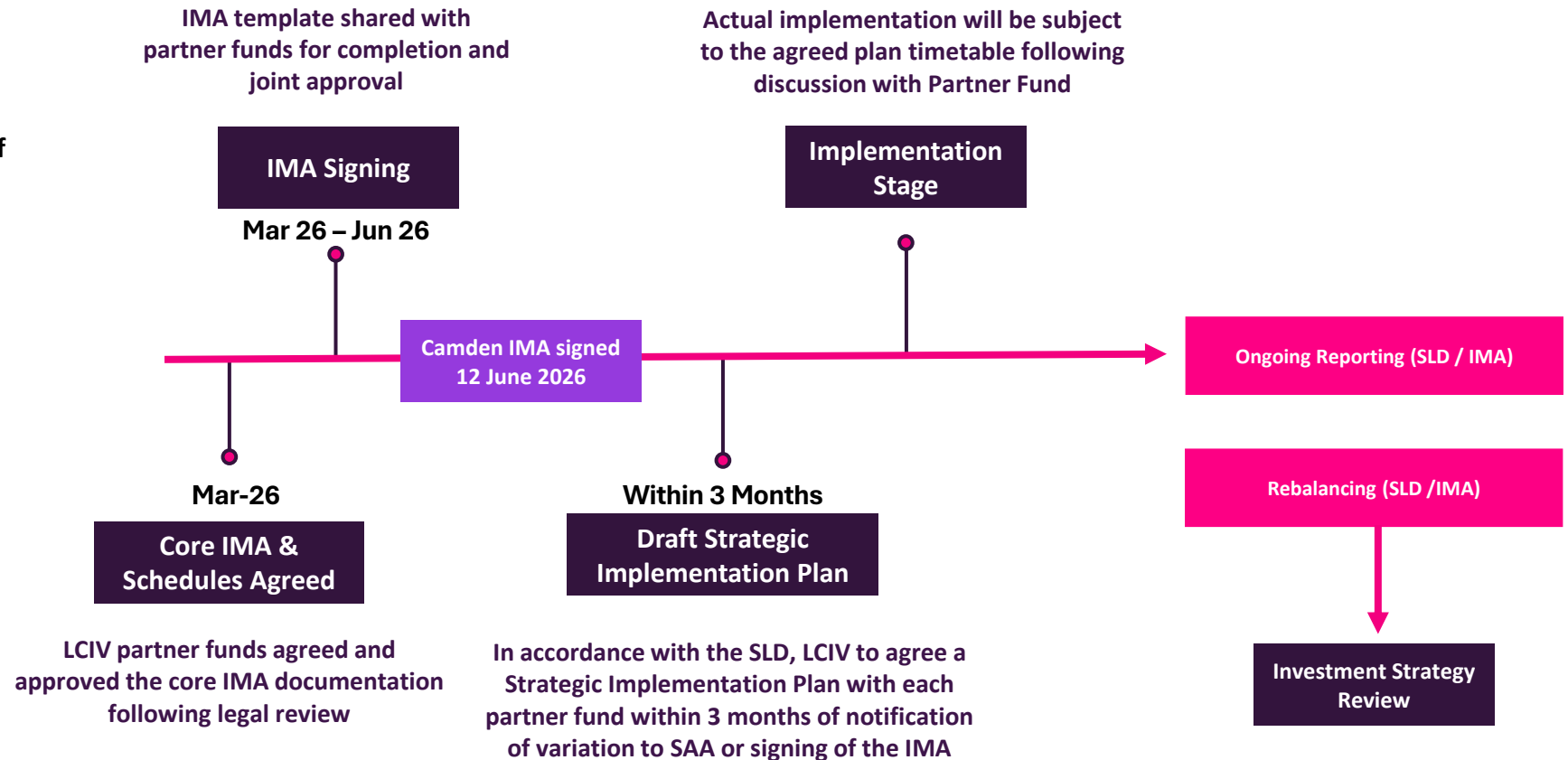
Investment Strategy Implementation



Strategic Implementation Plan

Following the joint approval of the Investment Management Agreement (IMA), London CIV will work with each partner fund to agree a Strategic Implementation Plan within 3 months of the IMA effective date.

This will depend on each Partner Fund’s initial position relative to their approved Investment Strategy Statement and the implementation considerations associated with the Strategic Asset Allocation.



Supporting our Partner Funds in implementing their investment strategies



London CIV Product Development

London CIV Approach

- As part of the implementation plan process, we are exploring how to provide an appropriate number of investment options that to allow Partner Funds meet their investment objectives requirements.

New Funds	Global Core Equity Fund
New Funds being developed	Private Equity Fund Local Solutions UK Equities
Fund Review	LCIV Emerging Market Equities – Complete 2025 LCIV Global Alpha Growth - Progressing





Responsible Investment



London CIV's Approach to RI

Under the Fit for the Future reforms, individual LGPS Partner Funds remain responsible for setting their own Responsible Investment (RI) strategy.

- London CIV supports this by providing investment solutions and an implementation framework that aligns with Partner Fund priorities while meeting regulatory expectations.
- Our vision is to be a best-in-class asset pool that delivers value for Londoners through long-term sustainable investment strategies.
- We are committed to protecting the interests of our clients and members by acknowledging that climate-related risks and broader environmental, social and governance (ESG) factors are a source of financial risk and opportunity.
- London CIV is a signatory of the UN backed Principles for Responsible Investment (PRI).
- Our approach is informed by our investment beliefs, client policies and priorities, and industry best practice demonstrated by our peers together with regulation. This not only feeds into our policies but is integrated and implemented throughout the business.



The Govt's View on RI Decision-making

In May 2026, the Minister for Local Government wrote to the LGPS Advisory Board in response to concerns around investments linked to conflict-affected areas.

The letter sets out the Government's position, providing clarity on the limits of local discretion and the expectations placed on administering authorities:

Foreign policy set nationally

Decisions on boycotts, divestment and sanctions are for UK Government, not individual LGPS funds.

No divergence from UK positions

Funds should not adopt policies that go beyond or differ from national sanctions or foreign policy.

Fiduciary duty remains central

Investment decisions must continue to prioritise financial risk and member outcomes.

High standards expected

Emphasis on transparency, accountability and robust responsible investment practices.



London CIV: **Leading** RI Choice in a pooled environment

The Responsible Investment Implementation Framework

- As the first LGPS pool to develop a structured RI Matrix, London CIV designed the framework ahead of the Government's latest guidance to address a key challenge of pooling: how to support Partner Funds' responsibility for setting RI policies while delivering the benefits of scale, efficiency and collective implementation.
- The Government's guidance confirms that Partner Funds retain responsibility for responsible investment objectives and policies, while pools are expected to deliver implementation through alignment.
- Developed collaboratively with Partner Funds, the Matrix translates individual RI policies into a common implementation framework, supporting both Partner Fund choice and the guidance's focus on alignment, scale and efficiency.
- The Matrix responds directly to the guidance's acceptance that pools can provide a limited range of RI implementation options that help avoid the cost, complexity and fragmentation, which can arise from multiple bespoke approaches.
- As the largest LGPS pool by number of Partner Funds, London CIV is helping demonstrate how responsible investment can be delivered at scale within a pooled environment, while maintaining Partner Funds' responsibility for setting their own RI objectives and policies.

Key points

- The first RI Matrix from a Pool that provides a common framework for implementing Partner Fund RI policies.
- Supports the guidance's focus on alignment, scale and efficiency.
- Balances Partner Fund choice with pooled implementation.
- Limits complexity through a structured range of RI options.

The first to be delivered by a Pool and developed ahead of the latest Government guidance, the RI Matrix provides a practical framework for implementing Partner Fund RI policies within a pooled environment, supporting Partner Fund choice while delivering the alignment, scale and efficiency that underpin successful pooling.



London CIV: **Delivering** RI Choice in a pooled environment

From RI Policy to RI Implementation

The RI Matrix has now launched and will be embedded into investment implementation, stewardship and reporting across London CIV portfolios over time.

- Translates Partner Fund RI policies into a consistent implementation framework.
- Reflects the Government's approach that Funds set RI objectives, while pools are responsible for implementation. The guidance also makes clear that RI policies should not prescribe individual holdings, managers or countries.
- Applies a common approach to exclusions, restrictions and severe controversies, improving consistency and transparency across portfolios.
- Differentiates between allegations, controversies and verified breaches of international norms, using recognised data sources and defined criteria to support investment decisions.
- Supports a limited range of RI implementation options, helping avoid unnecessary complexity and fragmentation while retaining the benefits of pooling.

	Pillar 1	Pillar 2	Pillar 3
Exclusions / Restrictions	Controversial weapons Includes incendiary weapons, cluster munitions, anti-personnel mines, biological and chemical weapons, blinding laser weapons and depleted uranium weapons (0% revenue exclusion)	Restrictions from Pillar 1	Restrictions from Pillar 2
	Non-conventional fossil fuel extraction 5% revenue exclusion	Controversial areas Includes adult entertainment, gambling, tobacco, and predatory lending (5% revenue exclusion threshold on each sector)	Weapons 5% revenue exclusion
		Companies breaching global norms and human rights standards	Companies officially listed by the UN as breaching human rights / international law in conflict zones



Fund Manager Case Studies and Voting

Filing: Human rights proposals win more than 25% of votes at Microsoft shareholder meeting

BY TODD BISHOP on Dec 9, 2025 at 3:43 pm

Share



Microsoft

Q4 2025

Report on Human Rights Due Diligence

Vote: For

26%

At Microsoft's December 2025 AGM, human rights proposals received materially higher support than typical for large-cap US tech. In addition to proposal 9, proposal 8 on data operations in human rights hotspots also attracted meaningful support, signalling continued momentum for shareholder focus on human rights and responsible AI into the 2026 AGM season.

Microsoft

Q4 2025

Engagement theme: Human Rights

Details of engagement: Baillie Gifford engaged with Microsoft to seek clarification on its response to allegations that its cloud services were used to store data from the mass surveillance of civilians in Gaza and the West Bank. Following these claims, Microsoft conducted an internal review and terminated its cloud service provision to Unit 8200 of the Israeli Defence Forces. Our investment manager met with Steve Lippman, ESG Engagement Director at Microsoft, who acknowledged the risk that the company's widely used products may be misused. Unit 8200 had purchased an off-the-shelf cloud service that did not trigger enhanced due diligence, with potential misuse identified only after an investigative report by The Guardian. A forensic investigation confirmed the allegations. Microsoft emphasised it does not access customer content due to privacy obligations. It has since expanded pre-contract due diligence to include sensitive customers and enhanced its internal whistleblowing portal. Baillie Gifford has set up a follow-up meeting with its Human Rights Team.



EOS Case Studies

CRH PLC

Q4 2025

Engagement theme: Climate Governance & Transparency

Details of engagement: CRH plc is a global building materials company. In 2020, EOS began engaging the company on opportunities to further align its financial statements with its publicly-stated climate commitments – recognising that the company and investors need to be able to understand the potential impact of climate change on the company’s finances. EOS asked how climate-related assumptions - such as carbon pricing, asset lives, and impairment testing - were reflected in its accounts. In 2021 and 2022 EOS held follow-up meetings with the Board Chair and Chair of the Audit Committee and raised the issue through CA100+1 collaborative engagements. In 2023, EOS flagged in the application of our clients’ voting policy concerns around the lack of climate-related disclosures in the accounts and the audit. In 2024, EOS encouraged CRH to adopt recognised best practice climate disclosure frameworks. In 2025, EOS highlighted the absence of climate-related financial detail in its US GAAP2-compliant submission. Public policy engagement with IASB3 resulted in publication of illustrative examples on how uncertainties such climate should be handled in the financial statements in 2025, and we wrote to the company in August 2025 to request fuller disclosure of climate-driven assumptions and related sensitivities, in line with these examples.

Changes, potential outcomes and next steps: While CRH had started to incorporate climate related disclosures in its TCFD5 report from 2021 onwards, its 2024 IFRS6-compliant annual report included expanded climate-aligned disclosures in the financial statements. The company integrated climate related risks into its accounts and referenced voluntary alignment with TCFD and SASB8 frameworks. These additional disclosures should enhance investor confidence by providing visibility on long-term asset viability and capital allocation decisions. These may also help reduce regulatory and reputational risks and support CRH’s broader decarbonisation strategy which can help drive revenues and avoid costs associated with the energy transition. Although the company’s US GAAP-compliant submission did not include equivalent information, the company confirmed that the assumptions and assurance processes for assessing climate-related impacts, risks and opportunities are the same for both GAAP and IFRS disclosures. EOS plan to follow up to encourage continued improvement in climate scenario integration and disclosure of assumptions underpinning financial estimates, in line with the CA100+ Net Zero Accounting and Audit Alignment initiative.

Netflix

Q1 2026

Engagement theme: Human capital management

Details of engagement: Well-structured pay practices may support talent attraction and retention, enabling conditions for innovation and converting talent stability into R&D productivity and IP creation. This is important for Netflix, a major US-based entertainment company, as the technology sector continues to face talent shortages. Moreover, global regulations around pay equity have increased, including in the company’s home state of California. An effective pay equity approach may therefore help the company avoid potential legal and financial penalties of non-compliance. EOS raised the importance of robust pay gap analysis in a meeting with the company in March 2023, noting EOS’s preference for disclosure of both adjusted and unadjusted figures. The company acknowledged this and confirmed its intention to expand disclosure in the future. The company’s sustainability report published in 2024 included new data on global and local pay gap analysis for its workforce composition in line with all applicable laws and regulations. The data indicated strong pay parity across these demographics. However, EOS noted the company had only published adjusted data.

Changes, potential outcomes and next steps: In 2025, the company published its 2024 sustainability report, including both adjusted and unadjusted pay gap data for its global workforce in line with UK-style pay gap reporting and for its US workforce in line with applicable local laws and regulations, including California’s Equal Pay Act. The unadjusted pay gap data reflected some disparities across the workforce which the company’s narrative attributed to challenges with representation in tech versus non-tech talent. The report also reiterated the company’s commitment to inclusion and promoting pay equity. The company’s efforts to analyse and demonstrate equitable pay practices may help it to attract and retain key talent for market relevancy, enhancing talent stability that can contribute to innovation, increase assets through IP development and increase revenue from differentiated products. EOS plan to continue to engage with the company on its human capital management strategy in the future.



Appendix



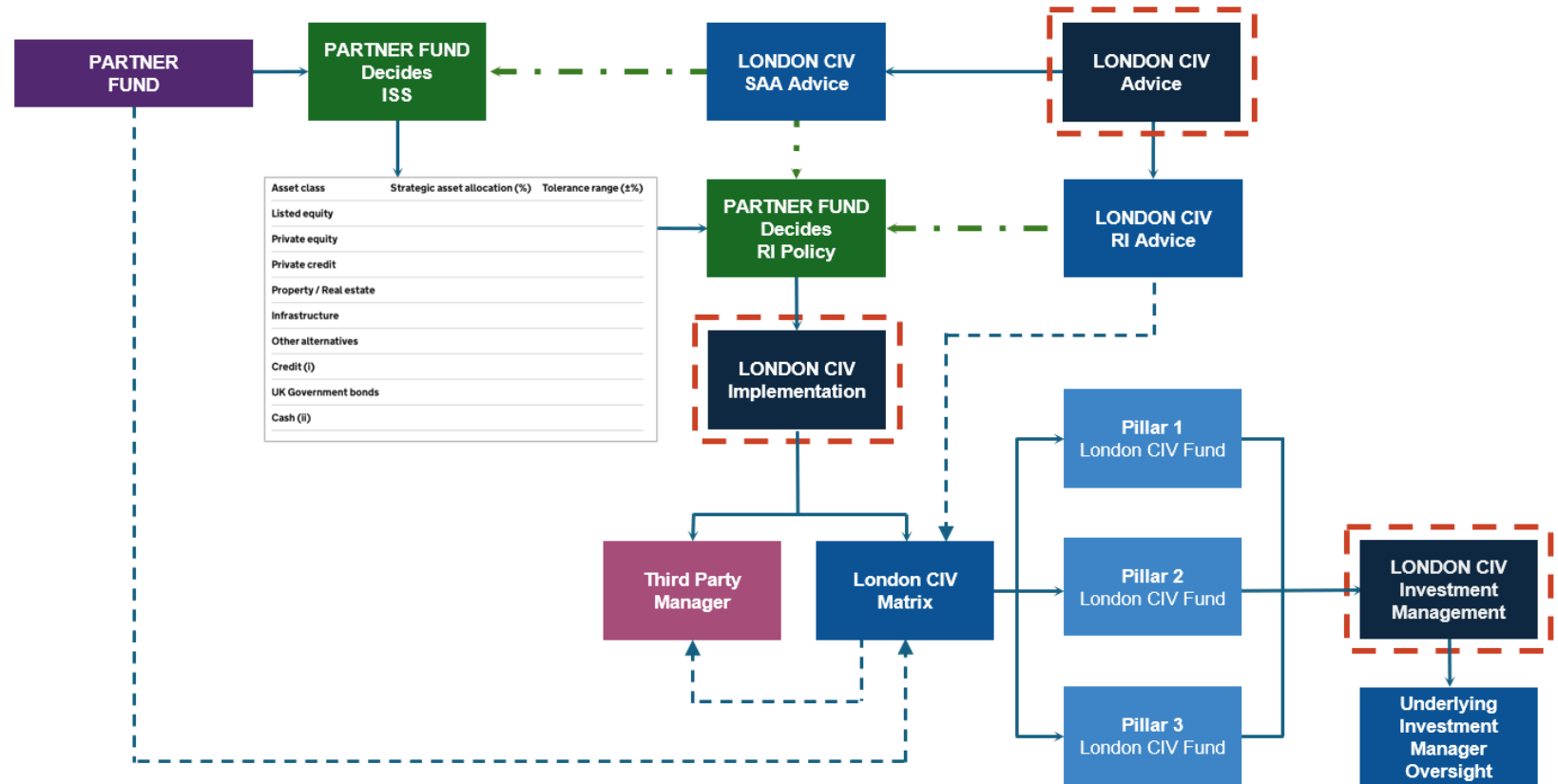
Decision Making Framework

Partner Funds are responsible for their:

- Investment Strategy Statement
- High Level Strategic Asset Allocation (SAA)
- Responsible Investment (RI) Approach
- Local Investment Policy
- Pool Oversight

London CIV is responsible for delivering:

- Principal SAA Advice to Partner Funds
- Investment Implementation
- Portfolio Design and Execution
- RI Implementation
- Delivery of Local Investment



Disclaimer

Important information

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