

Liontrust Asset Managers Plc (LAM)**Environmental policy****Purpose**

Liontrust has a considerable part to play in the transition to net zero from the perspective of its business and the investments the group makes on behalf of clients. As such, Liontrust aims to attain carbon neutrality across its business and ultimately, across its funds.

This policy governs Liontrust behaviours with regard to its impact on the environment in terms of this aim. Set out below are the ways in which the group can achieve carbon neutrality by 2050 in its business operations and its investments. This policy also sets out the group's spheres of influence with regard to a wide range of environmental issues.

Background and rationale

Liontrust operates as both a business in its own right and as an investment manager. As a business, the group has a number of material risks and opportunities over the next 5 years that it articulates in its annual report. Among these material issues are credit, market and operational risks, including the risk of damage to the group's physical assets (its buildings, for example) as a result of global warming. A lesser but still important risk for the group is the potential rise in energy costs which could impact group revenues.

From an investment perspective, Liontrust invests in the equity and debt of UK and global companies and also in alternative assets. The group's funds have exposure, to varying degrees, to the risk of holdings failing to make satisfactory progress in achieving their own carbon neutrality. In turn, this could then mean they are less competitive and/or resilient in a rapidly changing world. A loss of competitive advantage could negatively impact the viability of these investments, over time.

Liontrust became a signatory to the Net Zero Asset Managers' Initiative (NZAMI) in May 2022 committing the group to achieving carbon neutrality across its business and net zero in its investments by 2050; this policy reflects that commitment. Liontrust has already achieved carbon neutrality in terms of its business operations but is aiming to improve the mix of renewables versus offsets as these become available.

Policy aimsBusiness operations:

- **Liontrust aims to maintain its carbon neutrality stance** but aims to do so through the purchase of an increasing amount of renewable energy (where it is within the group's control to do so), thereby reducing the group's dependency on using offsets.
- The **group aims to reduce, wherever practically possible, the use of refrigerants** and other GHGs which exacerbate global warming.
- Liontrust also **aims to reduce its landfill waste, reduce its overall water usage, and recycle** as much as possible across its operations. (The group has less exposure to risks associated with these activities, but they remain important from the perspective of the group's overall environmental footprint.)

Investments:

- In line with Liontrust's commitment to NZAMI, the group **aims for all of its investment vehicles to achieve net zero by 2050, if not before**. The group is making an initial commitment (percentage of AUM) that is less than 100%, but plans to increase this percentage over time. This goal will be achieved through
 - a combination of engagements with fund holdings to encourage these to achieve carbon neutrality
 - a gradual increase in a wide range of clean technology and other solution-providing investments as these become more available
 - a gradual reduction in the investment that Liontrust funds have to thermal coal.

Liontrust's investment teams will use their own investment processes and approaches to reducing, over time, the weighted average carbon intensity of the funds each team manages.

- The investment teams, in line with their respective investment processes, may also consider a company's environmental record and trends (for water usage, recycling, reducing waste, for example) as part of assessing its investment thesis over the holding period of the fund in which the asset is a constituent.

How Liontrust will achieve the goals / aims in this policy

Further information on the steps that the group is taking / will take to achieve the aims of this policy is contained in Liontrust reports, including the Annual Report (which contains the group's TCFD statement), its Responsible Capitalism report, and other publications. Liontrust plans to tailor its approach to carbon neutrality and net zero over time, as climate risks and opportunities, services, and related legislation evolve.

Oversight and review

As global warming is having an impact on every aspect of Liontrust's business, the group will monitor and review this policy at least annually. The policy is overseen by the Responsible Capitalism team with input from the wider business.

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