



**PUBLIC RI REPORT**

**2021 PILOT**

**Liontrust Investment Partners LLP**

**Generated 2022-08-18**

# About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

## Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

## PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

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

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# Senior Leadership Statement (SLS)

## Senior leadership statement

### Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- o **Why does your organisation engage in responsible investment?**
- o **What is your organisation’s overall approach to responsible investment?**
- o **What are the main differences between your organisation’s approach to responsible investment in its ESG practice and in other practices, across asset classes?**

Liontrust’s purpose is to have a positive impact on our clients, stakeholders and wider society. We are committed to environmental, social and governance (ESG) initiatives, responsible investment, and having a risk framework that captures and evaluates factors impacting ESG outcomes. We take seriously our responsibility as guardians of our clients’ assets and never forget that we are looking after other people’s savings. As part of this responsibility, Liontrust seeks to provide positive outcomes for our investors to help them achieve their financial goals. Each of our investment teams actively manage portfolios and take a long-term approach to investment. This creates a deep understanding of the companies they invest in and promotes good governance and stewardship. A key part of our approach to active management is engagement. Engaging with companies on key ESG issues gives us greater insight and is used as a lever to encourage better business practices. The integration of ESG factors alone does not prohibit any investments by our funds and strategies but we will engage where we have concerns and push for positive change. We do this through incorporating ESG issues into investment analysis and decision-making; encouraging high standards of ESG performance in the investee companies; support the stability and resilience of the financial system; and reporting on the implementation of these commitments. What sets us apart is our belief that the best people to understand the future impact of ESG on a company are our fund managers. Each team has spent many years developing their investment approach and understanding what characteristics are important to driving long-term returns for investors, and therefore they take their own approach to integrating ESG into their process. We have been working to provide each team with information and support to allow them to integrate ESG while ensuring that their processes are enhanced and complemented by this work rather than imposing a centralised solution. The framework aims to challenge and support our fund managers, helping to integrate and enhance stewardship and the management of sustainability risk. The remit of the Portfolio Risk Committee (PRC) has been updated to include the oversight of ESG related risk within the portfolios and we are putting in place the reporting to allow the PRC to regularly review ESG data for each of the funds. Some strategies have an overriding sustainability and ESG focus and/or contain exclusion-based approaches, but in theory investment teams could invest in any business, sector or geography as long as the businesses aligned to the investment processes and the ESG risks of such investments are identified and taken into account. However, by including ESG considerations into all of our investment processes, we improve our ability to understand a business and its ability to create, sustain and protect value with the aim of ensuring it can deliver on client expectations.

## Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- o **Discuss your organisation’s progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.**
- o **Reflect on your performance with respect to your organisation’s responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:**
  - o **refinement of ESG analysis and incorporation**
  - o **stewardship activities with investees and/or with policy makers**
  - o **collaborative engagements**
  - o **attainment of responsible investment certifications and/or awards**

We were proud to produce our inaugural sustainability report in 2020 and publish the FRC Stewardship Code 2020 compliance statement which captured our stewardship activities for the year. We complied with the Sustainable Finance Disclosure Regulation for our eligible funds where we classified four funds as Article 9 products having sustainable investment as their investment objective. We developed a responsible investment policy which outlines our company wide approach. Over the year, we made progress with individual Liontrust investment teams in defining and implementing their approach to ESG integration and will continue to provide support and the required tools.

We added additional resource to lead our company-wide engagement strategy to enable us to enhance our engagement in encouraging high standards of ESG performance in our investee companies; and allow us to consider more collaborative engagement initiatives which support our values.

With new legislation in the UK and EU, we seek to go beyond compliance and deliver an impact for our investors and society more widely.

Liontrust started producing sustainability and impact reports in 2020 for each of the Sustainable Future funds to increase evidence of how they contribute to sustainable development. These are distributed to our intermediary clients and are available to all investors via our website. The reports include: how the funds are invested by both mega trend and underlying themes within those, how themes contribute to the UN’s SDGs at the performance indicator level, measuring the primary impacts of the products or services that companies provide, as well as how they are managing the main impacts from operations, and independent analysis of how the Sustainable Future funds compare to the markets in which they are invested in terms of carbon emitted, investment in climate change solution providers and exposure to fossil fuels (which is zero).

Two of our funds were awarded the prestigious Febelfin sustainability label and were recognised by the French Label ISR.

Liontrust was awarded a Prime ESG Rating from ISS and are a constituent in the FTSE4Good Index Series.

## Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

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

Liontrust will continue to work closely with our investment teams and commit to provide the tools, training and resources to empower all our investment managers to consider ESG in their decision-making processes. We will continue to develop how we consider material ESG factors in our risk framework.

Liontrust's engagement priorities for 2021 are to: engage with the highest carbon emitting companies within investment portfolios; engage with companies who 'fail' to comply UN Global Compact recommendations; and increase our engagement with companies on gender and ethnic diversity.

We will continue to explore how best to increase disclosure of additional ESG metrics including climate change data to show the positive impact that our investments have on our clients and wider society.

## Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

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

Name John Ions

Position Chief Executive Officer

Organisation's name Liontrust Investment Partners LLP

● **[Free text: Up to 2,000 characters (~300 words)]**

Liontrust are enhancing our product range with the launch of a Sustainable Investment Trust in June, which will be managed by our Sustainable Investment team

# Organisational Overview (OO)

## Organisational information

### Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management

(1) This is our only (or primary) type

(P) Fund of funds, manager of managers or sub-advised products

(2) This is an additional (secondary) type

### Subsidiary information

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

Does your organisation have subsidiaries that are also PRI signatories in their own right?

(A) Yes

(B) No

## Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

## Assets under management

### All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries US\$ 40,628,000,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only US\$ 0.00



## Asset breakdown

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

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

### Percentage of AUM

(A) Listed equity – internal	66.0%
(B) Listed equity – external	0.0%
(C) Fixed income – internal	10.0%
(D) Fixed income – external	0.0%
(E) Private equity – internal	0.0%
(F) Private equity – external	0.0%
(G) Real estate – internal	0.0%
(H) Real estate – external	0.0%
(I) Infrastructure – internal	0.0%
(J) Infrastructure – external	0.0%
(K) Hedge funds – internal	0.0%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%

(P) Farmland – external 0.0%

(Q) Other – internal, please specify:

Multi Asset 24.0%

(R) Other – external, please specify: 0.0%

(S) Off-balance sheet – internal 0.0%

(T) Off-balance sheet – external 0.0%

## ESG strategies

### Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 LE	CORE	OO 5.2 LE	OO 6.1 LE, LE 13	PUBLIC	Listed equity	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity:

(A) Screening alone 0.0%

(B) Thematic alone 0.0%

(C) Integration alone 41.0%

(D) Screening and integration 0.0%

(E) Thematic and integration 0.0%

(F) Screening and thematic 0.0%

(G) All three strategies combined 40.0%

(H) None 19.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 LE	CORE	OO 6 LE	LE 8	PUBLIC	Listed equity	1

What type of screening is applied to your internally managed active listed equity assets?

Percentage coverage out of your total listed equities where screening strategy is applied

(A) Positive/best-in-class screening only 0.0%

(B) Negative screening only 0.0%

(C) A combination of positive/best-in-class and negative screening 100.0%

## Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

(1) Fixed income – SSA

(2) Fixed income – corporate

(A) Screening alone 0.0% 0.0%

(B) Thematic alone 0.0% 0.0%

(C) Integration alone 33.0% 33.0%

(D) Screening and integration 0.0% 0.0%

(E) Thematic and integration	0.0%	0.0%
(F) Screening and thematic	0.0%	0.0%
(G) All three strategies combined	67.0%	67.0%
(H) None	0.0%	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PUBLIC	Fixed income	1

**What type of screening is applied to your internally managed active fixed income?**

	(1) Fixed income – SSA	(2) Fixed income – corporate
(A) Positive/best-in-class screening only	0.0%	0.0%
(B) Negative screening only	33.0%	33.0%
(C) A combination of positive/best-in-class and negative screening	67.0%	67.0%

# Stewardship

## Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 LE	CORE	OO 5, OO 5.2 LE	Multiple, see guidance	PUBLIC	Listed equity	2

Does your organisation conduct stewardship activities for your listed equity assets?

	(1) Engagement on listed equity – active	(3) (Proxy) voting on listed equity – active
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct this stewardship activity	<input type="checkbox"/>	<input type="checkbox"/>

## Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

	(4) Active – SSA	(5) Active – corporate
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(E) We did not conduct this stewardship activity for this strategy/asset type



# ESG incorporation

## Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

(1) ESG incorporated into investment decisions

(2) ESG not incorporated into investment decisions

(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>
(W) Other [as specified]	<input checked="" type="radio"/>	<input type="radio"/>

# Voluntary reporting

## Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy



(A) Listed equity



(B) Fixed income – SSA



(C) Fixed income – corporate



# ESG/sustainability funds and products

## Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

### Percentage

(B) Listed equity – active 40.0%

(D) Fixed income – active 67.0%

(K) Other 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PUBLIC	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

### Coverage of ESG/RI certification or label:

(A) Listed equity 5.0%

(B) Fixed income 1.8%



# Climate investments

## Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

0.0%

## Context and explanation

### ESG in other asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 34	CORE	Multiple, see guidance	N/A	PUBLIC	ESG in other asset classes	1

Describe how you incorporate ESG into the following asset classes.

Description

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(C) Other – internal

Liontrust’s Multi-Asset team use an approach that combines ESG data from third parties and performing a qualitative ESG assessment of underlying funds using a dedicated questionnaire in the request for information process, followed by face-to-face due diligence meetings with both an RI representative at company level and an investment manager of the respective fund(s). The idea of this deeper dive is to explore how firms are tackling incorporating ESG awareness across their top-down processes, what the priorities are, and indeed, the current challenges. At fund level, the team look at how this is actually performed in practice and by whom, among other considerations. As this process is in its infancy stage, we shall not be reporting on outcomes for 2020. We aspire to report on 2021 activity in our 2022 submission. Multi-Asset Investment team adopts the recommended guidelines of ISS to vote on AGMs of underlying fund managers and holdings. Liontrust’ Corporate Governance and Voting Framework is available on our website [www.liontrust.co.uk/governance-policies](http://www.liontrust.co.uk/governance-policies).

## Investment and Stewardship Policy (ISP)

### Responsible investment policy & governance

#### Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Approach to stewardship
- (F) Approach to sustainability outcomes
- (G) Approach to exclusions
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- (I) Definition of responsible investment and how it relates to our fiduciary duty
- (J) Definition of responsible investment and how it relates to our investment objectives
- (K) Responsible investment governance structure
- (L) Internal reporting and verification related to responsible investment
- (M) External reporting related to responsible investment
- (N) Managing conflicts of interest related to responsible investment
- (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

The Chief Executive is formally responsible for ESG and Sustainability throughout the company. The Board regularly discusses ESG matters including the climate crisis and diversity at Board meetings and addresses specific issues if they arise. The Board is responsible for Liontrust's corporate obligations, including as a United Nations Principles for Responsible Investment ('PRI') signatory and the various other commitments we have made on ESG issues such as the Taskforce on Climate-related Financial Disclosures ('TCFD'). Day-to-day accountability for sustainability lies with the Management Committee. In 2020, Liontrust established a Sustainability and Stewardship Committee ('SSC'), a subcommittee of the Management Committee, and a Sustainability and Stewardship Working Group to drive the adoption of sustainability throughout the business, support the company in overseeing and monitoring policies and procedures and address any issues as they arise. The ESG Regulation Working Group was also established during the year to ensure our applicable funds were best placed to comply with the Sustainable Finance Disclosure Regulation ('SFDR'), AMF Disclosures and other regulatory requirements. The Portfolio Risk Committee is driving the integration of ESG investment risk into the day-to-day monitoring processes of Liontrust's funds. The Risk team are integrating climate models into the capital stress testing processes used by the Board. An annual review of Liontrust custom voting policies is undertaken by the Governance & Stewardship Team in consultation with the SSC Working Group and approved by the Management Committee. As part of Liontrust's internal audit, voting implementation is reviewed annually to ensure that all accounts, including segregated mandates, are being voted correctly. In 2021, internal audit is scheduled to review our Stewardship policies and procedures.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

**Indicate which of your responsible investment policy elements are publicly available and provide links.**

(A) Overall approach to responsible investment. Add link(s):

Our Responsible Investment Policy is publicly available on our website <https://liontrust.co.uk/investor-relations/governance/governance-policies>

(B) Guidelines on environmental factors. Add link(s):

Our Corporate Governance and Proxy Voting framework covers environmental factors <https://liontrust.co.uk/handlers/DownloadDocumentsHandler.lion?itemids=339d5a28-b280-4b79-bd1eaf2f7113d1c4>

(C) Guidelines on social factors. Add link(s):

Our Corporate Governance and Proxy Voting framework covers social factors <https://liontrust.co.uk/handlers/DownloadDocumentsHandler.lion?itemids=339d5a28-b280-4b79-bd1eaf2f7113d1c4>

(D) Guidelines on governance factors. Add link(s):

Our Corporate Governance and Proxy Voting framework covers governance factors [https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUK-EwiX0OqR7\\_rvAhWuR-BUIHdK2A2kQFjAAegQIAxAD&url=https%3A%2F%2Fliontrust.co.uk%2Fgov-voting-framework&usg=AOvVaw2rEMWw8jIOZhmPESD\\_1wqD](https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUK-EwiX0OqR7_rvAhWuR-BUIHdK2A2kQFjAAegQIAxAD&url=https%3A%2F%2Fliontrust.co.uk%2Fgov-voting-framework&usg=AOvVaw2rEMWw8jIOZhmPESD_1wqD)

(E) Approach to stewardship. Add link(s):

Our Corporate Governance and Proxy Voting framework covers the approach to Stewardship <https://liontrust.co.uk/handlers/DownloadDocumentsHandler.lion?itemids=339d5a28-b280-4b79-bd1eaf2f7113d1c4>

(G) Approach to exclusions. Add link(s):

Our Responsible Investment Policy is publicly available on our website <https://liontrust.co.uk/investor-relations/governance/governance-policies>

(H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):

Our Responsible Investment Policy is publicly available on our website <https://liontrust.co.uk/investor-relations/governance/governance-policies>

(I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):

Our Responsible Investment Policy is publicly available on our website <https://liontrust.co.uk/investor-relations/governance/governance-policies>

(K) Responsible investment governance structure. Add link(s):

Our Responsible Investment Policy is publicly available on our website <https://liontrust.co.uk/investor-relations/governance/governance-policies>

(L) Internal reporting and verification related to responsible investment. Add link(s):

Our Responsible Investment Policy is publicly available on our website <https://liontrust.co.uk/investor-relations/governance/governance-policies>

(M) External reporting related to responsible investment. Add link(s):

The Liontrust FRC Stewardship Code 2020 compliance statement and Sustainable report are publicly available on website Governance | Investor relations | Liontrust Asset Management PLC

(N) Managing conflicts of interest related to responsible investment. Add link(s):

Our Conflicts of Interest policy is available on our website <https://liontrust.co.uk/investor-relations/governance/governance-policies>

(P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

**What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?**

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

**AUM coverage of all policy elements in total:**

90.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

**Which elements does your exclusion policy include?**

- (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PUBLIC	Responsible investment policy	1

**What percentage of your total assets under management are covered by your asset class-specific guidelines that describe how ESG incorporation is implemented?**

**AUM Coverage:**

(A) Listed Equity 90.0%

(B) Fixed Income 100.0%

## Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

**Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?**

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff, please specify:  
  - Chief Risk Officer
- (E) Head of department, please specify department:
- (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

**In your organisation, which internal or external roles have responsibility for implementing responsible investment?**

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff [as specified]
- (E) Head of department [as specified]
- (F) Portfolio managers
- (G) Investment analysts
- (H) Dedicated responsible investment staff
- (I) Investor relations
- (J) External managers or service providers
- (K) Other role, please specify:  
  - Governance & Stewardship team
- (L) Other role, please specify:
- (M) We do not have roles with responsibility for implementing responsible investment.

## People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(1) Board and/or trustees	(2) Chief-level staff	(4) Other chief-level staff [as specified]	(5) Head of department [as specified]
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



	(6) Portfolio managers	(7) Investment analysts	(11) Other role
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PUBLIC	People and capabilities	General

Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.

The Remuneration Committee has set a number of explicit sustainability and diversity goals as part of the remuneration and performance targets for the Executive Directors. Further details of these are provided in Liontrust Asset Management PLC's Annual Report and Financial Statements 2020 as well as a review of last year's targets. Investment management teams are remunerated based on the revenues from the assets they manage. Individuals within each team are allocated a proportion of revenue based upon their objectives and responsibilities, which in some cases include specific ESG roles. For other members of staff, there may be sustainable objectives and responsibilities included in their day-to-day roles that are linked to the official performance review and which are part of the remuneration process.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

**RI objectives linked to variable compensation for roles in your organisation:**

**(1) Board and/or trustees**

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

**(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))**

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(D) Objective for ESG performance

**(4) Other chief-level staff**

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

**(5) Head of department**

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(A) Objective for ESG incorporation in investment activities

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**(6) Portfolio managers**

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(A) Objective on ESG incorporation in investment activities

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(C) Objective for contributing to the organisation's stewardship activities  
(e.g. through sharing findings from continuous ESG research or  
investment decisions)

---

**(7) Investment analysts**

---

(A) Objective for ESG incorporation in investment activities

---

(C) Objective for contributing to the organisation's stewardship activities  
(e.g. through sharing findings from continuous ESG research or  
investment decisions)

---

**(11) Other role**

---

(A) Objective for ESG incorporation in investment activities

---

(B) Objective for contributing to the development of the organisation's  
ESG incorporation approach

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(G) We have not linked any RI objectives to variable compensation

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

**How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?**

- (A) Quarterly or more frequently
- (B) **Bi-annually**
- (C) Annually
- (D) Less frequently than annually
- (E) On an ad hoc basis
- (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

## Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

**Does your organisation incorporate ESG factors into your strategic asset allocation?**

- (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- (D) **Not applicable, we do not have a strategic asset allocation process**

# Stewardship

## Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(A) Listed equity 100.0%

(B) Fixed income 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- (A) Key stewardship objectives
- (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- (C) Prioritisation approach depending on entity (e.g. company or government)
- (D) Specific approach to climate-related risks and opportunities
- (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- (H) Approach to collaboration on stewardship
- (I) Escalation strategies
- (J) Conflicts of interest
- (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

Liontrust’s Corporate Governance & Proxy Voting framework is available on our website together with our stewardship report for 2020. <https://liontrust.co.uk/handlers/DownloadDocumentsHandler.lion?itemids=339d5a28-b280-4b79-bd1e-af2f7113d1c4> Liontrust reported to the FRC on our stewardship activities, the compliance statement is available on our website <https://liontrust.co.uk>

## Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

## Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

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

(1) Listed equity

(2) Fixed income

(A) Maximise the risk–return profile of individual investments

(B) Maximise overall returns across the portfolio

(C) Maximise overall value to beneficiaries/clients

(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)

## Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

### (1) Listed equity

### (2) Fixed income

(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property



(B) The materiality of ESG factors on financial and/or operational performance



(C) Specific ESG factors with systemic influence (e.g. climate or human rights)



(D) The ESG rating of the entity



(E) The adequacy of public disclosure on ESG factors/performance



(F) Specific ESG factors based on input from clients



(G) Specific ESG factors based on input from beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>
(H) Other criteria to prioritise engagement targets, please specify:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) We do not prioritise our engagement targets	<input type="checkbox"/>	<input type="checkbox"/>

Please specify for "(H) Other criteria to prioritise engagement targets".

Engagement with companies that Fail the UN Global Compact guidelines. Engagement with companies on inadequate corporate diversity.

## Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship methods	2

Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff)	2
(B) External investment managers, third-party operators and/or external property managers (if applicable)	1
(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee)	We do not use this method
(D) Informal or unstructured collaborations with peers	4
(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (iCI) or similar)	3



## Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2

Describe your position on collaborating for stewardship.

Liontrust prioritises collaborative engagements where they fit with our engagement priorities, and where we are more likely to succeed with the engagement objective through collaboration. Consideration as to which initiatives to prioritise is agreed with the Sustainability & Stewardship Working Group, with a focus on ensuring they are in line with Liontrust's values and principles. Liontrust undertook several collaborative engagements in 2020, most notably:

- CDP Non-disclosure campaign – Liontrust co-signed 259 letters on behalf of Liontrust investment teams which were sent directly to specified companies from one investor on behalf of the group. The letter encouraged reporting of climate change disclosure through the CDP platform.
- UN PRI Just Transition Investor Working Group – As a member of this Working Group, the Sustainable Investment team participated in a call highlighting case studies of where investors are including the social dimension in the energy transition for different asset classes. The team have included aspects of the Just Transition in its 1.5-degree Transition Challenge where businesses have significant carbon-intensive industries they intend to dispose of or change. The thematic approach of our Sustainable Investment team and work to get companies on the right side of the energy transition means there are few cases of this compared to a more mainstream investor owning significant amounts of businesses in transition.
- Workforce Disclosure Initiative (WDI) 2020 Survey – the Sustainable Investment team contacted 55 holdings in its funds to request they respond to the WDI's 2020 survey. So far, 13 of these companies have signed up to do this, with a further eight companies looking to do this for the 2021 survey. Liontrust became early adopters of the standardised approach to ESG reporting within the UK Housing Association sector. Through this, the Sustainable Investment team has committed to using the ESG criteria in its investment process.

## Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

	(1) Listed equity	(2) Fixed income
(A) Collaboratively engaging the entity with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(F) Voting against the annual financial report	<input type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) We did not use any escalation measures during the reporting year. Please explain why below	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

**If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?**

	(1) Listed equity	(2) Fixed income
(A) Collaboratively engaging the entity with other investors	<input type="checkbox"/>	<input type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input type="checkbox"/>	<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input type="checkbox"/>	<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input type="checkbox"/>	<input type="checkbox"/>
(F) Voting against the annual financial report	<input type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input type="checkbox"/>	<input type="checkbox"/>
(H) We do not have any restrictions on the escalation measures we can use	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2

### Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.

The Chief Executive is formally responsible for ESG and Sustainability throughout the company. The Board regularly discusses ESG matters including the climate crisis and diversity at Board meetings and addresses specific issues if they arise. The Board is responsible for Liontrust's corporate obligations, including as a United Nations Principles for Responsible Investment ('PRI') signatory and the various other commitments we have made on ESG issues such as the Taskforce on Climate-related Financial Disclosures ('TCFD'). Sophia Tickell, Non-Executive Director, has vast knowledge and expertise in ESG issues within asset management. Sophia's insights in this area helps align the firm's sustainability strategy with best practices. Day-to-day accountability for sustainability lies with the Management Committee. In 2020, Liontrust established a Sustainability and Stewardship Committee ('SSC'), a subcommittee of the Management Committee, and a Sustainability and Stewardship Working Group to drive the adoption of sustainability throughout the business, support the company in overseeing and monitoring policies and procedures and address any issues as they arise. The ESG Regulation Working Group was also established during the year to ensure our applicable funds were best placed to comply with the Sustainable Finance Disclosure Regulation ('SFDR'), AMF Disclosures and other regulatory requirements. The Portfolio Risk Committee is driving the integration of ESG investment risk into the day-to-day monitoring processes of Liontrust's funds. The Risk team are integrating climate models into the capital stress testing processes used by the Board. Liontrust has a centralised Governance and Stewardship team which has recently expanded with the hire of a Stewardship Manager. The team supports the investment teams by producing ESG reports, climate and controversy reports and has oversight and co-ordination of the implementation of Liontrust's Corporate Governance and Voting Framework. Liontrust has put a framework in place to challenge and support our fund managers, helping to integrate and enhance stewardship and the management of sustainability risk for all our clients. The remit of the Portfolio Risk Committee ('PRC') has been updated to include the oversight of ESG related risk within the portfolios and we are putting in place the reporting, to allow the committee to regularly review controversies reporting, ESG ratings and the climate impact for each of the funds and teams. Using this data, detailed ESG reporting will be available to the investment teams and the PRC to show the ESG positioning of each of the funds and teams. They will highlight the ESG risks by integrating the portfolio data with the third party ESG data for all investment teams including: • ESG ratings for each individual company; • Aggregated portfolio level ratings versus a relevant benchmark; • Controversy reporting; and • Carbon analytic portfolio reports versus a relevant benchmark.

## Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	(2) Primary goal of stewardship activity
(A) Example 1	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(B) Example 2	b) Collaborative	a) Managing ESG risks/opportunities
(C) Example 3	b) Collaborative	a) Managing ESG risks/opportunities
	(3) The ESG factors you focused on in the stewardship activity	(4) Description of stewardship activity and the desired change(s) you achieved
(A) Example 1	Diversity	Between 2016 and 2020, Liontrust's Sustainable Investment team targeted companies across their funds with fewer than 30% of women on their boards. This has led to meaningful progress; 26 companies in the funds increased the proportion of women on their Boards to over 30%; going from having an average of 23% to now nearly 38% female representation. <b>(response continued in row below)</b>

A further six companies fall under the 30% threshold, but still increased the proportion of women on their Boards significantly from an average of just 16% to 25%. Eight companies did not make any progress and four companies reversed any progress over this time. The team found that the increase in female representation has directly translated into more diverse views and opinions inside investee company boardrooms, reassuring us that they are well-equipped and more likely to challenging times ahead from the continuing Covid-19 pandemic..

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(B) Example 2

Climate Change

In March 2020, CDP invited investor signatories to collaboratively engage with non-disclosing corporations. Liontrust co-signed 259 letters on behalf of Liontrust investment teams which were sent directly to specified companies from one investor on behalf of the group. The letter encouraged reporting of climate change disclosure through the CDP platform.

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(C) Example 3

Human Capital Management

As part of Liontrust's commitment as an investor signatory to the Workforce Disclosure Initiative (WDI), the Sustainable Investment team contacted 55 holdings in its funds to request they respond to the WDI's 2020 survey. So far, from engagement in 2020, 13 companies have signed up to do this, with a further eight companies looking to do this for the 2021 survey.

## Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

**How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?**

- (A) We engage with policymakers directly
- (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

**What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?**

- (A) We participate in "sign-on" letters on ESG policy topics. Describe:  
Liontrust supported CDP and WDI initiatives in 2020, to encourage our investee companies to report respectively on their climate change strategies and how they support their workforce effectively. In 2020, Liontrust supported the PRI Statement of Investor Commitment to Support a 'Just Transition' on Climate Change
- (B) We respond to policy consultations on ESG policy topics. Describe:  
On a case by case basis.
- (C) We provide technical input on ESG policy change. Describe:  
On a case by case basis.
- (D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:
- (E) We proactively engage regulators and policymakers on other policy topics. Describe:
- (F) Other methods used to engage with policymakers. Describe:

Liontrust and its employees are actively involved in industry-wide initiatives and working groups to promote well-functioning markets.

Liontrust Investment Partners LLP is affiliated with the following initiatives: • United Nations Principles for Responsible Investment ('PRI') – Signatory • Financial Reporting Council ('FRC') Stewardship Code – Member • Taskforce on Climate-Related Financial Disclosure ('TCFD') – Supporters • 30% Club Investor Group – Member of the Investor Group • Workforce Disclosure Initiative ('WDI') – Supporters • CDP (formally known as Carbon Disclosure Project) – Signatories, data on carbon emissions, water and deforestation • UK Sustainable Investment and Finance Association ('UKSIF') – Signatory Liontrust Investment Partners LLP has endorsed the following statements: • PRI Statement of Investor Commitment to Support a 'Just Transition' on Climate Change – Endorsed statement • PRI Sustainable Palm Oil Expectation statement – Endorsed statement • Global Investor Statement to Governments on Climate Change – Endorsed statement • PRI Investor statement on deforestation and forest fires in the Amazon – Endorsed statement • Access to Medicine – Global Investor Statement in support of an effective, fair and equitable global response to Covid-19 Liontrust's employees are active in industry-wide initiatives and working groups that include: • Investment Association Buyside Trading Committee • Investment Association MiFID II Distributor Oversight Working Group • Investment Association Assessment of Value Working Group • Investment Association International and European Policy Committee • Investment Association Fixed Income Committee • Investment Association Investment Risk Committee • Investment Association Investment Funds Committee • Investment Association Product Development and Regulation Committee • Investment Association Investor Communications Working Group • Investment Association Retail Marketing Committee • PRI SDG and Active Ownership Committee • PRI Investor Working Group on the Just Transition • 30% Club Investor Group • Access to Nutrition Index • Diversity Project Discussion forums include: • Corporate Governance Forum • Women's Product Forum run by the Wisdom Council.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

**Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?**

☉ (A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

Our Sustainability & Stewardship Committee (supported by the Sustainability & Stewardship Working Group) oversees our approach to Stewardship. These groups ensure that our activities align to Liontrust's values and priorities.

○ (B) No, we do not have these governance processes in place. Please explain why not:



## Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

**Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?**

(A) Yes, we have a policy(ies) in place. Describe your policy(ies):

We will consider collective action in collaboration with other shareholders or a representative body, in the event of financial, ESG or legal circumstances with the potential to materially affect the company. Liontrust prioritises collaborative engagements where they fit with our engagement priorities, and where the team is more likely to succeed with the engagement objective through collaboration. Consideration will be discussed by the Sustainability & Stewardship Working Group to ascertain if certain initiatives are in line with our values and principles. Should an initiative be considered in line, approval is granted by the Sustainability & Stewardship Committee.

(B) No, we do not a policy(ies) in place. Please explain why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2

**Is your policy that ensures alignment between your political influence and your position on sustainable finance publicly disclosed?**

(A) Yes. Add link(s):

<https://www.liontrust.co.uk/handlers/DownloadDocumentsHandler.lion?itemids=339d5a28-b280-4b79-bd1e-af2f7113d1c4>

(B) No, we do not publicly disclose this policy(ies)

## Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

(A) We publicly disclosed details of our policy engagement activities. Add link(s):

Liontrust reported its stewardship activities for 2020 in response the FRC Stewardship Code 2020 compliance statement. The Liontrust Sustainable investment team report on their stewardship activities annual. Reports are available on our website <https://liontrust.co.uk>

(B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):

Liontrust disclose this information in the FRC Stewardship Code 2020 compliance statement available on our website <https://liontrust.co.uk>

(C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:

(D) Not applicable, we did not conduct policy engagement activities

## Climate change

### Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

(A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:

Liontrust support the goals of the Paris Agreement to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. We believe that climate change will be a defining driver of the global economy, society and financial markets in the future, and that investors will be unable to avoid the impacts of this. We pride ourselves in being transparent in our stewardship activities and we continue to work on our climate crisis strategy internally, in the interim we outline Liontrust’s current approach to the climate crisis which is available on our website. <https://liontrust.co.uk/investor-relations/governance/governance-policies>

○ (B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

**Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?**

● (A) Yes, we publicly support the TCFD **Add link(s) to webpage or other public document/text expressing support for the TCFD:**

Liontrust have been a supporter of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (‘TCFD’) since September 2018. We have reported our trajectory in our Annual report and Sustainability report for 2020.  
<https://liontrust.co.uk/investor-relations/reports-and-results> <https://liontrust.co.uk/investor-relations/governance/sustainability-report>

○ (B) No, we currently do not publicly support the TCFD

## Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

### How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

(A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

The Board regularly discusses the potential impact of climate change on our business and our future strategy, in particular the impact on our ability to deliver long-term superior performance due to the climate change risk on our client's investments. The key climate change factors that may impact us are increasing climate change regulation, actual changes in climate and its impact on crops, water and extreme weather. Over the last year, we have been working to integrate climate risk into our group risk frameworks. We have introduced various scenarios into our internal capital adequacy assessment program to simulate the impact of climate change into our prudential modelling.

The investment risk team are working with MSCI to automate the analysis of climate risk on our portfolios and report these into the fund management teams and into the governance committees in a consistent manner. We are also looking to improve our long-term risk planning for the Group, which will also incorporate climate change into our group wide risk framework as we try and understand how climate change will impact us and our investments. The Board keeps these reporting obligations under review and receives a regular report on the company's Governance and Stewardship activities at each meeting and holds the management team to account, through the Sustainability and Stewardship Committee and its supporting Working Group..

(B) By articulating internal/external roles and responsibilities related to climate. Specify:

Along with the board, the CEO, CFO and other Management Committee members have overall responsibility for management of the organisation. The CEO oversees the Group on a day-to-day basis and is accountable to the Board for its overall performance, including management of climate-related risks and opportunities across the portfolio. Overall responsibility for climate-related risks and opportunities lies with the Chief Executive Officer, who also chairs the Sustainability and Stewardship committee. The CFO leads and manages the Group's financial affairs on a daily basis as well as the infrastructure platform of the Group with regard to prudent risk management measures, including operational climate-related risk. The Chief Risk Officer chairs the Sustainability Working Group, which is responsible for implementing the governance framework and policies. Day-to-day accountability for sustainability lies with the Management Committee. In 2020, Liontrust established a Sustainability and Stewardship Committee (SSC), a subcommittee of the Management Committee, and a Sustainability and Stewardship Working Group to support the company in overseeing and monitoring policies and procedures and address any issues as they arise.

Liontrust have become familiar with the TCFD recommendations, established board-level oversight and an internal climate-risk management process, developed an implementation plan and aligned the governance structures around delivery of this plan, provided appropriate training and guidance to the Board, conducted portfolio analysis and identified the highest carbon emitting companies held across portfolios. Liontrust engaged MSCI Carbon Analytics for all investment teams to provide detailed carbon emissions analysis across all portfolios. Analysis of these portfolios has been conducted and identifying the highest carbon emitting companies held across portfolios, we will endeavour to engage with these companies throughout 2021. This analysis however does not identify transitional and physical climate related risks and opportunities. We are currently in talks with service providers to procure data that captures the effects of these risks on a systematic basis. In the absence of a formal process currently in place, we expect our fund managers to perform due diligence by using a common sense approach in implementing these climate related risks into their investment decision making, such as consideration of the effects of carbon pricing, substitution of existing products and services with lower emissions options, changing customer behaviour, stranded assets etc. Our fund managers access third party research from a number of providers which often contain this analysis on a company or sectoral basis..

(C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:

(D) By incorporating climate change into investment beliefs and policies. Specify:

Liontrust support the goals of the Paris Agreement to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. We believe that climate change will be a defining driver of the global economy, society and financial markets in the future, and that investors will be unable to avoid the impacts of this. We pride ourselves in being transparent in our stewardship activities and we continue to work on our climate crisis strategy internally, in the interim Liontrust outlines its current approach to the climate crisis on our website.

(E) **By monitoring progress on climate-related metrics and targets. Specify:**

Liontrust are working on its climate change strategy. We are not currently in a position to set realistic targets for our portfolios. However, Liontrust are committed to being transparent on the carbon emissions of our funds against their respective benchmark and will start to report this data on our website.

(F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:

(G) **Other measures to exercise oversight, please specify:**

We are integrating climate change risk into our group wide risk framework as we try and understand how climate change will impact us and our investments. The Board regularly discusses the impact of climate change on our business and our future strategy, in particular the impact on our ability to deliver long-term superior performance due to the climate change risk on our client's investments.

(H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

**What is the role of management in assessing and managing climate-related risks and opportunities?**

**(A) Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:**

Overall responsibility for climate-related risks and opportunities lies with the Chief Executive Officer, who also chairs the Sustainability and Stewardship committee. The Board receives a regular report on the company’s Governance and Stewardship activities at each meeting and holds the management team to account, through the Sustainability and Stewardship Committee and its supporting Working Group.

**(B) Management implements the agreed-upon risk management measures. Specify:**

The Chief Risk Officer is responsible for climate change risks that may affect our business model. Over the last year, we have been working to integrate climate risk into our group risk frameworks. We have introduced various scenarios into our internal capital adequacy assessment program to simulate the impact of climate change into our prudential modelling. The investment risk team are working with MSCI to automate the analysis of climate risk on our portfolios and report these into the fund management teams and into the governance committees in a consistent manner. We are also looking to improve our long-term risk planning for the Group, which will also incorporate climate change into our group wide risk framework as we try and understand how climate change will impact us and our investments.

**(C) Management monitors and reports on climate-related risks and opportunities. Specify:**

The Chief Risk Officer is responsible for climate change risks that may affect our business model. Over the last year, we have been working to integrate climate risk into our group risk frameworks. We have introduced various scenarios into our internal capital adequacy assessment program to simulate the impact of climate change into our prudential modelling. The investment risk team are working with MSCI to automate the analysis of climate risk on our portfolios and report these into the fund management teams and into the governance committees in a consistent manner. We are also looking to improve our long-term risk planning for the Group, which will also incorporate climate change into our group wide risk framework as we try and understand how climate change will impact us and our investments.

(D) Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:

Liontrust engaged MSCI Carbon Analytics for all investment teams to provide detailed carbon emissions analysis across all portfolios. Analysis of these portfolios has been conducted and identifying the highest carbon emitting companies held across portfolios, we will endeavour to engage with these companies throughout 2021. This analysis however does not identify transitional and physical climate related risks and opportunities.

We are currently in talks with service providers to procure data that captures the effects of these risks on a systematic basis. In the absence of a formal process currently in place, we expect our fund managers to perform due diligence by using a common sense approach in implementing these climate related risks into their investment decision making, such as consideration of the effects of carbon pricing, substitution of existing products and services with lower emissions options, changing customer behaviour, stranded assets etc. Our fund managers access third party research from a number of providers which often contain this analysis on a company or sectoral basis..

- (E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:  
 (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

# Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

**Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?**

- (A) Specific financial risks in different asset classes. Specify:
- (B) Specific sectors and/or assets that are at risk of being stranded. Specify:
- (C) Assets with exposure to direct physical climate risk. Specify:
- (D) Assets with exposure to indirect physical climate risk. Specify:
- (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:
- (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:
- (G) **Other climate-related risks and opportunities identified. Specify:**

We performed full ESG analytics for all of our investments so that we can start to measure our environmental impact across the Group and can identify where we are most at risk. This analysis however does not identify transitional and physical climate related risks and opportunities. We are currently in talks with service providers to procure data that captures the effects of these risks on a systematic basis.

- (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

**For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.**

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(G) Other climate-related risks and opportunities identified [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



(5) 11–20 years

(6) 21–30 years

(7) >30 years

(G) Other climate-related risks and opportunities identified [as specified]

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

(A) Specific financial risks in different asset classes. Specify:

(B) Specific sectors and/or assets that are at risk of being stranded. Specify:

Certain fuels such as coal, oil sands, shale oil and shale gas are arguably more exposed to stranded assets risk as they have a higher carbon content than other types of oil and gas. Liontrust have this data available which shows the percent of each portfolio and its respective benchmark that are represented by companies with sales from these activities.

(C) Assets with exposure to direct physical climate risk. Specify:

(D) Assets with exposure to indirect physical climate risk. Specify:

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:

Alternative Energy, Energy Efficiency, Green Building, Pollution Prevention, and Sustainable Water. Liontrust have this data available which shows the percent of each portfolio and its respective benchmark that are represented by companies with sales from these activities.

(G) Other climate-related risks and opportunities identified, please specify:

We performed full ESG analytics for all of our investments so that we can start to measure our environmental impact across the Group and can identify where we are most at risk. This analysis however does not identify transitional and physical climate related risks and opportunities. We are currently in talks with service providers to procure data that captures the effects of these risks on a systematic basis.

(H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PUBLIC	Strategy	General

**Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.**

Liontrust is in the initial stages of assessing the financial impact of climate-related risks and opportunities. We have done so by looking at the historical annual weather-related losses. From there, we have estimated which existing prudential risk could occur depending on the severity of annual losses related to disastrous weather. Also, an estimate of the typical and maximum financial impact per each risk as a result of climate-related risk has been included within the analysis.

## Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

**Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.**

- (A) An orderly transition to a 2°C or lower scenario
- (B) An abrupt transition consistent with the Inevitable Policy Response
- (C) A failure to transition, based on a 4°C or higher scenario
- (D) Other climate scenario, specify:

As at 31 March 2020, 8.4% of the Liontrust equity and fixed income portfolios are in climate relevant sectors according to The Paris Agreement Capital Transition Assessment Tool, 2°C scenario analysis that focuses on the fossil fuel, power, and automotive sectors, which account for between 70% and 90% of energy-related emissions. The outputs in this report provide an analysis of the portfolio relative to an economic transition consistent with limiting global warming to 2°C above pre-industrial levels. The analysis provides answers to the following: 1. What is the current exposure in the portfolio to economic activities affected by the transition to a low carbon economy? 2. Does the portfolio increase or decrease its alignment with a Sustainable Development Scenario (SDS) transition over the next 5 years? 3. What is the expected future exposure to high and low carbon economic activities? The analysis covers two asset classes: listed equity and corporate bonds. These are compared to either a portfolio or market, as if they would transition aligned to the SDS. The equity market is represented by all securities from publicly listed companies and the corporate bond market by all companies with outstanding debt from Bloomberg at the end of 2018.

(E) We do not use scenario analysis to assess climate-related investment risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33.1	PLUS	ISP 33	N/A	PUBLIC	Strategy: Scenario analysis	General

**Describe how climate scenario analysis is used to test the resilience of your organisation's investment strategy and inform investments in specific asset classes.**

(D) **Other climate scenario**

At present, we are using the climate scenario analysis to validate the approach that our sustainable investment team are using to manage their funds to ensure they are invested in a portfolio targeted to meet their climate and carbon emission goals. Within the company as a whole, we are using it at an aggregated level to understand the scope of our exposure to transition risk.

## Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

### Which risk management processes do you have in place to identify and assess climate-related risks?

- (A) Internal carbon pricing. Describe:
- (B) Hot spot analysis. Describe:
- (C) Sensitivity analysis. Describe:
- (D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:
- (E) **TCFD reporting requirements on companies. Describe:**
  - Liontrust encourage our investee companies to report against the four pillars of the TCFD.
- (F) **Other risk management processes in place, please describe:**
  - Liontrust seeks to limit loss from the risks from climate change and deploys a range of risk management strategies to mitigate unforeseen loss. However, we cannot completely eliminate the risks associated with climate change through asset allocation, which is why we have focused on developing our governance, our understanding of the risk and the environmental impact of our business decisions. Liontrust currently utilises the ICAAP and ILAAP regulatory documents / processes to identify and assess climate-related risks. Liontrust seeks to limit loss from the risks from climate change and are currently looking to deploys a range of risk management strategies to mitigate unforeseen loss. We cannot completely eliminate the risks associated with climate change through asset allocation, which is why we have focused on developing our governance, our understanding of the risk and the environmental impact of our business decisions.
- (G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

**In which investment processes do you track and manage climate-related risks?**

**(A) In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:**

Liontrust will engage with and encourage high carbon emitting companies to transition to a low carbon economy. In March 2020, CDP invited investor signatories to collaboratively engage with non-disclosing corporations. Liontrust co-signed 259 letters on behalf of Liontrust investment teams which were sent directly to specified companies from one investor on behalf of the group. The letter encouraged reporting of climate change disclosure through the CDP platform.

In January 2020, the Liontrust Sustainable Investment team, which manages over 30% of the company's Assets under Management and Advice, launched a 1.5 degree energy transition challenge for which they committed to engaging with companies within their portfolios to ensure that they reduce their absolute carbon emissions to zero and will be report on their findings at the end of 2020. Liontrust currently monitor the carbon emissions of the portfolios versus its relevant benchmark for our fundamental equity and fixed income strategies. We make Carbon Analytic portfolio reports available to our clients, upon request..

**(B) In (proxy) voting conducted by us, and/or on our behalf by service providers and/or external managers. Describe:**

Where Liontrust deem corporate disclosures and/or management actions on climate change risk to be adequately insufficient or the company fails to be proactive in communicating their strategy for reducing carbon emissions, we may withhold support from the re-election of directors or other related proposals.

**(E) In the asset class benchmark selection process. Describe:**

The Liontrust Sustainable Investment team who manage over 30% of AuMA, adopt a specific process on climate change, the team recognise the urgent need to reduce carbon emissions across the economy to limit the negative impacts stemming from the climate change emergency. The team believe:

- More aggressive, front-loaded, targets are needed to achieve an ultra-low carbon economy
- The cost of decarbonising, while large, is much lower than the severe cost to the economy of doing nothing and facing the increasing costs from the impacts of climate change
- This is a very material change and there will be proactive businesses that win and reactive businesses that lose from this shift. They team do not believe the material financial impacts of the transition to an ultra-low carbon economy (or many other sustainable improvements to the economy) are fully discounted in current stock or bond prices. To the extent they are, they assume a very marginal and slow global response to reducing emissions.

The team's thematic analysis helps ensure the team are invested in companies on the right side of the energy transition and they aim to invest in companies with strategies that are aligned with the Paris Agreement to limit the global average temperature rise to 1.5 degrees centigrade. As part of the Paris Agreement, the team support the Just Transition and see this as an opportunity to do things smarter as well as better, recognising the needs of people in the energy transition. The team have positioned our portfolios for an aggressive shift towards an ultra-low carbon economy (as the team believe the companies they invest in will gain a competitive advantage by adopting a progressive strategy and will be more successful as a result). • Excludes companies that derive &gt;5% of turnover from the extraction and production of coal, oil and natural gas • Excludes companies that derive >5% of turnover from airlines and the manufacture of cars (unless they are specialised in making components that improve the efficiency or safety of cars) and trucks • Excludes companies that derive >5% of turnover from the production of energy-intensive materials unless they are making significant efforts and investment to make their processes more efficient and less carbon intensive • Excludes companies that derive &gt;5% of turnover from electricity generation from coal or lignite fired power stations..

(F) In our financial analysis process. Describe:

(G) **Other investment process(es). Describe:**

Where Liontrust deem corporate disclosures and/or management actions on climate change risk to be adequately insufficient or the company fails to be proactive in communicating their strategy for reducing carbon emissions, we may withhold support from the re-election of directors or other related proposals.

(H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

**How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?**

(A) **The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:**

The Chief Risk Officer is responsible for climate change risks that may affect our business model. Over the last year, we have been working to integrate climate risk into our group risk frameworks. We have introduced various scenarios into our internal capital adequacy assessment program to simulate the impact of climate change into our prudential modelling. The investment risk team are working with MSCI to automate the analysis of climate risk on our portfolios and report these into the fund management teams and into the governance committees in a consistent manner. We are also looking to improve our long-term risk planning for the Group, which will also incorporate climate change into our group wide risk framework as we try and understand how climate change will impact us and our investments.

(B) Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk).

Describe:

Liontrust has incorporated climate risks into traditional (prudential) risks, in addition to insurance risk.

(C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis.

Describe:

(D) Executive remuneration is linked to climate-related KPIs. Describe:

The Remuneration Committee has set a number of explicit sustainability including climate change and diversity goals as part of the remuneration and performance targets for the Executive Directors. Further details of these are provided in Liontrust Asset Management PLC's Annual Report and Financial Statements 2020 as well as a review of last year's targets.

(E) Management remuneration is linked to climate-related KPIs. Describe:

One of the performance metrics of the CEO's variable pay is to gain momentum amongst the investment teams of greater recognition of climate change and related opportunities. Appointment of MSCI as our key ESG (including climate change) provider. The majority of fund management teams have now received the methodology training for the ESG reports (i.e. how the ESG ratings for individual companies work). We are now rolling out training from MSCI on Climate Change and the portfolio carbon analytic reports to ensure that they all understand how their portfolios are aligned with their respective benchmarks, and they are confident in explaining the content of the reports when speaking to clients. At least one person in each of the teams have access to the system.

(F) Climate risks are included in the enterprise risk management system. Describe:

All businesses need to make a concerted and meaningful change to understand where their greenhouse gas emissions come from and how to reduce their emissions to ensure that the average global temperature rise stays within a manageable level. Liontrust aim to: • Reduce our Scope 1 and 2 emissions intensity per member of staff each year. • Wholly support and comply with or exceed the requirements of current environmental legislation and codes of practice. • Minimise our waste and actively promote recycling. • Minimise energy and water usage in our office space and processes in order to conserve supplies, and minimise our consumption of natural resources, especially where they are non-renewable. Where it is within our control, we shall opt to use renewable energy in our office space. • As far as possible purchase products and services that do the least damage to the environment and encourage others to do the same. Liontrust report against these measures in our Sustainability report.

- (G) Other methods for incorporating climate risks into overall risk management, please describe:
- (H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

## Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

### Have you set any organisation-wide targets on climate change?

- (A) Reducing carbon intensity of portfolios
- (B) Reducing exposure to assets with significant climate transition risks
- (C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes
- (D) Aligning entire group-wide portfolio with net zero
- (E) Other target, please specify:
- (F) **No, we have not set any climate-related targets**



## Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

- (A) Total carbon emissions
- (B) Carbon footprint
- (C) Carbon intensity
- (D) Weighted average carbon intensity
- (E) Implied temperature warming
- (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- (G) Avoided emissions metrics (real assets)
- (H) Other metrics, please specify:
  - Portfolio Carbon Footprint

(I) No, we have not identified any climate-related metrics for transition risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38.1	PLUS	ISP 38	N/A	PUBLIC	Metrics and targets: Transition risk	General

Provide details about the metric(s) you have identified for transition risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(A) Total carbon emissions	(2) for the majority of our assets	To identify the highest carbon emitting companies in the portfolio and inform investment decision making.
(B) Carbon footprint	(2) for the majority of our assets	This is used to work out weighted average carbon intensity
(C) Carbon intensity	(2) for the majority of our assets	To compare the portfolio carbon emissions against the relevant benchmark

(D) Weighted average carbon intensity	(2) for the majority of our assets	To initially monitor year on year change.
(H) Other metrics [as specified]	(2) for the majority of our assets	To identify the highest carbon emitting companies in the portfolio and inform investment decision making.
	<b>(3) Metric unit</b>	<b>(4) Methodology</b>
(A) Total carbon emissions	tonnes CO <sub>2</sub> e	The absolute greenhouse gas emissions associated with a portfolio v the relevant benchmark.
(B) Carbon footprint	tonnes CO <sub>2</sub> e / annum	We shall monitor how this metric has trended year on year, detailing any changes that have occurred over time
(C) Carbon intensity	tonnes CO <sub>2</sub> e / \$M revenue	We shall monitor how this metric has trended year on year, detailing any changes that have occurred over time. Full MSCI carbon analytic reports available to clients on request
(D) Weighted average carbon intensity	tonnes CO <sub>2</sub> e / \$M revenue	We shall monitor how this metric has trended year on year, detailing any changes that have occurred over time. Full MSCI carbon analytic reports available to clients on request.
(H) Other metrics [as specified]	tonnes CO <sub>2</sub> e / \$M invested	We shall monitor how this metric has trended year on year, detailing any changes that have occurred over time. Full MSCI carbon analytic reports available to clients on request.

## Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PUBLIC	Metrics and targets: Physical risk	General

What climate-related metric(s) has your organisation identified for physical risk monitoring and management?

- (A) Weather-related operational losses for real assets or the insurance business unit
- (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress
- (C) Other metrics, please specify:
- (D) Other metrics, please specify:
- (E) We have not identified any metrics for physical risk monitoring

## Sustainability outcomes

### Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- (A) No, we have not identified the sustainability outcomes from our activities
- (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- (G) Other framework/tool, please specify:

Liontrust believe that any company that we invest in should meet some universal standards when it comes to ESG factors. At a minimum, we expect companies to comply with the UN Global Compact guidelines and the accepted corporate governance standards (including pay & remuneration structures, diversity and other ESG disclosures) in their domestic market or to explain why not doing so is in the interest of shareholders. Some funds within our range will use an investment approach that applies additional or other ESG or sustainability-based exclusions automatically, whilst others have the ability to invest in businesses that may not be complying with these international standards of conduct. Any investment highlighted as breaching these norms will be reviewed by the PRC to ensure the ESG risks have been appropriately considered within the investment decision and do not pose a significant sustainability risk. The Sustainable Investment team for example who manage over 30% of AuMA fully integrate ESG into their investment process started producing sustainability and impact reports in 2020 for each of the Sustainable Future funds to increase evidence of how they contribute to sustainable development. These are distributed to our intermediary clients and are available to all investors via our website. The reports include:

- How the funds are invested by both mega trend and underlying themes within those.
- How themes contribute to the UN's SDGs at the performance indicator level.
- Measuring the primary impacts of the products or services that companies provide, as well as how they are managing the main impacts from operations.
- Independent analysis of how the Sustainable Future funds compare to the markets in which they are invested in terms of carbon emitted, investment in climate change solution providers and exposure to fossil fuels (which is zero) which are available on our website Liontrust Sustainable Investment | Liontrust Asset Management PLC

- (H) Other framework/tool, please specify:
- (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

**At what level(s) did your organisation identify the sustainability outcomes from its activities?**

- (A) At the asset level
- (B) At the economic activity level
- (C) At the company level
- (D) At the sector level
- (E) At the country/region level
- (F) At the global level
- (G) Other level(s), please specify:

Liontrust started producing sustainability and impact reports in 2020 for each of the Sustainable Future funds to increase evidence of how they contribute to sustainable development. These are distributed to our intermediary clients and are available to all investors via our website. The reports include: • How the funds are invested by both mega trend and underlying themes within those. • How themes contribute to the UN's SDGs at the performance indicator level. • Measuring the primary impacts of the products or services that companies provide, as well as how they are managing the main impacts from operations. • Independent analysis of how the Sustainable Future funds compare to the markets in which they are invested in terms of carbon emitted, investment in climate change solution providers and exposure to fossil fuels (which is zero). These reports are available on our website <https://liontrust.co.uk/sustainable>

- (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

**How has your organisation determined your most important sustainability outcome objectives?**

- (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- (B) Consulting with key clients and/or beneficiaries to align with their priorities
- (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- (G) Understanding the geographical relevance of specific sustainability outcome objectives
- (H) **Other method, please specify:**

The Liontrust Sustainable Investment team who manage 30% of the AuMA take into consideration the above factors. Their investment process outlines their process on thematic and sustainability analysis, available on our website <https://liontrust.co.uk/handlers/DownloadDocumentsHandler.lion?itemids=dc29eab2-40db-4f58-ad07-e275358437b9>

- (I) We have not yet determined our most important sustainability outcome objectives

## Transparency & Confidence-Building Measures

### Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

**For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.**

- (A) **A commitment to responsible investment (e.g. that we are a PRI signatory)**

- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

## Client reporting – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 48	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – ESG assets	6

What ESG information is included in your client reporting for the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets?

- (A) Qualitative analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents, where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

## Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

## Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

- (A) Qualitative ESG analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our assets under management



## Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(A) Listed equity (1) Quarterly

(B) Fixed income (1) Quarterly

## Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
- (E) Some or all of our funds have been audited as part of the certification process against a sustainable investment/RI label
- (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI
- (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

**Who has reviewed/verified the entirety of or selected data from your PRI report?**

(A) Board and/or trustees (4) report not reviewed

(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) (3) parts of the report

(C) Investment committee (4) report not reviewed

(D) Other chief-level staff, please specify:  
 Chief Risk Officer (1) the entire report

(E) Head of department, please specify:  
 Governance & Stewardship Manager (1) the entire report

(F) Compliance/risk management team (1) the entire report

(G) Legal team (4) report not reviewed

(H) RI/ ESG team (1) the entire report

(I) Investment teams (3) parts of the report

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 59	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

**Which of the following ESG/RI certifications or labels do you hold?**

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) EU Ecolabel
- (H) EU Green Bond Standard
- (I) **Febelfin label (Belgium)**
- (J) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (K) Greenfin label (France)
- (L) ICMA Green Bond Principles
- (M) **Le label ISR (French government SRI label)**
- (N) Luxflag Climate Finance
- (O) Luxflag Environment
- (P) Luxflag ESG
- (Q) Luxflag Green Bond
- (R) Luxflag Microfinance
- (S) National stewardship code (e.g. UK or Japan), please specify:
- (T) Nordic Swan Ecolabel
- (U) **Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic), please specify:**
  - Eurosif Transparency Code
- (V) People's Bank of China green bond guidelines
- (W) RIAA (Australia)
- (X) **Towards Sustainability label (Belgium)**
- (Y) Other, please specify:

# Listed Equity (LE)

## Pre-investment phase

### Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 10	LE 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors across listed equities?

(3) Active – fundamental

(A) Yes, we have a formal process to identify material ESG factors for all of our assets

(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets

(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets

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

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

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1.1	CORE	LE 1	N/A	PUBLIC	Materiality analysis	1

**How does your current investment process incorporate material ESG factors?**

**(3) Active - Fundamental**

(A) The investment process incorporates material governance factors

(B) The investment process incorporates material environmental and social factors

(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon

(D) The investment process incorporates the effect of material ESG factors on revenues and business operations

## Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

**Do you continuously monitor a list of identified long-term ESG trends related to your listed equity assets?**

**(3) Active – fundamental**

(A) We monitor long-term ESG trends for all assets

(B) We monitor long-term ESG trends for the majority of assets

(C) We monitor long-term ESG trends for a minority of assets

(D) We do not continuously monitor long-term ESG trends in our investment process

## ESG incorporation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 10	LE 3.1	PUBLIC	ESG incorporation	1

**How does your financial modelling and equity valuation process incorporate material ESG risks?**

**(3) Active – fundamental**

(A) We incorporate governance-related risks into financial modelling and equity valuations

(B) We incorporate environmental and social risks into financial modelling and equity valuations

(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations

(D) ESG risk is incorporated into financial modelling and equity valuations at the discretion of individual investment decision-makers, and we do not track this process

(E) We do not incorporate ESG risks into our financial modelling and equity valuations

## Assessing ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 10	LE 4.1	PUBLIC	Assessing ESG performance	1

What information do you incorporate when you assess the ESG performance of companies in your financial modelling and equity valuation process?

**(3) Active – fundamental**

(A) We incorporate information on current performance across a range of ESG metrics

(B) We incorporate information on historical performance across a range of ESG metrics

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability

(E) We do not incorporate ESG factors when assessing the ESG performance of companies in our financial modelling or equity valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4.1	CORE	LE 4	N/A	PUBLIC	Assessing ESG performance	1

**In what proportion of cases do you incorporate the following information when assessing the ESG performance of companies in your financial modelling and equity valuation process?**

**(3) Active – fundamental**

(A) We incorporate information on current performance across a range of ESG metrics (3) in a minority of cases

(B) We incorporate information on historical performance across a range of ESG metrics (3) in a minority of cases

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (3) in a minority of cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (3) in a minority of cases

## ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Outline one best practice or innovative example where ESG factors have been incorporated into your equity selection and research process.**



In early 2020, Liontrust’s Sustainable Investment team committed to its One and a Half Degree Transition Challenge. This involves engaging with all the companies held in the Liontrust Sustainable Future funds and challenging them to revisit their decarbonisation targets and raise their ambition to reduce absolute levels of emissions at a rate consistent with a one-and-a-half-degree global average temperature rise. The science is telling us we need to decarbonise rapidly, the sooner the better, to avoid the negative impacts of climate change on our economy, society and the environment. While estimates vary, this involves an unprecedented decarbonisation rate that halves global emissions by 2030 and continues at this pace to 2040 and 2050. But to increase the probability of remaining within the one-and-a-half-degree global average temperature rise this century, this rate should be front loaded by happening faster within the next five to 10 years. This is a huge challenge: to put it in context, from 1 January to 11 June 2020, the latter half of which was under lockdown conditions, global emissions were only around 8.6% lower than last year. At the peak of the lockdown in April, emissions in the UK had fallen by 31% but they are already rising back towards normalised levels as the economy reopens. Put simply, reducing global absolute emissions by more than 5% a year will require major changes across the economy.

In terms of the team’s targets in this area, the pandemic has slowed progress as they suspended new engagement on the climate crisis in Q2 and Q3. During that time, the team focused instead on understanding how the businesses in the Sustainable Future funds were impacted by Covid-19, as well as how they were managing during the pandemic. The team pushed for companies to take a longer-term view where possible and manage their businesses for eventual recovery, adopting a stakeholder approach to minimise the impact on staff and supply chains, which will be needed as the economy gradually opens up again. Given the backdrop, the team has not been able to finish its climate crisis engagement or publish a report on findings in 2020 as originally intended. That said, they were on track to have contacted companies that account for well over 70% of all emissions from the Sustainable Future funds by the end of 2020 and have met and discussed the One and a Half Degree Transition Challenge with over 40 companies already. The Sustainable Investment team are continuing this work and intends to publish its findings in time for the United Nations Climate Change Conference of Parties (COP 26), which is due to be held in Glasgow in early November 2021 after being postponed for a year. As part of the work so far, they have found:

- An encouraging number of companies have already taken a very proactive approach and made considerable progress in setting ambitious targets as requested. Many of these have done this by signing up to the Science Based Target Initiative, which is helping businesses work out a consistent approach.

- The majority of companies are receptive to increasing their decarbonisation targets and actively looking into including more timely absolute emissions targets. Even so, the scale of this challenge means not all are on track for a 50% reduction in emissions by 2030.
- There are a small number of companies where it is not clear that there is an obvious pathway to achieve this accelerated rate of decarbonisation (largely in so-called hard to decarbonise industries such as materials). As the team continues engagement as part of this Challenge, it will be interesting to see the response from less carbon-intensive companies yet to be contacted. These are businesses where carbon emissions have not historically been seen as a major material driver, and given findings so far, this could be an area where the team can identify some relatively easy, economically attractive, actions that can make a meaningful contribution to quickly reducing easy to-abate emissions. To reiterate, the team believes there is an imperative for businesses to commit to reducing their contribution to emissions in our economy. The challenge of rapidly reducing emissions will drive innovation, both in terms of how operations are run as well as highlighting the opportunity to develop ultra-low carbon products and services. There is a competitive advantage to be gained by proactively managed businesses that will be rewarded economically in an increasingly carbon-constrained world. It is worth pointing out that the Sustainable Future funds are aggressively positioned for an ultra-low carbon economy due to the thematic analysis that drives the team’s investment ideas.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 10	LE 6.1	PUBLIC	ESG incorporation in portfolio construction	1

**How do ESG factors influence your portfolio construction?**

(3) Active – fundamental

(A) The selection of individual assets within our portfolio is influenced by ESG factors

(B) The holding period of individual assets within our portfolio is influenced by ESG factors

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process

(E) Other expressions of conviction (please specify below)

(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6.1	CORE	LE 6	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases did ESG factors influence your portfolio construction?

(3) Active – fundamental

(A) The selection of individual assets within our portfolio is influenced by ESG factors (3) in a minority of cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (2) in the majority of cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (3) in a minority of cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active listed equity.

**Provide examples below:**

(A) Example 1:

Terraform Power was acquired by Brookfield Renewable Energy fund. Both investment vehicles are majority owned and managed by Brookfield AM. The new vehicle includes both the developed world renewable energy assets from Terraform, alongside the hydro-electric power assets in Brookfield Renewable, which is largely located in Latin America. The new vehicle was rated uninvestable given the related social and environmental issues associated with these assets.

(B) Example 2:

Oxford Instruments produces spectroscopy, microscopy, cameras and software to analyse properties of materials, cells, and astronomical objects. This is used in fundamental research and quality control, and enables a safer and more resilient supply chain. The importance of safe and transparent supply chains has been brought into sharp focus with the Covid-19 crisis, so the team is confident in the demand for Oxford Instrument’s products. The company is well managed and discloses its impacts, such as energy and CO2 intensity, as well as efforts to improve gender diversity balance by increasing the proportion of female intakes from balanced shortlists.

## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	CORE	OO 6.1 LE	N/A	PUBLIC	ESG risk management	1

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

- (A) We have an independent committee that oversees the screening implementation process, but only for our ESG/sustainability labelled funds that are subject to negative exclusionary screening
- (B) We have an independent committee that oversees the screening implementation process for all of our listed equity assets that are subject to negative exclusionary screening
- (C) We have an independent committee that verifies that we have correctly implemented pre-trade checks in our internal systems to ensure no execution is possible without their pre-clearance
- (D) **Other, please specify:**  
Liontrust Sustainable Investment team use Ethical Screening an external service provider to implement their screening criteria, the team can't investment in a new holding without external verification showing compliance of the criteria. A full list of screens is available on our website <https://liontrust.co.uk/handlers/DownloadDocumentsHandler.lion?itemids=fc1bfe8f-110d-495b-8051-f448e9602d98> Liontrust Compliance Department is responsible to ensure correct implementation of pre-trade checks.
- (E) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

# Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do your regular reviews incorporate ESG risks?**

**(3) Active – fundamental**

(A) Our regular reviews include quantitative information on material ESG risks specific to individual listed equities

(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level

(C) Our regular reviews only highlight fund holdings where ESG ratings have changed

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency

(E) We do not conduct reviews

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

**Do you regularly identify and incorporate ESG incidents into the investment process for your listed equity assets?**

**(3) Active – fundamental**

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions

(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions

(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions

(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents

(E) Other

(F) We currently do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making

## Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 10	N/A	PUBLIC	Performance monitoring	1

**Provide an example of an ESG factor that your organisation incorporated into your equity valuation or fund construction and describe how that affected the returns of those assets.**

**Provide examples below:**

(A) Example from your active listed equity:

The Sustainable Investment team exited their position in Informa after a long holding. The company was previously focused on structural growth and defensive educational publishing and data analytics. However, the company transformed in 2017/2018 into a largely events-focused business with the acquisition of Penton and then UBM. Now, roughly 70% of revenues are derived from exhibition and conferences, which has increased the cyclical nature of the business and means it is not driven by one of the team's sustainability themes. Following divestment, the company has dramatically underperformed the index, proving the increased cyclical nature of the new business structure.

# Reporting/Disclosure

## Sharing ESG information with stakeholders

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 13	CORE	OO 6 LE	N/A	PUBLIC	Sharing ESG information with stakeholders	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

	(1) for all of our listed equity assets subject to ESG screens	(2) for the majority of our listed equity assets subject to ESG screens	(3) for a minority of our listed equity assets subject to ESG screens	(4) for none of our assets subject to ESG screens
(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(B) We publish any changes in ESG screens and share them on a publicly accessible platform such as a website or through fund documentation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 14	CORE	OO 10	N/A	PUBLIC	Sharing ESG information with stakeholders	6

What ESG information is covered in your regular reporting to stakeholders such as clients or beneficiaries?

**(3) Active – fundamental**

- (A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation 2) In the majority of our regular stakeholder reporting

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- (B) Our regular stakeholder reporting includes quantitative ESG engagement data 3) In a minority of our stakeholder reporting

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- (C) Our regular stakeholder reporting includes quantitative ESG incorporation data 3) In a minority of our stakeholder reporting

## Stewardship

### Voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15	CORE	OO 9 LE	LE 15.1, LE 16	PUBLIC	Voting policy	2

Does your organisation have a publicly available (proxy) voting policy? (The policy may be a standalone policy, part of a stewardship policy or incorporated into a wider RI policy.)

**● (A) Yes, we have a publicly available (proxy) voting policy Add link(s):**

Liontrust' Corporate Governance and Voting Framework is available on our website [www.liontrust.co.uk/governance-policies](http://www.liontrust.co.uk/governance-policies). Liontrust publishes quarterly voting reports on the Liontrust website, outlining how we vote on each holding [www.liontrust.co.uk/governance-policies](http://www.liontrust.co.uk/governance-policies). Liontrust defines a 'significant vote' by the: • Size of holding: where Liontrust funds hold more than 5% of a company's market capitalisation; and/or • where Liontrust funds: – Vote against a company's remunerations policy; – Vote on a Merger or Acquisition; – Vote on a contentious issue identified by the Governance & Stewardship team; and – Vote against management on a shareholder proposal. Liontrust publishes how we voted in 2020 on the above classifications on our website. Liontrust' Sustainable Investment team publishes quarterly voting records with the rationale for voting an 'against' or 'abstaining' on management resolutions [www.liontrust.co.uk/sustainable](http://www.liontrust.co.uk/sustainable).

- (B) Yes, we have a (proxy) voting policy, but it is not publicly available
- (C) No, we do not have a (proxy) voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15.1	CORE	OO 9 LE, LE 15	N/A	PUBLIC	Voting policy	2

What percentage of your listed equity assets does your (proxy) voting policy cover?

(A) Actively managed listed equity covered by our voting policy (8) 61–70%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 16	CORE	LE 15	N/A	PUBLIC	Voting policy	2

Does your organisation's policy on (proxy) voting cover specific ESG factors?

(A) Our policy includes voting guidelines on specific governance factors Describe:

Liontrust summarise in our corporate governance framework what we regard as best practice governance for investee companies. We consider board leadership and company purpose; culture; divisions of responsibilities; composition, succession and evaluation; audit, risk and internal control; remuneration; the governance around sustainability and climate change; and capital structure and allocation. This determines how we engage and interact with investee companies and influences how we cast our votes.

(B) Our policy includes voting guidelines on specific environmental factors Describe:

Where Liontrust deem corporate disclosures and/or management actions on climate change risk to be adequately insufficient or the company fails to be proactive in communicating their strategy for reducing carbon emissions, we may withhold support from the re-election of directors or other related proposals. Where Liontrust deem corporate disclosures and/or management actions on other ESG risk to be adequately insufficient and following failed engagement with management in these specific matters, on the discretion of the fund manager we may withhold support from the re-election of directors or other related proposals.

(C) Our policy includes voting guidelines on specific social factors Describe:

Liontrust adopt a voting stance for diversity on boards this differs for each region's voting policy. Where Liontrust deem corporate disclosures and/or management actions on other ESG risk to be adequately insufficient and following failed engagement with management in these specific matters, on the discretion of the fund manager we may withhold support from the re-election of directors or other related proposals.

(D) Our policy is high-level and does not cover specific ESG factors Describe:

## Security lending policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18	CORE	OO 9 LE	LE 18.1, LE 18.2	PUBLIC	Security lending policy	2

Does your organisation have a public policy that states how voting is addressed in your securities lending programme? (The policy may be a standalone guideline or part of a wider RI or stewardship policy.)

(A) We have a public policy to address voting in our securities lending programme. Add link(s):

<https://www.liontrust.co.uk/handlers/DownloadDocumentsHandler.lion?itemids=339d5a28-b280-4b79-bd1e-af2f7113d1c4>

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

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18.1	CORE	LE 18	N/A	PUBLIC	Security lending policy	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) We always recall all holdings in a company for voting on ballot items deemed important (e.g. in line with specific criteria)
- (C) We always recall some securities so that we can vote on their ballot items (e.g. in line with specific criteria)
- (D) We maintain some holdings so that we can vote at any time
- (E) We recall some securities on an ad hoc basis so that we can vote on their ballot items
- (F) We empower our securities lending agent to decide when to recall securities for voting purposes
- (G) Other, please specify:
- (H) We do not recall our securities for voting purposes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18.2	CORE	LE 18	N/A	PUBLIC	Security lending policy	2

**What exclusions do you apply to your organisation's securities lending programme?**

- (A) We do not lend out shares of companies that we are engaging with either individually or as a lead or support investor in collaborative engagements
- (B) We do not lend out shares of companies if we own more than a certain percentage of them
- (C) We do not lend out shares of companies in jurisdictions that do not ban naked short selling
- (D) We never lend out all our shares of a company to ensure that we always keep voting rights in-house
- (E) Other, please specify:  
 We have certain restrictions on the amount of stock lent out for all of the funds and will exclude / recall any lent stock for companies in some circumstances.
- (F) We do not exclude any particular companies from our securities lending programme

## Shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 19	CORE	OO 9 LE	N/A	PUBLIC	Shareholder resolutions	2

Which of the following best describes your decision-making approach regarding shareholder resolutions, or that of your service provider(s) if decision-making is delegated to them?

- (A) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors or on our stewardship priorities
- (B) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors but only if the investee company has not already committed publicly to the action requested in the proposal
- (C) In the majority of cases, we only support shareholder resolutions as an escalation tactic when other avenues for engagement with the investee company have not achieved sufficient progress
- (D) In the majority of cases, we support the recommendations of investee company management by default
- (E) In the majority of cases, we do not vote on shareholder resolutions

## Pre-declaration of votes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 20	CORE	OO 9 LE	N/A	PUBLIC	Pre-declaration of votes	2

How did your organisation or your service provider(s) pre-declare votes prior to AGMs/EGMs?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system
- (B) We pre-declared our voting intentions publicly (e.g. through our own website) Link to public disclosure:
- (C) We pre-declared our voting intentions publicly through the PRI's vote declaration system, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain
- (D) We pre-declared our voting intentions publicly, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain Link to public disclosure:
- (E) Prior to the AGM/EGM, we privately communicated our voting decision to investee companies in cases where we planned to vote against management proposals or abstain
- (F) We did not privately or publicly communicate our voting intentions
- (G) We did not cast any (proxy) votes during the reporting year

## Voting disclosure post AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21	CORE	OO 9 LE	LE 21.1	PUBLIC	Voting disclosure post AGM/EGM	2

Do you publicly report your (proxy) voting decisions, or those made on your behalf by your service provider(s), in a central source?

(A) Yes, for >95% of (proxy) votes Link:

<https://www.liontrust.co.uk/handlers/DownloadDocumentsHandler.lion?itemids=aad4a80f-e2a3-4296-b934-96c4b13f749f>

(B) Yes, for the majority of (proxy) votes Link:

(C) Yes, for a minority of (proxy) votes 1) Add link and 2) Explain why you only publicly disclose a minority of (proxy) voting decisions:

(D) No, we do not publicly report our (proxy) voting decisions Explain why you do not publicly report your (proxy) voting decisions:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21.1	CORE	LE 21	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

In the majority of cases, how soon after an investee's AGM/EGM do you publish your voting decisions?

(A) Within one month of the AGM/EGM

(B) Within three months of the AGM/EGM

(C) Within six months of the AGM/EGM

(D) Within one year of the AGM/EGM

(E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22	CORE	OO 9 LE	LE 22.1	PUBLIC	Voting disclosure post AGM/EGM	2

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions?

- (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company
- (B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly
- (C) In cases where we voted against management recommendations or abstained, we did not communicate the rationale
- (D) We did not vote against management or abstain

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22.1	CORE	LE 22	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale for your voting decisions.

(B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly (2) 11–50%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23	CORE	OO 9 LE	LE 23.1	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions when voting against a shareholder resolution proposed/filed by a PRI signatory?

- (A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly
- (B) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was not disclosed publicly
- (C) We did not vote against any shareholder resolution proposed/filed by a PRI signatory

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23.1	CORE	LE 23	N/A	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale for your voting decisions.

(A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly (2) 11–50%

## Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 24	PLUS	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2

**How are you contributing to the integrity of the end-to-end voting chain and confirmation process?**

Controls, monitoring an oversight of the votes are done thanks to the ISS client success team working alongside Liontrust helped by various tools such as the reporting section in the Proxy Exchange platform. We run reports such as the Board statistic report giving us a full picture of how we voted i.e. how many eligible meetings were voted, where we voted against management or abstained from voting a specific proposal and where we voted against policy.

Where we have concern if some meetings are unvoted we liaise with ISS for more explanations. Such explanations will be provided directly by ISS and/or through Broadridge and/or your custodian.



## Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 25	PLUS	OO 9 LE	N/A	PUBLIC	Example	2

Provide examples of the most significant (proxy) voting activities that your organisation and/or the service provider acting on your behalf carried out during the reporting year.

Provide examples below:

(A) Example 1:

The Charles Schwab Corporation sought shareholder approval to issue shares for the acquisition of TD Ameritrade Holding Corporation (AMTD) and we supported management on this vote given the compelling strategic rationale. The acquisition will combine two complementary businesses while providing scale benefits, including an estimated \$1.8 to \$2.0 billion in annual cost savings within three years.

(B) Example 2:

Unilever NV sought shareholder approval on changes to Unilever Group's dual-parent structure. As proposed, Unilever NV would merge into a single UK-domiciled holding company, the current Unilever plc, with Unilever NV shareholders receiving one Unilever plc share for each Unilever NV share held. The Group's listings on the Amsterdam, London and New York stock exchanges would be maintained, and Unilever states there will be no change to the operations, locations, activities or staffing levels in either the UK or The Netherlands as a result of the proposed unification. In recommending the transaction, Unilever's two Boards make the case that they have focused primarily on removing complexity, on providing strategic flexibility for future corporate transactions and business responsiveness, and strengthening Unilever's corporate governance, creating a new equal voting basis per share for all shareholders. **(response continued in row below)**

There is inherent uncertainty around the likelihood of a new so-called Exit Tax bill in the Netherlands and Unilever potentially becoming subject to an estimated €11 billion-exit tax should the bill be passed in its current draft form. In recognition of the risk, the board has already stated that it would not proceed with the transaction if such a payment would be the consequence. We were satisfied with the company's rationale for the proposed new structure and therefore voted in favour of the proposed terms..

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(C) Example 3:

Aquila European Renewables Income Fund Plc sought shareholder approval to issue shares on a non-pre-emptive basis representing up to around 103.21% of the current issued share capital pursuant to the Placing and Offer for Subscription and to issue shares on a non-pre-emptive basis representing up to around 258.04% of the Company's current issued share capital pursuant to Placing Programme. We supported management on this as there is a clear business case for the issuance, with proceeds used to acquire new assets to add to the existing portfolio of Renewable Energy Infrastructure Investments and provide sufficient funds for the working capital of the Company. The Company has provided a commitment the Placing Price for the Placing Programme will be at a premium to the NAV per share at the time of issue.

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## Fixed Income (FI)

# Pre-investment phase

## Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	<input type="radio"/>	<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>	<input type="radio"/>
(E) No, we do not have a formal process to identify material ESG factors	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

**How does your current investment process incorporate material ESG factors?**

	(1) SSA	(2) Corporate
(A) The investment process incorporates material governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input type="checkbox"/>	<input type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

	(1) SSA	(2) Corporate
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	<input type="checkbox"/>	<input type="checkbox"/>

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors

(D) Other method of incorporating ESG factors into risk management process, please specify below:

(E) We do not have a process to incorporate ESG factors into our portfolio risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

**For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?**

**(1) SSA**

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits

(2) for the majority of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors

(2) for the majority of our assets

**(2) Corporate**

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits

(2) for the majority of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors

(2) for the majority of our assets

## ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of cash flow, revenues and profitability	<input type="checkbox"/>	<input type="checkbox"/>
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(2) Corporate

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

## Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	PLUS	OO 5.2 FI, OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your fixed income valuation or portfolio construction and describe how that affected the returns of those assets.

### Example:

(A) Example from your active management strategies:

In Global Fixed Income team portfolio's, due to better transparency and governance measurability, they prefer market listed companies over private and the vast majority of companies in portfolios are listed. Where the team own private companies, they have an internal company check-list and prefer features such as owner-managed versus private equity-owned. The team can see these features clearly in portfolio shape.

## ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

### How do ESG factors influence your portfolio construction?

	(1) SSA	(2) Corporate
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other expressions of conviction, please specify below:	<input type="checkbox"/>	<input type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input type="checkbox"/>	<input type="checkbox"/>



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**In what proportion of cases do ESG factors influence your portfolio construction?**

**(1) SSA**

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

**(2) Corporate**

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active fixed income.

Please provide examples below:

(A) Example 1:

The Sustainable Fixed Income team's assessment of ESG factors within the banking sector has resulted in a higher weighting to retail, commercial and building societies as opposed to investment banks. The team believe that retail banks provide an essential service such as daily banking and the provision of mortgages. They do not have exposure to investment banks for reasons such as lack of transparency.

(B) Example 2:

The Sustainable Fixed Income team's assessment of ESG factors within the utility sector favours renewable energy providers as these will increasingly provide energy for the future over carbon intensive coal producers, or higher risk nuclear energy providers.

## ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?

(1) SSA

(2) Corporate

(A) In the majority of cases, we incorporate material governance-related risks

○

○

(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks



(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers



## ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 10	N/A	PUBLIC	ESG performance	1

**In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?**

(1) SSA

(2) Corporate

(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates



(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction



(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group



(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks



(E) We do not have an internal ESG performance assessment methodology



## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
- (B) Yes, it differentiates ESG risks by sector
- (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

(1) for all of our corporate fixed income assets

(2) for the majority of our corporate fixed income assets

(3) for a minority of our corporate fixed income assets

(B) We differentiate ESG risks by sector

# Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

## Do your regular reviews incorporate ESG risks?

	(1) SSA	(2) Corporate
(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not conduct reviews that incorporate ESG risks	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input type="radio"/>	<input type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>	<input type="radio"/>
(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	<input type="radio"/>	<input type="radio"/>

## Time horizons

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1

In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?

	(1) SSA	(2) Corporate
(A) We take into account current risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We take into account medium-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We take into account long-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors	<input type="checkbox"/>	<input type="checkbox"/>

## Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

	(1) SSA	(2) Corporate
(A) We monitor long-term ESG trends for all of our assets	<input type="radio"/>	<input type="radio"/>

(B) We monitor long-term ESG trends for the majority of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(C) We monitor long-term ESG trends for a minority of our assets	<input type="radio"/>	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>	<input type="radio"/>

## Examples of leading practice

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	PLUS	OO 10	N/A	PUBLIC	Examples of leading practice	1 to 6

Describe any leading responsible investment practices that you have adopted for some or all of your fixed income assets.

### Description per fixed income asset type:

(B) Corporate	The Sustainable Fixed Income team conduct carbon reduction assessments within commercial bank's loan books / ESG integration assessment within the insurance sector in relation to their investment portfolios.
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## Thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	PLUS	OO 6 FI	FI 18.1	PUBLIC	Thematic bonds	1

**What proportion of your total thematic investments are labelled green bonds, social bonds and/or sustainability bonds by the issuers in accordance with the four ICMA Social/Green Bond Principles?**

**Proportion out of total thematic fixed income investments:**

(A) Proportion of green/SDG bonds linked to environmental goals 0.0%

(B) Proportion of social/SDG bonds linked to social goals 0.0%

(C) Proportion of sustainability/SDG bonds (i.e. combination of green and social bonds linked to multiple SDG categories) 0.0%

(D) None of the above 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 19	CORE	OO 6 FI	N/A	PUBLIC	Thematic bonds	1

**How do you determine which non-labelled thematic bonds to invest in?**

- (A) By reviewing the bond's use of proceeds
- (B) By reviewing companies' ESG targets
- (C) By reviewing companies' progress towards achieving ESG targets
- (D) We do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 20	CORE	OO 6 FI	N/A	PUBLIC	Thematic bonds	1, 2, 6

What action do you take in the majority of cases where proceeds of a thematic bond issuer are not allocated to the original plan?

- (A) We engage with the issuer
- (B) We alert regulators
- (C) We alert thematic bond certification agencies
- (D) We sell the security
- (E) We publicly disclose the breach
- (F) We blacklist the issuer
- (G) Other action, please specify:
- (H) We do not take any specific actions when proceeds from bond issuers are not allocated in accordance with the original plan

## Reporting/Disclosure

### ESG screens

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

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens:

<https://liontrust.co.uk/handlers/DownloadDocumentsHandler.lion?itemids=fc1bfe8f-110d-495b-8051-f448e9602d98>

(2) for the majority of our fixed income assets subject to ESG screens

(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes:

<https://www.liontrust.co.uk/what-we-think/blogs/how-our-themes-are-evolving>

(2) for the majority of our fixed income assets subject to ESG screens

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

(2) for the majority of our fixed income assets subject to ESG screens

# Engagement

## Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

At which stages does your organisation engage with issuers/borrowers?

	(1) SSA	(2) Corporate
(A) At the pre-issuance/pre-deal stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) At the pre-investment stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) During the holding period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) At the refinancing stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) When issuers/borrowers default	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22.1	PLUS	FI 22	N/A	PUBLIC	Engaging with issuers/borrowers	2

Describe your approach to engagement.

Engagement approach per fixed income asset type or general description for all your fixed income engagement:

(A) Description of engagement approach for all of our fixed income	The Liontrust fixed income teams have different approaches to engagement with issuers and primarily engage with issuers on material ESG issues, with minimal engagement with sovereign issuers where we tend to invest in G7 country sovereigns which are considered low risk. Liontrust prioritises its group wide proactive engagement in consultation with the Sustainability & Stewardship Working Group on an annual basis. We adopt a case-by-case approach to reactive engagement on material governance, environmental or social issues. We will engage with company management, in an appropriate manner and make a record of this engagement. Company-wide engagement is coordinated by Liontrust's centralised Governance & Stewardship team.
(C) Description of engagement approach for our SSA fixed income	As above
(D) Description of engagement approach for our corporate fixed income	As above

## Sovereign bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 23	CORE	OO 9 FI	N/A	PUBLIC	Sovereign bonds	2

For the majority of your sovereign bond engagements, which non-issuer stakeholders do you engage with to promote your engagement objectives?

- (A) Non-ruling parties
- (B) Originators and primary dealers
- (C) Index and ESG data providers
- (D) Multinational companies/state-owned enterprises (SOEs)
- (E) Supranational organisations
- (F) Credit rating agencies (CRAs)
- (G) Business associations
- (H) Media
- (I) NGOs, think tanks and academics
- (J) Other non-issuer stakeholders, please specify:
- (K) We do not engage with any of the above stakeholders for the majority of our sovereign bond engagements

# Sustainability Outcomes (SO)

## Set targets on sustainability outcomes

### Outcome objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	ISP 45	SO 1.1, SO 2	PUBLIC	Outcome objectives	1

**Has your organisation chosen to shape any specific sustainability outcomes?**

(A) Yes

(B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1.1	PLUS	SO 1	N/A	PUBLIC	Outcome objectives	1

**If your organisation has not chosen to shape any sustainability outcomes, please explain why.**

While our Sustainable Investment team who manage over 30% of AuMA are continuously shaping sustainability outcomes. Liontrust are currently working on our climate change strategy and are not currently in a position to fairly answer yes to the above question.