UK Stewardship Code 2026

TPT Investment Management

Activities and Outcomes Report

Reporting period: 1 October 2024 – 30 September 2025

tpt
Investment Management

Introductory Statement

This **Activities and Outcomes Report** explains how TPT Investment Management (TPTIM) has applied the Principles of the UK Stewardship Code 2026 over the year to 30 September 2025, and the outcomes achieved through those stewardship activities. It should be read alongside TPTIM's **Policy and Context Disclosure**, which sets out the firm's stewardship governance, policies and organisational context. That document provides the framework against which the activities and outcomes described in this Report should be assessed.

TPTIM is an investment manager providing fiduciary services to UK pension schemes. Stewardship is a core component of TPTIM's investment approach and is embedded within its investment process. The firm operates an externally managed model across listed equity, fixed income, private credit, real assets and liquid alternatives. Within this model, TPTIM retains responsibility for strategic design, risk management, stewardship expectations and oversight, while day-to-day security selection, engagement and voting activities are primarily undertaken by appointed external investment managers.

During the reporting period (1 October 2024 – 30 September 2025), TPTIM integrated stewardship into its investment process in a manner consistent with its role as a fiduciary manager overseeing externally managed assets. Stewardship activity over the period reflects a combination of robust manager oversight, targeted direct engagement, industry collaboration, and active oversight of voting and third-party engagement activities.

In line with the UK Stewardship Code 2026, this Report is structured around the six Principles for asset owners and asset managers. It provides proportionate, outcome-focused reporting that reflects TPTIM's role in the investment chain, the nature of assets under oversight, and the rights and influence available to it.

Table of Contents

Principle 1: Integrating stewardship and investment

Principle 1:
Integrating stewardship and investment

Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.

Our approach during the reporting period

Responsible investment is a core component of our investment decision-making and ownership practices. Through our Responsible Investment Framework, environmental, social and governance (ESG) considerations are systematically integrated across asset classes, reflecting their potential to influence risk-adjusted returns.

The Framework sets out our core stewardship policies, including voting, engagement, escalation and conflicts of interest. These are supported by our **Stewardship Plan**, which is reviewed annually and defines our priority engagement themes, approach and success metrics.

Across asset classes, stewardship considerations are embedded within key stages of the investment process, including:

- **Manager selection and retention**, through the assessment of managers' ESG integration capabilities, stewardship policies, engagement effectiveness and alignment with TPTIM's expectations.
- **Portfolio monitoring**, drawing on ESG data, stewardship reporting, and ongoing manager and issuer engagement to assess how material risks and opportunities are identified and managed in practice.
- **Mandate design**, incorporating ESG-related and stewardship requirements tailored to the investment strategy, including reporting expectations, engagement priorities and escalation frameworks.

Stewardship themes prioritised and why

As mentioned, TPTIM reviews and sets its stewardship priorities on an annual basis, focusing on financially material long-term risks and opportunities across the portfolio. We communicate these priorities to our appointed investment managers and assess the degree of alignment between our stewardship expectations and their approach. While we do not require full alignment to all themes, we expect meaningful convergence in the issues addressed and the outcomes pursued. Where gaps are identified, these inform our ongoing engagement and oversight.

Our stewardship priorities also underpin our annual **Stewardship Plan**, shaping both our direct engagement with portfolio companies and our interactions with external managers.

During the reporting period, our stewardship activity focused on two core themes: **climate** and **nature**. These themes were prioritised due to their systemic relevance to long-term economic outcomes and their impact on portfolio risk and return. Climate change presents transition and physical risks across sectors, influencing asset valuations, capital allocation and regulatory environments. Nature-related risks, including biodiversity loss, deforestation and water stress, can disrupt supply chains, affect asset productivity and give rise to financial, regulatory and reputational risks for investee companies.

How integration differed across asset classes, strategies and geographies

TPTIM's integrated approach recognises that stewardship tools and levers of influence vary by asset class and mandate structure. In listed equities, stewardship is typically exercised through voting rights and direct engagement with investee companies. In fixed income, real assets and private markets, stewardship is more commonly delivered through issuer engagement, governance oversight, and the application of ESG expectations through manager processes and contractual arrangements.

Our approach also reflects differences across investment strategies. For example, in passive mandates, stewardship is primarily exercised through engagement and voting, while in active strategies, there is greater scope to influence outcomes through capital allocation decisions alongside engagement activities.

Stewardship intensity and available levers of influence also vary across geographies, reflecting differences in market practices, regulatory frameworks and governance norms. TPTIM applies its stewardship expectations proportionately, taking account of these factors while maintaining a consistent focus on material risks and long-term value creation.

Examples of integration in practice

During the reporting period, TPTIM integrated stewardship into investment through the following mechanisms:

- **Manager selection, oversight and challenge as a primary lever**, including the assessment of stewardship capabilities during appointment, setting expectations for ongoing reporting on engagement and voting, and using stewardship insights to inform monitoring, challenge and retention decisions.
- **Structured stewardship reporting**, supporting transparency and effective investment oversight. This includes the production of quarterly Active Ownership Reviews, which form a core component of TPTIM's stewardship reporting framework and underpin the development of this Activities and Outcomes Report.
- **Enhanced analytical capability**, including the continued expansion of TPTIM's Responsible Investment Dashboard, the development of ESG factsheets, and improvements to reporting and data integration, enabling more systematic assessment of ESG risks and stewardship outcomes.
- **Application of escalation and challenge**, where stewardship practices or outcomes fall short of expectations, including targeted engagement with managers and the use of escalation pathways where appropriate.

Outcomes and progress during the reporting period

During the reporting period, TPTIM made progress in strengthening the alignment between its stewardship expectations and the practices of appointed investment managers, supported by enhanced transparency, more consistent reporting, and clearer articulation of how ESG factors are integrated into investment decision making.

The continued development of TPTIM's Responsible Investment Dashboard and associated ESG reporting tools enabled a more systematic assessment of portfolio-level risks and opportunities. This enhanced analytical capability supported more informed challenge of managers and strengthened the integration of stewardship insights into ongoing investment monitoring and oversight.

Progress was also made in addressing climate-related risks and opportunities, including enhanced monitoring of portfolio emissions and continued engagement with managers and investee companies.

In line with its stewardship priorities, TPTIM also advanced its approach to nature-related risks, including engagement on deforestation and broader biodiversity considerations. This supported an improved understanding of portfolio exposures and informed the development of more structured approaches to managing nature-related risks over time.

Stewardship continued to be delivered primarily through engagement, with escalation applied where progress was insufficient. This included ongoing dialogue with investment managers on the effectiveness of their stewardship activities and, where appropriate, increased scrutiny to ensure alignment with TPTIM's expectations.

Finally, enhancements to internal governance and reporting, including the production of quarterly Active Ownership Reviews, strengthened oversight and accountability. These processes supported more structured monitoring of stewardship activities and outcomes, and improved transparency to clients.

Reflections and next steps

TPTIM's experience during the reporting period reinforces that, within a delegated fiduciary model, stewardship is most effective when priorities are clearly defined, expectations of external managers are explicit, and monitoring capabilities continue to evolve.

Looking ahead, TPTIM will continue to strengthen the integration of stewardship within its investment strategy, with a focus on its priority themes and supported by enhanced analytical tools, data capabilities and reporting practices. This will enable more effective oversight, challenge and evidence of outcomes over time.

Further detail on how stewardship priorities translated into engagement activity is set out under **Principle 3**, while examples of manager monitoring and oversight are provided under **Principle 5**.

Case study: Integrating climate change into investment decision making

TPTIM recognises climate change as a financially material, systemic risk and opportunity, and integrates climate considerations across its investment approach, including asset allocation, portfolio construction and stewardship. Investment managers are selected and monitored based on their ability to identify, manage and respond to climate-related risks and opportunities. This includes expectations for robust climate integration, clear engagement strategies and regular, decision-useful reporting. Climate risk assessments, including scenario analysis, are used to evaluate the potential financial implications of different transition pathways and inform investment oversight and decision-making.

We prioritise engagement over divestment, working with investment managers and investee companies to drive improvements in climate performance. Engagement activities focus on encouraging companies to set science-based emissions reduction targets, strengthen governance of climate-related risks, and enhance disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Investing in climate solutions

TPTIM complements its approach with targeted allocations to climate solutions, particularly in renewable energy and green infrastructure. Since 2016, we have made dedicated investments in renewable energy generation and enabling technologies, supporting the transition to a low-carbon economy while contributing to portfolio resilience and long-term value creation.

Active ownership

We believe that real-world decarbonisation is achieved through influencing company behaviour, rather than solely through portfolio reallocation. Active ownership is therefore central to our net zero strategy.
We expect investment managers to engage with high-emitting companies, advocate for credible, net zero-aligned transition plans, and apply escalation where progress is insufficient, including through voting and collaborative engagement initiatives.

Case study: **HAYFIN - ESG-linked lending**

Within TPT Private Credit Fund, Hayfin is one of the appointed investment managers and incorporates ESG considerations directly into lending structures through the use of ESG-linked margin ratchets. Hayfin offers borrowers and their private equity sponsors the option to include ESG-linked incentives in loan documentation for primary transactions, where appropriate.

Under Hayfin's ESG Margin Ratchet Framework, loans may include three to five key performance indicators (KPIs) spanning ESG factors. These KPIs are designed to be measurable, relevant to the borrower's operations, and sufficiently ambitious to drive meaningful improvement. Borrowers are required to report annually against these KPIs, with performance directly linked to the cost of debt through adjustments to the loan margin, creating a financial incentive to improve ESG performance over time.

This approach demonstrates how stewardship is integrated into investment through contractual rights and financial incentives, rather than relying solely on engagement or voting. ESG considerations are embedded at the point of investment and monitored throughout the life of the loan, enabling the manager to influence borrower behaviour and mitigate ESG-related risks in a structured and measurable way.

Principle 2:
Promoting well-functioning markets

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Promoting well-functioning markets

Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.

Market-wide and systemic risks

TPTIM recognises that market-wide and systemic risks can materially affect long-term outcomes for our clients and cannot be fully mitigated through diversification alone. These risks – including those arising from climate change, biodiversity loss and broader sustainability challenges – are inherently non-diversifiable and have the potential to impact economic stability, asset valuations and long-term investment performance across portfolios.

Our approach reflects the view that long-term financial value is closely linked to the health of environmental and social systems. We therefore consider systemic risks and integrate them into our investment process, stewardship priorities and the oversight of external investment managers. This approach builds on the integration of stewardship and investment described under **Principle 1.**

We identify and assess market-wide and systemic risks through a combination of analytical, governance and engagement-led approaches, including:

- **Analysis and stress testing**, including scenario analysis, to assess the potential impact of macroeconomic and sustainability-related risks on portfolios.
- **Ongoing risk monitoring**, embedded within our investment strategy and oversight processes, to identify emerging risks and assess their potential implications.
- **Engagement with investment managers, industry groups and policy stakeholders**, supporting proactive management of systemic risks and contributing to broader market resilience.

During the reporting period, TPTIM identified a number of market-wide and systemic risks. These included climate transition and physical risks; biodiversity loss and deforestation; geopolitical fragmentation; macroeconomic volatility; and variations in governance and regulatory standards across regions.

The relevance and potential impact of these risks vary across asset classes, strategies and geographies. For example, in listed equities, climate-related risks may arise through changes in corporate strategy, regulation and market sentiment, while in private markets and real assets such risks are often reflected more directly in asset-level performance, valuation and physical exposure. Geopolitical and macroeconomic risks can also affect portfolio resilience through changes in market liquidity, supply chains and regulatory environments.

TPTIM takes these factors into account when setting stewardship priorities, engaging with investment managers and issuers, and overseeing portfolio construction. Consideration of market-wide and systemic risks also informs the identification of investment opportunities, particularly in areas such as climate solutions and energy-transition infrastructure.

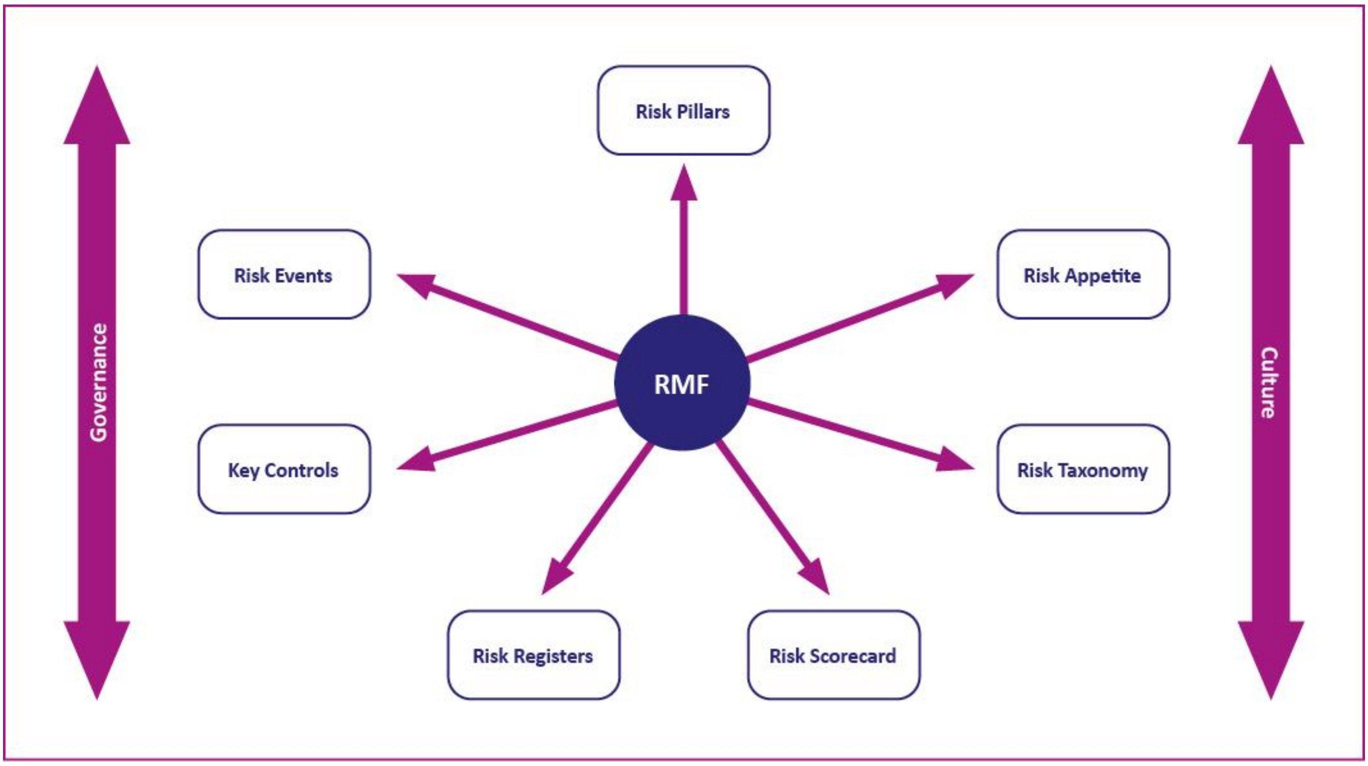
Risk Management Framework

TPTIM benefits from a comprehensive Risk Management Framework, underpinned by established policies, processes and controls, to identify, assess, manage and report risks effectively.

The Framework provides a structured and systematic approach to risk management across the organisation and is supported by a number of key enablers, including:

- **Risk horizon scanning**, enabling the proactive identification and monitoring of emerging risks across short-, medium- and long-term horizons.
- **Change management risk assessments**, capturing risks arising from new initiatives, processes or organisational changes.
- **Risk Management Information (RMI) and reporting**, providing stakeholders with insights through thematic, trend and root cause analysis.
- **Training and education**, supporting a consistent understanding of risk management principles through targeted training programmes.

Figure 1. Risk Management Framework



TPTIM also maintains mechanisms to ensure risks are actively managed and remain within defined tolerances. These include:

- **Risk appetite metrics and key risk indicators**, used to monitor exposures and assess alignment with defined risk tolerances.
- **Remedial action plans**, implemented where risks exceed appetite, ensuring timely mitigation and alignment with strategic objectives.
- **A defined risk hierarchy**, providing a structured view from principal strategic risks through to operational and process-level risks, ensuring comprehensive risk coverage across the organisation.

Case study: Collaborative Engagement and Advocacy

TPTIM participates in collaborative engagement initiatives with other investors and stakeholders to reinforce its Responsible Investment Framework and stewardship priorities. We actively assess and pursue opportunities that extend our stewardship reach and enhance our ability to influence outcomes at both company and market level. This includes engagement with industry bodies, participation in working groups, and contributions to consultations that support the development of well-functioning financial markets and more consistent, decision-useful practices.

TPTIM recognises that many ESG challenges are systemic in nature and cannot be addressed by individual investors acting alone. Collaborative engagement is therefore a component of our stewardship approach, enabling us to amplify our influence, contribute to policy and market developments, and drive more meaningful change across sectors and geographies.

By working alongside other institutional investors, industry groups and advocacy organisations, we enhance our ability to influence corporate behaviour, support the development of regulatory frameworks, and promote improved market standards. Collaboration also enables us to align with evolving best practices, share insights and leverage collective expertise to address complex sustainability challenges more effectively.

During the reporting period, TPTIM participated in a number of initiatives. These included:

- **Climate Action 100+**, where we engaged alongside other investors to encourage high-emitting companies to align their strategies with the goals of the Paris Agreement, including strengthening climate governance, accelerating decarbonisation and improving disclosure.
- **IIGCC**, through which we contributed to the development of investor frameworks and guidance supporting the transition to a net-zero economy.
- **Investor Policy Dialogue on Deforestation (IPDD)**, supporting engagement with policymakers to promote sustainable land use and strengthen regulatory frameworks addressing deforestation risks.
- **UK Sustainable Investment and Finance Association (UKSIF)**, where we contributed to policy discussions and consultations aimed at advancing the integration of ESG considerations within UK financial markets.

Climate and nature snapshot – 30 September 2025[1]

Climate		
Covered Assets Under Management (AUM)[2]		**£1.37bn**
Absolute emissions (tCO_2e)	Scope 1	45.47bn
	Scope 2	10.80bn
	Scope 3	478.36bn
Emissions intensity (tCO_2e/£m invested)	Scope 1	33.16
	Scope 2	7.88
	Scope 3	398.40
Data quality score 1 (highest quality) - 5 (lowest quality)	Scope 1	2: 87.42% 3: 0.18% 4: 12.40%
	Scope 2	2: 85.91% 4:14.09%
	Scope 3	2: 71.78% 4: 28.22%
ITR (°C)		2.2

% AUM with GHG reduction targets	88.20%
% AUM with science-based targets (SBTi)	52.35%
Weighted fossil fuel revenue	1.79%
Weighted green revenue	7.50%

Note: Percentages may not sum to 100% due to data gaps.

[1] Covers listed equity and corporate fixed income holdings. Data sourced from MSCI and ISS STOXX.
[2] AUM for which absolute emissions are measured based on data availability for Scope 1 and 2 emissions. Coverage for absolute emissions across Scopes 1, 2 and 3 is slightly lower, at £1.2bn respectively.

Deforestation		Covered AUM	Impacted AUM
Potential direct contribution to deforestation	Percentage of AUM linked to companies that produce commodities that contribute to deforestation (palm oil, soy, beef, and timber), and/or that are classified as operating in a high-risk area and/or that have been involved in controversies linked to deforestation.	£1.39bn	4.33%
Operation in deforestation fronts	Percentage of AUM linked to companies with three or more known physical assets in areas with a significant concentration of deforestation and where large areas of remaining forests are under threat.	£1.25bn	12.26%

Biodiversity		Covered AUM	No. of companies
Companies negatively affecting biodiversity-sensitive areas	Companies directly involved in controversies which negatively affect biodiversity-sensitive areas and where remedial measures have not been implemented.	1.43bn	3
Controversies affecting threatened species	Companies involved in controversies which affect International Union for the Conservation of Nature (IUCN) Red List species.	1.43bn	9

Resource depletion		Covered AUM	No. of companies
Lack of water management policies	Companies that lack sufficient policies or practices to manage water-related risks. The assessment is based on factors such as exposure to water-stressed regions, freshwater use reduction targets and action plans.	801.6m	423

Potentially Disappeared Fraction (PDF) of species		Covered AUM	PDF.km2.yr / $M
PDF	PDF quantifies the potential loss of species richness due to adverse environmental pressures, relative to species richness in undisturbed ecosystems, often referred to as the pristine state. Species richness refers to the number of unique species in an area. PDF is defined over both area (m2, or km2) and time (year).	1.35bn	26.51

TPTIM recognises that improvements in aggregate portfolio-level climate and nature metrics typically materialise over multiple years and cannot be attributed to individual stewardship actions in isolation. The focus during the reporting period has therefore been on strengthening oversight, improving data quality, and aligning stewardship activity with long-term transition and nature-positive outcomes.

Outcomes and progress during the reporting period

Outcomes and progress from TPTIM's systemic stewardship activity reflect a combination of market-level influence, enhanced risk capability, and contribution to policy and industry initiatives.

For example, TPTIM contributed to the development of investor guidance aimed at improving the consistency and credibility of how climate solutions in infrastructure are defined, measured and disclosed. This included co-chairing the Institutional Investors Group on Climate Change (IIGCC) Climate Solutions Working Group focused on renewable energy infrastructure. This work supported greater market-wide transparency, comparability and capital allocation towards climate solutions.

TPTIM also continued to strengthen its internal capability to identify and monitor systemic risks, including enhancements to risk modelling and reporting. This included the use of BarraOne-enabled modelling and broader improvements to ESG and risk reporting, supporting more robust oversight of market-wide and systemic risks across the portfolio.

In addition, TPTIM engaged in policy and industry initiatives to support the development of stewardship practices that are both ambitious and decision-useful across the investment chain. This included responding to the Financial Reporting Council (FRC)'s consultation on revisions to the UK Stewardship Code, advocating for the retention of a clear focus on systemic risks and proportionate reporting expectations. TPTIM also participated in Shift's Human Rights Series, contributing to the development of investor understanding of systemic human rights risks. While not a priority theme during the reporting period, this work supports TPTIM's broader oversight of managers and emerging systemic risks.

Reflections and next steps

TPTIM recognises that stewardship of systemic risks is inherently iterative and typically delivered over multiple years. Looking ahead, TPTIM will continue to strengthen its internal analytical capabilities, including the further development of scenario analysis and enhancements to reporting tools, to support more effective identification, monitoring and management of systemic risks. TPTIM will also continue to engage selectively in industry initiatives and policy consultations that promote well-functioning markets and support the development of stewardship disclosures.

Case study: Foresight Group – market development through collaboration

Foresight Group is an investment manager within TPT Real Assets Fund. Foresight recognises that addressing climate change and nature-related risks requires coordinated action across public and private sectors, as well as the development of scalable, investable solutions. In response, Foresight participated in and co-hosted the Frontier Forum, a two-day event held at the Eden Project, bringing together stakeholders from government, finance, science and environmental organisations. The forum was designed to facilitate cross-sector collaboration and identify practical pathways to mobilise capital at scale into sustainable infrastructure and nature-based solutions, aligned with global objectives such as the Intergovernmental Panel on Climate Change and the Paris Agreement.

The Frontier Forum combined workshop-based collaboration with strategic discussions across three core themes: energy transition, decarbonisation beyond power, and nature and biodiversity. Participants worked in multidisciplinary teams to develop and present investment approaches aimed at overcoming barriers to capital deployment and unlocking opportunities for both institutional investors and policymakers. TPTIM's Head of Investment, Peter Smith, participated in the event and presented as part of the programme, contributing to the cross-sector dialogue and development of investable solutions.

The initiative contributed to market development by fostering collaboration between stakeholders who would not typically engage directly, improving the exchange of expertise and supporting the development of more scalable and actionable investment opportunities.

Case study: TwentyFour – Improving transparency in the CLO market

TwentyFour is an investment manager within TPT Investment Grade Bond Fund. The leveraged finance market has historically lagged other asset classes in ESG disclosure, creating challenges for investors seeking to assess environmental risks in instruments such as collateralised loan obligations (CLOs). The absence of standardised ESG data from CLO managers has limited transparency and comparability across the market. TwentyFour identified this as a systemic issue, particularly relevant to strategies with exposure to CLOs, and recognised that an industry-wide approach would be required to drive meaningful improvement.

As a member of the European Leveraged Finance Association (ELFA), TwentyFour joined the CLO Investor Committee, which was established to develop a market standard for ESG reporting in CLOs. Working collaboratively with other investors, TwentyFour contributed to the design of a standardised ESG questionnaire, covering both the organisational ESG policies of CLO managers and the ESG characteristics of underlying investments. The objective was to improve transparency, enhance comparability and support more efficient data collection for market participants, including asset owners.

This collaborative effort resulted in the launch of ELFA's standardised CLO ESG questionnaire. Since its introduction, TwentyFour has actively promoted its adoption through ongoing engagement with CLO managers and syndicate banks. As a result, uptake has increased across the market, with the majority of new CLO issuances now incorporating ESG data, supporting improved transparency and more informed investment decision-making.

UK Stewardship Code 2026

Principle 3:
Engagement

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Engagement

Signatories engage to maintain or enhance the value of assets.

Our engagement priorities and objectives during the reporting period

TPTIM is committed to active ownership and seeks to use its influence as a fiduciary investment manager to drive long-term value, strengthen risk management and support positive real-world outcomes.

We act as responsible stewards of the assets we manage on behalf of our clients, engaging directly with external investment managers, investee companies, policymakers and industry bodies to promote strong governance, sustainable business practices and corporate accountability. Engagement is a fundamental component of our responsible investment approach, complementing proxy voting activities and broader stewardship strategy.

How we select and prioritise engagement

TPTIM's engagement priorities are determined through an assessment of materiality, portfolio exposure and our ability to influence change through the rights and relationships available to us. In practice, this means focusing engagement where we believe it can most effectively protect or enhance long-term value, either by influencing external managers' stewardship practices or by targeting specific issuers on priority themes.

During the reporting period, TPTIM's engagement approach was structured around two priority themes – climate and nature – and delivered through a range of complementary engagement methods, as described overleaf.

Our engagement methods

TPTIM undertakes engagement through different complementary routes:

- **Engagement with external investment managers (primary route)**

  Engagement with appointed investment managers is a central component of TPTIM's stewardship approach and the primary mechanism through which we influence outcomes across the portfolio.

  We engage regularly with managers to set clear expectations on ESG integration and stewardship, including engagement priorities, voting practices and escalation approaches. Through ongoing dialogue, we assess how managers are identifying and managing material ESG risks, the effectiveness of their engagement activities, and the outcomes being delivered.

  This engagement is supported by structured reporting and monitoring processes, enabling TPTIM to challenge managers where necessary, address areas of misalignment, and drive continuous improvement in stewardship practices. Where expectations are not met, this may inform enhanced monitoring, targeted engagement or escalation.

- **Manager-led engagement with investee companies**

  TPTIM delegates primary responsibility for day-to-day engagement with investee companies to its appointed investment managers. We select managers based on their ability to engage effectively on material ESG issues, recognising their proximity to company management and depth of expertise.

  We expect managers to focus on ESG factors that are financially material to the investment case, respond to concerns raised by TPTIM, and provide regular reporting on engagement activity, progress and outcomes. Where priorities align, we may support or participate in joint engagement to reinforce key messages and enhance influence.

- **TPTIM direct engagement (targeted and thematic)**

  In addition to manager-led engagement, TPTIM undertakes targeted direct engagement with selected issuers, focused on our priority themes.

  Each year, we define stewardship priorities that inform our engagement plan. Priority companies are identified based on portfolio exposure and ESG risk analysis, with a focus on holdings where financial exposure is significant and ESG-related risks or controversies are elevated. This ensures that engagement is targeted where it can have the greatest impact.

- **Collaborative engagement**

  TPTIM participates in collaborative initiatives where issues are systemic, where collective investor influence is more effective, or where collaboration supports the development of market standards and disclosures.

  Through collaboration with other investors, industry bodies and policymakers, we seek to amplify our influence, contribute to the development of best practices, and support well-functioning financial markets. This includes participation in investor-led initiatives and industry forums aligned with our stewardship priorities.

Escalation within engagement

TPTIM recognises that escalation is an important component of effective stewardship where engagement does not lead to sufficient progress or where material risks remain inadequately addressed.

We are committed to advancing responsible investment through active engagement with both external investment managers and investee companies, promoting strong ESG practices and alignment with our stewardship expectations. Where these expectations are not met, TPTIM applies a structured escalation approach.

Our Escalation Policy, set out within the **Responsible Investment Framework**, defines the steps we may take in response to insufficient progress. These can include increased engagement and challenge, collaboration with other investors, voting action, and, where appropriate, consideration of mandate or allocation changes.

Reporting

TPTIM requires quarterly reporting from its investment managers on their engagement activities, providing insight into how they exercise their stewardship responsibilities and influence outcomes. This reporting supports our oversight of engagement quality, progress and alignment with TPTIM's stewardship priorities.

We provide transparency on engagement activities through a range of reporting channels, including website updates, quarterly Active Ownership Reviews and this Activities and Outcomes Report. Our disclosures set out key engagement themes, activities undertaken, and progress and outcomes achieved, aligned with our stewardship priorities.

Outcomes and progress during the reporting period

The reporting period reflects continued focus on TPTIM's priority themes of climate and nature. External managers also undertook engagement across a broader range of financially material ESG issues; relevant examples are included in this Report where they represent significant stewardship activity. TPTIM recognises that stewardship outcomes are often delivered over multiple years; where activities remain ongoing, this Report sets out progress to date and the intended direction of travel.

Engagement activity undertaken on our behalf by investment managers

Equity			
Investment manager:	L&G Asset Management		
TPT Fund:	Global Equity Fund		
Issuer:	GSK plc	**Topic:**	Antimicrobial resistance
Background:	The COVID-19 pandemic demonstrated the profound economic and social disruption that global health crises can cause. Antimicrobial resistance (AMR) – whereby antibiotics lose effectiveness as microbes evolve to survive treatment – represents a potential future pandemic threat. The World Health Organization has identified AMR as "one of the top global public health and development threats". The World Bank estimates that AMR could lead to an additional US$1 trillion in healthcare costs by 2050 and annual global GDP losses of US$1 trillion to US$3.4 trillion by 2030. As a global investor with exposure to sectors that both contribute to and are affected by AMR, L&G considers this issue to be financially material to the long-term returns it seeks to generate for clients. During the reporting period, L&G engaged with GSK plc, one of the world's largest pharmaceutical companies. With manufacturing sites in 37 countries and operations across 75, GSK's scale and market influence position it to drive best practice across the sector.		
Action:	In May, L&G undertook an exploratory visit to GSK's manufacturing site in Worthing, on the English coast. Worthing is the first UK site to achieve British Standards Institute (BSI) certification in accordance with the Antibiotic Manufacturing Standard, developed by BSI and the AMR Industry Alliance in 2022. The standard outlines best practice controls and methods for the responsible manufacturing of antibiotics across global supply chains. L&G was given a detailed guided tour of the site, providing an opportunity to observe safety and contamination prevention measures in action, as well as the systems in place to ensure compliance with the BSI standard. The visit also enabled direct discussions with on-site employees, offering valuable first-hand insight into GSK's operational practices and commitment to AMR mitigation.		
Outcomes and next steps:	The site visit enabled L&G to gain practical insight into how pharmaceutical companies can mitigate and monitor AMR through robust manufacturing processes and oversight. It also reinforced to GSK the financial materiality of AMR to investors and the important role of the pharmaceutical industry – alongside other sectors – in addressing this systemic risk. The engagement helped strengthen L&G's relationship with the company through in-depth, constructive dialogue. This experience enhanced L&G's understanding of the actions companies can take to address AMR, informing its expectations for future engagements with both the pharmaceutical sector and other industries. Alongside policy dialogue and collaborative initiatives, L&G will continue to engage with influential companies that can help improve industrial practices and behaviours that play a vital role in mitigating AMR.		

Equity			
Investment manager:	RBC BlueBay Asset Management		
TPT Fund:	Global Equity Fund		
Issuer:	TSMC	**Topic:**	Climate change
Background:	Taiwan Semiconductor Manufacturing Company (TSMC) is the world's largest dedicated semiconductor foundry and a critical enabler of global digital infrastructure. Given the high energy intensity of semiconductor manufacturing, climate change represents a financially material risk to the company. RBC has identified climate strategy – particularly the credibility of net zero targets and the alignment with science-based pathways – as a key engagement priority for TSMC.		
Action:	In an in-person meeting at TSMC's headquarters in Hsinchu, Taiwan, RBC followed up on previous engagements regarding the company's climate disclosures and SBTi alignment. The discussion focused on understanding the company's decarbonisation trajectory in light of its ongoing expansion and assessing the credibility of its long-term net zero commitment.		
Outcomes and next steps:	TSMC has set a 2050 net zero target, but this currently covers only Scope 2 emissions. Management explained that rapid capacity expansion remains a significant challenge, making it difficult to reduce absolute emissions in the near term. However, the company has made substantial investments in renewable energy, and the proportion of renewable electricity in its energy mix continues to increase. Notably, TSMC now expects its emissions to peak in 2026, despite ongoing double-digit growth in manufacturing capacity. For the first time, management indicated that once capacity stabilises post-2026, the company should be in a position to commit to the SBTi framework. RBC will continue to monitor progress toward this commitment and engage on the integration of Scope 3 emissions, interim targets, and enhanced disclosure. Continued alignment with credible climate pathways will be essential for mitigating long-term transition risks and reinforcing TSMC's leadership position in sustainable semiconductor manufacturing.		

Corporate Fixed Income			
Investment manager:	Royal London Asset Management (RLAM)		
TPT Fund:	Investment Grade Bond Fund		
Issuer:	E.ON SE	**Topic:**	Climate change
Background:	As a co-lead investor within the Climate Action 100+ initiative, RLAM has engaged with E.ON SE, a leading European utility company, to review recent developments in its sustainability strategy. Discussions focused on the company's climate transition planning, emissions reduction targets, and the regulatory challenges associated with the energy transition.		
Action:	E.ON continues to make steady progress in advancing its climate transition strategy, supported by a product mix that facilitates decarbonisation. The company has strengthened its 2030 Scope 1 and 2 emissions reduction target to 50% and reported an 8% year-on-year decline in Scope 3 emissions, aided by a milder winter and customer adoption of heat pumps. However, Scope 1 and 2 emissions rose during the reporting period due to regulatory requirements in Germany mandating the replacement of grid losses with grey electricity. The company confirmed that it is not expanding its gas infrastructure and now considers emissions performance in merger and acquisition decisions. Nonetheless, RLAM noted that E.ON's overall approach to decarbonisation lacks the clarity and ambition demonstrated by some of its leading peers. Hydrogen remains an area of exploration for E.ON, though current trials are small in scale, and the company indicated that large-scale residential adoption is now considered less likely than previously anticipated.		
Outcomes and next steps:	E.ON has committed to providing further information on its climate transition plans in a follow-up meeting or written correspondence. RLAM will continue to monitor the company's progress against the Climate Action 100+ benchmark, maintaining dialogue to encourage greater ambition, enhanced transparency, and alignment with best practice in the sector.		

Risk Sharing			
Investment manager:	Chorus Capital		
TPT Fund:	Private Credit Fund		
Issuer:	U.S. Tier 1 Bank	**Topic:**	ESG risk integration
Background:	During its analysis of a new transaction, Chorus Capital identified two portfolio exposures presenting heightened ESG risks due to involvement in thermal coal mining and/or weak governance practices. One of these exposures held an MSCI ESG rating of CCC, indicating significant sustainability concerns. In addition, the transaction structure permitted the replenishment of exposures in sectors that would breach Chorus's Responsible Investment Policy, including thermal coal.		
Action:	Chorus Capital engaged with the bank to address these issues and successfully negotiated the exclusion of both high-risk names from the portfolio. Beyond these removals, Chorus also secured the exclusion of an additional 140 companies from eligibility during the replenishment period due to credit or ESG-related concerns. Furthermore, the firm negotiated a broader exclusion list covering all companies involved in thermal coal, oil sands, tobacco, and controversial weapons, ensuring alignment with its Responsible Investment Policy.		
Outcomes and next steps:	The bank agreed to all proposed exclusions, thereby ensuring that the transaction remains consistent with Chorus Capital's Responsible Investment Policy throughout its duration. This outcome strengthened ESG safeguards within the portfolio and reinforced Chorus's commitment to integrating responsible investment principles into private credit transactions.		

Equity			
Investment manager:	Ruffer		
TPT Fund:	Liquid Alternatives Fund		
Issuer:	ArcelorMittal	**Topic:**	Energy transition
Background:	ArcelorMittal is one of the world's largest steel producers and a key player in the global energy transition, given the steel sector's significant contribution to industrial emissions. At the same time, health and safety remain material issues for the company due to the hazardous nature of its operations. Following a fatal mine explosion in Kazakhstan in 2023, these topics have been central to stakeholder scrutiny and investor engagement.		
Action:	Ruffer met with the Head of Investor Relations, the ESG Investor Relations Manager, and the Vice President of Corporate Communications and Corporate Responsibility to address two main areas: the company's progress on climate transition planning, including science-based target setting, and developments in health and safety performance, including the response to the Kazakhstan incident. The engagement aimed to understand evolving decarbonisation challenges, assess the company's positioning on setting credible climate targets, and press for improved safety disclosures – particularly at the asset and business segment level.		
Outcomes and next steps:	ArcelorMittal cited the availability and price of clean energy, scrap metal constraints, and legacy infrastructure as key barriers to decarbonisation. While committed to long-term emissions reductions, the company continues to prioritise cost competitiveness and economic sustainability. Regarding science-based targets, ArcelorMittal emphasised the absence of region-specific decarbonisation pathways for the steel sector and noted that the SBTi is aware of this gap. As a result, the company is focused on transparent communication about why it is not yet in a position to set SBTi-aligned targets, rather than making premature commitments. ArcelorMittal also launched a comprehensive, company-wide health and safety audit. However, no further detail was provided on the Kazakhstan mine review, as the asset has since been sold to the government. The company reported strong safety performance outside the Commonwealth of Independent States (CIS) region during the review period. Ruffer, alongside the Climate Action 100+ working group, will continue to engage with ArcelorMittal on transition pathways for the steel sector. Future engagement will also focus on encouraging the company to enhance its disclosure – both by providing more granular, asset-level safety data and by more clearly articulating its narrative around 'green' steel initiatives.		

Infrastructure			
Investment manager:	IFM		
TPT Fund:	Real Assets Fund		
Issuer:	Veolia Energia Polska	**Topic:**	Climate change
Background:	Veolia Energia Polska is a leading energy generation and district heating provider in Poland, operating in a country where coal remains a dominant part of the energy mix. As part of its global commitment to achieving net zero emissions across all asset classes by 2050, IFM targets decarbonisation as a priority engagement theme.		
Action:	Through its active management approach, IFM engages directly with portfolio companies at the Board level and through ongoing dialogue with management. Veolia Energia Polska has been a key focus for climate-related engagement, particularly around phasing out coal and supporting the country's broader energy transition. As a result of IFM's active involvement, the company committed to a decarbonisation strategy that aims to reduce carbon emissions by an estimated 40% by 2030. This strategy focuses on modernising and future-proofing generation assets for use with lower-emission fuels while scaling output to reduce reliance on coal-fired generation.		
Outcomes and next steps:	Veolia Energia Polska is progressing with the development of new gas-fired combined heat and power (CHP) plants in Poznań and Łódź, which will replace existing coal facilities. A major milestone was achieved with the start of operations of a new single-cycle gas turbine (SCGT) plant in Poznań on 1 March 2025. Delivered ahead of schedule, under budget, and without any health and safety incidents, the project represents Phase 1 of the company's decarbonisation plan. Once operationalised, the plant is expected to eliminate approximately one-third of Veolia Energia Polska's coal exposure and enable operational flexibility through automation and electricity-only summer operation modes. In parallel, Veolia Łódź issued a notice to proceed with the construction of its own SCGT plant. The company is leveraging lessons learned and continuity in execution by working with the same Siemens EPC team involved in the Poznań project. IFM will continue to engage with Veolia Energia Polska to monitor implementation of the remaining phases of the decarbonisation plan.		

Engagement activity undertaken by TPTIM

We conducted two thematic engagement campaigns: one focused on Net Zero Alignment, and the other on Deforestation. As part of these programmes, we directly engaged with 33 companies across our investment universe. The Net Zero Alignment campaign aimed to encourage investee companies to develop credible transition plans, align their strategies with the goals of the Paris Agreement, and adopt science-based emissions reduction targets. The Deforestation engagement campaign focused on understanding companies' commitments to addressing deforestation, assessing the transparency of their reporting, and promoting stronger governance of nature-related risks.

Issuer:	Imperial Oil
Topic	Climate change
Background:	Imperial Oil Limited is a Canadian petroleum company. It is Canada's second-largest integrated oil company. It is majority-owned by American oil company ExxonMobil. It is a producer of crude oil, diluted bitumen, and natural gas. Imperial Oil is one of Canada's major petroleum refiners and petrochemical producers. It supplies Esso-brand service stations. In June 2024, amendments to Canada's Competition Act (Bill C-59) introduced stricter guidelines to prevent greenwashing. These amendments mandate that companies substantiate environmental claims using "internationally recognised methods" and impose substantial penalties for non-compliance. In response, Imperial Oil has removed its sustainability reports from its website and reduced disclosures related to its environmental initiatives.
Action:	Our engagement with Imperial Oil centred on encouraging improved transparency in its climate strategy, particularly in light of the evolving Canadian regulatory landscape. We sought to understand the company's current emissions reduction efforts, with a particular focus on Scope 3 emissions, and to promote disclosure practices aligned with international standards. During our meeting, Imperial Oil explained its cautious approach to making environmental claims, given the new legal requirements, which has affected the availability of sustainability-related information. The company highlighted the complexities of managing Scope 3 emissions, and we encouraged the development of a clear reporting framework and action plan in this area. We also discussed Imperial Oil's participation in the Oil Sands Pathways to Net Zero Alliance – a coalition aiming to advance carbon capture and storage (CCS) solutions to enable sector-wide emissions reductions. The company noted it is exploring low-carbon technologies such as renewable fuels, hydrogen, and CCS, and is leveraging existing expertise to explore opportunities in the lithium and hydrogen markets. In terms of governance, sustainability oversight is managed by the Board's Safety and Sustainability Committee, and long-term incentives are linked to risk management. However, the company has yet to disclose specific ESG performance metrics.
Outcomes and next steps:	We will continue our engagement with Imperial Oil. We will review their next publicly available sustainability report to monitor progress on transparency and track specific emissions reduction targets and strategies.

Issuer:	TotalEnergies SE
Topic	Climate change and nature-based solutions
Background:	TotalEnergies SE is a French multinational integrated energy and petroleum company, founded in 1924. It is one of the seven global supermajor oil companies, with operations spanning the full oil and gas value chain—from exploration and production to refining, marketing, power generation, and international trading. The company is also a significant producer of chemicals and is increasingly active in low-carbon energy. Our objective was to gain a deeper understanding of TotalEnergies' climate strategy as it works towards its 2050 net zero ambition, and to scrutinise the robustness of its interim targets.
Action:	Our engagement with TotalEnergies focused on gaining clarity around its climate strategy and transition plan. The company reaffirmed its commitment to achieving net zero by 2050, forecasting that its long-term energy mix will include 7% oil and 18% gas, with oil and gas expected to play a significantly smaller role over time. By 2030, TotalEnergies anticipates a more balanced energy mix of 30% oil, 50% gas, and 20% low-carbon energy. The company views gas as an essential transition fuel, particularly in regions currently reliant on coal, and considers carbon capture and storage (CCS) technology critical to mitigating emissions associated with fossil fuel use, although it acknowledged the high cost of CCS remains a key barrier to scaling the technology. We also discussed the company's emissions targets. Scope 3 emissions remain a significant challenge, but the company aims to reduce the lifecycle carbon intensity of its energy products (Scopes 1, 2 and 3 combined) by 25% by 2030. TotalEnergies emphasised the importance of industry collaboration and partnerships to support progress in this area. In addition, we explored the company's nature-based solutions. TotalEnergies has set a target of generating 44 million carbon credits by 2030 through a range of projects across Africa, South America, and Australia, including deforestation prevention, conservation, and regenerative agriculture. These projects are designed to deliver co-benefits such as reduced use of synthetic fertilisers and improved soil health. The company also outlined its transition to more sustainable biofuel inputs, using feedstocks certified under the International Sustainability and Carbon Certification (ISCC) scheme. For instance, its facilities in France now use certified animal fats and palm waste instead of virgin palm oil. Finally, we examined the company's governance structures and how sustainability is embedded into its oversight. ESG matters are supported by a dedicated internal team and overseen at Board level, with executive remuneration linked to ESG performance – 30% of long-term incentives are tied to targets on greenhouse gas emissions, health and safety, and diversity.
Outcomes and next steps:	We were encouraged by the level of detail shared by TotalEnergies, including clear targets and a comprehensive strategy for transitioning to a more sustainable energy mix. We will continue to monitor the company's progress, with future engagement likely to focus on the scalability and effectiveness of its CCS initiatives and the refinement of its Scope 3 emissions reduction strategy.

Topic	Human rights
Background:	In December 2024, TPTIM, as a member of the Investor Alliance for Human Rights (IAHR), co-signed a private investor letter raising concerns over the human rights impacts of AI-driven targeted advertising practices at a large technology company. The letter followed a shareholder proposal that received strong support at the company's AGM, calling for an independent, third-party Human Rights Impact Assessment (HRIA) of its targeted advertising policies and technologies. The engagement reflects growing investor concern about the role of artificial intelligence in exacerbating risks such as discrimination, misinformation, privacy violations, and the potential for regulatory breaches. Targeted advertising represents a significant share of the company's revenues and is powered by complex algorithmic systems, yet the company has not yet demonstrated that its existing policies and due diligence processes are sufficient to identify and mitigate related human rights risks.
Action:	The letter urged the company's board to commission an HRIA to assess the actual and potential human rights impacts associated with its advertising technology and to demonstrate greater accountability and transparency in its AI deployment. While the company has made public commitments to human rights and is a founding member of the Global Network Initiative, investors noted a lack of clarity on how these commitments are operationalised specifically in relation to targeted advertising. This engagement builds on prior efforts and shareholder proposals submitted over consecutive years, both receiving close to majority support among Class A shareholders. By participating in this collaborative initiative, TPTIM continues to support enhanced due diligence and transparency from investee companies on salient human rights issues, particularly where there is significant financial materiality and societal impact.
Outcomes and next steps:	TPTIM will monitor developments in the company's response and continue to participate in collective engagement efforts that align with our expectations under the UN Guiding Principles on Business and Human Rights.

Engagement reporting

Further examples and case studies are available in our quarterly Active Ownership Reviews.

Reflections and next steps

Effective engagement within a delegated fiduciary model depends on clear priorities, robust oversight and reporting of external managers, and targeted direct engagement where it can add the most value. Our approach continues to evolve towards greater outcome orientation and more systematic tracking of progress, in line with the UK Stewardship Code emphasis on transparency and practical application.

Looking ahead, TPTIM will continue to apply a blended engagement model – combining manager-led, direct and collaborative approaches – and to strengthen the use of engagement as a tool to support long-term resilience across portfolios and financial markets.

UK Stewardship Code 2026

Principle 4: Exercising rights and responsibilities

Principle 4:
Exercising rights and responsibilities

Signatories actively exercise their rights and responsibilities.

How TPTIM exercises stewardship rights

As a fiduciary manager, TPTIM exercises stewardship rights primarily through the oversight of external investment managers, to whom day-to-day investment decisions and the exercise of voting rights for listed equity holdings are delegated. While voting is an important stewardship mechanism, it forms part of a broader approach to exercising rights and responsibilities across asset classes.

TPTIM does not typically exercise voting rights directly. Instead, voting authority is delegated to appointed investment managers, who are best placed to assess resolutions in the context of their investment strategy and ongoing engagement with issuers. TPTIM retains responsibility for oversight, challenge and, where necessary, escalation, ensuring that voting activity remains aligned with its stewardship priorities and the long-term interests of clients and beneficiaries.

Oversight of voting activity

During the reporting period, TPTIM maintained active oversight of managers' voting practices. This oversight focused on assessing whether managers exercised voting rights consistently and in line with recognised governance standards, the extent to which voting behaviour aligned with stated stewardship priorities, and the identification of significant or contentious votes – particularly those related to priority themes or involving material long-term risks.

TPTIM reviews managers' voting records and disclosures on a quarterly basis, using this information to inform stewardship discussions and the ongoing assessment of manager performance. Voting data is considered alongside engagement activity to assess the coherence between managers' stated engagement objectives and their voting decisions in practice.

Use of escalation and additional levers

Where voting outcomes or patterns raise concerns, TPTIM engages directly with managers to seek clarification and, where necessary, improvement. This may include targeted discussions on the rationale for specific votes, requests for enhanced disclosure, and challenge where voting behaviour is not aligned with TPTIM's stewardship priorities. Where appropriate, this is supported by enhanced monitoring of subsequent voting activity.

In certain circumstances, and where practicable and proportionate, TPTIM may exercise additional levers to influence voting outcomes. This includes the ability to provide direction on how votes should be exercised in relation to priority stewardship issues. On a case-by-case basis, this may also involve requesting the recall or restriction of securities lending to enable voting on particularly significant or contentious resolutions. Such decisions are taken in consultation with relevant managers and with due consideration of operational feasibility and fiduciary responsibilities.

Securities lending and voting

TPTIM maintains an active securities lending programme, which may occasionally limit voting capabilities. Where a contentious vote or a resolution relating to TPTIM's engagement activities arises, we may selectively ask to recall or restrict lending on specific securities to ensure voting rights can be exercised. This decision will be evaluated on a case-by-case basis, with input from the relevant investment manager(s) to align with TPTIM's responsible stewardship commitments.

Exercising responsibilities beyond voting

TPTIM recognises that effective stewardship extends beyond the exercise of voting rights and must be applied across asset classes and geographies. While voting is an important stewardship tool within listed equities, it represents only one component of a broader approach to exercising rights and responsibilities.

TPTIM expects its investment managers to integrate stewardship principles across all asset classes and strategies, ensuring that material ESG factors are actively considered within investment decision-making, ownership practices and risk management. The form and intensity of stewardship vary depending on the asset class, investment structure and regional context, reflecting differences in available rights and mechanisms of influence.

In public markets, stewardship is typically exercised through engagement and voting. In fixed income and private credit, influence is often exerted through direct dialogue with issuers, the incorporation of ESG considerations into lending terms, and ongoing monitoring of issuer behaviour. In real assets, including infrastructure and real estate, stewardship may involve active ownership practices such as improving sustainability performance, strengthening governance arrangements, and enhancing stakeholder and community engagement.

TPTIM monitors how managers apply stewardship principles across asset classes, recognising that regional and regulatory contexts influence both the availability of rights, and the way influence can be exercised. In developed markets, stewardship expectations may focus on advanced practices such as climate governance and disclosure, while in emerging markets, engagement may prioritise improving transparency, strengthening foundational ESG practices and building long-term relationships.

Managers are expected to provide regular reporting on stewardship activities across all asset classes, enabling TPTIM to assess the quality, consistency and effectiveness of their approach. Additional stewardship mechanisms may include board representation, engagement on supply chain resilience, participation in collaborative initiatives and policy consultations, and, where appropriate, the use of legal rights to protect long-term investor interests.

Reporting

Regular voting data submission

TPTIM requires its investment managers to submit detailed data on their voting activities on a quarterly basis. This reporting enables us to monitor alignment with our stewardship priorities, review key voting decisions, and assess adherence to our Responsible Investment Framework.

Commitment to transparency

TPTIM is committed to providing transparent and accessible disclosure of its stewardship activities. We publish detailed, meeting-level voting records on our Responsible Investment webpage, alongside quarterly Active Ownership Reviews, which include voting statistics and significant votes. This is complemented by our Annual Stewardship Report, which provides further insight into our stewardship approach, activities and outcomes.

Voting disclosure

Full voting records can be consulted on our Responsible Investment webpage.

Outcomes and progress during the reporting period

During the reporting period, outcomes related to the exercise of rights and responsibilities included transparency from investment managers regarding their voting policies, use of proxy advisers and escalation approaches. Managers also demonstrated good articulation of how voting decisions are linked to their engagement priorities, supporting a more coherent stewardship approach.

TPTIM's oversight and engagement contributed to improved dialogue with managers, particularly in instances where voting outcomes diverged from expectations. This supported greater alignment over time and reinforced the importance of consistency between engagement objectives and voting behaviour.

In some cases, efforts remain ongoing. TPTIM continues to monitor voting practices and engage with managers to ensure that stewardship rights are exercised effectively.

Voting overview

Significant votes

Significant votes are identified based on the materiality of the issue, alignment with our stewardship priorities, and the level of shareholder dissent.

Investment manager: L&G Asset Management	
Company name	Microsoft Corporation
Date of vote	10 December 2024
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	6.01%
Summary of the resolution	Report on AI Data Sourcing Accountability
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with investee companies in the three weeks prior to the AGM.
Rationale for the voting decision	The company is exposed to growing legal and reputational risks related to copyright infringement in its data sourcing practices. Although Microsoft has robust disclosures regarding responsible AI and associated risks, L&G believes shareholders would benefit from enhanced transparency on how third-party data is used to train its large language models.
Outcome of the vote	Failed
Implications of the outcome	L&G will continue its engagement efforts, advocating for improved disclosure and stronger commitments on AI governance and data ethics.
On which criteria have you assessed this vote to be "most significant"?	Shareholder proposal.
TPTIM Comments	We support L&Gs decision, recognising the growing materiality of AI-related risks, particularly around data sourcing and intellectual property. As the use of AI expands across sectors, transparency and accountability in how models are trained is critical to maintaining stakeholder trust and mitigating legal and reputational risks.

Investment manager: Ruffer LLP	
Company name	PulteGroup
Date of vote	30 April 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	N/A
Summary of the resolution	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	Ruffer believes that industry-leading companies should advance the management of climate risk by setting explicit, science-based emissions targets supported by key performance indicators, internal carbon pricing, and appropriate incentives. Ruffer considered this proposal a valuable opportunity for the company to demonstrate climate leadership and strengthen its long-term strategy.
Outcome of the vote	Failed
Implications of the outcome	Ruffer will continue to monitor PulteGroup's progress and may seek further engagement if limited action is observed.
On which criteria have you assessed this vote to be "most significant"?	Ruffer defines a significant vote as any vote against management or an ISS recommendation, any vote breaching internal voting guidelines, and any resolution related to climate or shareholder proposals.
TPTIM Comments	TPTIM supports Ruffer's decision to vote in favour of the shareholder resolution, recognising the importance of target setting and transparency in achieving credible emissions reduction outcomes.

Investment manager: Man Group	
Company name	Dollarama Inc.
Date of vote	11 June 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not available
Summary of the resolution	Shareholder Proposal Regarding Waste Reduction Policy
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	Man Group voted for the shareholder proposal to strengthen the company's waste reduction policy. The proposal sought increased environmental accountability and disclosure, aligning with Man's broader support for initiatives that promote positive environmental and social outcomes.
Outcome of the vote	Failed
Implications of the outcome	Man Group places strong emphasis on the role of shareholder proposals as part of its stewardship responsibilities. The firm's Custom Proxy Voting Policy is supportive of proposals that encourage stronger environmental and social performance. Man considers active voting – particularly in favour of well-constructed shareholder proposals – an important mechanism for influencing company behaviour and advancing responsible investment principles.
On which criteria have you assessed this vote to be "most significant"?	Shareholder proposal.
TPTIM Comments	TPTIM supports Man Group's decision, recognising the importance of backing shareholder resolutions that promote greater environmental responsibility and waste reduction.

Investment manager: L&G Asset Management	
Company name	Equinor ASA
Date of vote	14 June 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.13%
Summary of the resolution	Approve Energy Transition Plan 2025
How you voted	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G publicly discloses its voting decisions and the rationale for all votes against management on its website. In line with its voting policy, L&G does not engage with investee companies during the three weeks preceding an AGM.
Rationale for the voting decision	Climate change: L&G acknowledges the challenging market environment since Equinor first published its climate transition strategy in 2022. However, as outlined in L&G's Oil and Gas Sector Principles, the firm expects companies to establish robust, time-bound emissions targets aligned with net zero goals, supported by transparent disclosures and evidence of financial resilience under a range of climate scenarios. In this context, L&G expressed concern regarding Equinor's intention to expand oil and gas production internationally, the associated financial risks, and the potential impact on its ability to meet its revised Net Carbon Intensity (NCI) targets. As a result, L&G voted against the company's 2025 Energy Transition Plan.
Outcome of the vote	Passed
Implications of the outcome	L&G will continue to engage with Equinor and other investee companies in the sector to advocate for credible, ambitious, and transparent transition strategies aligned with a 1.5°C pathway. The firm will also monitor company- and market-level developments and disclose updates on progress through its stewardship reporting.
On which criteria have you assessed this vote to be "most significant"?	This vote was deemed most significant due to the strategic importance of climate transition planning within the energy sector, Equinor's intention to expand oil and gas operations, and the potential impact on alignment with its net zero targets.
TPTIM Comments	TPTIM supports L&G's decision, recognising the importance of ensuring that corporate transition plans are both credible and achievable, and that companies demonstrate accountability in progressing towards their stated climate commitments.

Investment manager: L&G Asset Management	
Company name	Marks & Spencer Group Plc
Date of vote	1 July 2025
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.26%
Summary of the resolution	Oversee the Preparation of a Report to Provide Investors the Information Needed to Assess the Company's Approach to Human Capital Management
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G publicly discloses its voting decisions and the rationale for all votes against management on its website. In line with its voting policy, L&G does not engage with investee companies during the three weeks preceding an AGM.
Rationale for the voting decision	Income Inequality: L&G acknowledges M&S's commitment to paying all employees a real living wage. However, knowing the turnover rates at least for full-time workers would help to build a picture of the positive impact of paying a real living wage and treating their colleagues well impacts retention rates. Although the UK is considered a low-risk country in terms of human rights abuses, L&G believes having a thorough understanding of the 3rd party contractors that operate on M&S premises will reduce any potential future risks from human rights issues.
Outcome of the vote	Failed
Implications of the outcome	L&G will continue to engage with M&S and their investee companies, and publicly advocate their position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	This shareholder resolution is considered significant due to the relatively high level of support received.
TPTIM Comments	TPTIM supports L&G's decision, recognising the importance of transparent workforce data to assess retention and long-term value creation.

Reflections and next steps

Effective oversight and challenge are critical to ensuring that stewardship rights are exercised responsibly and in line with long-term objectives. Oversight of voting activity will remain an important focus, alongside continued integration of voting, engagement and escalation within a coherent stewardship framework.

Looking ahead, TPTIM will continue to refine its oversight processes, drawing on experience from the reporting period as well as evolving market standards and regulatory expectations. This will support a more consistent and outcome-focused approach to the exercise of stewardship rights over time.

Principle 5: Selection and oversight of external managers

Principle 5:
Selection and oversight of external managers

Signatories integrate stewardship considerations into their selection and oversight of external managers.

Stewardship in manager selection and monitoring

As a fiduciary manager operating through delegated investment arrangements, TPTIM considers the selection and oversight of external investment managers to be a central component of its stewardship responsibilities.

During the reporting period, stewardship considerations were embedded within manager selection, mandate design and ongoing monitoring processes. When appointing new managers or reviewing existing arrangements, TPTIM assessed managers' approaches to stewardship, including the integration of ESG factors into investment decision-making, engagement practices and voting. This assessment focused not only on the presence of policies, but also on how stewardship is implemented in practice within investment teams and governance structures.

Stewardship expectations are incorporated, where appropriate, into mandate documentation, recognising that the level of influence available varies by asset class, strategy and investment structure. These expectations are designed to be proportionate and aligned with TPTIM's Responsible Investment Framework, including requirements for ESG integration, engagement, voting (where applicable) and reporting.

TPTIM undertakes ongoing oversight of external investment managers to assess how these expectations are delivered in practice. Oversight during the reporting period focused on managers' integration of material ESG risks and opportunities, the quality and effectiveness of engagement activity, the exercise of voting rights and alignment with stewardship priorities, and the transparency and quality of reporting provided.

Manager monitoring

Managers are monitored through a range of structured oversight mechanisms, including:

- Quarterly stewardship and engagement reporting;
- Responsible Investment Rating assessments (A–D);
- Review of climate- and nature-related integration;
- Monitoring of voting patterns and alignment with stewardship expectations;
- Structured annual review processes;
- Ongoing engagement with investment teams, Heads of Responsible Investment and ESG specialists.

Responsible Investment Ratings

Manager appointments are subject to ongoing review rather than fixed terms, supported by structured monitoring processes. TPTIM employs a proprietary Responsible Investment Rating System to assess managers across key areas, including values, stewardship, ESG integration and transparency. These ratings are reviewed regularly and agreed at the Investment Committee, supporting robust governance and accountability in the oversight of stewardship.

Managers are assigned a rating from A to D, where A represents the highest level of responsible investment integration and D the lowest. Managers are reviewed at least annually, with ongoing engagement throughout the year to assess progress and maintain alignment with TPTIM's expectations. Where performance falls short, escalation strategies may be applied.

The rating framework is defined as follows:

A. Leading approach to integration of responsible investment at investment level, with the manager being able to clearly articulate the relevance and value of responsible investment as part of the investment philosophy. Responsible investment considerations should influence portfolio positioning. There are dedicated responsible investment professionals or ESG champions as well as frequent and suitable reporting. The manager can evidence that responsible investment systems and processes are in place and the manager is a good 'steward' of the assets.

B. The firm has a satisfactory approach and is reasonably well aligned with TPTIM's expectations on responsible investment. There is sufficient evidence of ESG integration, stewardship and reporting to demonstrate that the manager is committed to embedding its own policies.

C. The manager employs a 'light-touch', compliance-based approach and is not willing/intending to move beyond this. Managers in this category may also be 'new' to ESG and in the process of implementing policies and processes.

D. The manager has not given consideration to responsible investment at the organisational or strategy level and/or does not see ESG as being relevant. TPTIM should seek improvements from the manager over an agreed time period.

Escalation and accountability

Where TPTIM identified that managers' stewardship practices did not fully meet expectations, these issues were addressed through structured engagement and targeted challenge. TPTIM's escalation approach is designed to be proportionate and constructive, recognising that stewardship outcomes may take time to develop.

During the reporting period, escalation with managers primarily took the form of enhanced dialogue and increased scrutiny, rather than immediate changes to mandates. In practice, this included requests for additional information, clearer articulation of stewardship objectives, and evidence of progress against stated commitments.

These actions were intended to drive continuous improvement in stewardship practices while maintaining alignment with long-term investment objectives and fiduciary responsibilities.

No manager relationships were terminated solely on the basis of stewardship considerations during the reporting period. However, stewardship performance and responsiveness remain integral to TPTIM's ongoing assessment of manager suitability and may inform future decisions where expectations are not met.

Case study: Integrating ESG into manager selection

As part of the appointment of a new Emerging Markets Debt (EMD) manager, TPTIM conducted a comprehensive search and due diligence process, assessing potential providers across a range of criteria including business quality, investment philosophy, strategy, risk management and responsible investment. ESG integration formed a key component of this assessment, reflecting its importance within TPTIM's investment framework.

Following detailed evaluation, Ninety One was selected as the preferred provider and approved by the Investment Committee. The manager demonstrated a robust and systematic approach to ESG integration, embedded within a well-defined investment process and supported by strong risk management and reporting capabilities.

Ninety One's investment approach incorporates ESG considerations through a formal scorecard framework, combining quantitative, fundamental and ESG analysis across sovereign, currency and credit exposures. ESG factors directly inform investment decisions, including security selection and position sizing. The manager has also developed proprietary tools, such as the Net Zero Sovereign Index and the Climate & Nature Sovereign Index, to assess country-level progress on climate and nature-related risks and opportunities.

From a stewardship perspective, Ninety One demonstrated a mature and collaborative approach to engagement, including leadership roles in both sovereign and corporate engagements. Its ability to coordinate stewardship activity across asset classes – bringing together equity and fixed income perspectives – enhances its influence with issuers and supports more consistent engagement outcomes.

The appointment of Ninety One has enhanced TPTIM's exposure to an EMD strategy that integrates ESG risks and opportunities in a structured and measurable way. The manager's transparency, including bespoke reporting at the strategy level, supports effective ongoing monitoring and accountability. TPTIM continues to oversee the manager through regular reporting, engagement disclosures and ongoing dialogue, assessing alignment with stewardship expectations and broader investment objectives.

Case study: Manager Oversight Following an Environmental Accident

IFM Investors is an appointed manager within TPT Real Assets portfolio. In January 2025, Colonial Pipeline Company- one of the largest refined fuel pipeline operators in the United States, in which IFM held an ownership stake – experienced a gasoline leak on Line 1 in Georgia, resulting in a temporary shutdown of operations. Given the potential environmental, operational and reputational implications, TPTIM engaged with IFM to understand the company's response, mitigation actions and approach to risk management.

TPTIM held a targeted engagement meeting with IFM to review the incident in detail. Discussions focused on the effectiveness of Colonial's crisis response, the scale of environmental impact, and the robustness of its safety culture and preventative measures. IFM provided a detailed account of the incident, confirming that operations were shut down promptly following detection, with repairs completed within a short timeframe. The environmental impact was reported to be limited, with relatively small volumes recovered and contaminated soil removed as part of the remediation process.

The engagement also provided insight into Colonial's broader approach to risk management, including the use of advanced inspection technologies, real-time monitoring systems and proactive maintenance programmes aimed at identifying and replacing ageing infrastructure. A root cause analysis was initiated to identify underlying causes and inform future risk mitigation.

This engagement enhanced TPTIM's understanding of how the manager responds to operational incidents and manages associated risks, providing assurance on responsiveness and remediation capabilities while highlighting areas for continued monitoring.

Subsequent to the engagement, IFM exited its position in Colonial Pipeline.

Outcomes and progress during the reporting period

Outcomes from TPTIM's stewardship-related oversight of external managers during the reporting period included improved transparency and greater consistency in stewardship reporting from certain managers, enabling more effective monitoring and comparison of practices. Managers also demonstrated clearer articulation of how engagement priorities are identified and escalated, supporting a more structured and outcome-oriented approach to stewardship.

In addition, there was increased alignment between TPTIM's stewardship priorities and managers' stated engagement focus areas, reflecting the impact of ongoing engagement and oversight.

In some cases, outcomes remain ongoing. Where improvements have not yet been fully realised, TPTIM continues to engage with managers to monitor progress and assess whether further challenge or escalation may be required.

Reflections and next steps

TPTIM's experience during the reporting period reinforces the importance of sustained engagement and clearly defined expectations in influencing stewardship practices within a delegated investment model. Oversight of external managers will remain a key focus, with continued emphasis on transparency, accountability and alignment with long-term value creation.

Looking ahead, TPTIM will continue to refine its oversight processes, drawing on experience from the reporting period, evolving market practice and client expectations. This will support a more consistent and outcome-focused approach to stewardship oversight.

Engagement and voting oversight act as complementary levers within this approach and are described further under **Principles 3** and **4.**

Principle 6: Monitoring service providers

Principle 6:
Monitoring service providers

Signatories monitor and hold to account stewardship service providers.

Selecting and monitoring service providers

To support the delivery of our responsible investment objectives, TPTIM applies a structured approach to the selection and ongoing monitoring of service providers, ensuring their capabilities and practices align with our expectations.

Our selection process for service providers, including data providers and research consultants, is designed to identify partners that enhance our ability to integrate ESG considerations and exercise effective stewardship. Providers are assessed based on:

- their expertise in responsible investment, stewardship, and ESG-related services;
- the quality, reliability and transparency of their methodologies and data;
- their alignment with industry best practices and regulatory developments;
- their memberships in relevant industry groups and adherence to relevant stewardship codes.

Once appointed, service providers are subject to ongoing review to ensure they continue to meet our requirements and support our responsible investment approach. This includes periodic assessment of service quality, relevance and alignment with TPTIM's evolving needs. Where providers fall short of expectations, TPTIM engages with them to address identified issues and, where necessary, considers alternative solutions to maintain the integrity and effectiveness of its responsible investment framework.

Monitoring during the reporting period focused on:

- whether outputs provided by service providers were decision-useful and proportionate;
- how service provider inputs were used by investment managers in engagement and voting processes;
- consistency between data, analysis and observed stewardship activity;
- limitations, assumptions and areas of uncertainty within data and methodologies.

TPTIM also reviews information provided by managers on their use of service providers, including proxy voting services, as part of regular stewardship oversight. This includes reviewing which providers are used, whether managers apply custom or default voting policies, and how managers exercise oversight over third-party recommendations.

Use of proxy providers

TPTIM delegates proxy voting responsibilities to its appointed investment managers and does not directly appoint or use proxy voting providers. However, we recognise the important role that proxy advisers can play in informing voting decisions, particularly where managers draw on their research and recommendations.

TPTIM expects managers to exercise independent judgement in their voting decisions and not to rely mechanically on proxy adviser recommendations. Managers are expected to consider the specific context of each resolution, including company circumstances and engagement activity, and to demonstrate how voting decisions are aligned with their investment approach and stewardship objectives.

To ensure transparency and accountability, TPTIM monitors how managers utilise proxy voting providers as part of its broader oversight of voting activity. This includes reviewing which providers are used, the nature of each manager's voting policy (including the extent of customisation versus reliance on standard provider recommendations), and how managers oversee and challenge proxy adviser outputs. We also assess the alignment of voting outcomes with TPTIM's stewardship priorities.

Information is collected using the Pensions UK Voting Template, supporting consistent disclosure and enabling effective comparison across managers. This data is reviewed alongside engagement records and voting outcomes to assess the coherence of managers' stewardship activities.

Where voting activity or reliance on proxy advisers appears inconsistent with TPTIM's expectations or the long-term interests of beneficiaries, we raise these issues with managers through our ongoing monitoring and engagement processes. This approach ensures that, within a delegated model, TPTIM maintains robust oversight of how stewardship responsibilities are exercised on its behalf.

Engagement and challenge

Where concerns arise regarding the quality, consistency or application of service provider outputs, TPTIM engages with relevant parties to seek clarification and drive improvement. This may include discussions with external investment managers on how service provider recommendations are assessed and challenged, as well as requests for greater transparency around data sources, methodologies and underlying assumptions.

Where existing arrangements do not meet TPTIM's stewardship requirements, we may also consider the use of alternative data sources or tools. These actions are intended to ensure that service providers support, rather than determine, stewardship decision-making, and that appropriate oversight and independent judgement are maintained.

Outcomes and progress during the reporting period

During the reporting period, outcomes related to the monitoring of service providers included an enhanced understanding of how different managers utilise proxy advisers and ESG data providers within their stewardship processes. This resulted in more informed oversight and more targeted challenge of how external inputs are incorporated into investment and stewardship decision-making.

There was also improved consistency in stewardship-related reporting and data collection across managers, enabling more effective comparison and strengthening TPTIM's ability to assess alignment with its stewardship expectations. This, in turn, supported more structured engagement with managers and clearer identification of areas requiring improvement.

In parallel, TPTIM refined its internal systems and tools used to track engagement activity, voting oversight and overall stewardship alignment. These enhancements resulted in a more systematic and integrated approach to oversight, improving the quality of analysis and supporting more timely and evidence-based decision-making.

In some areas, improvements remain ongoing, particularly where data quality, coverage or methodologies continue to evolve. TPTIM continues to assess the suitability of service providers over time, ensuring they remain aligned with evolving stewardship expectations, regulatory developments and market practices.

Reflections and next steps

TPTIM's experience reinforces that effective stewardship requires active oversight of service providers, particularly within a delegated investment model where multiple parties contribute to stewardship outcomes. Monitoring service providers will therefore remain an important component of TPTIM's stewardship framework, supporting transparency, accountability and continuous improvement.

Looking ahead, TPTIM will continue to review the suitability of its service providers, drawing on experience from the reporting period, technological developments and feedback from investment managers. This will help ensure that stewardship activities are supported by high-quality, decision-useful information and robust analytical tools.

Conclusion and forward priorities

Conclusion and forward priorities

Over the reporting period (1 October 2024 – 30 September 2025), TPTIM continued to strengthen its stewardship approach, with a particular focus on enhancing oversight of external investment managers, advancing targeted engagement on climate and nature, and contributing to industry initiatives that support the development of climate solution frameworks and stewardship standards.

This included more structured monitoring of manager stewardship practices, deeper integration of ESG data into investment oversight, and active participation in collaborative initiatives aimed at improving market-wide transparency, comparability and effectiveness of stewardship. Collectively, these activities have supported a more consistent and outcome-oriented approach to stewardship across TPTIM's portfolios.

Looking ahead to 2025–26, TPTIM will continue to build on this progress, with a focus on further strengthening the integration of stewardship and investment decision-making and enhancing the delivery and measurement of outcomes. Key priorities include:

- **Maintaining a strong focus on climate and nature**, embedding these themes across both manager oversight and targeted direct engagement activity.
- **Enhancing data and analytical capabilities**, including expanded use of deforestation, biodiversity and climate scenario data to improve risk identification, portfolio screening and engagement prioritisation.
- **Strengthening escalation and accountability mechanisms**, including clearer escalation pathways and more systematic tracking and disclosure of engagement outcomes.
- **Supporting managers in improving climate transition credibility and nature-related risk assessment**, through ongoing engagement, challenge and the sharing of best practices.
- **Introducing human rights as a formal stewardship priority**, reflecting its growing relevance as a systemic risk and its importance in the oversight of external managers and portfolio companies.

Through these actions, TPTIM aims to further enhance the effectiveness of its stewardship approach, supporting long-term value creation for clients and beneficiaries while contributing to more resilient and well-functioning financial markets.

Get in touch

If you would like to contact us about this report, please feel free to, via:

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