CCLA
GOOD INVESTMENT

Public Sector Deposit Fund

Manager

CCLA Fund Managers Limited

Report type

Combined SDR ongoing product-level disclosure and TCFD product report.

The purpose of this report is to provide disclosures of key sustainability-related performance indicators and metrics.

The content of this report is aligned with the requirements of the environmental, social and governance (ESG) sourcebook published by the Financial Conduct Authority (FCA) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Reporting period

1 July 2025 to 30 June 2026

Fund size

2026	**£1,357m**
2025	£1,584m

SDR label

We believe that the primary role of sustainable investment is to drive positive change.

The fund is managed in line with our sustainability approach for cash funds.

The FCA has introduced sustainable investment labels to help investors find products that have a specific sustainability goal. This product does not have a UK sustainable investment label because it does not have a sustainability goal.

On our website you will find a summary of the UK Sustainability Disclosure Requirements (SDR), our investment labels, our overall approach to responsible investing, as well as fund-level information.

Investment policy

The fund aims to maximise current income consistent with the preservation of principal and liquidity. The fund is a diversified portfolio of high-quality, sterling-denominated money market deposits and other instruments.

All investments at the time of purchase will have the highest short-term credit rating or an equivalent, strong long-term rating.

The fund is actively managed, which means the authorised corporate director, as investment manager, uses their discretion to pick investments in pursuit of the investment objective. The weighted average maturity of the investments will not exceed 60 days. The fund will not invest in derivatives or other collective investment schemes.

Fund sustainability goal

None

Prior year/trend: No change

SDR label status

Unlabelled

Prior year/trend: No change

Engagement profile

Number of themes: 4
Number of counterparties engaged: 39

Prior year/trend: New metric

Material changes during the period

During the second half of 2025 we expanded our climate-related engagement to our cash/money market funds, our second largest asset class (as of June 2026).

The new aspect of the framework focused on financial institutions' approach to financing fossil fuel expansion. We assess institutions based on the strength of their Reclaim Finance policies on oil and gas and coal expansion and engage with them to support improvement.

The aim is to encourage counterparties to strengthen these policies and contribute to the eventual phase-out of fossil fuels.

Prior year/trend: Change

Sustainability approach

This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The fund does not use a sustainable investment label because it does not have a sustainability goal.

CCLA maintains an approved list of financial institutions ('approved list'), in which CCLA's cash funds can invest. To determine this list, CCLA assesses institutions on various indicators of financial strength and on several environmental, social, and governance (ESG) indicators. The ESG indicators consist of the following:

1. compliance with national norms, laws, and regulations that govern business operations across borders (Global Standards)[1]
2. the quality of an institution's corporate governance
3. the strength of an institution's coal, oil and gas expansion policies
4. the institution's ranking in CCLA's mental health and modern slavery benchmarks[2]

In addition, CCLA routinely monitors counterparties' compliance with Global Standards through our third-party provider to determine whether they are compliant with and/or whether they have significant or severe controversies. When significant concerns about their governance, or wider social and/or environmental impact are identified, counterparties' eligibility for use by the fund is suspended.

Counterparties which do not comply with Global Standards, and/or have the most severe level of controversy (as advised by our third-party provider) are excluded. If they become non-compliant while we hold fixed interest securities issued by them in the fund, a time-limited engagement plan is created with regular monitoring by the CCLA Investment Committee. Should the counterparty not show sufficient improvement, the investment team has a six-month divestment window. Finally, no further fixed interest securities (or other types of cash instruments) issued by this counterparty can be purchased.
The full approach is available here.

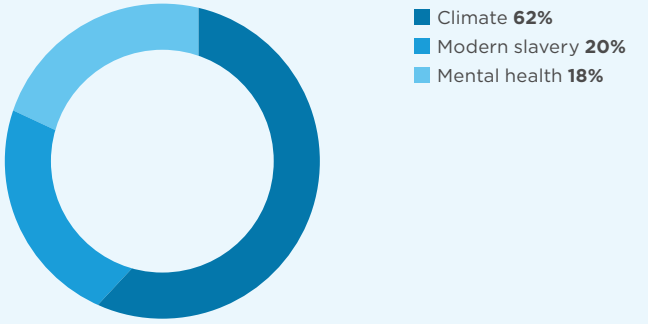
Engagement statistics

Scope

Over the past twelve months, we have engaged with 39 approved counterparties eligible for the CCLA cash funds. We engaged with these listed counterparties across three engagement themes, with 63 engagement cases.

The chart below demonstrates the breakdown of engagement cases by theme: climate, modern slavery, and mental health.

ENGAGEMENT CASES BY THEME



Responsiveness

We had two-way dialogue in 61% cases (by number) and meetings in 20% of engagement cases (by number).

Progress

The climate engagement programme began in October 2025, so we will not report progress or regression.

Of our engagements on modern slavery and mental health, there were:

- 2 improvements at 2 counterparties
- 3 regressions at 3 counterparties
- 7 counterparties that met or retained the engagement target set

1 Global Standards cover the UN's Global Compact Principles, International Labour Organization's (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).
2 Only financial institutions covered by these benchmarks will be assessed against these benchmarks.

Climate metrics

In our cash funds, we buy sterling-denominated money market deposits and instruments from a range of counterparties. As the cash funds do not hold shares in the counterparties, we should not report scopes 1 or 2 emissions as these are not 'owned' emissions.

Calculating the scope 3 carbon footprint of the money market instruments is not as straightforward as listed equity, and we do not believe that the current methods to do this provide accurate carbon footprint data for this type of security. We will continue to investigate how to measure this exposure.

As set out elsewhere in this report, we have started an engagement programme with the listed counterparties. This engagement approach is in line with the position set out in the appendix to the NZIF.2.0, which is the updated Net Zero Investment Framework (NZIF). This provides investors with comprehensive guidance to align portfolios with net zero goals and support real-world decarbonisation.

Glossary

Please refer to the glossary on our website for explanations of terms used in this communication.

If you would like the information in an alternative format or have any queries, please call us on **0800 022 3505** or email us at **clientservices@ccla.co.uk**

Important information

Data sources
Sustainability: CCLA as at 30 June 2026.

This document is not a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. We strongly recommend you seek independent professional advice prior to investing.

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