

Review 2024-25



New peak, new horizon

Sally Bridgeland

What an exciting year to step into the Chair role! I am delighted to introduce the 2024 Review and to mark a new peak in Brunel's extraordinary journey. **The Review** aims to capture the best of 2024, much of which lays the tracks for 2025 and beyond.

Why is this moment a new peak for our partnership?

The election outcome in 2024 heralded a new phase in the story of the LGPS, and of pooling. The Chancellor outlined her vision for the LGPS at her Mansion House speech in November 2024, attended by our CIO, and made clear the government's overriding commitment to complete pooling and to enable our partner funds to maximise their impact on the local economy.

We responded to the government's Pension Review Call for Evidence, and LGPS Fit for the Future Consultation. We also submitted our proposed Business Plan. We are supportive of the general direction of travel and are ready both to lead the way and to make the most of new opportunities to forge better futures - in partnership.

Front cover photo: The Church of St Micheal de Rupe on Brent Tor, Dartmoor National Park, Devon

Pooled success

I have been impressed by the way that the partnership works and the distance we have already travelled together. Brunel has thrived because it has been adaptable and pioneering in how it works, and accepted the inevitable compromises of a partnership to make the most of the benefits of pooling. Shared costs and economies; greater Responsible Investment impact and influence; and a more expansive investment approach benefit both partner funds and their members.

Our ability to work together and innovate has also enabled our partnership to achieve major pooling successes, not least the transition of client assets, which is now approaching 90% transitioned, placing us at the vanguard of pooling and strongly aligned for the latest pooling timetable.

Brunel has clearly built its progress on shared values and ambitions, and on a collaborative culture. All of these strengths enable and empower us to target our core purpose. While each of our partner funds has distinctive characteristics and preferences, my initial conversations with them have shown a clear commitment to our pool and to travelling the future pooling journey together.



UK impact

As a partnership, we already have a model and a good track record in local, place-based investing around the UK and, increasingly, within our geographical region. We can point to affordable housing in Cornwall, solar farms in Somerset, and our clients' renewables investment via 'Wessex Gardens.' We are excited about deepening our relationships with the various local authorities to make a difference in the places where our members live. This is where our purpose of 'investing for a world worth living in' really comes alive for our partnership (see page 9).

We are very proud of the impact our investments continue to have, and of the new investments we have made over the year. Around the UK, Brunel is invested in productive assets that are delivering the green transition, delivering social impact, and driving improvements in biodiversity – always within the broader remit of meeting our fiduciary duties.

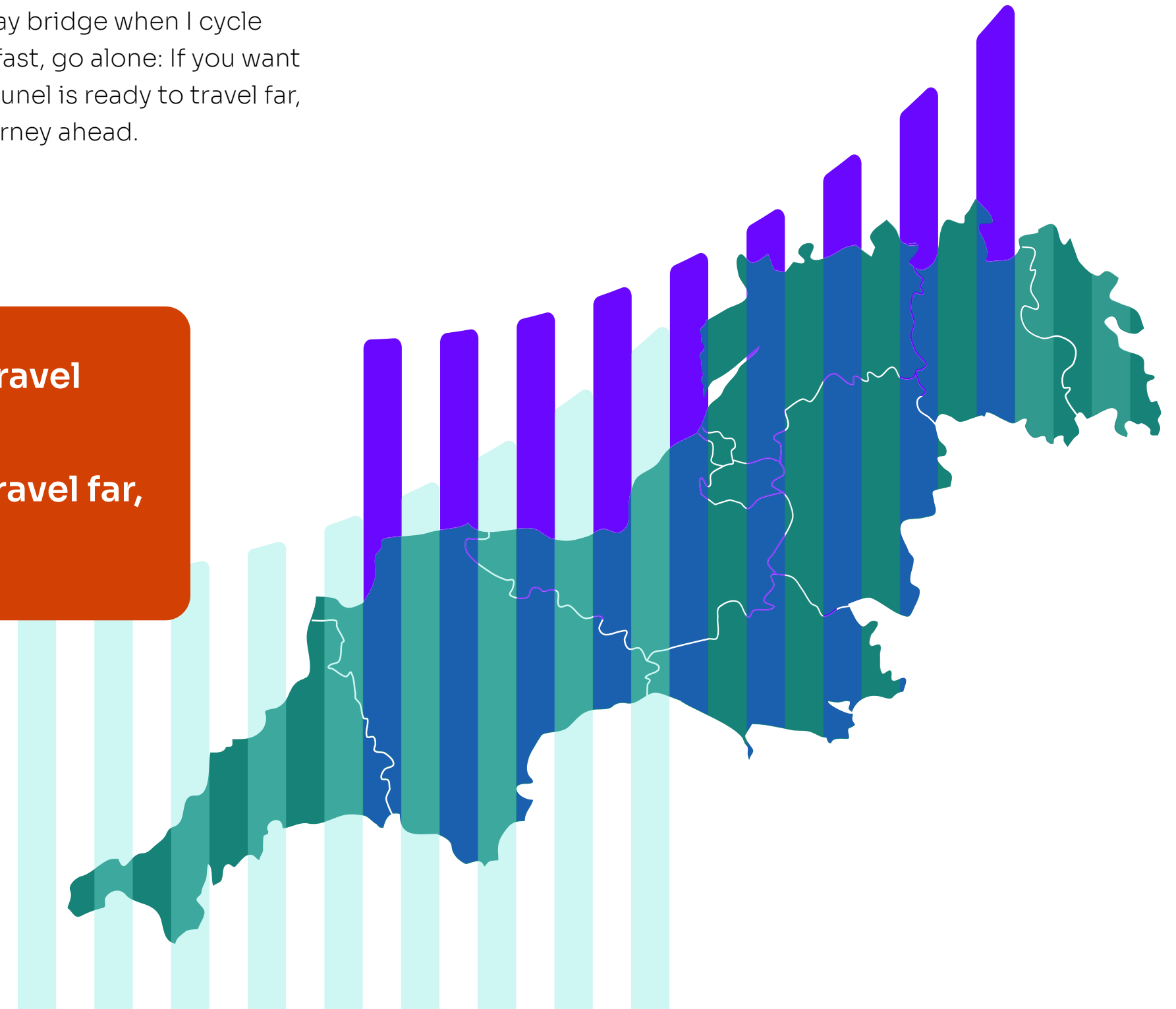
A small selection of impactful Brunel investments is mapped out on page 7, from Cornwall to Scotland.

There is enormous potential to do more and, through our own role in establishing the National Wealth Fund, we understand the critical role which the government also has to play, to pave the way for crowding in private capital to hard-to-access transition sectors. We will

continue to work with policymakers and the investment industry to ensure pooling delivers the intended benefits for pension fund members – and for the world they retire into.

As I read regularly on a railway bridge when I cycle home: "If you want to travel fast, go alone: If you want to travel far, go together." Brunel is ready to travel far, and I look forward to the journey ahead.

**"If you want to travel fast, go alone:
If you want to travel far, go together."**



Stepping forward

Laura Chappell, CEO

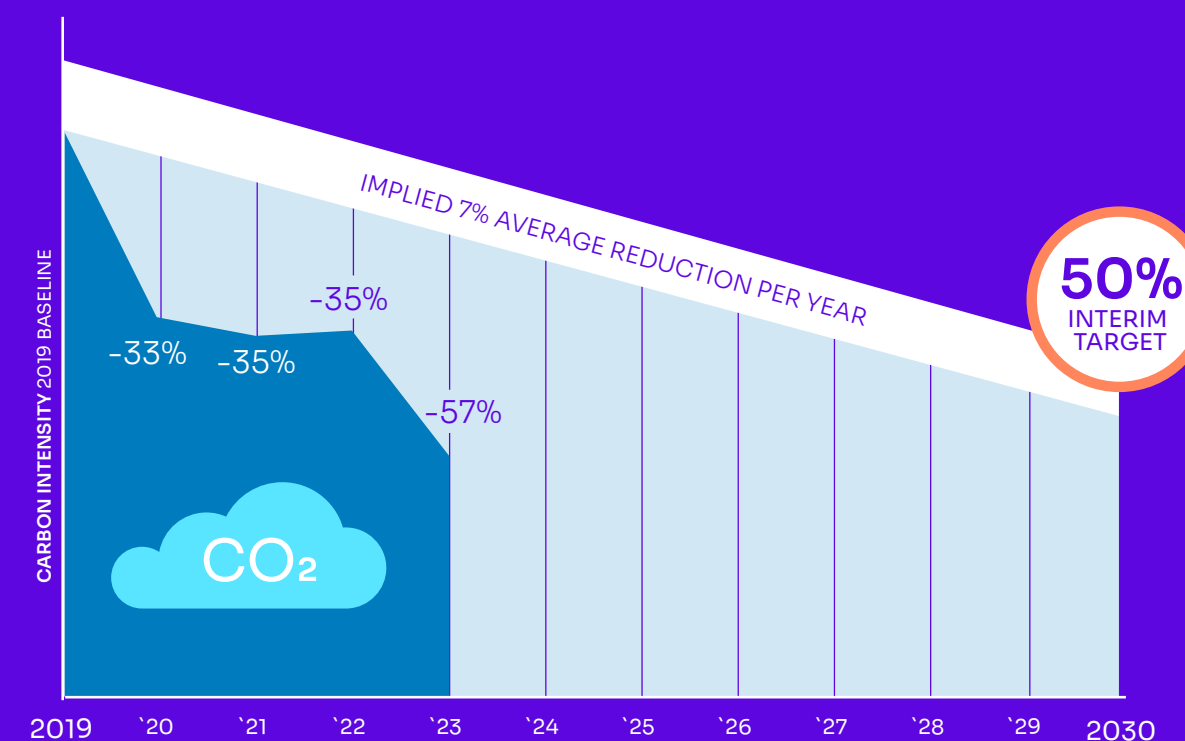
It has been a time of exceptional change for our partnership. We agreed a new strategy with our partners, one that enables and empowers us to build still greater value through supporting existing activities – and exploring exciting new opportunities.

We remain rooted to our core fiduciary purpose: to provide excellent risk-adjusted investment performance for our partners, meeting their pension fund goals. It would be remiss of me not to acknowledge that it has been a hard few years for Responsible Investment (RI), but our partner funds have stuck with their commitments to long-term investing. We are very grateful indeed for their determination.

The government's Pension Review confirmed that we have the right strategy for the future. However, our continued strength lies in our ability to look beyond the Review's immediate timeframes to the longer-term horizon of our pension funds, so that we act with conviction to ensure we have a resilient business that lasts into the future.

That perspective remains crucial as policy change accelerates, market uncertainty persists, and Net Zero commitments suffer around the world. We are introducing more AI to maximise the benefits of scale, and the benefits of **Fit for the Future** can only be fully realised through working in partnership with all our stakeholders.

Net Zero journey



We have recognised the impetus for change, and have both the vision and the approach required to take us forward (see graphic, below).

Yet even as we look so far ahead, it is crucial to celebrate our partnership’s recent progress. Our original cost savings target was £27 million annually in 2025, but in financial year 2023-24 we were already making savings of £46 million vs pre-pooling. In that same year, we saved around 4.5 times the costs we incur via the management fees we negotiated.

Over the same period, the assets we manage for our clients increased to £35.9 billion, which is 86% of our clients’ assets. The assets we manage include £9.6 billion of total commitments across private markets (now in their fourth portfolios cycle).

We also continued our progress on Climate Change, one of our top three RI priority themes (see graphic right). In 2024, our exposure to emissions (vs our 2019 baseline) dropped to -57% and our fossil fuels exposure to around -90%. In short, our pool has continued to deliver above and beyond expectations.

The detail matters, too. Increasingly we are delivering locally, including through investments in our own partnership regions, such as Cribbs Triangle in Bristol – providing affordable new homes, or via our role as co-investor in British Solar Renewables, the third-largest solar PV developer in the UK, headquartered in Somerset.

I&PE Investments like these are among the reasons that we won in the **Private Markets** category at the **Investment & Pensions Europe Transition Awards 2024**, and won in two categories at the

Our top 3 RI priorities



Investment & Pensions Europe Awards 2024: Carbon & Net Zero Strategies, and **Impact Investing**. At the latter, we were also delighted to celebrate the naming of EAPF as **Pension Fund of the Year**.

Our progress and impact reflects an internal culture and unity that is a source of pride. Our Employee Net Promoter Score (eNPS) of +40 signalled a very good level of staff satisfaction, while our Culture Amp Engagement Score of 76% demonstrated how positively Brunel employees feel about their work. That pride underpins our **Walking the Talk** project, which gathered momentum over the year, across carbon footprint tracking and our partnership with Catalyst Education Programme.

Finally, in the spirit of marking our progress and looking out across the horizon, the Board and I are enormously grateful to our outgoing Chair, Denise Le Gal, for her enormous impact as both Chair and colleague. Brunel has grown and thrived over the past eight years, and we are more than delighted to have found Sally to help us take the work forward.



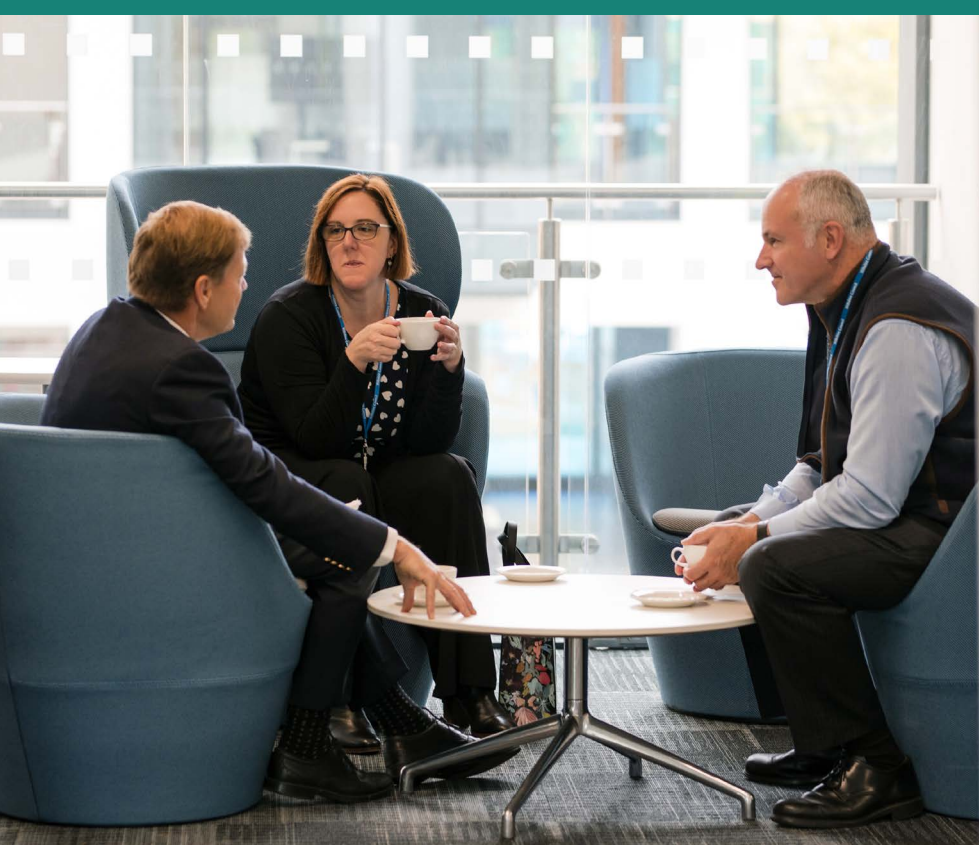
Partnership-powered: Investor Day 2024

Shareholders, clients, staff, NEDs, and asset managers gathered at the Council Offices in Trowbridge, Wiltshire, for a day of presentations and panels on our portfolios, RI and the future. The day reflected our approach as a partnership: interaction, debate, questioning, bringing in multiple perspectives, and marking progress together.



“We are all very grateful to Sean Collins for his work as Client Group Chair since our founding to enable constructive debate among clients and shareholders and to facilitate the exceptional progress we have made as a partnership. I am looking forward to what our continued collaboration at Client Group will deliver in the years ahead.”

Mark Gayler, Chair of Client Group



Impact Britain: Investing for a UK worth living in

We are investing as a partnership for a world worth living in. In line with our fiduciary duty, we have a special interest in place-based investment in the UK. This is where Brunel employees, our clients and their members work. It is also where the great majority of our partner funds' more than 800,000 members have retired or will retire. We are therefore delighted to highlight a handful of the investments that are delivering social impact for local communities, helping the UK to make the energy transition, and increasing biodiversity.

Scan the map to see a small selection of our current investments – and click on the links to discover more.

Projects GHECO and Diamond
UK-WIDE
Leverage green hydrogen for UK energy transition

UK EV charging infrastructure
UK-WIDE
Targets **315** sites to deliver charging within **5km** of **80%** of UK population

Onshore wind
POWYS
Multiple wind parks, centred on Powys, via Bute Energy.
2.2GW production capacity – enough to power over 2.2 million homes

260-acre solar farm
LLANWERN
A development contract for 20 years

Southwest solar
SOMERSET
Co-investor in British Solar Renewables: major projects across Southwest – Somerset HQ

Affordable housing
CAMBORNE, CORNWALL
Targets one of Europe's poorest regions

Scottish energy
LANARKSHIRE & FIFE
Europe's largest battery storage project can store/supply 3GWh electricity – at a grid congestion hotspot

Biomass Power Plant
TEMPLEBOROUGH, ROTHERHAM
A 40MW operating waste wood biomass plant

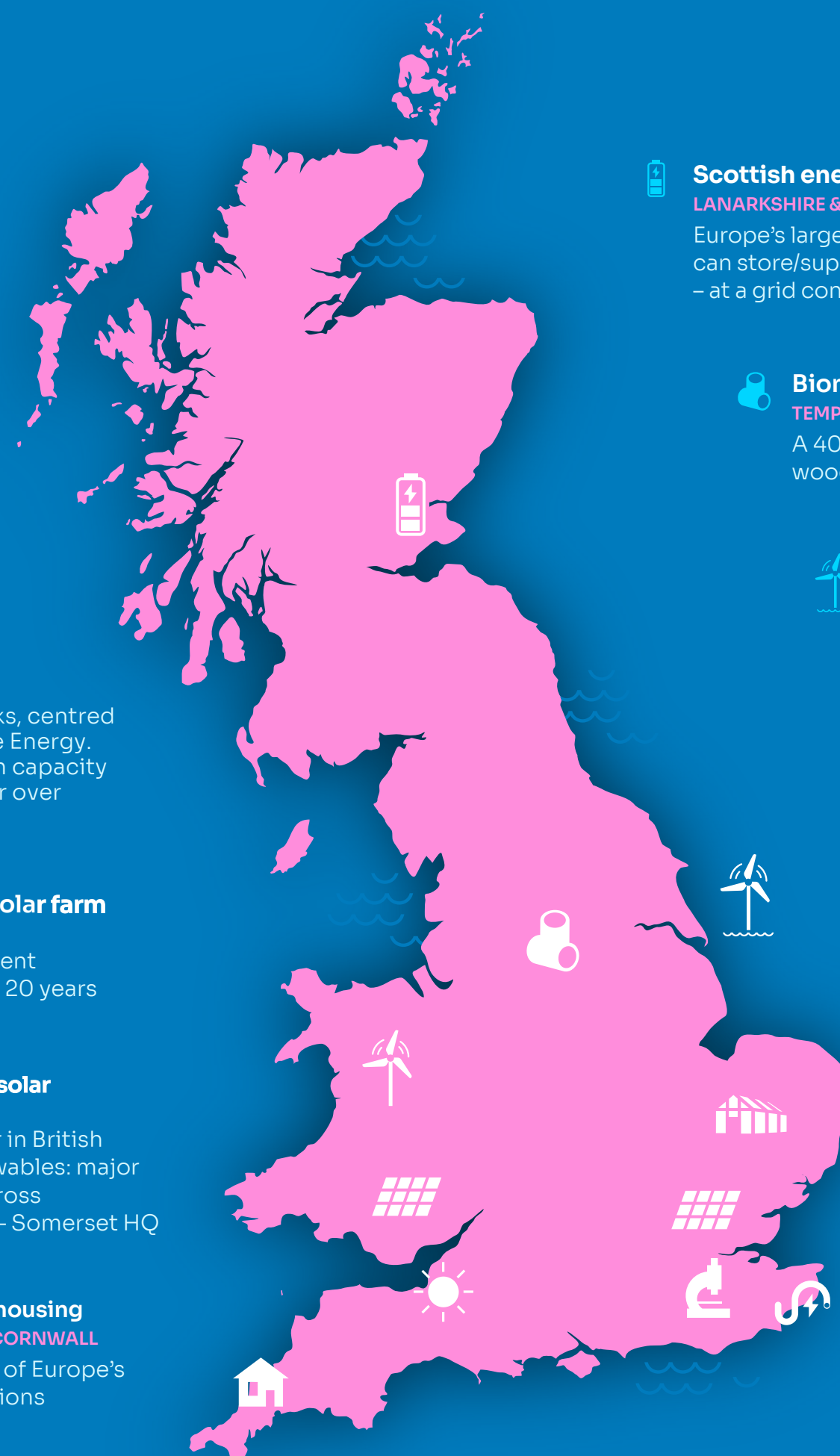
Offshore wind farm
HUMBER GATEWAY
Capable of generating electricity for **199,000** homes

Giant greenhouses
EAST ANGLIA
Producing **10%** of UK tomato output, powered by wastewater runoff

Solar farm
ESSEX
Built on regenerated landfill site

New pathology unit
LONDON
Europe's largest for research

700km UK-Germany subsea electricity cable
ISLE OF GRAIN
1.4GW capacity – enough to power 10s of millions of homes across project lifespan



Investing for a Biodiverse Future

Biodiversity is crucial to life, to the economy and to investors. Natural capital in the UK has been valued at £1.8 trillion ([ONS figures](#)).

Our RI Strategy identifies Biodiversity & Nature as one of our [top three RI priorities](#), and it is inextricably bound up with the other two: Climate Change; and Human Rights & Social Issues.

Our Biodiversity & Nature strategic objective is to advance action to limit the loss of biodiversity and nature, and increase rejuvenation to deliver a net-positive impact through our investment opportunities.

We aim to achieve this goal by increasing the opportunity set for natural capital investing, a process which involves five key focuses:

- Capital allocation
- Public policy advocacy
- Capacity building
- Targeted stewardship
- Transparency leadership

The examples here paint a picture of how we are pushing this agenda – and investing for a more biodiverse world.

Aurora – Forest Carbon Capture



Project Appellation owns 1.6 million acres of mixed natural hardwood forest across numerous states in the east of the US, making it the largest carbon-focused timberland platform in the world. Through our Cycle 3 Infrastructure portfolio, Brunel is a co-investor in the Aurora Sustainable Lands project, boosting climate change mitigation, climate change adaptation, biodiversity and ecosystems.

[More here](#)

Meadowlark Organic Farming



Switching conventional farmland to organic farmland translates into better soil health, increased organic matter and reduced GHG emissions. Brunel is invested via our Cycle 3 Infrastructure portfolio. Benefits span climate change, biodiversity and ecosystems, but extend to carbon sequestering and reducing pesticide runoff into water systems.

[More here](#)

Engaging the Water Utilities



In 2024, Brunel joined Royal London Asset Management's two-year engagement initiative to influence UK water companies to improve in meeting investor expectations. Target areas are adaptation to climate physical risks; biodiversity; Just Transition, and anti-microbial resistance.

[More here](#)

Cribbs Triangle: Affordable housing community development in north Bristol

Brunel is invested in a construction project bringing 130 new homes to Patchway, north Bristol. Cribbs Triangle is a community-building investment that comprises 130 homes, a supermarket, children's playground and green amenity land. The single-family rental housing is let at affordable rents to working families and co-renters, who also benefit from renting off an institutional landlord – enabling long-term tenancies.

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In 2024, 12 major housing associations warned that the city's lack of affordable housing had set a ceiling on job growth for both the city of Bristol and the surrounding region. Brunel's UK Property portfolio has invested in the project via PGIM Real Estate's UK Affordable Housing Fund. The PGIM fund has acquired all 97 non-housing association homes in the development for £31 million. All homes are fitted with roof-mounted solar panels and EV charging points. At the end of 2024, 49 of the 97 homes had been built, with the remainder scheduled for completion in 2025.



AI future: Building capacity

AI is developing at a frenetic pace, delivering all kinds of new opportunities to investors. Brunel is focused on harnessing those opportunities at every level, from analysing data to managing supply chains. In this way, we aim to use AI to maximise our efficiency and impact for our partner funds and their members.

There are several ways we are exploring the unprecedented opportunities and risks of AI, both internally and in how we invest. We continue to develop our related RI theme: Cyber & AI is one of Brunel's seven core RI themes, enabling us to engage with related investment risks. For a case study of our work in this area in 2024, see [Royal London Asset Management: Cyber Security Programme](#).

In 2024, we also adopted AI internally as part of our new, broader data strategy. We integrated Microsoft Copilot at Brunel for all staff to access and use – both for individual work and at group and team levels (such as to summarise person-by-person contributions at meetings). We asked two of our staff to capture how they used AI in their roles in 2024: David Jenkins, Portfolio Manager, Global Sustainable Equities; and Oliver Wright, Responsible Investment Officer.

Oliver Wright: Stewardship – voting guidelines

This case study was presented to the CFA for its AI in Pensions research.

Brunel developed two AI-driven tools to enhance stewardship efforts:

VOTING GUIDELINES SCANNER:

Custom GPT trained to analyse voting guidelines from 30 asset owners. It helped Brunel detect trends and flagged broader shifts in stewardship standards – strengthening our own guidelines.

VOTING SCANNER COPILOT:

Developed to assess implementation of Brunel voting guidelines and identify where/why voting positions are different in active and passive portfolios – across 62,000 resolutions. Used to support guidelines progress with EOS, our service provider.

David Jenkins: Investment data dive

VISION Conduct major set of data intensive calculations in Python – too large for Excel.

METHOD Code the functions into Python, based on data set and the calculations required. Input shape of the data and intended outcomes into AI. AI provided developer coding required to load into Python to calculate results.

IMPRESSIONS Fantastic!

It provided exactly the code required in 30 seconds – instead of several days. I could change lines of code/data as needed.

POTENTIAL IMPACT Primarily, saving time. We could also build even more sophisticated analytics to digest/understand the data much better.

Ambition amplified

We use our profile and reputation to maximise our impact and spread our messages to the industry and beyond. This small selection of engagements from 2024-25 highlights how we have continued to promote RI through engagement, collaboration and partnerships.



Left: Rachel Reeves and Ed Miliband with Brunel's Chief Investment Officer and other members of the National Wealth Fund Taskforce, which delivered its recommendations to the government in 2024: [More here](#)



Above: Faith Ward with Lord Alok Sharma KCMG at the formal launch of the **Transition Finance Council**, February 2025. Faith is Chair of the scaling finance working group: [More here](#)

Right: Faith Ward with **AI Gore** at a Generation Investment Management breakfast on climate change, June 2024: [More here](#)



Above: Laura Chappell interviews Harry Keiley in 2024, the year he stepped down as Chair of Calstrs, the **\$255bn California State Teachers' Retirement System**, Pension Bridge Summit: [More here](#)

Left: Laura Chappell at **10, Downing Street** for the new prime minister's first summer business reception, August 2024: [More here](#)

