

Annual Stewardship Report 2025





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Foreword



Pevensey Castle, Derbyshire



The year 2025 marked one of the most consequential periods of geopolitical realignment in recent decades, defined by escalating conflicts, shifting alliances, and deep economic uncertainty. Against this global backdrop, LGPS Central Limited (LGPS Central) achieved several major milestones that underscored its status as a provider of a strong investment platform, robust responsible investment capabilities, and a collaborative culture. Whilst we recognise that there might be diverse views on responsible investment across Partner Funds, our approach reflects shared principles while remaining attentive to this range of perspectives.

The Government's LGPS: Fit for the Future proposals mark the next stage in the pooling journey, setting out an ambition for greater delegation and accelerated pooling. In 2025, six Local Government Pension Scheme (LGPS) funds, Gloucestershire, Hampshire, Norfolk, Oxfordshire, Suffolk, and Wiltshire, formally confirmed their intention to join the Pool. Their decision increased the number of Partner Funds to 14, bringing combined assets under management to approximately £100bn as of 1st April 2026. The Fit for the Future proposals also indicated that pools should undertake a phased approach to transferring existing Partner Funds listed assets to the pool and granting LGPS Central delegated authority over illiquid investments via discretionary agreements.

In December 2025, LGPS Central was named Pool of the Year at the Local Government Chronicle (LGC) Investment Awards. Judges highlighted the Pool's top-quartile investment performance, strong ESG integration, and its ability to foster meaningful collaboration across the LGPS community, an achievement reflecting both operational excellence and stewardship leadership.

Internationally, the World Economic Forum characterised 2025 as a year of "global inflexion points" due to geopolitical fracture, conflict, misinformation, and physical risks associated with changing climate. Europe faced heightened security pressures as the Russia–Ukraine war reached its fourth year, while the Israel–Gaza conflict concluded under a fragile U.S. ceasefire. These dynamics prompted European leaders to strengthen defence cooperation and accelerate efforts toward strategic autonomy. A major geopolitical turning point came with Donald Trump's return to the U.S. presidency, issuing over 225 executive orders by year-end, reshaping U.S. foreign policy, trade relations, and immigration frameworks. We have experienced global trade fragmentation, including changes in tariff provision and widening risk premia.



Prince Rupert Gateway, Leicestershire

Legislation remained the most powerful force shaping responsible investment progress in 2025, with global experts citing regulatory action as the single largest driver of change¹. Our approach remained firmly grounded in disciplined risk management, ensuring that risks are assessed and managed in line with our purpose.

At the same time, rapid advances in low-carbon technologies and accelerating investment in renewable energy continued to push the global transition forward. Investor coalitions increasingly embraced nature-positive commitments, elevating biodiversity protection and ecosystem restoration as core elements of stewardship and capital allocation.

Globally, across the ESG landscape, expectations shifted away from disclosure volume toward demonstrable, real-world outcomes, placing greater scrutiny on implementation and tangible impact.

LGPS Central continued strengthening its governance and stewardship capabilities. LGPS Central appointed Nemone Wynn-Evans as Chair in October 2025. Bringing leadership

experience across financial services and the energy sector, she provided renewed strategic direction and enhanced the Pool's governance maturity. LGPS Central strengthened internal capabilities by expanding the team and investing in tools and technology. As our assets under management grow, we expect to become an Enhanced Firm for regulatory purposes and will review our governance structures to ensure they remain fit for purpose.

Throughout the year, LGPS Central advanced its PRI-aligned stewardship model by strengthening escalation pathways, improving reporting transparency, and embedding ESG integration across asset classes. In addition, we received further industry recognition, being shortlisted for multiple awards that acknowledge excellence in stewardship, innovation, and responsible investment.



Nemone Wynn-Evans
Chair of the Board



Richard Law-Deeks
CEO

¹ [Legal determinants of ESG growth: cross-national evidence from regulatory reforms – ScienceDirect](#)



Policy & Context Disclosure

PRINCIPLE

A

Organisation, Investment Beliefs, Beneficiaries, and Stewardship Approach

LGPS Central is an investment manager regulated by the Financial Conduct Authority (FCA), responsible for the pooled assets of eight Local Government Pension Scheme (LGPS) Partner Funds, which will increase to fifteen by April 2026. As of 31 December 2025, the Partner Funds collectively held approximately £64 billion in assets on behalf of more than one million LGPS members and almost 3,000 participating employers.

LGPS Central managed and advised on around £56 billion of these assets across a broad range of asset classes, including active and passive listed equities, fixed income, direct property, private equity, private credit, and infrastructure. Through the pooling model, our investment management activities are projected to deliver cost savings of £339 million for Partner Funds by the 2033/34 financial year.

The purpose of LGPS Central, developed in conjunction with our Partner Funds, can be described as follows:

“To bring Partner Funds together to invest collectively for stakeholders, combining scale, expertise and strong governance to deliver long-term value beyond that which Partner Funds could achieve individually.”

This purpose makes clear that LGPS Central is not here solely to meet regulatory requirements under Fit for the Future, but to add real value for our Partner Funds and, ultimately, for employers and scheme members.

The following diagram summarises LGPS Central’s strategic framework. The vision and mission define the direction and purpose that guide the Company as it enters the next phase of growth under Fit for the Future and form the basis of our strategy.

FIGURE 1: LGPS CENTRAL’S STRATEGIC FRAMEWORK





Commitment to Diversity

LGPS Central is a founding member of Discover Finance, delivered with Connectr Early Engagement, with the focus on widening access to careers in financial services. In 2025, we held two sessions for 50 students and used the programme to support our apprenticeship and early-careers pipeline, hiring four apprentices during the year, including one former participant. The mentoring scheme also continued, with 10 active mentor-mentee pairs and structured reverse mentoring, supported by formal agreements, goal-setting, midpoint reviews, and learning materials on our employee experience platform.

LGPS Central draws on diverse communities and professional backgrounds, sharpening judgement, strengthening long-term performance, and signalling an inclusive culture that attracts the best talent. We regard diversity as essential to effective decision-making, a principle embedded in our Responsible Investment and Stewardship Framework and the Voting Principles. As of 31 December 2025, our Board comprised four women and three men, and our workforce of 112 colleagues included 46 women, 66 men, with 45 colleagues identifying themselves as from ethnic minority backgrounds. 18 cultural backgrounds are represented in the workforce. We work with recruitment partners to help attract high-calibre candidates and broaden the diversity of our candidate pool, including a specialist agency that supports individuals returning from career breaks, and we ensure interview panels reflect a mix of roles, backgrounds, and cognitive perspectives.

In 2025, we introduced UK Equality Act monitoring questions and an anonymised DEI questionnaire, with 1,930 candidates completing them by year's end. Our median gender pay gap was 24.5% as of 31 December 2025, compared with 15.2% in 2024,

reflecting the distribution of roles as of the snapshot date. With a workforce of 112, recruitment into specialist, higher-paid roles can materially affect the median, and external candidate pools for investment and specialist functions remain male-skewed.

We are a member of The Diversity Project and continue to support aspiring female portfolio managers through the Pathway Programme, with two participants in the 2025 cohort and successful transitions into portfolio management roles.

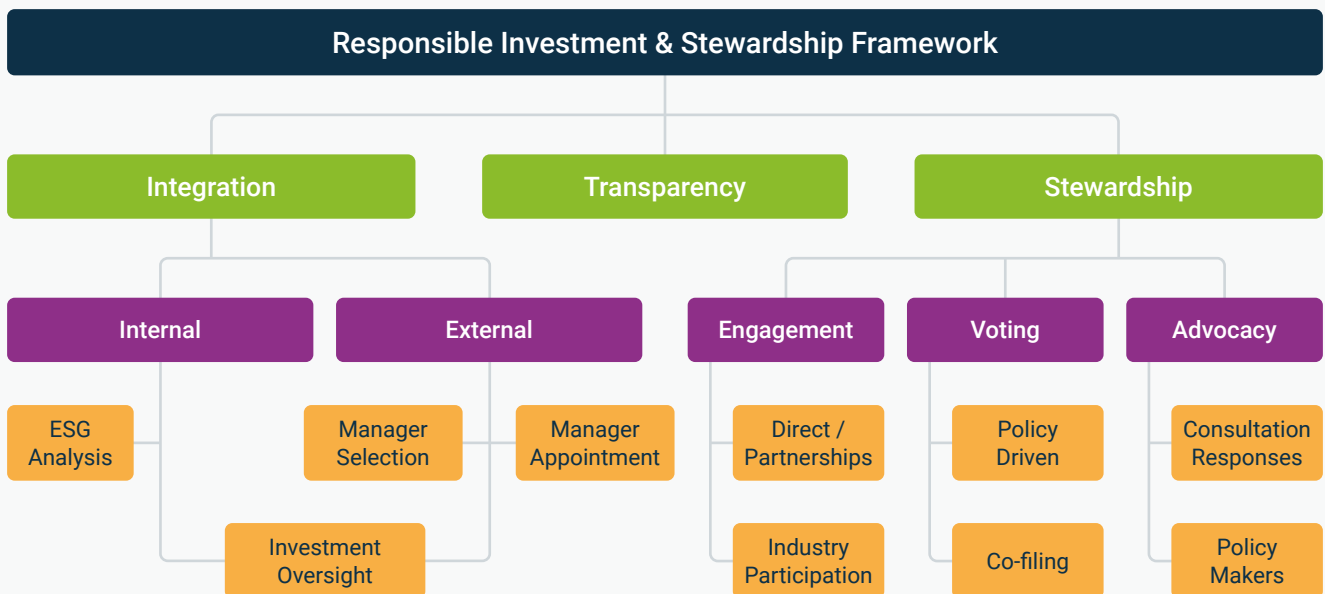
Responsible Investment & Stewardship (RI&S) Framework

The RI&S fulfils two primary objectives for our RI&S-related policies and processes:

- To support investment objectives.
- To serve as a model for responsible investment within the financial services industry, promoting collaboration and raising standards across the marketplace.

The RI&S Framework ensures ESG considerations are embedded throughout the investment process. This is adopted at the fund design and launch, guides the selection and appointment of external managers, and shapes ongoing oversight of mandates. We expect managers to integrate ESG considerations throughout the investment life cycle. Stewardship is delivered through structured engagement, voting, and escalation, supported by clear objectives and measurable outcomes. Transparency underpins the entire framework, with regular reporting to Partner Funds and stakeholders. This approach strengthens governance, supports long-term value creation, and ensures stewardship is consistently applied across all asset classes.

FIGURE 2: RI&S FRAMEWORK





PRINCIPLE

B

Governance, Resources, and Incentives Supporting Effective Stewardship

Governance ecosystem

LGPS Central has operated under a robust governance structure since its inception, providing effective oversight of the Company's activities, supporting strategic agility, embedding cultural values, and ensuring ongoing regulatory compliance. This reflects the requirements of the FCA and the Companies Act 2006, as well as appropriate levels of shareholder oversight. This work will remain a key priority in 2025/26. An overview of the current governance structure is presented in Figure 3. During the year, the Company commenced a review of its governance arrangements to ensure they remain appropriate considering the Government's Fit for the Future reform. This report mainly covers committees with involvement or oversight responsibilities for RI&S activities, and full details of our governance arrangements are available in the [Annual Report and Accounts](#).

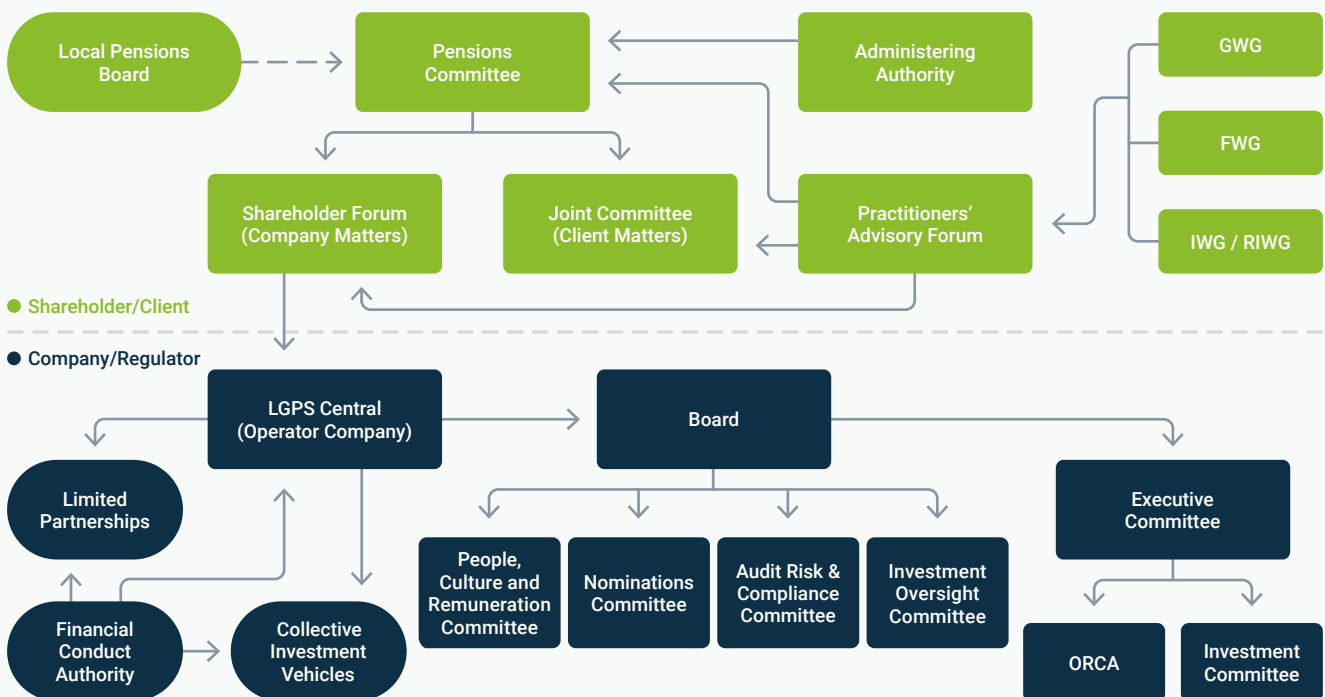
Board of Directors

The Board oversees the implementation of our RI&S policies and approaches. In addition, the Board retains responsibility for approving the Annual Stewardship Report and the TCFD-aligned Climate Report. As part of our commitment to good governance, our Board's mechanisms undergo an annual effectiveness review and are externally assessed every three years. Individual Board Effectiveness Review meetings were held in late 2025, with findings due to be considered by the Nominations Committee in early 2026. The Board met at least six times during the year, supplemented by additional sessions to address *Fit for the Future*. A dedicated strategy session in May 2025 focused on the External Governance Review and future governance requirements.

Investment Oversight Committee (IOC)

Established in 2024 following an external review, the IOC strengthens strategic investment governance and oversees the RI&S Framework and associated policies, including the Voting Principles. The Committee met quarterly in 2025, with further meetings scheduled to support preparations for *Fit for the Future*.

FIGURE 3: ORGANISATIONAL STRUCTURE AND COMMUNICATION





Sherwood Forest, Nottinghamshire

the Future. The Board approved updated Voting Principles in February 2025 and again in February 2026, with revisions addressing geopolitical risks, AI, and governance around political donations. The IOC Chair reports key matters to the Board.

Executive Committee (ExCo)

The ExCo is responsible for implementing the RI&S Framework and meets monthly, with additional meetings held in 2025 to support organisational readiness for *Fit for the Future*. Day-to-day stewardship responsibilities are delegated to the investment teams through the Investment Committee (IC), which reviews portfolios quarterly.

Investment Committee (IC)

The Head of Responsible Investment and Stewardship leads RI&S matters within the IC, including Framework development, Stewardship Strategy, ESG integration, and oversight of external managers. The Head of Responsible Investment and Stewardship is a voting member at the IC. The RI&S team also works closely with Operations, Legal, People, and Compliance, supported by the RI&S Champions Network, established in 2024, to promote cross-team dialogue and the consistent application of RI&S principles.

Responsible Investment Working Group (RIWG)

The RIWG is attended by the Partner Funds' officers and the RI&S Team. The RIWG enables direct Partner Fund influence over stewardship. Meeting quarterly, it provides a forum for detailed discussion of engagement, voting, and ESG integration, including the Climate Risk Monitoring Service. Insights from the RIWG inform the Practitioners' Advisory Forum's work.

Practitioners' Advisory Forum (PAF)

The PAF meets monthly and comprises the Partner Fund officers. It provides additional oversight of stewardship implementation, including scrutiny of engagement progress, voting activity, and ESG integration across funds. It also serves as a key operational channel for Partner Funds to raise queries and receive updates on stewardship priorities and outcomes.

Joint Committee (JC)

The JC is a public forum held twice yearly, bringing together elected members from each Administering Authority. In

2025, one meeting was held in October, at which we provided updates on pooling, investment performance, manager oversight, and stewardship. Six public questions on RI&S were addressed, reflecting growing stakeholder interest. The JC remains an important mechanism for transparency and public accountability.

RI Champions Network (the Network)

The Network comprises representatives from each investment team. The Network meets quarterly, is chaired by the RI&S team members, and encourages open discussion on asset class trends and the evolution of RI&S integration in each asset class.

People

We steward assets in line with our purpose through an adequately resourced and coordinated model. This includes the expertise of an in-house Responsible Investment and Stewardship Team, the specialist insight provided by external advisers, and the appointment of asset managers across listed and private markets whose investment beliefs align with those of LGPS Central and our Partner Funds. This is complemented by strong organisational support for integrating RI&S considerations across all functions, ensuring a consistent and disciplined approach to stewardship.

In-house team

In 2025, the RI&S team comprised of a Head of Responsible Investment & Stewardship, a Head of Stewardship, an RI&S Integration Manager, a Net Zero Manager, five RI&S Analysts and an RI&S Apprentice. The RI&S team members come from diverse academic backgrounds and specialities, including economics, investment management, politics, and sustainability. We view this diversity of skills, knowledge, and experience as a significant strength and actively embrace various perspectives. The team also benefits from a strong network among peer investors both in the UK and globally, as well as connections with investee companies, industry associations, relevant regulatory bodies, and civil society. The team structure enables LGPS Central to meet increasing demands and manage key personnel risk effectively. In future years, we anticipate expanding the team to meet rising workload demands associated with the *Fit for the Future* reforms.



Ironbridge, Shropshire

Technology and tools

LGPS Central employs a suite of technologies to support effective stewardship, strengthen oversight by external managers, and ensure transparent reporting to Partner Funds. These tools enhance the quality, consistency, and auditability of stewardship activities across all asset classes.

Cloud-based engagement database tracking KPIs, escalation, and outcomes

We have developed an in-house, cloud-based engagement and advocacy database to record, monitor, and assess stewardship activities. The system captures detailed metrics, including engagement status, KPIs, escalation steps, and outcomes. It enables structured tracking across the four stewardship priority themes, and supports transparent reporting to Partner Funds through RIWG, PAF, Quarterly Stewardship Reports and the Annual Stewardship Report.

Diligence Vault for manager oversight

Manager oversight is supported by Diligence Vault, which facilitates systematic monitoring of external managers' ESG integration and stewardship practices. This aligns with LGPS Central's broader oversight model, where the Investment Committee reviews portfolios quarterly and holds regular meetings with appointed managers. Diligence Vault complements these processes by enabling consistent data collection, documenting manager responses, and assessing against our Responsible Investment & Stewardship (RI&S) expectations.

RepRisk for controversy monitoring

We use RepRisk to monitor ESG-related controversies across private portfolios. This supports the RI&S Framework's emphasis on identifying material risks before and after investment. RepRisk

alerts feed into ongoing oversight, engagement prioritisation, and escalation decisions, ensuring that emerging issues—such as human rights concerns, environmental breaches, or governance failures—are addressed promptly.

Regulatory Risk Radar for emerging policy risks

The Regulatory Risk Radar, launched in 2024, provides structured monitoring of emerging UK and global regulatory developments, including the FCA's Anti-Greenwashing Rule. It supports our ability to identify policy shifts, assess implications for investment and stewardship, and respond through consultation submissions. The Radar also informs the annual review of the RI&S Framework and Voting Principles, ensuring alignment with evolving regulatory expectations and market standards.

Responsible use of the AI approach

In February 2025, we issued a policy on the secure, ethical and responsible use of AI, emphasising confidentiality, data protection, fairness, and avoidance of bias. It defines approved tools, required safeguards, and monitoring expectations. Ethical use is reinforced through governance, transparency and human oversight. Exco is ultimately responsible for overseeing the policy.



PRINCIPLE

C

Stewardship Policies, Processes, and Review

LGPS Central maintains a disciplined, structured policy review cycle to ensure its stewardship framework remains robust, current, and aligned with regulatory expectations and Partner Fund priorities. Our core policies and approaches, including the RI&S Policy, Voting Principles, Stewardship Strategy, manager oversight processes, and Net Zero Approach, are reviewed periodically, with updates informed by evidence, governance oversight, and real-world stewardship outcomes. In 2024, we reviewed and updated the RI&S Policy and Framework to align with the Investment Risk Policy, ensuring consistency across the organisation's risk architecture. No changes were made in 2025. The Voting Principles were strengthened to address emerging risks such as artificial intelligence and geopolitical instability, and we have seen other investors adopt its position of voting against the reappointment of the chair when companies scale back climate commitments.

The review cycle is shaped by multiple inputs across the governance ecosystem. Board and Committee oversight provides strategic challenge, while RIWG and PAF feedback ensures Partner Fund perspectives directly inform policy refinement.

Through this structured, transparent, and evidence-based approach, we ensure that its policies remain fit for purpose and aligned with its long-term stewardship objectives.



PRINCIPLE

D

Conflicts of Interest in Stewardship

LGPS Central manages and mitigates conflicts of interest through its Conflict-of-Interest Policy, which is reviewed annually. No substantive amendments were required in 2025. The policy is approved by the Investment Committee, the Executive Committee, and the Board, with the Operational, Risk, Compliance and Administration Committee (ORCA) responsible for its annual review.

All employees and Board members complete conflict-of-interest training as part of their induction, including guidance on identifying and escalating potential conflicts.

Conflict management is also embedded in our due diligence on external managers. Prospective managers are assessed on the robustness of their conflict management frameworks, and we expect appointed managers to maintain effective controls and demonstrate fair management of conflicts.

We provide both investment advisory services and discrete investment management mandates to Partner Funds. This creates the potential for conflicts where advice relates to a client's portfolio or appointed manager, and we could offer an equivalent or alternative product. To mitigate this, we disclose potential conflicts in advisory terms and throughout ongoing advice, internal declaration of conflict of interests, enabling Partner Funds to consider the implications or seek independent advice. No potential conflicts of interest were identified in 2025.

Stewardship Provider

LGPS Central expects its stewardship provider to maintain transparency regarding conflicts of interest and to implement appropriate controls, including firewalls, conflict management policies, and conflict registers.

EOS maintains a publicly available Stewardship Conflicts of Interest Policy, which identifies potential conflict areas such as:

- Conflicts arising from Federated Hermes Limited's ownership of EOS.
- Conflicts between clients of Federated Hermes Limited and EOS.
- Personal relationships between engagement staff and senior personnel at investee companies.
- Potential stock-lending or short-selling positions held by Federated Hermes Limited.

The policy outlines how conflicts are identified, managed, monitored, and reviewed, with practical examples of mitigation. Conflicts encountered by EOS are recorded in the Federated Hermes group conflicts policy and register. Employees must report potential conflicts to compliance, and the register is reviewed regularly by senior management. EOS notifies us when potential conflicts are identified, relating to votes on holdings in which both LGPS Central and the EOS investment division hold positions.

Voting

EOS is responsible for executing our proxy voting for companies outside the voting priority list². We expect the proxy voting provider to maintain transparency regarding conflicts and to operate effective conflict-management processes, including policies and conflict registers.

Conflicts may arise during the voting season, for example, where a provider supplies services to corporate issuers or provides voting recommendations for a pension scheme's sponsoring employer.

² Full disclosure of the voting list indicated in Principle 4 - Exercise of Rights and Responsibilities.

PRINCIPLE **E**

Dialogue with Clients and Beneficiaries

LGPS Central maintains a disciplined, transparent engagement model with Partner Funds, providing clear oversight of stewardship activities and structured opportunities to influence priorities. We deliver this engagement through a defined suite of governance forums as demonstrated in Figure 4.

FIGURE 4: COMMUNICATION ACTIVITIES AND DIALOGUE WITH PARTNER FUNDS

CATEGORY	ACTIVITY	DESCRIPTION / EVIDENCE
ONGOING DIALOGUE WITH PARTNER FUNDS	Quarterly RIWG Meetings	Knowledge sharing, reporting on RI&S team activities, and monitoring progress against annual objectives.
	Annual RI Summit	Deep dive debate on strategic RI topics (divest vs engage; climate change; net zero alignment).
	AGM & Client JC Meetings	Increasing focus on RI&S matters across all Partner Funds.
	Practitioners Advisory Forum (PAF)	RI&S included as a standing item due to heightened interest from Pension Committees and wider stakeholders.
	Ad hoc Member Query Support	The RI&S team assists Partner Funds in responding to member questions on RI&S issues.
	RI Training Sessions	Over 10 RI&S training sessions delivered to Partner Fund Pension Committees per annum.
ONGOING STEWARDSHIP REPORTING	Stewardship Updates	Regular updates, including engagement and voting examples, progress, and outcomes.
	Vote by Vote Disclosure	Full voting disclosure published on the LGPS Central website.
	Quarterly Performance Reports	Includes RI narratives and stewardship-related performance insights.
	Quarterly Media Round-up	Highlights key RI&S-related news and market developments.
	Measures of Success	Progress against the Annual Stewardship Plan presented at RIWG meetings.
	Annual Stewardship Report	Comprehensive annual reporting to Partner Funds.
BESPOKE ASSISTANCE TO PARTNER FUNDS	Call off Services	Training for officers and committees; policy development; CRMS & SIMS delivery; support with UK Stewardship Code 2020 submissions.

COMMUNICATION IN PRACTICE – CASE STUDY

Climate Risk Monitoring Service (CRMS)

We offer a CRMS, a suite of reports designed to help the Partner Funds formulate strategic responses to climate-related risks and opportunities. The cornerstone of the CRMS is the annual Climate Risk Monitoring Report (CRMR), which evaluates the Partner Funds' approach to climate-related risks and opportunities against a set of best practices, such as the TCFD, and their climate risk strategies. The report delves into Partner Funds' approaches and progress in governance, strategy, risk management, and metrics.

The analysis covers Partner Fund holdings, including both pooled and non-pooled mandates. We aim to support them in efficiently reporting to their Pensions Committee on their net-zero transition. The Partner Funds have utilised this service's findings to better understand systemic climate risks and develop their ambitions and strategies. Additionally, the reports have facilitated TCFD disclosures, identified the most carbon-intensive issuers, initiated governance and policy reviews, and explored potential investments in sustainable asset classes.



COMMUNICATION IN PRACTICE – CASE STUDY

Stewardship Outcome Report

We seek to provide clear, structured reporting to support high-quality dialogue with Partner Funds. This includes the disclosures set out in our Annual Stewardship Report and Quarterly Stewardship Updates, which are routinely discussed at the RIWG to ensure transparency, alignment, and a shared understanding of progress. We recognise that Partner Funds draw on this information when reporting to their Pension Committees, and we therefore prioritise accuracy, clarity, and usefulness in all stewardship-related disclosures.

The report includes the following content:

- **Company** – The priority company under engagement, enabling Partner Funds to track which issuers are being monitored most closely and why.
- **Theme** – Indicates the stewardship theme under which the engagement sits, showing how each company aligns with Partner Fund priorities.

- **Engagement Status** – This confirms whether the engagement has occurred during the calendar year.
- **Progress** – Records the level of progress achieved against engagement objectives (e.g., no progress, minimum expectations, moderate progress, successful outcome), offering a transparent view of momentum and areas requiring further effort.
- **Escalation Level** – Shows whether the engagement has been escalated (e.g., Level 1–5), signalling the degree of concern and the intensity of stewardship action being applied.
- **Voting Dissent** – Indicates whether LGPS Central has voted against management at recent AGMs in relation to the engagement issues, demonstrating how stewardship activity and voting are aligned.

FIGURE 5: STEWARDSHIP OUTCOME REPORT - CASE STUDY

COMPANY NAME	ENGAGED AS AT DEC 2025	PROGRESS	MOMENTUM	ESCALATION GRADE	VOTING DISSENT	REMOVAL
TESLA	✓	Level 0	-	Level 3	✓	✗
HYUNDAI	✓	Level 3	⤴	-	✗	✓
KIA	✓	Level 0	-	Level 3	✓	✗
META	✓	Level 0	⤵	Level 3	✓	✗
AMAZON	✓	Level 0	-	Level 2	✓	✗
BERKSHIRE HATHAWAY	✓	Level 0	-	Level 2	✓	✗
M3	✓	Level 3	⤴	-	✗	✓

STEWARDSHIP THEME:



SENSITIVE/TOPICAL ACTIVITIES



Activities & Outcomes Report

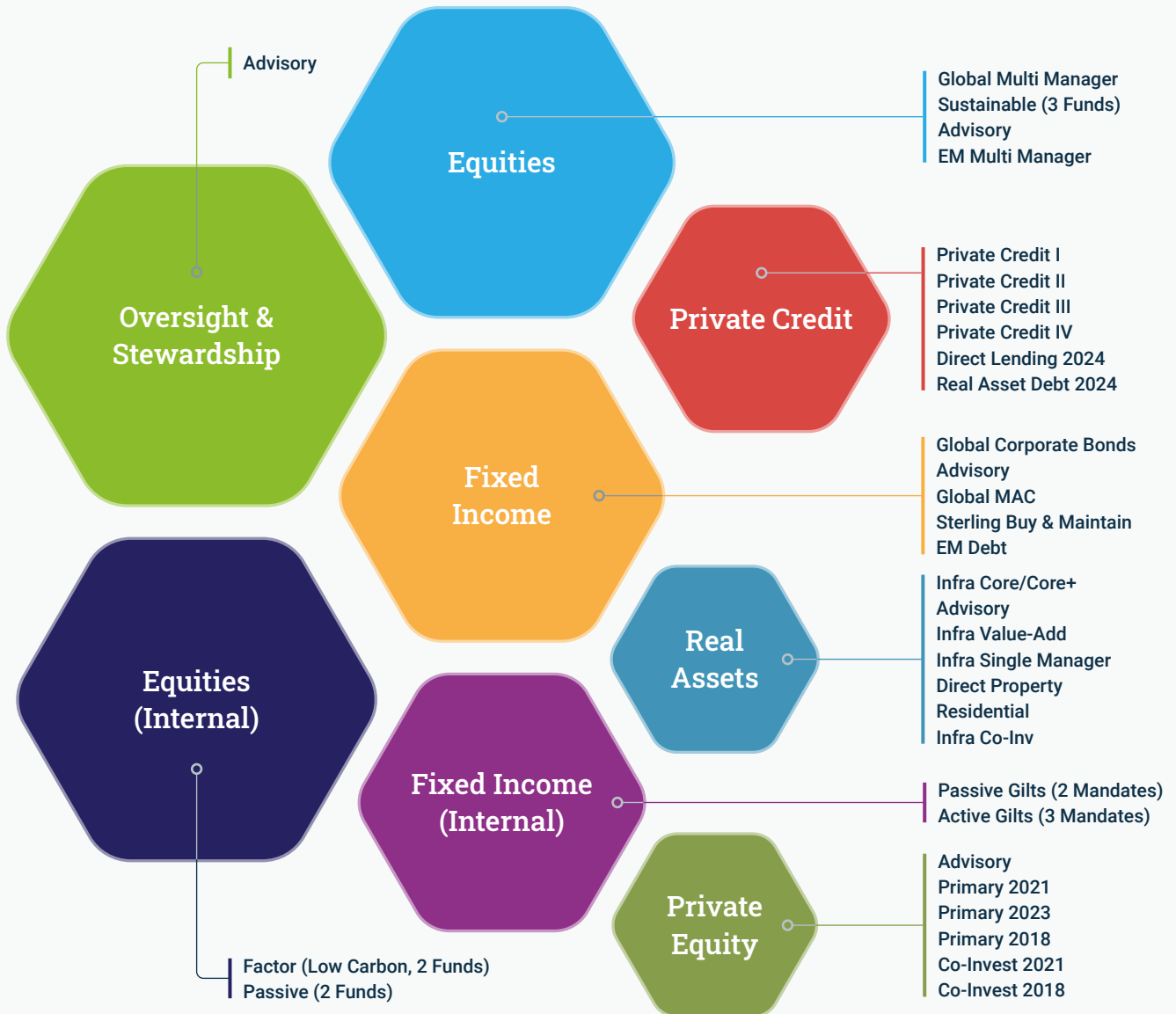
PRINCIPLE

1

Integration of Stewardship and Investment

LGPS Central integrates stewardship across its investment model through a coordinated approach spanning fund design, manager oversight, stewardship priorities, and asset class specific practices. This section outlines how our investment and stewardship teams collaborate, how priorities are set, and how insights from engagement and voting inform decisions across active, passive, public and stewardship of private markets.

FIGURE 6: ASSETS UNDER STEWARDSHIP





Malvern Hills, Worcestershire

External Manager Selection/ Monitoring

Monitoring ensures that ESG integration and stewardship practices identified at selection and embedded at appointment are maintained in practice over time. Oversight is risk-based and proportionate, with findings considered alongside wider investment and risk monitoring.

Monitoring focuses on:

- how managers identify and manage material ESG risks and opportunities
- whether stewardship is embedded within investment decision-making
- the credibility, consistency and resourcing of ESG integration
- alignment with LGPS Central’s investment beliefs and stewardship expectations

Assessment is forward-looking and centred on decision-usefulness rather than disclosure volume.

Responsible Investment Due Diligence Framework

Across asset classes, LGPS Central applies a structured ESG due diligence framework to ensure consistency and robustness of assessment (SAM framework). While the framework is adapted to reflect asset-class specific characteristics, it is underpinned by common evaluation pillars:

FIGURE 7: SAM FRAMEWORK

CATEGORY	SUB-CATEGORIES
POLICY & GOVERNANCE	Comprehensiveness and public availability of ESG policy; approach to review; ESG ownership and governance.
RESOURCING	Dedicated ESG resourcing; capacity building and training; remuneration.
PROCESS	ESG integration process at generation, due diligence, monitoring and exit. Evidence of ESG considerations in decision-making.
ESG PERFORMANCE	Evidence of ESG integration and stewardship through the provisions of examples and case studies.
TRANSPARENCY & DISCLOSURE	Approach to communications; quantity and quality of reporting; industry and collaborations with other investors and wider industry.
NET ZERO	Compatibility and progress against climate targets.



Application across investment strategies

Active Equities

In active equities, selection focuses on how managers integrate material ESG risks and opportunities into stock-level research, portfolio construction, and investment decision-making, and on stewarding the assets under management.

In-house Passive Strategies

For in-house passive and factor-based equity strategies, ESG integration at strategy design focuses primarily on stewardship priorities and voting, reflecting the limited ability of passive strategies to mitigate long-term systemic ESG risks through security-level selection. LGPS Central also participate in the benchmark assessment.

Fixed Income

In fixed income, selection assesses how ESG considerations and stewardship are applied across different issuer types and instruments, recognising variation in materiality, data availability and influence, including within multi-asset credit strategies.

Private Markets

In private markets, selection places greater emphasis on governance, ESG integration, and evidence from transaction-level analysis, reflecting longer investment horizons, lower data availability, and greater asset-level influence.

Data, dashboards and oversight

Internal dashboards consolidate ESG, climate and stewardship information to support oversight, identify trends and prioritise follow-up. These tools support professional judgement and do not replace qualitative assessment and engagement.

FIGURE 8: ESG DASHBOARD





Silver Jubilee Bridge, Cheshire

Engagement and escalation

Monitoring insights inform structured, iterative dialogue with managers to test how ESG is integrated, clarify the role of stewardship in investment decisions and address areas of concern.

Where issues persist or are material, escalation may include enhanced monitoring, targeted deep-dive reviews and consideration within wider manager review processes. Escalation is proportionate and aligned with LGPS Central's governance framework.

FIGURE 9: MANAGER MONITORING – AVERAGE SCORES





CASE STUDY

Applying the SAM framework to Global Investment Grade Credit

After reviewing LGPS Central’s credit product suite, we decided to establish a new investment-grade credit mandate alongside the existing multi-manager credit strategy. The existing strategy was managed by two incumbent external managers.

Developing a new mandate required appointing managers aligned with the revised investment objectives, as ESG integration and stewardship are integral to the overall assessment.

SELECTION

Both incumbent managers were invited to participate in the selection process alongside other external candidates. Managers were evaluated across investment, risk, operational and responsible investment criteria using our framework.

The responsible investment assessment combined due diligence and evidence from ongoing monitoring of the existing strategy. While both managers demonstrated an ability to identify issuer-level ESG risks, differences were identified in the consistency with which ESG considerations were embedded in credit research, portfolio construction, and risk management. These differences were reflected in overall assessments and informed the final selection decision.

Appointment decisions were made based on the combined outcomes of all teams, including the outcome from the responsible investment assessments.

APPOINTMENT

Responsible investment expectations were embedded into the Investment Management Agreement, including clarity on the application of key ESG policies and best practices. Roles across Investment, Compliance and Responsible Investment teams were aligned to support delivery against the fund objectives.

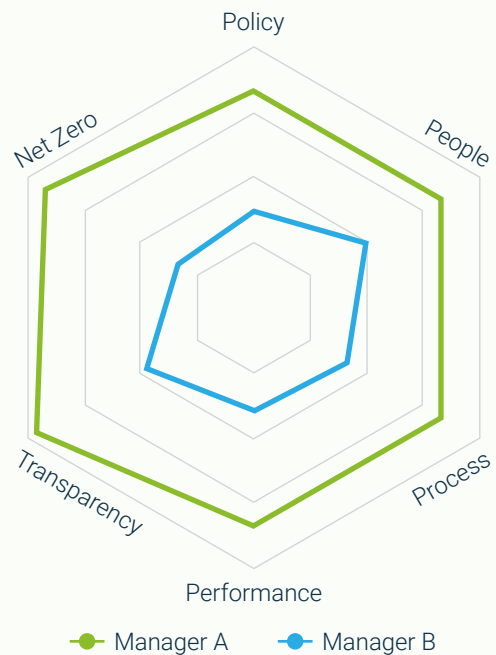
MONITORING

Following appointment, managers are monitored through quarterly review cycles using structured templates to track portfolio activity, ESG metrics and stewardship. Oversight focuses on continuity with the original selection rationale and whether ESG considerations continue to inform investment decisions in practice.

OUTCOME AND LEARNING

The application of the SAM framework linked selection, appointment and ongoing oversight. In this case, insights from monitoring informed decisions for a new mandate and responsible investment considerations contributed to changes in the credit portfolio’s asset allocation. The case reinforced the importance of using management selection to inform future selection decisions and the design of investment mandates.

FIGURE 10: BLENDED CREDIT FUND – MANAGER SCORES





PRINCIPLE 2

Identification and Response to Systemic Risks

LGPS Central’s work on market-wide systemic risks supports the long-term management of financially material risks and opportunities, aligns with Partner Fund investment horizons, and is consistent with our fiduciary duty. The RI&S team works closely with stakeholders (e.g. Partner Funds, trade associations, suppliers, think tanks, etc.) to identify emerging macroeconomic and ESG trends, inform mandate design, and ensure evolving risks are appropriately integrated into investment strategies. We also engage with external affiliation networks to gather perspectives on market developments, and we review these relationships periodically to ensure alignment with our objectives. Insights from this multi-stakeholder engagement are embedded across our RI&S framework, including our stewardship strategy, net-zero commitments, and related policies.

We identify the most material systemic ESG risks and/or opportunities in our mandates. We have specific stewardship approaches to climate change, natural capital, and human

rights. Through stewardship themes, we seek to address and mitigate the risks and seize the opportunities presented by these factors. We have also set up a robust methodology to track the effectiveness of our stewardship efforts. In the section below, we report our approach to evaluating the effectiveness of our approach.

Stewardship Strategy

The RI&S Team reviews LGPS Central’s stewardship strategy, including its themes and priorities, every three years. In 2023, we sought feedback and approval from the Partner Funds and our governance bodies. The stewardship strategy comprises both engagement, advocacy, voting and reporting. Our stewardship strategy is reviewed triennially. In 2026, we will engage with Partner Funds during the development of the 2027-2029 Stewardship Strategy.

FIGURE 11: PILLARS OF THE LGPS CENTRAL’S STEWARDSHIP STRATEGY





Abbey Park, Leicestershire

2024-2026 Stewardship Strategy

The Climate Change Stewardship Program supports LGPS Central's Net Zero Strategy, which is essential for achieving our net zero ambitions. As indicated previously, we consider Natural Capital (including biodiversity and nature loss) to be a systemic risk, and we expect both investors and regulators to become increasingly aware of this issue. The Sensitive/Topical Activities theme targets companies in our portfolio with high ESG risk profiles or involved in significant controversies. This theme aims to ensure that we adequately address ESG risks and issues arising from our holdings.

We have incorporated Natural Capital and Sensitive/Topical Activities to replace the previous themes of Plastic Pollution and Responsible Tax, respectively, as we believe these issues can be integrated within broader thematic approaches. For instance, we continue to address Plastic Pollution by engaging with petrochemical companies on sustainable plastic production. We acknowledge that the spectrum of ESG risks is broad and continuously evolving. However, in agreement with Partner Funds, we will focus on these themes for at least three years and conduct annual reviews to make any necessary adjustments.

Public Policy Advocacy

While engagement and voting remain central tools, we also acknowledge that many systemic risks are addressed by public policy and regulatory frameworks. Accordingly, LGPS Central participates in policy dialogue and standard-setting initiatives to support economic resilience and sustainable long-term value creation. Below is a selection of systemic risk management activities undertaken in 2025.

- We responded to the TNFD discussion paper on nature transition plans, expressing broad support for the guidance and encouraging further clarity on implications for asset

managers and asset owners. While the adoption of nature risks and dependency analyses remains nascent, the guidance will support organisations in managing nature risks and inform investment and stewardship decisions.

- We expressed support for the GHG Protocol's proposed revisions to scope 2 guidance mandating hourly matching. We highlighted that more accurate, time-matched renewable energy accounting³ benefits investors and strengthens companies' management of climate-related risks and opportunities.
- We co-signed a World Benchmarking Alliance statement urging companies and governments to strengthen the implementation of ILO Convention 190⁴. Despite widespread ratification and corporate commitments to international norms, implementation remains weak, particularly in protecting supply-chain workers from violence and harassment.
- LGPS Central and Partner Funds responded to the consultation on the Stewardship Code, advocating for (1) a definition of stewardship linked to ESG, (2) consistent expectations for asset owners and managers, and (3) broad support for the remaining recommendations. We also responded to the FRC's consultation on the Stewardship Code Guidance, supporting enhanced disclosure on stewardship systems, technologies, advocacy activities, and the use of proxy research.
- Amid ongoing global conflicts, we co-signed an investor statement outlining expectations for companies operating in conflict-affected and high-risk areas, consistent with the UN Guiding Principles on Business and Human Rights. The statement calls for responsible policies, practices, and governance measures to prevent, mitigate, and remedy adverse human rights impacts across value chains, recognising the material risks associated with exposure to salient human rights issues to protect the supply chain's business continuity.

³ Renewable energy accounting is the structured process of measuring, tracking, and reporting renewable energy generation, use, and certificates to support credible environmental and financial disclosures.

⁴ ILO Convention 190 (C190) is a global treaty that establishes a universal right to a world of work free from violence and harassment, including gender-based violence and harassment.

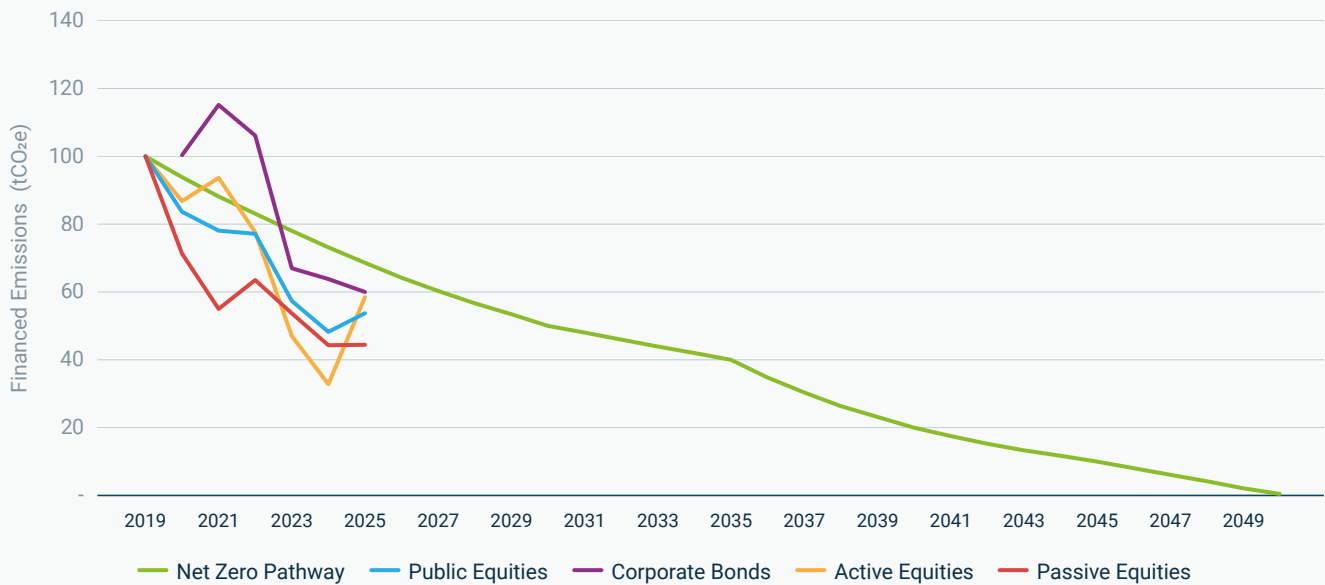


In Depth – Climate Change – Net Zero Strategy

Climate change represents a systemic and financially material risk that affects asset valuations, and the long-term functioning of global markets. As a long-term investor serving Partner Funds with multi-decade pension liabilities, LGPS Central recognises that supporting an orderly and credible transition to a low-carbon economy is essential to protecting long-term returns, strengthening market resilience, and ensuring that capital is

deployed efficiently across the real economy. Progress against LGPS Central's financed emissions targets for Scope 1 and 2 in public equities and corporate bonds is shown in the chart below. The data demonstrates that the carbon intensity of our financed emissions (normalised by £m invested) has fallen by 46% since the 2019 baseline across public markets.

FIGURE 12: NORMALISED FINANCE EMISSIONS NET ZERO PATHWAY FOR PUBLIC EQUITIES AND CORPORATE BONDS* SCOPE 1 & 2



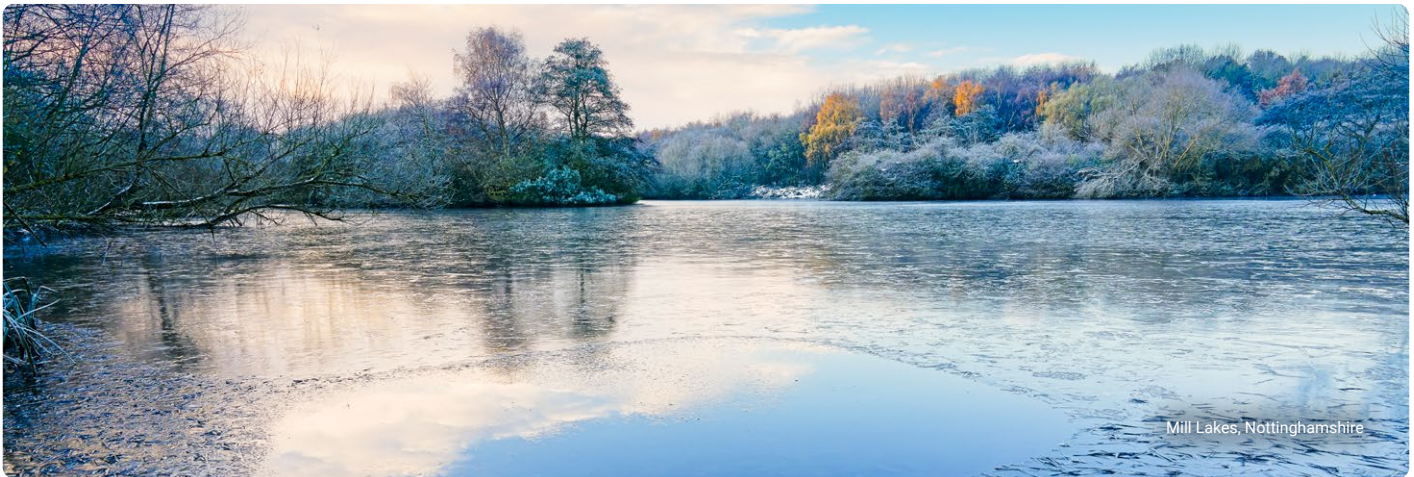
While intensity has declined, the 28% growth in our asset base since 2019 has increased our absolute financed emissions, as reflected in the accompanying tables.

FIGURE 13: ALIGNMENT STATUS WITH LGPS CENTRAL'S NET ZERO STRATEGY

ASSET CLASS	ALIGNMENT STATUS IN 2025 ⁵	ALIGNMENT 2030 TARGET	ALIGNMENT 2035 TARGET
PASSIVE EQUITIES	23.4%	60%	80%
ACTIVE EQUITIES	16.1%	50%	75%
CORPORATE BONDS	25%	50%	75%
ASSET CLASS	ENGAGEMENT COVERAGE STATUS 2025 ⁶	2025 TARGET	2030 TARGET
LISTED EQUITIES & CORPORATE BONDS	83%	80%	90%
PASSIVE EQUITIES	81%	75%	90%
ACTIVE EQUITIES	90%	85%	90%
CORPORATE BONDS	71%	85%	90%

⁵ Companies with an MSCI Low Carbon Transition Score of above 5 and an Implied Temperature Rise score of below 2 degrees or an interim Science Based Target.

⁶ Includes engagement by LGPS Central, fund managers, EOS and collaborative engagement initiatives that LGPS Central participates in.



Alignment and Engagement Targets

Financed emissions alone do not provide a complete picture of progress toward the transition. They are inherently backward-looking and do not capture the carbon-intensive nature of building the technologies and infrastructure required for decarbonisation. In line with industry practice, LGPS Central has therefore set alignment and engagement coverage targets for public equities and corporate bonds. Our progress against these targets is annually reported in LGPS Central's [Climate Report](#).

Our proprietary Paris Agreement alignment metric considers a company to be "aligning" if it has an MSCI low-carbon transition score above the 5th percentile and either a science-based target or an implied temperature rise below 2°C. Engagement coverage reflects the proportion of companies engaged directly or indirectly by LGPS Central and assessed as "aligned or aligning".

Apart from corporate bonds, all asset classes are progressing broadly in line with the previously set engagement targets. For corporate bonds, we have undertaken a detailed review with our external managers and are actively working with them to close the coverage gap. We will provide a more detailed update on progress against our net-zero financed emissions targets in our annual climate reporting.

Additional consideration for Private Markets

Measuring climate-related emissions in private markets presents distinct challenges due to variations in reporting practices, data availability, and the maturity of underlying portfolio companies. LGPS Central's approach has therefore evolved in line with improvements in general partner (GP) disclosure and data quality.

In 2025, our focus shifted to increasing the proportion of GP-reported data and reducing reliance on internal estimates to improve accuracy. As a result, GP-reported emissions coverage increased from 19.1% in 2024 to 58.5% in 2025. Alongside this, LGPS Central surveys the net-zero alignment of portfolio companies using the Private Markets Decarbonisation Roadmap (PMDR). From 2026 onwards, we will integrate both carbon-foot printing and PMDR assessments as core tools for monitoring

and engaging with private market managers. We will continue to monitor the coverage of data coming from estimates and underlying portfolio companies.

Collaborative Initiatives and Dialogues with Other Investors

Collaboration is a central pillar of LGPS Central's stewardship approach. Many of the systemic risks facing long-term investors cannot be addressed by any single institution acting alone. We therefore value working with peer investors, industry bodies, and stewardship networks to strengthen our impact, share expertise, and promote higher standards across global markets.

We guide our collaborative activity with clear objectives and a disciplined assessment of where joint action can deliver outcomes that would be difficult to achieve through bilateral engagement alone. We participate in initiatives only when their aims align with our stewardship priorities, and they support transparency, accountability, and measurable progress. This includes active participation in investor coalitions focused on the climate transition, nature-related risks, human rights due diligence, and responsible corporate conduct in high-risk sectors.

Dialogue with other institutions also strengthens our ability to anticipate emerging risks and shape market standards. Through regular engagement with regulators, industry associations, civil society organisations, and academic experts, we help develop policy and advance best practice across the investment ecosystem. Each year, LGPS Central evaluates the effectiveness of its collaborative engagements, assessing whether participation has contributed to measurable progress, strengthened market standards, or enhanced outcomes for Partner Funds. Appendix 1 presents the results of this annual assessment, showing where collaboration has delivered impact and where our approach has been refined. Through this balanced, evidence-based model, LGPS Central uses the scale of the LGPS community while maintaining a clear, accountable stewardship strategy that reflects the priorities of our Partner Funds and the long-term interests of their beneficiaries. Appendix 3 reports LGPS Central's annual evaluation of the effectiveness of our collaborative approach.



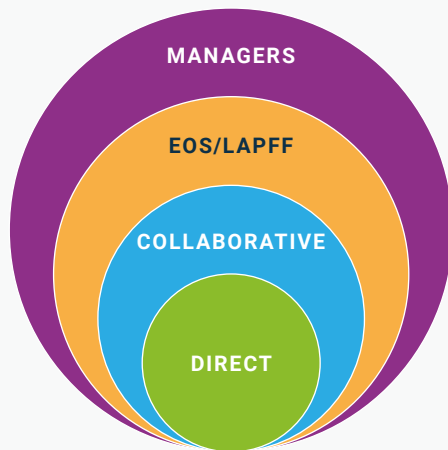
PRINCIPLE

3

Engagement to Enhance Value

LGPS Central provides stewardship through a blended approach of direct engagement, collaborative initiatives, and oversight of external partners to enhance long-term value across the portfolio. LGPS Central conducts engagement directly, through our stewardship overlay providers EOS and LAPFF, and through our appointed external managers, whom we monitor closely. This multi-channel approach enables us to target material risks and opportunities across priority issuers, escalate where progress is insufficient, and ensure that stewardship outcomes are delivered consistently on behalf of our Partner Funds' interests.

FIGURE 14: STEWARDSHIP APPROACH



Key Outcomes

- 100% of priority companies engaged
- 77% of engagements showed progress
- 9 successful outcomes
- 10 companies removed from the priority list

LGPS Central is making good progress against the stewardship objectives for the stewardship strategy⁷. As indicated in Appendix 1, in 2026, no additional companies are going to be added to the stewardship priority list, as the stewardship strategy will be overhauled in 2027⁸. In 2025, the stewardship team

has also engaged with companies operating in CAHRAs⁹ as requested by Partner Funds.

Prioritisation

There are two prioritisation lists: a stewardship list and a voting list.

The stewardship list comprises issuers across LGPS Central's four Stewardship Themes. The climate priority list focuses on companies that are not aligned with LGPS Central's Net Zero strategy, including high emitting sectors and financial institutions lacking robust safeguards against financing carbon intensive projects. Natural capital priorities include issuers participating in the Nature Action 100 initiative and those with material exposure to biodiversity and ecosystem-related risks. In addition, we are targeting petrochemical companies to endorse best practices on plastic pollution management. Human-rights priorities capture companies with weak performance in the Corporate Human Rights Benchmark, as well as those identified through the Find It, Fix It, Prevent It modern-slavery initiative. For sensitive or cross-cutting issues, companies with comparatively low ESG scores in MSCI or those associated with significant controversies are also included. Whilst the voting list includes over 50 issuers. An issuer is incorporated into the Voting List if they are: in the top percentile of issuers that are overweight the blended reference index¹⁰, top 10 holdings (by market cap) for assets under stewardship, issuers identified in the Priority Stewardship List, top 10 contributors to financed emissions, top 10 contributors to Partner Funds' financed emissions, top 10 holdings per Partner Fund, top 10 absolute emitters per Partner Fund.

Measures of Success Framework

To ensure transparent reporting and accountability to our Partner Funds, the Measures of Success framework establishes how we measure progress against our engagement objectives. Key performance indicators (KPIs) and expected outcomes are allocated to each engagement on our Priority Engagement List. Engagements will be biannually assessed, and progress on outcomes will be reported back to Partner Funds and LGPS Central's governance committees. We also report on the outcomes of our stewardship activities in our public reports.

⁷ The stewardship strategy's progress is reported in the Quarterly Stewardship Report published on 27th February 2026.

⁸ In line with our agreement with Partner Funds, LGPS Central reviews its stewardship strategy every three years to ensure it remains purposeful, evidence-based, and aligned with evolving expectations. This process supports strong long-term outcomes for our Partner Funds and beneficiaries. Consultation sessions with Partner Funds are scheduled. The Investment Committee will receive a draft of the 2027–2030 Stewardship Strategy for review in Q2 FY2026.


⁹ A CAHRA (Country- or Area-at-Higher-Risk) is a jurisdiction identified as having elevated risks—such as weak governance, human rights concerns, conflict exposure, corruption, or inadequate regulatory protections.

¹⁰ The blended reference index combines the reference indices of the underlying portfolios, weighted according to the amount invested in each.



Long Mynd, Shropshire

FIGURE 15: EFFECTIVENESS MATRIX

	 Climate Change	 Natural Capital	 Human Rights	 Sensitive / Topical Activities
LEVEL 3: SUCCESSFUL OUTCOME	<ul style="list-style-type: none"> Company demonstrates alignment with our net zero strategy. 	<ul style="list-style-type: none"> Company undertook a nature impacts and dependencies assessment and has published an ambition to align with the GBF. Company has disclosed robust petrochemical strategy underpinned by credible targets. 	<ul style="list-style-type: none"> Company demonstrates full alignment with UNGPs or Modern Slavery Act. 	<ul style="list-style-type: none"> Company has disclosed a plan for: <ul style="list-style-type: none"> Addressing the alleged controversy. Improving ESG practices at reasonable level.
LEVEL 2: MODERATE PROGRESS	<ul style="list-style-type: none"> Progress observed in the Climate Action 100+ Benchmark Framework, CDP. Companies improving on TPI management quality ladder. Companies are partly aligned with our net zero strategy. 	<ul style="list-style-type: none"> Progress on undertaking a nature impacts and dependencies assessment or on publishing an ambition to align with the GBF. Progress on developing a robust petrochemical strategy underpinned by credible targets. 	<ul style="list-style-type: none"> Partial progress observed by Find it, Fix it and Prevent it, Corporate Human Rights Benchmark and LAPFF research. 	<ul style="list-style-type: none"> Company has disclosed a plan for: <ul style="list-style-type: none"> Partly addressing the alleged controversy including acknowledgment of the controversy. Partly improving ESG practices at reasonable level.
LEVEL 1: MINIMUM EXPECTATIONS	<ul style="list-style-type: none"> Companies disclosing data to facilitate carbon performance assessment if relevant. 	<ul style="list-style-type: none"> Evidence of constructive meeting with companies. 	<ul style="list-style-type: none"> Companies responded to engagement request. 	<ul style="list-style-type: none"> Companies responded to engagement request.
LEVEL 0: NO IMPROVEMENT	<ul style="list-style-type: none"> No progress made. 	<ul style="list-style-type: none"> No progress made. 	<ul style="list-style-type: none"> No progress made. 	<ul style="list-style-type: none"> No progress made.



Stewardship Priorities

As previously mentioned, our stewardship priorities focus on four core themes agreed with Partner Funds: Climate Change, Natural Capital, Human Rights Risks, and Sensitive/Topical Activities. Across these themes, our priorities are to promote accountable governance, support credible net-zero and nature-positive transitions, strengthen respect for human rights and workforce standards, and address material risks arising from complex or high-risk business activities.



Climate change

2025 ENGAGEMENT HIGHLIGHTS

- 1,228 companies engaged on climate-related risks, with progress measured with specific objectives.
- We met with bp's Company Secretary and Investor Relations to explain our dissent rationale at the 2025 AGM. We raised concerns about the lack of shareholder engagement by the Chair and Senior Independent Director (SID) regarding the strategy reset.
- We engaged Société Générale to encourage greater transparency through sub-sector sustainable finance targets, sharing peer analysis and continuing engagement ahead of proxy season. We also met in person with Barclays' CEO to reaffirm the bank's commitment to its enhanced oil and gas financing policy, including restrictions on financing expansionary projects.
- We co-signed investor letters to UK-listed companies, encouraging FTSE 100 companies to offer a periodic advisory (non-binding) vote on their climate transition plan. Enhanced board accountability and transparency reinforce good governance practice by ensuring all shareholders, including minority holders, can signal whether the board's approach to risk oversight is adequate.
- We are participating in IIGCC's pilot collaborative engagement on Just Transition in emerging markets, engaging with HDFC Bank to encourage sector leadership. The bank outlined its existing social and climate initiatives and noted that it is awaiting India's Sustainable Finance Taxonomy before adopting a formal Just Transition strategy.

FIGURE 16: BREAKDOWN OF CLIMATE CHANGE ENGAGEMENT BY TYPE

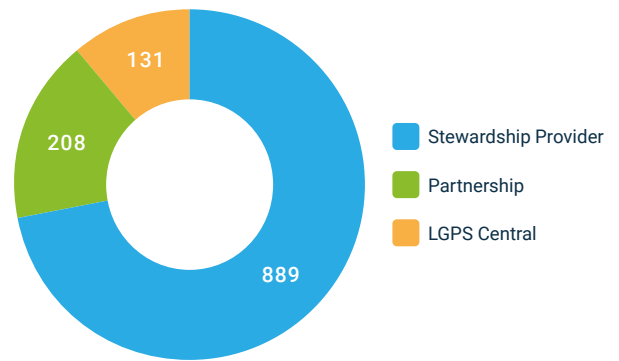
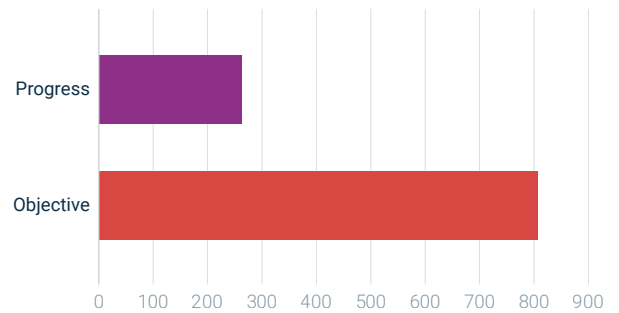


FIGURE 17: CLIMATE CHANGE ENGAGEMENT BY OUTCOME¹¹



¹¹ Progress refers to the number of times an engagement has progressed against the engagement objective during the reporting period. Objective refers to the number of engagement objectives. There can be multiple engagement objectives per company.

**CASE STUDY****RWE****PROGRESS:**

Successful Outcome

OBJECTIVE:

To demonstrate a public policy approach that mitigates stranded asset risk for gas infrastructure investments.

LINK TO LONG-TERM VALUE CREATION:

RWE is one of the top contributors to LGPS Central's financed emissions. RWE's 2040 net-zero target relies on hydrogen and carbon capture and storage (CCS) to decarbonise its gas plants. The company risks missing its net zero target and faces potential stranded asset risk as scaling these technologies is currently considered uneconomic.

ENGAGEMENT:

Our engagement sought to encourage transparent, proactive advocacy with policymakers and market participants to help create an enabling policy environment for scaling hydrogen and CCS. In 2024, we wrote to the company requesting a meeting to understand how it is mitigating stranded-asset risk associated with its gas infrastructure. In Q4 2024, we met with Investor Relations to discuss these concerns, as well as the company's coal exposure and its just transition approach.

Following the 2025 AGM, we met again and reiterated the need for structured engagement with German and UK policymakers on the development of green hydrogen and CCS. While the company confirmed that it engages with policymakers, disclosure of its advocacy activities remained insufficient. We therefore requested further written detail and encouraged the company to publish its advocacy positions.

In Q3 2025 the company directed us to a paper outlining its positions on energy markets, including the need for a focused and pragmatic scale-up of hydrogen and CCS. The paper called for a practical definition of green hydrogen, strengthened regulatory tools to support green hydrogen production, and a regulatory framework that enables CCS deployment. The company also highlighted entries in the German lobby register as evidence of its engagement with government on the ramp-up of CCS and hydrogen.

OUTCOME:

Based on the evidence RWE provided, we gained confidence that the company is actively pursuing a

public policy approach to mitigate stranded asset risk and protect its ability to meet its net zero target. RWE have taken our feedback on board, committing to clearer disclosures on its public policy activities in future annual reports. We will review the next annual report in Q2 2026 to assess transparency regarding public policy activities.

CASE STUDY**BHP****PROGRESS:**

Successful Outcome

OBJECTIVE:

Enhanced disclosure on Just Transition and associated costs beyond rehabilitation.

LINK TO LONG-TERM VALUE CREATION:

Disclosure of Just Transition related capital allocation decisions provides investors with clarity over whether the company is deploying capital to effectively manage long-term liabilities. Excluding certain costs (i.e. workforce, community, retraining) from closure/rehabilitation for long-duration assets like mines risks underestimating total cash outflows. A well-governed Just Transition underpins social cohesion and economic durability by ensuring that workers and communities are equitably supported throughout the transition to a low-carbon economy.

ENGAGEMENT:

In March 2024, as part of a collaborative engagement with Climate Action 100+ (CA100), we began engaging the company regarding the closure of the Mt Arthur thermal coal mine, which was due to close in 2026 (while BHP requested approval for an extension to 2030), placing 2,200 employees at risk of job loss. The company had committed to the responsible closure of the mine through its Tomorrow, Together Initiative, which aims to support BHP employees in identifying appropriate pathways post-closure, including retraining and career options. During our engagement, we highlighted that the current public disclosure of rehabilitation costs associated with the mine closure only accounted for usual maintenance and did not cover costs for their Just Transition plans, such as training and employee consultations. At this point, engagement was classified as red. The company made a notable positive step in Q4 2024, with the disclosure of five strategic recommendations related to the mine closure, produced in consultation with the consultant Icen. In addition, the



company published their ongoing engagement plans and provided disclosures on its current engagement with local communities.

OUTCOME:

In Q2 2025, the company made two key disclosures. Firstly, BHP received approval to continue mining at the Mt Arthur coal mine for an additional four years, a key aspect of their Just Transition plan. Secondly, the company announced a \$30 million Upper Hunter Community fund to deliver retraining and redeployment, as well as support the protection of the area's local heritage and economy. Later in Q2 2025, we were invited to meet with the Chair of the Remuneration Committee and the Head of People as a direct engagement. As we were pleased with the company's recent disclosures, which represented the achievement of our initial objective, our engagement focused on requesting BHP to provide updates on their progress, evidencing actions taken to fulfil their commitment. Following this meeting, we categorised this engagement as green, caveated by a new monitoring phase.



Natural capital

ENGAGEMENT HIGHLIGHTS

- 991 companies on nature-related risks, with progress measured with specific objectives.
- Sherwin-Williams met our engagement objective by publishing its nature impacts and dependencies assessment in its inaugural TNFD-aligned report.
- We co-signed letters to 480 companies requesting responses to CDP's climate, water and forest questionnaires. As environmental factors can create regulatory, legal, physical, and reputational risks, weak management can present portfolio risk. We use CDP's standardised, TCFD/IFRS S2-aligned disclosure to assess company management of these issues. The data supports risk/opportunity identification, regulatory preparedness and performance improvement.

FIGURE 18: BREAKDOWN OF NATURAL CAPITAL ENGAGEMENT BY TYPE

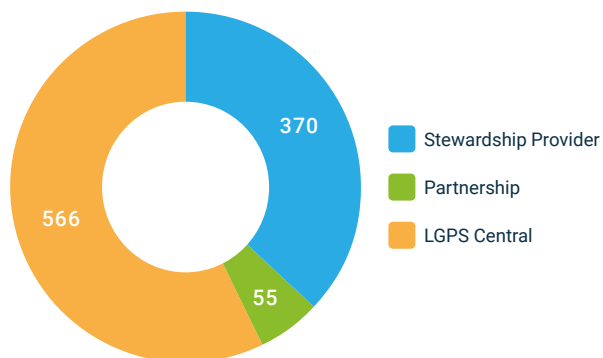
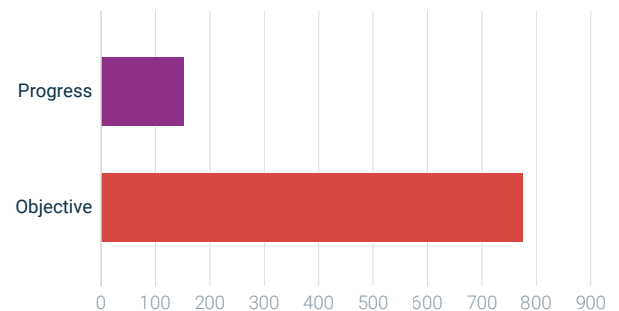


FIGURE 19: NATURAL CAPITAL ENGAGEMENT BY OUTCOME



CASE STUDY

Sherwin-Williams

PROGRESS:

Successful Outcome

OBJECTIVE:

The Company to conduct a nature impacts and dependencies assessment.

LINK TO LONG-TERM VALUE CREATION:

Nature-related impacts and dependencies can translate into material financial risks for chemicals and coatings companies through regulatory tightening (e.g., water quality and pollution controls), exposure to remediation and litigation costs, operational disruption and higher input costs where water availability or quality is constrained, and rising compliance and insurance costs. Improved nature-risk identification and disclosure support investors' assessment of risk management quality, the resilience of manufacturing and distribution footprints, and the adequacy of capex/opex¹² planning to mitigate nature-related physical and transition risks.

ENGAGEMENT:

We are lead engagers in the Sherwin-Williams Nature Action 100 (NA100) collaborative engagement group. Sherwin-Williams is engaged in the manufacture, development, distribution, and sale of paint, coatings and related products to professional, industrial, commercial,

¹² CAPEX refers to the organisation's long-term capital investments in assets such as infrastructure and equipment, while OPEX covers the recurring operational costs required to run and maintain those assets.



and retail customers primarily in North and South America. The chemicals sector relies on natural resources for raw materials and can contribute to environmental and human health issues through the release of harmful pollutants into the air, water, and soils during the production and use of its products. We cosigned a letter to the company in Q4 2023, introducing the six investor expectations of the NA100 group. Subsequently, in Q2 2024, we held an introductory call with the company, during which they outlined a large suite of products with sustainability attributes and stated that they were planning to conduct a nature impacts and dependencies assessment. In 2025, the company commissioned S&P Global Sustainable to perform an analysis of all the company's owned and leased manufacturing operations, distribution, major offices, research and development, and data centre locations to assess nature-related impacts and dependencies.

OUTCOME:

We discussed the results in a meeting with the company, which had been disclosed in their inaugural TNFD-aligned disclosure. The highest modelled dependency related to flood protection was deemed a moderate risk. The company

stated that it maintains robust emergency procedures. The assessment did not identify any nature risks for prioritisation as a material sustainability topic. Water usage has increased slightly (roughly 6% compared to the previous year) and is expected to grow as demand for water-based products rises. Sherwin-Williams reviews the baseline water stress of major global manufacturing and distribution facilities annually. Most of the water is sourced municipally and is not considered a material cost. According to CDP disclosure, the Company believes only a modest number of manufacturing sites are in water-stressed areas and are working to assist in mitigating and monitoring water stress risk effectively. Sherwin-Williams also state that they will continue to focus on physical climate risks for strategic planning purposes, with an emphasis on water stress as a predominant long-term risk. Since a nature impacts and dependencies assessment was conducted and the results were publicly disclosed, this engagement objective has been met. The Company has given confidence to investors that it understands its risk exposures and is taking appropriate mitigating steps.



Human rights

ENGAGEMENT

- 761 companies engaged on human rights-related risks, with progress measured with specific objectives.
- LGPS Central is a lead investor with Find It, Fix It, Prevent It, a collaborative engagement initiative focusing on Modern Slavery in the UK construction sector. We met with Volution twice last year to discuss their Modern Slavery disclosures.
- We also co-signed letters to 18 AIM-listed and FTSE 350 companies in February 2025, requesting reporting in line with Section 54 of the Modern Slavery Act 2015. As of the reporting period, 15 companies have aligned their disclosures.

FIGURE 20: BREAKDOWN OF HUMAN RIGHTS ENGAGEMENT BY TYPE

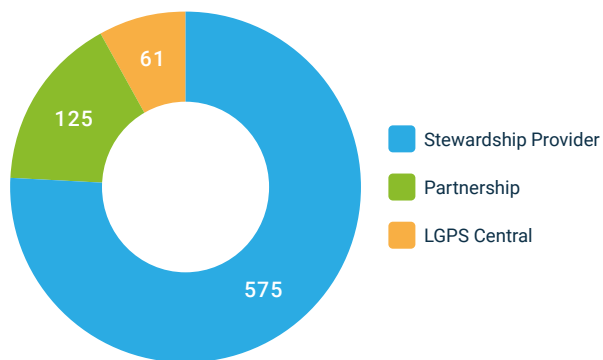
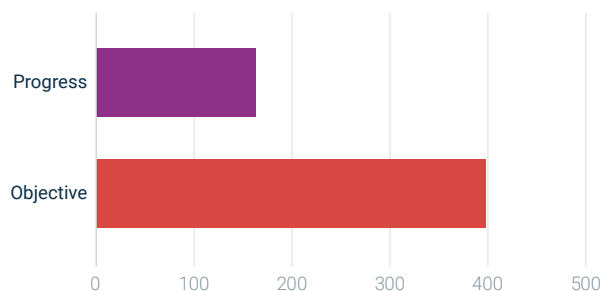


FIGURE 21: HUMAN RIGHTS ENGAGEMENT BY OUTCOME



CASE STUDY

Volution

PROGRESS:

Moderate Progress

OBJECTIVE:

To improve modern slavery disclosure.

LINK TO LONG-TERM VALUE CREATION:

Weak modern slavery risk management can create financially material exposure through regulatory and legal risks, including penalties and litigation under modern slavery and global due diligence regimes¹³ supply chain disruption, higher procurement costs where remediation requires supplier changes, and reputational damage that can affect customer and client relationships. For investors, clearer disclosure provides evidence of governance oversight, supply chain mapping and due diligence controls, and the effectiveness of mitigation and remediation processes. This supports the assessment of operational resilience and long-term risk-adjusted returns.

ENGAGEMENT:

We met with senior representatives, including the Company Secretary and the Head of Procurement, to discuss the company's approach to identifying and mitigating modern slavery risks within its supply chain. Volution described ongoing work to strengthen due diligence processes; however, its public disclosures continue to fall short of those of sector peers in several areas, including saliency assessment, supply chain mapping, and clarity on governance oversight. Although the company has begun to enhance reporting, its 2025 Modern Slavery Statement introduced only incremental changes.

OUTCOME:

Given the limited progress, we abstained on the approval of the Financial Statements and wrote to the company explaining the rationale for our voting decision. We have requested a meeting with the Non-Executive Director responsible for sustainability oversight in H1 2026 to further escalate our concerns and to encourage clearer disclosure and more rigorous risk assessment practices.

¹³ Modern slavery considerations are embedded within emerging EU traceability and supply-chain due-diligence regimes, and insufficient or non-credible due-diligence processes will increasingly impede a company's ability to place products on the EU market.

**CASE STUDY****Costco Wholesale****PROGRESS:**

Successful Outcome

OBJECTIVE:

To obtain clarity on Costco's human-rights governance and supply-chain due-diligence processes, specifically:

- how the Supplier Code of Conduct and Human Rights Statement are operationalised across global suppliers
- the extent of supplier training, monitoring, and verification mechanisms
- how human-rights reporting and risk-management processes will evolve following Costco's partnership with ELEVATE

LINK TO LONG-TERM VALUE CREATION:

Human rights and supply-chain due diligence can be financially material due to potential regulatory and litigation risk (including evolving mandatory due diligence and import restrictions), operational disruption and cost impacts from supplier non-compliance and remediation, and reputational harm that can affect customer trust and sales. Clear disclosure on governance, training, monitoring, audit findings and remediation helps investors assess the robustness of risk management, the resilience of sourcing and merchandising, and the likelihood of unexpected costs or disruptions.

ENGAGEMENT:

We started our engagement with Costco's Investor Relations team in 2024. We engaged Costco, referencing its Mission

& Ethics disclosures and recent sustainability reporting. We discussed the statement that suppliers must adhere to the Supplier Code of Conduct and cascade it throughout their supply chains. We also enquired about how Costco ensures full adoption of its human rights and supplier human rights policies. These include supplier training on human rights expectations; monitoring systems, audit processes, and corrective action frameworks; and how Costco evaluates supplier performance and escalates noncompliance. We also enquired about how the ELEVATE partnership will strengthen human rights reporting, risk screening, and supply chain transparency. Costco stated that it would update its disclosure.

OUTCOME:

Costco acknowledged the request and directed us to forthcoming disclosure updates. We are monitoring Costco's progress, including:

- supplier-risk assessment processes and third-party due-diligence support through ELEVATE
- reporting on supply-chain monitoring, audit findings, and remediation pathways
- articulation of human-rights governance, including Board-level oversight and cross-functional responsibility
- enhanced transparency on supplier expectations, training resources, and ethical-sourcing practices

We support Costco's approach. The Company, in addition, has defended its own employee diversity approach regardless of its country of incorporation.



Sensitive and topical activities

2025 ENGAGEMENT HIGHLIGHTS

- 98 companies engaged on sensitive and topical activities, with progress measured with specific objectives.
- We engaged with M3 to implement best practice digital risk procedures.
- We engaged with Hyundai on forced labour risks.

FIGURE 22: BREAKDOWN OF SENSITIVE/TOPICAL ACTIVITIES ENGAGEMENT BY TYPE

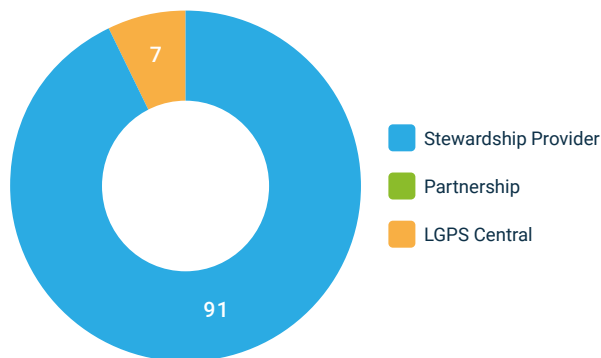
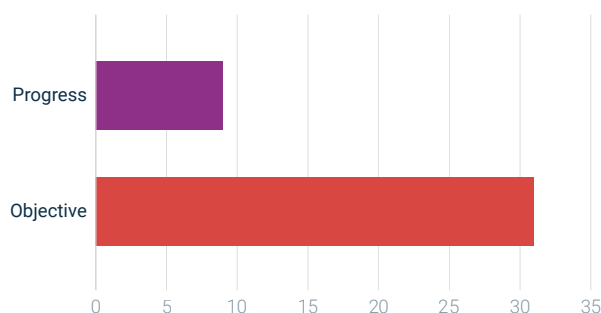


FIGURE 23: SENSITIVE/TOPICAL ACTIVITIES ENGAGEMENT BY OUTCOME



CASE STUDY

M3

PROGRESS:

Successful Outcome

OBJECTIVE:

To implement best practice digital risk procedures.

LINK TO LONG-TERM VALUE CREATION:

Weak digital risk management (including cyber security, data governance and third-party risk) result in operational disruption, remediation costs, regulatory enforcement and litigation exposure, and reputational damage. For investors, evidence of robust group-wide policies, certification coverage and supplier controls provide assurance that operational resilience and risk governance are adequate.

ENGAGEMENT:

M3 provides healthcare-related services. We met with the company earlier in the year to request copies of relevant policies on supply chain. M3 confirmed that they plan to release a new policy on third party procurement and digital risks soon and confirmed that they would notify us of the release date. Noting that only M3 Medical UK and the US are certified, we requested further details on its ISO 27001 certification. We outlined that we expect quantitative reporting on supplier/business partner policy implementation and requested the percentage of digital risk certification coverage across the group.

OUTCOME:

We met with the company in August, where they shared their newly released Procurement and Supplier Conduct Guidelines, which outlined their commitment to fair, transparent, and socially responsible procurement practices. The group seeks to build trust-based partnerships with suppliers and expects them to uphold similar standards. By strengthening group-wide digital-risk governance, expanding certification coverage, and strengthening supplier controls, the engagement materially reduces operational, regulatory, and reputational risk, enhancing the company's capacity to deliver sustainable long-term returns for investors. Our engagement objective has been met.



Jodrell Bank, Cheshire

CASE STUDY

Hyundai

PROGRESS:

Successful Outcome

OBJECTIVE:

To determine whether Hyundai is exposed, directly or indirectly, to forced labour risks in its China supply chain, and to assess the adequacy of its human rights' due diligence, supplier screening, and supply chain mapping processes.

LINK TO LONG-TERM VALUE CREATION:

Forced labour exposure and weak human rights due diligence can be financially material through regulatory and trade restrictions (including import bans and customs detentions), legal and compliance costs, supply chain disruption and re-sourcing costs, and reputational impacts that can affect brand value and sales. Improved transparency on supply chain mapping, supplier screening and governance helps investors assess the effectiveness of risk controls and the resilience of critical inputs.

ENGAGEMENT:

The Company has engaged constructively with LGPS Central for over two years, maintaining ongoing dialogue on human rights matters. In 2024, we raised concerns following HKCIJ findings that Hyundai suppliers may be linked to state-sponsored labour transfer schemes and to indirect links to entities in Xinjiang. The 2022 OHCHR Assessment was referenced, which highlighted systemic human rights risks. LGPS Central engaged Investor Relations regarding potential forced labour exposure and sought clarity on Hyundai's human rights management systems, supplier ESG due diligence, and supply chain mapping activities in China. The company provided annual progress updates, and the last engagement was conducted in November 2025.

OUTCOME:

We welcome the Company's improved disclosure on strengthened supply-chain risk management, ESG due diligence and enhanced human-rights governance, including a Human Rights Charter aligned with UNGPs and clearer oversight structures such as Board-level training and integration into enterprise-wide risk management. This mitigates the risk of supply chain disruption and strengthens business continuity across the supply chain.

Continuing engagements

Meta's decision to discontinue its fact-checking programme and relax hate-speech rules, despite sustained engagement on child safety, misinformation, responsible AI governance, and data-use practices, appears to reflect a form of short-termism that prioritises near-term operational convenience over the effective management of material digital-harm risks. This shift increases

the likelihood of regulatory intervention, litigation exposure, and reputational damage, at a time when governments are already introducing measures to restrict children's access to social media. Taken together, these developments signal a weakening of the company's risk-management discipline and pose a credible threat to its long-term licence to operate in key markets.



PRINCIPLE

4

Exercise of Rights and Responsibilities

LGPS Central works to protect the long-term economic interests of stakeholders by providing prudent, high-integrity stewardship, ensuring that boards act in shareholders' best interests and promote sustainable long-term business success. We integrate ESG risks and opportunities into our voting to support value creation across companies and sectors.

As indicated in our Voting Principles, we expect companies to demonstrate strong governance and board oversight, transparent shareholder communication, remuneration aligned with long-term value, the protection of shareholder rights, and the integration of credible, resilient ESG strategies into management decision-making.

Our voting prioritises effective governance, environmental sustainability, including climate change and natural capital, and social risks such as human rights, reflecting our view that companies which manage these financially material risks are better positioned to preserve value, avoid operational and regulatory disruption, and deliver resilient long-term performance.

We vote all shares across internally and externally managed assets in line with our policy to deliver a consistent and distinct stewardship signal. While we retain ultimate voting authority, we incorporate insights from external managers where relevant. Voting and engagement operate holistically across direct, collaborative, and stewardship activities led by EOS.

Given the scale of our voting activity (over meetings annually), we maintain a priority voting list and conduct enhanced scrutiny of voting. The priority list focuses on companies with material portfolio exposure and significant financial risks, for which management responses are assessed as inadequate.

We uphold high standards of transparency by publicly disclosing our Voting Principles and outcomes. Voting activity is reported through tri-annual Stewardship Updates, our Annual Stewardship Report, and regular commentary provided to Partner Funds and governance committees. In addition, ahead of each voting season, we share the Voting Watch List with EOS to obtain enhanced analysis supporting voting recommendations. We seek insights from active equity managers on major holdings and contentious votes and engage with them to influence broader voting practices on material issues. This includes annual pre-season discussions, ongoing updates on Voting Principles, and targeted requests for input on priority holdings.

FIGURE 24: VOTING STATISTICS

Voted at

4,202

MEETINGS

and on

49,670

RESOLUTIONS

Supported

 40.9%
(498)SHAREHOLDER
PROPOSALS

We voted against management recommendations on one or more resolutions at

60.6% OF MEETINGS

In 2025, EOS attended 5 AGMs at:

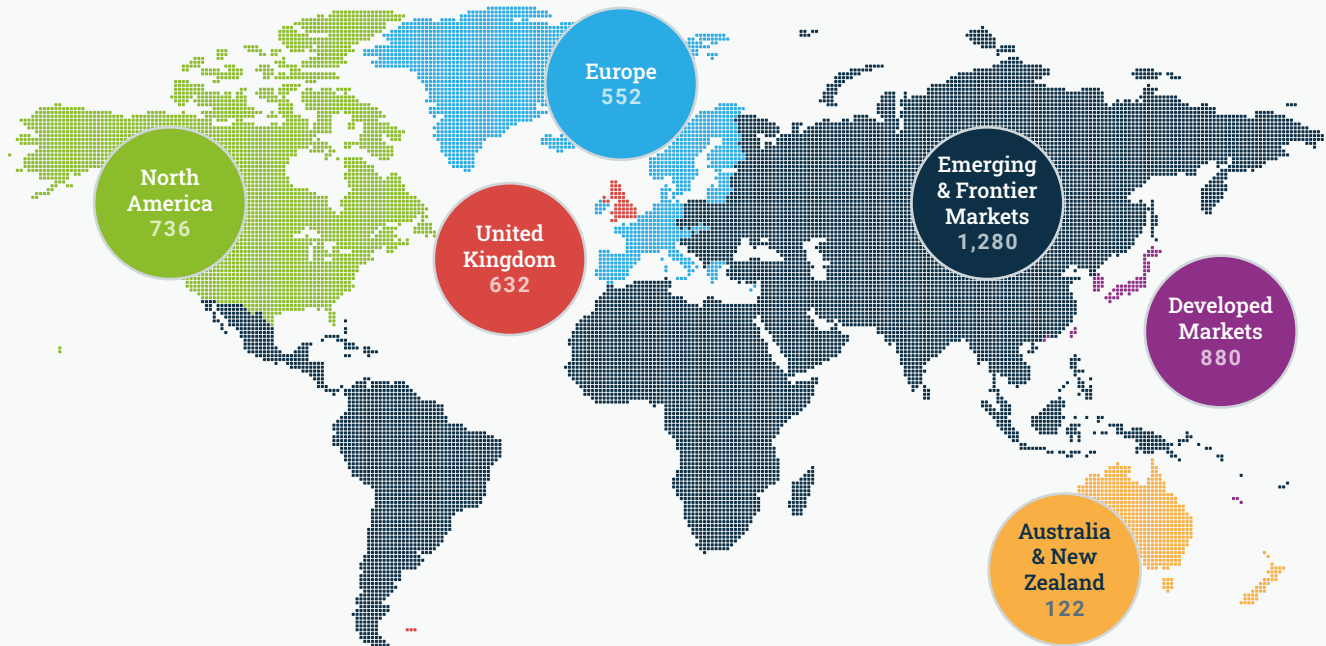
Goldman Sachs, Standard Chartered, BMW, Kinder Morgan, and TotalEnergies SE.

100% POST-VOTING LETTERS

sent to Priority Companies



Meetings voted by region



Number of resolutions voted¹⁴

FOR	41,913	84.4%
AGAINST/WITHHELD	6,734	13.6%
ABSTAIN	791	1.6%
OTHER	232	0.5%

Pass-through Voting

In 2025, LGPS Central was appointed by eight Partner Funds to oversee more than £11 billion in passive funds managed by Legal & General (L&G). Under the new agreement, LGPS Central conducts semi-annual reviews with L&G and votes on underlying equity holdings in line with LGPS Central's Voting Principles, significantly amplifying our collective potential impact on engagement. This success was achieved through a collaboration among LGPS Central, Tumelo, L&G and EOS.

Number of resolutions voted on by theme¹⁴

AMEND ARTICLES	4,317	8.7%
AUDIT + ACCOUNTS	6,783	13.7%
BOARD STRUCTURE	25,510	51.4%
CAPITAL STRUCTURE + DIVIDENDS	4,397	8.9%
INVESTMENT/M&A	11	0.0%
OTHER	1,373	2.8%
POISON PILL/ ANTI-TAKEOVER DEVICE	44	0.1%
REMUNERATION	6,021	12.1%
SHAREHOLDER RESOLUTION ENVIRONMENT	155	0.3%
SHAREHOLDER RESOLUTION GOVERNANCE	872	1.8%
SHAREHOLDER RESOLUTION SOCIAL & ETHICAL	187	0.4%
TOTAL	49,670	100%

¹⁴ Percentages may not total 100% as values have been rounded to the nearest whole number.



Outcomes and Market-Level Impact

In 2025, we used our voting rights across global equity markets to reinforce our stewardship priorities, raise concerns where engagement had stalled, and uphold market integrity. We applied voting decisions selectively and proportionately, informed by prior engagement, material governance risks, and prevailing market conditions.

Executive remuneration remained a prominent area of focus. We opposed structures that relied heavily on time-based equity awards, lacked meaningful performance linkage, or were misaligned with underlying results, capital allocation discipline, or long-term value creation. In several cases, significant dissent highlighted the need for the board to be more proactive in preparing for future remuneration reviews.

Protecting shareholder rights and strengthening board accountability remained key priorities. We supported proposals to enhance shareholder access to special meetings, improve board independence, and remove entrenching governance structures. In markets where legal or structural changes risked weakening minority protections, we applied heightened scrutiny to proposals that could concentrate control or diminish effective oversight.

We voted against management where companies materially altered previously endorsed strategies without adequate shareholder consultation. We voted against directors when governance arrangements failed to provide sufficient oversight of climate strategy, or when strategic resets undermined approved transition plans. We also supported resolutions seeking improved disclosure on transition planning, emissions targets, and alignment with recognised frameworks.

Voting on human rights, workforce practices, and broader social risks increased in prominence, reflecting geopolitical tensions, regulatory developments, and litigation exposure. We supported proposals seeking stronger disclosure and oversight of human rights due diligence, supply-chain practices, and workforce conditions, particularly where progress had been limited or practices fell short of international standards. For companies operating in high-risk environments, our voting reinforced expectations of board-level oversight and risk management.

Artificial intelligence and data governance also emerged as material considerations. We supported resolutions calling for

enhanced board oversight of AI systems, clearer disclosure of data use, and the assessment of ethical and human rights risks associated with AI-driven products and services.

Across all themes, voting formed part of a structured escalation framework rather than a default response. Where companies demonstrated constructive engagement and credible progress, we supported management. Where progress was insufficient, we used votes against directors, remuneration policies, or governance arrangements to signal concern and encourage further dialogue. Because outcomes often take multiple years to materialise, we assess voting effectiveness alongside engagement progress and adjust our escalation approach accordingly.

Environmental Resolutions

In 2025, we supported 72 environmental shareholder resolutions, covering issues such as energy-supply ratios¹⁵, Scope 3 emissions, climate lobbying, nature impacts and dependencies, transition planning, and plastic pollution. We voted against director elections on 160 occasions due to concerns over inadequate management of environmental risk exposures.

Social Resolutions

We supported 68 social shareholder resolutions, the majority filed at US companies, addressing human rights, health and safety, human capital management, and animal welfare. One resolution achieved majority support, receiving 56.1% at Cboe Global Markets, Inc. We voted against director elections on 911 occasions due to concerns over inadequate management of social risk exposures.

Remuneration

We continued to express concerns about executive pay practices, voting against 22.5% of remuneration-related proposals, of which 71.6% were annual remuneration approvals and policy votes. Globally, 22.6% of say-on-pay proposals were misaligned with best practices. In the UK, we opposed 11.2% of remuneration proposals, compared with 24.3% in North America. We expect remuneration proposals to support the long-term success of the companies and reward investors fairly.

¹⁵ Energy supply ratios describe the proportionate contribution of different energy sources within a system, indicating how reliably and efficiently the overall energy mix can meet demand.



Stock Lending

We operate an active securities lending programme aligned with ICGN guidance, balancing liquidity benefits with governance, risk management, transparency, and policy alignment considerations. Our approach prioritises voting rights management by applying lending restrictions based on jurisdiction-specific voting provisions rather than blanket seasonal constraints. This enables greater voting impact on critical matters, including escalated engagements, shareholder resolutions, and board elections, and applies to all companies on our Voting List. Exercising investor rights in listed equities.

Exercising investor rights in listed equities is a central element of our stewardship approach, enabling us to promote accountable governance and protect long-term shareholder value. Through voting, engagement, and escalation, we seek to ensure that companies manage material risks responsibly and operate in a manner consistent with the interests of long-term investors.

CASE STUDY

Apple

THEME:

Remuneration / Child Safety Online

RATIONALE:

We voted against the executive pay package primarily because the short-term incentive (annual bonus) is not stretching enough. The bonus was paid at maximum or near-maximum for the prior three years, suggesting that the annual bonus is almost guaranteed, which does not necessarily align with the interests of long-term shareholders. However, we supported the election of the Chair of the People and Compensation Committee due to the removal of remuneration laggards from the compensation peer group. We also voted for a shareholder resolution requesting that Apple report on the costs and benefits of the company's decisions regarding its use of child sex abuse material (CSAM) identifying software. Support is warranted for this resolution because investors would benefit from increased disclosure about how Apple evaluates the costs and benefits of the company's CSAM identifying software. Especially in the context of increased scrutiny from civil society and ongoing litigation.

RESULT:

The executive compensation resolution passed overwhelmingly, with only 7.6% dissenting. Similarly, the shareholder proposal on CSAM received 8.9% support. LGPS Central will escalate by seeking a substantive meeting with the Chair of the People and Compensation Committee to press for a more stretching short-term incentive structure and seeking to engage directly with board-level oversight to strengthen disclosure and governance on CSAM-related digital-harm risks.

CASE STUDY

Tesla

THEME:

Remuneration

RATIONALE:

We opposed the executive pay package due to significant concerns over an outsized, entirely time-based equity award¹⁶ granted to one Named Executive Officer, alongside insufficient disclosure of its rationale and the absence of performance conditions. A further generous time-based award granted in FY25, linked to ongoing litigation outcomes, reinforced these concerns. We also voted against the related proposal to issue common stock to the CEO, as issuing such a substantial volume of common equity is not good practice given the exceptional scale of the award, its potential to increase voting control, the limited flexibility it leaves the Board, and the heightened risk of shareholder dilution. Taken together, the structure and value of these awards raise material questions about alignment with long-term shareholder interests.

RESULT:

The resolutions received 21.8% and 23.4% dissent votes, respectively. Such dissent in the US context signals a serious governance concern, as such levels are uncommon in the US market and indicate that a substantial minority of shareholders expect the board to respond with meaningful engagement and corrective action. Our concerns were flagged to managers and it was noted that similar concerns were also held by our managers.

¹⁶ Time-based equity is considered poor incentive design because it vests solely with the passage of time, meaning executives can receive substantial rewards regardless of whether they deliver meaningful operational, financial, or strategic performance, weakening the fundamental pay-for-performance link.



CASE STUDY

bp

THEME:

Climate Governance

RATIONALE:

We engaged with the company following its decision to reduce its 2030 oil and gas production target and reiterated that shareholders should be consulted on any material changes to the climate strategy. bp has rolled back its climate targets without consultation on a further two occasions, which was particularly disappointing given the strong support for the 2022 say-on-climate vote. In the absence of a shareholder vote on the 2025 “strategy reset”, we voted against the Chair¹⁷ and the Senior Independent Director, reflecting concerns over climate governance and insufficient challenge at Board level. We also opposed the Chair of the Safety and Sustainability Committee, given our doubts about the committee’s ability to oversee effective the implementation of the net-zero ambition following the target reset.

RESULT:

The Chair’s re-election received close to 25% dissent, and the company has since announced his departure. Following the AGM, we met with bp’s Company Secretary and Investor Relations team to outline our voting rationale, reiterating concerns about limited shareholder engagement and uncertainty over the company’s net-zero trajectory. As long-term investors, we raised questions about how the Board mitigates short-term external pressures in a manner that ensures continuity and consistency in its approach to transition management and the delivery of its wider climate strategy.

The company confirmed it considers a broad range of investor perspectives, and we agreed to reconvene after proxy season to continue discussions on climate strategy.

CASE STUDY

Amazon

THEME:

Remuneration / Worker Conditions

RATIONALE:

We voted against the advisory vote to ratify the executive officer’s compensation primarily due to the Compensation Committee not adequately altering its approach to pay or explaining its determination of the size, timing and appropriateness of the multi-year, time-based, restricted stock grants that comprise virtually all pay for top executives. In addition, we note that Amazon’s approach to pay fails to align increases in the value of executives accumulated Amazon shares with the corresponding returns to shareholders, leaving executives with no meaningful incentive to allocate capital efficiently. As a result, Amazon’s capital productivity and Economic Value Added/Total Assets (“EVA/TA”) have deteriorated both in absolute terms and compared to the peers Amazon identifies for compensation purposes. We also supported a shareholder resolution that requested the board commission an independent audit report detailing the working conditions and treatment of the company’s warehouse workers. Our voting decision was partly informed by the reported settlement with the U.S. Department of Labour’s Occupational Safety and Health Administration (OSHA) over hazardous working conditions, and the anti-unionisation activity allegations at its Coventry warehouse.

RESULT:

The proposals received 22.1% and 23.2% respectively. It should be noted that the dissent level could be roughly 10% higher, as Amazon founder, Jeff Bezos, retains 9.6% of voting rights. A letter was subsequently sent to the company explaining our disappointment with the Compensation Committee’s approach and requesting further engagement, considering the persistent concerns over executive pay, and the wider workforce-related risks highlighted through the supported shareholder proposal.

¹⁷ We voted against the re-appointment of Helge Lund.



CASE STUDY

Marks & Spencer

THEME:

Living Wage

RATIONALE:

We supported a shareholder resolution requesting that the Board prepare a report detailing its approach to human capital management, specifically focusing on pay practices for hourly-paid employees and third party-contracted staff. The requested disclosures include: (a) how base pay is set for hourly-paid direct employees and which Board committee oversees this, (b) the number of direct employees paid below the real Living Wage, broken down by contract type and working hours, (c) turnover rates for hourly-paid employees, segmented by pay level and working hours, (d) the approach to pay for regular, on-site, third-party contracted staff and oversight mechanisms, (e) the number

of third-party staff paid below the Real Living Wage, (f) a cost-benefit analysis of implementing the Real Living Wage for both direct and third-party staff. We supported this resolution because transparent pay reporting helps investors assess how the company is balancing cost control with long-term human resource management risks, an integral element of long-term corporate strategy. We also note that low wages can lead to high turnover, reputational risk and operational inefficiencies.

RESULT:

The resolution received over 30% support. The board plans to consult further with shareholders on this topic, and an update will be published in accordance with the UK Corporate Governance Code within six months of the AGM, with a final summary in the 2025/26 Annual Report and Financial Statements. LGPS Central will seek to engage with the company and understand the company's next steps to address shareholder concerns.



Exercising rights beyond listed equity

LGPS Central exercises its rights and responsibilities across other asset classes, recognising that stewardship outcomes are shaped by the full investment chain.

In fixed income, this includes engagement with issuers on governance, disclosure and risk management, and consideration

of how stewardship concerns influence credit assessment and investment decisions. In private markets, we work through contractual rights, advisory committees and ongoing dialogue with managers to influence portfolio company behaviour and ensure material ESG risks are addressed.

CASE STUDY

Viridor Energy, Equitix (asset part of Equitix VI – infrastructure mandate)

OBJECTIVE:

To ensure that physical climate risk was recognised and treated as a priority consideration within the Viridor Energy portfolio.

ENGAGEMENT:

Equitix shared the findings of its portfolio-wide physical climate risk assessment with Viridor Energy, prompting a focused discussion on resilience and leading the company to commission a detailed, site-specific, assessment by external consultants. This work included site visits and workshops and produced a comprehensive view of potential operational and financial impacts.

Although guidance and preparatory materials were provided early, the company required additional internal alignment and external support. Equitix remained closely engaged throughout, offering demonstrations, planning calls and access to advisers to streamline data collection and strengthen future submissions.

OUTCOME:

Equitix's engagement helped elevate physical climate risk as a priority for Viridor, prompting the operator to undertake a detailed, site-level assessment. This resulted in clear, practical insights into asset-specific vulnerabilities and adaptation needs, demonstrating how Equitix's stewardship approach can deliver more focused, actionable outcomes.

Viridor Energy has confirmed its willingness to participate in FY26 with appropriate advisory support. A structured plan has been agreed, including early guidance, a longer preparation window, and a clear timeline through to the 1 July 2026 submission deadline, putting the asset in a strong position for upcoming assessments.

CASE STUDY

SocialCo, DWS Asset Management (asset part of DWS ESG Infrastructure Debt Fund – private credit mandate)

OBJECTIVE:

To conduct thorough due diligence on the company's ESG profile and ensure that sustainability considerations were embedded in the recently committed loan.

ENGAGEMENT:

As part of due diligence, DWS engaged with SocialCo to assess how sustainability is embedded in its operating model and long-term strategy. Discussions centred on environmental performance, social impact and governance. SocialCo outlined its plans to reduce Scope 1–2 emissions through fleet electrification, biodiesel use, low-carbon energy contracts, and building-level upgrades, supporting its 2030 reduction target. The company's modular buildings provide flexible, energy-efficient infrastructure for education and care services, improving accessibility and resource efficiency. Governance discussions confirmed independent verification of emissions data and ESG KPIs aligned with international standards. As part of the transaction, lenders agreed to ESG KPIs covering carbon intensity reduction and circularity, with SocialCo targeting resource efficiency above 90%, in line with best-practice circularity benchmarks.

OUTCOME:

Engagement between DWS, co-lenders and SocialCo has established a strong basis for measurable ESG progress. SocialCo agreed to structure the facility as a Sustainability-Linked Loan, embedding emissions-reduction and circularity KPIs into the margin grid. ESG oversight continues to strengthen, with independently audited Scope 1–2 data and maturing governance processes. The company's modular model delivers clear environmental and social benefits through high reutilisation rates and flexible, low-carbon buildings. These developments position SocialCo as a leading circular-building operator in the Nordic region, with ESG performance now directly linked to its financing structure.



PRINCIPLE

5

Stewardship in Manager Selection and Oversight

LGPS Central's responsible investment approach is delivered through the integrated application of ESG considerations within investment decision-making and stewardship activities. This framework enables the systematic identification, assessment, management, and reporting of ESG risks and opportunities, supporting LGPS Central's fiduciary duties to Partner Funds. Contractual RI&S requirements are agreed at the appointment of external managers to ensure alignment with LGPS Central's policies and reporting expectations. External managers are expected to address financially material risks through effective stewardship. Insights gleaned from our stewardship activities feed back into manager oversight, product monitoring, and dialogue with Partner Funds. LGPS Central's approach to manager selection and oversight is outlined in principle 1.

External manager engagements

External managers play a critical role in delivering our stewardship objectives, complementing our in-house engagement programme. Their engagement activity forms part of our overall stewardship footprint, particularly across high-conviction mandates, where managers hold meaningful positions that enable constructive challenge and influence.

In 2025, our external managers undertook a broad range of engagements across climate, natural capital, human rights, governance, and emerging risks such as artificial intelligence, contributing materially to our understanding of portfolio-level risks and opportunities and supporting escalation where progress was insufficient.

External managers' response rate:



Total number of engagements conducted:



By Asset Class:

FIXED INCOME	8%
PUBLIC EQUITIES	14%
INFRASTRUCTURE	20%
PRIVATE CREDIT	16%
PRIVATE EQUITIES	36%
REAL ESTATE	5%

¹⁸ LGPS Central has reached out to managers for collecting stewardship data in early 2026, covering all stewardship activities completed during the 2025 calendar year. This outreach ensures we capture a full and accurate record of actions, engagements, and outcomes from the previous year, supporting our commitment to transparency.



Nottingham, Nottinghamshire

CASE STUDY**Prysmian, Baillie Gifford (BG)****THEME:**

Responsible sourcing

OBJECTIVE:

To explore Prysmian's supply chain strategy and better understand the role of responsible sourcing, industry partnerships and recycling.

ENGAGEMENT:

The manager focused on Prysmian's responsible sourcing of minerals such as mica and copper, encouraging the company to consider IRMA standards. Management explained that it has stepped back from schemes with limited real-world impact, redirecting resources toward community education programmes and more robust audits of higher-risk suppliers. Prysmian highlighted its Copper Mark partnership and efforts to improve traceability across a concentrated group of around 150 strategic suppliers, where ESG expectations and KPIs are embedded in pre-qualification. Recycling remains important, with around one-fifth of copper sourced from recycled material, supported by vertical integration in the US through Encore. Management noted that vertical integration is becoming a broader strategic priority for the group.

OUTCOME:

BG left encouraged that responsible sourcing standards are a clear priority for Prysmian. BG will monitor how efforts towards greater vertical integration and recycling evolve, as increased control over its supply chain could strengthen resilience and present a competitive advantage for the company.

CASE STUDY**Microsoft, Mirova****OBJECTIVE:**

To enhance disclosure of the Company's responsible use of AI.

ENGAGEMENT:

As part of the World Benchmarking Alliance, Mirova engaged with the company's Investor Relations (IR) discussing responsible AI, environmental impacts, layoffs, workforce support, and DEI commitments across ongoing dialogues since May 2023. The company responded through IR, acknowledging concerns, outlining governance structures, and committing to enhance transparency on AI impacts and human capital practices.

OUTCOME:

Microsoft offered transparency and ongoing dialogue but made no formal commitments, maintaining continuous engagement on responsible AI, environmental impacts, workforce issues and DEI expectations.

NEXT STEPS:

Further engagements are scheduled with the company seeking to push for disclosure on how mitigate AI's environmental impacts are mitigated and consistently engaging on diversity and human capital management strategies. It will be explored possible shareholder proposals related to AI accountability and human capital practices. Mirova follow up.



The Wrekin, Shropshire

CASE STUDY**EnBW, Fidelity****OBJECTIVE:**

EnBW is a German utility company and has been one of the most significant carbon emitters among European utilities due to its coal-fired power plants, potentially exposing the company to material transition, regulatory and financial risks. Fidelity considers it a key player in Germany's transition to a cleaner energy system. Engagement focuses on the plan for carbon emissions reduction and its overall ESG strategy, including renewable energy, hydrogen, and other initiatives. Until recently, EnBW had not set ambitious scope 3 targets and was unable to align existing targets with the 1.5-degree aligned pathway due to uncertainty about the government's timeline for coal exit. Fidelity encouraged the setting of these targets and their SBTi validation.

ENGAGEMENT:

Fidelity engaged EnBW through three 2025 meetings with senior leaders, including the Deputy CEO/CFO, discussing coal-exit timelines, hydrogen strategy, renewable and gas

generation plans, and network-operations development. Follow-up meetings reviewed renewable capacity additions, hydrogen-enabled generation progress, regulatory impacts, and delays to the offshore wind project, supporting alignment with clean energy goals.

OUTCOME:

Fidelity welcomed the continued strengthening of EnBW's environmental credentials. The company secured SBTi approval for its emissions targets in 2023 and, in January 2026, was upgraded by CDP to an A rating—placing it among a small group of leading German companies. The company expanded renewable capacity and improved disclosure, including updates to the Climate Transition Plan.

Fidelity also noted EnBW's commitment to a managed coal exit, its €1bn investment in the German hydrogen backbone, and its plans to retrain and redeploy affected employees. Engagement over recent years and the action taken by EnBW has materially improved Fidelity's internal ESG assessment of the company, supporting the investment case. Ongoing dialogue will continue to focus on EnBW's climate strategy and emissions-reduction commitments.



PRINCIPLE

6

Monitoring and Holding Stewardship Service Providers to Account

LGPS Central applies a structured and evidence-based approach to scrutinising all stewardship service provider to ensure their work aligns with our priorities and supports effective decision-making. For example, we oversee engagement providers through detailed monitoring of activity, outcomes, and alignment with our stewardship priorities. Whilst we do not appoint proxy advisors directly, we review ISS vote recommendations and research against our Voting Principles, ensuring that decisions remain aligned to best practices.

EOS – Federated Hermes

2025 was a pivotal year for the relationship between LGPS Central and EOS. Thanks to EOS, LGPS Central secured an oversight mandate of nearly £12 billion for the L&G pooled funds invested by Partner Funds. In 2025, ballots were also

voted on. As a result of EOS's dedication to working closely with LGPS Central, we are continuing to work with EOS for 2026. Annually, LGPS Central conducts a detailed audit of EOS's engagement data and services, the results of which shall demonstrate a good alignment between LGPS Central and EOS stewardship approaches.

This review is documented and approved by the IC each year. Summary for the 2025 review: EOS has consistently delivered strong, value-adding services to LGPS Central, including effective communication during the voting season regarding LGPS Central's Voting Watch List. EOS has also provided direct support to Partner Funds by participating in all PAF RIWG meetings throughout the year. EOS has delivered on their SLA requirements.

FIGURE 25: ANNUAL ASSESSMENT OF EOS – FEDERATED HERMES

KPI AREA	KPI REVIEW
GLOBAL ENGAGEMENT	Engaged with 620 companies with regional and thematic breakdowns.
ENGAGEMENT QUALITY	1,092 corporate objectives and 1,958 issues were linked to 620 companies. During the period, 11% of objectives were complete. 505 issues or objectives were engaged collaboratively. 69 collaborative initiatives where EOS is on the Steering Committee (or equivalent).
VOTING COVERAGE	EOS voted at 3,269 meetings, 40,534 resolutions on behalf of LGPS Central during the period under review. EOS overrode 7.6% of ISS voting recommendations. Less than 1.8% of votes were not executed. 20 client alert vote emails sent out. 77 pre-AGM engagements conducted (where the focus of the engagement was on EOS's vote recommendations). No systemic errors were found.



Birmingham, West Midlands

KPI AREA	KPI REVIEW
CLIENT SERVICE	EOS provide LGPS Central with regular client service touchpoints. This includes regular updates on outstanding items via email, calls and meetings as required, data provision for stewardship code reporting, vote reporting and query support, engagement case study support, and thematic query support.
COMPLAINT HANDLING	No formal complaints.
CLIENT SERVICE MEETING	Several meetings were held with EOS, namely, to demonstrate the EOSi portal and to hold ad hoc meetings to ensure service delivery.
REPORTING PUNCTUALITY	99% of LGPS Central's reports were delivered on time. Two Q4 2025 voting fact sheets were delivered late but were made available as soon as possible.
ENHANCEMENTS TO EOS'S SERVICE	Service enhancements during the period include pass-through voting on L&G pooled funds, vote and engagement reporting, and public policy engagement.
TEAM STABILITY/COMPOSITION	Two people from the EOS team left in 2025. For the wider Federated Hermes International, the turnover figure was 7%.

Northern Trust

We exercise ongoing oversight of our custodian, Northern Trust, regarding the implementation of stock lending restrictions aligned with our stewardship priorities. This includes periodic checks on the application of client-directed restrictions for priority voting companies, confirmation of how and when restrictions are applied, and review of the associated revenue

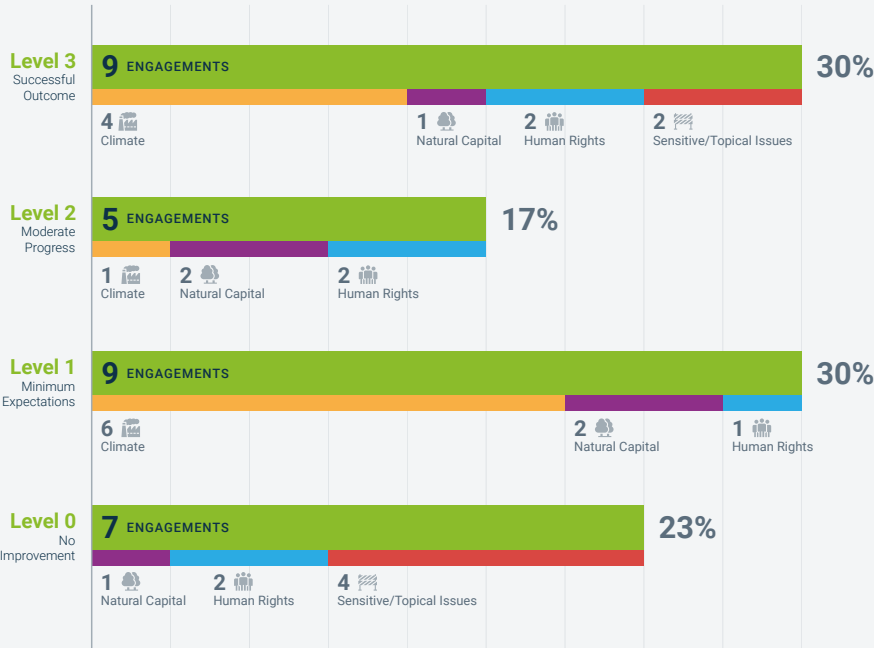
impacts. As part of this oversight, Northern Trust provides confirmation that restrictions are implemented only upon explicit client instruction, supported by an impact analysis, and that updated annual voting priority lists are required to ensure restrictions remain current and effective. The results of the review are presented to the IC.



Appendices

Appendix 1: Progress against the Stewardship Strategy

2025 LGPS Central's Stewardship Progress



77%

of priority engagements led to some progress during the reporting period, including 9 successful outcomes



100%

of stewardship priority companies engaged

100%

allocation KPIs to stewardship priority companies

10

companies have been removed due to engagement objective being achieved or due to portfolio turnover

Appendix 2: Stewardship Strategy Reporting

Progress report against LGPS Central's 3 year Stewardship Strategy

STEWARDSHIP THEME:



CLIMATE CHANGE

COMPANY NAME	ENGAGED AS AT DEC 2025	PROGRESS	MOMENTUM	ESCALATION GRADE	VOTING DISSENT	REMOVAL
SHELL		Level 2		Level 2		
HOLCIM		Level 1		Level 2		
CEMEX		Level 1		Level 2		
ARCELORMITTAL		Level 1		Level 1		
BP		Level 1		Level 2		
SOCIETE GENERALE		Level 1		Level 1		
RWE		Level 3				
BHP		Level 3				
CRH		Level 3				
RIO TINTO		Level 3				
GLENCORE		Level 1		Level 1		

STEWARDSHIP THEME:



NATURAL CAPITAL

COMPANY NAME	ENGAGED AS AT DEC 2025	PROGRESS	MOMENTUM	ESCALATION GRADE	VOTING DISSENT	REMOVAL
GLENCORE		Level 0		Level 2		
RIO TINTO		Level 2		Level 1		
SHERWIN WILLIAMS		Level 3				
COSTCO		Level 1		Level 1		
REPSOL		Level 2		Level 1		
LYONDELLBASEL		Level 1		Level 1		



STEWARDSHIP THEME:



HUMAN RIGHTS RISKS

COMPANY NAME	ENGAGED AS AT DEC 2025	PROGRESS	MOMENTUM	ESCALATION GRADE	VOTING DISSENT	REMOVAL
COSTCO	✓	Level 3	⬆️		⊗	✓
NVIDIA	✓	Level 0		Level 3	⊗	⊗
TJX COMPANIES	✓	Level 3				✓
MOTOROLA	✓	Level 1		Level 3	✓	⊗
BHP	✓	Level 2		Level 2	⊗	⊗
BARRAT	✓					✓
VOLUTION	✓	Level 2	⬆️	Level 3	✓	⊗

STEWARDSHIP THEME:



SENSITIVE/TOPICAL ACTIVITIES

COMPANY NAME	ENGAGED AS AT DEC 2025	PROGRESS	MOMENTUM	ESCALATION GRADE	VOTING DISSENT	REMOVAL
TESLA	✓	Level 0		Level 3	✓	⊗
HYUNDAI	✓	Level 3	⬆️		⊗	✓
KIA	✓	Level 0		Level 3	✓	⊗
META	✓	Level 0	⬇️	Level 3	✓	⊗
AMAZON	✓	Level 0		Level 2	✓	⊗
BERKSHIRE HATHAWAY	✓	Level 0		Level 2	✓	⊗
M3	✓	Level 3	⬆️		⊗	✓








Barrat has been removed from the priority list due to the company's acquisition of Redrow. NVIDIA has been engaged via our external manager. Glencore has been engaged on climate, but due to merger talks with Rio Tinto engaging on nature was paused. Meta's progress score has been lowered due to content moderation changes announced in 2025. BP's progress score has been lowered due to the company's strategic reset. Momentum is calculated based on the H1 Stewardship Strategy Reporting.



Appendix 3: Collaborative Initiatives

ORGANISATION/INITIATIVE NAME	ABOUT THE ORGANISATION/INITIATIVE	EFFICIENCY AND OUTCOMES
<p>30% CLUB INVESTOR GROUP</p> 	<p>The 30% Club is a global campaign promoting greater inclusion in senior leadership and on corporate boards.</p> <p>LGPS Central has been a member since its inception.</p>	<p>Engagement with almost 30 companies on inclusion at the executive management level and an ongoing project on diversity.</p>
<p>CA100+</p> 	<p>Engagement collaboration with more than 700 investors. Engaging with 167 companies that are responsible for roughly 80% of global corporate greenhouse gas (GHG) emissions.</p>	<p>CA100+'s key company engagement priorities are the implementation of strong governance frameworks, garnering commitments to reduce GHG emissions throughout the value chain, the provision of enhanced disclosure and the implementation of transition plans.</p>
<p>CDP</p> 	<p>CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.</p>	<p>We supported the initiative's campaign to seek disclosures on climate, water and forestry risks.</p>
<p>CII</p> 	<p>An organisation advocating for strong corporate governance, robust shareholder rights and fair, transparent capital markets.</p>	<p>In 2025, we became a member of the organisation to deepen our engagement with US issuers and US investors.</p>
<p>CROSS-POOL RI GROUP WITHIN LGPS</p>	<p>Collaboration group operating across LGPS pools and funds.</p>	<p>In 2025, we provided substantive feedback to improve the group's effectiveness and operational focus. From 2026, LGPSC will assume the chair of the working group, helping to steer its future direction.</p>
<p>ICGN</p> 	<p>ICGN advances the standards of corporate governance and investor stewardship worldwide, pursuing long-term value creation and contributing to the development of sustainable economies, societies, and the environment.</p>	<p>In 2025, ICGN developed enhanced guidance on shareholder resolutions, related-party transactions and director independence, and undertook extensive internal engagement on emerging public-policy issues.</p>
<p>IIGCC</p> 	<p>A European network of asset owners and managers supporting investors manage transition-related risks and opportunities. We are part of the following working groups: UK Policy, Steel, Mining, and Proxy Voting Group.</p>	<p>Advancing transition guidance, updating the Net Zero Standard for Oil & Gas, and enhancing stewardship through coordinated sector engagements, such as its steel and utilities engagement programmes.</p>



ORGANISATION/INITIATIVE NAME	ABOUT THE ORGANISATION/INITIATIVE	EFFICIENCY AND OUTCOMES
<p>INVESTOR ALLIANCE FOR HUMAN RIGHTS</p> 	<p>An initiative focusing on investor responsibility to respect human rights, corporate engagement that drives responsible business conduct, and standard-setting activities that promote robust business and human rights policies.</p>	<p>In 2025, the initiative expanded on advanced due-diligence legislation, strengthened corporate engagement on digital rights and conflict-affected risks.</p>
<p>LAPFF</p> 	<p>Engagement with companies in the UK and abroad, assisting LGPS funds with sustainable and ethical investment challenges.</p>	<p>LAPFF conducts engagements that are complimentary to our stewardship theme engagements. LGPSC participated on the panel at the LAPFF Annual Conference.</p>
<p>NATURE ACTION 100</p> 	<p>A global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss.</p>	<p>The initiative engages with companies in key sectors that are systemically important in reversing nature and biodiversity loss by 2030. In 2025, LGPS Central's engagement featured on Nature Action 100 Status Report.</p>
<p>PRI</p> 	<p>Largest RI-related organisation globally. Helps with research, policy influence and collaborative engagement.</p>	<p>In the latest PRI assessment report and were awarded five stars and within the top percentiles of respondents.</p>
<p>INVESTMENT ASSOCIATION</p> 	<p>The Investment Association is a trade body representing UK investment managers.</p>	<p>The group continued to work on: supporting the development of climate-related disclosure, improving how firms communicate sustainability matters, supporting the Race to Zero and the Net Zero Asset Managers Initiative.</p>
<p>THE LOCAL GOVERNMENT PENSION SCHEME ADVISORY BOARD</p> 	<p>LGPSC is a member of the RI Advisory Group of SAB. Discussions are held on RI-relevant policies and standards that will have direct or indirect implications for LGPS funds and pools.</p>	<p>Discussions during 2025 have centred around themes such as fiduciary duty and investors rights in conflict zones.</p>
<p>TPI</p> 	<p>The TPI Centre's analysis considers corporate climate governance and carbon emissions. LGPSC's Head of Responsible Investment and Stewardship represents LGPSC on the TPI Limited board, contributing to the governance and oversight of this important initiative.</p>	<p>TPI expanded its global influence by engaging investors, publishing flagship transition reports, and advancing new sector methodologies to strengthen climate-risk assessment and action.</p>



ORGANISATION/INITIATIVE NAME	ABOUT THE ORGANISATION/INITIATIVE	EFFICIENCY AND OUTCOMES
<p>UKSIF</p> 	<p>UKSIF focuses on sustainable finance and supporting the investment community in implementing RI best practices. LGPSC is part of the Policy Committee.</p>	<p>Reviewed reporting framework, deepening policy engagement across key markets, and supporting extensive investor collaboration, enhanced human-rights due diligence and clearer pathways for net-zero transition.</p>
<p>UK PRIVATE CAPITAL</p> 	<p>UK Private Capital is the UK’s industry body representing private equity, venture capital, and private credit firms, advocating for the sector and supporting its role in financing and growing UK businesses.</p>	<p>Established a new Sustainability Committee with five taskforces, driving data harmonisation, mapping reporting frameworks and partnering on a venture-specific ESG tool.</p>



Appendix 4: Acronym Table

ACRONYM	DEFINITION
ACS	Authorised Contractual Scheme
AGM	Annual General Meeting
AI	Artificial Intelligence
AIM	Alternative Investment Market
ARCC	Audit, Risk, Compliance and Control Committee
CAHRA	Conflict-Affected and High-Risk Area
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRMR	Climate Risk Monitoring Report
CRMS	Climate Risk Monitoring Service
CSAM	Child Sexual Abuse Material
DEI	Diversity, Equity and Inclusion
DESNZ	Department for Energy Security and Net Zero
DLUHC	Department for Levelling Up, Housing and Communities
EOS	Federated Hermes Engagement & Stewardship Provider
ESG	Environmental, Social and Governance
ExCo	Executive Committee
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FTSE	Financial Times Stock Exchange
GHG	Greenhouse Gas
GP	General Partner
IC	Investment Committee
ILO	International Labour Organization
IIGCC	Institutional Investors Group on Climate Change

ACRONYM	DEFINITION
IOC	Investment Oversight Committee
IR	Investor Relations
ISS	Institutional Shareholder Services
JC	Joint Committee
KPI	Key Performance Indicator
LAPFF	Local Authority Pension Fund Forum
LGPS	Local Government Pension Scheme
LGPS Central	LGPS Central Limited
NAV	Net Asset Value
NEO	Named Executive Officer
NZAM	Net Zero Asset Managers Initiative
PAF	Practitioners' Advisory Forum
PRA	Prudential Regulation Authority
PRI	Principles for Responsible Investment
RECs	Renewable Energy Certificates
RI	Responsible Investment
RI&S	Responsible Investment & Stewardship
RIWG	Responsible Investment Working Group
SBTi	Science-Based Targets Initiative
SID	Senior Independent Director
SIMS	Stewardship Information Management System
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UNGPs	UN Guiding Principles on Business and Human Rights
WUE	Water Usage Effectiveness

