LGPS Central Limited

Stewardship Update

Q3 2025 (JULY - SEPTEMBER 2025)

Cheshire Pension Fund

Derbyshire Pension Fund

Leicestershire County Council PENSION FUND

NOTTINGHAMSHIRE PENSION FUND

Shropshire County Pension Fund

Staffordshire Pension Fund Local Government Pension Scheme

West Midlands Pension Fund

Worcestershire Pension Fund

FOR PROFESSIONAL CLIENTS ONLY

Responsible Investment & Engagement

LGPS Central's approach

LGPS Central's approach to Responsible Investment & Engagement carries two objectives:

OBJECTIVE #1

Support investment objectives

OBJECTIVE #2

Be an exemplar for responsible investment within the financial services industry, promote collaboration and raise standards across the marketplace

These are met through three pillars:

- Our **Selection** of assets
- Our **Stewardship** of assets
- Our commitment to **Transparency & Disclosure**

This update covers LGPS Central's *stewardship* activity. Our stewardship efforts are supplemented by global engagement and voting services provided by EOS at Federated Hermes. For more information, please refer to our Responsible Investment & Engagement Framework and Annual Stewardship Report.

Additional Disclosures

- Responsible Investment & Engagement Framework
- Climate Report
- Voting Principles
- Voting Disclosure
- Voting Statistics
- Stewardship Code Report

Signatory of: PRI Principles for Responsible Investment

UK STEWARDSHIP CODE

employers network for equality and inclusion Member

LGPS ADVISORY BOARD CODE OF TRANSPARENCY

01 Q3 Stewardship Activity Overview

A summary of engagement and voting activities and key stewardship developments

Key Stewardship developments

Key Takeaways from the OECD Corporate Governance Factbook 2025

The latest edition of the OECD Corporate Governance Factbook offers a compelling snapshot of how stewardship and corporate governance practices are evolving across 52 jurisdictions. Several trends stand out that underscore the growing importance of active ownership and responsible investment. The Factbook outlines that institutional investors now hold 47% of global listed equity, up from 44% in 2022, a clear sign of their growing influence in capital markets. The next largest category of corporate ownership is made up of 'Other free-float' which includes retail investors and institutional investors that did not exceed the required thresholds for public disclosure of their holdings. Encouragingly, 88% of jurisdictions require disclosure of voting policies, and 73% mandate disclosure of actual voting records, compared to just 39% in 2014. This shift reflects a broader push for transparency and accountability in response to corporate scandals and governance failures in the 2000s. Voting disclosure should enable investors and other stakeholders to better monitor funds' involvement in portfolio companies' governance. This disclosure can influence the way fund managers exercise governance, which can shape the policies and direction of public companies[1].

The move to digital shareholder meetings has accelerated, with 94% allowing hybrid formats. This improves accessibility and participation, especially for long-term investors. Additionally, 94% now require immediate disclosure of related party transactions, up from 50% in 2016, a key safeguard against conflicts of interest.

Governance structures are evolving to promote independence, with 76% of jurisdictions recommending or requiring separation of the CEO and board chair roles, up from 44% in 2014. On diversity, women now hold 29% of board seats on average, with countries like France, Norway, and Iceland exceeding 40%. These shifts support more balanced and effective board oversight.

The Factbook shows that 79% of jurisdictions mandate sustainability-related reporting, with 60% requiring assurance of this information, and 62% require transition planning. Importantly, 71% require or recommend boards to oversee sustainability policies, signalling a shift toward embedding ESG oversight at the highest levels of corporate governance.

Capital raising patterns are shifting. Between 2014 and 2024, secondary public offerings raised 2.5x more capital than IPOs, while non-financial corporate bond issuance surged to USD 27 trillion, a 57% increase over the decade. Ownership concentration is also rising, in 44% of listed companies, the top three shareholders own more than half the equity, which has implications for stewardship and engagement strategies.

[1] Every Vote Counts: Mandatory Disclosure and Voting Outcomes by Nan Li, Johnny (Yeo Sang) Yoon :: SSRN

Exxon Mobil's Retail Voting Program

The energy provider and chemical manufacturer, Exxon Mobil, received approval from the SEC to introduce a retail investor-focused voting mechanism that would allow retail investors to automatically cast ballots in line with management recommendations during AGMs. In response, As You Sow and the Interfaith Center for Corporate Responsibility filed a request to rescind the SECs approval of the retail voting program. The program would opt retail shareholders into a program that would cast their votes in favour of management for all future meetings, unless and until shareholders take steps to opt out. However, the SEC's rule 14a-4 states that authority to vote on behalf of a shareholder cannot be given for more than a single annual meeting, with voting materials furnished in advance of providing such authority. SEC's 14a-4 proxy voting rules were promulgated to ensure that shareholders who have invested their capital have an effective voice in company management. Considering that retail shareholders own roughly 40% of outstanding shares and the vast majority of retail voters do not vote, the program risks sidelining institutional investors dissenting voices as it will be easier for management to secure majority support. The company has a history with shareholder activists. In 2021, the company was a target of shareholder activism, with three board members elected by an activist shareholder. In 2024 the company took aggressive action by suing two shareholders who filed repeated ESG-related shareholder proposals.

Controlled Companies Underperform

A recent report from MSCI[2] concluded that, on average, controlled companies (where a single entity holds more than 30% of voting power) underperform. The study shows that widely held companies (those without a controlling shareholder) have outperformed controlled companies on both five and ten-year total shareholder return (TSR) measures, even after accounting for company size, sector, and market development. The analysis is based on nearly 2,000 companies in the MSCI ACWI Index from 2015 to 2025. On average, widely held companies outperformed controlled companies by 10.3% over a 5-year period and by 14.9% over a 10-year period. The number of controlled companies has increased (now accounting for over 36% of the index by count), but despite their growing presence, widely held firms have consistently delivered superior shareholder returns.

[2] How Ownership Can Shape Outcomes | MSCI

Engagement Highlights

CDP 2025 Non-Disclosure Campaign

We co-signed letters to 480 companies requesting they submit environmental data by responding to CDP's corporate climate, water, and forest questionnaires. We were selected as lead engagers for three of our engagement priority companies and sent tailored communications to these companies requesting disclosure. Environmental factors pose unique risks to businesses, including regulatory and legal requirements, physical liabilities, and reputational impacts. Companies unprepared to manage these risks present a risk to our portfolio. To understand how companies manage these critical issues, we rely on CDP's standardised environmental disclosure platform that aligns with TCFD, IFRS S2 and other reporting standards. The data provided through the disclosure process are crucial to us as investors and is used to understand and manage risks and opportunities, prepare for regulations, and identify performance improvements.

Climate

We have been engaging with the German utility provider, RWE AG, for over a year on its public policy approach to mitigate stranded asset risk associated with its gas infrastructure investments. Following constructive dialogue with the company, during the reporting period our engagement objective had been met as the company had demonstrated that they are engaging with policymakers to create an enabling policy environment to scale the hydrogen and Carbon, Capture, and Storage (CCS) markets, which the company relies on to achieve its 2040 net zero target. See further detail on page 8.

We engaged with ArcelorMittal, the company, owns and operates steel, iron ore manufacturing and coal mining facilities in Europe, North and South America, Asia, and Africa. We followed up on how the company is improving its approach to health and safety across its operations. We also raised concerns about the company, noting that it will likely miss its 2030 carbon intensity targets due to the unfavourable policy environment in Europe. We agreed to engage with the company in December, once further clarity over the European Commission's Steel and Metals Action Plan emerges. The company plans to set revised interim targets once the policy environment is more settled.

Natural Capital

We are co-leads in the Nature Action 100 engagement group with The Sherwin-Williams company. The company is engaged in the manufacture, development, distribution, and sale of paint, coatings and related products to professional, industrial, commercial, and retail customers primarily in North and South America. During the reporting period we discussed the company's nature impacts and dependencies assessment which they published in their inaugural TNFD aligned disclosure. See further detail of the engagement on page 11. See Nature Action 100's Status Report to understand how the initiative is progressing two years in.

Human Rights

We engaged with Volution, a UK-based manufacturer of air quality solutions, alongside CCLA to encourage them to update modern slavery disclosures in line with peers. We specifically encouraged the company to disclose salient risks and that the board should be updated on the European Corporate Sustainability Reporting Directive (CSRD). The company outlined enhancements they plan to make and subsequently provided us with an advance copy of their updated modern slavery disclosures which we will review.

We engaged with 8 companies operating in Conflict-Affected High Risk Areas (CAHRAs). We requested the companies to fully integrate the United Nations Guiding Principles on Business and Human Rights (UNGPs) across their operations including conducting heightened human rights due diligence processes, as companies operating in CAHRAs face increased human rights risk.

Back in February 2025 LGPSC co-signed letters to 18 AIM listed and FTSE 350 companies requesting reporting in line with Section 54 of the Modern Slavery Act 2015 as part of the Votes Against Slavery Initiative. During the reporting period 7 companies aligned their disclosures with Section 54 of the Modern Slavery Act.

Advocacy

We responded to a consultation from the Financial Reporting Council (FRC) on the Stewardship Code Guidance document. We supported disclosure of information on the systems and technologies employed to support stewardship activities, and enhanced transparency on advocacy activities. We also encouraged the FRC to think about signatories disclosing how proxy research is utilised and how this informs voting decisions.

We also responded to the Prudential Regulation Authority (PRA) on its revised proposals for its supervision of climate-related issues in large UK-regulated banks and insurers. We encouraged the PRA to ensure that firms with and without climate targets are treated proportionally. We encouraged alignment of scenario analysis with time horizons the bank has previously used, and it should be explicit in expecting that firms should play their part in the transition.

We responded to the Department for Energy Security and Net Zero's (DESNZ) consultation on transition plans. The proposal would change how LGPS Central and others are regulated on climate change shifting from a risk-based approach to a requirement to consider contributions to the energy transition.

Voting Highlights

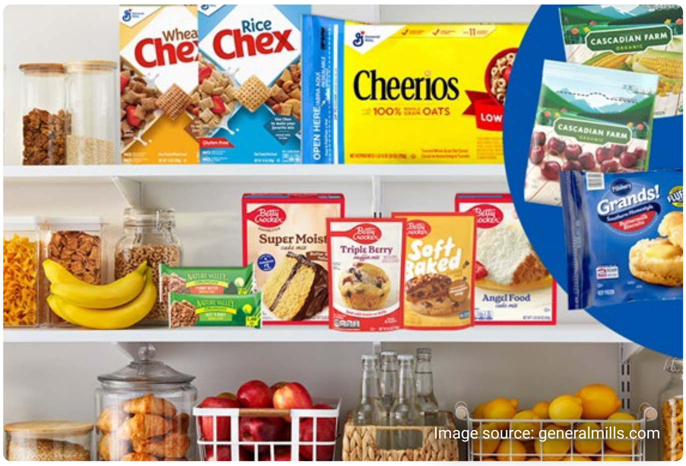


Image source: generalmills.com


Image source: corporate.marksandspencer.com

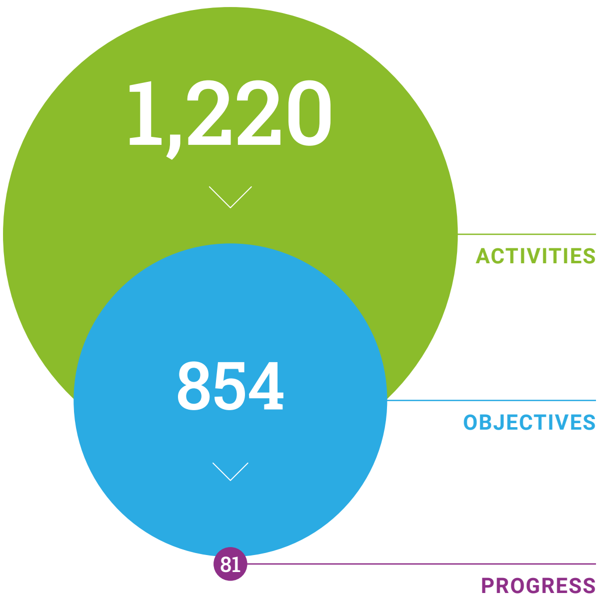
General Mills Inc.

We supported a shareholder proposal urging General Mills to disclose pesticide reduction data tied to its regenerative agriculture goals, as current reporting lags peers and raises greenwashing risks. Greater transparency would help investors assess the effectiveness of its sustainability practices and related health, biodiversity, and climate resilience impacts. See further detail on page 19.

Marks & Spencer Group plc

We supported a shareholder proposal asking the Board to report on human capital management, including pay practices for hourly employees and third-party staff, with detailed metrics such as wage levels, turnover, and Living Wage compliance. Greater transparency would help investors evaluate how the company balances cost control with long-term sustainability, mitigating risks like high turnover and reputational damage. See further detail on page 20.

FIGURE 1: OVERVIEW OF ENGAGEMENTS DURING THE QUARTER



Global Voting

We voted at **631 meetings (6,079 resolutions)** during the quarter under review.

- Number of meetings where we dissented against management recommendations on at least one resolution
- Number of meetings where we voted in line with management recommendations on all resolutions

02 Engagement Case Studies

In this section, we provide more detailed examples of ongoing or new engagements related to the four Stewardship Themes identified in collaboration with our Partner Funds.

How we measure progress:

- No Progress Made
- Minimum Expectations
- Moderate Progress
- Successful Outcome

ENGAGEMENT EFFORTS[3] COMPRISED **935** COMPANIES

1,220 ENGAGEMENT ACTIVITIES[4] TOOK PLACE

THERE WERE **854** SPECIFIC OBJECTIVES

POSITIVE PROGRESS WAS MEASURED ON **81** OCCASIONS

This quarter, our engagement efforts[3] comprised 935 companies. 1,220 engagement activities[4] took place against 854 specific objectives, positive progress was measured on 81 occasions. Most engagements were conducted through letter issuance or remote company meetings, during which we, our partners, or our stewardship provider (in the majority of cases) met with or wrote to the Chair, a Board member, or a member of senior management.

ENGAGEMENTS CONDUCTED BY:

LGPS CENTRAL	STEWARDSHIP PROVIDER	LAPFF
530	652	38

[3] This includes engagements undertaken directly, in collaboration, and via our contracted Stewardship Provider on LGPS Central's stewardship themes.
[4] There can be more than one engagement issue per company, for example board diversity and climate change.

Climate Change Engagements

This quarter, our **climate change engagement set** comprised **171 companies** with **326 engagement activities**[5]. There was progress on **34 specific engagement objectives**.

FIGURE 2: BREAKDOWN OF CLIMATE CHANGE ENGAGEMENT BY TYPE

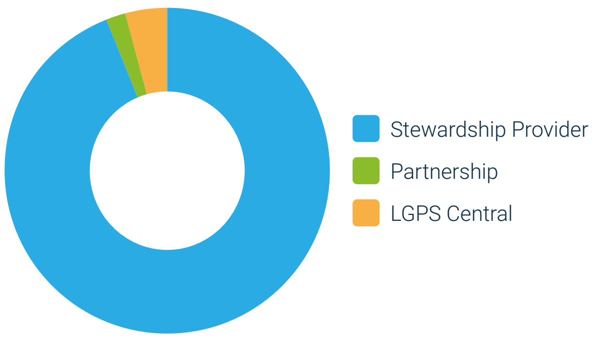
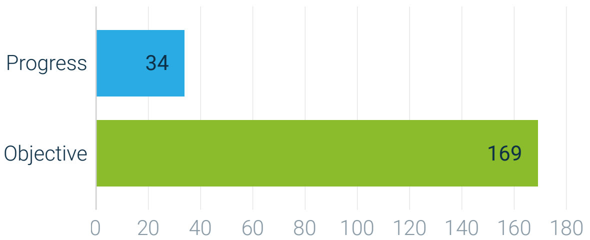


FIGURE 3: CLIMATE CHANGE ENGAGEMENT BY OUTCOME



RWE AG

PROGRESS:

Successful Outcome

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

ENGAGEMENT:
RWE is one of the top contributors to LGPSC's financed emissions. RWE's 2040 net-zero target relies on hydrogen and 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. Our engagement with the company sought to encourage and transparently disclose engagement with policymakers and market participants on creating an enabling policy environment to support the scale-up of hydrogen and CCS. In 2024 we wrote to RWE requesting a meeting to understand how the company is mitigating stranded asset risk associated with their gas infrastructure. In Q4 2024 we met with

[5] There can be more than one climate-related engagement issue and/or objective per company.

Investor Relations to discuss our concerns as well as coal exposure and just transition.

Following the 2025 AGM we met with RWE and re-emphasised the need to engage with German and UK policymakers on the development of green hydrogen and CCS. The company outlined that they engage with policymakers, but disclosure on their advocacy activities was unsatisfactory. We requested further details in writing and encouraged RWE to disclose their advocacy activities publicly.

In Q3 2025 RWE pointed us towards evidence of a paper outlining RWE's positions on energy markets, including the need for a focused and pragmatic ramp-up of hydrogen and CCS. The paper specifically called for a pragmatic definition of green hydrogen, bolstering regulatory tools to encourage green hydrogen production, and a regulatory framework that encourages the development of CCS. The company also pointed us towards the German lobby register for evidence of RWE engaging with the government on the ramp-up of CCS and H2.

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, requesting 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.

Centrica plc

THEME:
Climate Lobbying

OBJECTIVE:
To align its direct and indirect lobbying activity with the Paris Agreement's goals and report on how its lobbying activity relates to this alignment. It should also disclose the climate-related positions of its industry associations and the steps it takes when these positions are misaligned with the company's own climate position.

ENGAGEMENT:
Centrica, a British integrated energy company, delivers energy and related services to households via its retail brands, including British Gas (the UK's second largest gas and electricity utility) and Bord Gáis Energy in Ireland. The company also produces and stores energy through its stake in the UK's nuclear fleet, a portfolio of renewable, storage and flexible assets, Spirit Energy (gas production business), and the Rough gas storage facility. Centrica is also engaged in the trading of energy, including through its LNG shipping business.

The energy transition challenges the company's traditional business model, while also presenting a considerable commercial opportunity. Between 2022 and 2025, EOS met regularly with the company's sustainability teams, the CEO, and the chair. EOS encouraged the company to demonstrate how its direct and indirect lobbying activities support development of commercial opportunities associated with an energy transition that is aligned with the Paris Agreement's goals, considering the dependence of its transition plan on an enabling policy environment.

RESULT:
In 2025, the company updated its climate policy positions paper, adopting many of EOS's suggestions for improvement. The paper explicitly states that the company endorses the development of public policies that promote an orderly transition in line with the Paris Agreement's goals and provides evidence of the Paris-alignment of each policy position; for example, how each policy position maps to energy transition pathways set out by the UK Climate Change Committee (CCC). The company demonstrates how it actively lobbies in support of these policy positions by linking the policy positions back to the advocacy levers of its transition plan. This suggests advocacy efforts are integrated within the core commercial strategy.

The alignment of both direct and indirect lobbying activity with the goals of the Paris Agreement could support the development of policies enabling the company's commercial delivery of its energy transition strategy, including accessing "green" capital.

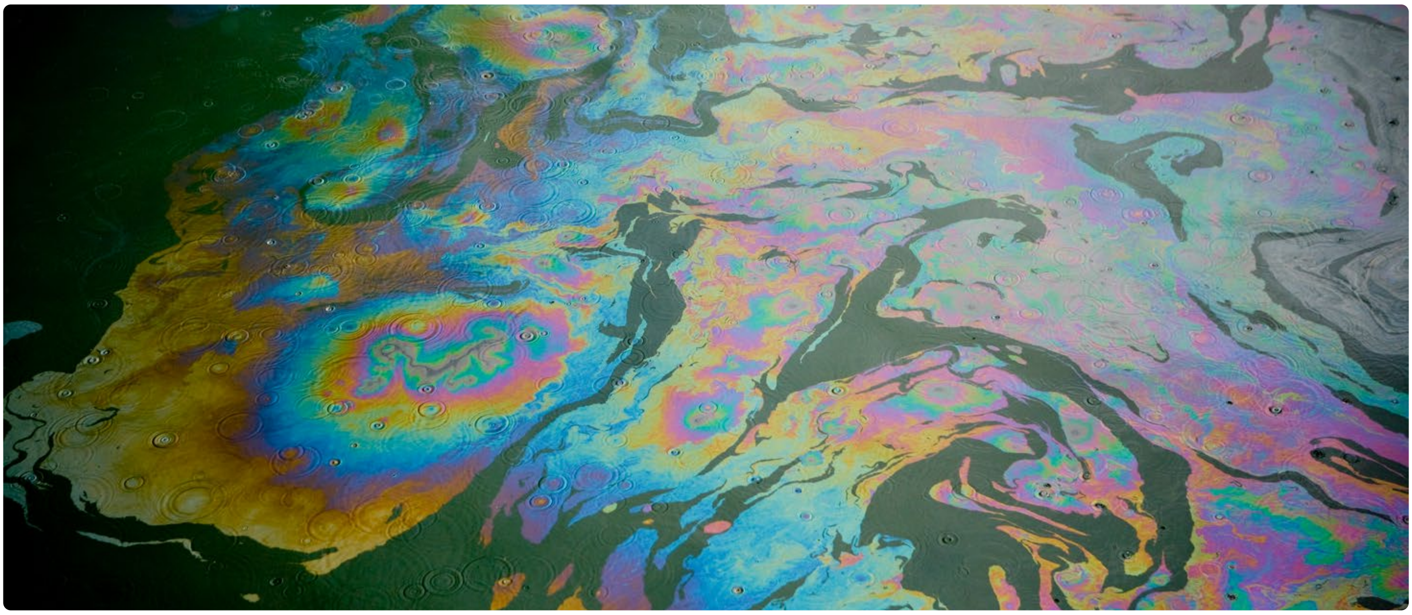
Heidelberg Materials AG

OBJECTIVE:
To assess the credibility of the company's decarbonisation strategy.

ENGAGEMENT:
LAPFF met with Heidelberg in Q3 2025 for the first time following prior correspondence. The Forum was interested to hear how Heidelberg delivered the first full-scale CCS project in the cement sector, at its Brevik planet in Norway. The plant captures CO_2 and stores it under the North Sea. The Forum raised questions on the real-life implications and operational practicality of decarbonisation in the plant, after reading Brevik is expected to capture 400,000 tonnes of CO_2 annually from 2025, including around 50% of its own plant emissions. Heidelberg confirmed it is working with DNV (Danske Veritas) as an independent auditor to verify CCS performance, including permanent CO_2 storage and blockchain-based carbon accounting, to avoid any risk of greenwashing. Heidelberg also remarked that it is the only cement producer with an average clinker ratio below 70% and has upgraded its target to 64% by 2030. The company acknowledged that roughly 40% of its clinker volumes are already subject to carbon pricing. Heidelberg emphasised that achieving its KPIs provides a cost advantage versus competitors, especially under CBAM.

OUTCOME:
Heidelberg's decarbonisation strategy is heavily reliant on CCS projects that currently receive a substantial amount of government funding, with the company acknowledging that economic viability without subsidies remains unproven. Rising inflation and energy costs further challenge profitability, even as average cement pricing now reflects decarbonisation measures. The company note that ongoing dialogue with policymakers and peers (e.g. annual CCS workshops, EU and UK collaboration) is central to progress. Heidelberg applies global rather than regional climate targets, creating competitiveness pressures in markets exposed to high CO_2 imports. Ongoing policy support is therefore critical, and LAPFF will continue to monitor these dynamics closely. The company also highlighted that availability of supplementary cementitious materials remains a bottleneck. The company is scaling limestone use and tailoring recipes to local markets, but further substitution depends on regulatory standards and material supply. The Forum pressed Heidelberg on its environmental impact on biodiversity and the actions the company is taking to mitigate its impact. The company stated it is increasing circular feedstocks and exploring water management systems, biodiversity assessments, and AI-driven plant safety tools. Progress varies by region, and plant-specific constraints remain. This is an area of interest that the Forum will return to with the company.

Natural Capital Engagements



This quarter our **natural capital-related engagement set** comprised **593 companies** with **660 engagement activities**. There was progress on **13 specific engagement objectives**.

FIGURE 4: BREAKDOWN OF NATURAL CAPITAL ENGAGEMENT BY TYPE

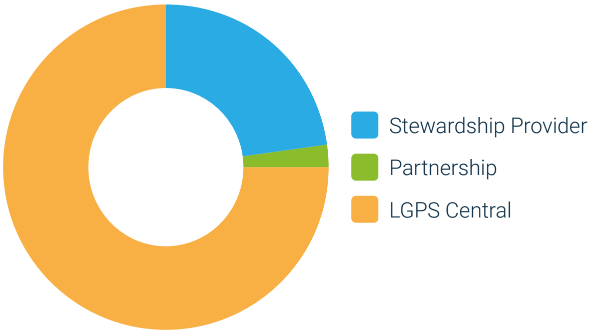
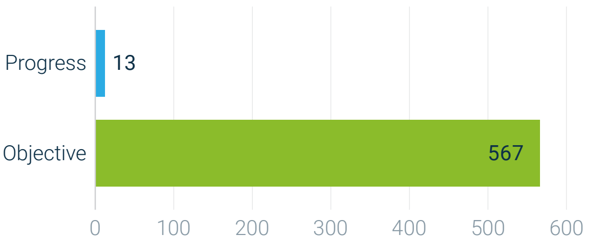


FIGURE 5: NATURAL CAPITAL ENGAGEMENT BY OUTCOME



Sherwin-Williams.

The Sherwin-William Company

PROGRESS:

Successful Outcome

OBJECTIVE:

To conduct a nature impacts and dependencies assessment.

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, 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, we held an introductory call with the company in Q2 2024, during which the company outlined that they have a large suite of products with sustainability attributes and that they were planning to conduct a nature impacts and dependencies assessment.

In 2025, the company commissioned S&P Global Sustainable1 to perform an analysis of all the company's owned and leased manufacturing operations, distribution, major office, research and development, and data centre locations for 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, which was deemed to be a moderate risk. The company stated that it maintains robust emergency procedures. The assessment did not result in the identification of any nature risks for prioritisation as a material sustainability topic. Water usage has increased slightly (roughly 6% increase compared to the previous year) and is expected to grow as the demand for water-based products is expected to increase. Sherwin-Williams review the baseline water stress of major global manufacturing and distribution facilities annually. The majority of water is sourced municipally and is not considered a material cost. According to CDP disclosure, SW 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. Considering that a nature impacts and dependencies assessment was conducted and the results publicly disclosed, this engagement objective has been met.

TESCO

Tesco plc

THEME:
Natural Capital

OBJECTIVE:
To commit to making a net-positive contribution to biodiversity across its supply chain, supported by time-bound commitments.

ENGAGEMENT:
In 2024 during a meeting with the chair, EOS questioned how the board considers the issue of biodiversity, saying that - given the current levels of biodiversity loss - EOS expect companies to go beyond reducing their impacts on biodiversity and commit to making a net-positive contribution. EOS understood that the board has not yet considered making a net positive commitment in this area, but the chair acknowledged the request. In a separate meeting EOS explained the expectation that the company should set targets for its nature and biodiversity risks. The company acknowledged this and said it was exploring different options, including Science-Based Targets Network (SBTN) guidance and Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. EOS requested a meeting with the chair to escalate concerns over supply chain resilience to the board level. In the meeting, EOS explained the importance of the company clearly identifying key response actions in future annual reporting where principal risks are discussed - for instance, regenerative agriculture investments in response to climate change and security of supply risks. EOS also encouraged stronger direct advocacy efforts to build a policy environment facilitating nature-based investments in supply chains in an intensively competitive market.

RESULT:
In 2025 EOS met the head of environment and welcomed progress in the company's assessment of its impacts and dependencies on nature (and related financial risks and opportunities) and its latest reporting. The company has been following the recommendations of the TNFD and its 2025 annual report demonstrates progress in this area for the first time. While it has not yet implemented all recommendations, it has made progress in articulating how nature risks and opportunities are governed, how nature impacts and dependencies are assessed through a focus list of high-risk commodities, and that strategic actions have commenced in five areas to manage nature risks and opportunities.

Ansell Ltd

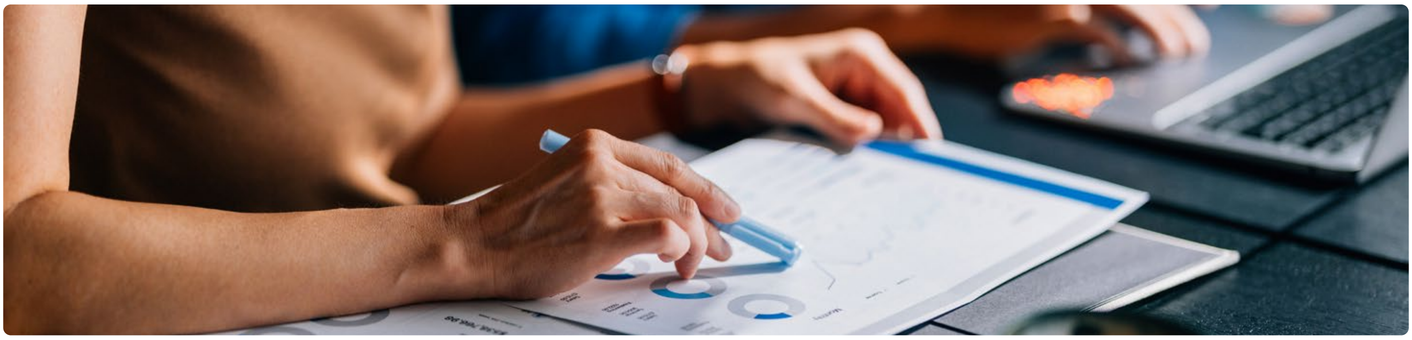
THEME:
Natural Capital

OBJECTIVE:
To demonstrate a commitment to sustainable natural rubber by signing up to the Global Platform for Sustainable Natural Rubber (GPSNR).

ENGAGEMENT:
In 2022, EOS raised concerns with the company around natural rubber sourcing and the potential benefits of joining the GPSNR, as one potential channel for Ansell to utilise to gain due diligence and oversight over their natural rubber supply chain. The company indicated that it would appreciate an introduction to the GPSNR director, as per EOS's offer. The company, in correspondence with EOS, was explicit that it was very keen to play its part in improving human rights and sustainability in the natural rubber industry. Following EOS's introduction, the company will meet with the platform's director to progress its membership application.

OUTCOME:
In FY25, expanded due diligence to include yarn and natural rubber latex suppliers. The company also took significant steps to comply with the EU Deforestation Regulation regarding natural rubber latex traceability. Ansell has invested in software for deforestation risk analysis, enabling the collection of geolocation data and harvest dates from suppliers.

Sensitive/Topical Activities



This quarter, our **sensitive and topical activities engagement set** comprised of **18 companies** with **20 engagement activities**. There was **1 instance of progress** recorded during the quarter.

FIGURE 6: BREAKDOWN OF SENSITIVE/TOPICAL ACTIVITIES ENGAGEMENT BY TYPE

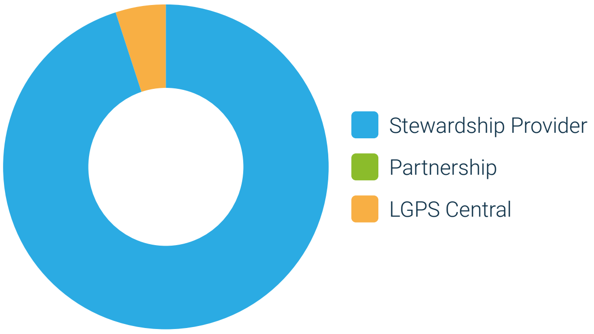
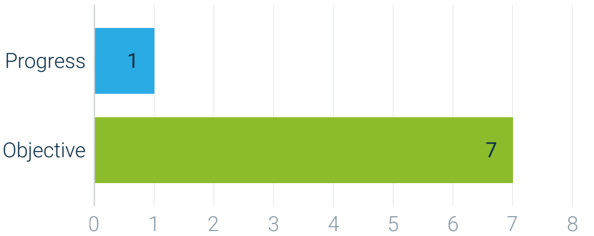


FIGURE 7: SENSITIVE/TOPICAL ACTIVITIES ENGAGEMENT BY OUTCOME



M3 Inc.

PROGRESS:

Successful Outcome

OBJECTIVE:

To implement best practice digital risk procedures.

ENGAGEMENT:

M3 provides healthcare-related services. We met with the company earlier in the year to request copies of relevant policies that are currently available in Japanese. 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. Our engagement objective has been met.

Human Rights Risks

This quarter our **human rights-related engagements** comprised **153 companies** with **214 engagement issues and objectives**. There was progress on **33 specific engagement objectives**.

FIGURE 8: BREAKDOWN OF HUMAN RIGHTS-RELATED ENGAGEMENTS BY TYPE

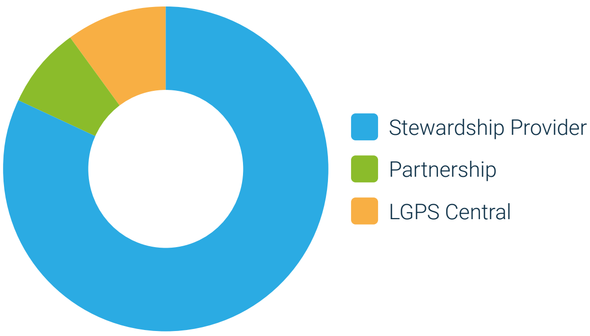
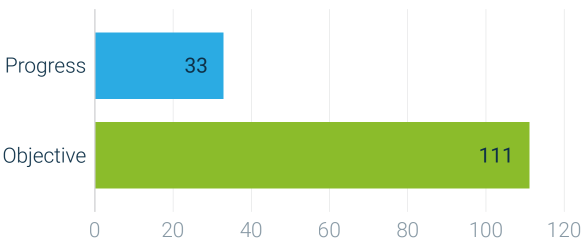


FIGURE 9: HUMAN RIGHTS-RELATED ENGAGEMENTS BY OUTCOME



LVMH

LVMH Moët Hennessy Louis Vuitton (LVMH)

OBJECTIVE:
To encourage better practice and disclosures on the management of human rights risk.

ENGAGEMENT:
LAPFF has undertaken a series of engagements with luxury goods manufacturers to encourage better practices and disclosures on how the sector manages human rights risks. LVMH has had two Maison subsidiaries in Italy placed under court administration: Dior in 2024, and Loro Piana in July 2025. LAPFF focused this engagement on a deep-dive into the company's audit and remediation processes, specifically examining the Loro Piana case, having discussed Dior during a previous meeting. LVMH provided further details regarding how the issue at Loro Piana had been uncovered, and the ongoing work being undertaken to enhance its human rights due diligence. LVMH noted that there were parts of this process that it was unable to report due to the court administration order publicly. However, the company

was able to provide reassurance to LAPFF that its audit programme was working as intended. LAPFF had previously written to LVMH suggesting inclusions for its upcoming standalone human rights policy and reiterated that LVMH should make a clear commitment to the UNGPs, with detailed, transparent disclosures on how risks were being prevented and mitigated.

OUTCOME:
LAPFF will monitor LMVH's ongoing human rights due diligence with respect to its Loro Piana court administration and will seek to engage on new information that comes to light in its next round of reporting.

vodafone

Vodafone Group plc

OBJECTIVE:
To update its Artificial Intelligence (AI) framework, which was initially published in 2019, to account for developments in AI and increased adoption.

ENGAGEMENT:
At a meeting with the company in October 2024, EOS asked whether it planned to update its artificial intelligence framework, originally published in 2019. The company confirmed that it had been updated recently, and they sought to make it public.

OUTCOME:
At a meeting with the company in July 2025, the company confirmed that it is seeking to finalise its updated AI policy for internal use by the end of July and will make it public by the end of 2025. EOS will review the policy to ensure it provides increased disclosure of the steps the company is taking to use AI responsibly, including the range of uses and how unintended bias is being eliminated.

03 Voting

Policy

For UK-listed companies, we vote our shares in accordance with a set of bespoke LGPS Central UK Voting Principles.
For other markets, we consider the recommendations and advice of our third-party proxy advisor, EOS at Federated Hermes.

Commentary

Between July - September 2025, we:

Voted at
631
MEETINGS
and on
6,079
RESOLUTIONS GLOBALLY

Opposed one or more resolutions at
49.6%
MEETINGS
and our **dissent level** was
10.9%

Supported
36.6%
OF SHAREHOLDER PROPOSALS
(15 out of 41 resolutions)

Environmental

26
INSTANCES
we dissented on **director elections** due to environmental concerns

Supported
5
ENVIRONMENTAL-RELATED SHAREHOLDER RESOLUTIONS
Topics included: climate governance, emissions-reduction strategy, climate targets, regenerative agriculture practices, and food waste management.

Social

159
INSTANCES
we dissented on **director elections** due to social concerns

Supported
3
SHAREHOLDER RESOLUTIONS
Topics included: human rights and human capital management.

Remuneration

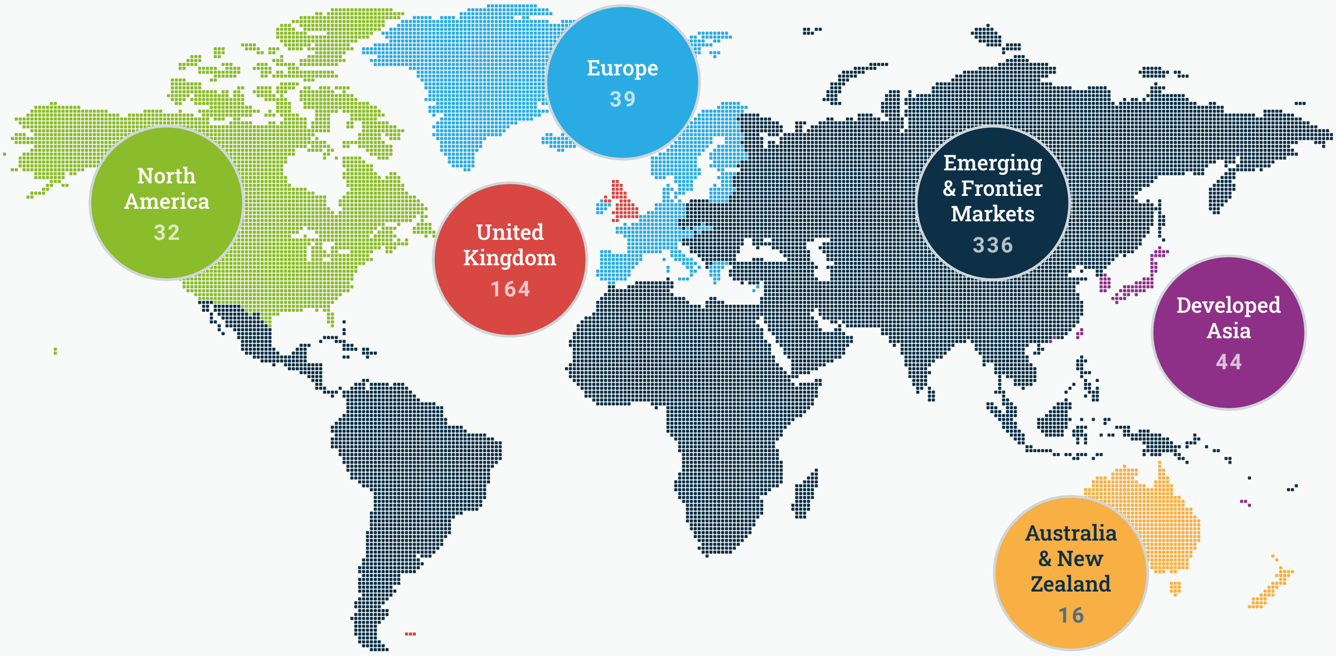
We dissented on
132
OF REMUNERATION-RELATED PROPOSALS
of which:

Opposed
28.8%
OF PROPOSALS IN THE UK

Opposed to
6.1%
IN THE US

Number of meetings voted on by region:

FIGURE 10: NUMBER OF MEETINGS VOTED ON BY REGION



Overview of Voting Activity:

FOR	5259	86.5%
AGAINST/WITHELD	733	12.1%
ABSTAIN	45	0.7%
OTHER	42	0.7%
	6079	

A full overview of voting decisions for securities held in portfolios within the company's Authorised Contractual Scheme (ACS) – broken down by market, issues and reflecting the number of votes against and abstentions – can be found on our website here.

Number of resolutions voted on by theme:

AMEND ARTICLES	483	7.95%
AUDIT + ACCOUNTS	1390	22.87%
BOARD STRUCTURE	2416	39.74%
CAPITAL STRUCTURE + DIVIDENDS	722	11.88%
INVESTMENT/M&A	2	0.03%
OTHER	225	3.70%
POISON PILL/ ANTI-TAKEOVER DEVICE	3	0.05%
REMUNERATION	797	13.11%
SHAREHOLDER RESOLUTION ESG	41	0.67%
	6079	100%

Examples of voting decisions

General Mills Inc.

THEME:
Health & Safety

RATIONALE:
A shareholder proposal was submitted by As You Sow, requesting that General Mills disclose the reduction of pesticides through the adoption of its regenerative agriculture practices. The resolution calls for providing quantitative data to demonstrate progress toward its goal of implementing regenerative agriculture across 1 million acres by 2030.We supported the resolution because synthetic pesticides pose risks to human health, biodiversity, and soil resilience. We note that General Mills has made public commitments to regenerative agriculture but does not disclose pesticide-reduction metrics, which lag peers like Conagra, Hormel, and Mondelez, which have begun reporting pesticide-reduction data. By not providing such information the company increases the risk of greenwashing claims. Risks associated with pesticide use may be growing as more is learned about risks that pesticides pose to human health and to the ability of soil to sequester carbon and to function resiliently in the face of changing climate conditions. Considering this, the additional disclosure requested in the resolution would help shareholders better understand the effectiveness of the company's regenerative agriculture programs and its suppliers' sustainable practices.

RESULT:
ISS recommended a vote. For this resolution, which received over 28% support. We would expect the company to consult with shareholders on this issue due to the significant dissent vote.

FedEx Corporation

THEME:
Governance

RATIONALE:
A shareholder resolution was put forward requesting that the company adopt a policy requiring the chair of the board to be an independent director. The proposal states that the chairman of the board shall be an independent director "whenever possible," and that the board would have discretion to select a non-independent chair on a temporary basis and to phase in the policy at the next CEO transition. The roles of chairman and CEO are fundamentally different and therefore should be held by two separate individuals. Whilst many companies maintain a non-independent chair and perform well with this arrangement, we believe that it is preferable to separate these positions. The board is responsible for overseeing management and instilling accountability, and conflicts of interest may arise when a non-independent director serves as the chair. Effective board oversight may be enhanced by independent leadership. Therefore, support is warranted for this resolution.

RESULT:
The resolution received over 42% support, sending a strong signal to the company that a significant portion of shareholders deem it appropriate for the company to have an independent chair.

Qorvo Inc.

THEME:
Governance

RATIONALE:
A shareholder resolution was put forward requesting the company take the necessary steps to afford holders of 10 percent of outstanding shares the right to call a special meeting. The ability for shareholders to call for a special meeting provides a viable "Plan B" option that will make shareholder engagement meaningful and discourage the company from becoming complacent toward its shareholders. Further, the proponent states that the widespread use of online shareholder meetings makes it easier to conduct special shareholder meetings. On May 16, 2025, the board amended the bylaws to provide shareholders the right to call a special meeting with a 25 percent aggregate stock ownership threshold. The board stated that a lower ownership threshold would increase the risk that a small number of shareholders may waste company time and resources by using the procedure to advance their own special interests. However, the bylaw recently adopted by the board contains restrictive provisions on timing and subject matter and approval of this proposal may signal support for modifying these restrictive provisions which may otherwise hinder the usefulness of the right. Ultimately, the likelihood this right would be abused is considered low given the large investment required for the 10 percent ownership threshold (an aggregate investment of approximately $800 million based on the company's current market capitalization). As such, this item warrants support.

RESULT:
The resolution received 44% support, signalling strong investor demand to protect shareholder rights.

Marks & Spencer Group plc

THEME:
Living Wage

RATIONALE:
We supported a shareholder resolution, submitted by a coalition of investors, coordinated by ShareAction, which requested the Board to 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 sustainability. 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.

Partner Organisations

LGPS Central actively contributes to the following investor groups:

30% Club
GROWTH THROUGH DIVERSITY

BVCA
British Private Equity & Venture Capital Association

CDP
DISCLOSURE INSIGHT ACTION

Climate Action 100+
Global Investors Driving Business Transition

Federated Hermes

IIGCC
Institutional Investors Group on Climate Change

ICGN
International Corporate Governance Network

Local Authority Pension Fund Forum

INVESTOR ALLIANCE FOR HUMAN RIGHTS
AN INITIATIVE OF ICCR

PRI
Principles for Responsible Investment

Transition Pathway Initiative

Council of Institutional Investors®
The voice of corporate governance

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All information is prepared as of **17/11/2025**.
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