LGPS Central Limited

Stewardship Update

H1 2026 (JANUARY – JUNE 2026)

Cheshire Pension Fund
Derbyshire Pension Fund
Gloucestershire Pension Fund
Hampshire Pension Fund
Leicestershire County Council Pension Fund
Norfolk Pension Fund
Nottinghamshire Pension Fund
Oxfordshire Pension Fund
Shropshire County Pension Fund
Staffordshire Pension Fund
Suffolk County Council
West Midlands Pension Fund
Wiltshire 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**

LGPS Central's approach to responsible investment is driven by an assessment of financially material risks and opportunities that could affect long-term investment returns. ESG factors are considered because of their potential impact on investment performance, and our stewardship and investment decisions remain focused on delivering long-term value. 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

01 H1 Stewardship Activity Overview

A summary of engagement and voting activities and key stewardship developments

Key Stewardship developments

2026 Proxy Season: Governance Takes Centre Stage

The second quarter of 2026[1] saw a growing focus on governance, shareholder rights and board accountability, reflecting broader changes in investor priorities across global markets. While environmental and social issues remained important, many of the quarter's most significant stewardship debates centred on how boards oversee strategic decisions, respond to shareholder concerns and demonstrate effective oversight of long-term value creation.

A Changing Stewardship Landscape

This evolution was particularly evident during the 2026 proxy season. Shareholder proposals continued to decline in number, while governance-related resolutions represented the largest share of proposals brought to a vote (49%)[2]. At the same time, regulatory developments in the United States created a more complex environment for shareholder engagement, encouraging investors to place greater emphasis on direct dialogue with companies rather than relying solely on the annual meeting process.

These developments shaped our stewardship activity during the quarter. We continued to view governance as the foundation through which investors assess climate strategy, executive remuneration, natural capital, human rights and shareholder rights, and as the key mechanism for holding companies accountable for delivery against stated commitments.

Governance Under the Spotlight

Ahead of BP's 2026 Annual General Meeting (AGM), we engaged with the Company Secretary and Investor Relations team regarding several governance concerns arising from proposals advanced under the new Chair. Our discussions focused on the exclusion of a shareholder resolution, proposed changes to the Articles of Association that could enable virtual-only AGMs, and the proposed removal of shareholder-approved climate disclosure resolutions. We stressed that changes affecting shareholder rights and corporate accountability should be supported by robust justification and meaningful shareholder consultation. The proposals attracted significant investor opposition and both management resolutions ultimately failed to obtain majority support at the AGM [further detail is provided below].

We also voted against ExxonMobil's proposal to redomicile from New Jersey to Texas, opposed Nvidia's executive remuneration package due to concerns about limited performance metrics, weak clawback provisions and alignment with long-term value creation, and supported a Meta Platforms proposal seeking alignment between voting rights and economic ownership. Taken together, these actions reflect a consistent stewardship approach: governance arrangements allow shareholders to understand, challenge and influence decisions that may affect long-term value.

New Listings, Familiar Questions

The quarter also highlighted the stewardship implications of companies entering public markets with governance structures that may not align with investor expectations. Investor attention was drawn to the public market debut of a Communications Services company, one of the most closely watched listings in recent years. While the company's growth profile and strategic importance generated significant market interest, governance considerations quickly emerged as an area of focus. Concerns

[1] References to the "quarter" in the voting commentary refer to the peak proxy voting season (Q2), when most Annual General Meetings and voting activity occur.

[2] "Shareholder proposal submissions declined from 951 in 2025 to approximately 789 in 2026. Corporate governance proposals comprised the largest share of proposals at 49%." Mayer Brown LLP, June 2026

relating to concentrated founder control, board independence, shareholder rights and transparency raised important questions regarding how investors assess governance risks in rapidly growing companies entering public markets. As index providers and asset owners evaluate new entrants to global benchmarks, governance quality remains a critical component of long-term investment decision-making.

Collectively, these developments highlight a growing stewardship focus on the quality of corporate decision-making rather than outcomes alone. Whether assessing climate transition plans, executive remuneration or biodiversity commitments, investors are increasingly asking a common question: do governance structures provide confidence that commitments will translate into action? Against this backdrop, LGPS Central's stewardship activity concentrated on areas where governance, accountability and transparency are most closely linked to long-term value creation.

Engagement Highlights

Assessing Transition Readiness

We continued to engage with heavy emitting priority engagement companies to ensure that their approach to climate risk management is adequate. Engagements with Holcim and ArcelorMittal reflected the importance of clear pathways, interim milestones, board oversight and transparency over the investment and operational decisions required to support decarbonisation. In both cases, the stewardship focus was not simply on the existence of climate objectives, but on whether the companies can demonstrate how those objectives will be governed, implemented and reported in a way that allows investors to assess execution risk, resilience and alignment with long-term value creation.

Nature, Biodiversity and Resilience

Natural capital and circularity were also important areas of focus. At Rio Tinto, engagement on biodiversity and nature-related risk highlighted the need for governance frameworks that connect group-level commitments with asset-level accountability, monitoring and disclosure.

At LyondellBasell, engagement on petrochemical strategy and circularity focused on changes to sustainability ambitions, the dependencies that underpin delivery, and the alignment between strategic priorities, capital allocation and market conditions. Our focus remained on assessing the credibility and stringency of the company's circular economy strategy.

We co-signed letters to several European multinationals encouraging transparency over the company's approach to policy engagement on the EU Deforestation Regulation (EUDR). We requested the companies to clarify their position on the EUDR, including an explanation of how the Company engages with its industry associations to ensure alignment of positions regarding this regulation.

Alongside 172 investors we supported the 2026 CDP Non-Disclosure Campaign. The campaign targets 770 companies to disclose environmental data via CDPs questionnaire. Transparent environmental disclosures enable investors and lenders to accurately assess a company's exposure to environmental risks, evaluate long-term financial resilience, and allocate capital toward businesses that demonstrate sustainable and responsible practices.

Embedding Human Rights Oversight

Human rights engagement similarly centred on governance effectiveness, due diligence and disclosure quality. At Volution, our dialogue on modern slavery and supply-chain risk reflected a broader expectation that companies should be able to identify salient risks[3], explain how those risks are assessed and escalated, and provide reporting that enables investors to understand the effectiveness of controls.

We also wrote to Alstom, Thales and QinetiQ, which had been identified as lacking a publicly disclosed human rights policy, encouraging greater transparency regarding human rights governance and risk management. While a policy alone does not guarantee effective oversight, its absence can make it difficult for investors to assess how companies identify, manage and mitigate human rights risks.

Supporting Effective Policy Frameworks

We sent a letter to the European Commission last year outlining LGPS Central's position on the EUDR. The EUDR provides a legal framework and due diligence requirements for companies exporting forest-risk commodities (e.g. palm oil, soya, wood, cocoa etc) into the EU. We emphasised that postponing the regulation would create uncertainty, undermine investor confidence, and expose companies and pension savers to greater climate and biodiversity related risks. Encouragingly, in their response the Commission emphasised that the EUDR will be implemented in a timely manner with no further delay. We alongside 55 investors representing EUR 13.6 trillion in assets have called on EU leaders to support a robust and predictable EU Emissions Trading System (ETS), ahead of the ETS review, which is a critical moment for Europe's competitiveness and energy security.

We co-signed a letter to the Attorney-General of Australia which called for the 2018 Modern Slavery Act to align with international standards, such as the UN Guiding Principles on Business and

[3] In corporate and human rights contexts, salient risks refer to the most critical risks that a company's activities or business relationships may pose to individuals or communities.

Human Rights, and risk-based due diligence, which would level the playing field and promote an effective, proportionate, and outcome focused approach to addressing modern slavery – reflecting what many Australian businesses are already doing.

We responded to the FCA's consultation on simplifying climate disclosure requirements for investment products, supporting efforts to streamline reporting while emphasising that any changes must not reduce the quality, comparability, timeliness or availability of climate-related information for institutional investors. The response highlighted the importance of product-level disclosures for manager due diligence and oversight, and called for continued access to decision-useful information, including forward-looking metrics. We also urged the FCA to provide clear expectations on disclosure updates, materiality thresholds and transparency to avoid weakening climate reporting standards in the market.

UK STEWARDSHIP CODE

LGPS Central has retained its signatory status to the UK Stewardship Code for the sixth year in a row, as confirmed by the Financial Reporting Council. As of 09 July 2026, there are 291 signatories to the Code. In 2026, the Financial Reporting Council published updated Stewardship Code guidance intended to improve the consistency and comparability of stewardship reporting. The guidance encourages signatories to focus on material stewardship activities and outcomes, supported by clear evidence of effectiveness.

LGPS Central's stewardship approach reflects our continuous efforts to exercise our fiduciary duty and to excel in stewarding the assets managed on behalf of our Partner Funds. The UK Stewardship Code sets best practice for stewardship reporting, guiding those responsible for managing investments on behalf of UK savers, pensioners, and their supportive institutions. Stewardship embodies the diligent allocation, administration, and oversight of capital with an unwavering commitment to creating lasting value for Partner Funds and their scheme members.

Voting Highlights


Image source: corporate.exxonmobil.com

Exxon Mobil Corporation

At Exxon Mobil Corporation, we opposed management's proposal to move the company's legal domicile from New Jersey to Texas because of concerns that the change could weaken certain long-standing shareholder protections. We also supported resolutions aimed at strengthening accountability through an independent Board Chair and greater choice within the company's retail voting programme. Further detail on this voting decision is provided later in the report.

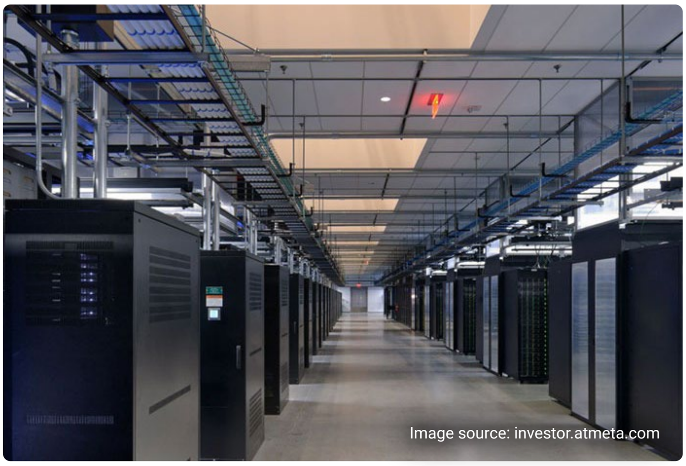


Image source: investor.atmeta.com

Meta Platforms, Inc.

At Meta Platforms, Inc., we supported a shareholder proposal for all stock to have one vote per share, consistent with the rationale that the proposal sought to protect and advance shareholder rights on behalf of institutional investors; the resolution failed but received 26.5% support. See further detail on page 22.

FIGURE 1: OVERVIEW OF ENGAGEMENTS

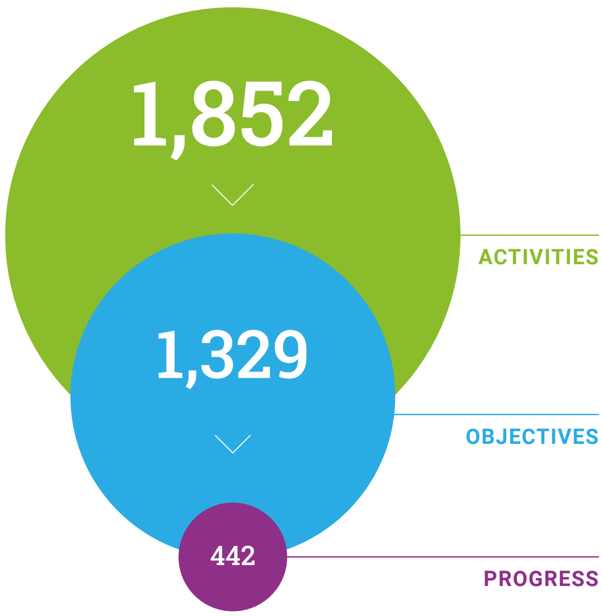
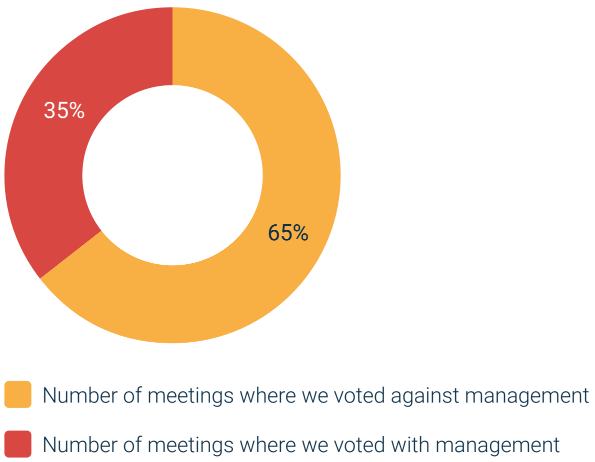


FIGURE 2: GLOBAL VOTING



02 Engagement Case Studies

Below, 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 engagement progress:

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

ENGAGEMENT EFFORTS[4] COMPRISED **1,001** COMPANIES

1,852 ENGAGEMENT ACTIVITIES[5] TOOK PLACE

THERE WERE **1,329** SPECIFIC OBJECTIVES

POSITIVE PROGRESS WAS MEASURED ON **442** INSTANCES

During the reporting period, our engagement efforts[4] comprised 1,001 companies. 1,852 engagement activities[5] took place against 1,329 specific objectives, positive progress was measured on 442 instances. Most engagements were conducted through letter issuance or remote company meetings, where we, our partners or our stewardship provider (in a majority of cases) met or wrote to the Chair, a Board member or a member of senior management.

ENGAGEMENTS CONDUCTED BY:		
LGPS CENTRAL	STEWARDSHIP PROVIDER	LAPFF
713	1,014	125

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

Climate Change Engagements

Our **climate change engagement set** comprised **245 companies** with **236 engagement activities**[6]. Positive progress is measured on **236 engagement objectives**.

FIGURE 3: BREAKDOWN OF CLIMATE CHANGE ENGAGEMENT BY TYPE

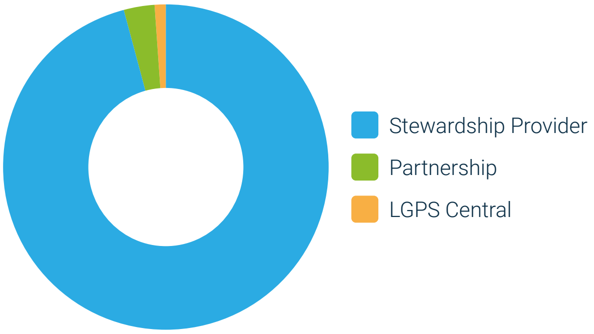
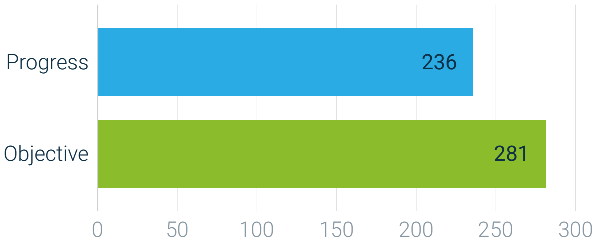


FIGURE 4: CLIMATE CHANGE ENGAGEMENT BY OUTCOME



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

HOLCIM

Holcim

PROGRESS:

Moderate Progress

OBJECTIVE:
To disclose a pathway to achieve its 2030 clinker factor[7] reduction target of 68%. A secondary objective was to improve transparency regarding the assessment criteria used for board-level ESG competence.

LINK TO LONG-TERM VALUE CREATION:
Decarbonisation of cement production is a material strategic issue for the sector. Improved disclosure on clinker reduction pathways and board oversight of climate-related matters can help investors assess transition readiness, capital allocation, execution risk and the credibility of long-term climate commitments. Enhanced transparency supports more informed stewardship and investment decision-making.

ENGAGEMENT:
LGPS Central engaged with Holcim's ESG and Investor Relations teams regarding disclosure of the company's pathway to achieving its 2030 clinker factor target. During the discussion, investors encouraged the company to provide greater detail on market-level clinker reduction pathways, expected capital expenditure requirements and the contribution of alternative materials to target delivery.

The company indicated that additional information would be provided within its FY2025 Annual Report. A follow-up review of published disclosures was identified as the next step to assess progress against the engagement objective.

A separate engagement focused on board governance and climate oversight. Holcim confirmed that it was undertaking an external assessment of board competence and stated that the results, including relevant disclosure, would be reported in its FY2026 reporting cycle.

OUTCOME:
The company demonstrated responsiveness by engaging directly with investors and indicating planned future disclosure enhancements. Holcim committed to providing additional information on its clinker reduction strategy in FY2025 reporting and confirmed an external assessment of board ESG competence. Progress will be evaluated through forthcoming annual-report disclosures.

[7] Clinker is the main ingredient in cement and is produced by heating limestone and other materials at high temperatures; the clinker factor refers to the proportion of clinker used in cement production, with lower clinker use generally resulting in lower carbon emissions.

ArcelorMittal

PROGRESS:

Minimum Expectations

OBJECTIVE:
To encourage the company to strengthen its climate strategy through the adoption of a robust interim climate target.

LINK TO LONG-TERM VALUE CREATION:
Steel producers face material business risks from evolving regulation, energy costs, customer procurement requirements, and the capital investments needed to modernise production assets. Investors therefore require clear milestones and disclosure to assess whether management is deploying capital efficiently, maintaining cost competitiveness, and positioning the company to generate sustainable long-term returns. Improved transparency on transition planning supports better assessment of execution risk and long-term value creation.

ENGAGEMENT:
LGPS Central met with ArcelorMittal's Investor Relations and Sustainability team to discuss executive remuneration and the company's climate transition strategy. On remuneration, we reiterated concerns that have informed our opposition to the remuneration report for three consecutive years, including the absence of bonus deferral mechanisms, limited disclosure of annual bonus performance targets and achievement levels, and a lack of clarity regarding LTIP holding periods.

The discussion also focused on the company's revised climate strategy. ArcelorMittal recently reduced its 2030 emissions reduction target from 35% in Europe and 25% globally to a 10% group-wide target, reflecting only projects that have reached Final Investment Decision (FID). The company explained that this followed engagement with its largest shareholders and reflected challenges arising from the current policy environment.

We questioned why the company had not incorporated alternative decarbonisation scenarios within its transition planning, despite this being discussed during previous engagements. We also encouraged clearer disclosure of how the company's strategic pillars contribute to delivery of its decarbonisation targets and highlighted the need to strengthen the link between R&D investment and the company's long-term decarbonisation pathway.

OUTCOME:
The engagement provided greater transparency regarding the rationale for the revised 2030 climate target and reaffirmed the company's commitment to its long-term decarbonisation ambitions. LGPS Central identified several opportunities to enhance climate-related disclosures, including the use of scenario analysis, improved articulation of decarbonisation levers, and the introduction of measurable indicators linking R&D activity to climate objectives. The company was receptive to receiving examples of emerging market practice and peer approaches. LGPS Central will share examples of peer remuneration structures that demonstrate stronger alignment with shareholder expectations, together with examples of best practice transition planning, climate scenario analysis and disclosure of decarbonisation levers.

Natural Capital Engagements

Our **natural capital-related engagement set** comprised **785 companies** with **916 engagement activities**. Positive progress is measured on **77 specific engagement objectives**.

FIGURE 5: BREAKDOWN OF NATURAL CAPITAL ENGAGEMENT BY TYPE

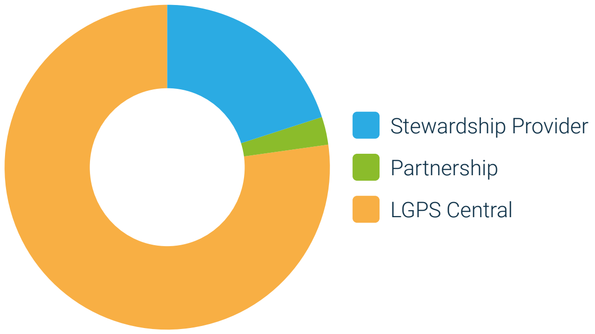
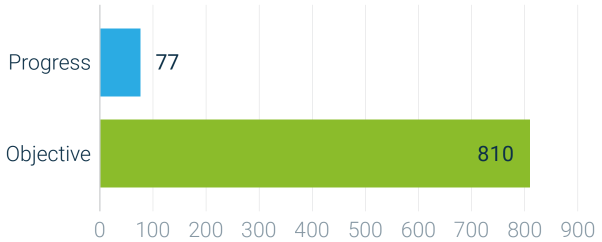


FIGURE 6: NATURAL CAPITAL ENGAGEMENT BY OUTCOME



LYB LyondellBasell

LyondellBasell

PROGRESS:

Successful Outcome

OBJECTIVE:
To disclose a robust petrochemical strategy underpinned by credible targets.

LINK TO LONG-TERM VALUE CREATION:
The circular economy transition presents risks and opportunities for petrochemical producers. Failure to adapt to regulation, customer demand and scrutiny of plastic waste could increase compliance costs, restrict market access and strand assets. Disclosure on circularity, sustainable polymer production and capital allocation helps investors assess whether LyondellBasell is investing sufficiently to remain competitive and create long-term value in a lower-waste, resource-efficient economy.

ENGAGEMENT:
In 2024 we cosigned an investor statement to 22 petrochemical companies, including LyondellBasell (LYB), encouraging the reduction of fossil based plastic production and met with the CEO via a collaborative engagement initiative to discuss LYB's broader climate strategy. During the reporting period we met with investor relations to discuss LYB's circular strategy, stringency of the 2030 renewable-based polymer production target, and MoReTec-1, LYB's first industrial-scale chemical recycling facility, due to begin operations in 2027.

RESULT:
LYB strengthened disclosure of how it will respond to greater material circularity and reduced reliance on virgin fossil-based feedstocks[8]. It embedded circularity in corporate strategy through a dedicated Circular and Low Carbon Solutions (CLCS) business, one of its three strategic priorities. LYB also set a target to produce and market 800kt of recycled and renewable-based polymers annually by 2030, supported by disclosure of delivery mechanisms, key assumptions, risks and governance. It revised its previous 2 million-tonne ambition because of weaker markets and increased capital discipline during the global petrochemical's downturn.

LYB reports annually against this target. Production reached 206kt in 2025, approximately 26% of its 2030 target. Although still a small share of total polymer production, this provides a transparent baseline for tracking progress.

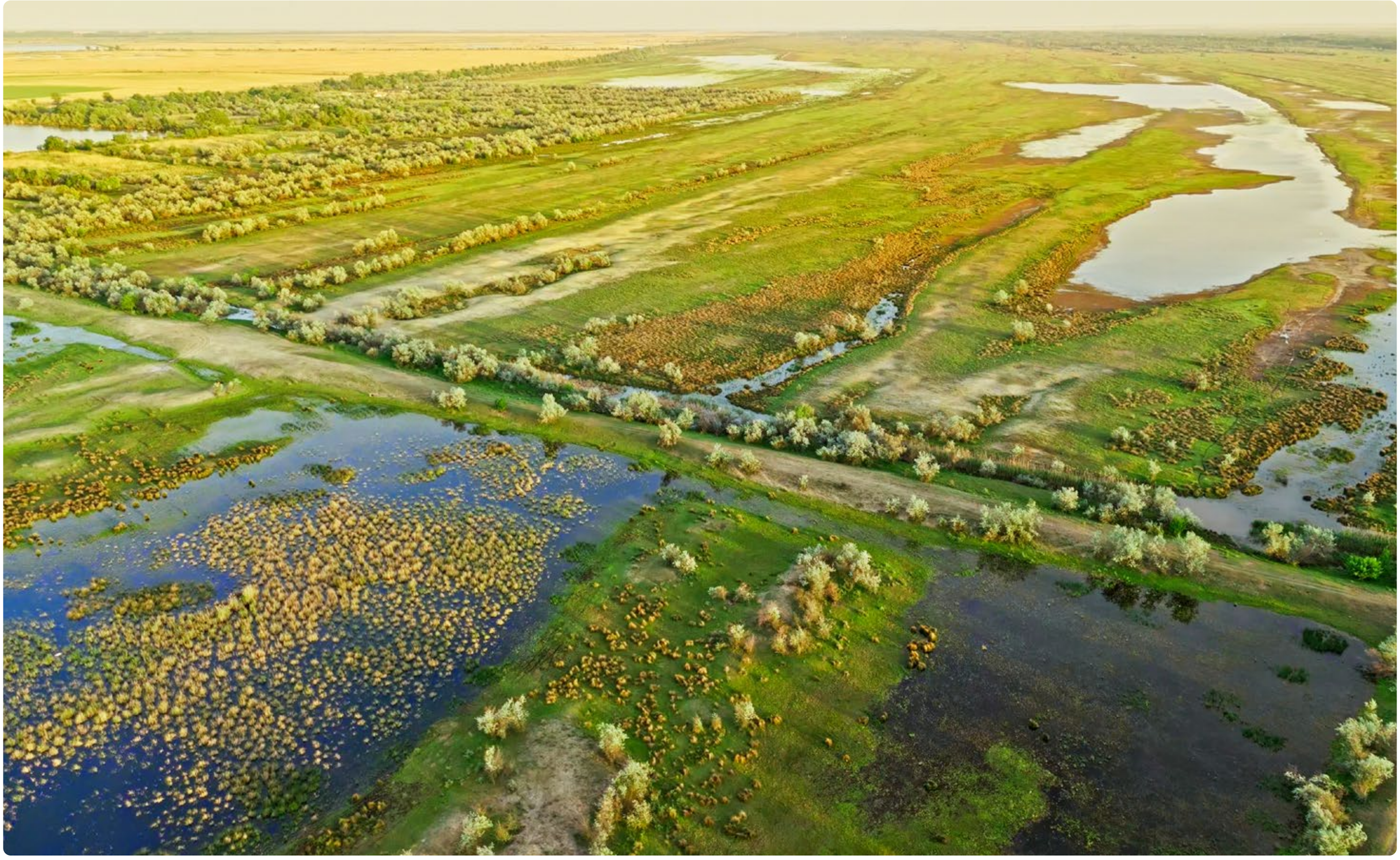
LYB has also clarified its delivery approach, covering mechanical, chemical and solvent-based recycling and bio-circular feedstocks, with updates on projects including MoReTec-1, expected to begin operating in 2027. Although market conditions have delayed final investment decisions on further recycling facilities, LYB said demand for recycled materials remains robust, supported by voluntary commitments and evolving regulation, particularly in Europe. Its disclosure of policy, regulatory, demand and investment factors that could enable or constrain delivery helps investors assess execution risk and monitor management.

While LYB has not published a technology-by-technology volume pathway to 2030, its disclosures allow investors to assess strategic credibility, understand delivery assumptions, track progress and hold management accountable. However, it discloses key assumptions, enablers and risks, publishes policy positions on recycling and circular economy regulation, and emphasises the need for stable policy frameworks and investment incentives to expand recycling infrastructure.

Sustainability-related measures in executive remuneration provide further accountability.

We therefore consider the objective met: LYB now provides a robust petrochemical and circularity strategy, credible measurable targets and regular progress reporting. We have closed the objective and will monitor implementation through ongoing stewardship.

[8] Virgin Fossil Feedstocks are primary materials derived directly from unprocessed fossil fuels, forming the default basis for most manufactured goods.



RioTinto

Rio Tinto

PROGRESS:

Moderate Progress

OBJECTIVE:
To disclose a group-wide nature impacts and dependencies assessment.

LINK TO LONG-TERM VALUE CREATION:
Nature-related risks can have significant financial implications for mining companies through project delays, permitting challenges, operational disruption and reputational damage. Clear governance of biodiversity impacts, credible offset programmes and transparent disclosure provide investors with greater confidence that environmental risks are being effectively managed, supporting the long-term resilience and value of mining projects.

ENGAGEMENT:
Engagement centred on biodiversity management and governance arrangements across Rio Tinto's operations. We co-signed an AGM statement requesting greater clarity on the scope, ambition and publication timeline of the company's nature strategy.

Following the AGM, we met with the biodiversity management team across the Simandou project. Discussions focused on governance arrangements, accountability for biodiversity outcomes at asset level, monitoring of biodiversity risks, and implementation of offset mechanisms. Particular attention was placed on how management intends to ensure that biodiversity considerations are integrated into project development and operational decision-making.

The company also outlined its staged disclosure process, with impact assessments submitted first to the Guinean government prior to public release. Investors discussed the need for clarity and consistency in disclosure, particularly given the reliance on partner-led processes for parts of the project footprint.

OUTCOME:
Rio Tinto demonstrated a structured and technically robust approach to biodiversity management, including clear alignment with IFC PS6, implementation of mitigation measures, and establishment of a centralised offset governance mechanism. However, disclosure remains staged and partially dependent on partners, limiting current transparency. Further updates are expected as residual impact assessments are publicly released and offset strategies progress.

We create chemistry

BASF

OBJECTIVE:
To improve transparency on hazardous chemicals production, including substance-level disclosure and production volumes, so investors can better assess how the company is managing potential regulatory, liability and operational risks associated with hazardous chemicals.

ENGAGEMENT:
Through the Investor Initiative on Hazardous Chemicals, EOS engaged BASF from 2023 to May 2026 on the risks associated with hazardous chemicals in its production processes and products. Engagement activity included co-signing a letter to the CEO, regular dialogue with investor relations and ESG/governance teams, and a site visit to BASF's agricultural division R&D facility. The engagement asked BASF to strengthen transparency on hazardous chemicals by disclosing a full substance-level list and associated production volumes. BASF highlighted its focus on safe management, exposure reduction and substitution where viable, while noting that many hazardous substances are controlled industrial intermediates rather than consumer-facing products.

OUTCOME:
BASF has strengthened its reporting on hazardous chemicals. In its 2025 Annual Report, the company disclosed aggregated volumes for substances of concern and substances of very high concern by hazard class, including carcinogenicity, mutagenicity, reproductive toxicity, sensitisation, persistence and bioaccumulation, and endocrine disruption. It also expanded disclosure on pollutant releases to water, including nitrogen, phosphorus, adsorbable organic halogens, total organic carbon, chlorides, cyanides and fluorides. BASF also improved transparency through its TripleS methodology, which classifies around 40,000 products across five categories. While BASF has not yet provided substance-level volume disclosure, these improvements should help investors assess how the company is managing potential exposure to liabilities and costs linked to hazardous chemicals. EOS will continue to monitor BASF's exposure through engagement via the Investor Initiative on Hazardous Chemicals.

Sensitive/Topical Activities

Our **sensitive and topical activities engagement set** comprised of **54 companies** with **63 engagement activities**. Positive progress is measured on **15 engagement objectives**.

FIGURE 7: BREAKDOWN OF SENSITIVE/TOPICAL ACTIVITIES ENGAGEMENT BY TYPE

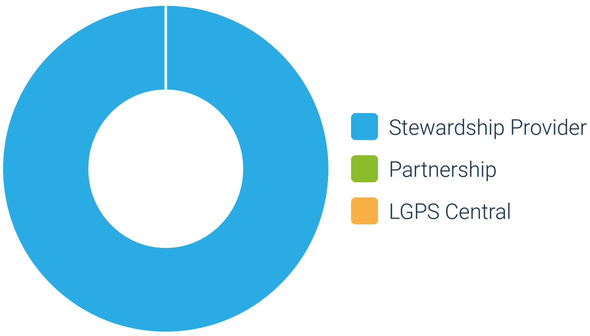
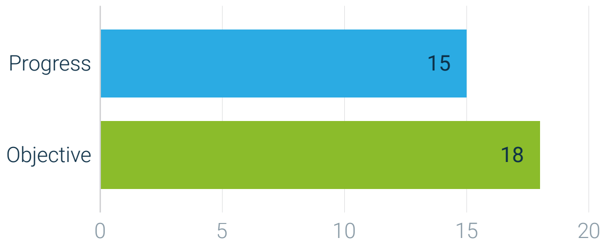


FIGURE 8: SENSITIVE/TOPICAL ACTIVITIES ENGAGEMENT BY OUTCOME



Toronto-Dominion Bank

OBJECTIVE:

To engage with the company on issues relating to anti-corruption and financial crime controls, with a focus on governance, risk management and organisational culture following concerns regarding anti-money laundering (AML) practices.

ENGAGEMENT:

During a series of meetings in 2025 and 2026, EOS discussed the bank's response to ongoing AML-related concerns and the broader governance implications arising from the controversy. The bank has acknowledged the concerns and confirmed that it continues intensive remediation of its AML programme.

EOS asked about the challenge of balancing day-to-day operations with the extensive remediation programme. EOS encouraged the company to remain guided by its broader business purpose while implementing regulatory requirements. EOS also challenged the company to demonstrate evidence of cultural improvement alongside regulatory remediation.

OUTCOME:

The company demonstrated responsiveness by acknowledging the concerns raised and providing detailed updates on its remediation programme, governance oversight, and cultural improvement initiatives in its public disclosures. Remediation remains ongoing and further evidence of governance oversight and sustained cultural change, will be reviewed through future engagement.

Human Rights Risks

Our **human rights engagement** comprised **213 companies** with **386 engagement activities**. Positive progress is measured on **114 specific engagement objectives**.

FIGURE 9: BREAKDOWN OF HUMAN RIGHTS-RELATED ENGAGEMENTS BY TYPE

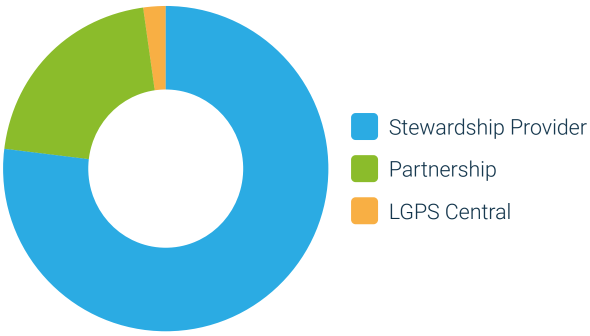
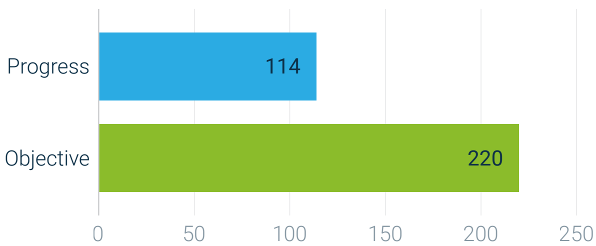


FIGURE 10: HUMAN RIGHTS-RELATED ENGAGEMENTS BY OUTCOME



volution

Volution Group plc

PROGRESS:

Moderate Progress

OBJECTIVE:
To strengthen its modern slavery and human rights disclosures, improve transparency around salient supply-chain risks, governance oversight, whistleblowing effectiveness, and alignment with recognised frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs).

LINK TO LONG-TERM VALUE CREATION:
Effective management of modern slavery and human rights risks supports long-term value creation by reducing supply-chain disruption, legal and reputational risks, and strengthening stakeholder confidence. As a highly acquisitive international business with operations and suppliers across multiple jurisdictions, robust due diligence, governance oversight, and transparent reporting are important for maintaining operational resilience and supporting sustainable growth.

ENGAGEMENT:
LGPS Central met with representatives of Volution Group plc, including the Company Secretary, Group

Procurement Director and Senior Independent Director, to discuss modern slavery risk management, supply-chain due diligence, governance oversight and disclosure expectations.

The company outlined a relatively mature framework for identifying and managing modern slavery risks. Management explained that enhanced due diligence is conducted on 181 key suppliers, supported by supplier assessments, physical audits in higher-risk jurisdictions and external risk-screening tools. The company noted that oversight is concentrated on Tier 1 suppliers while also seeking greater visibility into lower-tier supply chains.

Discussion focused on salient risk areas, including supply-chain operations, temporary labour providers, cleaning contractors and acquired businesses. Investors encouraged greater transparency regarding risk exposure, governance accountability and reporting. Management acknowledged that existing public disclosures do not fully reflect the breadth of activity undertaken and identified opportunities to enhance future reporting.

OUTCOME:
The engagement demonstrated constructive dialogue and evidence of responsiveness. Management recognised opportunities to strengthen disclosure around salient risks, governance accountability, whistleblowing effectiveness and alignment with recognised human rights frameworks. The company committed to sharing draft enhanced disclosures with investors in September 2026, providing a clear basis for follow-up and assessment of future progress.

Japanese Automotive Company

OBJECTIVE:
To improve human rights management and supply chain due diligence, supported by clearer disclosure, evidence of effectiveness and corrective actions, leading to a stronger Corporate Human Rights Benchmark (CHRB) performance.

ENGAGEMENT:
EOS met with company executives to discuss the low CHRB score and the need for stronger evidence that its human rights policies and due diligence processes are effective in practice. The company acknowledged the concerns and highlighted recent reforms to its human rights framework. EOS continued the dialogue and requested updates on implementation and oversight of human rights risks across the supply chain.

OUTCOME:
The company has demonstrated progress by updating its basic human rights policy in 2025 and committing to the gradual implementation of risk assessment, remediation and remedy processes across its domestic and international affiliates and suppliers. The company also recognised the importance of evidencing the effectiveness of its due diligence approach. While implementation remains ongoing, EOS considers the company to be moving in the right direction and will continue to monitor progress, disclosure and future improvements in human rights performance.

VALE

Vale SA

OBJECTIVE:
To strengthen governance, human rights due diligence and climate resilience regarding mining operations and affected communities.

ENGAGEMENT:
Through PRI Advance and wider stakeholder engagement activities, LAPFF engaged Vale on community impacts, human rights governance and climate resilience.

The engagement focused on how community concerns are escalated into operational decision-making and board oversight, the effectiveness of grievance mechanisms and access to remedy, Indigenous engagement practices, and climate-related physical risks affecting mining assets.

LAPFF also sought greater clarity regarding how extreme weather risks and water-related risks are incorporated into project approval processes, asset management and long-term planning.

OUTCOME:
The engagement reinforced expectations around board accountability, human rights due diligence and climate adaptation. Dialogue remains ongoing and future discussions will assess evidence of implementation, governance oversight and responsiveness to stakeholder concerns.

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 January – June 2026, we:

Voted at
3,420
MEETINGS
and on
41,891
RESOLUTIONS GLOBALLY

Opposed one or more resolutions at
64.8%
MEETINGS
and our **dissent level** was
15.2%

Supported
45.5%
OF SHAREHOLDER PROPOSALS
(427 out of 930 resolutions)

Environmental

183
INSTANCES
we dissented on **director elections** due to environmental concerns

Supported
30
ENVIRONMENTAL-RELATED SHAREHOLDER RESOLUTIONS

Topics included: Paris aligned accounts[9], climate transition plans, antimicrobial use, scope 3 emissions, disclosing energy financing ratio's, plastic pollution, and biodiversity.

Social

901
INSTANCES
we dissented on **director elections** due to social concerns

Supported
46
SHAREHOLDER RESOLUTIONS

Topics included: Human rights risk assessments, political spending disclosures, Diversity, Equity & Inclusion (DEI), Labour Issues and Artificial Intelligence (AI) Use.

Remuneration

We dissented on
1,190
OF REMUNERATION-RELATED PROPOSALS, OF WHICH:

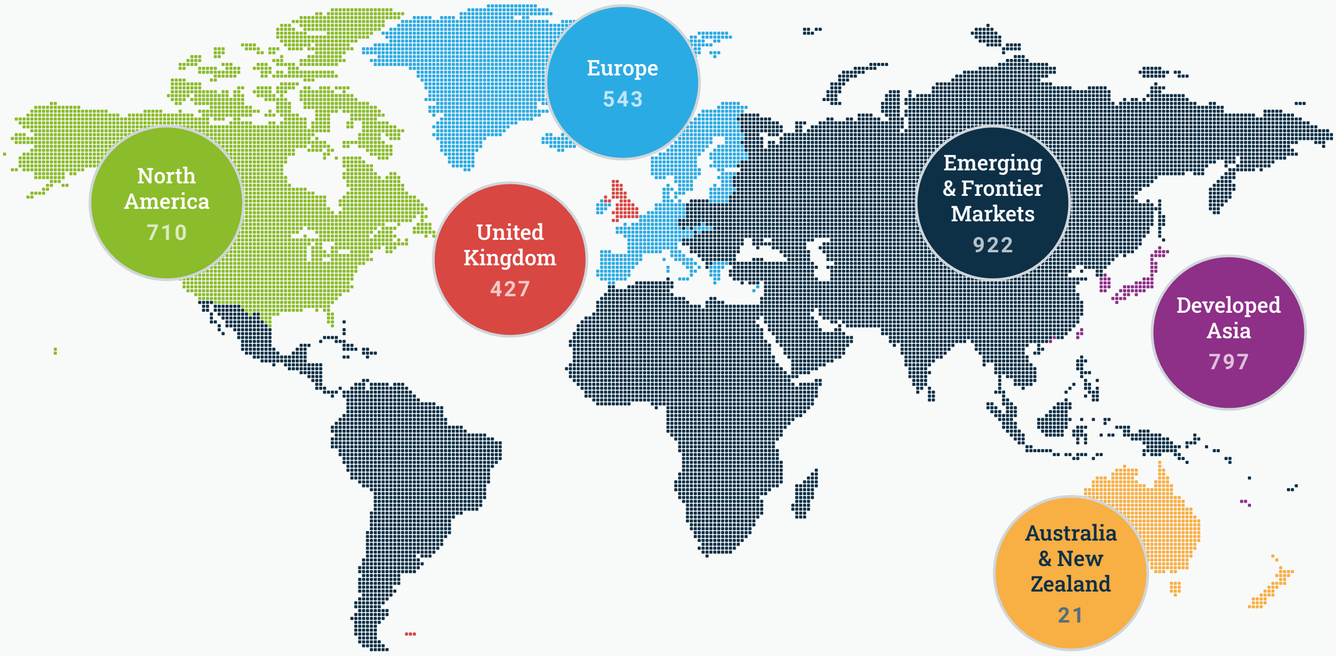
Opposed
21%
OF PROPOSALS IN THE UK

Opposed to
25.7%
IN THE US

[9] Financial statements that are assessed for consistency with the goals of the Paris Agreement.

Number of meetings voted on by region:

FIGURE 11: NUMBER OF MEETINGS VOTED ON BY REGION



Overview of Voting Activity[10]:

FOR	35,472	84.3%
AGAINST/WITHELD	5,883	14.0%
ABSTAIN	509	1.2%
OTHER	24	0.1%

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	4,063	9.7%
AUDIT + ACCOUNTS	5,216	12.4%
BOARD STRUCTURE	22,249	53.1%
CAPITAL STRUCTURE + DIVIDENDS	3,146	7.5%
INVESTMENT/M&A	8	0.0%
OTHER	1,331	3.2%
POISON PILL[11]/ ANTI-TAKEOVER DEVICE	26	0.1%
REMUNERATION	4,961	11.8%
ESG SHAREHOLDER RESOLUTIONS	918	2.2%

[10] Due to independent rounding and the exclusion of proposals for which no valid voting instruction was submitted, percentages may not total 100%.
[11] A takeover defence mechanism designed to make a company less attractive to a potential acquirer.

Examples of voting decisions

BP Plc

THEME:
Shareholder rights and climate disclosures

RATIONALE:
We voted against management's proposals to adopt new Articles of Association and to revoke shareholder-approved climate reporting resolutions (Resolution 25 (2015) and Resolution 22 (2019)). The proposed Articles would have allowed greater use of fully virtual shareholder meetings, which we considered could weaken shareholder rights and accountability without a clear justification over hybrid formats. We also opposed the removal of the climate reporting resolutions because the company had not sufficiently demonstrated that the information requested by shareholders would continue to be provided through alternative disclosures.

RESULT:
Both management resolutions failed to achieve majority support. The proposed Articles of Association received 47.1% support, while the proposal to revoke the climate reporting resolutions received 47.5% support. The outcome reflected significant shareholder concern regarding the protection of shareholder rights and the maintenance of climate-related disclosure commitments. Shortly after the AGM, BP's Chair stepped down from the role.

Exxon Mobil Corporation

THEME:
Shareholder rights and governance protections

RATIONALE:
We voted against management's proposal to change Exxon Mobil Corporation's state of incorporation from New Jersey to Texas. Our concern was that the reincorporation had the potential to erode established shareholder protections, including through possible future restrictions on shareholders' ability to submit shareholder proposals or file derivative suits[12]. We also supported shareholder resolutions that sought to strengthen accountability, including a proposal requiring an independent Board Chair and a proposal asking the company to provide multiple voting-policy options within its retail voting programme. The rationale for supporting the retail voting programme proposal was that offering a range of policies could increase retail shareholder participation and avoid an automatic default to management-aligned voting, which could otherwise stifle dissent and entrench management in a way that may not support long-term value creation.

RESULT:
The reincorporation proposal was approved; however, 28.8% of shareholders voted against management's recommendation, signalling notable investor concern. The shareholder resolutions calling for an independent Board Chair and additional retail voting options did not pass but received 15.2% and 23.5% support respectively. These results demonstrate continuing investor focus on governance standards, board accountability and shareholder rights at the company.

[12] Legal actions brought by shareholders on behalf of a company against directors or other parties.

Meta Platforms, Inc.

THEME:
Shareholder rights and voting accountability

RATIONALE:
We supported shareholder proposals at Meta Platforms, Inc. that sought to improve shareholder rights and accountability. These included proposals to initiate an annual vote on executive compensation, approve a recapitalisation plan so that all stock would have one vote per share, and disclose voting results based on class of shares. We considered these proposals to be aligned with the protection and, where appropriate, advancement of shareholder rights on behalf of institutional investors, as well as with improved transparency over how voting power is exercised across share classes.

RESULT:
Management recommended against these shareholder proposals, and all three failed. However, the proposals received meaningful levels of support: 27.1% for initiating an annual vote on executive compensation, 26.5% for the recapitalisation plan to move to one vote per share, and 20.1% for disclosure of voting results by class of shares. These results demonstrate continued investor interest in voting accountability and shareholder rights reform at the company.

NextEra Energy, Inc.

THEME:
Climate transition and Paris-aligned disclosure

RATIONALE:
We supported the shareholder proposal requesting that NextEra Energy, Inc. report on plans to reduce and align greenhouse gas emissions with the goals of the Paris Agreement. The voting record states that the proposal would provide material additional disclosures that would be decision-useful to investors and would be an efficient use of company resources. We considered such disclosure relevant to assessing the company's long-term climate-related risks and opportunities, particularly given the importance of credible transition planning for an electric utility business.

RESULT:
Management recommended against the shareholder proposal, and the resolution failed. Nevertheless, it received 34.6% support, with 65.4% of votes cast against. This level of support represented a significant signal from shareholders that additional clarity on greenhouse gas reduction plans and Paris-aligned transition disclosure remains an important stewardship priority.

ASML Holding NV

THEME:
Remuneration and long-term alignment

RATIONALE:
We voted against management's remuneration report because the short-term incentive package was delivered 100% in cash, which does not necessarily align management with the interests of long-term shareholders. We also noted that 40% of the targets in the short-term incentive package were not disclosed, making it difficult for shareholders to assess the stringency of the targets. We voted against the proposed number of shares for the Management Board because the remuneration policy design appeared insufficiently aligned to long-term shareholder value and no malus clause[13] was disclosed. In addition, we voted against the re-election of T.L. Kelly to the Supervisory Board, given her role as Chair of the Remuneration Committee and the continuation of our remuneration-related concerns, noting that dissent had been registered on the remuneration report since 2023.

RESULT:
All three management resolutions passed, but each recorded dissent: 6.0% against the remuneration report, 3.6% against the share plan grant for the Management Board, and 3.1% against the re-election of T.L. Kelly to the Supervisory Board. The votes reinforced our expectation that remuneration structures should support long-term alignment, provide sufficient transparency on performance targets, and include appropriate risk-mitigation provisions such as malus arrangements.

[13] A remuneration mechanism that allows unvested incentive awards to be reduced or cancelled in certain circumstances.

04 H1 2026 Stewardship Strategy Reporting

Progress report against LGPS Central's 3-year Stewardship Strategy[14]

STEWARDSHIP THEME: CLIMATE CHANGE

Company Name	Engaged as at June 2026	Progress	Momentum	Escalation Grade	Associated Voting Dissent	Removal
SHELL	✓	Level 2	-	Level 2	✗	-
HOLCIM	✓	Level 2	↑	Level 2	✗	-
CEMEX	✓	Level 1	-	Level 2	✗	-
ARCELORMITTAL	✓	Level 1	-	Level 1	✗	-
BP	✓	Level 1	-	Level 3	✓	-
SOCIETE GENERALE	✓	Level 1	-	Level 1	✗	-
GLENCORE	✗	Level 1	-	Level 2	✓	-

STEWARDSHIP THEME: NATURAL CAPITAL

Company Name	Engaged as at June 2026	Progress	Momentum	Escalation Grade	Associated Voting Dissent	Removal
GLENCORE	✗	Level 0	-	Level 2	✗	-
RIO TINTO	✓	Level 2	-	Level 3	✗	-
COSTCO	✓	Level 1	-	Level 1	✗	-
REPSOL	✗	Level 2	-	Level 1	✗	-
LYONDELLBASEL	✓	Level 3	↑	Level 1	✗	✓

[14] This section tracks progress against the priority engagement companies identified in LGPS Central's three-year Stewardship Strategy, including engagement outcomes, momentum and escalation activity where relevant.

STEWARDSHIP THEME: HUMAN RIGHTS RISKS

Company Name	Engaged as at June 2026	Progress	Momentum	Escalation Grade	Associated Voting Dissent	Removal
NVIDIA	✗	Level 0	-	Level 3	✗	-
MOTOROLA	✗	Level 1	-	Level 3	✓	-
BHP	✗	Level 2	-	Level 2	AGM not occurred	-
VOLUTION	✓	Level 2	-	Level 3	AGM not occurred	-

STEWARDSHIP THEME: SENSITIVE/TOPICAL ACTIVITIES

Company Name	Engaged as at June 2026	Progress	Momentum	Escalation Grade	Associated Voting Dissent	Removal
TESLA	✗	Level 0	-	Level 3	AGM not occurred	-
KIA	✗	Level 0	-	Level 3	✓	-
META	✗	Level 0	-	Level 3	✓	-
AMAZON	✗	Level 0	-	Level 3	✓	-
BERKSHIRE HATHAWAY	✗	Level 0	-	Level 3	✓	-

Escalation Strategy

Level 1 7 Engagements
- Bilateral Dialogue
- Investor Collaboration

Level 2 8 Engagements
- Voting against management recommendations including supporting shareholders resolutions
- Raising concerns with managers

Level 3 4 Engagements
- Public Statements
- AGM Attendance
- Extended voting dissent to the appointments of committee members and approval of the Annual Report and Accounts

Level 4
- Filing Shareholder Resolutions

Level 5
- Litigation
- Threat of divestment — Formal dialogue with managers about stock level divestment

Measures of Success

	Climate Change	Natural Capital	Human Rights Risks	Sensitive/ Topical Activities
LEVEL 3: SUCCESSFUL OUTCOME	• Company demostrates alignment with our Net Zero Strategy.	• 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.	• Company demonstrates full alignment with UNGPs or Modern Slavery Act.	• Company has disclosed a plan for: – Addressing the alleged controversy. – Improving ESG practices at reasonable level.
LEVEL 2: MODERATE PROGRESS	• 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.	• 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.	• Partial progress observed by Find it, Fix it and Prevent it, Corporate Human Rights Benchmark and LAPFF research.	• Company has disclosed a plan for: – Partly addressing the alleged controversy including acknowledgment of the controversy. – Partly improving ESG practices at reasonable level.
LEVEL 1: MINIMUM EXPECTATIONS	• Companies disclosing data to facilitate carbon performance assessment if relevant.	• Evidence of constructive meeting with companies.	• Companies responded to engagement request.	• Companies responded to engagement request.
LEVEL 0: NO IMPROVEMENT	• No progress made.	• No progress made.	• No progress made.	• No progress made.

Partner Organisations

LGPS Central actively contributes to the following investor groups:

30% Club — Growth Through Diversity

UK Private Capital

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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