GMPF UK Stewardship Code 2025

Statement of compliance with the UK Stewardship Code

Enhancing the quality of engagement between institutional investors and companies



GMPF HQ
Mark Waugh, Alamy

Describe your organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship.

Tameside MBC became the administering authority of the Greater Manchester Pension Fund (GMPF) in 1987 after the abolition of the Greater Manchester County Council in 1986. GMPF covers all ten councils of Greater Manchester, the National Probation Service and numerous other smaller employers.

GMPF is invested to fund the retirements of thousands of beneficiaries. GMPF always acts in accordance with the interests of those beneficiaries and its Responsible Investment activities aspire to make a positive contribution to the region and beyond.

GMPF's culture is driven by its long term approach and is set out within its Core Belief Statement and Investment Strategy Statement. These beliefs form the foundation of discussions, and assist decisions, regarding the structure of GMPF, strategic asset allocation and the selection of investment managers. The Core Belief Statement underscores GMPF's commitment to stewardship as follows:

"Well governed companies that manage their business in a responsible manner will produce higher returns over the long term."

Environmental, Social and Governance (ESG) issues are important to GMPF as they can be financially material and, as such, should be part of the assessment and monitoring of investments in all asset classes. Achieving sustainable, long-term financial returns underpins the ability to pay pensions. A focus on ESG issues helps reduce risks to GMPF and ultimately the Council taxpayer.

Responsible Investment forms a core consideration within GMPF's Investment Strategy Statement which is updated at least every three years. Key themes and risks are identified around which GMPF's Responsible Investment policy is built. GMPF has liabilities that will have to be paid for decades to come and so must take a long-term view with its investment strategy when considering risks and opportunities. The size, investment time horizon and risk appetite of GMPF give it a distinct

advantage to ensure it is able to create long-term value for its beneficiaries as well as wider society.

In the development and implementation of its Responsible Investment Policy, GMPF identified overarching themes such as climate change, people, corporate governance and financial reporting as risks that needed to be addressed. Underlying these themes, GMPF's Responsible Investment Policy has identified significant issues such as deforestation, water stewardship, human rights and public health that require attention.

GMPF's long-term goal is for 100% of its assets to be compatible with the net zero-emissions ambition by c.2050 in line with the Paris agreement. This goal is regularly evaluated and reported to members. Climate change is a key financially material environmental risk. The Management Panel believe that, over the expected lifetime of GMPF, climate-related risks and opportunities will be financially material to the performance of the investment portfolio. GMPF integrates climate change considerations in the overall investment strategy, with the aim of minimising adverse financial impacts and maximising opportunities for long-term economic returns in all asset classes.

GMPF has increased its allocation to alternative investments, and particularly infrastructure which aligns with its long-term approach. GMPF is a partner in **GLIL** which is a joint venture that invests directly in infrastructure assets. GLIL began investing in October 2015 and has completed fifteen transactions with a total value in excess of £3 billion.

In terms of **impact investing**, GMPF is the largest participant of the **Invest 4 Growth** initiative. The objective of this portfolio is to make investments that provide a commercial return and a **beneficial economic, social or environmental impact**. Areas of investment include: - the provision of supported living accommodation, renewable energy, loans to small and medium sized businesses and private equity with a focus on impact investing. Alongside investments into nationally focused pooled funds, GMPF will seek co-investment opportunities to enhance the impact in the North West. GMPF also has an **Impact portfolio** with the same twin aims and seeks to collaborate with other pension funds, specifically the Northern LGPS Pool's members, to develop a diversified portfolio and achieve cost benefits from greater economies of scale.

The **Greater Manchester Property Venture Fund** (GMPVF) has an allocation of up to 2.5% and creates property investments by a process of site acquisition, building, direct property development and property letting/management. This enables GMPVF to generate state of the art office, retail and industrial/workshop accommodation. GMPVF has the twin aims of generating a commercial rate of return and **supporting the local area**. GMPVF also seeks to make an environmental impact through regeneration. The target area for GMPVF is the North West of England with a particular focus on Greater Manchester.

The assets of GMPF represent the combined savings of generations of public sector workers, without whom the pension fund would not exist. Therefore, GMPF has a responsibility to act in the best interests of those workers and actively promote the creation of decent work. GMPF has adopted a wide-ranging **Responsible Investment policy** that details its ambitions to uphold the highest standards of corporate governance at its investee companies and make investments that deliver financial, social and environmental benefits across the North of England. GMPF actively promotes the creation of decent work and quality jobs as part of its approach to employment standards and human capital management.

GMPF expects all businesses in which it invests to treat their workforce with respect and to employ and reward them fairly. Companies should offer secure, direct employment where possible, and should not interfere with the right of their workforce to seek representation through a trade union. GMPF has directly raised issues during meetings with management at companies relating to working conditions and workers' rights.

GMPF supports the **Investing in a Just Transition** Initiative which focuses on delivering a transition to a low-carbon economy while supporting an inclusive economy with a particular focus on workers and communities across the UK. GMPF understands that delivering a just transition will be key to the UK's success in building a zero-carbon and resilient economy. However, GMPF also knows there is a need for this to be done in a sustainable way that supports an inclusive economy. GMPF considers this to fit well with the objective of seeking to ensure a regional dimension to its Responsible Investment activities.

GMPF considers **shareholder resolutions** a useful tool to proactively raise issues of concern either where boards of investee businesses are resistant to dialogue or change, or to amplify the shareholder voice where engagement with boards has been positive. GMPF has co-filed resolutions at different companies in recent years on issues such as climate change, workers' rights and public health. GMPF will consider filing or co-filing



Manchester Canal
Mario Spencer, Pexels

resolutions in cases where it feels engagement has not resulted in achieving the desired effect.

GMPF does not typically **divest** from businesses unless ESG factors are likely to have a financially material negative impact. Instead, GMPF seeks to use its **influence as investors** to address issues of concern. GMPF recognises its ability to act as an effective steward, and responsibility to do so, is greater where its holdings are greater or more concentrated. Therefore, sizeable investments are closely monitored and engaged where necessary.

GMPF believes it is often advantageous to work **collaboratively** with other like-minded organisations and gain leverage to influence companies. GMPF has engaged both directly and indirectly with companies on a range of issues and co-filed shareholder resolutions with companies to effect change.

GMPF's Investment Monitoring & ESG (IMESG) Working Group and Management Panel, as well as the Northern LGPS Joint Committee, are both forums where ESG matters are raised and discussed with stakeholders. The elected members who represent many beneficiaries and the local population are given the opportunity to scrutinise the Funds approach to stewardship. GMPF's external asset managers routinely update the IMESG Working Group on their work and the Responsible Investment advisor presents at multiple Working Groups. The LAPFF Quarterly Engagement Reports and Northern LGPS Quarterly Stewardship Report are included in the Quarterly Responsible Investment update to the Management Panel, which is publicly available and provides information on Responsible Investment activities and progress. GMPF's Investment Strategy Statement is updated triennially following a period of public consultation. In recent years, the majority of feedback and comments received have related to the Responsible Investment section which has helped shape the final version.

GMPF's approach to stewardship is an extension of the philosophy and culture embedded within the organisation which has been carefully fostered over decades. While there is some amount of turnover in the membership which ensures a fresh look at GMPF's policies and practices, the Fund can also rely on the experience of the longer standing members to help newer members integrate. Members have access to regular training to ensure they can effectively carry out their duties. During the reporting period, a number of training sessions were held as part of the IMESG & P&D Working Groups meetings. This training aids members in carrying out their fiduciary duties on responsible investment related subjects such as split voting in Pooled funds, tax practices that GMPF has been raising as issues via shareholder resolutions, fossil-free and environmentally sustainable supply chain in the automotive sector and labour rights and freedom of associations. Some of these topics can be considered difficult but GMPF strongly believes in tackling the difficult questions head on rather than avoiding them.

The strong governance structure, processes, and way in which GMPF operates allows for members and advisors to have access to external managers, Officers and other service providers at working group meetings and management panel meetings where they can raise issues and questions, they feel are important. Working Group meetings often generate deep discussions and robust questioning of external providers, managers and Officers. This ensures GMPF's approach is aligned to its stated policies and has created a culture of openness, transparency and accountability.

GMPF exists to pay the pension of its members and while carrying out this fiduciary duty recognises the role it can play as a responsible investor. GMPF demonstrates a flexible attitude in the way in which it listens to and takes on board feedback and communicates with its members in a clear and constructive way. The Fund has a clear and defined culture and strategy which is articulated in the Investment Strategy Statement and Core Belief Statement. Additionally, the broad range of themes in the RI Policy demonstrate GMPF's recognition of the ESG related risks and opportunities it faces and processes it has developed which ensure GMPF is well placed to continue paying the pensions of its members and remain a responsible investor.

GMPF believes its fiduciary duty of meeting the needs of its beneficiaries and employers are being met as evidenced by strong returns over the long term and recognition by the UN PRI of its reporting and the Responsible Asset Allocator Initiative (RAAI). GMPF was included in the leaders list of the RAAI. The study conducted in partnership with the Fletcher School at Tufts University assesses how large asset owners integrate sustainability and long-term responsible investment beliefs into their investment processes. The most recent 2024-2025 leaders list assessed 295 of the world's largest asset owners from 66 countries, representing USD 29 trillion in assets.

GMPF achieved a perfect score, along with 39 other asset owners. GMPF was first assessed in 2021 when the Fund scored 94 out of 100. The latest assessment consists of thirty different criteria, split across ten principles that are used to assess asset owners which include Commitment, Accountability, Partnership and Impact. These assessments external confirmation and validation of GMPF's approach and commitment to responsible investing.

GMPF is an open, contributory defined benefit occupational pension scheme. The primary objective of GMPF is to pay the pensions of its **437,000 members** whose average age is 55. The table below provides a breakdown of members. GMPF achieves this objective by maximising the long-term investment return whilst not exceeding an acceptable degree of risk. GMPF firmly believe in strong governance and a long-term approach.

Status	Number of Members	Average Age
Active	127,000	45
Deferred	151,000	47
Pensioner	159,000	71
Total	437,000	55

GMPF has taken a long-term approach as it will need to pay the pension of its members for many decades to come. In order to meet those long-term liabilities, GMPF needs to ensure the assets are sufficiently built up to fund those obligations. Without losing sight of the main objective, GMPF has identified a number of risks both long and short-term in nature that it must navigate to ensure it is well placed to be able to make those pension payments now and in the future.

GMPF's long term investment horizon means it is well placed to withstand short term risks. GMPF has a strong funding level and employer covenant. The bespoke benchmark provides adequate diversification. The strategic balance of investments takes account of the risk/return characteristics of each asset class and the potential for enhanced long-term returns. Risk in relation to any asset class is considered 'in the round'. Complementing this, individual mandates have detailed, specific risk management constraints.

GMPF considers its approach to Responsible Investment to be rooted in financial materiality and risk management and is further informed by understanding its beneficiaries' views. Therefore, GMPF has expectations of investee businesses that encompass more than financial considerations alone. The assets of GMPF represent the combined savings of generations of public sector workers, without whom the pension fund would not exist.

GMPF originates from a part of the country that has seen jobs in thriving industries fall away leaving behind relatively high unemployment and often replaced with low-quality or precarious jobs. GMPF understands the needs of its beneficiaries and takes in their comments and feedback to ensure their views are reflected its investment activities. These are the fundamental reasons why GMPF believes and supports the Investing in a Just Transition initiative.

MANAGEMENT ARRANGEMENTS

Total Main Fund £30,461 million

Externally managed		**£20,875 million**
Securities Portfolio	**Asset Class**	
UBS	Multi Asset	£10,890 million
SciBeta	Global Equities	£2,594 million
Legal & General	Multi Asset	£2,911 million
Ninety One	Global Equities	£1,833 million
Newfleet (formerly Stone Harbor)	Global Credit	£1,636 million
Property	**Asset Class**	
Schroders	Property	£650 million
APAM	Property	£79 million
Avison Young	Property	£282 million

Internally managed	**£8,624 million**
Cash & Alternatives	£6,330 million
Property	£2,294 million

Northern LGPS Vehicles	**£1,993 million**
NPEP	£854 million
GLIL	£1,142 million

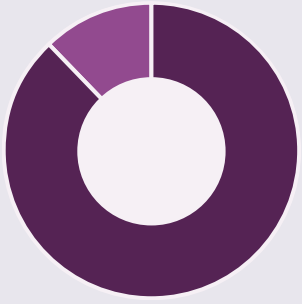
Breakdown of the management arrangements of the GMPF as of 31 December 2025



ASSET CLASS SPLIT

- **43%** Equities
- **21%** Fixed Income
- **6%** Private Equity
- **4%** Private Debt
- **5%** Infrastructure
- **10%** Property
- **7%** Local Investments
- **5%** Other

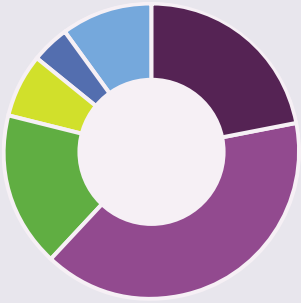
Breakdown of the assets of GMPF as at 31 December 2025



PUBLIC MARKET ACTIVE /INDEX TRACKING SPLIT

- **88%** Active
- **12%** Index tracking

Regional breakdown of GMPF's equity holdings as at 31 December 2025



REGIONAL EQUITY SPLIT

- **22%** UK
- **40%** North America
- **17%** Developed Europe (EX UK)
- **7%** Japan
- **4%** Developed Asia Pacific (EX Japan)
- **10%** **All** Emerging Markets

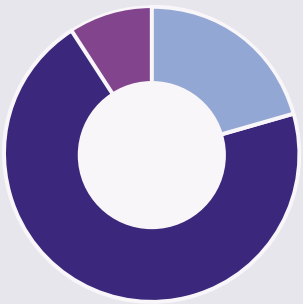
Regional breakdown of GMPF's equity holdings as at 31 December 2025



REGIONAL PRIVATE EQUITY SPLIT

- **45%** North America
- **38%** Europe
- **17%** Asia and other

The regional breakdown for Private Equity assets is below as of 30 September 2025



REGIONAL INFRASTRUCTURE SPLIT

- **69%** Europe
- **22%** North America
- **9%** Asia and other

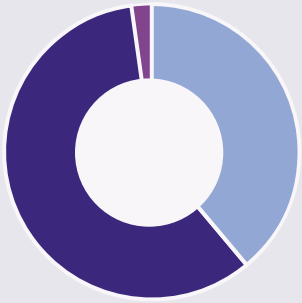
The regional breakdown for Infrastructure assets as at 30 September 2025



FIXED INCOME SPLIT

- **44%** UK
- **56%** Overseas

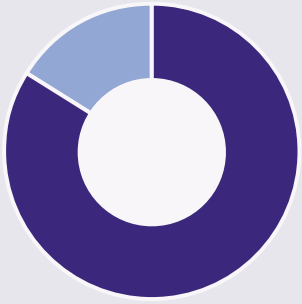
Breakdown of GMPF's Fixed Income holdings as at 31 December 2025



REGIONAL PRIVATE DEBT SPLIT

- **39%** North America
- **59%** Europe
- **2%** Asia and other

The regional breakdown for Private Debt assets as at 30 September 2025

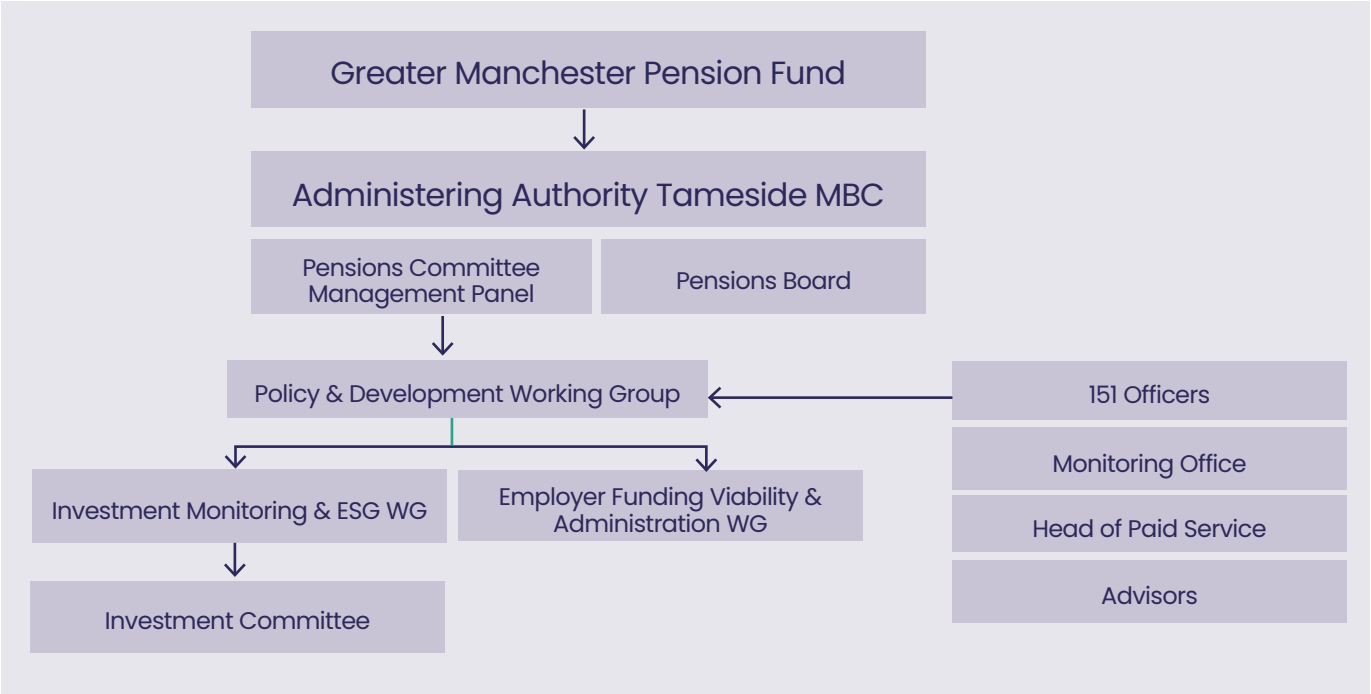


REGIONAL PROPERTY SPLIT

- **84%** UK
- **16%** Overseas

The regional breakdown for property is below as of 31 December 2025

All of GMPF's assets are pooled and fall under the oversight of the Northern LGPS Joint Committee.



Describe how your resources enable effective stewardship.

GMPF believes strong governance enables it to fulfil its duties. Regular formal meetings ensure that stakeholders can scrutinise its activities. The governance structure is set out below and the Governance Policy is available on the website.

The **Pension Fund Management Panel** carries out a similar role to the trustees of a pension scheme and they are the key decision makers for:

- Investment Strategy
- Monitoring investment activity and performance
- Overseeing administrative activities
- Guidance to officers in exercising delegated powers

Each local authority within Greater Manchester is represented on the Management Panel, as is the Ministry of Justice. The **Pension Fund Advisory Panel** works closely with the Management Panel and advises them on all matters. Each local authority is represented on the Advisory Panel and there are six employee representatives nominated by the North West Trade Union Council.

The Council has delegated all its functions as administering authority of GMPF to the Pension Fund Management Panel which routinely meets on a quarterly basis. The Management Panel appoints the Pension Fund Advisory Panel and external advisors and has dedicated internal Officers of GMPF to advise it on the exercise of its delegated powers. GMPF has two external advisors who assist the Advisory Panel, in particular regarding investment related issues. Their experience is wide ranging to ensure they are able to understand and advise on the activities of GMPF. There are three working groups which report to the Panel on specialist matters and each convene quarterly. GMPF's external managers attend the working group meetings and report specifically on Responsible Investment matters at the Investment Monitoring and ESG (IMESG) working group.

The Officers of GMPF attend/participate in **seminars** and **roundtable events** to gain a better understanding on ESG related issues. Ideas and thoughts discussed at these events and wider learning are discussed within the Investments team

at GMPF which feed into the agenda for the Working Group meetings and investment practices. The Investments Committee meets monthly where investment related matters and proposals are discussed between the investment teams across all asset classes. All new investment proposals from GMPF's internally managed portfolios are presented to the Investments Committee and scrutinised before they move forward for implementation. These regular meetings assist the Director in discharging delegated authority.

GMPF has a **Business Plan** that is updated annually that formally incorporates an objective of enhancing stewardship activities and sets desired outcomes. The objectives include areas such as governance of GMPF, collaboration, local investments and ESG factors. GMPF understands it can make a positive change and so a part of its strategy is to help in the regeneration of the local area. The ESG outcomes include the encouragement of suppliers and investee companies to work towards a just transition to a net zero emissions economy by c2050 and to minimise the environmental impact in delivering GMPF's ultimate objective of paying its pensioners. GMPF takes its obligation to Responsible Investment seriously and its implementation forms part of the business plan which is reported to and monitored by the Management Panel.

GMPF's **Risk Register** includes an assessment of both long- and short-term issues that could impact the day to day running of GMPF and ways in which these risks can be mitigated. Potential ESG related legislation, the conflict between Russia and Ukraine and wider geopolitical tensions are examples of risks that have been identified that could have an immediate impact while ESG risks are considered to have both short- and longer-term impacts. This approach is incorporated into GMPF's **Investment Strategy Statement** which includes a period of public and employer consultation to promote an open dialogue, transparency and the opportunity to incorporate the views of other stakeholders.

GMPF's IMESG Working Group is one of the three specialist working groups established by the Fund under the authority of the Pension Fund Management Panel. Its role is to examine investment and ESG matters in depth, support oversight, and make recommendations back to the Management Panel. The Working Group examines how ESG principles are embedded within the Fund's investment processes — including asset managers' ESG frameworks, stewardship activities, and thematic priorities. The Working Group operates with active involvement from elected Councillors, senior GMPF officers, investment managers, and external advisers, ensuring that both financial and ESG considerations are robustly incorporated into GMPF's long-term investment approach.

There are three main strands to Stewardship at GMPF which are targeted appropriately given capabilities in terms of expertise, experience and resources that can be made available. Internally, Stewardship is considered at all levels within GMPF's structure. At an individual level all Officers are encouraged and supported to learn about Responsible Investment matters relevant to their asset class of expertise. As an example, a proposal at the Investments Committee for an investment into the Impact portfolio would be examined against the portfolio's twin aims to ensure that there is indeed a positive local impact as well as a commercial return.

GMPF believes the team is appropriately resourced with its own experience and the experience of its external managers and RI advisor to carry out its stewardship activities. GMPF's Chief Executive is the Chair of the LGPS Scheme Advisory Board's **Responsible Investment Advisory Group**. The Assistant Director of Pensions (Investments) who reports to the Chief Executive dedicates a significant proportion of time to Responsible Investment and is a member of the Local Authority Pension Fund Forum's (LAPFF) executive committee. There is one member of the investment team who dedicates the majority of their time to Responsible Investment activities. The Officer has obtained the CFA Institute's Certificate in ESG Investing.

GMPF draws on the skills, expertise, and ongoing learning of its external managers. For example, members of the UBS team have completed the CFA Certificate in ESG Investing, while staff at Ninety One have taken part in Imperial College Business School's three-week Climate Risk Programme, which supports the development of their processes and decision-making.

GMPF makes use of the specialist technology from providers such as Sustainable1, formerly Trucost, to assess and manage climate-related risks, illustrated by the Funds commitment to carrying out an annual carbon footprint of its investment portfolios using external experts. Sustainable1's environmental and carbon datasets provide detailed greenhouse-gas emissions metrics and portfolio-level climate-risk insights. These datasets measure environmental impact across



Rochdale Canal
Mike Norris, Pexels

over 20,000 companies and are widely used by financial institutions for portfolio carbon analysis and climate-risk assessment.

Officers also undertake optional training where they believe it will enhance their effectiveness. One such example is the Climate Change and Investment Academy, delivered by AllianceBernstein in partnership with The Earth Institute at Columbia University, which offered practical guidance on integrating climate considerations into the investment process.

Through GMPF's activities and collaborations, officers have developed substantial knowledge and experience in Responsible Investment, bringing a wide range of perspectives that help shape the Fund's approach.

The GLIL Infrastructure vehicle's investment committee includes an infrastructure and renewable investment specialist. Dr Patricia Rodrigues Jenner is an independent member of the committee which is responsible for approving GLIL's investments. Dr Jenner has two decades' experience in infrastructure investing. She has recently held director and non-executive director positions at Macquarie, PSP Infrastructure, and Aquila European Renewables Income Fund plc, where she used her investment and ESG insight to provide guidance ensuring that all investment activity delivered appropriate risk-adjusted returns for shareholders. Earlier in her career, Dr Jenner was involved in setting up the UK Green Investment Bank within the Department for Business, Energy and Industrial Strategy (BEIS), now the Green Investment Group.

Members, as well as Officers of GMPF, attend regular training events and conferences to ensure they are well informed and kept abreast of developments within investments including Responsible Investment. GMPF's external managers typically provide annual training which Members and Officers of GMPF attend. This training, along with wider learning, helps Members understand the issues faced by GMPF and how they are addressed. This knowledge helps ensure Members of the Management Panel are well equipped to carry out their duties. Further details on GMPF's governance structure and personnel details can be found in the Annual Report.

The second strand to GMPF's stewardship approach is via its appointment of **PIRC Limited** as its **Responsible Investment advisor** who assist in the development and implementation of the Responsible Investment Policy. GMPF is an active member in LAPFF and leverages its position to challenge companies in which it has an interest across the full spectrum of Responsible Investment issues. The majority of GMPF's engagement activity is carried out via these relationships. Officers meet regularly with PIRC to ensure the engagement activity is aligned to GMPF's expectations and keep

up to date with any new developments.

PIRC bring over 25 years of experience in proxy research and ESG issues which GMPF regularly leans on to ensure the best possible outcome can be achieved. An example of this is the co-filing of shareholder resolutions. GMPF sought to co-file shareholder resolutions with Next and Shell across a range of ESG issues. While Officers from GMPF joined meetings and gave the perspective of an investor, PIRC provided the expertise in terms of the issues and outcomes of engaging with the companies. PIRC is also the Responsible Investment advisor to the Northern LGPS. This relationship from a GMPF perspective ensures alignment of Responsible Investment policy between GMPF and the Northern LGPS. Members of GMPF receive invitations to attend and are encouraged to participate in these events and with the shift to moving meetings online they have become more accessible.

GMPF's formal memberships in organisations such as the Climate Action 100+, IIGCC, the Workforce Disclosure Initiative and affiliation in groups such as the Asset Owner Council (formerly UK pension fund RI Roundtable) and the Cross Pool RI group help Officers stay well informed of developments and evaluate the effectiveness of its activities.

The final strand to GMPF's approach to Stewardship is via its external asset managers. GMPF believes that the asset managers have the resources, capabilities and scale to carry out stewardship activities effectively. The external managers routinely present on Responsible Investment related topics to the IMESG Working Group. They report on their processes and how they are evolving their stewardship activity.

GMPF produces a quarterly **Responsible Investment Activity** report that is presented to the Management Panel and can be found in the agenda reports pack for each Panel meeting using the link below. The purpose of the report is to document Responsible Investment related activities across all three strands in GMPF's stewardship approach across all asset classes. The report was introduced following feedback received requesting more disclosure of GMPF's positive stewardship activities. The report lists activities under each of the six PRI principles. In the interest of transparency, the report is publicly available with contact details available for any feedback. This demonstrates GMPF's commitment to responsible investing and listening to the views of members and beneficiaries.

https://tameside.moderngov.co.uk/ieListMeetings.aspx?CommitteeId=136

GMPF does not offer additional or incremental reward or incentivisation its employees or its external asset managers to integrate stewardship into investment decision making. GMPF believes that stewardship and ESG should be incorporated into the investment process as standard and be seen as part of the day to day role of an investment manager. This belief covers all asset classes. For public market assets ESG issues are discussed during quarterly manager monitoring meetings and the private markets team take into consideration ESG as part of their due diligence and monitoring processes. The Local Investment team take into consideration their twin aims of ensuring a positive local impact as well as a commercial return and the investments in infrastructure via the GLIL vehicle by nature are long-term and therefore decisions are made through a sustainability lens.

GMPF believes the most effective way to effect change is by **engagement and dialogue** with the companies it invests in. GMPF seeks to **work collaboratively** with other institutional shareholders in order to maximise the influence that it can have on individual companies. GMPF strives to achieve this through its membership of collaborative organisations, to engage with companies over environmental, social and governance issues and numerous initiatives and forums that span across the full spectrum of ESG issues. It is more likely that GMPF will collectively pursue thematic engagement, rather than company specific issues, with likeminded investors. The external managers report their stewardship activities to the IMESG Working Group which provides a setting for them to demonstrate they are escalating engagement where necessary and the appropriate steps are being taken to reach a desired outcome. This Working Group meeting also provides members an opportunity to assess the managers' alignment with GMPF's stewardship expectations and respond with any thoughts and comments. GMPF actively contributes to a number of organisations on ESG matters which are listed below.

Principles for Responsible Investment

GMPF is a signatory of the UN backed PRI and reports publicly its Responsible Investment activity through the PRI's reporting framework.

Climate Action 100+

GMPF is a signatory of the Climate Action 100+ initiative. The aim of this group is to work with companies to ensure that they are minimising and

disclosing the risks and maximising the opportunities presented by climate change. The organisation has a list of focus companies that they are working through and use the backing of the signatories as leverage.

Institutional Investors Group on Climate Change

GMPF is a member of IIGCC whose aim is to mobilise capital for the low carbon transition and to ensure resilience to the impacts of a changing climate by collaborating with business, policy makers and investors. Officers attend seminars and keep up to date with collaborations and initiatives of IIGCC.

CDP

GMPF is a member of the CDP (formerly Carbon Disclosure Project). Each year, the CDP supports companies, cities, states and regions to measure and manage their risks and opportunities on climate change, water security and deforestation. Investors can use the annual disclosures as a basis for engagement with companies. The Fund is a supporter of the CDP's annual Non-Disclosure Campaign.

The Transition Pathway Initiative

The Transition Pathway Initiative (TPI) is a global, asset-owner led initiative which assesses **companies' preparedness for the transition to a low carbon economy. The assessments provide a rating for each company that can be used to target engagements to specific issues relating to climate change. GMPF is a signatory.**

Investing in a Just Transition Initiative

GMPF supports the Investing in a Just Transition Initiative which focuses on delivering a transition to a low-carbon economy while supporting an inclusive economy with a particular focus on workers and communities across the UK. GMPF understands this needs to be done in a sustainable way that safeguards against communities being left behind during this transition and has spoken at events and webinars to raise awareness of this issue.

Global Mining & Tailings Safety Initiative

GMPF has been involved in and backed this initiative. Spearheaded by the Church of England Pensions Board and the Swedish Council of Ethics of the AP Pension Funds the initiative aims to tackle the problem of tailings dam safety.

Workforce Disclosure Initiative

The Workforce Disclosure Initiative is an organisation that focuses on company disclosure and transparency on how they manage workers with the aim of improving the quality of jobs in multinational companies' operations and supply chains. GMPF is a member and actively promotes the creation of decent work and quality jobs as part of its approach to employment standards and human capital management.

Local Authority Pension Fund Forum

GMPF is a member of LAPFF. Most engagement activity is undertaken through the forum and representatives of GMPF take part in company engagements. LAPFF is a collaborative shareholder engagement group of Local Authority pension funds. Given the long-term nature of the members they can look beyond the short term to ensure a positive impact is made through engagement activity.

30% Club

The 30% Club is a group taking action to increase gender diversity on boards and senior management teams with the aim of achieving a minimum of 30% female representation on FTSE 100 boards. GMPF is a signatory to this campaign and is working alongside other signatories to engage with companies on the target list.

Asset Owner Council (formerly UK RI Roundtable)/Cross Pool RI Group

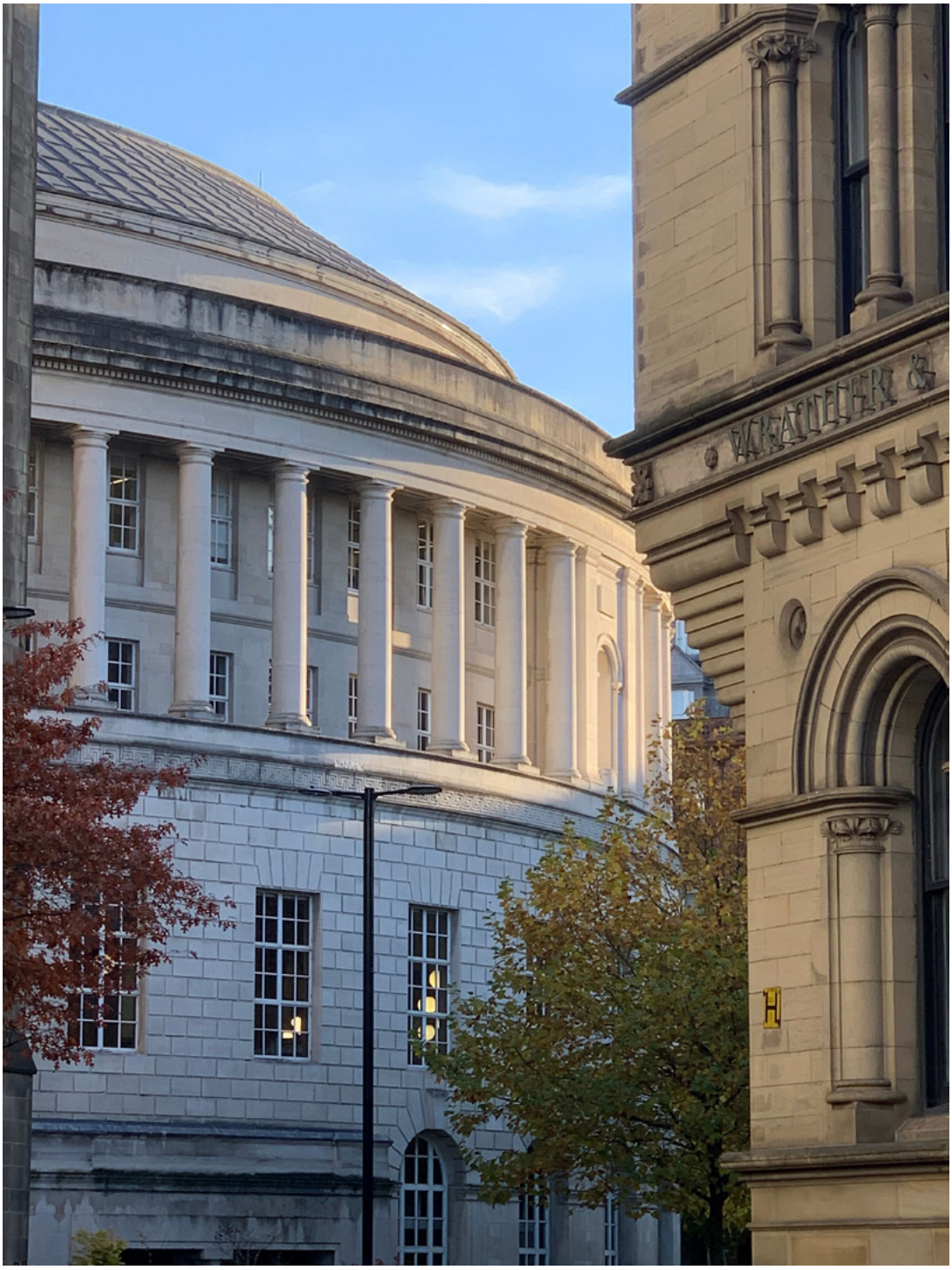
GMPF is a member of both these groups set up to collaborate and share insights into their activities related to Responsible Investment. Both groups meet quarterly and are an informal setting for members to assist one another and also use the collective voice to engage with other organisations. There are a number of external presentations to the Asset Owner Council relating to RI themes such as climate change, biodiversity and impact investing all of which assist GMPF's approach to Stewardship.

PIRC

GMPF appointed PIRC Ltd as its responsible investment adviser, to assist in the development and implementation of its RI policy. PIRC Ltd is an independent corporate governance and shareholder advisory consultancy providing proxy research services to institutional investors on governance and ESG issues.

Valuing Water Finance Initiative

GMPF's RI Policy covers a wide range of issues that have been identified as being important themes to



Manchester
Central Library
Haydon Waldek, Pexels

focus its RI activities. Water stewardship is one of these themes. The supply and availability of fresh water underpins virtually every transaction on earth, financial or otherwise. As the global demand for fresh and dependable sources of water increases, driven largely by population growth, preserving the supply of reliable freshwater becomes ever more challenging. There are significant physical and transitional risks facing companies in future scenarios of high-water stress. The World Economic Forum has consistently identified water crises as one of the top risks to economic prosperity. In its continued efforts to raise awareness of this issue GMPF via Northern LGPS joined the Valuing Water Finance Initiative (VWFI) in 2022. The initiative is a new global investor led effort to engage companies with a high water footprint to value and act on water as a financial risk and drive the necessary large-scale change to better protect water systems. The initiative calls on companies to meet Corporate Expectations for Valuing Water that align with the United Nations' 2030 Sustainable Development Goal for Water and the actions laid out in the Ceres Roadmap 2030. The Corporate Expectations for Valuing Water and link to the initiative can be found using the links below.



Manchester Metrolink tram
Aleksey Zotov, Alamy

Describe your stewardship policies and processes, and how you review them.

GMPF firmly believes that reviewing policies and processes is crucial to the effective implementation and evolution of its RI activities. Regular reviews keep GMPF up to date with regulations and best practices and ensures that its policies are consistent and effective. GMPF's business plan has explicit objectives related to its responsible investment approach that are evaluated and renewed each year.

The IMESG working group meets quarterly at which much of GMPF's direct Responsible Investment related activities are communicated to Members as well as indirect activities via external managers, PIRC and LAPFF. The working group meetings have a format of a presentation and then time is allotted for questions from members in the audience. Comments and questions from these meetings are used by Officers to evaluate GMPF's approach and ensure members views are taken into consideration and reflected accordingly.

As an example, GMPF has received numerous enquiries from beneficiaries and tax payers in relation to its approach to managing climate risk. Members commented at various Working Group meetings that they would like GMPF to provide more external communication justifying and clarifying its position on this issue. Officers worked with UBS to produce a document explaining our approach to oil and gas companies and climate change. GMPF firmly believes that the energy sector will play a critical role in the transition of the world to a low carbon economy. The International Energy Agency forecasts in the net zero emissions by 2050 scenario annual investment in oil and gas will decline and the skills and expertise of oil and gas companies are suited to the increasing demand for low emission technologies. The full document is publicly available on GMPF's website. In an effort to enhance the effectiveness of the communication, two versions of the document were produced. One

version included key messages, and the second provided more detailed information. To ensure the documents remain relevant and incorporate the most up to date views both documents were refreshed during the year.

Providing regular training for Members on issues such as climate change enhances the Panel's knowledge and skills and ensures they are able to carry out their duties effectively. During the reporting period, a number of training sessions were held as part of the IMESG & P&D Working Groups meetings. Training designed to aid members in carrying out their fiduciary duties on subjects such as split voting in Pooled funds, company tax practices, fossil-free and environmentally sustainable supply chains and labour rights and freedom of associations. Some of these topics can be considered difficult but GMPF strongly believes in tackling the difficult questions head on rather than avoiding them. Working Group meetings often generate deep discussions and robust questioning of external providers, managers and Officers. This ensures GMPF's approach is aligned to its stated policies and has created a culture of openness, transparency and accountability.

GMPF is a signatory to the UN PRI and reports on its Responsible Investment activity through the PRI's reporting framework. GMPF receives the PRI's assessment on its responses and this feedback is reported to members of the IMESG working group. Where previously GMPF's submission was made after a thorough review from senior Officers the reporting now has an additional layer of scrutiny from the IMESG Working Group. This additional layer of scrutiny provides additional assurance of the credibility of the reporting which has helped GMPF in the confidence Building reporting module.

PIRC is GMPF's appointed partner who assists the Fund in the development and implementation of its Responsible Investment policy. GMPF's approach to Responsible Investment is informed by the numerous initiatives it supports. The Responsible Investment policy incorporates themes considered to be important and material in terms of risks and opportunities. PIRC present an annual update to shareholder voting guidelines to the IMESG meeting Working Group. PIRC identify and promote high standards of corporate governance for listed companies and often challenge the boards and individual directors of companies that fall short. PIRC note that in order to remain truly independent it declines any paid or unpaid consultancy from companies on which it reports as this would create an unacceptable conflict of interest.

A review of GMPF's Investment Strategy is carried out each year where GMPF seeks the opinions and comments of its advisors, external managers and consultant on the strategy it is taking which includes its approach to responsible investing, in the context of strategic asset allocation. The inputs are analysed within the investment team and then reported to the Management Panel. This review provides GMPF with a level of assurance in ensuring its policies and approach are effective and verification regarding the appropriateness of its strategy.

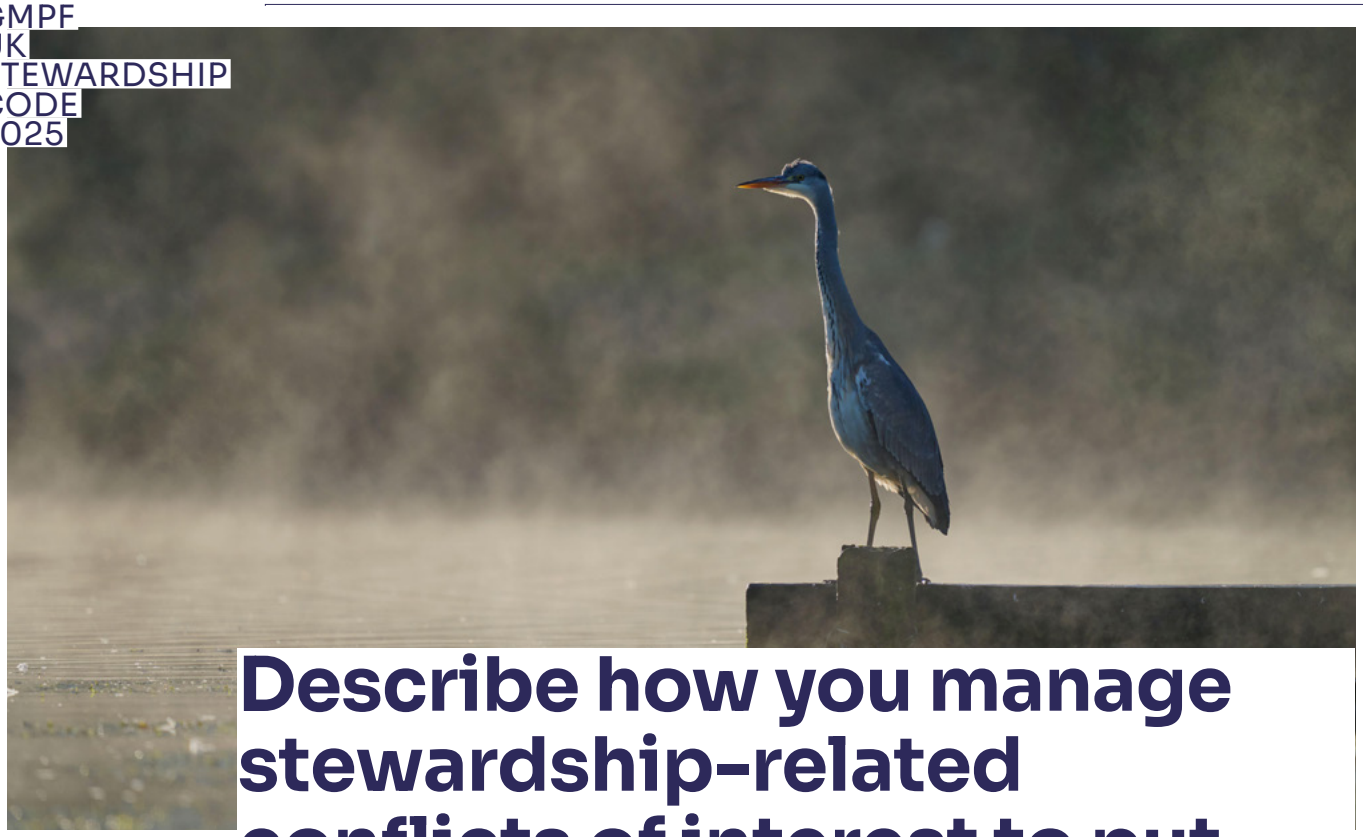
The Funds approach to stewardship is constantly evolving and incremental improvements are regularly implemented. The continuous changes are an indicator that processes are regularly reviewed. GMPF makes use of both internal and external resources to ensure the policies and practices in place are robust and effective.

LAPFF produce a report covering their engagement activity each quarter. This includes an assessment of engagement and company specific progress updates that help provide an indication of the effectiveness of the different approaches taken with companies. Officers often use these reports as well as wider reading to stay informed of issues at companies that can be raised with GMPF's external fund managers.

The Northern LGPS Stewardship Report which is publicly available on its website also highlights RI related activity at a Pool level. This report includes an assessment and summary of issues that have been addressed during the reporting period.

The RAAI recognises GMPF's responsible investment practices in its assessment of large asset owners. The RAAI Index analyses how the world's largest long-term investors are developing strategies to manage critical ESG issues along 10 core principles and 30 detailed criteria. The top group of asset allocators are recognised as leaders and standard setters who provide a benchmark of excellence for the broader investment community.

A draft of GMPF's UK Stewardship Code application was presented to IMESG Working Group to ensure members had an opportunity to submit any feedback or comments. Furthermore, the draft copy was sent on to GMPF's RI advisor with the intention of seeking external verification and ensuring that the application was a fair and balanced reflection of GMPF's RI activities. Both the Working Group and RI advisor endorsed GMPF's application before it was finally submitted.



Reddish Vale Country Park, Greater Manchester
Whittaker Wildlife UK, Alamy

Describe how you manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first.

Tameside Metropolitan Borough Council's Standards of Conduct and Ethics for employees is publicly available and is applicable to all employees as the administering authority for GMPF. Parts 1, 2 and 3 of the Code of Conduct cover conflicts arising by virtue of officers' personal or family interests irrespective of whether they are financial. In respect to conflicts of interest within GMPF, members are required to make declarations of interest at the start of Working Group and Management Panel meetings.

Tameside Metropolitan Borough Council is the administering authority of GMPF, and further details of the Council's policy in relation to declarations of interest are available on the Council's website. GMPF's governance structure in conjunction with the GMPF Local Pension Board ensure conflicts of interest are managed. GMPF augmented the Council and Local Board conflicts policies by adopting its own fund specific policy during the reporting period. GMPF expect its external managers to have effective policies addressing potential conflicts of interest that are covered in their Stewardship Code reporting.

From time to time GMPF is required to appoint new asset managers or service providers. Conflicts of interest, or the appearance of a conflict of interest, may arise in the form of previous employment whereby a GMPF Officer has been previously employed by an organisation that is under consideration for appointment. To mitigate this GMPF Officers involved in the appointment process are required to declare this potential conflict to GMPF's Compliance Officer who would record this and assess whether the Officer can take part in the appointment process or be recused.

One area where a conflict of interest could arise is in GMPF's local investments portfolio. To mitigate this potential conflict GMPF has delegated authority to Officers and external fund managers where members, some of whom may be local councillors have no influence in the appraisal process. Decisions are made on the merits of each individual investment case and scrutinised by the investments committee which comprises of a wider group of GMPF Officers.

To avoid any conflicts of interest GMPF's external appointed Responsible Investment advisor, PIRC Ltd, does not take on any paid or unpaid consultancy from companies on which it reports.

No conflicts of interest have been identified during the reporting period.

Describe how you maintain a dialogue with clients and/or beneficiaries.

GMPF maintains robust dialogue with its beneficiaries through a governance framework that embeds member representation, facilitates structured scrutiny, and ensures transparent, accessible communication. Beneficiary voices are integrated directly into decision-making via the Fund's formal governance bodies. The Pension Fund Management Panel, comprising elected councillors from all ten Greater Manchester authorities, and the Advisory Panel, which includes six employee representatives nominated by the North West Trade Union Council, provide clear channels for members' views to shape policy and oversight. These bodies meet regularly to review reports, question officers and service providers, and raise issues brought forward by beneficiaries and employers, ensuring that their perspectives are actively considered in setting strategy, monitoring stewardship activity, and evaluating fund performance.

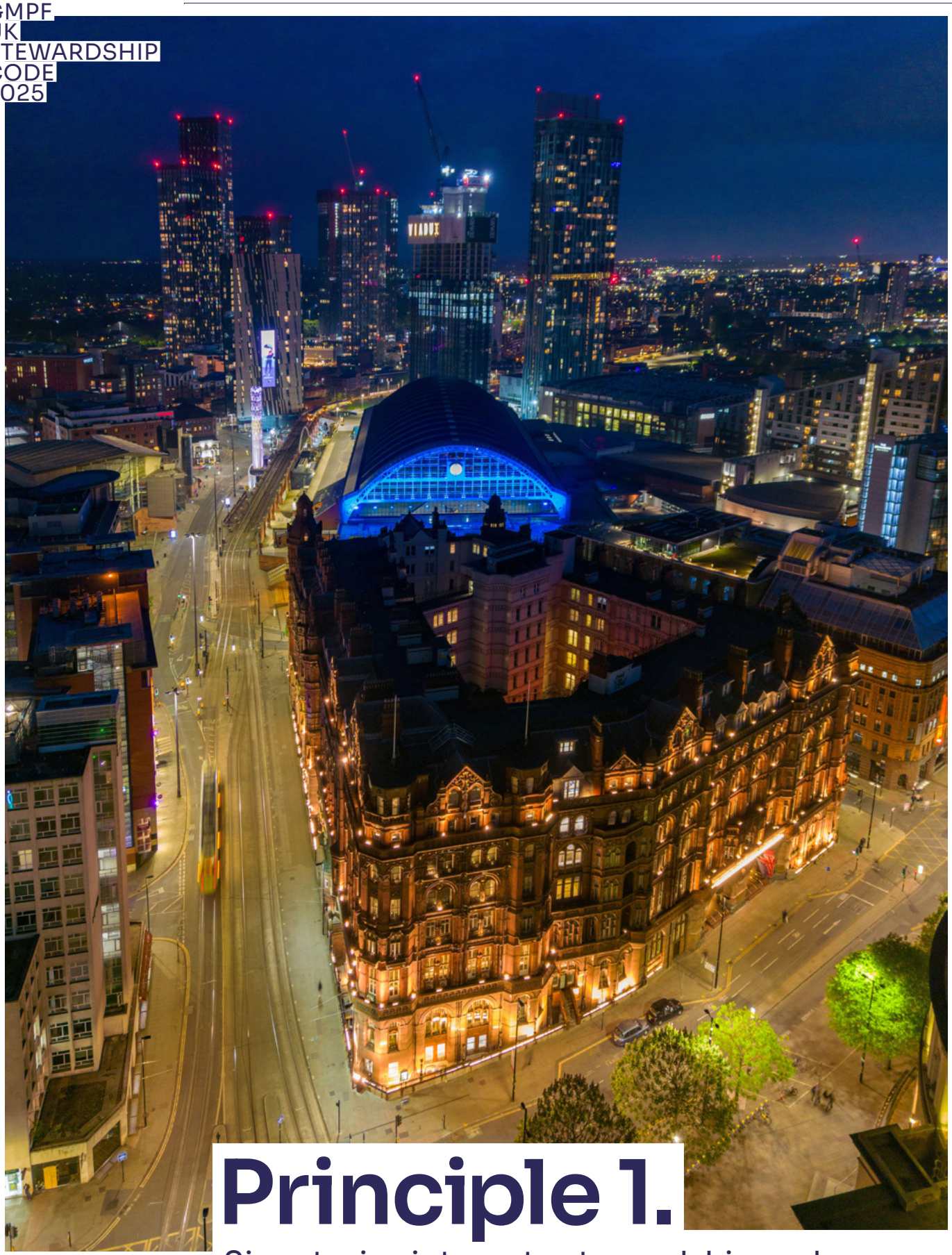
Dialogue is strengthened through Quarterly Working Group meetings, particularly the Investment Monitoring & ESG (IMESG) Working Group, which acts as an open forum for two-way engagement. Elected members, officers, external investment managers and the Responsible Investment advisor participate in detailed discussions, debate and challenge stewardship activities, voting, engagement results, and emerging ESG risks. Member feedback and questions at these meetings feed directly into the refinement of RI practices and disclosures. For example, beneficiary enquiries about climate risk led GMPF to publish, and subsequently refresh, a publicly accessible explanation of its approach to oil & gas holdings and the wider energy transition.

Public consultation and transparent disclosures complement these governance routes, broadening the channels through which beneficiaries can engage. GMPF's Investment Strategy Statement undergoes public and employer consultation, with feedback—predominantly on Responsible Investment—which is incorporated into the final version. Ongoing transparency is maintained through quarterly Responsible Investment Activity reports to the Management Panel, pre-disclosure and publication of the Fund's voting records, annual carbon-footprint reporting for listed equities and corporate bonds, and publication of local-impact assessments and case studies. These materials are made publicly available and invite further scrutiny and response from stakeholders.

The Fund also recognises the importance of equipping beneficiary representatives with the knowledge needed to engage meaningfully and hold the Fund to account. Regular training is provided to members on Responsible Investment-related topics such as pass-through voting in pooled funds, climate risk, supply-chain sustainability, labour rights and tax transparency. This continual capacity-building leads to more informed discussions and enhances the quality of engagement at Panel and Working Group meetings. GMPF also participates in Northern LGPS stakeholder events, which bring together members, officers and external managers to share progress on investment activities, including stewardship and regional impact, providing another touchpoint for engagement and feedback.

GMPF places emphasis on responsive communication. When beneficiaries request clearer explanations or alternative formats, the Fund adapts accordingly producing shorter "key messages" versions of technical documents, refreshing communications to reflect updated positions, and commissioning independent analyses such as impact assessments for the Local Investment portfolio. Officers draw on insights from Working Group discussions, member enquiries and updates from advisers to refine processes and disclosures, reinforcing a culture of openness and continuous improvement.

In summary, GMPF maintains dialogue with its beneficiaries through embedded democratic representation, structured forums for challenge, transparent and accessible reporting, and responsive, informed communication. These mechanisms create a continuous feedback loop in which beneficiary views are raised, examined and acted upon—ensuring that needs and expectations meaningfully influence stewardship priorities, engagement activity and investment decision-making, while preserving accountability and clarity of purpose across the Fund's activities.



Principle 1.

Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries

GMPF employs a small number of **external public market investment managers** and has not appointed a new manager for a number of years. All current external securities managers are signatories to the PRI. For any new manager appointments GMPF will ensure that its Responsible Investment policies are fully integrated within the investment process of the manager. GMPF would look at the processes and policies in place as well as the effectiveness of procedures of ESG integration and look to examples as evidence. GMPF undertakes significant research and due diligence prior to implementing any new mandates allowing GMPF to integrate its beliefs and responsibilities into the investment process.

GMPF has set itself the target of achieving net zero emissions by c2050, in line with the Paris Agreement and its long-term purpose is grounded in delivering sustainable financial outcomes for its members. GMPF has been on this journey for some time and worked very closely with its active managers to understand their approach to managing the risks and opportunities of an orderly and just transition to a low carbon economy. GMPF's investment beliefs recognise that well-governed companies which manage ESG risks effectively are better positioned to deliver superior long-term returns. GMPF's purpose sets the direction for long term, sustainable value creation, its investment beliefs guide how risks and opportunities are assessed, its strategy embeds those beliefs into investment and stewardship processes, and its stewardship outcomes demonstrate how these principles translate into real world results for beneficiaries.

GMPF expects its external **public markets** managers to have embedded ESG analysis into their investment process. One of the main purposes of the IMESG working group meetings is for the manager to demonstrate their capabilities and report on their stewardship activities and for GMPF to assess the manager on its ability in carrying out its responsibilities. The investments in public markets are across geographies and it is GMPF's expectation that ESG issues are given the same attention regardless of the location of the company.

Day-to-day responsibility for managing equity holdings is delegated to the appointed asset managers, and the expectation is that they monitor companies, intervene where necessary, and report back regularly on activity undertaken. Routine written reports from asset managers on engagement activity are received on a quarterly basis.

GMPF has an allocation to **private markets** and has embedded ESG considerations into the new investment process. To help understand and evaluate a General Partner's process for integrating ESG into their investment practices GMPF uses an adapted version of the PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire when considering new investments for private markets. The tailoring of the survey reflects GMPF's strategy, resources and requirements. This is followed up with numerous meetings to gain an understanding of how Responsible Investment is resourced and implemented. An internal scoring mechanism is applied based on the responses to the questionnaire and the meetings which is then summarised against the six PRI principles and submitted to the Investments Committee for appraisal. The proposed investment is discussed at Investment Committee, where a decision is made whether to invest or not.

GMPF monitor and evaluate each manager annually via a questionnaire and annual investor meetings and reports. These reports can vary widely in terms of what data is provided and how it is presented. Given the large number of managers it can take considerable resource to draw any meaningful conclusions. Officers have considered ESG in private markets and met with managers to understand the credibility of data and how it can be better presented for it to be used in a more meaningful way. Officers are considering ways in which manager data can be summarised and presented more routinely at the IMESG Working Group.

GMPF has an allocation to **Local Investments** which comprises of the Impact Portfolio, the Invest 4 Growth initiative and the Greater Manchester Property Venture Fund (GMPVF). These share the twin aims of generating a commercial return and having a beneficial economic, social or environmental impact in the local area.

The allocation to the impact portfolio and Invest 4 Growth portfolio help GMPF gain cost effective, diversified exposure to a portfolio of impact investments located predominantly in the North West of England. The principal aims used to define impact investing being:

- Targeting underserved markets
- Promoting health and wellbeing
- Supporting improvement in education and skills
- Supporting sustainable living
- Renewable energy generation
- Job creation/safeguarding

Manchester Central Convention Complex
Tom McAtee, Alamy

Principle 1

The Investment Manager responsible for the **Impact Portfolio**, pursues the twin aims of this portfolio, to generate a commercial return and to meet the required impact themes. In all monitoring reviews carried out, Fund Managers are both challenged on their investment strategy to achieve these twin aims, but to also continue upholding the highest ESG standards.

During the due diligence phase, GMPF's Investment Manager identified where the external Fund Managers approach aligned with GMPF requirements and the report to Investment Committee included the impact and ESG considerations that informed their decision. As an example, one of the managers found that the direct lending route allows them considerable influence to determine the terms of deals and engage borrowers on ESG issues. The manager's analysis considers ESG factors over the life of the investment and believes that successful implementation of ESG practices will be a driver of opportunities and actively monitors the regulatory landscape. The manager uses the UN Sustainable Development Goals to guide investment activities as follows:

- Ensure that all homes built are energy efficient through design and construction
- Encourage job creation and apprenticeships
- Construction of affordable and sustainable housing with good transport access
- Avoid resource waste and emission and incentivise the use of recycled and sustainably sourced materials
- Future proof developments with flood resilience and climate insurance cover
- Promote developments that make efficient user of land and protect natural surroundings

GMPF made numerous investments in the Impact and Invest 4 Growth portfolio. Below are examples of investments that highlight GMPF's commitment to high standards of ESG incorporation.

During the year, GMPF invested into a property Fund recognising the significant national shortfall in supported housing and the associated social challenges. The UK continues to face a considerable deficit of appropriate supported housing, resulting in many individuals with disabilities, mental health conditions, or age-related needs living in unsuitable accommodation. Such placements can adversely affect wellbeing, limit independence, and contribute to deteriorating health outcomes. They can also lead to higher public expenditure where individuals require more intensive care than would be necessary in appropriately designed housing. Current estimates indicate that by 2040 an additional 150,500 supported housing units will be required nationally; when existing unmet need of between 179,600 and 388,100 units is considered, demand could rise to between 361,700 and 640,700 additional units by 2040. Survey evidence further highlights accessibility challenges, with 46% of disabled respondents reporting being unable or finding it extremely difficult to access essential medical facilities.

In response to this growing need, the Fund invests in and develops high-quality Specialist Supported Housing (SSH) through the refurbishment and repurposing of existing properties—whether existing SSH or general residential accommodation—and through new-build developments. These homes are tailored for individuals with learning disabilities, physical disabilities, mental health conditions, and other complex needs. Properties incorporate bespoke adjustments aligned to the specific requirements of residents and are intentionally integrated within local communities, ensuring proximity to essential services, including healthcare and education. This approach supports both independence and social inclusion.

The intended impact of the Fund is to deliver measurable social value by increasing the supply of sustainable, high-quality supported housing that represents good value for money for taxpayers and alleviates pressure on Local Authority and NHS budgets. The model enables the provision of tailored support services, developed in collaboration with local authorities, ensuring that residents receive the appropriate level of support to live as independently and with as much dignity as possible. Through these outcomes, the Fund seeks to enhance residents' quality of life while generating long-term, resilient income for investors such as GMPF.

GMPVF is a long standing investor in the north west of England, seeking to undertake developments which achieve a commercial financial return alongside the delivery of economic and regeneration outputs to the region. It provides GMPF access to property development assets located predominantly in the North West of England with an emphasis on Greater Manchester. Its aim is to add value to the economy of the North West through property development to generate employment, improve long term employment prospects and contribute to the overall



Principle 1

development of the local economy. The mandate adopts a very broad definition of property development, to be as flexible as possible to the opportunities available. More recently, this commitment to non-financial outputs has extended to encompass wider Environmental Social and Governance (ESG) criteria.

GMPVF's investments typically involve the purchase of land and property for development either with or without a partner, redevelopment projects which involve the creation of new buildings and / or the refurbishment of existing buildings for new purposes or investment in financial instruments such as debt or equity in property development and investment in collective investment vehicles. GMPVF has a range of considerations which form part of its evaluation of investment opportunities.

New Islington Marina in the Northern Quarter of Manchester City Centre
Roy Conchie, Alamy

Social

- Use of local supply chains
- Local employment in ongoing operation
- Labour standards and working conditions
- Health and Safety
- Stakeholder engagement in planning stage
- Quality of public space and social investment

Environmental

- Supporting GMPF's efforts to reduce its carbon footprint, for example through low carbon in building construction and in use
- Sustainability, Health and Wellbeing accreditations e.g. BREEAM / WELL
- Ecological enhancement e.g. green space/ creation of habitats
- Energy efficiency relative to statutory requirements
- Water efficiency
- Waste mitigation/management plan – recycling and landfill proportions
- Public transport links/cycling facilities
- Minimise construction impacts e.g. noise, dust, traffic

Principle 1

GMPVF undertakes an assessment of these criteria, having reference to statutory requirements and best practice guidelines. Analysis is carried out both at the planning stage and during/following construction. Completed assets are monitored and re-evaluated on a periodic basis in order to identify opportunities for improvement and to assess the impact of new standards in legislation.

GMPF invested in The Podium alongside a joint venture partner to deliver much needed homes in Old Trafford. Podium will provide 440 apartments and house up to 1400 people. As well as providing a number of onsite employment opportunities it is being built with a focus on sustainability and waste avoidance. 98% of the apartments are expected to be an EPC of B or better.

As part of the Northern LGPS pool, GMPF's tender documentation for **External Property Manager Mandates**, included ESG focussed questions relating to people and company philosophy and tenders were evaluated having regard to appropriate responses. In addition, GMPF requires external property managers to adhere to its Investment Strategy Statement (ISS) which outlines GMPF's approach to "Socially Responsible Investment" and GMPF monitors and liaises with External Managers in connection with ESG issues as part of wider investment considerations.

GMPF's External Property Manager, **Catella APAM**, issued its Impact report with case studies showcasing the environmental and social impacts of some of their investments. ESG is also integral to GMPF's due diligence process in making decisions to invest in property investment vehicles and funds, and forms part of the internal reporting process for approvals.

GMPF is invested in the UBS Triton Property Fund which invests in UK commercial property assets across a broad range of property types, geographic holdings, lease lengths and tenant profiles.

Ashton Commerce Park is one such property. This is a substantial industrial distribution warehouse located in Greater Manchester. Following the expiry of the previous lease, the asset is undergoing refurbishment works. As part of this process, a review was conducted of potential sustainability enhancements that could be integrated alongside the refurbishment. This assessment identified several improvements capable of delivering meaningful environmental and operational benefits:

Energy and Carbon Reduction

- Operational carbon emissions and energy costs will be reduced through the removal of the mains gas supply and the installation of LED lighting with sensor controls.
- The use of R32 refrigerant in HVAC systems will lower environmental impact and improve overall energy efficiency.

Water Efficiency

- Comprehensive drainage surveys will be undertaken to ensure effective water management and minimise environmental risk.

Climate Resilience

- A climate risk assessment has been completed to evaluate exposure to climate-related risks and identify existing mitigation and adaptation measures, helping to future-proof the asset.
- A transition risk assessment, including a net zero carbon audit, will be carried out after at least one year of full occupancy to allow for sufficient energy data collection.

Transport and Mobility

- Electric vehicle charging points will be installed to support the transition to low-carbon transport.
- Opportunities for cycle storage and electric bike charging are being explored to further strengthen the site's sustainable mobility offering.

Biodiversity and Community

- The site continues to meet all required accessibility standards.
- Measures have been implemented to preserve existing landscaping and ecological features throughout the refurbishment works.

Health and Wellbeing

- Enhancements to indoor environmental quality will be delivered, supporting tenant wellbeing and contributing to improved satisfaction, which is important for both attracting and retaining occupiers.

GLIL was established in 2015 by GMPF and London Pensions Fund Authority (LPFA) with £500 million of capital investments. In December 2016, Lancashire County Pension Fund, Merseyside Pension Fund and West Yorkshire Pension Fund

Principle 1

were admitted as members of GLIL increasing committed capital to £1.275 billion. In March 2018, further changes were made to the structure of GLIL to facilitate wider participation by pension funds. GLIL moved to an open-ended fund structure that allowed for the admission of new members. Committed capital currently stands at £4.1 billion.

GLIL was formed to enable pension funds to access high-quality returns from predominantly UK-based 'core' infrastructure in a cost-effective manner. GLIL recognises the increasing requirement to demonstrate capital flows towards genuine solutions. In identifying this, during the reporting period, GLIL adopted an ESG policy that sets out its core values and outlines why and how ESG factors influence a forward-looking, successful and trusted infrastructure investor. The GLIL ESG policy outlines how GLIL internalises this through research, investment selection, policy engagement and thought leadership, using:

- Pre-investment screening and assessment
- Valuation
- Stewardship and, where necessary
- Intervention

GLIL was designed by the founding members to better address their needs than many of the commercially available alternatives. Specifically, GLIL seeks to deliver:

- Long Term Ownership. GLIL is an open-ended fund structure that allows for investment with the ultra-long-time horizons of pension fund investors. This avoids the churn of assets every 4-7 years and the associated frictional costs.
- Strong Governance. The members are able to secure increased governance rights over their assets and use these rights to ensure business decisions not only match their views on the risk/return profile of the investment but also are aligned with the long-term hold strategy.
- Pooling of Resources. There are clear benefits to being able to invest in scale in the infrastructure sector. The combining of not just capital but also professional resources allows members to source and invest in assets that they may not have been able to access had they been investing purely for their own account.
- Lower Fees. GLIL's unusual cost sharing model delivers excellent value for money for investors when compared to many commercially available alternatives.

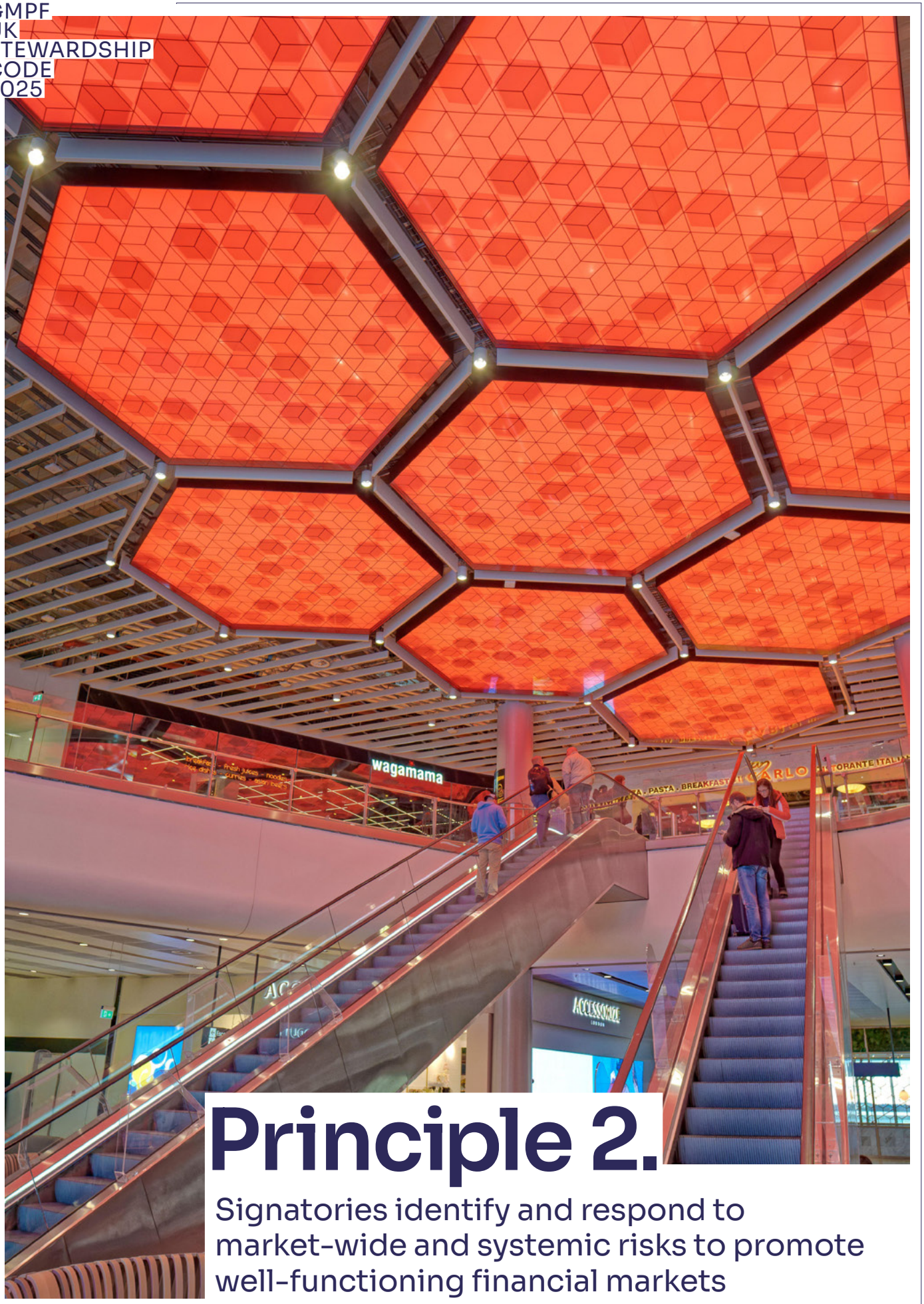
GLIL invests in core infrastructure assets predominantly in the United Kingdom. The investments are expected to have the following characteristics:

- Substantially backed by durable physical assets
- Long life and low risk of obsolescence
- Identifiable and reliable cash flows that are explicitly or implicitly inflation-linked
- Returns that are largely isolated from the business cycle and competition
- Returns that show limited correlation to other asset classes

GLIL recently invested in a landmark UK infrastructure project aimed at securing the long-term water supply for millions across the Northwest of England. The Haweswater Aqueduct Resilience Programme (HARP) involves the replacement and maintenance of six tunnels along the 110km pipeline—originally constructed over 70 years ago—that transports water from the Lake District to 2.5 million residents in Cumbria, Lancashire, and Greater Manchester.

United Utilities has awarded the contract, valued at approximately £3 billion, to Cascade Infrastructure Ltd—a consortium comprising GLIL, Equitix, and STRABAG for the financing, design, construction, and ongoing maintenance of the tunnels. Beyond safeguarding a vital water resource, HARP is expected to deliver significant economic benefits to the region, including job creation and apprenticeship opportunities.

This project marks a pioneering moment for the UK water sector, being the first approved by Ofwat under the Direct Procurement for Customers (DPC) model—an initiative designed to foster innovation and deliver optimal value for customers. Construction is scheduled to span nine years, followed by a 25-year maintenance phase.



Principle 2.

Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets

GMPF is an open defined benefit scheme with a long-term investment horizon, which requires it to remain attentive to both immediate and emerging risks and their potential long-term implications. As a universal owner, holding a broad and diversified exposure to the global economy, GMPF cannot avoid market-wide or systemic risks; instead, these risks must be assessed and managed through a global lens. As a universal owner, GMPF recognises that systemic risks manifest across all asset classes and cannot be diversified away; therefore, the Funds stewardship approach prioritises interventions that improve market function, reduce system-level externalities, and support long-term global economic stability. Climate change is identified as the Fund's most significant systemic risk, but short-term issues—such as geopolitical and trade tensions, supply-chain disruption, public-health risks and shifts in global trade—can also have profound long-term effects. Officers actively monitor these risks by attending seminars, engaging with external managers and other market participants, and reviewing insights from consultants and specialist service providers. These risks are analysed within the investment teams to understand their implications for specific asset classes, and findings are shared across the wider organisation to inform discussion, enhance collective understanding and support robust, well-aligned investment decisions that protect beneficiaries' long-term interests.

GMPF undertakes engagement with a range of stakeholders and industry bodies that drive policy and market norms in Responsible Investment matters. Along with 22 other investors representing USD 1.3 trillion, GMPF signed a statement calling for rapid and robust implementation of the UK government's plan to make disclosures and target setting around healthy food sales mandatory in its 10-Year NHS Health Plan. Unhealthy food is fuelling a public health crisis with spiralling financial costs. A recent report published by Nesta estimates that obesity and excess weight cost the NHS around £12 billion per year, with the total impact of these conditions on the economy and wider society in the UK equivalent to £126 billion. This statement outlines investor support for

- **Robust, comparable health metrics aligned with public health experts and companies' best practices**
- **Clear targets to improve the healthiness of sales**
- **Comprehensive scope of the policy across the food sector**
- **Strong regulatory framework with effective enforcement**

As long-term stewards of capital, investors warn that inaction on food health risks is no longer an option. Poor diets threaten not just lives, but also economic growth, business performance, and investor returns. The full statement is available at the link below.

Finalised-investor-statement-mandatory-reporting-target-setting-Aug-2025.pdf

Pensions for Purpose is a UK-based platform that supports pension funds, asset managers, and advisers in accelerating the flow of capital towards sustainable and impact investments. It provides research, case studies, training, events and a collaborative community to help institutional investors embed ESG and impact considerations into their strategies and governance practices. Through its Knowledge Centre, Impact Lens research, and broad membership community, it equips the pensions industry with tools and insights that foster long-term value creation and positive social and environmental outcomes.

A key part of this mission is guided by the Pensions for Purpose Advisory Group, which brings together representatives from asset managers, consultants, legal firms and asset owners to provide strategic insight, review business plans, and hold the organisation accountable for delivering value to members. The group meets quarterly to offer diverse perspectives, support educational initiatives, and help shape the wider impact-investment landscape. The Advisory Group includes Alex Jones, CFA, an Investment Manager at Greater Manchester Pension Fund (GMPF). His participation demonstrates GMPF's cognisance of market-wide and systemic risks, as well as its commitment to supporting well-functioning markets by contributing its expertise to industry-level conversations on sustainable and impact investing.

A key objective of GMPF is to deploy further capital through the GMPVF mandate into new residential development schemes across Greater Manchester and the wider Northern LGPS region where there is a chronic undersupply of housing. A significant challenge to this objective however is one of viability – i.e the available returns that are currently obtained through development of residential, in particular, higher density regeneration led schemes, are insufficient on a risk adjusted basis.

In trying to solve this challenge, Officers alongside Greater Manchester Combined Authority and CBRE (the retained advisors to GMPVF) have had an active recent engagement with representatives from No.10 Downing Street, HM Treasury, HM Housing, Communities and Local

Manchester Airport
Roy Conchie, Alamy

Principle 2

Government as well as Homes England. This has included two meetings at No.10 Downing Street and significant follow-on discussions and workstreams. A number of innovative funding solutions, including patient equity, have been proposed by GMPF (alongside GMCA), whereby GMPF would invest in projects alongside State Capital (either through GMCA or Homes England) where GMPF would receive a priority return to compensate for the level of risk in development. This solution is considered to be well suited and matches GMPF's long-term investment nature whilst also minimises the level of Grant (which is irrecoverable) from Central Government. This workstream is continuing and being treated as a high priority project.

GMPF and CBRE co-hosted a morning of presentations showcasing the investments made in GMPF's Local Investments portfolio. CBRE presented some of the trends and challenges facing the property market. The event highlighted GMPF's understanding of regional regeneration and how it works closely with partners such as CBRE and GMCA to provide innovative solutions that address viability challenges seen in the region. Greater Manchester's Mayor, Andy Burnham, spoke at the event where he highlighted the need to invest within the UK and also locally and cited the fast pace at which the local economy is growing. A short video from the event is available at the link below.

GMPVF breakfast highlights | CBRE UK

LAPFF's Mid-year conference in July brought together a range of experts and stakeholders to discuss pressing issues in responsible investment. The first panel explored the investor perspective on the right to collective bargaining. The second session focused on preventing rollbacks in ESG practices, moderated by GMPF's Assistant Director of Pensions (Investments). With the changing political landscape in the United States it is imperative that asset owners take a proactive approach to mitigate this risk by strengthening stewardship activities and engagement, monitoring and reporting and building strong, collaborative relationships with peers, advisors and external managers.

The FRC undertook a fundamental review of the 2020 Code to ensure it continues to drive effective stewardship by supporting high-quality disclosures, appropriately reflects developing stewardship practice and maintains its global standing, in a way that does not place onerous reporting burdens on signatories. The FRC ran a Public Consultation which ran from 1 November 2024 to 19 February 2025 proposing some revisions to the code. During the consultation period, the FRC held a series of roundtable discussion with key stakeholders, namely asset owners, asset managers and service providers to listen to their views on the proposal and experience of the annual application process. GMPF took part in the roundtable discussions

In February 2021, the Northern LGPS committed to the Paris Aligned Investment Initiative's Net Zero Asset Owner Commitment. Within 12 months of committing, Northern LGPS was obligated to set interim targets and submit these via the "Paris Aligned Asset Owners: Target Disclosure Template" to IICGG. Once the IIGCC issued their final guidance, Officers completed the disclosure template and submitted the template. Since submitting, the IIGCC have been working to collate the disclosures made by Northern LGPS and the 26 other asset owners who also disclosed their targets to produce a single document that details each asset owner's commitment.

Additionally, as part of the commitment Northern LGPS provided several case studies demonstrating its approach to investing in climate solutions which was highlighted via the investments made through the GLIL infrastructure vehicle. The IIGCC collated case studies from a number of investors and has published these on the Investor Agenda website.

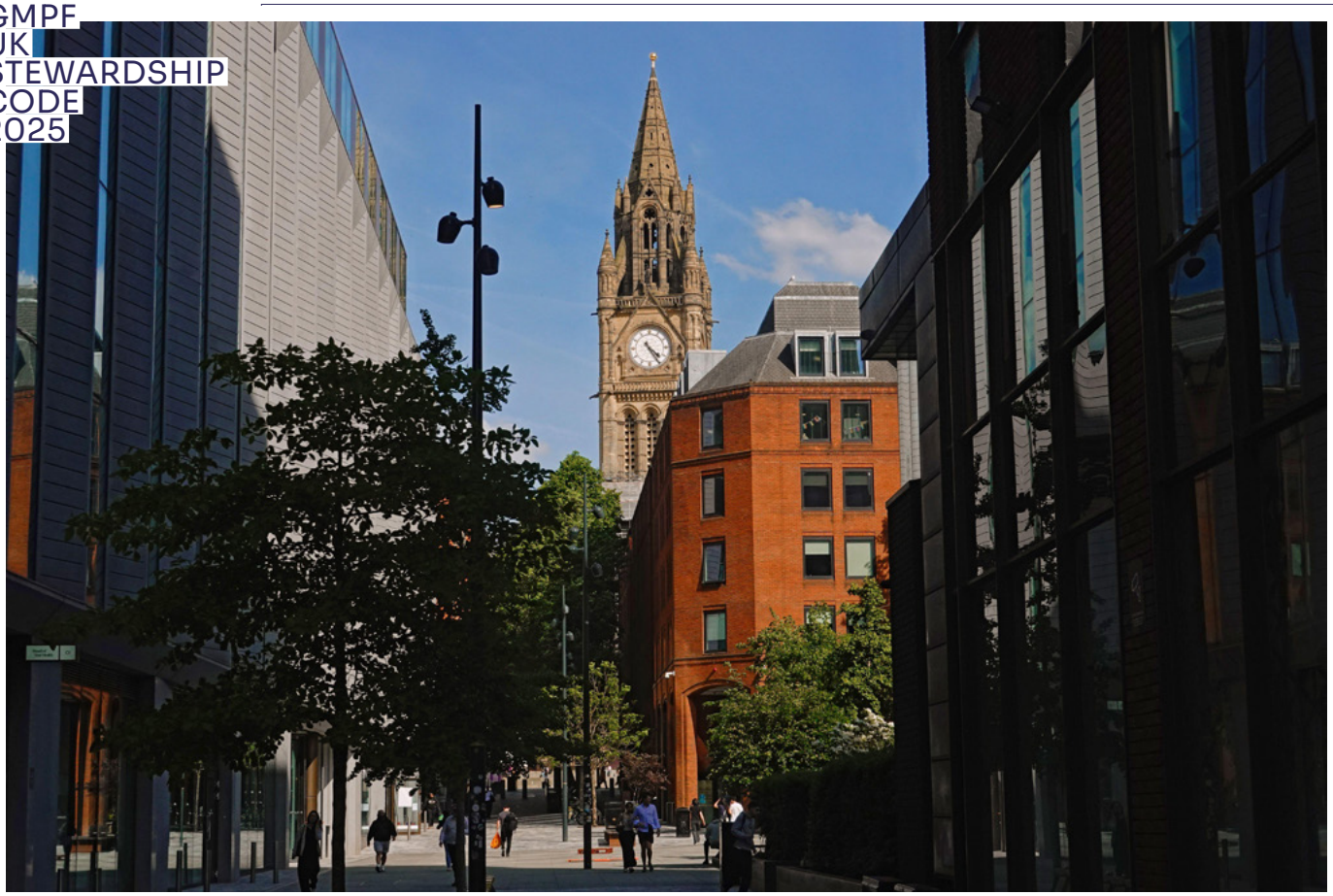
Northern-LGPS-ICAPs-case-study_FINAL.pdf

At the end of 2023, the Northern LGPS submitted its first update to the IIGCC on its progress towards the increase in climate solutions and reduction of its weighted average carbon intensity. Northern LGPS has provided annual updates to its progress and the latest update was submitted in 2025.

GMPF's Chief Executive chairs the Responsible Investment Advisory Group (RIAG) which focuses on advising the LGPS Scheme Advisory Board and the Investment Committee, as requested, on all matters relating to responsible investment. It is also responsible for assisting the Board in developing and maintaining the online Responsible Investment A to Z website, which went live in 2021. The group continues to meet on a six weekly cycle and reports directly to the Investment Committee.

Responsible Investment Database - Items

GMPF also engages with policy makers where it believes it can add value and promote well-functioning systems. GMPF shares the belief of the PRI that **shareholder proposals** are an important component of investor rights and that they enable investors to engage with companies on



Lincoln Square towards the Manchester Town Clock
Aleksey Zotov, Alamy

Principle 2

critical issues. GMPF has identified several systemic risks as stated in its RI Policy. GMPF understands that the outcomes of engagement may not always be instant and may even take years. GMPF co-filed a shareholder resolution at Shell seeking clarity on to how the company arrives at the levels of Liquified Natural Gas (LNG) demand in its LNG Outlook, and how it reconciles this demand with its broader strategy, including its climate commitments. The proposal seeks enhanced disclosure related to the company's LNG business as it is central to the company's growth strategy and a major source of revenue. LNG is projected to account for 30% of Shell's upstream hydrocarbon production in 2030. Shell plans to 'grow its world-leading LNG business by an expected 20-30% by 2030. LNG demand in Shell's LNG Outlook 2024 is higher than under all scenarios published by the IEA. It is unclear why Shell's LNG demand assumptions are so much higher than the IEA. Investors require more transparency from Shell in relation to its demand assumptions which is necessary for investors to assess the risks associated with Shell's strategy, especially considering the substantial misalignment with all IEA scenarios.

Ahead of Shell's AGM, GMPF and representatives from Brunel Pension Partnership met with the Chair of the company and discussed business strategy, remuneration and climate transition focusing on the requests of the shareholder resolution. The need for greater transparency was emphasised on their LNG ambitions and climate resilience and how these align with their net zero goals. Shell's AGM took place in May. Representatives from PIRC and the ACCR were joined by representatives from GMPF and Brunel Pension Partnership. Prior to the company's AGM, Australasian Centre for Corporate Responsibility (ACCR) hosted a webinar to discuss the shareholder resolution and Shells LNG Outlook and ACCR's response to Shell's Notice of Meeting. A recording of the webinar and ACCR's response can be accessed using the links below.

ACCR and Ceres Investor Webinar: Shell pre-AGM 2025

230425_shell_nomresponse.pdf

At the AGM, the resolution was discussed further and received just over 20% of votes in favour. Leading up to the AGM, GMPF also signed an investor briefing to garner support for the resolution.

The retail & wholesale sector is one of the largest employers of low-paid workers in the UK, employing over 3.5 million workers with 23 per cent of jobs being paid below the real Living Wage. The combination of low pay and high employee turnover means that approaches to setting minimum pay rates are particularly important to UK retailers. UK retailers are facing increases in

Principle 2

employer National Insurance contributions announced in the Government's Autumn Budget 2024. Given the large number of low-paid workers in the sector, this policy will have a significant impact. It is important for retailers to disclose their approach to human capital management in this context, particularly how they will address low pay in their workforce.

Rising prices of essential goods and services over the last three years have left families struggling to make ends meet, with 8.1 million working-age adults in the UK living in poverty. Wages that do not meet the cost of living increase the burden on state support systems, worsen health outcomes and suppress aggregate demand, externalising the costs of low pay onto the wider economy. There is recognition that pay practices which do not provide a real Living Wage perpetuate economic insecurity, which threatens both social and economic stability.

In January, GMPF co-filed a shareholder resolution co-ordinated by ShareAction at Next asking for information that investors can use to assess the company's approach to human capital management. Amongst other things, the resolution requests a report outlining:

- **The Company's approach to setting base pay for hourly paid direct employees**
- **Statistics on employees whose base pay is below the living wage**
- **Employee turnover rates**
- **The company's approach to setting base pay for regular, onsite, third-party contracted staff**

After filing the resolution, the company proceeded to cancel a pre-arranged engagement. In response to this, the co-filing group sent a letter to the company requesting that engagement be reinstated ahead of the AGM to which the company responded, and PIRC met with company representatives. The resolution received just over 26% of votes in favour which means the company must respond to the concerns raised.

Through its membership of LAPFF and direct representation on the LAPFF executive committee, GMPF is able to play an active role in identifying and formulating the workplan formally at the strategy meetings held by LAPFF. During the course of the year, issues such as mining and human rights, climate change and nature-based solutions, audit and corporate governance and pay gaps and diversity were all issues that were discussed in business meetings as being priorities.

LAPFF has engaged with many leading companies in the UK and overseas for many years on their climate change plans. However, through these engagements LAPFF has identified that without supportive policies, companies' actions may be limited. Therefore, it is appropriate to engage in the policy debate, from the perspective of long-term investors interested in reducing risks and strengthening growth and competitiveness. The energy transition is made more challenging by the need for climate policy to be inclusive and recognise the needs of the most vulnerable – in a fair and just transition. However, the energy transition also creates real opportunities to enhance energy security, address energy affordability, and improve competitiveness and long-term economic growth.

The climate crisis not only impacts the environment we inhabit but it also poses a financial risk to the investments the Fund makes to secure members' pensions. As a steward of assets GMPF takes its responsibility seriously to ensure companies the Fund is invested in are prepared for the future. In October, LAPFF and CCLA representing £3.1 trillion of assets contacted the chairs of companies in the FTSE 100 calling on them to ensure their climate transition plans and resilience strategies are put to a shareholder vote at least once every three years. The press release is available on the LAPFF website at the link below.

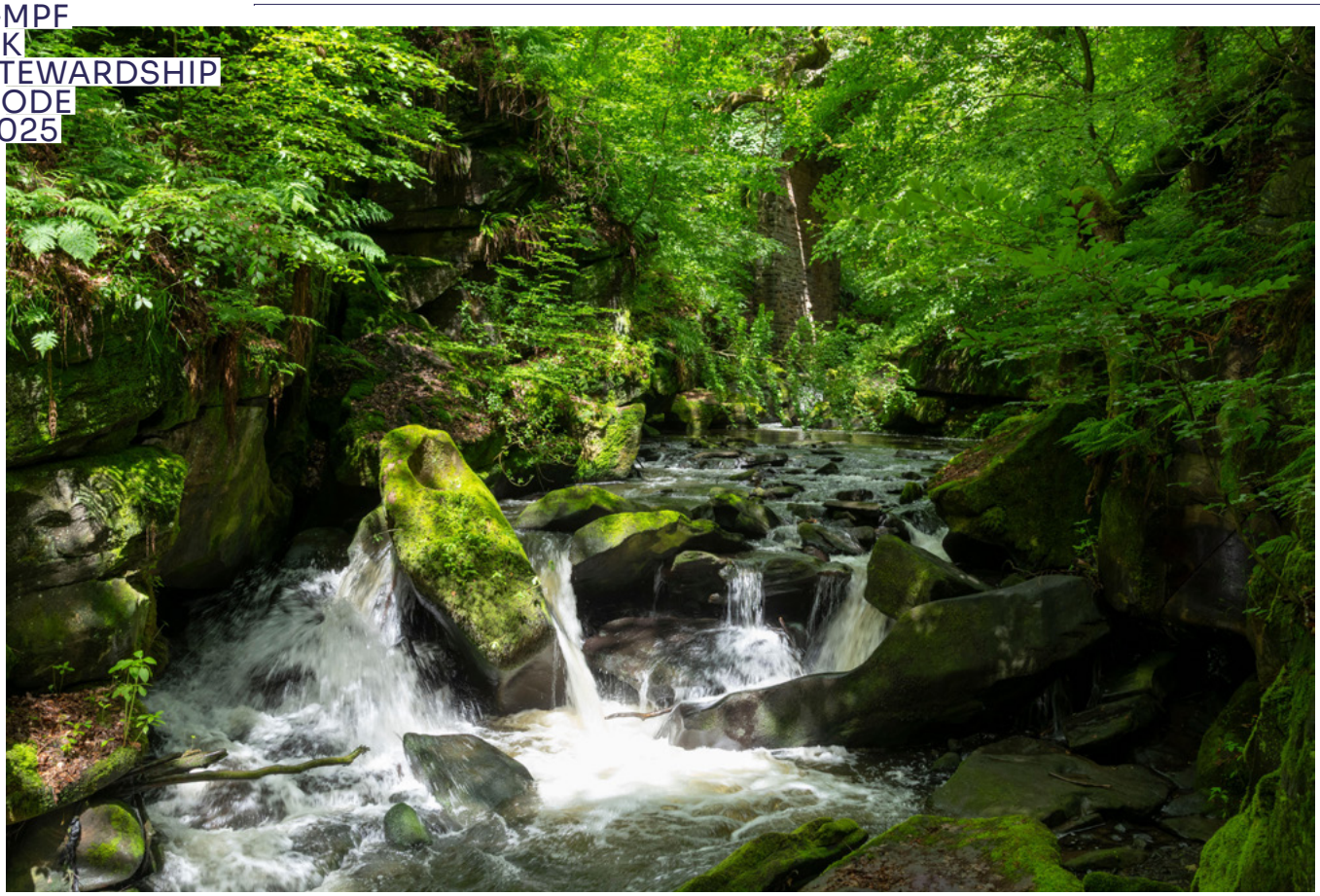
LAPFF-CCLA-Press-Release-20102025.pdf

The LAPFF annual conference was held in December where topics such as overseas supply chains and human rights, conflict-affected high-risk areas, executive remuneration, renewable energy and a just and fair transition and sustainable steel production were discussed in detail and members we given the opportunity to discuss and learn about these issues and understand how they can account for these risks in their portfolios.

GMPF's Assistant Executive Director moderated the session on Impact Investing and was joined by a representative from the Good Economy. The session showed how funds can implement an impact portfolio effectively and how impact can be measured with tangible positive outcomes such as job creation and waste reduction.

LAPFF produced a report to support members who have yet to report against the Taskforce for Climate Related Financial Disclosures (TCFD) framework. GMPF's Officers provided feedback and insights into the Fund's approach to reporting and advice for other funds preparing to report. LAPFF published the TCFD guidance report in March which can be accessed using the link below.

LAPFF_TCFD_CLIMATE_READY.pdf



Healey Dell near Rochdale Greater Manchester
Andrew Kearton, Alamy

Principle 2

Prior to the launch of the report, LAPFF organised a webinar where GMPF's Assistant Director participated in a panel discussion that provided an overview of key findings and insights from case studies from the report. They also discussed emerging regulatory developments and practical steps for improving climate disclosures.

In 2023, the UK RI Roundtable (now called the UK Asset Owner Council) commissioned research to investigate whether asset owners and investment managers were aligned in their proxy voting. The research reviewed investor engagement and voting activities in the Oil and Gas sector and the gap between asset owners' expectations and investment managers' voting activities. This research, conducted by independent academic Doctor Andreas Hoepner, provided insights across:

- **Misalignment trends, with stronger discrepancies noted in the US oil & gas issuers**
- **Voting Rationales, with patchy and generic commentary, highlighting that some managers may be regarding voting and engagement on ESG matters as mutually exclusive**
- **Inconsistent engagement styles and approaches on a topic that is deeply systemic**

Following the launch of the research report, a roundtable was held between a group of Asset Owners and Asset Managers. It highlighted the need for robust and constructive dialogue between asset owners and their managers on a number of areas, as strategic partners. Asset Managers also highlighted a need to get a clear and consistent articulation from Asset Owners on their expectations on climate stewardship. This resulted in a statement signed by numerous asset owners, including GMPF calling on asset managers, as strategic partners in delivering our investment objectives, to develop and evidence a robust stewardship strategy that addresses the urgency of action needed on climate related risks. The research paper and statement can be accessed using the links below

UK Asset Owner Stewardship Review 2023: Understanding the Degree & Distribution of Asset Manager Voting Alignment by Andreas G. F. Hoepner :: SSRN

System change - People's Pension

GMPF's external fund managers routinely present their approach to ESG issues including any updates and engagement activities they have undertaken at the IMESG working group. These range from company specific issues to much broader issues that they have engaged with policy makers which provide Officers and members of GMPF with an opportunity to scrutinise their approach and provide feedback. These working group meetings give GMPF direct access and a voice in shaping conversations in a way that is aligned to GMPF's beliefs.

Principle 2

GMPF has a long history of investing locally and currently has a 5% allocation to local investments. The Greater Manchester Property Venture Fund was established over 30 years ago with the twin aims of achieving a commercial return and a beneficial economic, social or environmental impact in the local area. The Impact portfolio was set up 10 years ago to meet the same twin aims with the impact aims based around people and place. These include:

- Targeting underserved markets
- Promoting health and wellbeing
- Supporting improvement in education and skills
- Supporting sustainable living
- Renewable energy generation
- Job creation/safeguarding

While financial returns can be measured relatively easily, the positive impact that has been achieved can be a little more difficult to measure. The Good Economy are a respected Impact Advisor, producing Impact Reports for some of GMPF's Local Investment Fund Managers and other LGPS Funds. In 2023, GMPF commissioned The Good Economy to prepare an independent report to assist in measuring the impact that has been achieved from the Local Investment Portfolios. The report has helped GMPF understand the impact achieved from investing locally and to be able to be held accountable for the continual improvements the Fund seeks. GMPF hopes to encourage other investors to scale-up their local and regional investments by sharing its experience and working with others looking to contribute to sustainable economic development across the United Kingdom. The 2023 report was well received by stakeholders, and GMPF commissioned a second report in 2024 and a third report in 2025.

The report was presented to the Management Panel in September and a link to the full report is below which is available on GMPF's website.

Place-Based-Impact-GMPF-Local-Investment-Portfolio-Sep-2025.pdf

GMPF's work was recognised at the Pensions for Purpose Pension Fund Awards in November for its local investing and won the award in the Place Lens – UK and Emerging Markets category. In its submission, GMPF highlighted the systematic processes and governance around the Fund's approach to local investments and the positive local impact the Fund's investments have had. The Fund's commissioning of the independent, external report to measure and quantify the impact of investments has helped promote the work of the Impact Portfolio. Several short videos highlighting the local investments can be accessed using the link below.

How does GMPF invest? - GMPF

GMPF recognises climate change as its main Responsible Investment focus and the complexities it brings in tackling it. Much of the GMPF's thinking around **climate change** is informed by its membership of the Institutional Investors Group on Climate Change (IIGCC), Climate Action 100+ (CA100+), the Carbon Disclosure Project (CDP), the Transition Pathway Initiative (TPI). GMPF measures the carbon footprint of its listed equity and corporate bond holdings annually. The results are publicly available, and the external consultant presents the findings to the Management Panel which is the highest level of governance.

GMPF understands that building a zero-carbon and resilient economy relies on ensuring a **just transition**. GMPF is a signatory to the 'Just Transition' initiative as it believes the decarbonisation needs to be done in a sustainable way that supports an inclusive economy, with a focus on workers and communities across the country. The Paris Agreement on climate change states that its Parties take into account "the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities". The need to find a 'Just Transition' is imperative, which ensures the burden is not transferred to the employers and taxpayers of Greater Manchester alike, which would result in significant Council tax hikes, and importantly avoids job losses for residents across the conurbation who are employed in these industries.

GMPF actively supports the recommendations of the Financial Stability Board's **Task Force on Climate-related Financial Disclosures** (TCFD) and reports its approach to managing climate risk within the TCFD's four thematic areas of Governance, Strategy, Risk Management and Metrics and Targets annually. GMPF has voluntarily reported under the TCFD's framework for seven years which forms part of the annual report.

GMPF regularly participates in efforts that are approached in a collective manner. During the reporting period GMPF supported either directly or via the Northern LPGS Pool a number of letters and statements through collaborative organisations examples including an Asset Owner Council led statement to asset managers setting out expectations for climate stewardship.



Principle 3.

Signatories engage to maintain or enhance the value of assets

GMPF does not typically divest from businesses unless ESG factors are likely to have a financially material negative impact. Instead GMPF seeks to use its influence as investors to address issues of concern. GMPF recognises that its ability to act as an effective steward, and responsibility to do so, is greater where holdings are greater or more concentrated. Therefore, sizeable and local investments are monitored closely, and GMPF engages where appropriate.

GMPF's RI advisor and external security managers are familiar with the Funds RI Policy and a link to the RI Policy was sent after it was updated. During Working Group meetings, GMPF has set clear expectations that all external managers and service providers incorporate GMPF's RI beliefs and their activities are aligned to these beliefs. This is evidenced by GMPF's close working relationship with PIRC who ensure engagement activity is aligned with GMPF's RI Policy and the securities managers' engagement case studies presented at the IMESG Working Group meetings which are aligned with GMPF's expectations.

The majority of GMPF's engagement activity is done via **LAPFF** and its **external securities managers**. Typically, as a member of the Northern LPGS pool, GMPF also engages directly with companies, in particular with large holdings or those with a regional presence. GMPF employs a mixture of in-house and external asset managers. Where management is undertaken in-house, ESG factors will be considered as part of the assessment process both before and after investment decisions are made. This integration applies to equity and other asset classes.

LAPFF engagements are chosen based on the aggregate holdings of LAPFF members to determine the most widely held companies and based on holdings that pose issues of concern for members. Engagement objectives are developed

Drinkwater Park in Salford
Bardhok Ndoji, Alamy

Principle 3

through combining research on companies and past engagement notes to determine the areas of greatest relevance for LAPFF members both in respect of ESG concerns and in respect of financial returns for members.

GMPF utilises a range of methods for engagement such as meeting with the chair or management of investee companies, raising key issues through written letters of concern and co-filing shareholder resolutions. GMPF believes in magnifying its voice where possible to leverage knowledge, experience and influence but understands this is not always possible and so it raises concerns at investee companies where it feels strongly on a particular issue.

GMPF has co-signed a number of letters or statements during the reporting period on a wide range of issues, either directly or via the Northern LGPS Pool, that are important to GMPF as well as wider society. Examples of such issues are below:

- GMPF signed a statement calling on asset managers to develop and evidence a robust stewardship strategy that addresses the urgency of action needed on climate related risks
- GMPF signed on to a letter organised by the SOC investment Group calling on Amazon shareholders to vote against the company's Advisory Vote on Executive Compensation ("Say-on-Pay") at the 2025 annual meeting
- GMPF signed on to letters to banks to a number of banks on various climate related issues such as transition plan assessments and renewable power targets
- GMPF signed a statement calling for the implementation of the UK governments plan to mandate disclosures and target setting around healthy food sales

Northern Gritstone is an independent investment firm founded in 2021 by the universities of Manchester, Leeds and Sheffield, with the mission to build a "Silicon Valley of the North." It focuses on funding deep-tech and life-sciences spinouts and IP-rich startups from the North of England, operating under a "profit with purpose" philosophy that balances attractive returns with regional economic impact. Northern Gritstone latest fundraise of £50m was achieved from Northern LGPS committing £35m and Fulcrum Asset Management and Aviva committing a further £15m taking its total permanent capital to over £360m. Since May 2022, Northern Gritstone has made 32 investments in early-stage businesses in the North of England supporting some of the most exciting areas of development and future job creation. Northern Gritstone has appointed GMPF's Assistant Executive Director, Paddy Dowdall to its Board as Non-Executive Director.

During 2025, Northern LGPS identified Shell and BP as priority engagement targets amid signs of ESG rollback, weakening transition commitments, and strategic shifts towards hydrocarbon-intensive activities. Both companies represent systemically important emitters, and regression in their climate strategies presented material financial and systemic risks.

Northern LGPS undertook targeted engagement to test the robustness of corporate transition plans, focusing on:

- Whether revised strategic priorities aligned with long-term climate risk management.
- How boards were overseeing climate-related investment decisions.
- Whether recent announcements signalled a meaningful backslide on previously stated climate commitments.
- This work was integrated into a broader stewardship theme assessing ESG rollback across high-risk sectors.

The engagement created an opportunity to emphasise to both boards the long-term financial risks of diverging from credible transition pathways. It also reinforced investor expectations around transparency, governance oversight, and alignment of capital expenditure with climate-strategy commitments. Although the report does not yet record a company-level outcome, the activity strengthened market-wide pressure on energy majors during a period of reduced climate ambition.

The NLGPS Q1 2025 stewardship report highlights PIRC's engagement activities on behalf of the Northern LGPS with companies exposed to conflict-affected and high-risk regions, recognising that such exposures create substantial operational, legal, and reputational risks with the potential to affect long-term shareholder value.

Northern LGPS engaged investee companies to examine whether they had:

- Adequate due-diligence processes aligned with international standards (UNGPs).
- Governance and oversight structures capable of managing salient human-rights risks.
- Transparent reporting and remediation mechanisms.
- This engagement theme was part of a deliberate risk-based prioritisation approach.

Principle 3

The activity strengthened investor scrutiny around human-rights compliance for companies in complex operating environments. It helped clarify gaps in risk-management frameworks and enabled ongoing monitoring of whether companies were adapting governance structures to prevent escalation of risks in fragile regions.

In 2025, Northern LGPS observed that corporates—particularly US-listed firms—were operating amid heightened political backlash against ESG. This included pressure on companies to scale back climate-related disclosures or strategic commitments. Officers monitored these risks and integrated them into voting and engagement activities during the 2025 proxy season.

Northern LGPS used its voting rights and engagement meetings to:

- **Challenge reductions in climate ambition or weakened sustainability governance.**
- **Assess the extent to which political pressure was influencing climate-related decisions.**
- **Vote on board appointments, remuneration, auditors, and climate resolutions where ESG rollback posed a risk to long-term value.**
- **This included monitoring company conduct during AGMs, and using proxy voting as a lever for accountability.**

The stewardship activity reinforced investor expectations for maintaining long-term, strategy-aligned climate commitments regardless of political headwinds. It signalled to boards that withdrawal from ESG-aligned strategies would not go unchallenged. The process contributed to shaping how firms assess governance resilience in the face of external political pressure.

GMPF considers **shareholder resolutions** a useful tool to proactively raise issues of concern either where boards of investee businesses are resistant to dialogue or change, or to amplify the shareholder voice where engagement with boards has been positive. GMPF sought to co-file resolutions at Next and Shell. In line with GMPF's RI Policy, the shareholder resolutions this year were related to climate change and employment standards and human capital management which is a theme identified that GMPF would engage on with companies. Below are some examples of GMPF's external securities managers and PIRC engaging on behalf of the Fund.

In recent years, GMPF has actively engaged in promoting healthier food environments by supporting shareholder proposals at Tesco, Unilever, and Nestlé. In April 2025, Tesco publicly urged the UK government to mandate reporting on healthier food sales which the government duly obliged in June 2025. GMPF also co-filed or supported proposals at Unilever and Nestlé, urging transparency and target-setting around the healthiness of their products. These efforts led to Unilever disclosing health metrics across key markets and Nestlé adopting best-practice reporting standards, reflecting meaningful progress in corporate accountability on public health.

UBS, has been engaging with Antofagasta over a three-year period to address material sustainability and governance risks relevant to long-term value creation. Antofagasta's copper mining operations in Chile present significant environmental challenges, particularly in relation to water use and Scope 1 emissions, and GMPF has prioritised decarbonisation and leadership continuity as the most financially impactful areas requiring focused engagement. These topics hold particular importance in a capital-intensive industry where operational stability, strategic clarity, and regulatory preparedness directly influence shareholder outcomes.

UBS met with Antofagasta's chief decarbonization officer to scrutinise the feasibility of electrifying mine haulage trucks, which account for up to 80% of the company's direct emissions. The discussions emphasised the need for clearer interim targets, a robust roadmap, and a mine-specific assessment of engineering constraints that could influence the pace and scale of fleet electrification. At the same time, UBS engaged the senior independent director to evaluate progress on CEO succession planning, raising concerns over leadership-tenure risks and the alignment of board competencies with the company's evolving strategic demands.

As a result of this engagement, Antofagasta carried out pre-feasibility work across multiple operations to test the economic and operational viability of battery-electric haul trucks. The company concluded that smaller vehicles are currently more feasible, while deeper mine pits and larger truck classes face constraints tied to battery weight and charging limitations. Antofagasta also acknowledged the broader system challenge: a shift to electrification could double national mining-sector electricity demand in Chile, prompting collaboration with government bodies and industry peers on grid expansion. Governance conversations produced concrete progress as well—Antofagasta strengthened its CEO succession planning framework, identified internal candidates, and refined its board-skills matrix to improve long-term oversight.



Manchester at night
Miguel Saddi Vitorino, Pexels

Principle 3

From GMPF's standpoint, these developments represent positive momentum on two fronts: mitigation of long-term climate-transition risk and reduction of governance-related disruption risk. Both areas have clear financial implications for future cost structures, operational resilience, and capital expenditure alignment. UBS, will continue to monitor Antofagasta's progress, with further engagement focused on improved disclosure of decarbonisation-related investment plans, continued board refreshment, and greater transparency around workforce and governance modernisation efforts.

UBS has maintained long-term engagement with BP, which intensified following a combination of strategic reversals, activist pressure, and sustained share-price underperformance. We identified two critical areas requiring intervention: capital allocation discipline and governance effectiveness, particularly in light of BP's weakened commitment to its prior transition strategy and ongoing questions over board oversight.

Through late 2024 and early 2025, UBS directly engaged BP's chair and senior leadership to convey the Fund's concerns regarding undisciplined investment decisions, inconsistent climate commitments, and a leadership structure that risked inadequate oversight. In January 2025, we formally encouraged BP to adopt more robust financial thresholds—a 15% enterprise ROIC and a 20% hurdle rate for upstream investment—reflecting sector-specific geopolitical and transition risks. We also raised concerns over the chair's dual role at another major corporate, which we viewed as detrimental to BP's strategic focus.

These engagements resulted in meaningful outcomes for shareholders, including GMPF. At its February 2025 Capital Markets Day, BP committed to >20% IRR thresholds for new projects, a significant strengthening of investment discipline. The board also initiated leadership changes following continued engagement on culture, performance accountability, and investor oversight. UBS subsequently voted against the chair's re-election on behalf of GMPF, contributing to the decision for the chair to step down once a successor is identified.

For GMPF, these changes enhance value protection by reducing the risk of capital misallocation in a sector with volatile commodity pricing and rising transition uncertainties. UBS will continue our engagement to ensure BP's updated financial framework is implemented consistently, that climate strategy pivots are communicated transparently, and that board refreshment leads to improved accountability and long-term execution.

Ninety One engaged with TSMC to support GMPF's objective of strengthening the company's

Principle 3

climate-transition pathway and ensuring credible long-term emissions-reduction commitments. The engagement focused on encouraging TSMC to adopt Science-Based Targets initiative (SBTi)-aligned goals and to establish an absolute decarbonisation pathway that reflects global best practice. TSMC has acknowledged the challenges of SBTi alignment because its emissions are expected to peak in 2025 before declining, which does not fit SBTi's linear-reduction framework. Nonetheless, the company has committed to setting an SBTi-aligned target once a feasible absolute pathway is established.

Ninety One also evaluated TSMC's renewable-energy strategy, noting that Taiwanese regulation requires renewable power to be routed through Taipower, limiting direct sourcing and leading to a reliance on Renewable Energy Certificates (RECs) to meet interim targets. Despite these challenges, TSMC aims to achieve its 2030 climate targets primarily through renewable energy, and as an RE100 member, has committed to 100% renewable use by 2040 and Net Zero by 2050.

Engagement also included collaborative stewardship: Ninety One participated in the Net Zero Engagement Initiative (NZEI), contributing to a collective letter to TSMC's ESG Steering Committee Chair and following up to reinforce alignment on expectations. Ninety One, on behalf of GMPF, continues to monitor progress and encourage transparency as TSMC works to expand renewable-energy access in cooperation with government and suppliers.

Ninety One held its first engagement with Nintendo in September 2025 to understand the company's approach to sustainability governance, climate transition, supply-chain management, and social factors relevant to long-term shareholder value. For GMPF, key concerns included climate change strategy, modern slavery risks, plastic waste and product lifecycle, PFAS-related product-safety issues, and diversity and inclusion gaps.

Although Nintendo has clearly allocated responsibility at board level—its CEO chairs the Environmental Committee—the company is still early in its ESG implementation. It does not yet link ESG KPIs to executive pay, has no formal emissions-reduction targets, and maintains limited supply-chain accountability, largely confined to Tier 1 suppliers. Scope 2 emissions have risen due to expanded reporting boundaries, and the company is at an early stage of Scope 3 disclosure.

On supply-chain labour risks, Nintendo dismissed past controversies as irrelevant and indicated that Responsible Business Alliance (RBA) membership has not meaningfully changed its practices. Some improvements were noted in product durability and right-to-repair, but progress on diversity and broader human-capital measures remains limited and without measurable targets. Ninety One will continue to engage on behalf of GMPF to press for clearer climate commitments, stronger supply-chain governance, and social-factor improvements.

Ninety One continued multi-year engagement with ExxonMobil during 2024–2025 to support GMPF's stewardship objectives related to climate transition, capital allocation, and shareholder rights. Exxon's 2024 corporate-plan update and the company's low-carbon investment levels prompted further scrutiny. In discussions during Q2 and a follow-up meeting in Q1 2025, Ninety One examined capital allocation following the Pioneer acquisition, the company's position in a legal dispute with Chevron over Guyana assets, and its slow progress on its Low Carbon Solutions strategy due to uncertainty around US tax-credit (IRA) incentives.

On behalf of GMPF, Ninety One pressed Exxon to increase its low-carbon capex, strengthen Scope 1 and 2 emissions-reduction targets, and adopt a Scope 3 target. Ninety One also challenged Exxon's decision to sue shareholders Arjuna Capital and Follow This over climate-related proposals, raising concerns that this undermines shareholder rights. To signal these concerns, Ninety One voted against the re-election of the Lead Independent Director and wrote directly to the company urging constructive shareholder engagement.

In Q1 2025, Exxon acknowledged the concerns raised around shareholder litigation and Scope 3 transparency and indicated a willingness to revisit these areas. Ninety One continues to monitor progress and assess whether the company's legal actions, climate disclosures, and capital-allocation strategy evolve in line with long-term shareholder expectations, including those of GMPF

Responsibility for day-to-day interaction with companies is delegated to GMPF's asset managers, including the escalation of engagement when necessary. Their guidelines for such activities are expected to be disclosed in their own statement of adherence to the Stewardship Code. GMPF's asset managers report on their stewardship activities to the IMESG working group. Each external manager has presented at the IMESG Working Group during the reporting period where they have presented their **stewardship activities and preferred route of escalation** during engagement. These Working Group meetings provide a forum for members to

Principle 3

scrutinise and **set expectations for engagement and escalation** that may be required.

It is GMPF's belief that the most effective way to effect change is by engagement and constructive dialogue with the companies in which it invests. However, GMPF recognises that this may not always lead to the desired outcome and as stated in GMPF's RI Policy, escalation may be necessary which the external managers are expected to incorporate into their stewardship process. A lack of progress with a company through engagement can be addressed by **engaging collaboratively** as part of a group of investors, registering concern by writing **public letters** with additional signatories and attending shareholder meetings and **filing/ co-filing shareholder resolutions**. While this is not an exhaustive list of escalation steps, these are all tools that are available to GMPF's external managers and GMPF expects its managers to make use of the full range of escalation steps when they carry out their stewardship activities. The external manager's report their stewardship activities to the IMESG Working Group which provides a setting for them to demonstrate they are escalating engagement where necessary, and the appropriate steps are being taken to reach a desired outcome. This Working Group meeting also provides members an opportunity to assess the managers alignment with GMPF's stewardship expectations and respond with any thoughts and comments.

ShareAction has co-ordinated some engagement with several banks for a number of years where resolutions have been filed in relation to the financing of and exposure to fossil fuel assets. In April, GMPF signed on to investor statements at HSBC, Barclays, Standard Chartered and Credit Agricole. A summary of each statement is below and a link to all four statements is provided.

- **HSBC - State publicly that it will build on its existing climate commitments, and consult investors on the review of its climate targets**
- **Barclays - Publish a robust sustainable finance target methodology and set a renewable power target**
- **Standard Chartered - Set a strategy and target for financing more renewable power in emerging markets**
- **Credit Agricole - Set a high-level sustainable finance target and robust client transition plan assessments**

ShareAction | Banks 2025 AGM Investor Statements

In 2024, GMPF co-filed a shareholder resolution at Yara International asking the company to publish science-based scope 3 emissions targets by 2025. ShareAction have continued to engage with the company on behalf of the co-filing group and attended the company's AGM in May where they read out a statement requesting once again that the company set an ambitious science-based upstream scope 3 emission reduction target. This is an example of continued engagement that can span across multiple years.

GMPF is a signatory to the Labour Rights Investor Network (LRIN) that assists investors by acting as an education and exchange platform and a place to connect on issues related to freedom of association and collective bargaining. LRIN hosted a webinar in December to provide investors with first-hand information on working conditions and labour rights risks at the Firestone Liberia Inc. rubber plantation in Liberia. Bridgestone Corporation is a Japanese multinational company and the world's largest tire and rubber manufacturer. Through its Firestone Liberia Inc. subsidiary, Bridgestone operates the world's largest rubber plantation in Liberia, where it is the country's biggest private employer.

The Firestone Agricultural Workers Union of Liberia is seeking to improve the working conditions and protect the rights of thousands of contract workers at the plantation. In 2007, workers at the Firestone Liberia plantation successfully formed a trade union, the Firestone Agricultural Workers Union of Liberia (FAWUL). The union achieved a first collective bargaining agreement in 2008, and has re-negotiated successive collective bargaining agreements since then, gradually improving wages, working conditions and living conditions for plantation workers and their families. However, in 2019, Firestone management took the step of terminating the employment of more than 2,000 FAWUL-represented employees and required them to sign employment contracts with one of twelve authorized third-party labour contracting agencies in order to keep working. Contract workers on the Firestone Liberia's plantation voted to form a union on August 31, 2024, hoping to become Firestone employees represented by FAWUL and address concerns regarding their working conditions. Bridgestone has refused to recognize contract workers as employees of Firestone Liberia and has said that contract workers may not join FAWUL. During the webinar, the audience heard from academic and legal experts, trade unions and workers about potential



Pennington Flash
Greater Manchester
Malcolm Richings, Alamy

Principle 3

financial and reputational risks to Bridgestone stemming from alleged violations of workers' rights at the Firestone Liberia plantation.

GMPF signed on to a letter organised by the SOC investment Group calling on Amazon shareholders to vote against the company's Advisory Vote on Executive Compensation ("Say-on-Pay") at this year's annual meeting in May. In summary, the Board of Directors has not responded in any meaningful way to alter its approach to executive compensation despite sizable opposition from shareholders to the company's say-on-pay proposals in recent years. Amazon's pay practices, which rely heavily on multi-year, time-based restricted stock grants, fail to align increases in executives' wealth with returns for investors and are negatively affecting capital allocation efficiency. Moreover, the company is not providing investors with the rationale for these compensation practices. There are concerns that Amazon's pay practices are incentivizing senior executives to drift away from their core business competencies into an unwieldy conglomerate. 32% of Amazon shareholders opposed the company's proposal. While the vote is non-binding, it signals ongoing shareholder concerns about executive pay at Amazon.

Companies are chosen for engagement based on the aggregate holdings of LAPFF members to determine the most widely held companies and based on holdings that pose issues of concern for members. Engagement objectives are developed through combining research on companies and past engagement notes to determine the areas of greatest relevance for LAPFF members both in respect of ESG concerns and in respect of financial returns for members. Engagement methods vary depending on the engagement context. For example, the Forum will most likely send a letter when approaching a company for the first time.

Principle 3

However, if a company is not responsive or if the Forum has engaged repeatedly with a company that does not appear to be managing its environmental, social, governance, or financial risks and impacts, LAPFF might escalate its engagement to issue voting alerts and press releases to highlight the company's continued poor conduct. Different geographies require different engagement methods too. For example, companies in the US are less likely to respond to requests for shareholder engagement, so voting alerts are more common early in the engagement process with these companies. In contrast, British and Australian companies are usually responsive to meeting requests, so the Forum tries to conduct most of its engagement with these companies through one-on-one or collaborative investor meetings.

Each year, LAPFF issues a select number of **voting alerts** for companies where it is deemed **necessary to escalate an engagement or highlight a particular problem** with ESG practices. There are a number of themes that align with GMPF stewardship priorities that LAPFF have engaged companies on behalf of the Fund during the year.

GMPF prioritises engagement that supports real economy decarbonisation, particularly in industries with materially high emissions. LAPFF held meetings with Heidelberg Materials and CRH to assess the credibility of their decarbonisation strategies. Discussions centred on the deployment and scalability of Carbon Capture and Storage (CCS), clinker substitution, and alternative fuels—critical levers for decarbonising a sector contributing up to 10% of global CO^2 emissions. Heidelberg's "moon landing" CCS project is already operational in Norway, while CRH reported significant progress on CCS in France and increased alternative fuel use.

Human rights remain a core pillar of GMPF's RI policy, particularly in relation to companies operating in conflict-affected or high-risk areas. In 2025, LAPFF continued its programme of engagement with FTSE 100 companies, including Next and Aviva, seeking improved transparency and governance of their human rights due diligence processes. These interactions built on earlier CAHRA (Conflict-Affected and High-Risk Areas) correspondence and examined operational exposure, supply-chain oversight, and the robustness of corporate risk controls. This collaborative effort aligns with GMPF's commitment to the UN Guiding Principles on Business and Human Rights and its expectation that companies demonstrate effective systems to identify and mitigate human rights risks across value chains.

GMPF also continued its focus on natural capital and environmental resilience through LAPFF's engagement with UK water utilities Pennon and Severn Trent. These discussions addressed rising scrutiny on sewage spills, PFAS contamination, and sustainable water resource management—issues that have significant implications for public health, biodiversity, and regulatory risk. Engagements sought improved environmental compliance, transparency in reporting, and strengthened wastewater management practices. This aligns directly with GMPF's stewardship priorities on ecosystem health, climate resilience, and robust governance of environmental risks in essential service sectors.

Together, these engagements demonstrate how GMPF leverages collaborative stewardship to address financially material ESG risks across sectors central to the low-carbon transition and societal well-being. Working through LAPFF amplifies our influence, enables coordinated escalation where needed, and ensures our stewardship activities are aligned with our fiduciary duty to act in the long-term interests of our members and beneficiaries.

A summary of LAPFF's company engagement activities is published on a quarterly basis, including the company name and domicile, engagement topic, the nature of the activity and its outcome. LAPFF's Quarterly Engagement Reports are available on their website. By way of an example, below is a summary of their engagement activity for the second quarter of 2025 that was reported to the Management Panel. Data for other quarters is available in LAPFF Quarterly Engagement Reports.

LAPFF's Mid-year conference in July brought together a range of experts and stakeholders to discuss pressing issues in responsible investment. The first panel explored the investor perspective on the right to collective bargaining. The second session focused on preventing rollbacks in ESG practices, moderated by GMPF's Assistant Director of Pensions (Investments). With the changing political landscape in the United States, it is imperative that asset owners take a proactive approach to mitigate this risk by strengthening stewardship activities and engagement, monitoring and reporting and building strong, collaborative relationships with peers, advisors and external managers.



Stockport
Michael D Beckwith, Pexels

Principle 4.

Signatories actively exercise their rights and responsibilities

GMPF actively exercises its rights and responsibilities particularly through voting, shareholder resolutions, stewardship escalation and oversight of service providers. Exercising these rights is integral to the Funds investment beliefs and commitment to long-term value creation.

Voting and engagement is a cornerstone of GMPF's Responsible Investment activities and GMPF's approach to voting and engagement is grounded in the belief that effective stewardship is essential for long-term, sustainable returns for beneficiaries. GMPF takes the legal right to vote seriously and exercises it in a way consistent with its publicly disclosed objectives and policy positions. Therefore, in line with GMPF's **commitment to transparency** and democratic accountability, it ensures that its voting aligns with its engagement. How GMPF votes is one way of providing investee companies with an indication of its views as shareholders, as well as to the wider market.

GMPF retains the maximum possible authority to direct voting in relation to its segregated holdings, rather than delegating authority to asset managers. GMPF has dedicated voting guidelines that inform its voting decisions. This combination of retained authority and a clear framework ensures both a consistent approach is taken across equity holdings and provides clarity to the businesses in which GMPF invests about its expectations. The importance of accountability to beneficiaries is a central element of GMPF's approach. Therefore, GMPF makes publicly available its voting record. In the case of the GMPF's own voting decisions, GMPF pre-discloses votes on all companies.

Principle 4

GMPF implements its voting policy in partnership with PIRC who provide appropriate research and vote execution services that cover the major markets in which shares with voting rights are held. GMPF votes in line with the recommendations of its advisor, having judged that the advisor's voting guidelines promote high standards of corporate governance and responsibility and enable GMPF to exert a positive influence as shareholders concerned with value and values. With PIRC also being the Responsible Investment advisor, GMPF's voting is always aligned with GMPF's core Responsible Investment values. GMPF's voting policy is reviewed annually and considered by the IMESG working group. PIRC report on how they have voted each quarter providing a detailed company and issue assessment along with rationale for voting recommendations. GMPF analyse the recommendations to ensure that voting is aligned to GMPF's policies. These recommendations are now published on GMPF's website.

PIRC attended all IMESG Working Group meetings in 2025 and across the meetings updated the Working Group on stewardship activities they had carried out on behalf of GMPF. Their attendance at these meetings provides members with the opportunity to question and scrutinise the activities they carry out on behalf of GMPF. Officers regularly assess PIRC's methodology, guideline updates and vote rationales to ensure continued alignment with GMPF's stewardship beliefs and policy positions. The IMESG Working Group provides a forum where the Fund is able to review the effectiveness of voting and engagement through oversight and analysis of voting outcomes relative to the Funds stewardship objectives

In January, PIRC presented the updated Shareholder Voting Guidelines (SVG's). PIRC identify and promote high standards of corporate governance for listed companies and often challenge the boards and individual directors of companies that fall short. Notable updates to the SVG's include a requirement for companies within the UK to maintain 40% female board representation (an increase from 33%), in line with FTSE Women Leaders Review and Financial Conduct Authority (FCA) listing rules. PIRC also introduced a structured buyback criteria for responsible capital management. PIRC also broadened the criteria for climate risk assessment to incorporate board oversight, climate skills, commitment to TCFD/IFRS reporting, Paris aligned lobbying and just transition strategies.

In July, PIRC updated the IMESG Working Group on GMPF's engagement activities across key ESG focus areas. They highlighted GMPF's stewardship activities aimed at improving corporate practices around fair wages, climate risk, and public health. GMPF and coalition investors pushed Next to adopt the Real Living Wage, citing productivity and reputational risks. Despite resistance from Next, the campaign gained traction through meetings with the Chair, public letters, AGM interventions and eventually a shareholder resolution. Similarly, GMPF engaged with Shell on its LNG expansion plans, questioning their alignment with net-zero goals and pushing for greater transparency and climate risk management.

PIRC updated the IMESG Working Group on GMPF's engagement activities. Their presentation focused on high level voting trends in the 2025 proxy voting season and case studies highlighting how GMPF has implemented its voting guidelines. Their analysis showed that on the topic of director re-elections shareholder dissent increased in Europe compared to last year whereas in the US it declined. There was a noticeable decline in shareholder resolutions in the US whilst in Europe shareholder resolutions filed were comparable with last year.

Shareholder dissent on director re-elections rebounded in the UK, while opposition to remuneration reports increased across Europe and the UK, driven by concerns over excessive CEO pay and misalignment with performance. GMPF opposed BP's chair re-election following weakened climate targets and Nestlé's remuneration report due to pay concerns. The Fund also supported Real Living Wage resolutions at Next and M&S, leading to commitments on improved wage transparency. Climate-related shareholder proposals declined overall, but GMPF co-filed a resolution at Shell seeking greater disclosure on Liquified Natural Gas (LNG) demand and climate alignment, which received 20% support and triggered formal consultation.

Beyond voting, they emphasized social issues, particularly labour rights and collective bargaining which GMPF strongly advocates. PIRC has worked to drive improved practices at large US listed companies such as Starbucks and Amazon regarding the Fundamental Principles and Rights at Work, specifically, Freedom of Association and Collective Bargaining. The development of Guiding Principles of Collective Bargaining help investors assess and engage with companies

GMPF's voting policy covers a broad range of topics from board composition, reports and accounts best practice, shareowner rights,

Principle 4

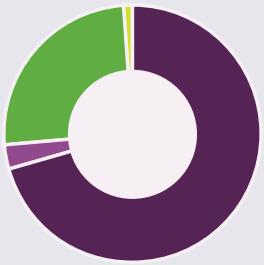
corporate governance, capital stewardship, sustainability and corporate responsibility reporting and conflicts of interest. Below are examples of GMPF's voting that has been informed by its Responsible Investment policy and advisor.

PIRC recommended to vote in favour of a shareholder resolution requesting a report evaluating whether Alphabet's direct and indirect lobbying activities are aligned with its public commitments to child safety. The proponent noted that while Alphabet has developed public-facing policies supporting child protection online, it has simultaneously lobbied against, or sought exemptions from, several child safety-related bills in the United States and internationally. These include federal legislation such as the Kids Online Safety Act, the EARN IT Act, and the Children and Teens Online Privacy Protection Act, as well as state-level legislation in New York, California, and Utah.

The company recommended a vote against arguing that its child safety principles and policy engagement are already public and consistent. The company refers to its 2023 publication of a "Legislative Framework to Protect Children and Teens Online," which outlines support for legal protections including bans on personalised advertising to minors, the implementation of privacy-preserving settings, and requirements for mental health support. Alphabet maintains that this framework already addresses the issues raised in the proposal, making an additional report unnecessary. The company affirms that it offers age-appropriate products like YouTube Kids and Family Link, alongside content moderation policies and wellbeing tools.

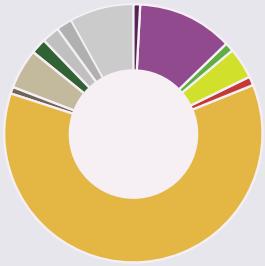
It is the auditors' function to ensure, so far as possible, that the financial information as to the company's affairs prepared by the directors accurately reflects the company's position in order, first to protect the company itself from the consequences of undetected errors or, possibly, wrongdoing. Company accounts need to be fair, balanced and understandable; if a company is found to have defective accounts it can have serious consequences. GMPF voted to oppose the **appointment of auditors** for a number of companies on the basis of the level of non-audit fees causing major concerns about the independence of the auditor. Additionally, in some instances the current auditors had been in place more than ten years raising concerns that a failure to regularly rotate the audit firm can compromise the independence of the auditor.

GMPF believes climate change is a material risk for companies and they should give consideration to climate risk as they would to all other risks. GMPF voted in line with its climate change policy to ensure companies are recognising the extent of the issue and are mitigating the risks and effects of climate change. As an example, GMPF voted against Rio Tinto's Climate Action Plan. The company has committed to being carbon neutral by 2050. However, this commitment does not appear to cover Scope 3. While there is evidence of



VOTES WITH /AGAINST MANAGEMENT

- **70%** For
- **3%** Abstain
- **25%** Against
- **1%** Withheld



VOTES AGAINST BY CATEGORY

- **61%** Directors
- **1%** Dividend
- **5%** Executive Pay Schemes
- **2%** Misc
- **2%** NED Fees
- **2%** Say on Pay
- **0%** Share capital restructuring
- **8%** Share issue/Repurchase
- **1%** All employee schemes
- **12%** Annual Reports
- **1%** Articles of Association
- **4%** Auditors
- **0%** Corporate actions
- **0%** Corporate Donations
- **1%** Debts and Loans



The Chariot Race at Manchester Art Gallery
Aleksey Zotov, Alamy

Principle 4

adequate training and learning on the Board and senior management of climate-related issues there does not appear to be any individual accountability for the policy, and the policy does not list the chair as responsible for the climate strategy. Company management and the sustainability committee hold collective responsibility, which is considered insufficiently focussed for effective execution of policy and for overall accountability.

GMPF's voting record for its holdings is available here.

In the reporting period GMPF voted at 1,273 meetings and cast a total of 17,033 votes.

Above is a breakdown by category of votes against management.

GMPF co-filed a number of shareholder resolutions for the 2025 AGM season which were done in collaboration with other investors. Officers participated in the discussions leading up to the resolution being filed at Shell. GMPF provided support as a large UK investor which gave the group an opportunity to engage with the company as one voice with clear objectives. GMPF also sought to co-file resolutions at **Next and Shell**. GMPF will continue to co-file shareholder resolutions where it believes companies could do more in the interests of shareholders and wider society. Whilst none of the resolutions were successful this year, each generated significant shareholder support, sending a **strong message to the Boards** and GMPF will continue to use shareholder resolutions where it feels there is a need.

In terms of fixed income assets, GMPF's external managers have confirmed that when they consider it necessary, dependent on market backdrop and technical positioning, they will work with syndicate desks to obtain an early perspective on new issues and where possible provide feedback on structure and investor protections, such as covenants, through direct and coordinated efforts with other large institutional investors. For example, any structures deemed too issuer-friendly would be brought to the attention of the syndicate desk to ensure concerns can be addressed.

In terms of stocklending, GMPF itself has participated in a prudently structured program via its Custodian since March 2003. GMPF does not lend UK and US Equities and does not take cash as collateral. The maximum volumes of stock "on loan" are set at a prudent level. All loans must be pre-collateralised and be subject to recall upon demand.

Certain pooled vehicles within which GMPF invests may undertake an amount of stocklending on behalf of the pooled vehicle investors. Where this occurs, the extent of the activity is disclosed by the pooled vehicle. GMPF considers this aspect of the pooled vehicle when making investment decisions.



Principle 5.

Signatories integrate stewardship considerations into their selection and oversight of external managers

Principle 5

To ensure its external securities managers integrate GMPF's RI beliefs into their investment processes the relevant Investment Management Agreements (IMA) include clauses that recognise the importance of maintaining high levels of ESG by requiring the manager to have regard to GMPF's Investment Strategy Statement, formally promoting active stewardship and requiring regular monitoring and reporting of such stewardship activities. GMPF seeks to maintain long, partnership relationships with its managers, and the above requirements have been in place for many years and decades in one instance. GMPF notified its managers of the update to its Investment Strategy Statement and RI Policy to make them aware of any updates to GMPF's thinking on RI matters.

Officers hold **monitoring calls** with GMPF's external managers on a quarterly basis. GMPF's approach to assessing the managers is based on people, philosophy, performance, and process. These four areas form the core of the meetings and includes their approach to stewardship. As well as providing an update on their performance the managers provide an update on their engagement activity and this forum allows for a more in-depth discussion and the managers can go into greater detail on specific issues, they have engaged on with companies held within the GMPF portfolio. Officers have monthly calls with some managers to review day to day running of the mandate which includes discussing issues such as annual trustee training and ESG issues. This is another way Officers ensure external managers are aligned with the Funds stewardship expectations.

GMPF's specialist **IMESG working group** which meets quarterly has a particular focus on ESG. To ensure strong governance and accountability all working groups including the IMESG working group have Terms of Reference that are periodically reviewed and updated. All managers, consultants and service providers who advise or act on behalf of GMPF may attend the working group meetings and report on their activities to members and Officers. The IMESG working group has detailed oversight of GMPF's external investment managers and Responsible Investment consultant. The IMESG Working Group meetings serve as a more formal forum for assessing managers. Their attendance allows members and the Fund's advisers to probe more deeply into their activities and apply thorough scrutiny to the stewardship they carry out on GMPF's behalf.

Day-to-day responsibility for managing public market assets is delegated to the appointed asset managers, and GMPF expects them to monitor companies, intervene where necessary, and report back regularly on activity undertaken. It is GMPF's belief that the most effective way to effect change is by engagement and constructive dialogue with the companies in which it invests. This is initially expected to be via meetings where the external manager can articulate to company representatives a particular issue and desired resolution. This approach is promoted in the Investment Strategy Statement, where GMPF encourages its external managers to operate a policy of constructive shareholder engagement with companies.

GMPF appreciates change may take time but where there is a lack of progress through engagement the managers have discretion to escalate their stewardship activities as they have described at Working Group meetings. It is coded into the Investment Management Arrangements that the external managers cannot contradict GMPF's Investment Strategy Statement. The external managers are sent copies of GMPF's RI Policy, and it is expected that they engage on behalf of GMPF on themes identified within the RI Policy. Written reports from the asset managers' engagement activity are received on a quarterly basis. Additionally, each appointed external asset manager reports in detail on its policy and activity highlighting engagement with investee companies on issues GMPF considers to be important at the IMESG Working Group. The IMESG Working Group meetings provide the external managers with an opportunity to present their stewardship activities and for members to ensure their activities are aligned with GMPF's RI Policy and assess the external manager.

GMPF is a signatory to the **UN PRI** and reports on its Responsible Investment activity through the PRI's reporting framework. GMPF receives the PRI's assessment on its responses and this feedback is reported to members of the IMESG working group. The results are in part a reflection on the activities of GMPF's external managers which they carry out on behalf of the Fund. The results received for GMPF's submission in 2025 covering activities in 2024 showed that GMPF achieved or exceeded the UN PRI median score in all modules where it was assessed. Where previously GMPF's submission was made after a thorough check from senior Officers the reporting now has an additional layer of scrutiny from the IMESG Working Group. This additional layer of scrutiny provides additional assurance of the credibility of the reporting which has helped GMPF in the confidence Building reporting module.

Elton Reservoir, Bury, Greater Manchester
Martin Moss, Alamy

Principle 5

Below are the summaries of the managers' presentations at the IMESG Working Group meetings during 2025.

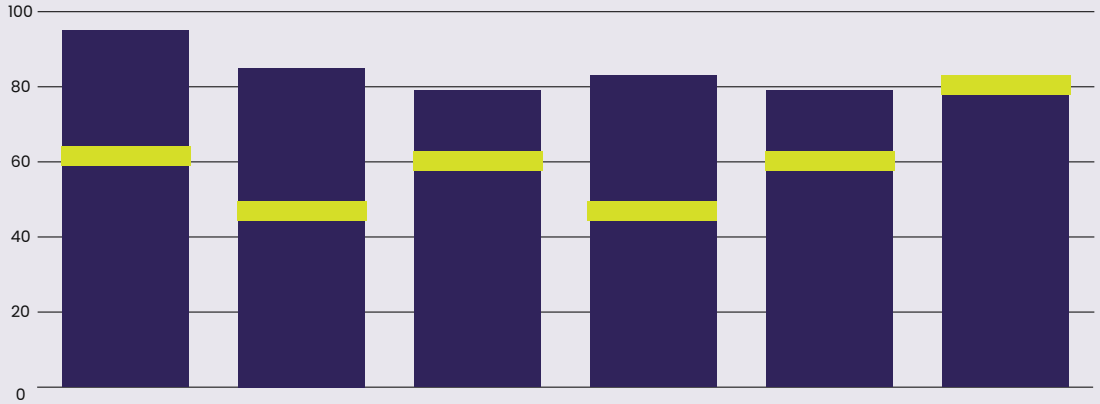
Legal & General Investment Management, GMPF's index-tracking public market manager, presented at the January IMESG Working Group meeting. They reported on their approach to investment stewardship and how they engage globally to deliver positive change, raise market standards and safeguard client assets for the long term. They presented their stewardship framework in which they have identified six super-themes of People, Health, Digitisation, Governance, Climate and Nature which are underpinned by a number of underlying sub-themes and how they use an 'Identify, Engage, Change' approach to stewardship. They demonstrated how they use this framework with case studies of engagements with companies held in the portfolio. They updated the Working Group on their stewardship policies that have undergone updates such as their diversity policy which was published recently which sets out expectations on companies and voting sanctions if expectations are not met.

LGIM introduced a new Circular Economy policy falling under the Nature theme. The circular economy aims to decouple economic activity from the consumption of finite resources. Transitioning to a circular economy entails completely rethinking how products are designed, produced and discarded, with a view to optimising resource loops across the value chain. The policy sets out LGIM's approach to assessing, addressing and promoting a circular economy through engagement with companies, policymakers and broader stakeholders.

LGIM, the Funds passive public markets manager published their Climate Impact pledge. It outlines a strengthened commitment to driving corporate action on climate change and nature degradation. LGIM assesses over 5,000 companies across 20 climate-critical sectors, representing 82% of the carbon emissions from its equity and debt holdings. The pledge uses a two-fold engagement strategy: a quantitative approach involving over 80 metrics to rate companies, and a qualitative approach targeting over 100 "dial-mover" companies with the potential to catalyse sector-wide change. Companies failing to meet minimum standards face a range of escalatory measures including voting sanctions. Notably, LGIM observed a 46% reduction in companies flagged for potential voting sanctions compared to 2024, indicating improved climate and nature-related disclosures and strategies.

Ninety One, GMPF's active public equity market manager also presented at the April IMESG Working Group meeting. They described their approach to sustainability, which aims to deliver real-world impact through a holistic sustainability strategy and partnerships. They talked through their invest, advocate, inhabit process which aims to identify and understand material sustainability risks and opportunities, fulfil stewardship and fiduciary duties and play their part in accelerating the transition to a more sustainable future by

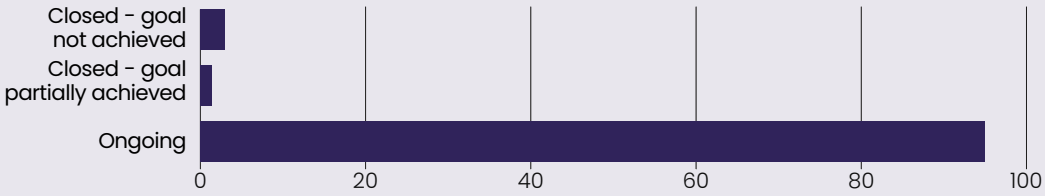
GMPF SCORECARD SUMMARY



	Policy, Governance & Strategy	Indirect-Listed equity-Passive	Indirect-Listed equity-Active	Indirect-Fixed income-Passive	Indirect-Fixed income-Active	Confidence building measures
GMPF Score	95	85	79	83	79	80
Median Score	61	46	61	48	61	80

Principle 5

ENGAGEMENT OUTCOMES (%)

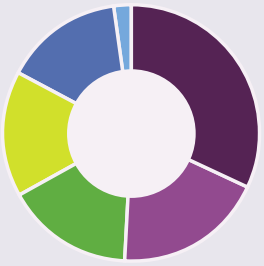


The manager provided their interpretation of the outcomes from the engagements.



ENGAGEMENT BY TOPIC

- **25%** Climate change
- **13%** Reporting and disclosure
- **9%** Remuneration
- **8%** Board effectiveness
- **7%** Corporate strategy
- **6%** Capital management
- **4%** Biodiversity
- **4%** Board diversity
- **3%** Diversity and inclusion
- **2%** Cultural work practices
- **2%** Supply chain
- **2%** Water
- **2%** Customer welfare
- **2%** Health and safety
- **2%** Policy - environment
- **2%** Pollution and waste
- **7%** Other



ENGAGEMENT BY REGION

- **32%** Americas
- **29%** UK
- **16%** Asia Pacific
- **16%** Europe Ex-UK
- **15%** Africa
- **2%** Middle East

contributing to the global policy agenda and development of industry standards. They also presented their thematic focus areas for a sustainable just transition and how sustainability is integrated into bottom-up analysis within the GMPF portfolio through fundamental research, active ownership and portfolio construction and subsequent monitoring.

Ninety One also published their Sustainability and Stewardship report which outlines their strategic approach to sustainable investing through three pillars that they have identified. These are Invest, Advocate, and Inhabit. Under Invest, Ninety One emphasizes integrating ESG factors into investment decisions, launching the Emerging Markets Transition Debt strategy, and publishing the Sovereign Biodiversity Index.

Under the Advocate pillar, Ninety One continued to support policies calling for a fair and just transition and strengthening industry collaborations by working with the IIGCC on its net zero engagement initiative and co-hosting the Global Investor Forum to discuss pathways to sustainable growth. The Inhabit pillar focuses on embedding environmental responsibility within its operations and culture, achieving carbon neutrality across key emission scopes, empowering employees to reduce their personal footprints, and investing in community and conservation initiatives that promote long-term ecological and social resilience

Above is a summary of their engagements.

The manager provided a regional split of their engagement activity which can be seen above.

The manager also provided their interpretation of the outcomes from the engagements.

UBS presented their annual update at the July ESG Working Group meeting. Their ESG strategy is built around a robust governance framework and a

Principle 5

multi-dimensional approach to sustainable investing. They emphasized the three pillars—people, planet, and partnerships—underpinning their commitment to diversity, climate action, and collaborative progress. UBS is a founding member of several key sustainability initiatives, including the Net Zero Asset Managers initiative and the Taskforce on Climate-related Financial Disclosures (TCFD), and has launched the UBS Sustainability and Impact Institute to drive thought leadership and industry standards.

Active ownership is central to UBS's ESG engagement, with a structured escalation process ranging from private dialogue to public shareholder actions. The firm targets companies with material ESG risks and opportunities, focusing on climate, natural capital, human rights, and governance. Engagements are prioritized based on financial materiality, exposure, and potential for impact, and are supported by proprietary tools such as their ESG Risk Signal and the Company Transition Assessment Scorecard, which assess companies' alignment with net-zero pathways using data from multiple providers.

UBS's climate engagement program has scaled significantly since inception in 2018, now covering companies responsible for 30% of MSCI ACWI operational emissions. Engagement objectives include alignment with TCFD, board oversight of climate risks, evidence of integration of climate change in risk management, and development and disclosure of transition plans. UBS have achieved positive progress on 67% of climate-related engagement objectives and continue to refine their approach, including voting against directors for insufficient decarbonization strategies and launching a natural capital program. This reflects UBS's commitment to driving measurable outcomes and supporting clients in navigating ESG risks and opportunities.

In June, UBS hosted their 12th annual Nature Finance conference in collaboration with key external partners Cornell Atkinson Centre for Sustainability, CPIC, The Lyme Timber Company and the UN Environment Program with the aim of presenting latest thinking and insights on the key themes shaping the nature finance agenda. Discussions during the day explored a wide range of topics including the debate around how nature could be affected by the ESG backlash, what tools can asset owners use for incorporating nature-related considerations in their investment decision making and potential ways to invest in the circular and blue economies.

UBS published their latest Sustainability Report which outlines their continued commitment to integrating sustainability into their core strategy, operations, and culture. The report is structured around three strategic pillars: Protect, Grow, and Attract. UBS aims to manage its business in alignment with long-term sustainable goals and have drawn up a climate transition plan that will support clients transition to a low-carbon world.

UBS aims to manage their climate-related impacts through actions such as developing a platform of climate-related strategies and products, engaging with investee companies, providing employees with training, tools and information and engaging with policymakers and government with the aim of providing input to policy and regulation in the development of well-functioning markets.



COMPANIES ENGAGED BY SECTOR

- **13%** Financials
- **12%** Industrials
- **9%** Communication services
- **14%** Materials
- **13%** Consumer discretionary
- **10%** Health care
- **8%** Energy
- **5%** Consumer staples
- **14%** Information technology
- **3 %** Utilities



COMPANIES ENGAGED BY REGION

- **35%** Europe, Middle East & Africa
- **42%** Americas
- **23%** Asia Pacific



Heaton Park, Manchester
Martin Moss, Alamy

Principle 5

The full report can be accessed using the link below.

Above are the sectors they have engaged with

They also provided a regional split of their engagement activity which can be seen above.

GMPF has access to its managers' PRI reports and with the exception of the specialist fixed income manager all public market managers are signatories to the new UK Stewardship Code. The fixed income manager intends to become a signatory of the new UK Stewardship code. Manager monitoring meetings are structured in order to provide an open platform for Officers and members to raise issues or concerns. Officers take into consideration the investment managers' PRI reports and their engagement activity reports before the monitoring meetings to ensure alignment between GMPF and the manager.

GMPF has set clear expectations that all external managers and service providers incorporate GMPF's RI beliefs into their investment decisions to ensure they are aligned. Where GMPF considers its requirements are not being met GMPF will **escalate** this through the appropriate channels to ensure shortcomings can be resolved. GMPF expects a proactive approach from its external asset managers and to have RI considerations at the forefront of their investment decisions and activities and to reporting on them ensuring the latest thinking and best practices are incorporated.

CBRE, the property advisor to Greater Manchester Property Venture Fund (GMPVF), presented their annual update to the IMESG Working Group in September. As at 31 March 2025, the GMPVF has committed just over £670m of which £560 million has been drawn down. At a high level the portfolio includes over 200 residential units (some of which are under development) and approximately 3 million square feet of industrial/ logistical space.

CBRE has completed an initial ESG review of eight recently added GMPVF investments. The assessment was based on 35 KPI's designed to reflect legislative requirements, industry best practices, and institutional investor priorities. These KPIs span a wide range of environmental and social factors, with data collected through detailed property analysis and close collaboration with GMPVF's development partners and co-investors.

Their presentation included an example summary output from the review which highlighted the Lumin Village in Trafford. CBRE had completed legal due diligence and recommended GMPVF to invest £22.8 million in equity for the development. The project is expected to deliver approximately 440 residential units, positioning GMPVF as a joint venture partner in its execution. The development is part of GMPVF's strategic focus on residential projects within Greater Manchester, aiming to enhance the local housing supply and generate long-term value.

The Lumina Village site scored well across the 35 KPI's. The site monitors waste, has renewable energy onsite and has undertaken flood and overheating risk assessments. To promote the economic resilience of the local area, the contractor is a Living Wage employer and employs local people. Additionally, the development intends to provide a green space for the community.



Principle 6.

Signatories monitor and hold to account stewardship service providers

Principle 6

GMPF maintains robust processes to monitor, evaluate and hold to account all stewardship service providers whose work supports the Fund's responsible investment activities. The structure and operation of GMPF's governance framework particularly through the IMESG Working Group enables systematic scrutiny and challenge of service providers, ensuring transparency, effectiveness and alignment with GMPF's long-term stewardship priorities.

GMPF's specialist **IMESG working group** which meets quarterly has a particular focus on ESG. To ensure strong governance and accountability all working groups including the IMESG working group have Terms of Reference that are periodically reviewed and updated. All managers, consultants and service providers who advise or act on behalf of GMPF may attend the working group meetings and report on their activities to members and Officers. The IMESG working group has detailed oversight of GMPF's external investment managers and Responsible Investment consultant.

GMPF appointed **PIRC** as its Responsible Investment advisor, to assist in the development and implementation of its Responsible Investment policy. PIRC are Europe's largest independent corporate governance and shareholder advisory consultancy whose objective is to facilitate and support responsible capital stewardship by long-term investors. PIRC's role is to assist GMPF to effectively exercise its shareowner rights and to identify and mitigate governance risk in its portfolios and set ESG criteria.

PIRC provide a number of services to GMPF including:

- attendance and written briefings at working group meetings
- providing trustee training covering the full range of Local Government Pension Scheme matters
- providing corporate governance research reports
- voting recommendations with research
- proxy voting execution

PIRC attend all IMESG working group meetings and it is in their remit to question or provide feedback to any other presentation within the meeting as well as presenting their own Responsible Investment updates. This provides GMPF with an additional resource in holding managers and its investment consultant to account.

Officers and PIRC meet regularly to discuss GMPF's strategy and approach to responsible investing. PIRC produce a quarterly report on Northern LGPS engagement activity; this forms part of GMPF's Quarterly Responsible Investment Activity report which is presented to the Management Panel each quarter.

PIRC attended all IMESG Working Group meetings in 2025 and below are some highlights of their presentations and some of their stewardship activities.

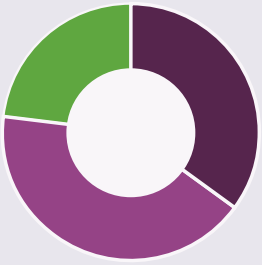
In January, PIRC presented the updated Shareholder Voting Guidelines (SVG's). PIRC identify and promote high standards of corporate governance for listed companies. They presented analysis of high level voting trends in the 2025 proxy voting season and case studies highlighting how GMPF has implemented its voting guidelines. One of the key changes for 2024 is the opposition in Japan to the re-election of senior board member (Chair and/or President) will be recommended where gender diversity on the board is at less than 30% without explanation or plan for increasing up to this target. Another update is that PIRC will recommend opposing the election of the Chair if a meeting is held virtual-only without sufficient justification, even if the Articles of Association propose a hybrid format. This will be viewed as an undue restriction of shareholders' rights to participate. The guidelines were analysed at the meeting and Members as with all Working Group meetings were given the opportunity to comment and provide feedback to ensure they were satisfied that the guidelines were in line with GMPF's interests.

In October, PIRC hosted the ACCR at their offices where ACCR presented their latest research on Oil and Gas companies. Some companies have been 'resetting' their production targets and abandoning production targets and increasing capex which is concerning particularly when the International Energy Agency's view is that new long lead-time oil and gas projects have no place in a Paris-aligned pathway. For an organization seeking to 'reset', strong capital discipline is essential and the company needs to show how each of its projects fits into the remaining carbon budget. Any investment aimed at expanding fossil fuel production should undergo rigorous scrutiny. This is an approach GMPF has observed is increasingly being used to question companies on their commitment to net zero alignment.

The climate crisis not only impacts the environment we inhabit but it also poses a financial risk to the investments the Fund makes to secure members' pensions. As a steward of assets GMPF takes its responsibility seriously to ensure companies the Fund is invested in are prepared for the future. In October, LAPFF and CCLA

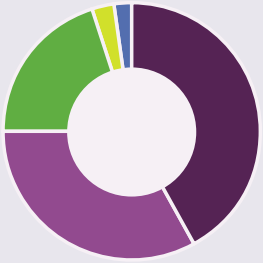
Manchester city centre
Chris Chambers, Alamy

Principle 6



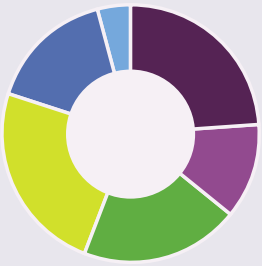
COMPANIES ENGAGED BY REGION

- **35%** Europe, Middle East & Africa
- **42%** Americas
- **23%** Asia Pacific



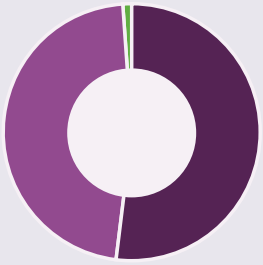
ENGAGEMENT ACTIVITY

- **42%** Alert issued
- **33%** Sent Correspondence
- **20%** Meeting
- **3%** AGM
- **2%** Received Correspondence



ENGAGEMENT OUTCOME

- **24%** Dialogue
- **12%** Dialogue
- **20%** No improvement
- **24%** Small improvement
- **16%** Moderatel improvement
- **4%** Change in process



POSITION ENGAGED

- **52%** Chairperson
- **47%** Specialist staff
- **1%** Exec Director or CEO

representing £3.1 of assets contacted the chairs of companies in the FTSE 100 calling on them to ensure their climate transition plans and resilience strategies are put to a shareholder vote at least once every three years. The press release is available on the LAPFF website at the link below.

LAPFF-CCLA-Press-Release-20102025.pdf

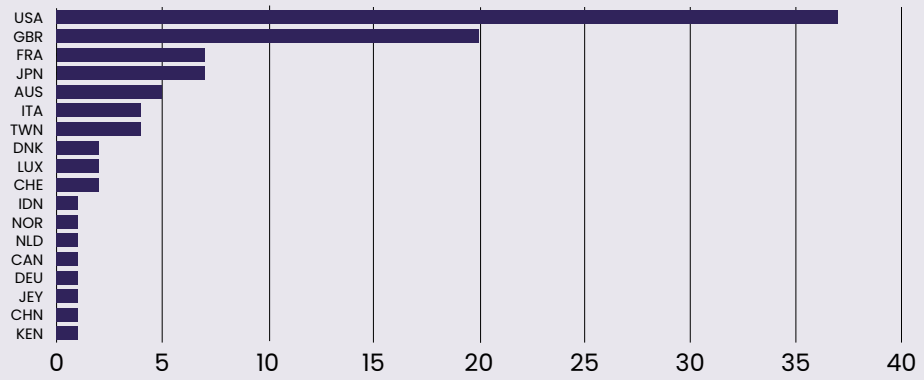
LAPFF's Mid-year conference in July brought together a range of experts and stakeholders to discuss pressing issues in responsible investment. The first panel explored the investor perspective on the right to collective bargaining. The second session focused on preventing rollbacks in ESG practices, moderated by GMPF's Assistant Director of Pensions (Investments). With the changing political landscape in the United States it is imperative that asset owners take a proactive approach to mitigate this risk by strengthening stewardship activities and engagement, monitoring and reporting and building strong, collaborative relationships with peers, advisors and external managers.

The LAPFF annual conference was held in December where topics such as overseas supply chains and human rights, conflict-affected high-risk areas, executive remuneration, renewable energy and a just and fair transition and sustainable steel production were discussed in detail and members we given the opportunity to discuss and learn about these issues and understand how they can account for these risks in their portfolios.

A summary of LAPFF's company engagement activities is published on a quarterly basis, including the company name and domicile, engagement topic, the nature of the activity and its outcome. LAPFF's Quarterly Engagement Reports are available on their website. By way of an example, above is a summary of their engagement activity for the second quarter of 2025 that was reported to the Management Panel. Data for other

Principle 6

COMPANY DOMICILES



quarters is available in LAPFF Quarterly Engagement Reports. LAPFF also provide methods of engagement and outcomes. Additionally, LAPFF provided the position of the person or people engaged with which can often indicate how seriously the company is taking the issue and company domiciles.

The Competition and Markets Authority (CMA) published its report following a review of the investment consulting and fiduciary management markets. Following this review the CMA issued an order stipulating that Pensions Committees should set objectives for their investment consultants.

GMPF set its first set of objectives for its investment consultant, **Hymans Robertson**, in December 2019. GMPF included Responsible Investment and ESG related objectives for its investment consultant to ensure advice provided should reflect the Management Panel's Responsible Investment policies as well as complying with relevant pensions regulation, legislation and guidance. The investment consultant was assessed against its objectives via an internal meeting between Officers of GMPF where their performance over the preceding year was discussed and a qualitative assessment of their objectives was undertaken. Following the meeting, together with relevant supporting documentation, Officers concluded that Hymans Robertson had met their objectives for 2025.

GMPF uses an external service provider, **Sustainable 1** formerly Trucost, to measure its backward-looking carbon footprint of its listed equity and corporate bonds and the results are reported to the Management Panel annually. Officers request that each of the external investment managers provide their own measurements as a comparison to ensure the data and results are consistent. While the data sources used may differ leading to slightly different numbers for some measurements the expectation is that the overall picture should be the same. For example, the highest and lowest carbon emitters in a portfolio would generally be the same.

Additionally, GMPF subscribes to Sustainable 1's forward-looking reporting. Their methodology uses publicly available information from companies and third-party data sources to estimate future emissions which enables GMPF to assess the alignment of its assets to the Paris goals. It incorporates both historical performance as well as forward-looking indicators over a medium-term horizon. This avoids the uncertainties of using only estimated forward-looking data, and it is of a sufficient time horizon to make the effect of year-on-year volatility less significant. Historical data on GHG emissions and company activity level is incorporated from a base year of 2012. Forward-looking data sources are used to track likely future transition pathways from the most recent year of company disclosed data through to 2030. This enables GMPF to assess its portfolio against the goal of limiting global warming and to track progress over time.

The external consultant presents the results at the Management Panel meeting each year where they provide some background and context as well as the results, and answer questions Members and Advisors have. Members have questioned Sustainable 1's methodology to gain a better understanding of the results they present.

The capabilities of providers vary greatly and the area of carbon footprinting is still evolving. Officers keep abreast of developments and meet with other providers to ensure the services received meet the most up to date standards. ■