



Activities & Outcomes Report

2025 Stewardship Code

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1. Introduction

This **Stewardship Activities & Outcomes Report** explains how the Mineworkers' Pension Scheme's stewardship approach is implemented in practice and the outcomes achieved through stewardship activity.

The report provides transparency on the key investment themes and stewardship activities undertaken by the Scheme during the reporting year, including engagement, voting and collaborative initiatives conducted through its investment managers and service providers.

The principles of the UK Stewardship Code are embedded throughout this report and referenced where relevant, reflecting the spirit of the revised Code, which emphasises outcomes, effectiveness and clear, accessible reporting.

Evidence of outcomes achieved is a central focus of this report. This includes how stewardship activities have sought to ultimately influence company behaviour, improve disclosure and governance practices, and address financially material environmental, social and governance risks that may impact the long-term security of members' benefits.

The report also highlights how stewardship activities are overseen, coordinated and monitored by the Trustee, and how stewardship insights inform ongoing investment oversight and decision-making.

Together with the Policy & Context Disclosure Report, this report demonstrates how the Scheme's stewardship approach is actively applied and outcome-focused, supporting transparency, accountability and long-term value for members.

Where this report refers to parties involved in carrying out the Scheme's stewardship activities, further detail on roles and responsibilities is provided in the Scheme's Policy & Context Disclosure.

Across both the Policy & Context and the Activities & Outcomes reports, the Scheme sets out:

- its purpose, fiduciary responsibilities and approach to stewardship;
- the broader economic, market and system-wide risks that influence stewardship priorities;
- the main investment themes and stewardship activity undertaken;
- the outcomes achieved through engagement, voting and collaborative work; and
- the governance structures, oversight and processes in place to ensure accountability and ongoing improvement.

2025 Highlights

This year, the Scheme has made steady progress in its stewardship practices:

- Improved oversight and reporting of financially material environmental, social and governance risks, supported by updated climate scenario analysis to assess potential financial impacts under different climate pathways (reported separately in the Scheme's TCFD disclosures).
- Closer collaboration with investment managers to strengthen the quality and clarity of stewardship reporting and case studies illustrating the above.
- Greater understanding of Stewardship practices within real assets and private market investments.

2. Integrating stewardship across investment and engagement activities

The UK Stewardship Code 2026 places clear emphasis on asset owners demonstrating effective oversight of their investment managers, rather than simply restating manager-led engagement activity. In this context, the case studies that follow are included to bring the Scheme's stewardship approach to life and to show how engagement forms a core part of CPTI's ongoing oversight and challenge processes. They provide practical examples of how ESG risks and stewardship priorities are identified, monitored and addressed through structured engagement by the external fund managers.

While the engagements themselves are undertaken by the appointed managers, the quality, focus and outcomes of that engagement reflect CPTI's active role in shaping expectations and reviewing progress. CPTI has worked closely with managers in recent years to strengthen the evidence captured; ensure clarity on actions, outcomes and next steps; and to assess whether engagements are delivering genuine progress. Reviewing engagement activity forms part of CPTI's wider ESG risk monitoring, and the examples included here illustrate how this oversight supports accountability, encourages improvement and helps to deliver meaningful stewardship outcomes for the Scheme.

Public Markets

Manager and EOS Engagements

Both EOS and the Scheme's investment managers undertake company level engagements on behalf of the Scheme in both public and private markets on issues that may impact their long-term sustainable value. Engagements may involve:

- Meetings with executive and non-executive directors.
- Meetings with other company representatives.
- Discussions with other shareholders of the company.
- Participation in collaborative investor initiatives.
- Submission of shareholder resolutions at general meetings as appropriate.

A breakdown of the Scheme's split of public equity voting and engagement activity across EOS and other investment managers as of 31 December 2024 and 31 December 2025 is provided below. Whilst EOS may vote on behalf of many of the Scheme's holdings, both the managers and EOS are responsible for engagement. This breakdown illustrates where voting and engagement coverage has shifted over the year as a result of reviews undertaken or allocation changes. As can be seen, as at the end of December 2025, EOS retains responsibility for the vast majority of the Scheme's voting. The main changes during the year were due to asset allocation changes rather than any active decisions on manager capabilities.

Managers undertaking Voting on behalf of the Scheme	Percentage of total public equity voting by provider	
	End December 2024	End December 2025
EOS	90.7%	81.7%
Ninety One	9.2%	7.7%
Schroders	--	10.6%

Note: Totals may not sum due to rounding

The Trustee expects issues for engagement to involve some breach of generally accepted financial, strategic, operational, legal, social, environmental, ethical or governance best practice. Engagements may relate to longer-term strategic, environmental, social or governance issues, which may not have immediate stock-specific impacts, for example, where the company's shares or debt are already fully valued, and the intent is to preserve that value.

The Trustee expects company specific engagements to be undertaken where it is believed that:

1. Engagement will lead to an increase in value of a company's shares and/or debt over the long term.
2. Engagement will prevent or limit a decrease in the value of a company's shares and/or debt over the long term.

In determining whether and how the engagement is taken forward, due regard should be given to the likelihood of engagement success and potential to bring about positive change. Such considerations should be based around an assessment of the likely impact of the engagement and the ultimate benefit to the value of the Scheme's holding.

EOS

EOS analyses company performance, policies and practices based on corporate disclosures and research on ESG factors. During 2025, EOS engaged on the Scheme's behalf with 504 companies on 2,612 issues and objectives covering the following topics: environmental (37.7%); social and ethical (26.5%); governance (26.5%); and strategy, risk and communication (9.4%). More detailed disclosure on EOS's engagement on behalf of the Scheme through 2025 including objectives by sector/priority themes and outcomes of engagement, are available in the annual report which is accessible on the Scheme's website ([link](#)).

CPTI, on behalf of the Scheme, provides feedback to EOS on engagement priority areas and process as part of the annual refresh of their "Engagement Plan". CPTI can also provide feedback through the bi-annual client advisory council events, the client advisory board and the Scheme's relationship managers. In 2025, CPTI engaged with EOS and many of the public equity managers on voting covering areas such as board independence, over-boarding, gender and ethnic diversity, climate change and executive pay.

The engagement work with investee companies is aimed at achieving sustainable investment returns through the promotion of long-term responsible business strategies. Engagements undertaken on behalf of the Scheme are guided by the

Scheme's Stewardship Policy and Responsible Investment Policy, described in the Policy and Context report, both of which can be found [here](#).

EOS monitor company performance on issues relevant to long-term value on an ongoing basis.. An example of an engagement conducted by EOS on behalf of the Scheme is set out below:

EOS - BYD – Human Rights and Labour Standards

Rationale: BYD is a leading Chinese electric vehicle manufacturer with growing European exposure. In May 2025, Brazilian prosecutors brought a lawsuit alleging human trafficking and forced labour at a construction site linked to BYD's EV plant in Bahia. This followed earlier inspections highlighting poor working conditions, raising concerns around labour standards, governance and associated financial, operational and reputational risks.

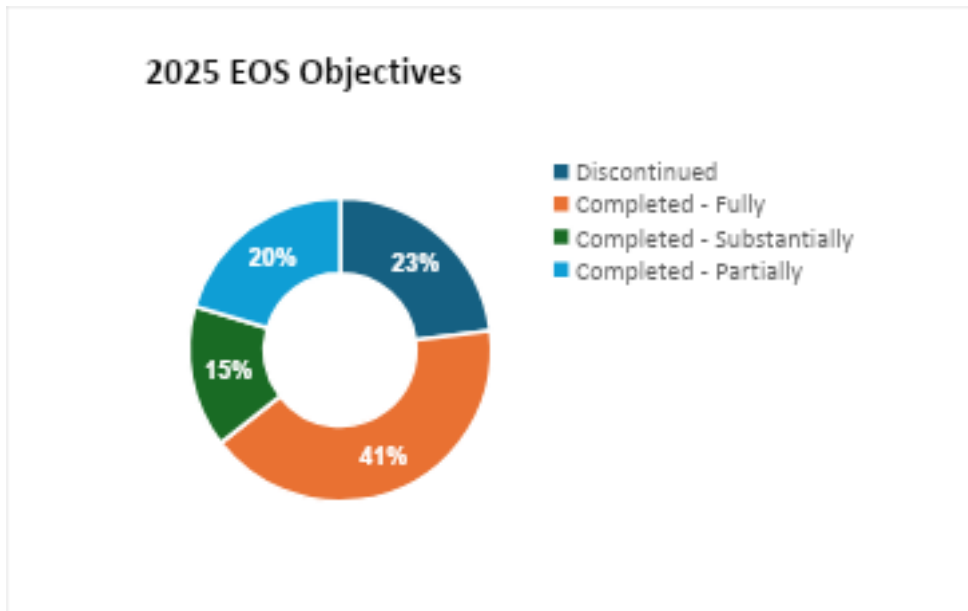
EOS's Actions: Since January 2025, EOS has engaged with BYD to strengthen governance and oversight of labour practices. Engagement focused on board-level accountability, reduced reliance on reactive remediation, and the need for more robust third-party audits and monitoring across overseas operations.

Outcomes and Next Steps: BYD terminated the contractor involved, repatriated affected workers and established a compliance committee. EOS considers these actions largely reactive and continues to press for stronger preventative controls, clearer accountability and independent assurance to reduce the risk of recurrence.

CPTI View: CPTI were reassured that EOS has maintained focused engagement with BYD on strengthening governance and labour oversight. CPTI considers the emphasis on board accountability, independent assurance and preventative controls appropriate given the material risks identified, and will continue to monitor progress through EOS's ongoing engagement.

EOS provide the Scheme with multiple reports across the year, covering themes, geographies, engagement statistics and voting case studies. These are reviewed by CPTI on an ongoing basis and provide assurance that EOS's engagement approach, goals and strategy are effective and aligned with Scheme's. Some of the relevant engagement statistics are highlighted below:

EOS note 912 objectives over the year, the majority of which are still ongoing. The pie chart below shows those objectives that have either been completed (partially, substantially or fully) and those which have been discontinued (i.e. where a company disagreed with EOS, the concern was no longer relevant or material, it was restarted as a new objective, or the company was unresponsive to the concern). Overall, the chart below demonstrates a strong level of completion relative to objectives discontinued, reflecting effective objective-setting and follow-through by the engagement team.



Managers

As mentioned above, the Trustee expects managers to engage on issues that involve some breach of generally accepted financial, strategic, operational, legal, social, environmental, ethical or governance best practice. Managers are expected to engage with companies on “general ESG” topics, such as board governance, but the Trustee also looks to the managers to engage on topics which are specific and niche to the mandates that they have been entrusted. The manager has been selected to run a mandate because of their detailed knowledge of the subject matter and, as such, they are expected to be able to engage on the same topics.

Below we outline three case studies from the Scheme’s managers that demonstrate each manager’s deep knowledge and understanding of the mandate in question:

Healthcare Manager – BridgeBio Pharma – Governance (Executive Remuneration)

Rationale: The manager engaged with BridgeBio following significant shareholder opposition to executive pay at the AGM, reflecting concerns around pay levels, incentive design and alignment with company size and long-term shareholder value.

Manager Actions: The manager engaged with the company after the AGM to express support for clearer performance-linked pay structures, stronger long-term incentives and more appropriate peer benchmarking. The manager encouraged changes that better align management rewards with sustained performance and shareholder interests.

Outcomes and Next Steps: The company responded positively by introducing performance-based share awards, moderating CEO pay increases and confirming it does not expect to grant a one-off equity award in the current year.

CPTI View: CPTI views this as a positive example of shareholder engagement leading to improved governance practices. Ongoing monitoring will continue ahead of future proxy seasons to ensure changes are embedded.

Why this matters for members: *Helping ensure senior pay is linked to long-term performance supports better governance and protects members’ investments from poorly aligned incentives.*

Listed Infrastructure Manager – Chubu Electric – Environmental (Energy Transition)

Rationale: The Portfolio Manager of the mandate engaged with Chubu Electric following its August 2025 withdrawal from offshore wind projects in Akita and Chiba, which drew strong government and community backlash. The event raised concerns about potential financial impacts, including higher cost of equity and possible fines, making engagement important to understand the financial and climate implications of the withdrawal.

Manager Actions: The manager has been engaging with the company over time but intensified engagement following the offshore wind project withdrawal in September 25. The manager sought deeper understanding of the financial and climate implications of Chubu’s withdrawal and to clarify how the company plans to maintain progress toward its renewable capacity target of 3.2GW+ by 2030.

Outcomes and Next Steps: While transparency cannot be measured through a single metric, the company has communicated—both directly to the manager and publicly—that it remains committed to renewable development and will pursue alternative projects to meet its 2030 target. Following management’s clarification that the withdrawal will have limited impact on profitability and shareholder returns, Chubu's share price has strengthened. The manager will continue

monitoring company communications and may increase engagement if future actions fall short of expectations.

CPTI View: CPTI considers this engagement to be an appropriate response to a potentially material climate-related development, helping to understand how changes in corporate strategy may affect long-term financial performance and alignment with the energy transition.

Why this matters for members: *Effective engagement on climate-related risks supports the protection of long-term investment returns and helps manage financial risks arising from the transition to a lower-carbon economy.*

Public Equity Manager – Barrick Mining – Social (Human Rights)

Rationale: The manager engaged with Barrick due to heightened human rights and community-relations risks at key mining sites, which can affect operational continuity, reputation and financial performance.

Manager Actions: They have undertaken multi-year engagement with the company, with focused discussions in 2025 on risk oversight, community engagement and human rights policies at the Porgera and North Mara mines. Engagement explored grievance mechanisms, independent assessments and community investment programmes.

Outcomes and Next Steps: The company outlined enhanced community development initiatives, updated grievance processes and plans to publish a standalone human rights report. While challenges remain in complex operating environments, ongoing improvements were noted. The manager will continue to engage with Barrick on its risk management and oversight process and its progress to implement its human rights strategy.

CPTI View: CPTI considers continued engagement essential given the financial and operational risks associated with human rights issues. Ongoing oversight will focus on implementation and transparency.

Why this matters for members: *Effective management of human rights and community risks helps protect operational continuity and long-term financial performance in complex operating environments.*

Gallagher: Voting Analysis

Gallagher plays a crucial role in analysing the Scheme's voting activities, providing a detailed review on a bi-annual basis. This analysis identifies voting trends, assesses the implementation of voting policies, and flags instances where votes were not cast. A key focus is understanding whether managers are casting votes using their own internal considerations rather than just using proxy recommendations and also understanding the manager's willingness to challenge corporate management where necessary. CPTI uses this information to highlight positive and negative practices across the managers, engaging with them to address any areas of concern.

2025 Update: During the year, CPTI used Gallagher's analysis to review voting arrangements across all mandates, reaffirming that the existing arrangements in place with either EOS or the investment managers continued to be appropriate.

In late 2024, the CPTI team assessed whether voting for the Scheme's new emerging markets public equity mandate should be retained by the manager or delegated to EOS. This review considered the manager's historical voting record, discussions with the investment team, and comparative engagement coverage relative to EOS. Following this assessment, CPTI decided in early 2025 to retain voting rights with the manager, reflecting strong alignment with the Scheme's stewardship priorities, robust historical voting behaviour, and the ability to vote

proactively based on direct company engagement. A key factor was the manager's full issuer engagement coverage, compared to 32% coverage under the EOS model, which is particularly important in emerging markets where informed, company-specific judgement is critical. The decision was also supported by the manager's integrated and transparent ESG approach, including clear escalation processes and alignment of focus areas with CPTI and the Scheme. As with all mandates, this decision will be kept under ongoing review.

This decision reflects CPTI's active oversight of delegated stewardship arrangements and ensures voting responsibility is aligned with the party best placed to exercise informed, context-specific judgement.

Following a review of the voting activity undertaken during the year by the Scheme's voting managers and third-party voting agent, a number of useful follow-up emails and discussions were held to assist CPTI in understanding and providing challenge to the approaches taken with regards to voting for both management and shareholder resolutions.

Fixed income

While EOS undertakes engagement on public fixed income on the Scheme's behalf, the Scheme's public fixed income investment managers also play an important stewardship role. CPTI engages with these managers as part of its regular oversight discussions to build understanding of how stewardship is exercised within fixed income, including how engagement approaches differ from those typically used in equity markets.

These discussions form part of CPTI's ongoing dialogue with managers to explore good stewardship practice in credit markets and to consider the tools available to fixed income investors. This includes, where appropriate, the use of escalation levers such as signalling a reduced appetite for future issuance or longer-dated debt, and engagement on debt covenants, including ESG-related provisions.

Covenant engagement is also relevant for private debt strategies. CPTI periodically revisits these topics with fixed income managers and continues to draw on insights from third-party providers to inform its expectations of effective stewardship within the asset class.

CPTI Engagements

While investment managers and EOS play a central role in engaging with investee companies on behalf of the Scheme, CPTI does not rely solely on third-party activity to deliver stewardship outcomes aligned with the Trustee's long-term objectives and beliefs. CPTI plays an active stewardship role across the portfolio, providing challenge, support and collaboration to investment managers and service providers to influence how stewardship is undertaken in practice. This includes setting clear expectations, testing approaches, and ensuring stewardship activity remains aligned with the Scheme's priorities. The example below illustrates how CPTI engaged during 2025 to strengthen stewardship oversight and outcomes.

Scheme Climate Scenario Analysis: During 2025, CPTI led a comprehensive refresh of the climate scenario analysis underpinning the Scheme's most recent TCFD report. CPTI assessed a range of third-party modelling approaches and selected MSCI climate modelling for public assets, alongside complementary analysis from real asset managers. This work strengthened CPTI's understanding of climate-related data, assumptions and limitations, and identified key physical, transition and policy risks requiring ongoing Trustee oversight. Following the analysis, CPTI engaged with managers on companies identified by MSCI as having elevated climate risk exposure and intends to incorporate this into wider monitoring of these risks within routine portfolio oversight and manager dialogue.

Responding to Market Events: Manager-led Engagement in Public Credit Markets

On occasion, CPTI becomes aware of engagement activity undertaken by the Scheme's investment managers in response to wider market events that may have

relevance for the Scheme's broader risk oversight, even where there is no direct exposure.

While the Scheme had no exposure to the company concerned, the following 2025 case study has been included to illustrate how the High Yield Credit manager responded to emerging risks in the securitised credit market. The example provides oversight into how the manager engages with banks and counterparties to strengthen governance, improve data quality and enhance transparency, helping to mitigate financial misconduct and investor harm across parts of the market relevant to the Scheme's portfolio.

High Yield Credit – Social and Ethical (Bribery and corruption/fraud risk)

Following the collapse of Tricolor, which was linked to alleged fraudulent practices, the High Yield Credit manager reviewed how governance failures and weak controls can expose investors to fraud risk, even where reported performance appears strong. The manager first confirmed that the Scheme had no direct or indirect exposure to Tricolor or its transactions, consistent with its long-standing approach of avoiding weaker consumer credit segments and identifying governance red flags such as high-risk borrower profiles and unusually low losses.

The manager then engaged with warehouse lending banks to understand how controls had failed and what improvements were being made. This included senior-level discussions, reviews of verification processes, exception reporting and surveys assessing collateral and servicing risks. Differences in the strength of custodians' systems were considered, alongside disclosures in transaction documents, helping to refine oversight expectations. As a result, the manager has adopted a more structured and ongoing approach to counterparty monitoring, with a continued focus on fraud prevention, verification capabilities and industry-wide improvements.

CPTI View: This engagement provides assurance that the High Yield Credit manager actively responds to market events, strengthens oversight where risks emerge, and continues to focus on governance and data integrity within securitised credit investments. CPTI will continue to monitor how these enhanced controls are applied and how industry standards evolve over time.

Linking Stewardship and Investment Decision-Making: As a Scheme operating within an outsourced investment management framework, engagement activity will not always be directly or immediately reflected in specific investment actions such as changes to allocations. Where engagement has explicitly informed an investment decision, this will be clearly articulated in future reporting. The case studies included this year demonstrate the ongoing role of stewardship in supporting long-term risk management, responsible market practices and effective oversight of managers, even where outcomes are not directly linked to a single investment decision.

Private Markets

While a significant part of the Scheme's stewardship activity — and therefore a large part of this report — focuses on public equities and investment grade credit mandates, where engagement is most concentrated and reporting is most developed, the Scheme's commitment to responsible investment extends far beyond these areas. The Trustee recognises that meaningful stewardship can, and should, be applied across all asset classes.

In this section, examples highlight how stewardship is being applied across the broader portfolio, including in real assets and other private markets. Although the nature of engagement may differ, the goal remains the same: to be active and responsible stewards of capital across all of the Scheme's assets.

Real Estate

Delancey Real Estate Asset Management (DREAM) was appointed as investment manager for the MPS real estate portfolio in December 2022. While DREAM had an established Responsible Investment strategy, CPTI worked with the manager to agree key ESG criteria within the mandate, with priorities including climate risk, emissions data coverage, and target setting. A core commitment was to achieve 90% carbon emissions data coverage by 2027, alongside engagement with occupiers, suppliers and local communities.

Since appointment, DREAM has progressed a range of ESG initiatives aligned with the Scheme's objectives:

ESG Data Quality and Coverage: During 2025, DREAM achieved 100% coverage for Scope 1 and Scope 2 emissions across the portfolio, exceeding interim targets. Progress on automated tenant data collection slowed in the second half of 2025 due to a legal dispute between data providers, resulting in tenant data coverage of 53% at September 2025. This issue was resolved in January 2026, allowing automation to resume and retrospective data from late 2025 to be captured.

Physical and Transition Risk: In 2025, DREAM advanced its Net Zero Strategy by commissioning Net Zero Carbon Audits across shortlisted assets identified in 2024. Low- or no-cost behavioural improvements were implemented, while feasibility studies for larger capital interventions, including de-gassing, were progressed to support long-term asset resilience, value and liquidity.

Portfolio-wide physical climate risk analysis was also updated. The assessment identified no high-risk assets and one medium-risk asset relating to surface water flooding and drought. Asset-level review confirmed that planned mitigation measures appropriately managed the risk.

Sustainable Development Targets: DREAM strengthened its Sustainable Development Brief to ensure development projects meet regulatory requirements and deliver positive environmental and social outcomes. Enhancements included a bespoke brief for industrial assets and updated minimum contract requirements, improving transparency and reporting. These changes have supported carbon savings across developments, including the use of Electric Arc steel and lower-carbon concrete mixes.

ESG Capabilities and Tenant Risk Monitoring: Recognising the tenant-focused nature of real estate assets, CPTI engaged with Delancey in 2024 to strengthen the identification and management of tenant-level ESG risks. Two priorities were agreed:

- Excluding tenants non-compliant with international treaties on controversial weapons (including nuclear weapons revenue thresholds); and
- Monitoring alignment with the UN Global Compact (UNGC), drawing on CPTI's public markets framework.

In response, Delancey implemented a structured ESG monitoring framework using AI-enabled software (Auquan), designed to flag ESG controversies across existing and prospective tenants. The tool monitors UNGC alignment, controversial weapons exposure and broader ethical risks, supporting exclusion policies and informing asset-level decision-making. The framework was rolled out across the portfolio, with quarterly reporting established.

CPTI's review of monitoring outputs during 2025 demonstrated improved transparency and insight into tenant-related ESG risks.

2025 Update

During 2025, H&M, Fujitsu and Royal Mail were assessed as presenting high-severity ESG controversy risks, primarily linked to human rights, governance

and corruption issues arising from global supply chains or core operations. Active monitoring enabled early identification of potential operational, reputational and income-related risks to Scheme assets.

Delancey's approach focuses on using ESG intelligence to inform asset management and strategic decisions, including assessments of covenant strength, legal exposure, exit optionality and store closures. All three tenants remained rated High due to the ongoing nature of the issues, with monitoring outcomes already informing asset-level reviews where appropriate.

In addition, DREAM strengthened its governance of modern slavery during 2025 by establishing a dedicated working group, delivering targeted staff training, and publishing its Modern Slavery Statement.

CPTI View: This engagement is important as it strengthens responsible investment integration within real estate portfolios, where ESG risks are typically less transparent than in public markets. Tenant-level ESG screening and monitoring supports early identification of reputational, regulatory and long-term valuation risks, helping to mitigate the potential financial impacts of human rights abuses, unethical business practices or controversial weapons exposure.

Case Study – 2025

Arena Retail Park, Haringey – Sustainability and Responsible Asset Management

Rationale: The manager focused on improving environmental and social performance through a structured Sustainability Action Plan, recognising the contribution of asset-level stewardship to long-term value and resilience.

Manager Actions: During 2025, initiatives were delivered via the SIERA platform, including energy efficiency upgrades (PIR lighting), enhanced waste infrastructure achieving full diversion from landfill, and progress towards EV charging

installation. Sustainable procurement was strengthened through alignment with ISO 20400 standards, and green lease clauses were embedded in new and renewed leases. Social initiatives included installing an on-site defibrillator and introducing modern slavery checks within quarterly reviews.

Outcomes and Next Steps: The asset achieved 100% waste diversion from landfill, improved energy efficiency and strengthened tenant engagement. EV charging installation is scheduled for 2026.

CPTI View: This is a strong example of practical, asset-level stewardship translating policy into measurable outcomes. Progress will continue to be monitored during 2026.



Forward-Looking ESG Priorities: Delancey's 2026 business plan focuses on translating improved ESG data into asset-level action, with sustainability embedded across investment, development and asset management activities.

Key ESG priorities for 2026 include:

- Decarbonisation and climate resilience
- Energy efficiency and environmental performance
- Sustainable development
- Tenant, social and governance considerations

CPTI will monitor progress against these priorities and report on delivery and outcomes in the 2026 Stewardship Activities & Outcomes Report.

UK Infrastructure

The Trustee's investment belief is that strong stewardship supports better risk-adjusted returns, particularly for long-term investments where ESG considerations are most material. Infrastructure assets are highly illiquid and long dated, making stewardship and ESG integration a central focus of CPTI's oversight of the Scheme's infrastructure managers. The Scheme's exposure includes renewable energy, energy-efficiency projects and other essential infrastructure assets.

Many of these assets are critical to the UK economy and have direct impacts on the environment and consumer cost of living. The Trustee takes its ownership responsibilities seriously and recognises the important role asset owners can play in engaging on these issues.

This section outlines the Scheme's approach to responsible investment and stewardship, with 2025 updates relating to Greencoat, one of the Scheme's infrastructure managers specialising in renewable energy. The Scheme invests in Greencoat's solar fund.

Sustainable investment objective and integration of sustainability factors:

Greencoat's investment approach is underpinned by long-term sustainability and responsible ownership. As a specialist renewable energy manager, it considers a wide range of sustainability factors across the investment lifecycle, including climate risks and opportunities, environmental impacts, health and safety, governance arrangements and interactions with local communities. These factors are integrated alongside financial analysis, with ongoing oversight throughout ownership.

Governance and accountability:

Responsibility for integrating sustainability considerations is embedded within Greencoat's investment management processes. Investment teams are accountable for identifying and managing material sustainability risks and opportunities as part of day-to-day asset oversight, supported by firm-wide policies and governance arrangements that set expectations for responsible investment and stewardship practices.

Engagement and policy awareness:

Greencoat recognises the importance of engagement and policy awareness in supporting long-term asset performance. The firm monitors regulatory and policy developments relevant to the renewable energy sector and engages where appropriate on issues that may affect asset operations or returns. Constructive relationships are maintained with key stakeholders involved in the operation and regulation of assets.

2025:

During 2025, Greencoat continued to invest in and manage UK renewable energy assets through the Greencoat Solar Fund, which focuses on operational solar photovoltaic farms.

Supporting the UK Energy Transition:

The Fund expanded its portfolio with the acquisition of Tolldish, a new UK solar asset with a capacity of 25MWp. This investment supports renewable electricity

generation, contributes to the UK's transition away from fossil fuels and provides long-term, inflation-linked income.

Responsible Asset Management:

Greencoat remained focused on the safe, efficient and compliant operation of existing assets. Oversight included monitoring financial performance, electricity price assumptions and policy developments, particularly those affecting renewable energy support mechanisms.

Financial Discipline and Stability:

The Fund made distributions during the year while maintaining sufficient liquidity to meet ongoing obligations. Greencoat continued to monitor market conditions, including changes in power prices and government policy, reflecting these in asset valuations and risk assessments.

CPTI View: Greencoat's approach to managing renewable energy assets reflects responsible investment principles, supporting the Scheme's environmental objectives while ensuring ESG risks and opportunities are considered as part of ongoing asset oversight.

Private Debt

Whilst investing in debt does not give managers direct control or voting outside of distressed situations, debt holders still have significant opportunity and responsibility to engage. Debt investors have significant influence when deciding whether to participate in future debt issuances, both in relation to the cost and lending terms of loan agreements. Particularly in the case of new lending, managers also have the opportunity to introduce covenants in relation to material ESG risks.

As the Scheme's exposure to private debt is currently in run off, CPTI are not currently considering such approaches. Should the Scheme allocate new capital to this asset type in future, however, such covenants may be considered.

Private equity – escalations and use of LPAC influence

In private equity, investments in funds and co-investments are regularly evaluated. Consideration of ESG factors for both fund and co-investment opportunities is a critical input to the decision-making process when deciding where to commit capital for the long term and in what magnitude, as well as in the ongoing stewardship and challenge of managers. In order to ensure a strong voice with managers, CPTI will take Limited Partner Advisory Committee (LPAC) seats where possible and push for agendas to include ESG priorities. The Scheme has LPAC seats with 9 private market managers currently across 23 underlying funds. Some examples of the stewardship approach in this area are detailed below:

In its capacity as LPAC member for many of the Scheme's private equity and special situations debt funds, CPTI has frequent resolutions to review. These can range from relatively simple matters such as an extension to the life of the fund to more complex matters such as a change in key person or the sale of an asset to another fund under the manager's control. Fund term extensions need to be reviewed with regard to appropriate fee levels and provide an opportunity to negotiate a fee reduction whilst granting the manager sufficient time for an orderly sale of the assets which would be accretive to value. CPTI reviews all matters carefully for potential conflicts of interest as well as in the interests of the Scheme and other limited partners.

During 2025 the Scheme secured improved fee outcomes for two funds by voting against extensions where fees were inappropriate and not aligned with the wider market; the manager subsequently reduced fees and the Scheme consented to the extensions.

CPTI continued to see an increase in single asset continuation vehicles. These are reviewed for fairness to existing Limited Partners, including the presence and reasonableness of any third-party valuation and the terms of the new vehicle.

CPTI assesses whether to roll over investments for future upside or realise liquidity at that point.

Another example is a newly established manager where the Scheme is a significant early investor and advisory board member. CPTI engaged closely as the manager built its team during fundraising. Following senior turnover, including the departure of the CEO and two CIOs, CPTI continues to engage to understand the drivers of this turnover.

Co-investments have provided an opportunity to review individual private equity investments more closely. CPTI has often worked with JP Morgan to source deals, including a recent example involving ongoing engagement with a company on its ESG approach, carbon reduction progress and Net Zero targets. The company is committed to reducing greenhouse gas emissions across its operations and value chain, with near-term targets validated by the Science Based Targets initiative (SBTi) and aligned to limiting global warming to 1.5°C. In 2025, it increased its scope 1 and 2 reduction target from 60% to 75% by 2030 against a 2021 baseline. This strategy has reduced emissions from operations by over 55% since 2021, despite continued expansion of stores and distribution warehouses, with 100% of retail outlets now gas-free and powered by renewable energy. During the year, the firm began working with suppliers on climate action, initially engaging them to set science-based targets, with the aim that by 2029, suppliers representing 80% of scope 3 emissions will have done so. To support this, the company is working closely with suppliers, providing guidance where possible, and by the end of 2025, 15% of suppliers had validated science-based emissions targets.

All due diligence processes now include CPTI's DE&I questionnaire, as referenced earlier in this report. This has led to CPTI engaging on behalf of the Scheme in productive DE&I discussions with managers. This has included impressing on those that are less diverse CPTI's wish to see more gender and ethnic minority representation in investment teams, not least as diversity is expected to improve the quality of decision-making and challenge.

Collaborative engagement

The Scheme participates in collaborative engagement efforts through a number of different relationships. These are primarily EOS-led collaborative engagements, however group memberships such as those discussed in this section are also useful tools which support CPTI's work and education as it relates to stewardship.

Engagement to address system risk

On behalf of the Scheme, EOS and the Scheme's asset managers regularly engage with a wide range of stakeholders, including government authorities, trade bodies, unions, investors and NGOs, to best identify and respond to market-wide and systemic risks. CPTI on behalf of the Scheme has also been involved in dialogue with UK regulators during the year via the Asset Owner's Council (AOC).

Through EOS and groups like the AOC, the Scheme engages to promote effective regulation in the markets in which it invests to encourage governance structures that facilitate the accountability of companies to their owners, to give companies the certainty they need to plan for the future and to promote a level competitive playing field, which enables companies to prioritise long-term profitability.

EOS has a comprehensive programme of engagement with legislators, regulators, industry bodies and other standard setters to help shape capital markets. Their public policy work includes:

- Engagement on issues and written responses to consultations on behalf of the Scheme.
- Providing the Scheme with the opportunity to endorse or co-sign responses to consultations; and
- Providing the Scheme with written responses to consultations for use as a basis for its own communication.

Through 2025, CPTI continued to recognise the importance and value of EOS's collaborative engagement with accounting, auditing and assurance standard setters to address climate-related system risks. EOS engaged with bodies such as the IASB and ISSB, alongside audit firms and professional bodies across Europe and Asia, to improve the consistency, credibility and alignment of climate-related disclosures with financial reporting. This work focused on addressing gaps in how climate-related risks are assessed, quantified and assured, including where long-term climate commitments are not clearly reflected in financial statements. By engaging across the broader reporting ecosystem, EOS sought to strengthen disclosure quality at a system level and support more decision-useful information for investors.

CPTI View: CPTI believes this type of system-level engagement is critical for addressing risks that cannot be mitigated through company-by-company engagement alone. EOS's ability to access standard setters, audit firms and regulators allows for influence where it can have the greatest market-wide impact. This work helps make information clearer, more consistent and easier to compare, so that CPTI are able to ensure members can better understand how risks are managed and how the Scheme is stewarded. For CPTI, having a stewardship overlay provider such as EOS enhances our ability to address underlying system risks that affect long-term member outcomes.

Public policy engagement

EOS participates in public consultations and meetings to contribute to the development of policy and best practice, with the aim of protecting and enhancing value for their clients by improving shareholder rights.

2025 Collaborative Engagement with Accounting and Auditing Standard Setters

During 2025, EOS engaged with the US Securities and Exchange Commission (SEC) in response to a consultation on executive compensation disclosure requirements.

EOS emphasised that well-structured and transparent remuneration frameworks can support long-term business success and align the interests of management and shareholders. EOS highlighted the importance of simple, tailored remuneration structures and clear disclosures that demonstrate the link between pay and performance.

This engagement formed part of EOS's broader efforts in the US to protect, and where appropriate advance, shareholder rights on behalf of institutional investors, including promoting high-quality corporate reporting and effective mechanisms for shareholder voting and engagement.

CPTI Group Memberships

Given resource constraints, the investment team's participation in collaborative engagement groups during 2025 was selective. Memberships were reviewed periodically to ensure they remained proportionate and appropriate.

Asset Owner's Council

During 2025, CPTI was an active member of the Asset Owners Council (AOC), a forum established following recommendations from the Asset Management Taskforce to promote high standards of stewardship among UK pension schemes.

The AOC provides an opportunity for asset owners to share experience, discuss regulatory and stewardship developments, and engage collectively on topics such as climate change, corporate governance and responsible investment practices.

Membership during 2025 supported knowledge-sharing and peer engagement across the sector, helping CPTI remain informed of emerging stewardship expectations and market-wide discussions.

CPTI View: Membership has supported the CPTI team's understanding of relevant issues through peer learning and insights shared from the group's engagement with regulators.

Asset Owner Diversity Charter

Diversity, equity and inclusion (DE&I) remains a core stewardship consideration for the Scheme. CPTI has been a signatory to the Asset Owner Diversity Charter (AODC), which provides a collaborative framework for understanding, monitoring and challenging manager practices on DE&I, without setting prescriptive targets for firm composition.

Through the Charter, CPTI has historically engaged with managers on DE&I across key appointments, using the framework as a tool to assess disclosure, governance and embedded practices. Past reviews highlighted that progress in this area is often incremental and closely linked to firm culture, with factors such as transparency, accountability and staff retention providing important context when assessing the quality of a manager's approach.

Experience has also reinforced known challenges in obtaining consistent and decision-useful data, particularly from private market managers. While CPTI continues to recognise these limitations, DE&I remains relevant to overall manager quality and governance, and is considered alongside other qualitative indicators within manager oversight.

CPTI continued as a signatory to the Asset Owner Diversity Charter through 2025. During the year, full portfolio-wide DE&I reviews were paused while CPTI has been refining its internal approach to ensure it remains proportionate and value-adding for a mature scheme. CPTI continued dialogue with the Diversity Charter during 2025 and is monitoring expected developments which may support future alignment.

CPTI View: Engagement with the Charter has informed CPTI's understanding of peer practice and evolving expectations, supporting the development of a proportionate approach to embedding DE&I within manager monitoring.

LIPH (Long-term Investors in People's Health)

LIPH is a global collaborative engagement initiative focused on the relationship between population health, long-term economic performance and investment returns. The Scheme joined LIPH to enhance its understanding of material health-related risks and opportunities across the portfolio, consistent with its healthcare investment theme.

Through participation in LIPH, the Scheme benefits from shared research, collective engagement tools and investor collaboration aimed at improving corporate transparency and accountability on workforce health and well-being. LIPH research highlights that poor health creates material and preventable financial risks for companies and investors, including labour shortages, reduced productivity and higher costs following the pandemic. By strengthening oversight of these risks, the Scheme supports more resilient businesses and sustainable long-term value creation.

The LIPH initiative serves to empower investors in four key areas:

1. **Lead:** Demonstrate early leadership on health-related risks and opportunities, aligned with growing investor focus on social factors.
2. **Collaborate:** Engage collectively with companies to accelerate progress and improve health-related disclosure.
3. **Learn:** Access shared research, benchmarks and insights to better identify and manage health-related risks.
4. **Influence:** Contribute to improving global health data and standards through coordinated investor advocacy.

LIPH has developed a comprehensive framework focusing on three critical aspects:

- **Worker Health:** Emphasises the significance of work quality, conditions, and benefits in determining health outcomes. This includes promoting a Living Wage, secure contracts, equitable parental leave, supportive sick pay packages, and health insurance. Well-designed jobs that offer autonomy and control are also recognised as vital for employee health.
- **Consumer Health:** Acknowledges that a substantial portion of global deaths results from overconsumption of products such as alcohol, tobacco, and unhealthy food and drinks. LIPH encourages companies to take responsibility for their impact on consumer health, particularly in the context of rising childhood obesity.
- **Community Health:** Recognises the broader impact of companies beyond their employees and customers. This involves considering the health effects of business operations on communities, including issues like pollution and supply chain practices. The global cost of health damage due to poor air quality, for instance, is estimated to represent 6.1% of global GDP.

CPTI View: Participation in LIPH supports the Scheme's healthcare theme and aligns with members' long-term interests by helping to identify and manage health-related risks that can affect workforce stability, economic performance and investment returns over time.

Microfibres

First Sentier Investors initiated a collaborative engagement with the Marine Conservation Society (MCS) to address marine pollution caused by synthetic microfibres released from washing textiles. The collaboration brings together over thirty institutional investors engaging with washing machine manufacturers, informed by scientific evidence highlighting microfibres as a significant contributor

to ocean microplastic pollution, including an estimated 9 trillion fibres released per week in the UK.

The investor group aims to encourage manufacturers to integrate microfibre filters into all new domestic and commercial washing machines and to support policy measures requiring built-in filters as standard. Progress to date includes the introduction of filters by manufacturers such as Grundig and Electrolux, and commitments from others, including Samsung, to develop filter technology.

2025 update: In 2025, the collaboration continued targeted company engagement, with CPTI participating as a supporting member, helping identify where future engagement could be most effective. The scope of the initiative broadened to include apparel and appliance companies, focusing on reducing microfibre release through product design, materials and technology. Policy engagement was also strengthened through correspondence with the UK Department for Environment, Food and Rural Affairs (DEFRA), which has since confirmed that its forthcoming Circular Economy Strategy (2026) will include sector roadmaps for textiles and plastics, providing an important platform for further progress.

CPTI view: As a supporter member, CPTI endorses the initiative while limiting direct involvement. This role provides access to shared research and engagement insights, helping the Scheme stay informed on emerging best practice while contributing to the collective investor voice in an efficient and proportionate way.

3.Exercising rights and responsibilities (Voting)

Voting

Principle: 4

The Trustee believes that voting is an important investor right and responsibility. Where CPTI is able to take an LPAC seat in private markets investments, it will attend relevant meetings, vote and raise additional issues where necessary.

Through EOS and certain investment managers, the Scheme seeks, wherever practicable, to vote responsibly on every resolution at all meetings of public companies in which it is invested. Voting is regarded as a key component of the Scheme's stewardship and as a means of achieving positive change, with voting rights exercised in line with the Scheme's responsible investment policies and objectives.

The Trustee expects EOS and the Scheme's investment managers to make voting recommendations based on the specific circumstances of each company, taking account of local best practice and regulation. Voting should be undertaken pragmatically and in pursuit of positive change, either to influence company behaviour or to register dissatisfaction. Wherever practicable, the Scheme, through EOS and its investment managers, seeks to communicate with portfolio companies ahead of voting against management to explain the rationale and seek a change in position. Where votes are cast against management, dialogue is typically continued to explain the action taken and explore ways to avoid a recurrence.

The Trustee's stewardship policy sets out how voting is carried out, with voting delegated to EOS and the Scheme's investment managers. CPTI, on the Scheme's behalf, can also influence the voting policies of EOS and managers through ongoing dialogue and feedback. The stewardship policy is published on the Scheme's website and is available [here](#).

The Scheme will typically follow EOS voting recommendations where this responsibility has been delegated, although it retains the right to vote differently. Voting is facilitated via the ISS Proxy Exchange platform in line with the Scheme's policy, with processes varying by investment manager. Where the Scheme has invested via pooled funds, it does not have the ability to direct voting but CPTI can still engage with managers on voting policies and decisions; the Scheme currently holds no pooled investments. CPTI monitors voting activity by EOS and investment

managers, with particular focus on resolutions relating to board diversity, remuneration and climate.

Voting responsibilities

While CPTI delegates a significant proportion of stewardship activity to EOS, two active equity managers retain voting responsibility, reflecting a deliberate assessment of each manager's voting approach. Understanding how EOS and these managers exercise voting rights, and ensuring alignment with Trustee policy, remains a key focus for CPTI.

Since 2022, Gallagher has supported CPTI in developing a deeper understanding of the Scheme's voting through annual voting activity reports covering all votes cast. CPTI works with Gallagher to undertake detailed reviews of voting agent activity, focusing on areas such as voting trends, alignment with proxy recommendations, implementation of voting policies, policy referrals, instances where votes were not cast and voting at significant issuers.

These reviews enable CPTI to identify strengths as well as areas for improvement and to engage with voting agents where challenge or enhancement is required. Engagement topics have included incomplete vote coverage, divergence from wider shareholder voting on high-profile resolutions and reliance on proxy adviser recommendations.

In 2025, voting activity largely related to routine company matters, with votes cast through EOS and the Scheme's investment managers. More significant issues, including board appointments, remuneration and climate-related matters, demonstrated an appropriate level of challenge and discretion, including selective support for well-founded shareholder proposals. Reviewing voting patterns across managers helped CPTI assess alignment with expectations, oversee behaviour and ensure voting supported the Scheme's long-term interests.

As in previous years, CPTI also attended the EOS annual update on voting policies, which provided useful insight into priorities and expectations for both the year under review and the year ahead.

In forming voting recommendations, EOS applies regional voting guidelines reviewed by CPTI and available [here](#). Historic voting disclosures for the Scheme are publicly available [here](#) and are published quarterly in arrears to preserve effective engagement while maintaining transparency.

The table below summarises the Scheme's voting record in 2025 from EOS and the investment managers who vote on the Scheme's behalf:

Investment Manager	Resolutions eligible to vote	Resolutions voted (%)	Resolutions voted against management (%)	Resolutions abstained (%)
EOS	22,058	99%	13%	2%
Schroders	878	93%	15%	0%
Ninety One	506	97%	7%	1%

Summarised below are instances where the Scheme voted against management or abstained, shown by resolution category, by the voting approach used (including votes cast directly by investment managers and by the Scheme's third-party voting provider), and at the overall Scheme level:

Resolution Category	EOS	Schroders	Ninety One	MPS Total
Routine Business	12%	6%	18%	12%
Director Related	52%	29%	44%	51%
Capitalization	8%	11%	11%	8%
Company Articles	2%	13%	6%	3%
Compensation	12%	10%	11%	12%
Audit Related	6%	23%	6%	7%
Other	7%	7%	4%	7%

Stock lending

The Scheme has an active stock lending programme. Towards the end of 2021 a stock lending recall service was implemented aiming to recall all on loan stocks where possible for voting. The solution has now been active for four years and has been effective in allowing the Scheme to exercise the majority of its votes. During 2025, almost all of the stocks on loan which were eligible for voting were successfully recalled, and votes exercised.

CPTI regularly reviews the investment managers that are conducting engagement and voting on the Scheme's behalf in public markets to decide whether the voting best rests with the investment manager or EOS, recognising the conflicts that exist between investing and engaging as well as the differing escalation tools available to the manager versus EOS.

4. Selection and oversight of managers

Manager Selection Process

Principle: 5

Once the Scheme's overarching investment strategy has been designed, CPTI then look to which external managers are best placed to execute this strategy. This process covers a number of different things including philosophy, idea generation, team and resources, portfolio construction, risk management, implementation capabilities, operational and legal considerations, model portfolio analysis, performance analysis and fees. Below we outline how the process considers investment managers' ability to integrate stewardship and consider ESG risks. This is a key input to the research and tendering process for new managers and the oversight of existing managers.

When CPTI send out a request for proposals (RFP) to managers relating to a new mandate, the responses as relates to responsible investment are compared and qualitatively graded based on the following responsible investment metrics:

1. **Unique aspects:** Distinctive elements of the manager's approach to stewardship and ESG integration that set them apart from peers, including proprietary methodologies, innovative engagement strategies, or differentiated sustainability data usage or market insights.
2. **Standard practices:** Baseline ESG and stewardship practices expected across the industry, such as adherence to global frameworks (e.g., PRI, TCFD, SFDR), and integration of relevant risks into investment decision-making.
3. **Leadership culture:** The extent to which responsible investment is embedded into the firm's leadership and governance structures. This includes the visible commitment of senior leaders to ESG and stewardship priorities, the alignment of internal incentives with long-term sustainability goals, and the presence of clear accountability mechanisms. CPTI also considers how the firm fosters a culture of challenge, inclusion, and integrity, recognising that leadership tone and culture are critical drivers of consistent, high-quality ESG integration and long-term value creation.
4. **Investment team consideration of relevant ESG risks:** How the portfolio management and research teams integrate ESG risks into their investment process.
5. **Voting:** The manager's proxy voting policy, voting record, and willingness to take a proactive stance on key issues, including escalation policies when engagement fails.
6. **Engagement:** The quality and effectiveness of the manager's engagement with investee companies and other relevant bodies, including examples of past engagements, escalation strategies, collaborative initiatives, and transparency in reporting engagement outcomes.

7. **Additional information:** Any further insights that enhance the evaluation, such as real-world case studies, thematic research, or forward-looking sustainability initiatives not covered elsewhere.

Not all managers are required to be best in class in all areas of responsible investment however CPTI must ensure that critical risks are understood, monitored and acted upon when required. Where stewardship and voting falls below required quality standards, CPTI often choose to use a dedicated provider to supplement the manager as discussed below.

During late 2024 and early 2025, the Scheme completed a manager selection exercise for an Emerging Markets equity portfolio, leading to the appointment of Schroders. The mandate was funded in 2025. Over the year, the Scheme also undertook research and preliminary engagement as part of its consideration of potential future manager selection opportunities. This work is ongoing and will be reported on in future disclosures as appropriate.

Manager Monitoring

RI Team: ESG Risk Monitoring

In 2023, CPTI formalised its ESG Risk monitoring process for public equities and investment-grade credit. This includes quarterly identification of controversies, ESG laggards and companies on the UN Global Compact (UNGC) watchlist or in violation of its principles for public equities, using data from MSCI and other sources and annual identification of the same for investment-grade credit. Following this identification, CPTI writes to each manager to inquire about how they are addressing these risks, fostering ongoing dialogue for improvement. CPTI do not require managers to exit these companies, rather the data is used to interrogate the manager's approach to these risks.

The Scheme has access to a large amount of ESG data that is used during this process through various reports and platforms including:

- **Holdings-based management information systems:** Holdings-level risk and exposure tools used to assess and monitor ESG and climate-related analytics for public assets, incorporating MSCI data and related third-party analytics.
- **MSCI One:** An online platform that houses MSCI's "ESG Manager" which provides company level quantitative and qualitative information relating to ESG. Once a flag has been identified in the portfolio, the RI team will dig deeper into the specifics of this issue within MSCI's ESG Manager ahead of discussion with the manager.
- **EOSi Client Portal:** EOS's online platform providing access to company level engagements, voting and other public policy activity and high-level engagement topics including EOS's Controversial Company Reports (CCR) which the Scheme subscribes to. This reporting provides enhanced engagements on behalf of the Scheme with controversial companies that violate or are at risk of violating commonly accepted international norms and standards. The CCR reporting has an additional benefit to CPTI in that it subscribes to Sustainalytics, which provides CPTI with an additional layer of verification, particularly helpful given the subjective nature of some of the controversies, ratings and UNGC status. The team at CPTI will often use research from EOS for enhanced decision making and understanding of a company's ESG risks. This comes in many forms, from analysing the engager's notes on the platform, to considering EOS' voting record in relation to a certain issue at a company. CPTI also use their research relating to public policy work.

CPTI also undertakes ESG risk monitoring for the Scheme's emerging market debt portfolio, after establishing an ESG monitoring for government bonds during 2024. Unlike corporates, governments operate differently, meaning the same screening approach was not directly applicable. To align ESG considerations, CPTI maps government data to relevant ESG metrics, including child labour indicators, resource governance measures, and MSCI ESG scores. For sovereign screening, CPTI uses treaty participation to assess involvement with controversial weapons and assessed human rights practices based on the ratification of key international

conventions. CPTI screens all countries with sovereign bond exposure, flags ESG concerns within a monitoring matrix, and identifies higher-risk countries for review. The manager then provides detailed ESG commentary, with further engagement initiated by CPTI where appropriate.

As part of the ongoing oversight over the management of ESG risks in the portfolio by the Scheme's investment managers, CPTI engaged with the investment managers during 2025 regarding specific company flags, some examples of which are summarised below.

The following two examples are financially material to the Scheme because they address significant governance and supply chain risks that have the potential to impact long-term investment value. In the case of TotalEnergies, controversies relating to human rights and environmental risks pose legal, reputational, and regulatory risks, all of which can affect the company's licence to operate and future project pipeline. For Midea, exposure to conflict minerals presents compliance, reputational, and operational risks, particularly as regulatory expectations and supply chain transparency requirements increase globally.

TotalEnergies – UNGC Watch list - Public Equity Manager

As part of ongoing ESG risk monitoring, CPTI reviewed a Global Equity manager's engagement with TotalEnergies, which has been flagged on the UN Global Compact watchlist in relation to alleged human rights and environmental issues linked to its crude oil project in Uganda. The manager confirmed continued engagement with the company, most recently in May 2025, covering these allegations alongside broader social and environmental risk considerations.

The manager reported constructive discussions with TotalEnergies, highlighting transparency around potential human rights and environmental risks and ongoing efforts to strengthen community engagement. Engagement also covered the company's safety programmes, including discussion of trends in fatality statistics,

as well as management's approach to transition risk. TotalEnergies continues to assess its project pipeline with a focus on low-cost, low-methane and low-carbon-intensity assets as indicators of transition risk management.

CPTI view:

CPTI takes a cautious but constructive view of the engagement to date. The manager's continued dialogue and the company's willingness to discuss material risks provide a degree of assurance; however, given the seriousness of the allegations, CPTI will continue to monitor developments closely. Ongoing oversight will focus on evidence of effective risk mitigation, delivery of commitments on human rights and environmental safeguards, and consistency between stated transition metrics and project-level outcomes.

Midea – Controversies – Controversial Sourcing – Emerging Markets Equity (EME) Manager

An example relating to Midea Group was included in the Scheme's 2024 Stewardship Report, where a potential supply-chain sourcing risk had been identified through routine ESG risk monitoring under the previous emerging market equity manager. Following the transition to a new emerging market equity manager, during 2025 CPTI sought assurance that oversight of the identified ESG risks had continued. The current manager confirmed that historic concerns had been considered through prior and ongoing engagement, and provided assurance that supply-chain management and controversial sourcing risks remain subject to monitoring as part of its wider stewardship approach. Based on the engagement undertaken and the company's disclosed supplier due-diligence processes, the manager does not currently assess the issue as a material ongoing risk

CPTI view:

CPTI is satisfied with the assurance provided that previously identified supply-chain risks continue to be monitored and engaged upon by the current

manager. CPTI will continue to seek updates as part of its ongoing ESG oversight to ensure that any material changes to risk assessment or company practices are identified and addressed. CPTI will also ensure continuity of approach following mandate transitions.

Investment managers are also provided with an annual reporting template to support consistent disclosure of engagement activity aligned to the Scheme's key ESG themes. This structured approach was introduced in response to previously variable quality of engagement reporting, where disclosures often confirmed meetings with company management but lacked sufficient clarity on engagement objectives, focus areas and progress towards outcomes. The templates have facilitated the consistency, clarity and depth of engagement reporting, supported by feedback to managers to encourage ongoing improvement.

The 2025 submissions provided valuable insight into the stewardship activity undertaken by investment manager teams during the year, including how ESG risks were identified, prioritised and managed within portfolios. This enhanced visibility has strengthened the Scheme's understanding of manager stewardship practices and informed ongoing oversight and dialogue.

As noted in the Policy and Context Disclosure report, CPTI uses eFront to gain greater transparency of underlying exposures in private markets, supporting a clearer view of portfolio composition and information where data availability is most feasible for monitoring and reporting purposes.

CPTI Team: Ongoing Monitoring

Responsible investment and stewardship considerations are fully embedded in CPTI's broader manager oversight and monitoring process. These conversations are not limited to the RI team; they take place across the investment team during regular performance reviews and monitoring meetings with external managers. All managers are expected to maintain formal stewardship and engagement

policies and align with the Scheme's own RI principles. Where gaps exist, CPTI engages directly and works with managers to strengthen their approach.

The investment team regularly assesses managers on:

- Their capacity, expertise, and overall commitment to responsible investment.
- The quality of stewardship practices, including engagement and voting.
- How ESG risks and opportunities are integrated into investment decisions.
- Their alignment with core responsible investment themes.
- The transparency and usefulness of ESG reporting related to Scheme assets.

Examples from 2025 Monitoring

The following examples illustrate how ESG-related considerations continue to arise naturally through CPTI's ongoing monitoring and manager discussions. These interactions support CPTI's assessment of how managers incorporate sustainability-related risks and opportunities within their investment processes, even where discussions are not framed as formal engagements.

Public Equity (Environmental Strategy): Evaluating Decarbonisation Exposure:

CPTI discussed a holding in a global semiconductor company with a public equity environmental manager, focusing on its valuation and contribution to energy-efficient computing. The manager outlined the company's growing role in enabling efficiency gains that support decarbonisation, with an increasing share of revenues linked to these outcomes.

CPTI used the discussion to assess how the investment aligns with the strategy's environmental objectives and to test assumptions underpinning the long-term sustainability thesis.

Commodities: Incorporating Climate Risks into Investment Analysis: CPTI reviewed with a commodities manager a newly developed framework designed to integrate physical climate risks and transition factors across commodity

sub-sectors. The manager explained how climate considerations are used to inform opportunity assessment across different time horizons.

CPTI sought clarity on the potential impact on portfolio positioning and understood that the framework is intended to support incremental refinements rather than material short-term changes.

Emerging Market Debt: ESG Considerations in Sovereign Risk Assessment: CPTI received an update from an emerging market debt manager on issuer discussions conducted during 2025, including dialogue with a state-owned energy company on sector reforms and sustainability considerations.

The manager also outlined discussions with government departments in an emerging European economy regarding updates to the country's ESG profile. CPTI found these interactions informative in demonstrating how ESG-related factors are incorporated into ongoing sovereign risk monitoring.

Escalations and manager challenge

Escalation is a core component of effective stewardship. This can relate to concerns with individual asset managers, or to an asset manager's own escalation within an engagement with an underlying asset or company. During 2025, CPTI continued to encourage escalation where appropriate, with managers reinforcing issues with assets and companies. This has included matters such as climate change, DE&I, ESG integration and, more recently, microplastics and public health. Learnings from individual engagements can also inform broader thinking, leading to escalation beyond a single asset or manager to strategy, sector-level decisions or policy considerations.

CPTI expects the Scheme's investment managers and EOS to escalate engagements and investment themes in line with the nature and severity of the concerns. Escalation may be appropriate where companies are unreceptive,

progress is insufficient or outcomes are delayed. Actions can include engaging at a more senior level, writing to boards, collaborative engagement with other investors, statements or questions at annual meetings, recommending votes against meeting items, shareholder resolutions or open letters. In some cases, escalation may influence investment strategy or lead to changes at the manager or mandate level. CPTI reviews managers' and EOS's escalation policies as part of its ongoing assessment of stewardship approaches.

CPTI has been clear with investment managers that consideration of all relevant risks is fundamental to the investment process across all asset classes, and managers are appraised accordingly. Where concerns arise, CPTI may place a manager on its formal watchlist, which is reported to the Trustee on a quarterly basis. Watch-listed managers are subject to enhanced scrutiny and, where issues are not adequately addressed, this may inform decisions relating to mandate constraints or future appointment.

During 2025, no new investment managers were placed on the watchlist for responsible investment reasons. However, the watchlist remains an important element of CPTI's manager oversight framework, providing a structured mechanism to escalate concerns, apply enhanced monitoring and inform CPTI's ongoing assessment of managers.

Changes to managers

Ongoing monitoring can, and does, lead to changes at the manager level. Where CPTI is unable to achieve a desired outcome through engagement with a manager, further action may be taken. This can include enhanced oversight, formal escalation, or ultimately changes to the mandate itself. Decisions of this nature are informed by a structured and proportionate evaluation process, considering a range of relevant factors such as strategic alignment, cost and complexity, and the manager's approach to managing financially material risks, including human rights and environmental considerations, as well as the quality of stewardship arrangements. Through this process, CPTI seeks to ensure that appointed managers and mandates remain aligned with the Trustee's core beliefs and

long-term objectives, demonstrating how escalation and manager challenge are applied in practice.

By way of context, a previous responsible investment-related escalation involved the termination of an Onshore China Active Equity manager, implemented during Q3 2023 and early 2024. While several factors contributed to this decision, including strategic considerations, the manager's approach to climate-related risks and stewardship practices formed part of CPTI's broader evaluation.

In private markets, escalation routes are typically more direct due to the nature of asset ownership and may include changes to personnel, strategy or manager appointment. There are currently no private market managers on the watchlist for responsible investment reasons.

5. Monitoring Service providers

Principle: 6

Monitoring service providers

During the year, the Scheme monitored the stewardship activities of its appointed investment managers and stewardship service providers to assess alignment with the Scheme's expectations and long-term objectives.

Activities

- Reviewed managers' stewardship reporting, including engagement activity, voting behaviour and thematic coverage of system-wide risks.
- Assessed stewardship activity in the context of the Scheme's evolving investment strategy and maturing liability profile.
- Held discussions with managers and service providers to clarify stewardship approaches, priorities and escalation processes where reporting highlighted areas for further explanation.
- Took account of how managers and service providers deliver stewardship, including voting and engagement practices, within ongoing oversight and relationship management.

Outcomes

- Gained increased assurance that stewardship activities were aligned with the Scheme's long-term investment objectives and approach to risk.
- Improved understanding of how managers identify and respond to systemic risks across different asset classes.
- Identified areas where reporting could be enhanced to better support asset-owner oversight, which was communicated to relevant providers.
- Confirmed that existing stewardship arrangements remained appropriate given the Scheme's investment structure and level of delegation.

6. Promoting well-functioning markets

Principle: 2

As a long-term asset owner of a mature defined benefit pension scheme, the Scheme promotes well-functioning markets primarily through strategic oversight, expectation-setting and effective monitoring of its appointed investment managers and service providers.

The Scheme's internal investment and strategy team identifies market-wide and systemic risks that could affect the long-term stability of the financial system and the Scheme's ability to meet its liabilities. These considerations inform strategic asset allocation, de-risking decisions and the structure of investment mandates.


As the majority of assets are managed on a delegated basis, the Scheme expects its investment managers and stewardship service providers to identify and respond to systemic risks, support market integrity and collaborate with other market participants where appropriate. These expectations are embedded in manager selection, mandate design and ongoing oversight.

In addition, the Scheme recognises that its investment managers contribute to the promotion of well-functioning markets through participation in industry-led

initiatives and collaborative engagement efforts that seek to address systemic risks and support the long-term resilience and integrity of financial markets.

During the year, the Scheme considered a range of market-wide risks through its investment strategy and risk management framework, including macroeconomic conditions, market liquidity and longer-term financial risks relevant to a maturing portfolio.

The Scheme monitored managers' stewardship activity on systemic risks and reviewed how these considerations were reflected in portfolio construction, engagement priorities and voting policies, using stewardship reporting to assess alignment with the Scheme's long-term objectives and expectations for market resilience, while outcomes and themes from third-party stewardship providers were reviewed at an aggregate level to understand how market-wide risks were being addressed across the portfolio.

 Signed by the Chief Investment Officer of Coal Pension Trustees Investments,
on behalf of Trustees of the Mineworkers' Pension Scheme Limited