LGPS Central Limited

2025 Climate Risk Management Report

Presented by LGPS Central Limited

Equity

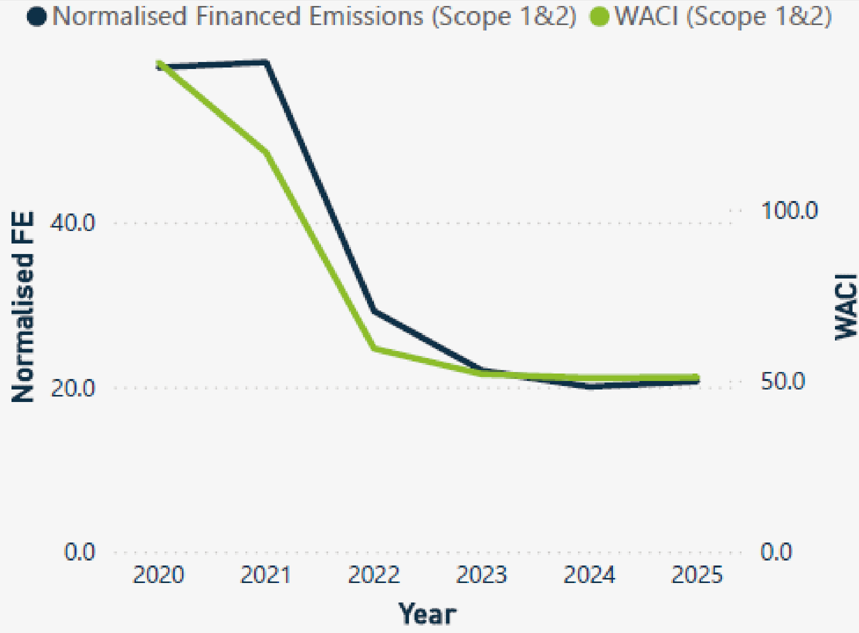
Equity	**Multiple**	**Multiple**	**£1,513,393,605**	**Blended**	**Q1 2025**
Fund Asset Class	Fund Classification	Fund Manager	NAV	Reference Index	Period

	Emissions Category	Portfolio	Index	Previous Year	Portfolio	Index
Listed Equity / Corporate Bonds						
Financed Emissions (tCO_2e)	Scope 1+2	30,290	79,685	27,781	97.9%	98.4%
	Scope 3	510,415	634,972	489,732	92.1%	91.1%
Normalised Financed Emissions (tCO_2e/£m Invested)	Scope 1+2	20.7	59.4	20.0		
	Scope 3	367.1	473.3	370.1		
Weighted Average Carbon Intensity (tCO_2e/\$m Sales)	Scope 1+2	51.0	122.1	50.7	97.9%	98.4%

Top 10 Emissions Contributors

Issuer	Portfolio Weight	Index Weight	% Financed Emission		% WACI		Scope 1+2	Scope 3	Engagement	LCT	ITR	SBT
Heidelberg Materials AG	0.09%	0.031%	11.98%	1	4.98%	3	67.9M	22.8M	Yes	3.7	2.6	Yes
PHILLIPS 66	0.16%	0.072%	5.95%	2	0.85%	17	38.9M	359.0M	Yes	2.1	10.0	
NEXTERA ENERGY, INC.	0.37%	0.195%	4.14%	3	10.82%	1	42.3M	2.7M	Yes	6.0	3.7	
Air Liquide SA	0.17%	0.144%	3.83%	4	4.10%	5	37.6M	21.1M	Yes	4.5	10.0	Yes
WASTE MANAGEMENT, INC.	0.32%	0.123%	2.97%	6	4.68%	4	15.2M	1.8M	No	5.6	2.4	Yes
Iberdrola, S.A.	0.53%	0.134%	2.68%	7	2.37%	9	12.3M	39.3M	Yes	7.3	1.3	Yes
LINDE PUBLIC LIMITED COMPANY	0.23%	0.298%	2.51%	8	5.15%	2	37.3M	25.4M	Yes	4.5	10.0	Yes
KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.	0.15%		2.46%	10	1.19%	11	2.8M		No	5.7	3.8	
CONOCOPHILLIPS	0.32%	0.185%	2.37%	11	1.95%	10	17.4M	242.0M	Yes	2.9	3.7	
CANADIAN PACIFIC KANSAS CITY LTD	0.35%	0.082%	1.31%	13	3.53%	6	4.8M	1.6M	No	5.2	4.3	

Emissions Over Time



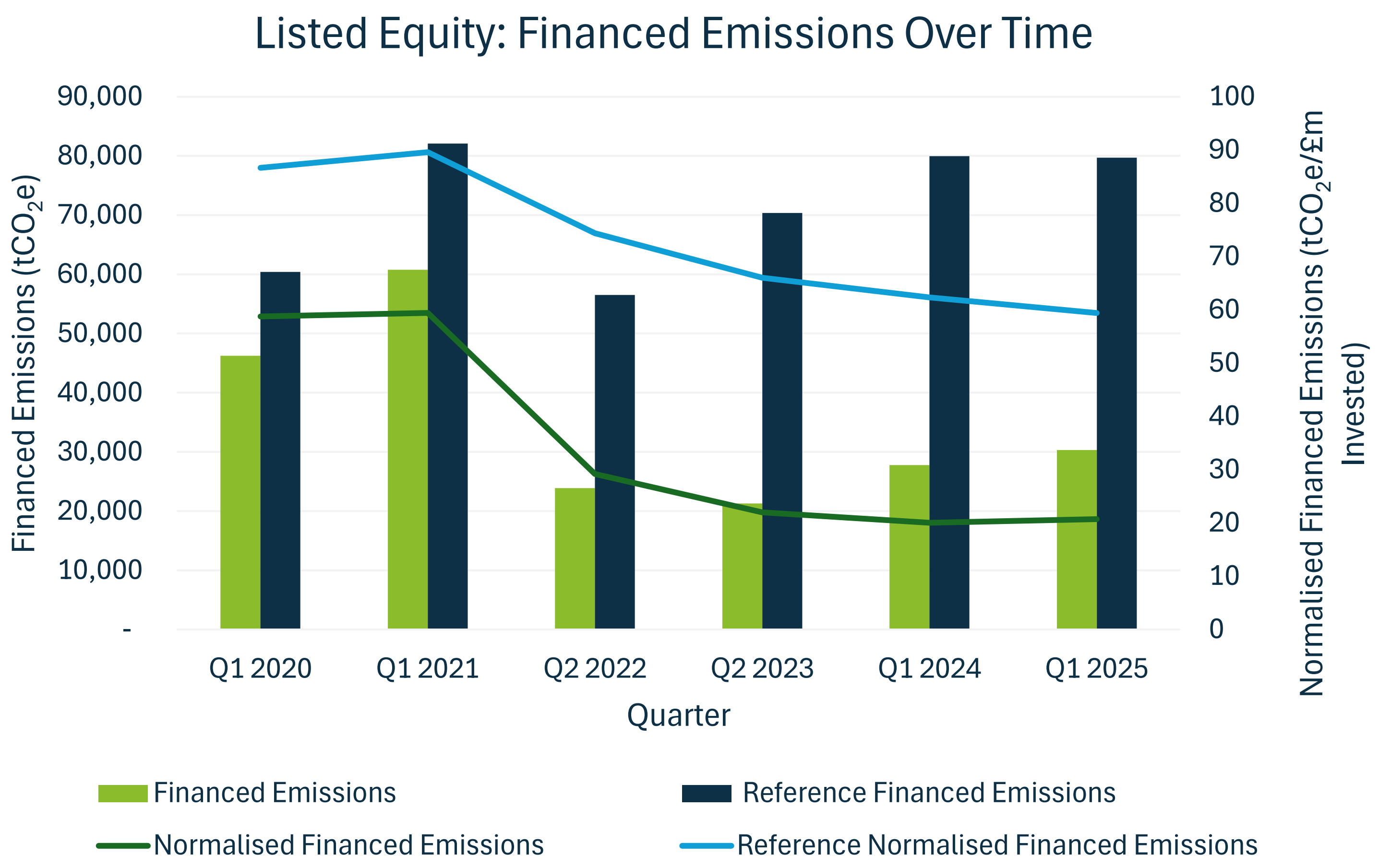
High Impact Sectors / Climate Solutions Exposures (Portfolio vs Benchmark)

Fossil Fuel Reserves	Fossil Fuel Revenue	Thermal Coal Reserves	Coal Power Exposure	Cleantech Exposure	Cleantech Revenue
2.1% | 6.6%	1.0% | 3.1%	0.8% | 2.8%	0.4% | 3.1%	37.4% | 40.6%	7.3% | 7.0%

Portfolio Alignment & Engagement

Engagement	Data Quality	LCT	ITR	SBT	Alignment
62.1%	2.2	53.8%	20.8%	53.0%	32.2%

Climate Metrics Over Time – Listed Equities



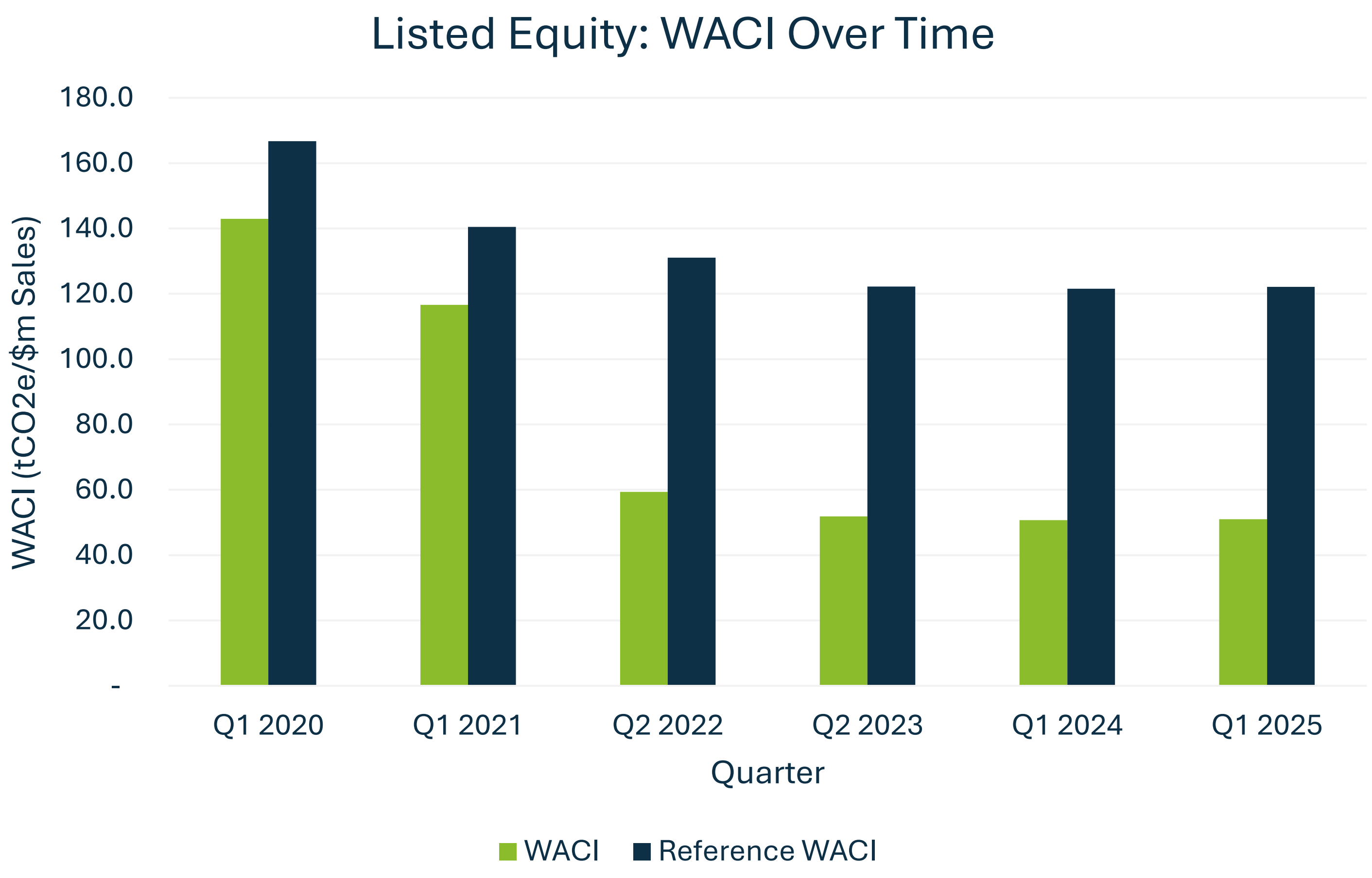
Financed emissions

- 34.5% vs 2020
- 62.0% vs Reference index

Normalised financed emissions

- 64.8% vs 2020
- 65.2% vs Reference index

Climate Metrics Over Time – Listed Equities



Weighted Average Carbon Intensity

64.3% vs 2020

58.2% vs Reference index

Progress Against Climate Targets

<table>
<tr><th>Company Name</th><th>Progress as of 31 March 2025</th></tr>
<tr><td>Net zero (scope 1 & 2 carbon equivalent (CO_2e)) financed emissions by 2050 or sooner for listed equities, corporate bonds, sovereign debt, and property.</td><td rowspan="2">34.5% decrease in listed Equity’s financed emissions since 2020</td></tr>
<tr><td>50% reduction of (scope 1 & 2 CO_2e) financed emissions by 2030 for listed equities and corporate bonds.</td></tr>
<tr><td>Carbon foot printing and reporting against all public and private market assets.</td><td>2024 Established carbon foot printing for all pooled private market assets using both actual and estimated data.</td></tr>
</table>

Climate Stewardship Plan

Company Name	Escalation Grade*	Progress*	Contribution to Financed Emissions
RWE	Level 2	Level 2	6.41%
Glencore	Level 2	Level 0	2.36%
Shell	Level 2	Level 2	1.66%
Bp	Level 1	Level 1	1.02%
Holcim	Level 2	Level 0	0.33%
ArcelorMittal	-	Level 3	0.32%

Level 3 Successful Outcome

Level 2 Moderate Progress

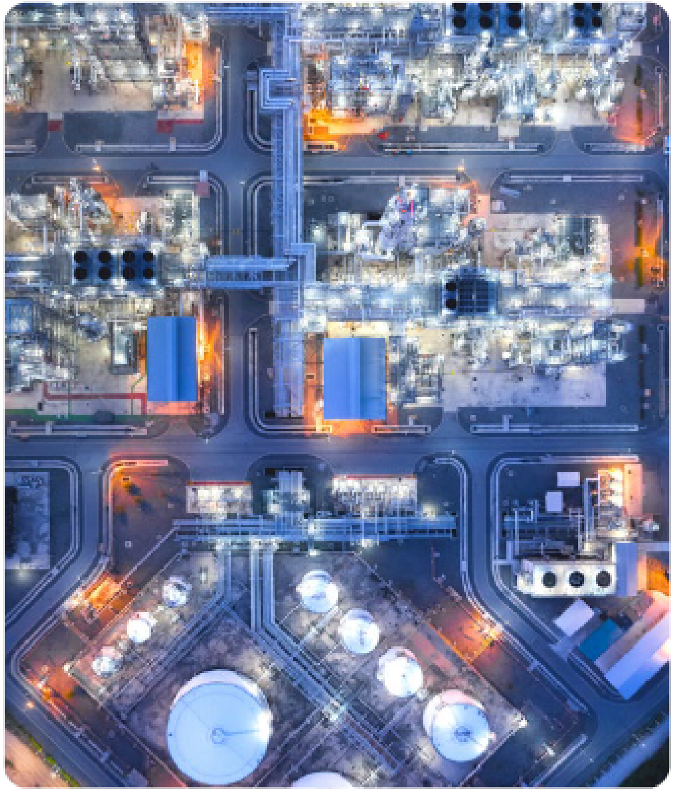
Level 1 Minimum Expectations

Level 0 No Improvement

* (Escalation grade and progress,) as reported in LGPS Central's latest Annual Stewardship Report. These do not capture additional engagements undertaken by external managers or EOS at Federated Hermes.

COMPANY:

Shell plc



Objective

- Short-term: Build an effective engagement relationship with the company.
- Long term: ensure that Shell's net zero policy is aligned with a 1.5°C temperature increase.

Engagement

Following LGPSC's vote against Shell's Energy Transition Strategy at the company's 2024 AGM, in September, LGPSC met with the Chair of the Board to discuss the strategy in more detail. Several topics were discussed, including the correlation between Shell's expansion of its gas business and the prospective disclosure of medium-term climate targets, as well as the company's confidence in its assumptions regarding global gas markets.

Outcome

Clarified Shell's long-term business strategy and key future dates. This marks significant progress towards achieving the short-term objective of this engagement: to establish an effective engagement relationship with the company. Whilst LGPSC have established an active dialogue with the company, they expect further clarity on how Shell's net-zero commitment is resilient to economic scenarios, especially in relation to global liquified natural gas demand over the next few decades. LGPSC will discuss their thoughts with external managers and continue to engage with the company on aligning its decarbonisation strategy with the goals of the Paris Agreement.

Key Takeaways

Established best practices ensure the Fund manages climate risk exposure responsibly

- Significant progress toward the Fund's climate objectives
- Portfolio decarbonisation evidenced across a range of climate indicators
- Identification of priority companies and actionable engagement objectives to manage risk exposure
- Annual carbon footprint assessment, with climate scenario analysis aligned to each actuarial review

Thank you for listening

LGPS Central Limited Disclaimer – Important Information

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