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Executive Summary

Gloucestershire Pension Fund is pleased to present this report which details how the Fund meets the principles under the Financial Reporting Council's 2026 UK Stewardship Code.

The Fund is proactive in managing its responsibilities to its members and beneficiaries, both as a Pension Fund and an asset owner, and believe that stewardship is integral in achieving the long-term objectives of delivering investment performance. The Fund became a signatory to the 2020 UK Stewardship Code in 2024 for the first time and aspire to continue this recognition, ensuring effective management of the Fund's assets going forward.

The codes definition of stewardship "Stewardship is the responsible allocation, management and oversight of capital to create long-term value for beneficiaries" is fully supported and seek to apply this through the management of the Fund's investments.

The Fund has, during the year, continued to enhance its stewardship approach, through a revision to its responsible investment policy, incorporating specific reference and prioritisation to the United Nations Sustainable Development Goals. The policy also incorporates additional decarbonisation and engagement targets for listed equity and bond portfolios as part of the Fund's pathway to achieving its net zero aspiration by 2045.



Indeed, through the regular monitoring and tracking of the Funds investment holding and carbon metrics, the Fund is ahead of many of its pathway target in decarbonisation and are keen to work with its investment pool and fund managers in continuing this transition going forward.

During the year, the Fund published its second report under the Taskforce for Financial Related Disclosures framework (TCFD), covering the period from 1 April 2024 to 31 March 2025, ahead of regulatory requirements, recognising how the Fund regards the importance of this framework within its stewardship approach, and enhances decision making. The report clearly demonstrates how the Fund considers risks and opportunities when formulating investment strategies and asset allocations.

The Fund continues to work in partnership with the Brunel Pension Partnership and partner Local Government Pension Funds within the Pool, in developing effective policies and practices in managing the Fund's investments. The Fund continue to be members of the following organisations as asset owners, to assist both committee members and officers in the ongoing assessment of climate related risks and opportunities, and for the Fund to be proactive in collaboration with likeminded investors going forward:

- Institutional Investors Group on Climate Change (IIGCC)
- Climate 100+
- Transitional Pathway Initiative (TPI)
- Pensions for Purpose

Following the government's "Fit for Future" review and pending regulations, the Fund has throughout the year been working on transitional arrangements to move to a new pooling partner, LGPS Central. We are currently collaborating with them in establishing the appropriate framework that will continue to provide an initiative-taking approach in asset management stewardship, going forward.

The Fund will continue to seek ways of strengthening its stewardship activities going forward and remains committed to responsible investment. This application outlines our adherence to the principles of the UK Stewardship Code, demonstrating our dedication to sustainable and responsible investment practices that benefit our members and contribute positively to society, whilst contributing to a sustainable and resilient financial system.

Policy & Context Disclosure

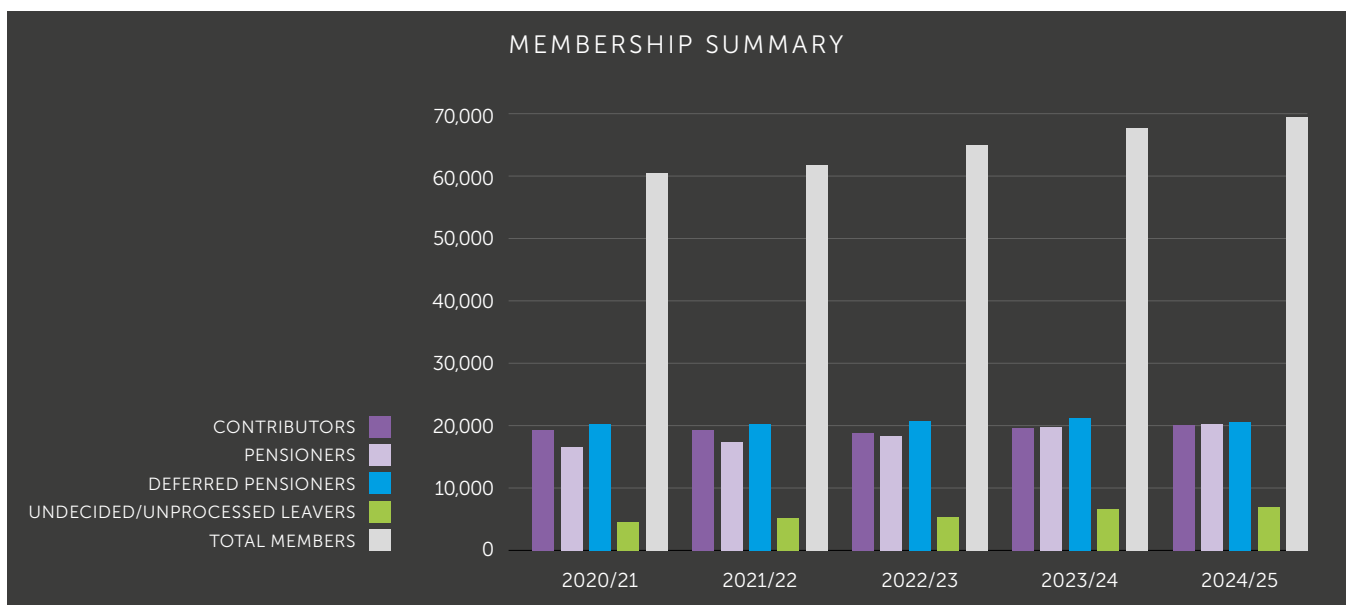
A - Describe your Organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship

Gloucestershire Pension Fund is principally governed by Gloucestershire County Council who act as administering authority under the Local Government Pension Scheme Regulations 2013 [as amended] (effective from April 2014). The scheme covers eligible employees and employees of other bodies eligible to be employers in the Scheme. A list of all those bodies with employees currently participating in the Scheme is shown within the Fund’s [2024/25 annual report](#).

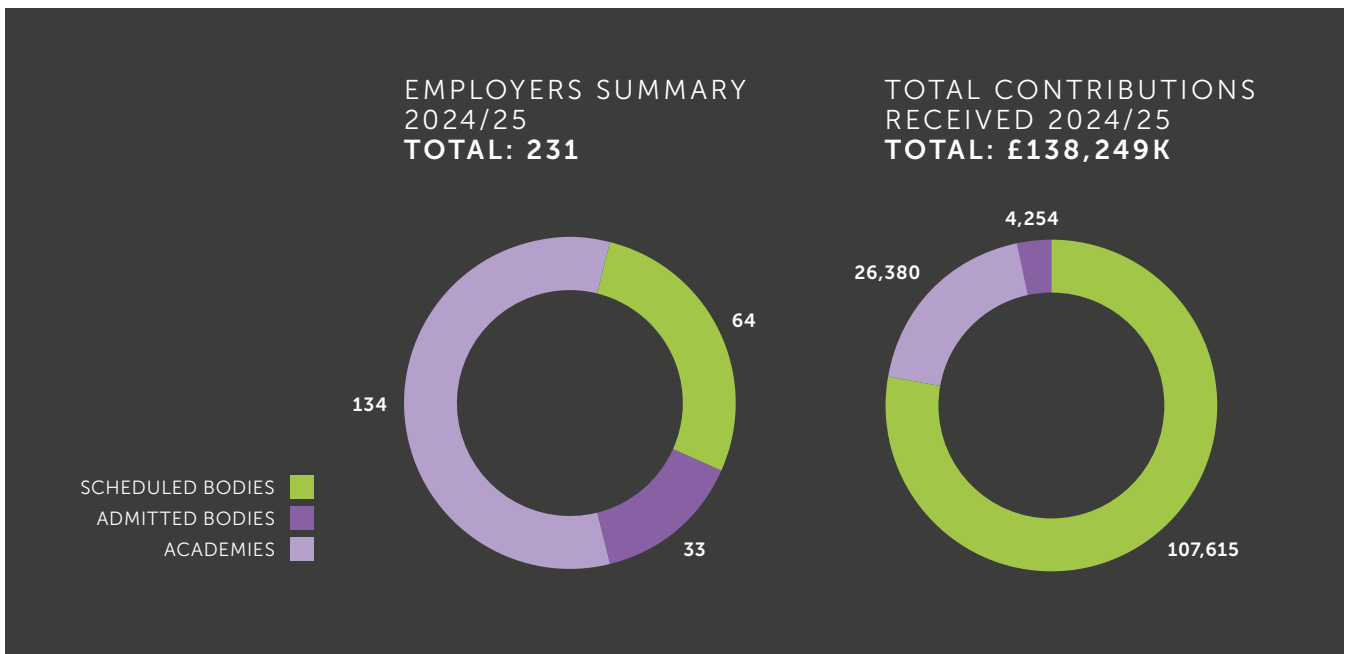
The primary function and purpose of the Fund is to:

- Ensure that sufficient funds are always available to meet the pension obligations to its members as they fall due.
- Maximise the return from investments at acceptable risk levels.

Individual Membership within the Fund as at the end of March 2025 stood at approximately 61,843, split between active contributors (20,003), pensioners (20,830) and deferred members (21,010). There were also unprocessed leavers (8,109) at the end of March 2025, which represented a rise of 274 (3.5%) compared with the position at the end of March 2024. The chart below provides a 5-year summary of individual membership:



The following chart provides more information on the number of employers within the Fund and the level of contributions received during the 2024/25 financial year:



Pension benefits payable under the scheme are laid down by the 2013 Regulations. All payments are set out and guaranteed, so any shortfall in specific employer funding levels is met through the Pension Fund and adjusted through the setting of employer contribution rates through the triennial actuarial valuation process. The Scheme is a defined benefit scheme and provides a pension based on 1/49th of pensionable pay each year of membership, adjusted in line with CPI. Liabilities to members accrued prior to 2013 scheme are also payable through the Fund.

The Fund is financed through contributions from both employers and employees, together with income from investments earned by the Fund. Any surplus funds received from contributions following the payment of pension benefits are invested. Whilst employer contribution rates are set through the actuarial triennial valuation process, employee contribution rates are set by Government under regulation and currently range from 5.5% to 12.5% of pensionable pay depending on salary bandings.

The Fund has a [Funding Strategy Statement](#) that sets out the requirements of funding, and the following strategic objectives:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants.
- use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency.
- where appropriate, ensure stable employer contribution rates.
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy.
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

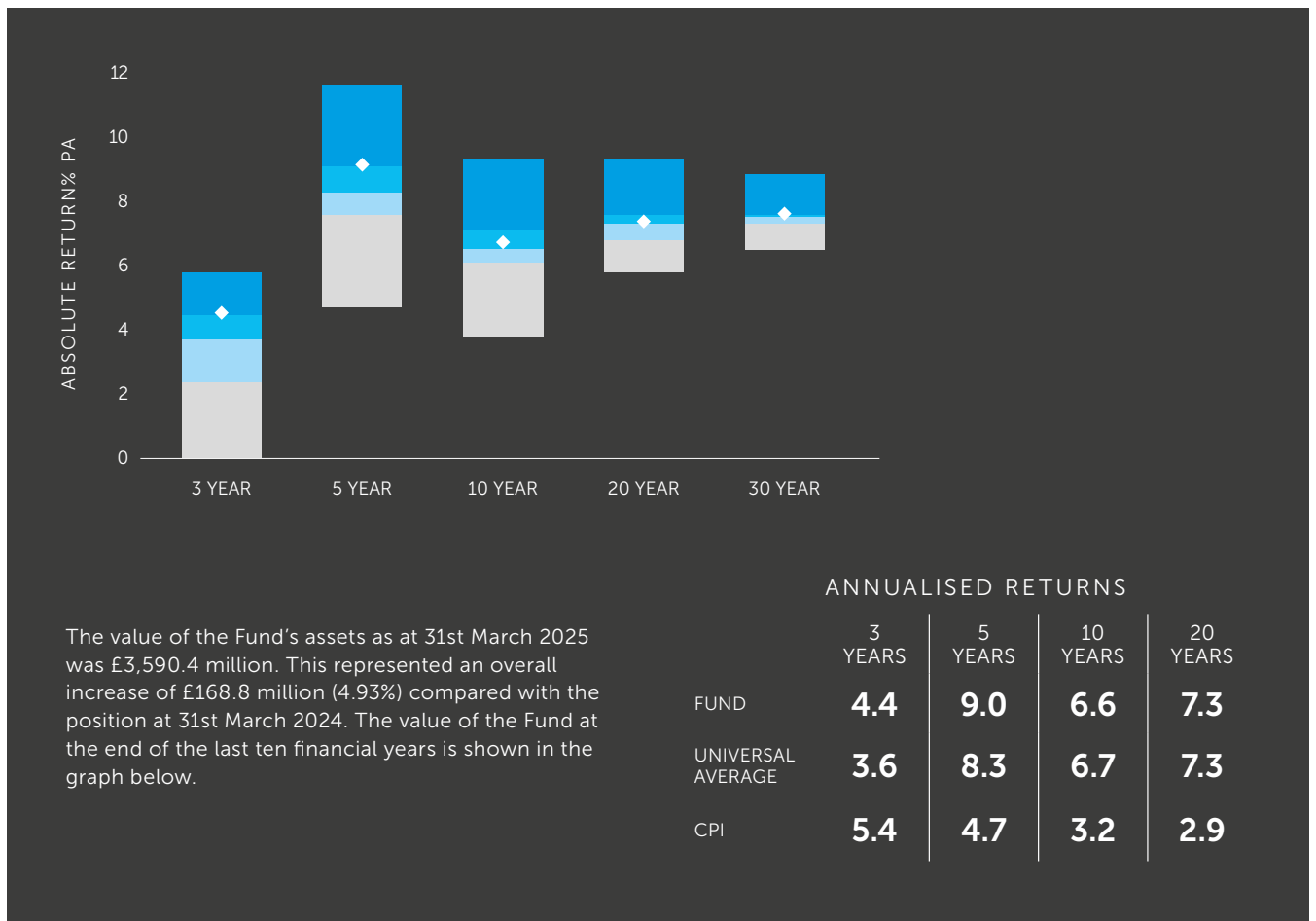
In order to deliver the long term funding strategy the Fund has developed an **Investment Strategy Statement**. Both of these documents are key in setting how the Fund will manage and meet pension liabilities going forward. They are prepared in full consultation with members of the Fund, ensuring that proposals are transparent and provide opportunities to influence the Fund’s stewardship.

Additionally, scrutiny is provided through the Pension Board, which under legislation each Administering Authority is required to establish. The Board assists the Fund with:

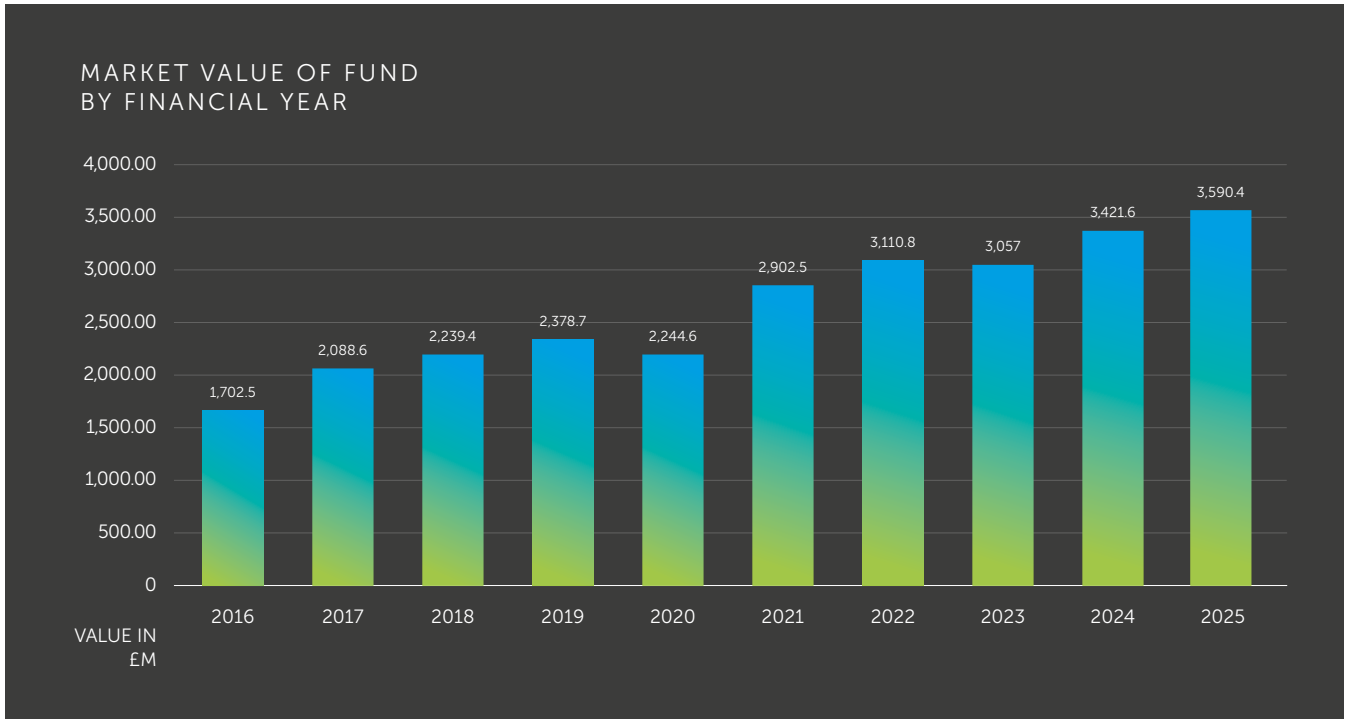
- securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed in relation to the LGPS by the Pensions Regulator.
- ensuring the effective and efficient governance and administration of Gloucestershire Pension Fund.

The Fund closely monitors the availability of cash to ensure that all pension and operational obligations can be paid in a timely manner and in accordance with contractual requirements. The level of income received through contributions is more than benefits paid to members, although decreasing does remain which enables the Fund to maintain a long-term investment strategy without the need to retain large levels of cash or liquid assets to meet pension payments. This situation remains under constant review together with the Fund’s strategic asset allocation to asset clashes. It is possible that from April 2026 pension benefit payments will exceed contribution income so a revision of investment classes may be required to facilitate the receipt of investment income, rather than reinvestment to offset this shortfall and ensure that all benefit payments are fully funded and paid on time.

Investment performance of the Fund is shown within the following tables:



The value of the Fund as at the end of March 2025 totalled £3.590Bn and the following table shows how this compares to preceding periods:



The Fund’s strategic asset allocation as at the end of March 2025 is shown below, which demonstrates the use of diversification by the Fund as an effective tool in managing risks and seeking to achieve appropriate risk adjusted returns for its membership:

	Strategic Asset Allocation Target 2023/24	Strategic Asset Allocation Target 2024/25	Actual Asset Allocations as at 31st March 2024	Actual Asset Allocations as at 31st March 2025
	%	%	%	%
Uk Active Equities	10.0	10.0	11.8	11.4
Global High Alpha	13.5	13.5	14.4	13.9
Emerging Markets	6.5	6.5	6.0	5.8
Global Sustainable Equities	13.0	13.0	12.9	12.3
Passive Paris Aligned	10.0	10.0	11.1	10.8
Total Equity	53.0	53.0	56.2	54.2
Multi Asset Credit	7.0	7.0	7.2	7.4
Sterling Corporate Bonds	10.0	10.0	10.2	10.3
Total Fixed Income	17.0	17.0	17.4	17.7
Uk & Global Property	10.0	10.0	7.8	7.8
Diversified Returns	0.0	0.0	5.1	4.7
Infrastructure	7.0	7.0	5.6	5.6
Private Equity	3.0	3.0	2.5	2.9
Private Debt	5.0	5.0	4.1	4.3
Venture Capital	0.0	0.0	0.1	0.1
Social & Affordable Housing	5.0	5.0	0.2	0.9
Risk Management Framework	0.0	0.0	-0.1	0.3
Cash	0.0	0.0	1.1	1.5
Total	100.0	100.0	100.0	100.0

Given the nature of the Pension Fund's business and long term pension liabilities, the Fund has to take a long term view when setting investment strategies to ensure that these obligations are fully funded. As a long term institutional investor, the Fund recognises the importance of proactive and effective risk management throughout its operational and investment processes. The identification of all risks including climate and other systemic risks to the global markets are all considered, and mitigated through the diversification of investments and managed through the Fund's responsible investment policy which aims to maximise sustainable investment returns and promote a better world to live in.

The Fund through its partnership with Brunel and partner LGPS funds is also able to influence both the governance and investment strategies of the Brunel Pool and work collectively on stewardship and engagement strategies.



The Fund is part of the Brunel Pension Partnership which is a Financial Conduct Authority (FCA) regulated investment pooling company, which was formed in 2017, following pooling requirements set out by the UK Government. Formed through the partnership of 10 LGPS funds, located mostly within the South-West of England, with each separate Pension Fund acting as both a shareholder (equal 1/10th) and client within this agreement.

The Fund has 97% of its investments managed through the Brunel Pool, including 100% of the listed assets of the Fund.

The Fund interacts with Brunel and partner funds through the regular attendance at the following Brunel bodies:

- Brunel Oversight Board
- Client Group
- Shareholder Forum
- Investment Sub-Group
- Responsible Investment Sub-Group
- Finance Sub-Group

Brunel has, since its inception, taken a lead in developing responsible investment strategies and processes, with a stated aim to "systematically change the investment industry to ensure that it is fit for purpose for a world where the temperature rise needs to be kept to 1.5°C compared to pre-industrial levels." Brunel aims to deliver stronger investment returns over the long term, protecting clients' interests through contributing to a more sustainable and resilient financial system which supports sustainable economic growth and a thriving society.

Whilst the Fund retain responsibility for asset allocation and investment strategy, and exposure to climate and wider environmental, social and governance (ESG) risks, the partnership with Brunel is essential in managing these risks, and achieving more sustainable investments which have the best chance of achieving appropriate risk adjusted returns for the long term.

With the majority of the Fund's investments being managed directly by Brunel, then management have a clear role in monitoring their performance and delivery in the management of climate and associated responsible investments policies. This monitoring is undertaken by officers through the regular attendance at the respective Brunel meetings and sub-Groups, through the receipt of regular monitoring reports including an annual carbon metrics report. These meetings are invaluable to the Pension Fund in ensuring that the intended governance arrangements within the Pool are operating as intended and are aligned to the Fund's strategic goals and objectives.

The Fund's [Responsible Investment Policy](#), sets out the following beliefs related to integrating stewardship and responsible investment into the Fund's investment process:

Investment Belief	Comments/Implications
ESG factors are financially material, and can have an impact on investment risk and return outcomes. ESG factors should be integrated into risk management processes.	<p>The Committee believes that having a broader perspective with regard to investment implications of ESG can improve risk management and lead to new opportunities. As such, regular training is received to ensure the Committee are up to date on these key areas.</p> <p>ESG and RI issues are embedded and considered fully in the ongoing assessment, creation, and review of the Strategic Asset Allocation for the Fund's investments. This is demonstrated through the recent specific allocation towards social and affordable housing in 2023. This is focused on creating an investment portfolio with positive social and environmental impact whilst achieving competitive market returns.</p>
Taking a broader and longer-term perspective on risk is consistent with fiduciary duty. Indeed, identifying sustainability themes and opportunities is likely to lead to improved risk management, greater portfolio resilience and new and attractive investment opportunities.	<p>The Committee recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly requires explicit consideration given the long-term time horizon of the Fund.</p> <p>This has already resulted in capital allocation decisions being made, with strategic allocations to a range of 'sustainable' investments with allocations made in 2023 and further investments planned for 2024.</p>
Climate change poses a systemic risk that will affect all asset classes and geographies. The Committee are supportive of the Paris Agreement's objective to limit global warming to 'well below 2°C' relative to pre-industrial levels, and pursue efforts to limit warming to 1.5°C if possible.	<p>As investors the Committee believe they should consider the potential financial impacts of both the associated transition to a low-carbon economy and the physical impacts of different climate outcomes.</p> <p>This has resulted in the critical decision to target 'Net Zero' carbon emissions by 2045, as referenced above and explained in more detail in Section 7. The Committee anticipate doing further work in 2024 to understand the exposure to climate risk and how this differs across the investment strategy, as part of TCFD reporting requirements.</p>
Effective stewardship and engagement (or active ownership), including collaboration, can create and preserve value for companies, and produce wider benefits for the economy, society and environment.	<p>The Committee believe that active ownership helps the realisation of long-term shareholder value and are therefore looking to ensure any voting rights held on their behalf are used appropriately. This includes engagement with Brunel, as well as underlying managers where appropriate. At present the primary focus is on engagement rather than 'exclusion', but this will be kept under regular review.</p>
Engagement with the Scheme Membership and Employers on responsible investment strategies and practices.	<p>The Committee believes that being transparent on all its actions but particularly on Responsible Investment and ESG issues is essential for effective governance going forward. Engagement with its members and employers is an integral part of this approach, and the Fund will continue to develop an effective communication strategy where information is shared openly, members' views are actively sought and considered fully throughout the management of investments going forward.</p>
Demonstrating and promoting best practice in RI is important.	<p>There is a strong desire from the Committee to target best practice and exhibit thought leadership. The publishing of an RI Policy and further work planned is consistent with this desire.</p>

The Fund considers responsible investment as a core element of its fiduciary duty and requires its Investment Managers to monitor and assess all environmental, social and governance considerations which may impact on financial performance when selecting and retaining investments, and to engage with companies on these issues where appropriate.

Climate

The Fund has identified climate change as a significant risk to the Pension Fund's long-term investments, given its systemic nature and potential effects it could have on global financial markets. As a result, the Fund has set a net zero target for 2045 and associated pathway targets for transition which are set out below. Stewardship and engagement are and will continue to be essential activities in achieving this goal.

Scope	Committee Target	Comments
Total Fund	Total Fund carbon reduction target of 50% by 2030 (carbon footprint scope 1+2).	Listed equities and corporate bonds are the initial area of focus, with further asset classes (e.g. private markets) expected to be incorporated over time. Target is consistent with that set by Brunel.
Total Fund	Allocating 30% of the Fund to sustainable / low carbon green assets by 2025	Supports overall objective of supporting the global climate transition and sustainability ambitions of the Fund. The Fund has made allocations to the Brunel Sustainable Equity and FTSE Paris Aligned World Developed strategies, with a current SAA of 23%. The Fund has also recently made a commitment to a local Renewable Energy mandate with Schroders Greencoat, which when drawn down will assist in meeting this objective and has also made commitments to several managers for the 5% Social/Affordable Housing allocation.
Total Fund	Expand specific net zero target setting and monitoring of metrics for other asset classes over 2024/25, data and methodologies permitting, starting with property and infrastructure. Scope 3 emissions to be included when data quality and consistency of measurement are sufficient.	Consistent with IIGCC Framework and other investors targeting a 'whole of portfolio' approach across scope 1, 2 and 3 emissions.
Listed Equities	A listed equities decarbonisation target of 60% reduction by 2030 (carbon footprint scope 1+2) versus the 31 December 2019 baseline.	The equity portfolio has changed materially since the baseline date. Given the decarbonisation to date and Brunel's 7% year-on-year decarbonisation ambition, the Committee agreed to increase the level of ambition to beyond 50% emissions reduction by 2030.
Corporate Bonds	A corporate bonds decarbonisation target of 50% reduction by 2030 (carbon footprint scope 1+2) versus the 31 December 2020 baseline.	Carbon footprint intensity has remained largely unchanged over the period since the baseline, suggesting a 50% reduction is ambitious but appropriate.
Listed Equities & Corporate Bonds	Ensure 90% of financed emissions in material sectors are either aligned, aligning or subject to direct or collective engagement and stewardship actions for all listed assets by June 2027.	Stewardship / Engagement targets support a more holistic and credible improvement in portfolio-level climate transition capacity.
Listed Equities & Corporate Bonds	100% AUM in material (high impact) sectors in developed listed equities that are i) achieving Net Zero or ii) meeting a criterion considered to be aligned or iii) aligning by 2030, extending to all developed and emerging markets by 2040.	Alignment targets support a more holistic and credible improvement in portfolio level climate transition capacity.

The Fund undertakes an annual review of the carbon emissions associated with its listed investment holdings and monitor the Fund's progress in achieving these ambitious transition targets.

During the year, the Fund published its second report under the [Taskforce for Financial Related Disclosures framework \(TCFD\)](#), covering the period from 1 April 2024 to 31 March 2025, ahead of regulatory requirements, recognising how the Fund regards the importance of this framework within its stewardship approach, and enhances decision making. The report clearly demonstrates how the Fund considers risks and opportunities when formulating investment strategies and asset allocations.



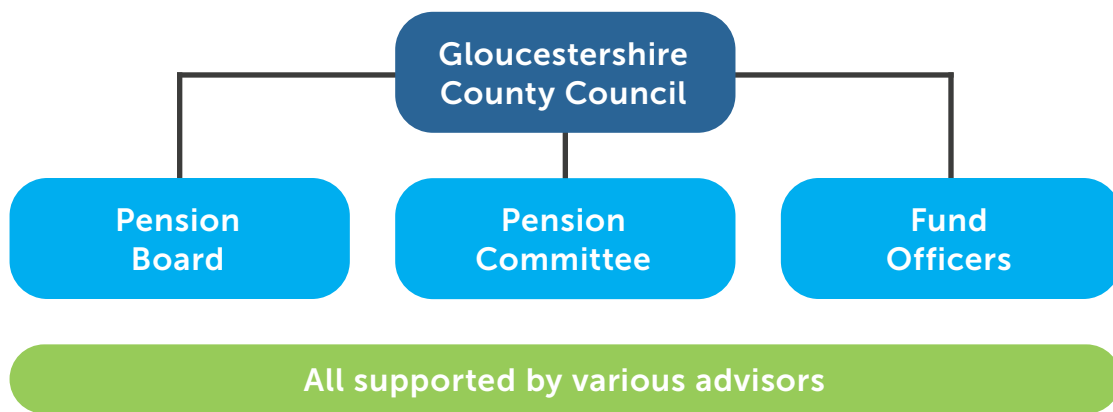
Impact Investing

During 2025 the Fund continued to invest under its 5% strategic asset allocation (approx. £165m) to a mixed Social and Affordable Housing Portfolio, through three separate fund managers. These managers were appointed following a rigid selection process, which incorporated ESG considerations. The investment is allocated across three key funds, each targeting distinct aspects of the housing sector:

- Gresham House Residential Secure Income Fund: Focuses on delivering secure income through investments in shared ownership and independent retirement rental homes.
- Octopus Affordable Housing Feeder Fund I: Dedicated to accelerating the delivery of good quality and genuinely affordable homes across the UK.
- Residence National Homelessness Fund 2: Provides safe and decent homes for individuals and families at risk of homelessness.

B - Describe how your resources enable effective stewardship

As noted above, Gloucestershire County Council is the Administering Authority of the Fund and has delegated the responsibility for the administration of the Fund to the Pension Committee. The Governance structure of the Fund is set out in the [Governance Policy & Compliance Statement](#).



The County Council decides the composition of, and makes appointments to, the Pension Committee. Currently the membership of the Pension Committee comprises 7 County Councillors, all of whom have voting rights. In addition, there are two employer and one employee non-voting representatives. Although the employer and employee representatives do not have voting rights, they are treated as equal members of the committee and have access to all committee meeting papers, advisers, officers, meetings, and training as if they were Council Members and have the opportunity to contribute to the decision-making process.

Under the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015, the Committee have established a Local Pension Board. The role of the Board is to assist the Pension Committee (in its role as Scheme Manager), to secure compliance with the Regulations and all associated legislation, and to ensure the efficient and effective governance and administration of the scheme


The Pensions Board meets 4 times a year and consists of seven members as follows:



Three employer representatives
(one of which needs to be a County Councillor)



Three scheme member
representatives



One independent member
(non-voting) to act as the
Chair of the Pensions Board

(The Chair of the Pension Board cannot be a Gloucestershire County Councillor)

The Fund has an appointed independent Investment Adviser, who attends all Pension Committee meetings, supports the investment decision making, performance monitoring including the on-going review of the Fund's responsible investment strategy. The advisor provides the Committee with quarterly reports on the Fund's performance, with insights on the global markets and economic conditions, which assist in The Fund's stewardship of assets held, through its strategic asset allocations.

Members of the Pension Board are required under current regulations to have the relevant knowledge and understanding of scheme rules, fund policies, and pensions law. Whilst this legal requirement doesn't apply to individual members of the Pension Committee, it does apply to Committee collectively, the Fund have an active training programme which will enhance the skills and knowledge of both the Board and Committee members, incorporating the annual assessment through the CIPFA Knowledge & Skills Framework and survey process undertaken by the Fund's actuary.



The Fund has established a [training strategy](#), which outlines the legal framework and the expectations for members of the Committee, Board and Officers in enhancing their skills and knowledge in managing the Fund. A log of training undertaken is maintained and details are published within the Annual Report, and also included within the Boards Annual Statement which is reported and approved by the County Council each year.

The Fund has a Head of Pensions and a small investment and accounting team of 7 staff members. Ultimate responsibility for The Fund's delivery of stewardship activities lies with the Strategic Pensions Manager - Investments & Accounting who heads up this team and reports directly to the Head of Pensions. This role includes the oversight and governance of the Fund's investment portfolio, including setting and implementation and monitoring of the responsible investment and stewardship strategies and practices.

Knowledge and skills within the team is enhanced through the regular attendance at conferences and specific training workshops on responsible investment workshops wherever possible. Additionally, training is also provided by the dedicated responsible investment team at Brunel.

Key to the role of the Fund's Investment team is the close working relationship with the Brunel Pension Partnership who through the LGPS pool arrangement manage 97% of the Fund's investments. There are 9 other Local Government Pension Funds within the Brunel Pool.

The Brunel Pension Partnership (Brunel), which is authorised by the Financial Conduct Authority and has been established specifically to manage the assets of the pool. As a client of Brunel, the Fund has the right to expect certain standards and quality of service. The Service Agreement between Brunel and its clients sets out in detail the duties and responsibilities of Brunel and the rights of the Fund as a client. It includes a duty of care of Brunel to act in its clients' interests.

Brunel's responsible investment strategy and policy, Stewardship Policy and Climate Change Policy were developed in conjunction with key stakeholders, including the Brunel Oversight Board, Brunel Client Group and Client Responsible Investment Subgroup. Gloucestershire Pension Fund takes an active role in all of these groups and see this as an essential part of asset stewardship and welcome the collaborative approach the pool offers.



Whilst Brunel's strategy and policies are designed for the long term (5+ years), they are reviewed annually. The Brunel Board approves and is collectively accountable for the broader suite of Brunel's policies, which includes the Stewardship Policy. Operational accountability on a day-to-day basis is held by the Chief Responsible Investment Officer, who is supported by a dedicated Head of Stewardship to ensure high levels of coordination and implementation.

Within Brunel's responsible investment team, a dedicated Stewardship Manager is employed, who oversees all voting and engagement on behalf of the pool. Stewardship is undertaken via the following avenues:

- by appointed asset managers.
- through a specialist provider in EOS at Federated Hermes.
- through collaborative forums.

The appointment of EOS as a dedicated engagement and voting provider enables a wider coverage of assets and access to further expertise across different engagement themes. The EOS team is diverse, made up of many nationalities and language capabilities, which facilitates engagement in local languages and an understanding of cultural customs. Brunel seeks to undertake direct engagement where it feels that this will add value. Brunel publishes its gender pay gap in its annual report and accounts and staff profiles are located on the website.

Responsibility for managing specific ESG risks, including climate risk are explicitly incorporated into Brunel's investment principles and the role specifications of its Board, executives, and other key personnel.

Brunel publish an annual **Responsible Investment and Stewardship Outcomes Report**, which outlines the activities undertaken and provides specific examples of engagement undertaken in influencing change on both climate and wider ESG issues.

The Fund is a member of various bodies through which it receives access to webinars, research and analysis including the Local Authority Pension Fund Forum, Climate Action100+, Pensions with Purpose, the Institutional Investors Group on Climate Change and the Transitional Pathway Initiative.





C - Describe your stewardship policies and processes, and how you review them

The Fund's policies are kept under regular review and are updated and approved by the Pension Committee as required.

As previously indicated the Fund reviewed its Responsible Investment Policy, which was first approved in 2024. The policy outlines The Fund's responsible investment beliefs and sets a number of expectations on stewardship and engagement to promote more sustainable approaches, together with targets especially for climate decarbonisation pathway to achieving net zero GHG emissions by 2045.

Every three years the Fund together with advice from its Independent Investment Adviser undertakes a fundamental review of its investment strategy, considering results from the actuarial triennial funding valuation. This in turn will establish its on-going strategic asset allocations having due regard to risks and opportunities, facing the fund.

All policies are published on the Fund's website following approval and are freely available to members, employers and wider public accordingly. Where appropriate the Fund will consult with employers or the wider membership with policy proposals prior to formal discussion and approval by the Pension Committee. The Pension Board also reviews policies.

Brunel's responsible investment strategy, Stewardship Policy and Climate Change Policy were all developed in conjunction with key stakeholders, including the Brunel Oversight Board, Brunel Client Group and Client Responsible Investment Sub-group on which officers and Members of the Fund participate.

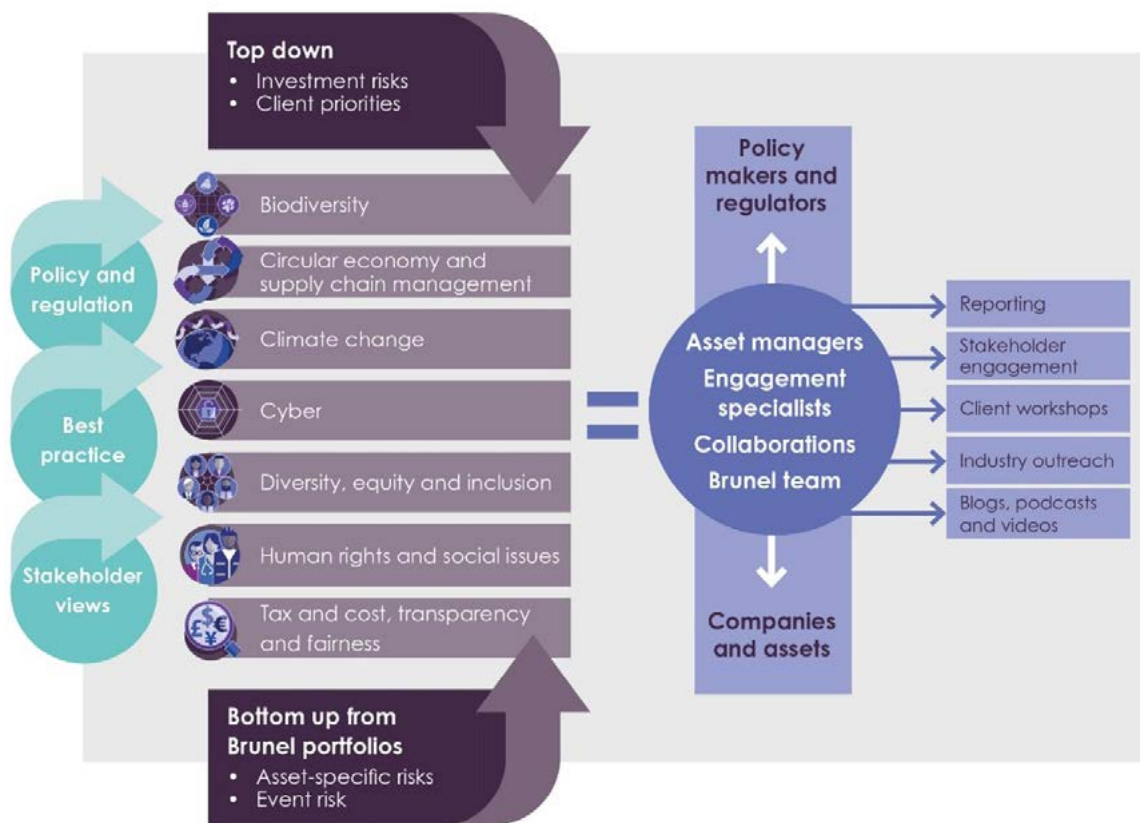
The Fund's attendance in these specific meetings with Brunel and partner LGPS funds ensures a proactive approach in developing investment portfolios and policies including wider stewardship, voting and engagement approaches and that the Brunel policies are aligned to that of the Fund. Although the Finance and Investment team for the Fund is small there is a proactive approach to building knowledge and skills and adopt best practice in managing The Fund's financial information, and investment stewardship activities. The team welcome the partnership and collaboration opportunities offered within LGPS investment pooling and regularly share knowledge with partner LGPS partner funds. On going training to members of the team is obtained through but not limited to:

- Research and publications.
- Information from third parties and specific initiatives that the Fund supports including Pensions for Purpose, IIGCC, Transitional Pathway Initiative, PLSA and LAPFF.
- Industry events, conferences, and webinars.
- Brunel presentations and training sessions.
- On the job learning.
- Specific deep dives on asset classes or investment managers when required.

This approach has enhanced The Fund’s ability to be able to work in partnership with its external investment partners but have the necessary skills and knowledge to challenge approaches and compliance with The Fund’s policies particularly around responsible investment and climate related activities. An open and inclusive culture has been developed throughout the Fund, ensuring that all staff members are valued and developed. The fund strives to deliver excellent services for its membership, ensure compliance with its policies and achieve the best risk adjusted returns. Collaborative working with Brunel and other fund managers in achieving these goals is essential.

Whilst Brunel’s strategy and policies are designed for the long term (5+ years), they are reviewed annually. The Brunel Board approves and is collectively accountable for the broader suite of Brunel’s policies, which includes the Stewardship Policy. Operational accountability on a day-to-day basis is held by the Chief Responsible Investment Officer, who is supported by a dedicated Head of Stewardship to ensure high levels of coordination and implementation.

Brunel has identified seven priority themes which are informed by its investment beliefs, Clients’ policies, and priorities together with stakeholder views, regulatory and statutory guidance, aligned with best practice. The seven priority themes, as part of an integrated Responsible Investment process, are illustrated in the diagram below. Detailed information on the seven priority themes is included in Responsible Investment and Stewardship Outcomes Report.



Reporting outputs provided by Brunel to clients to track progress against stewardship commitments are reviewed by the RI Sub-group to ensure that stewardship reporting is understandable, fair, and balanced. Brunel publishes its stewardship activities, including engagement and voting records on its website.

The Fund also reports the results from the Climate Metrics report in its annual TCFD report and uses the emissions data to assess performance against the annual reduction targets set out in its responsible investment policy.

In line with UK regulatory guidance, Brunel provide the Fund with separate TCFD Product level reports for each of its equity portfolios plus the sterling bond portfolio. This will enable the Fund to assess the extent to which each of these portfolios are aligned with a net zero pathway, alongside a picture of the overall alignment of the aggregated portfolio. This is a key assurance tool for the Fund to track its own alignment with its net zero objective. The Product reports will also allow the Fund to provide more granular reporting to stakeholders, including Committee members in its own TCFD reporting.





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

The Fund has a **Conflicts of Interest Policy**, which was last reviewed and approved in September 2024. The policy intends to guide the Pension Committee members, Pension Board members, officers, and advisers, and aims to ensure that those individuals do not act improperly or create a perception that they may have acted improperly. It is an aid to good governance, encouraging transparency and minimising the risk of any matter prejudicing decision making or management of the Fund.

A conflict of interest is defined in section 5(5) of the Public Service Pensions Act 2013 as a financial or other interest likely to prejudice the way in which someone conducts their role. It further specifies that a conflict does not include a financial or other interest arising merely by virtue of that person being a member of a relevant pension scheme. A conflict of interest may arise when an individual:

- has a responsibility or duty in relation to the management of, or provision of advice to, the LGPS fund administered by Gloucestershire County Council,
- at the same time, they:
 - have a separate personal interest (financial or otherwise), or
 - have another responsibility in relation to that matter or have a family member or close colleague having a specific responsibility or interest in that matter which gives rise to a possible conflict with their first responsibility.

A register of conflicts is maintained and managed by Head of Pensions. For the Administering Authority to fulfil its obligations to manage and monitor potential conflicts of interests the Pension Committee and the Pension Board must include an item on conflicts of interest at each meeting. The Pension Board must also include an item on conflict of interest in its Annual Report.

At the start of any meeting, Committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda, including anything related to stewardship or responsible investment items.

A briefing is provided to all new members of the Committee clearly setting out their roles and responsibilities on the Pension Fund Committee, including in relation to the Conflict-of-Interest policy and how it relates to stewardship, for example through the need to comply with Market Abuse Regulation around insider trading.

The Fund expects all service providers to comply and fully disclose any conflicts of interest in the delivery of these services. Where these are disclosed, the Fund will consult with the relevant providers to ensure that the conflict is correctly managed and risks to the Fund are mitigated.

Brunel maintain a Conflict of Interest Policy, which is published on their website and includes a specific section on stewardship conflicts. The Brunel site outlines situations in which a conflict of interest could arise during stewardship activities, and a number of steps have been taken to reduce the risk of an actual conflict and to mitigate the impact of such conflict. Examples of how Brunel manage perceived conflicts are included in their **2025 Stewardship Outcomes Report**.



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

The Fund recognises the need for effective communication to all its stakeholders especially its members, ensuring that information on investment decisions is readily available, through its website. All agenda and associated papers are all available via the County Council's website, but the Fund operates a separate [Gloucestershire Pension Fund website](#) which was developed in early 2025 and provides information on approved strategies and policies, performance reporting updates and additional holdings and carbon metric reports, within a more modern and user-friendly manner.

The Fund has a [Communications Policy](#) which was reviewed and updated in 2024 through which the Fund seeks to deliver best practice LGPS communications to its members, employers and other stakeholders, which are dynamic, segmented, customer-focussed, compliant and use modern technology whilst remaining cost effective and providing value for money.

Communication and engagement with employers and individual members are undertaken by the website, formal letters, and emails where contact information has been provided. We are working hard to improve the use of electronic engagement methodology to enhance the effectiveness of communication channels and looking to replace the issue of the annual benefits statement via postal services to access via an online portal. The Fund undertook a branding review in 2024 and have now introduced a new logo to improve the identity of the Fund which is being rolled out across all media used by the Fund in communicating to its stakeholders.

The Fund seeks to engage and consult with its members on the development and implementation of policies and procedures wherever possible. In 2024 as part of the development of the responsible investment policy the Fund undertook a survey inviting both individual members and employers to comment and respond on the proposals and outline their own responsible investment beliefs to assist the Fund in taking this forward. Whilst the number of formal responses received was very small, the Pension Committee considered these responses prior to approval of the policy in June 2024. As part of its ongoing review of members investment beliefs, the Fund is undertaking another responsible investment member survey in mid 2026. It is hoped that responses received through this engagement will increase following the receipt of updated membership email contact information. During 2025, the Fund expanded its use of social media and extensively uses LinkedIn to promote news articles and valuable information.

Brunel maintain a formal website which outlines its governance arrangements, investment policies, investment holdings information and its climate related disclosures and metrics. We direct our members to this site, where appropriate to enhance the availability of the Fund's investment information.



Activities & Outcomes Report

Principle 1 - Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries

Through its strategic asset allocation, and liaison with an Independent Investment Adviser, the Fund uses diversification as an effective tool in managing investment and associated risks. As a result, the Fund invests in a wide range of asset classes, within both listed and private market environments. With the majority of these investments being managed by Brunel via the LGPS pool, then the Fund has developed joint engagement and stewardship processes. The Fund as, a client within Brunel, takes a proactive approach in the development, setting and monitoring of the Brunel policies including responsible investment and stewardship approaches.

The consideration of stewardship and ESG engagement is embedded throughout the Brunel process, from portfolio development, fund manager selection and monitoring and on-going performance monitoring, not only for the expected returns on the investments but whether the specific holdings are appropriate against RI or wider ESG metrics or concerns.

The Fund with partner LGPS funds approves the Brunel policies having ensured this is in line with their own investment beliefs as individual asset owners. Brunel are then responsible in delivering and managing these investment portfolios, via a series of selected fund managers and external partners. Brunel monitor and review these fund managers on a regular basis and in turn report back quarterly to all client Funds to enable transparent and open discussion on the current portfolio performance and investment holding information. This process ensures that the Fund can monitor and review each investment portfolio, through lookup and transparency reporting, and able to challenge Brunel on either performance or wider ESG/climate related issues or metrics.

Portfolio fund managers provide regular reports which outline their engagement on both performance and ESG related activities. All managers are signatories to the United Nations principles of responsible investment initiative.

Brunel, who are a signatory to the Stewardship code, have developed in consultation with client funds, a robust investment management system which embeds active stewardship and consideration of ESG risks and opportunities. Given the interconnectivity of the impact of ESG factors on investment performance then it is essential that this taken as one approach, and as such all portfolios are managed on this basis with responsible investment being integral to performance monitoring and investment delivery.

The table below gives an overview of how ESG activity at Brunel is undertaken:

	To Integrate	To Collaborate	To be Transparent
Own Operations	<ul style="list-style-type: none"> Board commitment In all we do Staff objectives 	<ul style="list-style-type: none"> Contributing to local and global community initiatives Diversity and inclusion ambassadors 	<ul style="list-style-type: none"> Best practice own reporting including climate change, diversity and tax
Portfolio Implementation	<ul style="list-style-type: none"> All asset classes globally Fully integrate into managers selection Low carbon and sustainability portfolio options 	<ul style="list-style-type: none"> Innovating investment solutions Cross pool collaboration ESG risk metrics and tools 	<ul style="list-style-type: none"> Impact reporting Positive case studies Carbon and sustainability metrics
Responsible Stewardship	<ul style="list-style-type: none"> Single voice Active engagement 	<ul style="list-style-type: none"> Annual engagement plan See Partnerships and Affiliations 	<ul style="list-style-type: none"> Proxy voting Policy and records Pre-declaration on selective votes

Clearly the effectiveness of the selection process of fund managers is critical to providing fully embedded responsible investment and stewardship processes. Brunel have and continue to enhance the continual assessment of managers performance, culture and investment beliefs and methodologies to ensure that these are and remain in line with the Brunel ethos and agreements. This in turn ensures that these are aligned with those of the Fund. Brunel have developed an Asset Manager Accord which sets out expectations and is specifically designed to provide clarification of the required Brunel investment process and beliefs. This assists in the selection process of managers when tendering for new or restructured portfolios and enhances opportunities for establishing long term partnerships with likeminded mangers.

The additional appointment of EOS as a dedicated engagement and voting provider to work in partnership with Brunel, enables a wider coverage of assets and access to further expertise across different engagement themes. Using this external industry expertise to wider its impact as an asset owner, enhances the opportunities to work in collaboration with other asset owners to direct engagement and influence change across various sectors where appropriate. This also ensures that a robust voting system is established and managed, providing challenge and engagement throughout.

The Fund’s **Responsible Investment Policy**, sets out the following beliefs related to integrating stewardship and responsible investment into the Fund’s investment process:

Investment Belief	Comments/Implications
<p>ESG factors are financially material, and can have an impact on investment risk and return outcomes. ESG factors should be integrated into risk management processes.</p>	<p>The Committee believes that having a broader perspective with regard to investment implications of ESG can improve risk management and lead to new opportunities. As such, regular training is received to ensure the Committee are up to date on these key areas.</p> <p>ESG and RI issues are embedded and considered fully in the ongoing assessment, creation, and review of the Strategic Asset Allocation for the Fund’s investments. This is demonstrated through the recent specific allocation towards social and affordable housing in 2023. This is focused on creating an investment portfolio with positive social and environmental impact whilst achieving competitive market returns.</p>
<p>Taking a broader and longer-term perspective on risk is consistent with fiduciary duty. Indeed, identifying sustainability themes and opportunities is likely to lead to improved risk management, greater portfolio resilience and new and attractive investment opportunities.</p>	<p>The Committee recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly requires explicit consideration given the long-term time horizon of the Fund.</p> <p>This has already resulted in capital allocation decisions being made, with strategic allocations to a range of ‘sustainable’ investments with allocations made in 2023 and further investments planned for 2024.</p>
<p>Climate change poses a systemic risk that will affect all asset classes and geographies. The Committee are supportive of the Paris Agreement’s objective to limit global warming to ‘well below 2°C’ relative to pre-industrial levels, and pursue efforts to limit warming to 1.5°C if possible.</p>	<p>As investors the Committee believe they should consider the potential financial impacts of both the associated transition to a low-carbon economy and the physical impacts of different climate outcomes.</p> <p>This has resulted in the critical decision to target ‘Net Zero’ carbon emissions by 2045, as referenced above and explained in more detail in Section 7. The Committee anticipate doing further work in 2024 to understand the exposure to climate risk and how this differs across the investment strategy, as part of TCFD reporting requirements.</p>
<p>Effective stewardship and engagement (or active ownership), including collaboration, can create and preserve value for companies, and produce wider benefits for the economy, society and environment.</p>	<p>The Committee believe that active ownership helps the realisation of long-term shareholder value and are therefore looking to ensure any voting rights held on their behalf are used appropriately. This includes engagement with Brunel, as well as underlying managers where appropriate. At present the primary focus is on engagement rather than ‘exclusion’, but this will be kept under regular review.</p>
<p>Engagement with the Scheme Membership and Employers on responsible investment strategies and practices.</p>	<p>The Committee believes that being transparent on all its actions but particularly on Responsible Investment and ESG issues is essential for effective governance going forward. Engagement with its members and employers is an integral part of this approach, and the Fund will continue to develop an effective communication strategy where information is shared openly, members’ views are actively sought and considered fully throughout the management of investments going forward.</p>
<p>Demonstrating and promoting best practice in RI is important.</p>	<p>There is a strong desire from the Committee to target best practice and exhibit thought leadership. The publishing of an RI Policy and further work planned is consistent with this desire.</p>

The Fund considers responsible investment as a core element of its fiduciary duty and requires its Investment Managers to monitor and assess all environmental, social and governance considerations which may impact on financial performance when selecting and retaining investments, and to engage with companies on these issues where appropriate.

CASE STUDY

Development of Carbon Metrics for TCFD and Responsible Investment Policy

The Fund produced its **first TCFD report** in 2024, recognising best practice and the need for transparent reporting and review of climate related activities. To enhance the reporting metrics within the report, the Fund undertook an analysis of its listed and bond investment holdings to identify its carbon footprint. A similar 2020 base line analysis was also undertaken to be able to track performance of each portfolio in decarbonisation. This work undertaken with Mercer Investment Consultancy, provided a robust framework in monitoring climate metrics for both specific investment holdings and wider portfolios within the listed equities and bond asset classes. The Fund aim to expand this process further across other asset classes but recognise that currently the availability of reliable and timely carbon disclosures across the investment industry is not available. The Fund published its **second TCFD report** in September 2025.

The Fund also approved a **Responsible Investment Policy** in June 2024, and subsequently update this in June 2025, which sets out key climate related targets including having net zero emissions by 2045. The ongoing monitoring and tracking of both the performance against these targets and the ongoing engagement of our top emitters will be embedded into the Fund on going processes. This will also enhance our assessment of climate risks when considering our strategic investment strategy and portfolio make up going forward. The Fund now receive a quarterly update from Brunel of the Fund's and other partner Fund's top ten emitters, outlining any engagement undertaken by Brunel, EOS, or wider external partners. This reporting framework will be shared and discussed by the Pension Committee accordingly.



Principle 2 - Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets

The Pension Committee has a responsibility to monitor and oversee the management of risks and opportunities, ensuring the prudent and effective stewardship of all assets, and that the pension obligations of its members are met. The Fund adopts best practice risk management, which supports a structured and focused approach to managing risks and ensures that risk management is an integral part in the governance of the Fund at a strategic and operational level.

In December 2024 the Pension Committee, following a full review approved a new [Risk Management Policy](#), which:

- sets out the philosophy for management of risk, risk attitudes, and risk appetite.
- sets out how risks management is implemented throughout the Fund.
- outlines the responsibilities of officers, Committee & Board Members, and requires advisers of the Fund to be aware of the Policy and assist in the meeting the objectives of the Policy.
- sets out procedures for the effective management of risk.

In relation to risk management, the Fund will aim to:

- integrate risk management into the culture and day-to-day activities of the Fund.
- raise awareness of the need for risk management by all those connected with the delivery of services (including advisers to the Fund, employers and all other partners involved in the delivery of services)
- anticipate and respond positively to change.
- minimise the probability of negative outcomes for the Fund and its stakeholders.
- establish and maintain a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice.
- ensure consistent application of the risk management methodology across all Fund activities, including projects and partnerships.
- minimise the cost of risk.

The risk management process entails four key processes, Risk identification, risk analysis, risk control, and risk monitoring. The Fund maintains a risk register which under regular monitoring identifies and classifies through a RAG rating system all key risk identified by the Fund. This register is reported to and reviewed on a quarterly basis by both the Pension Committee and Board.

The register includes the identification of market wide risks to the investment environment and systemic risks, which are kept under constant review and monitoring by the Fund's officers through regular meetings with the Fund's Independent Investment Advisor, the Fund's Actuary Hymans Robertson and members of the Brunel Pension Partnership, and other third party bodies as required.

The Fund views diversification as an effective tool in mitigating investment risks. The Fund’s strategic asset allocations outlined within its Strategic Investment Strategy ensures that the Fund’s investments are spread over a number of distinct asset classes within both listed and private markets. This approach attempts to ensure that any exposure to losses within an individual asset class under market conditions are minimised, and the Fund can achieve an appropriate level of risk adjusted return and meet its on-going pension obligations.

The Fund believe that the financial system has a key role in the transition to a resilient and sustainable global economy. To this end working in partnership with Brunel and other fund managers the Fund seeks to invest in companies committed to building a sustainable and better future and have a proactive approach to engagement and stewardship with industry to promote and influence change of business practices to a more sustainable manner. Whilst the Fund recognises it has a part to play in the transition of the financial system as an institutional asset owner, it also recognises that working in collaboration with other likeminded asset owners and bodies will enhance the effectiveness of stewardship and engagement. As a result, the Fund continues to be members and supporters of:

- the Institutional Investors Group on Climate Change (IIGCC)
- Climate 100+ group
- Pensions for Purpose
- Transitional Pathway Initiative

This is in addition to the well-established membership of the Local Authority Pension Fund Forum (LAPFF) and Pensions UK. These partnerships ensure that the Fund can participate in wider co-ordinated engagement with companies and fund managers to influence change on climate and other wider ESG issues and practices.



The Fund recognise that the risk associated with climate change to its long-term investment goals are significant and material given its systemic nature and effects it could have on global markets. As a result, as outlined within Principle 1 above the Fund has set an ambitious net zero GHG emissions target by 2045. In addition, the Fund has set a number of pathway targets which it seeks to achieve which will enhance the transition in achieving the ultimate net zero target. The Fund recognises its role as an institutional investor in collaborating with partners, aiming to systematically change the investment industry to ensure that it is fit for purpose for a world where temperature rises are limited in line with the goals of the Paris Agreement and that members retire into a world worth living in.

As part of this process the Fund have established annual carbon metric analysis for listed and bond investment holdings which assists the Fund in tracking the progress in decarbonisation and in meeting these climate related targets. It also enables the identification of the top ten holdings which have the biggest carbon footprint and prompts greater targeted engagement with Brunel and fund managers to influence these companies transitions accordingly.

The Fund recognises that tackling the systemic risk of climate change will require a concerted effort across the investment universe. Specifically, asset owners and asset managers will need to align their engagement activities to ensure those companies with the greatest climate impact are on a pathway to net zero. The on-going collaboration with Brunel and other partners will hopefully enhance this global industry change.

In addition, the Fund takes an initiative-taking approach to respond to any consultations from Government, regulators, and specific sector bodies in seeking to influence effective and sustainable systemic change.

Although climate change is viewed as the single greatest sustainability risk, the Fund recognise that there are other significant risks relating to sustainability themes, such as biodiversity loss or social disruption stemming from breaches of international human right standards, that may also pose major systemic risks. The Fund’s Responsible Investment policy aims to identify these key issues and commit to a plan that seeks to address and, where necessary, mitigate the main ESG risks to the long-term future of the Fund. The Fund assesses these risks through the United Nations Sustainable Development Goals (SDGs).



As part of the work with The Fund’s actuary, a full assessment of Climate risks is undertaken and monitored in formulating the Strategic Funding Statement for the Fund. In addition, during 2024 as part of the publication of the Fund’s first report under the Taskforce for Climate Related Financial Disclosures (TCFD) the Fund commissioned climate scenario analysis against its current strategic asset allocations to assess the on-going risk to the Fund.

The Pension Committee and pensions Board held a joint workshop with the Oxfordshire Pension Fund in October 2025, and part of this day provided members with an insight into natural capital and sustainable agriculture investment opportunities which aim to minimise biodiversity loss.

CASE STUDY

Promoting Well Functioning Markets

Context

Climate change represents a systemic, market wide financial risk affecting all sectors. The 2026 Stewardship Code expects asset owners to identify and respond to systemic risks and contribute to the proper functioning of markets.

Brunel, as the investment pool for Gloucestershire Pension Fund, has a documented programme of policy advocacy, engagement with policymakers, and systemic level interventions aimed at improving the financial system's resilience to climate risk. Brunel explicitly states that the financial system is "not fit for purpose" for a low carbon future and therefore must be changed through policy engagement and system wide stewardship.

Gloucestershire Pension Fund's Responsible Investment Policy confirms that Brunel conducts stewardship and engagement on behalf of the Fund through the pooling arrangement. Gloucestershire is formally one of Brunel's ten partner funds.

Activity

Collaborative engagement on systemic climate transition risks

Brunel undertakes large scale climate engagement programmes that directly address market wide transition planning gaps. Brunel also engages policy makers, regulators, and market participants to strengthen the financial system and advocate for mandatory climate disclosures, carbon pricing, and other market wide reforms.

These actions are aligned with Principle 2's expectation that asset owners respond to systemic risks and contribute to well functioning markets.

Supporting aligned transition planning standards

Brunel, on behalf of Gloucestershire Pension Fund, has directly contributed to the development of UK transition plan standards through the Transition Plan Taskforce. This includes leadership in the TPT Adaptation Working Group, helping shape guidance used across UK markets to support credible, comparable, and decision useful transition planning. This work directly strengthens transition planning standards across the UK market.

Brunel also participates in coordinated asset owner initiatives to tackle climate stewardship misalignment in the asset management industry.

Integration of systemic risk engagement into Gloucestershire's oversight

Gloucestershire Pension Fund commits to monitoring Brunel's climate stewardship via its governance processes. The Fund were instrumental in the development of a Brunel quarterly report to all Client Funds detailing engagement activity information on the top ten carbon emitters within its listed equities and bond investment holdings.

This shows active oversight and participation by the Fund in market wide stewardship.

The Fund's 2024/25 Annual Report contains a full section on ESG issues and pooling arrangements, confirming that Brunel's stewardship activity is integrated into Fund level reporting.

Outcomes

Market level impacts

Brunel's climate engagement programme contributes to improving transition planning expectations across the UK market, addressing systemic risk and information asymmetry.

Brunel's policy advocacy promotes structural market improvements such as mandatory climate disclosures and carbon pricing.

Through collaborative initiatives, Brunel and UK asset owners are escalating misaligned climate stewardship practices among major global managers — an intervention designed to improve market functioning.

Portfolio and ecosystem impacts

Brunel's latest progress report confirms that 92% of AUM is now aligned with Paris aligned objectives, signalling a systemic shift toward climate risk aware capital allocation.

Improved transparency through climate related reporting, with Brunel exceeding TCFD requirements and publishing detailed climate metrics and methodology.

Fund level outcomes for Gloucestershire

Systemic risk stewardship by Brunel feeds directly into Gloucestershire's net zero oversight, climate metrics, and TCFD reporting.

The Fund benefits from Brunel's large scale engagement and policy advocacy, demonstrating concrete action to promote well functioning markets.



Principle 3 - Signatories engage to maintain or enhance the value of assets

As outlined previously within the responses for the other principles, the Fund recognises the need to embed the management of ESG risks throughout its investment processes. Voting and engagement with fund managers and specific holding companies is an important part of this process, in influencing change over the long term.

Given most of the Fund's investments are managed through the Brunel pool (97%) then Brunel under this arrangement undertake proactive stewardship and engagement on behalf of the Fund, either direct with the fund managers appointed or via the external engagement partnership with EOS, who are part of Federated Hermes. They were appointed by Brunel following a competitive tendering and due diligence exercise to undertake engagement, proxy voting, and stewardship on behalf of the Fund and partner client funds within the pool. This covers all segregated active listed equity portfolios and corporate fixed income portfolio. As with standard contract management processes, the contract arrangements and related performance undertaken is closely monitored to ensure that these are in line with expectations and that the voting and engagement has been undertaken in accordance with the pool's best interests and that targeted approaches have been developed following full discussion and agreement with the Brunel responsible investment team.

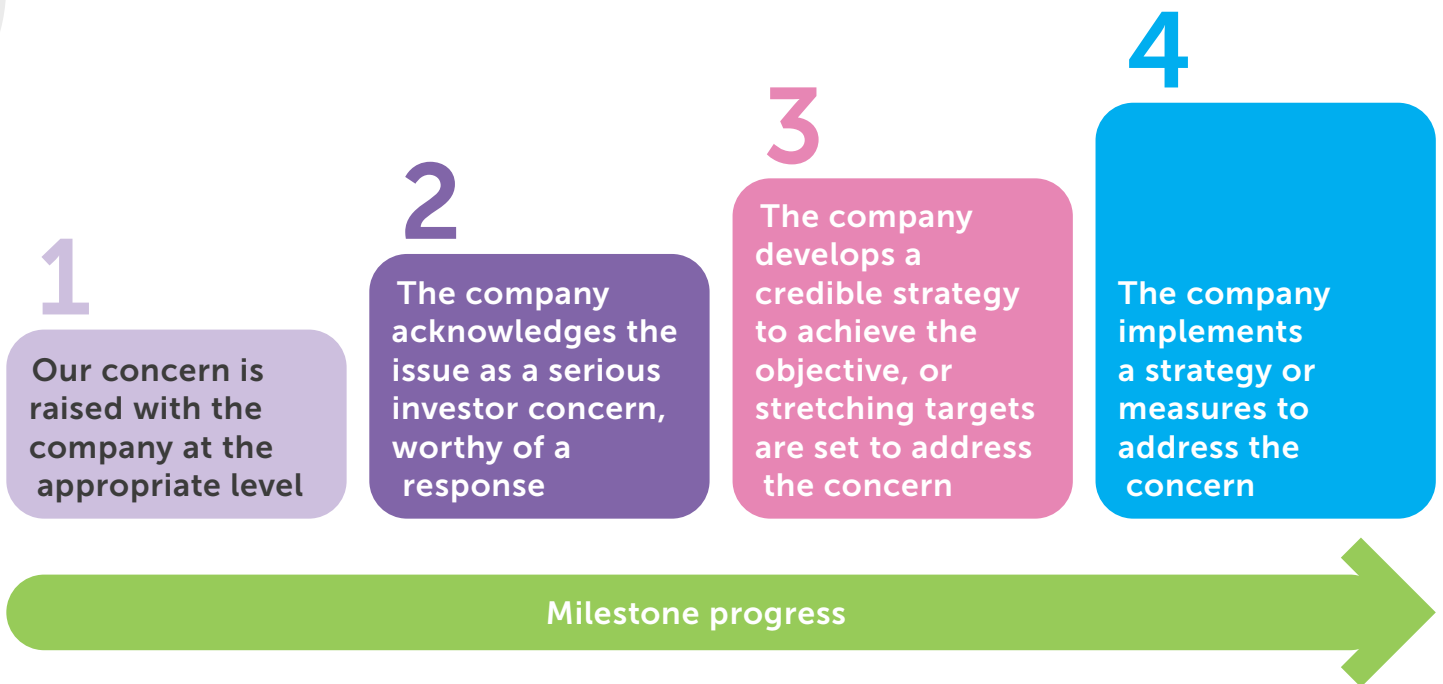
EOS provide quality quarterly reporting on the specific engagement and proxy voting undertaken on behalf of the Fund and partner funds, and this is available to Fund Officers for review, challenge, and further discussion with Brunel either directly or through the monthly responsible investment subgroup meetings. EOS also provides an annual engagement outcomes report and attends the responsible investment subgroup to present activities undertaken across global markets and provide more metric and quantitative analysis of voting trends. This information assists the Fund in monitoring its engagement activities and its effectiveness as an asset owner in influencing changes in business processes and policies to improve ESG factors, without materially impacting upon the Fund's overall investment performance.



In addition to the above as part of the Brunel responsible investment sub group the Fund together with partner client funds are asks to consider, input and agree the annual engagement plan for EOS, which sets out engagement priorities across 12 themes grouped under environmental; social; governance; strategy; and risk & communications. Further information on these themes is provided below:



Part of the programme of engagement milestones are established to be able to assess whether this has been successful and met its objectives set at the outset. Progress in achieving these objectives is regularly assessed and evaluated.



EOS' primary approach is to engage privately with companies, behind closed doors. Where engagement is failing at the pace that EOS believe is required, they will also consider using escalated engagement techniques that may be more public, such as:

- Collaborative engagement with like-minded institutional investors
- Speaking at the company's AGM
- Filing or co-filing a shareholder resolution, and
- Raising concerns in the public domain

EOS vote on behalf of Brunel managed investments, but Brunel can if required, override the recommendations of EOS should the circumstance be such that they would prefer to vote in a different manner. Examples of such circumstances would be where the speed or intensity of escalation are not considered sufficient, or awareness of contextual information based on Brunel's on research or experience from fund managers.

The Fund believes that existing structure in directing engagement within the Brunel pool, is an effective tool in ensuring that the Fund, with partner funds acts as an active asset owner and exercise its rights and its position of ownership to influence the behaviour and activities of investee companies, recognising different approaches required for each asset class to enhance ESG disclosures and improved processes.

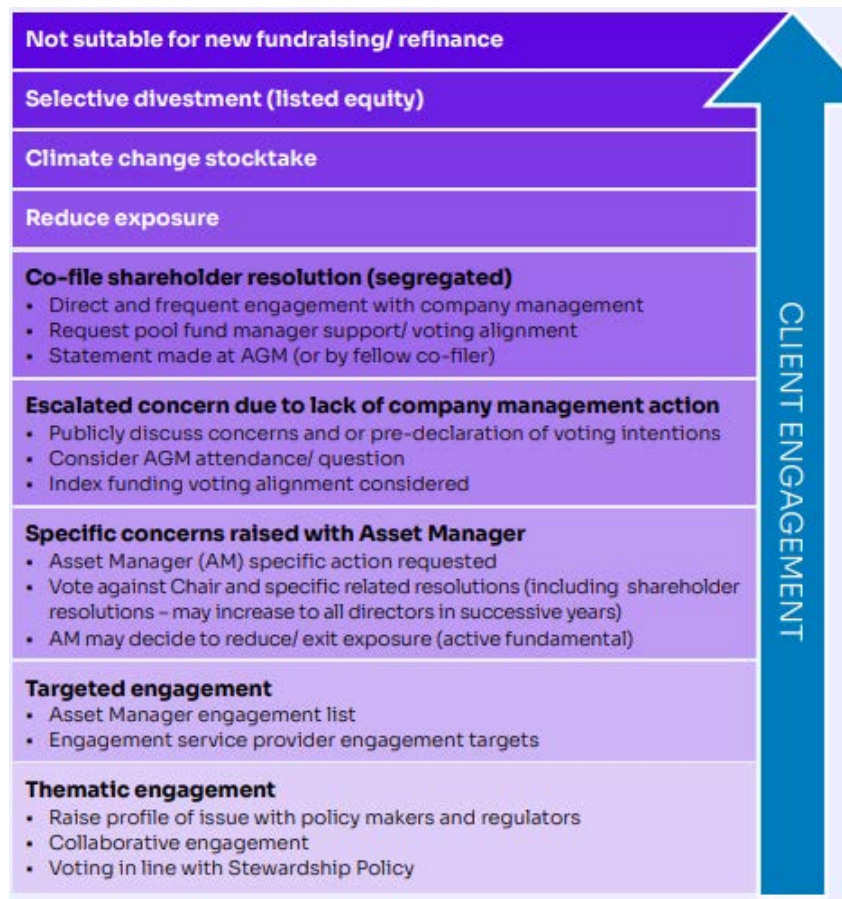
Engagement through the Brunel process has three main stands, firstly the direct engagement with and by appointed fund managers, who incorporate this within their fund selection and monitoring processes. Secondly through the EOS specialised engagement and voting coverage on listed equity and fixed income portfolios. Lastly, engagement is enhanced through collaboration, with other like-minded asset owners or industry forums. This process therefore ensures that the Fund and its partner funds through collaboration, have a more effective influence on companies and wider industry practices, although recognising the limitations surrounding the size of the pool within the global markets.

The Fund, as a client of Brunel, clearly has an active part in establishing and monitoring of all policies including its responsible investment and stewardship policies. These are kept under constant review to ensure these remain aligned with the Fund’s own investment beliefs and principles. The Fund has as previously mentioned in the previous principal responses, have become supporters and members of a number of key organisations that can enhance the ability for global engagement, such as the IIGCC, Climate 100+, TPI, and Pensions for Purpose.

The Fund also recognises that collaboration and affiliation to these organisations enhances the sharing of knowledge, ensures that the Fund’s officers and Committee members are kept informed of industry developments, initiatives, and scientific analysis and metrics which all inform decision making going forward.

Whilst the Fund does engage directly with specific private market fund managers managed outside of the Brunel pool, it recognises that it is currently challenging to undertake more proactive engagement with companies given the size of the Fund and limited resources available. It is therefore important for the Fund to work in collaboration with Brunel to ensure that the stewardship and engagement policies and processes undertaken are robust and as effective as possible in influencing change going forward.

Brunel’s Stewardship Policy clearly outlines how it proactively undertakes stewardship and engagement activities in managing assets for its client funds. This confirms that the Brunel Investment Risk Committee (BIRC) and the Brunel Investment Committee fully consider any engagement concerns. If appropriate, escalation is requested to the investment managers. Brunel expect regular updates on the company managers are engaging with, what they are engaging on, how they assess the risk, and what level of escalation they are undertaking. In parallel review of the engagement EOS are undertaking, their engagement targets and escalation may also be undertaken. In addition, collaborative engagement may be applied, and Brunel will reach out to other investors to elevate areas of concern to companies. Voting is an intrinsic part of the escalation process. Brunel, supported by EOS, executes thousands of votes annually. The following table summarises this process:



HSBC medium-form case study

Engagement theme:

Environmental – Alignment of provision of finance with the delivery of the goals of the Paris Agreement

Engagement objective: Our engagement with HSBC was to develop a comprehensive plan to achieve its net-zero ambition by 2050.

Background:

HSBC provides wealth & personal banking, commercial banking and global banking & markets services. Incorporated in 1866, it has multinational operations with deep links to east Asia. In 2020 HSBC announced an ambition to be a net zero bank by 2050. Our engagement objective was for the company to develop a plan to demonstrate how it will meet its net-zero ambition, including clear timelines for intermediate targets for reducing emissions and explicit criteria to limit risks associated with financing high carbon businesses. We also wanted to see enhanced reporting on progress towards real world emissions reductions.

Details of engagement:

We met with the global head of sustainable finance in 2020 and set our concerns, emphasising the company's financial exposure to coal financing. In 2021, we met twice with the chair, CEO and global head of sustainable finance and were given further details on the bank's climate strategy. We also discussed a forthcoming shareholder resolution that requested investor approval for a science-based route to a net-zero-aligned portfolio and for the bank to end financing of coal-fired power. After engaging with various key stakeholders and investor groups, including EOS, HSBC announced that it would propose its own special resolution on climate change at the 2021 AGM.

Following the passing of the bank's resolution, which we supported, we continued to engage with the bank on details of its climate strategy across 2023 and 2024. We provided input to the company's thermal coal financing policy and questioned the bank on how it plans to help the transition of its clients. We urged the bank to publish quantitative information on progress on reviewing clients' energy transition plans including the proportions that were considered aligned with its policy, and where plans were not aligned, the action being taken.

We continued to engage with the bank, including on the updated coal and energy policies and up to the release of the bank's net zero transition plan in 2024.

Changes at the company

Following our engagements with the chair and CEO, the bank filed its own climate resolution at the 2021 AGM detailing its plan to become a net-zero bank. This included committing to publish a policy to phase out the financing of coal-fired power and thermal coal mining. The resolution also committed to set, disclose and implement a strategy to align its financed emissions with the goals and timelines of the Paris Agreement, and to report on progress against that strategy on an annual basis.

Following the adoption of the resolution, the coal policy was released in 2021. This included its plan to phase out the financing of coal-fired power and thermal coal mining by 2030 in the EU/OECD, and by 2040 in other markets..

The bank's sectoral decarbonisation pathways, coal and energy policies were updated in late 2022 and again in early 2024 to reflect new commitments to oil & gas and coal financing. The updated policies also provide further detail on client engagement including on methane.

The bank released its first net zero transition plan in early 2024. The plan brings together in a single document all of the activities planned and underway to support the transition to net zero. This includes a description of the banks' approach to supporting sector transitions; how the bank is supporting clients and working to embed net zero into the business; and the partnerships it is establishing to help drive change.

Outcomes and next steps:

The development of the climate transition plan should facilitate and accelerate the bank's progress toward meeting its net zero ambition. For example, the delivery of the oil and gas financing target should result in a reduction in the bank's financed emissions associated with the sector by 34% by 2030 versus 2019, equivalent to 14.5 Mt CO₂e p.a in 2030. The provision of information within the transition plan should help external stakeholders better understand the bank's approach and progress to date, and support ongoing engagement on areas where further progress may be needed. We will continue to focus on how the bank is implementing its transition plan and developing its overall approach.

(Objective completed February 2024)

Disclaimer

This case study has been shared with HSBC Holdings to enable it to provide input to help ensure it provides a fair representation of EOS at Federated Hermes Limited's (EOS) engagement and resulting changes made at the company. Case studies are shown to demonstrate engagement; EOS does not make any investment recommendations and the information is not an offer to buy or sell securities.

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¹ Potential outcomes stated above are not intended to be a forecast of future performance, which will depend on a range of factors which cannot be guaranteed. These may include factors such as wider business performance in the context of dependencies such as developments in public policy, technology and market demand. Any quantified potential outcomes are based on the company's disclosed targets and other assumptions as referenced in this document

Deere & Co (Deere) short-form case study, November 2025

Engagement theme: Biodiversity & Nature

Details of engagement:

Deere is one of the world's largest manufacturers of agricultural equipment. Since 2020, we have been engaging on its precision agriculture offerings, and the role these play in mitigating negative impacts of agriculture on biodiversity and soil health, while also supporting yields and reducing costs for customers. This can help drive sales, leading to improved revenue and long-term profits. In a call with investor relations in 2020, we encouraged Deere to articulate its approach to biodiversity and, in a subsequent call in 2021, it said it would include related information in its sustainability reporting. In calls in 2023 and 2024, the company detailed how its technologies, including See & Spray and ExactShot, reduce pesticide and nitrogen use respectively, supporting biodiversity and soil health, while lowering growers' costs. We encouraged Deere to provide more detail on the benefits of its precision agricultural technologies through case studies in its reporting. During a visit to the company headquarters in 2025, we discussed strategy for increasing 'highly engaged' acres (shown by Deere's operations centre to have high utilization of precision agriculture technologies).

Changes, potential outcomes and next steps¹:

Deere has provided more details on precision agriculture in each successive sustainability report. Its 2024 business impact report, published in 2025, included case studies, providing examples of the cost savings, soil health benefits and potential crop marketing advantages associated with its precision agriculture offerings. On the company's 4Q 2025 results call, it highlighted that 147m acres are now 'highly engaged', up from 125m at the end of 2024.

In our view, through its extensive efforts to communicate the benefits to growers of adopting its precision agriculture technologies and the support it offers through its operations centre, Deere is helping mitigate negative impacts on biodiversity and soil health, while supporting yield improvements and cost savings for customers – dynamics that we expect should support Deere's long-term sales and profitability.

We intend to continue monitoring Deere's progress in precision agriculture, and to engage the company on auditor tenure, supply chain rights and talent management.

¹ Potential outcomes stated above are not intended to be a forecast of future performance, which will depend on a range of factors which cannot be guaranteed. These may include factors such as wider business performance in the context of dependencies such as developments in public policy, technology and market demand. Any quantified potential outcomes are based on the company's disclosed targets and other assumptions as referenced in this document.

(Objective completed November 2025)

Disclaimer

This case study has been shared with Deere&Co to enable it to provide input to help ensure it provides a fair representation of EOS at Federated Hermes Limited's (EOS) engagement and resulting changes made at the company. Case studies are shown to demonstrate engagement; EOS does not make any investment recommendations and the information is not an offer to buy or sell securities.

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Principle 4 - Signatories actively exercise their rights and responsibilities

The Fund takes its responsibility as an asset owner very seriously and as a result aims to vote 100% of its holdings managed through the Brunel pool, via either EOS, the proxy voting manager for active markets, or via Legal & General Investment Management for passive funds held. Exercising voting rights is an effective tool in influencing the companies the Fund invests in and helps in mitigating long term investment and wider ESG associated risks. Voting decisions are fully delegated to fund managers, while recognising that the Fund maintains ultimate responsibility for ensuring that voting is undertaken in the best interests of the Fund.

The Service agreement between Brunel and the client Funds outlines the expectations that the fund has around voting their shares; "The Manager shall issue proxy voting instructions or vote on a show of hands at a meeting in relation to any Portfolio Fund's units."

The implementation of [Brunel's voting guidelines](#) is supported by EOS at Federated Hermes. The voting principles guide Hermes' voting recommendation alongside country and region-specific guidelines. Voting decisions are also informed by investment considerations, consultation with portfolio managers, clients, other institutional investors, and engagement with companies. The voting and exercising of rights process, including the approach across asset classes including fixed income and alternatives, is explained in further detail in [Brunel's Stewardship Policy](#).



Whilst more final metrics are awaited for 2025, EOS undertook on behalf of the Fund in 2024 specific engagement with 759 Brunel managed companies on 1,289 milestones. EOS recommended voting against or abstaining from at least one or more resolution at 879 meetings. Voting in favour of management resolutions were made at 404 meetings, with a further forty-eight meetings instruction to vote in favour by exception. The vast majority of these voting recommendations related to board structure and remuneration. At least one milestone was moved forward for about 45% of objectives during 2024. This is summarised by themes as follows:

Engagement in 2024

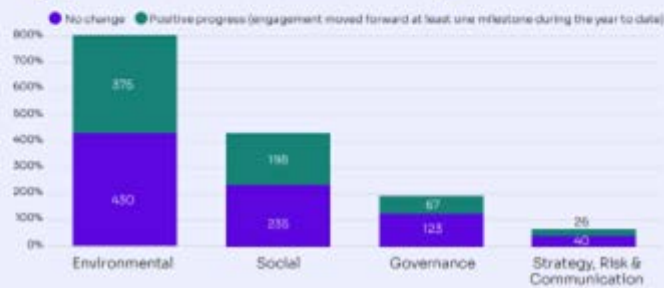


Engagement progress 2024

The following chart describes how much progress has been made in achieving the milestones set for each engagement.

In 2024, EOS engaged with **759** companies on **3,530** environmental, social, governance, strategy, risk and communication issues and objectives. At least one milestone was moved forward for about **45%** of its objectives during the year.

Engagement undertaken on behalf of Brunel by EOS



Voting on the passive equity funds managed within the pool, is undertaken by the fund manager Legal & General Investment Management (LGIM). Although LGIM are not bound to the Brunel’s voting guidelines, opportunities exist for Brunel to direct voting for pooled holdings so that these are aligned to active segregated holdings. This process has been enhanced during 2025, through the development of pass-through voting. LGIM has partnered with Tumelo to allow all holders of investments within their pooled funds to vote. This was introduced for the 2025 proxy season. The Fund welcomes this initiative as it enables direct voting against index-tracking investments holdings.

Although the Fund cannot directly vote its own shares held in the Brunel portfolios, or file shareholder resolutions, it can engage with Brunel to influence their activity in these areas. As the Fund receives quarterly updates and metrics on all engagements and voting undertaken with investment companies, and this ensures that this transparent process can be easily monitored to ensure that the exercising of its rights have been undertaken in line with its long-term interests.



CASE STUDY

Supporting the Relaunch of the Net Zero Asset Managers (NZAM) Initiative

Context

In late 2025, the Net Zero Asset Managers (NZAM) initiative completed a year long review of its framework, resulting in a strengthened approach to assessing asset managers' transition planning and interim decarbonisation progress. Following the relaunch, asset owners were invited—through a coordinated statement led by the Institutional Investors Group on Climate Change (IIGCC)—to publicly signal continued support for asset manager participation.

Gloucestershire Pension Fund's Responsible Investment (RI) Policy commits the Fund to managing climate related financial risks and engaging systematically with investment managers on transition planning. Officers therefore reviewed the enhanced NZAM framework to assess consistency with the Fund's fiduciary duties and strategic stewardship objectives.

Activity

Officers undertook an assessment of the updated NZAM requirements against the Fund's RI Policy. Key considerations included:

Alignment with fiduciary duty: The strengthened NZAM criteria emphasise material climate related financial risks—consistent with the Fund's long standing approach to risk management.

Consistency with stewardship approach: The initiative supports the Fund's expectations that managers demonstrate credible, evidence based transition plans and transparent emissions reporting.

No additional obligations: The revised framework aligns with the Fund's existing climate commitments and does not introduce new targets beyond current policy.

Given the short response deadline (Monday 26 January), officers exercised existing delegations and consulted the Chair and Vice Chair of the Committee. Both agreed that signing the asset owner support statement was appropriate.

As a result, Gloucestershire Pension Fund formally became a signatory to the NZAM asset owner support statement.

Next steps

Officers will:

- Monitor publication of the final relaunch statement and any associated expectations for asset owners.
- Continue engaging with Brunel and LGPS Central on climate related stewardship activity, particularly in relation to transition planning and manager oversight.
- Report any material developments to the Committee as part of ongoing stewardship and RI updates.

Outcomes

Signing the statement delivered several stewardship benefits:

- **Strengthened expectations of managers**
Reinforces the Fund's requirement that investment managers demonstrate robust climate risk assessment and transparent transition planning.
- **Enhanced partnership working**
Supports collaborative engagement activity undertaken by Brunel and LGPS Central, both of whom are NZAM signatories and are active in driving improved manager performance.
- **Improved visibility and influence**
Positions the Fund as a credible and initiative-taking asset owner within the responsible investment community, enhancing its ability to influence climate related standards.
- **No financial or operational impact**
Signing the statement introduces no new costs, reporting burdens, or climate targets beyond those already set by the Fund.



Principle 5 - Signatories integrate stewardship considerations into their selection and oversight of external managers

When appointing managers across all asset classes, Brunel evaluates across 6 P's, philosophy, policies, people, processes, participation, and partnership. These key issues form part of ongoing manager monitoring where a risk assessment is conducted on a quarterly basis and a rating given. This includes managers' stewardship. The Brunel Investment Risk Committee (BIRC) reviews this.

There is a monitoring process in place to ensure delivery of service meets expectations. If expectations are not met, Brunel would proceed to retender in line with its standard policies and practices. In evaluating the Manager and considering whether to place the Manager on Watch or even to terminate the mandate, Brunel will principally consider whether the expectation of long-term outperformance is still intact. Demonstration of original idea generation, examples of detailed research on key issues and topics, thoughtful portfolio construction, application of fair price discipline and evidence of successful trading with good cost control will all be viewed positively.

The Fund together with other partner client funds receive copies of all meeting minutes and reports from the Brunel Investment Risk Committee (BIRC) which assist Officers of the Fund in reviewing investment activities and processes and ensure that Brunel is carrying out an appropriate level of assurance over the fund managers it has mandated to provide investment services.



Officers of the Fund also attend the Brunel Client Assurance Group meeting which are held quarterly and provide an overview of the performance for the various portfolios managed within the pool. This provides the Fund an opportunity to assess the investment processes and receive assurance that these remain appropriate and do not represent a risk to The Fund's investment requirements going forward. These are valued meetings and are held in a manner that promotes open challenge and debate within the partnership.

In addition to the above reporting framework, quarterly holding reports are provided for the listed equity and fixed income portfolios to the Fund and partner funds, which enable officers to undertake more detailed analysis of company holdings where necessary. Where these holdings are questioned then the fund manager via Brunel will provide justification on the investment holding and the consideration made in making this decision including wider ESG or climate related concerns.

CASE STUDY

Social & Affordable Housing

In addition to those investments held and managed by Brunel within the LGPS Pool, the Fund do have a number of directly managed investments on individual mandates including a newly formed Social & Affordable Housing Portfolio.

Integral to the assessment of fund managers when developing this portfolio was the review of how ESG was embedded both within their own organisations but how these were managed within the investment fund. Assessment of cultures, board governance arrangements and gender of key staff were all assessed together with wider environmental and social impact factors.

The fund has developed a process with these managers where regular reporting and engagement both for performance and wider impact and climate related information and metrics is undertaken. This is integral to our aim to show the positive nature of these investments, in enhancing opportunities for sustainable affordable housing, and help make a world a better place to live in going forward. In support of this process the Fund is part of the Pensions for Purpose Community Interest Group on Impact integration, which is seeking to identify best practice and a structured reporting guidance for Pension Funds. More information on this can be found [here](#). The Fund are currently reviewing its own processes against this framework with a view to improve both communications with stakeholders and engagement and challenge with fund managers.





Principle 6 - Signatories monitor and hold account stewardship service providers

The responsibility for managing all aspects of the Fund both for administration and investment activities lies with the Pension Committee as outlined in Principle 2 above. This includes the performance monitoring of Brunel.

The Pension Committee receive quarterly investment performance reports from Brunel and receive regular updates from Fund Managers which provide an opportunity to ensure their strategies are in line with expectations and to discuss any risks the Committee is concerned about. Officers also have regular meetings with the Independent Financial Adviser and Fund Managers through which performance is reviewed, and key issues are discussed, including stewardship and responsible investment. The Independent adviser attends all Pension Committee meetings and training sessions to support members.

The Chief Investment Officer of Brunel attends the Committee and provides an annual review of The Fund's investment portfolio managed within the pool and answers questions or concerns from committee members as required. Performance of these portfolios is discussed and tracked against appropriate industry benchmarks. Additionally, on request other members of the Brunel investment team are asked to attend and provide specific portfolio reports and updates. During 2024 the Committee in having concerns on the performance of two of its listed equity funds, requested that the Brunel team attended the Committee to answer questions on why performance was below expectations and assess measures being taken to improve this going forward. This transparent and open reporting process ensures that Brunel and specific fund managers are accountable, and that the Committee always acts proactively in managing its assets and act in its member's best interest.

Proxy Voting and engagement reporting is also provided by Brunel on a quarterly basis. This includes that undertaken by Hermes EOS, who provide engagement and proxy voting services to the Brunel pooled funds for their active portfolios, and Legal and General Investment Management who provide this service for the passive portfolio. As with the holdings reports, officers of the Fund regularly review these reports to ensure that the activities conducted on the Fund's behalf by these service providers are aligned with The Fund's own expectations on responsible investment and stewardship.

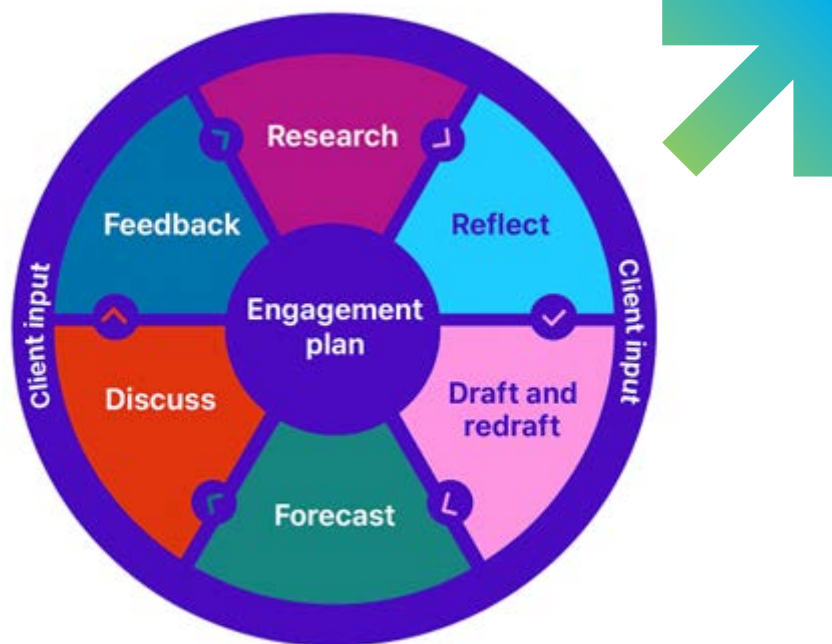
The officer's attendance at the monthly Brunel Responsible Investment Sub Group; Investment Subgroup; and Client Group meetings also provides the Fund the opportunity to discuss, review and challenge processes where appropriate, and agree modifications in policies and procedures where appropriate. Thus, ensuring that governance arrangements embed fully the review and implementation of effective stewardship and engagement.

Brunel’s Stewardship Policy confirms that stewardship expectations apply across all asset classes and managers must demonstrate integration of ESG considerations relevant to their mandate. Stewardship expectations are tailored for each portfolio. Brunel ensure that all managers appointed operate in alignment with Brunel’s long term sustainability investment principles, responsible investment themes, and stewardship priorities, through the setting of engagement objectives as part of the initial on boarding of appointed managers.

Brunel undertake regular monitoring, provide the Fund, and other partner funds within the Pool, regular reporting information not only investment performance but wider ESG engagement across all asset classes.

To assist in this oversight and direct engagement Brunel have appointed EOS Hermes to function as an engagement and voting services provider. This was procured under competitive tender process. As part of the ongoing monitoring of the EOS contract, Brunel undertake regular meetings to ensure that the service meets expectations and that there is continued alignment of engagement and voting priorities and practices.

Following full consultation by Brunel and all client funds, engagement priorities are set on an annual basis, and this is shared with EOS accordingly. This process ensures that the Fund’s own engagement priorities are being discussed and included within this collective approach. This formulates an engagement plan which through regular meetings throughout the year is discussed and progress monitored. The following diagram outlines this cyclical process:



Brunel’s Stewardship Policy clearly outlines how it proactively undertakes stewardship and engagement activities in managing assets for its client funds. This confirms that the Brunel Investment Risk Committee (BIRC) and the Brunel Investment Committee fully consider any engagement concerns. If appropriate, escalation is requested to the investment managers. Brunel expect regular updates on the companies’ managers are engaging with, what they are engaging on, how they assess the risk, and what level of escalation they are undertaking. In parallel review of the engagement EOS are undertaking, their engagement targets and escalation may also be undertaken. In addition, collaborative engagement may be applied, and Brunel will reach out to other investors to elevate areas of concern to companies. Voting is an intrinsic part of the escalation process. Brunel, supported by EOS, executes thousands of votes annually.

CASE STUDY

Monitoring of the Stewardship Activities of Brunel and EOS undertaken on behalf of the Fund

As the majority of the Fund’s assets are managed within the Brunel Pooling framework, then the Fund relies heavily on the stewardship activities undertaken both by the Responsible Investment & Stewardship Team at Brunel and through EOS as an external stewardship provider. As a result, it is essential that Officers of the Fund monitor these activities and ensure that these remain appropriate and effective, in directing change in behaviours and policies within companies the Fund hold investments.

This monitoring is undertaken through the monthly attendance of the Brunel Responsible Investment Subgroup, where all partner funds discuss and receive outcomes of engagement, voting and wider sector involvement. Within this subgroup EOS provide regular outcomes reports and presentations, and this process enable the Fund to both understand approaches being undertaken and challenge effectiveness and performance when appropriate. This collective approach is beneficial to the Fund and provides a benefit of scale and influence through the increased investment AUM being considered within the engagements.

CASE STUDY

Brunel Climate Stocktake (Summer 2025)

During Summer 2025, Officers of the Fund participated in Brunel Pension Partnership's Climate Stocktake, a structured review of progress and effectiveness in delivering Brunel's Climate Change Policy 2023–2030. Brunel's Stocktake process was initiated to take stock of progress, assess whether climate objectives remained fit for purpose, and ensure that the policy reflected the latest climate science and emerging investment best practice.

Purpose and Scope of the Stocktake

The 2025 Stocktake served as a backward looking assessment of Brunel's activities since the adoption of the 2023–2030 policy. It examined:

- Progress against existing deliverables,
- The quality and depth of engagement with companies and investment managers,
- The effectiveness of communications with stakeholders,
- Updated scientific guidance and investment best practice in monitoring carbon and climate metrics.

Brunel's climate reporting framework emphasises continuous learning and annual assessment against its climate objectives, supported by both scientific and market based evidence. Chronos Sustainability, Brunel's long standing partner in developing climate frameworks and reporting, provided analytical and advisory support to ensure the review reflected independent and robust assessments.

Collaboration and Stakeholder Engagement

The process enabled the Fund to engage directly with Brunel in evaluating:

- The current processes underpinning climate risk management,
- Outcomes achieved to date across portfolios and stewardship activity,
- The alignment of implementation practices with the Climate Change Policy 2023–2030.

This collaborative approach mirrors Brunel's emphasis on stakeholder involvement and transparent progress monitoring, which feature prominently in its annual Climate Change Progress Reports. Together, the Fund and Brunel agreed a set of forward looking priorities, ensuring resources could be allocated to those activities projected to deliver the greatest climate impact.

Value to the Fund as an Asset Owner

Participation in the Stocktake proved highly beneficial, offering the Fund the opportunity to:

- Scrutinise and challenge Brunel's progress in implementing its climate strategy,
- Provide direct input into future engagement priorities,
- Influence which climate related activities receive enhanced monitoring or escalation,
- Ensure that Fund level expectations on climate stewardship were reflected within Brunel's broader programme of work.

Outcome

The 2025 Climate Stocktake strengthened mutual understanding between the Fund and Brunel, ensuring that both parties remain aligned on climate priorities for the years ahead. The exercise reinforced the Fund's ability to fulfil its fiduciary duties by actively shaping Brunel's approach to climate risk, engagement, and future policy implementation, supporting more effective long term climate stewardship and improved real world outcomes.



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