



20 | Better 26 | World

Stewardship outcomes for the year 2025

CCLA

GOOD INVESTMENT

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CCLA supports Koestler Arts

Koestler Arts is the UK's leading arts charity. It is nationally respected for its groundbreaking work using the arts as a catalyst for positive change in the lives of people within the criminal justice system and in the public's perception of their potential.

www.koestlerarts.org.uk

Cover image courtesy of Koestler Arts. *Fatherhood*, Norfolk Probation Service.

See inside back cover for details of other Koestler Arts images within this report.

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Foreword

Welcome to our annual Better World report, which sets out the stewardship work we have done on behalf of our clients over the past year.

As a firm that specialises in serving the not-for-profit sector, we recognise that the most effective way that we can contribute to building a better world is by providing you, our clients, with the investment returns that you need to fulfil your objectives.

For this reason, our primary focus is, and will always be, delivering the best possible financial returns that we can to our clients in a way that reflects their values and protects their reputation.

We cannot, have not, and will not compromise our investment process to pursue a sustainability goal that might not align with our clients' needs.

But we also recognise that many of our clients would like their portfolios to drive change as well as make money.

At CCLA, we do this through engagement, interacting with company management and public policymakers to encourage the businesses in which we invest (and some in which we do not) to do more. From mental health to biodiversity, modern slavery to climate change, this report shows that our engagement can, and has, helped incentivise improvements.

But this isn't altruism. We genuinely believe that this work can help businesses become more resilient in the face of an increasingly complicated world and play a role in addressing long-term systemic risks before they impact upon financial returns.

As Chief Executive, I couldn't be more proud of our position as a catalyst for change and, as we begin our new partnership with Jupiter, I know our ambition for this work is only going to grow.

Peter Hugh Smith
Chief Executive



“I want to invest in something that respects the environment, that’s morally responsible, socially active, aids the poor and homeless and makes me a bundle...”

What is Good Investment?

Our vision

Investment markets thrive only when the communities and environments that underpin them are healthy and resilient. At CCLA, we believe that consistent investment returns are inseparable from a flourishing economy and stable society.

That's why our focus goes beyond simply generating financial wealth to fostering both wealth and wellbeing. We are committed to using our voice as investors in ways that support long-term value creation, social justice and environmental sustainability.

Our mission

CCLA's mission is to help clients maximise their impact on society by harnessing the power of investment markets.

Our aim is to deliver consistent, risk-adjusted returns to our clients in a way that aligns with their values and furthers their mission. Our engagement philosophy is centred around actions, rather than transactions, and is focused on delivering real-world social and environmental outcomes for our clients.

Our mission is supported by our Good Investment beliefs.



“I find there’s a lot of pressure to be good.”

Our Good Investment beliefs

Act

Investment markets can only be as healthy as the environment and communities that support them. We act to bring about positive social and environmental change by:

- using our ownership rights to improve the sustainability of the assets in which we invest
- bringing investors together to address systemic risks that have not had the attention that they require
- seeking to be a catalyst for change in the investment industry.

By accelerating progress in meeting some of the world's major sustainability challenges, we can reduce the risk of negative impacts on the performance of our clients' assets and promote the smooth functioning of society.

Assess

We believe that companies with unsustainable business practices will be undermined by changing legislation, regulation and societal preference over time. These companies are unlikely to be successful over the long term.

Accordingly, we look to identify and avoid investing in companies that have uncompensated, unwanted, unwarranted or unmitigated ESG risks as evidenced by:

- poor management or weak corporate governance
- an unacceptable social or environmental impact
- failing to demonstrate a willingness to improve through investor engagement.

Investment markets have a poor record in pricing these risks. Our ESG assessment framework supports our aim to deliver consistent long-term risk-adjusted returns to our clients.

Align

We are the guardians, not the owners, of the assets that we manage. Accordingly, we have a responsibility to:

- align investment portfolios with our clients' objectives, values and beliefs
- report on the outcomes of all our work
- be transparent about everything that we do on our clients' behalf.

By investing in a way that we believe is aligned with our clients' values, we are better able to meet their objectives and offer more than just a financial return.

Good Investment

Together, these principles are what we call Good Investment.

We believe that companies committed to sustainable business practices are better positioned to deliver long-term success. At CCLA, stewardship is central to our investment philosophy. We actively engage with the companies in which we invest and build pioneering engagement programmes designed to kick-start the investment industry into action on underserved sustainability challenges.

This approach sits at the intersection of client priorities and long-term value at risk: supporting stronger financial outcomes, while also contributing to a healthier society and environment.

LEARN MORE ONLINE

Want a greater understanding of what we mean by Good Investment and to hear about real-world examples of our stewardship?



Watch the Good Investment video at ccla.co.uk/what-good-investment

Our responsible investment approach



In our equity investment process, we seek to integrate environmental, social and governance (ESG) considerations where we think they could impact investment performance.

That said, our strategy emphasises stewardship: using our influence as investors to push companies towards more sustainable business practices. This dual-pronged approach recognises the priorities of our unique client base, ensuring that financial returns are delivered in a responsible way.

Assessing financial materiality

We believe that changing legislation, regulation and shifting societal preferences can undermine the long-term profitability of companies with unsustainable business models.

In our listed equity investments, we aim to identify and address any extra-financial risks – or risks relating to environmental, social and governance (ESG) considerations – that may harm investment returns in the future.

Specifically, we look to identify companies:



With poor management or weak corporate governance



With an unacceptable social or environmental impact



Failing to demonstrate a willingness to improve through engagement

Prior to purchase, we assess companies' ESG risks in conjunction with their financial position on the following basis:

- 1 Corporate governance.** We use a bespoke quantitative corporate governance rating tool that assesses the board structure, ownership, accounting practices and management capabilities of listed companies. See [Appendix 4](#).
- 2 Climate change.** We consider the risks and opportunities associated with climate change in our investment process. For example, we impose targeted, company-wide restrictions and we assess companies in high-carbon sectors on their progress towards achieving net-zero emissions. Our approach is detailed in our climate change and investment policy.¹
- 3 Wider sustainability factors.** We review potential investee companies on their approach to the most financially material sustainability risks relevant to their industry. We use Sustainalytics' ESG Risk Ratings, which are based on widely recognised materiality frameworks, including the SASB Standards and the Global Reporting Initiative.
- 4 Corporate behaviour and standards.** We review potential investee companies' involvement in any sustainability-related controversies. We pay particular attention to those suggesting a company has breached, or may breach, international standards set out in the UN Global Compact or UN Guiding Principles on Business and Human Rights.

Where we identify material concerns, we conduct further research, potentially including a fact-finding meeting with management. Subject to the success (or otherwise) of this research, companies can be approved for purchase.

Once we have made an investment, we routinely monitor companies to ensure that standards do not slip.

Assessing real-world materiality

While our investment process focuses on financially material sustainability issues, our engagement work seeks to encourage companies to minimise their negative environmental and social impacts and to adopt more responsible business practices.

We assess companies' impacts on the real world and build engagement programmes aimed at improving company behaviour. These efforts are broadly categorised into three pillars – better work, better environment and better health.



Better work

Encouraging good labour standards and protection of human rights

> See page 25



Better environment

Maximising climate action and biodiversity

> See page 47



Better health

Improving the health of workers and consumers

> See page 65

Some sustainability risks are so pervasive that they cannot be mitigated by diversification and careful stock selection. Climate action failure, social cohesion erosion, public health crises: these represent system-wide dangers, not only to portfolios but also to the environment and the functioning of society. Accordingly, much of our stewardship work aims to tackle systemic sustainability risks – those affecting all or most companies, across industries and geographical regions (see box on page 20).

Working for you

This combination of financial and real-world analysis allows us to identify, and avoid, the most unsustainable businesses. It also enables us to develop ambitious engagement action plans to push others forward.

We use these plans to closely monitor companies' progress. We reconsider investment if companies refuse to engage or do not respond adequately to engagement on the most serious issues.ⁱ

The approach described above is designed to help us control risk, deliver more consistent investment returns, and build on our mission of helping our clients to harness the power of investment markets to maximise their impact on society.

ⁱ We define 'the most serious issues' to mean involvement in controversies that suggest a company has breached, or may in the future breach, international standards set out in the UN Global Compact or UN Guiding Principles on Business and Human Rights.

AVOIDING HARM, ENGAGING FOR CHANGE

Our minimum standards for investment are designed to help us avoid exposure to businesses with an unacceptable social or environmental impact. They apply across all funds and segregated portfoliosⁱⁱ and exclude companies with a predetermined revenue threshold coming from:

- the extraction, production and/or refining of fossil fuels
- tobacco
- cannabis

- indiscriminate weaponry (we have a zero-tolerance policy if the company is involved in the production of landmines, cluster munitions, or chemical or biological weapons)
- sovereign debt issued by countries identified as being among the world's most oppressive (again, we have a zero-tolerance policy in this regard).²

For other companies, we use our rights as shareholders – including engagement and voting – to push them towards better corporate behaviour.

ⁱⁱ Additional client-led restrictions may apply on a fund-by-fund basis.

Engagement and voting – 2025 in numbers

Engagement



8 active engagement themesⁱⁱⁱ

£11 billion in assets under engagement^{iv}

367 companies engaged^v

105 companies improved

Voting



123 shareholder meetings voted at

22 countries voted in

93 meetings withholding support for a director

2,176 proposals voted on

ⁱⁱⁱ Engagement themes were biodiversity and nature, climate action, human rights controversies, inequality and Living Wage, mental health, modern slavery, nutrition, and UN Global Compact.

^{iv} Based on the assets for which we conduct engagements, comprising CCLA's equity holdings and the financial institutions used in our cash funds.

^v Some companies may be covered under multiple engagement themes. Includes engagement with all portfolio holdings and companies CCLA does not hold.

2025 a year in action

Throughout 2025 we continued to drive forward and expand our flagship engagement programmes and took steps to explore new areas.

January

 CCLA sends Living Wage Accreditation letters to 13 UK-listed companies.



February

 CCLA signs an investor joint statement on the Omnibus legislation calling on the European Commission to preserve the integrity and ambition of the European Union's sustainable finance framework (see page 87).

March

 The UK Home Office publishes updated statutory guidance for businesses on how to tackle modern slavery in supply chains, drawing on the CCLA Modern Slavery Benchmark as a key reference source (see page 35).

 Having filed a climate-related shareholder resolution at NextEra Energy* in late 2024, CCLA agrees to withdraw this proposal in Q1 2025 after the company commits to new lobbying disclosures.



April

 CCLA attends the Unilever AGM in person and asks a question on how the company reflects climate risk in its financial planning and reporting. Subsequently a meeting is held with the chair of the Audit Committee (see page 98).

 CCLA pre-declares its intention to vote against the chair of Amazon's Leadership Development and Compensation Committee, Edith Cooper, because of continued concerns over the company's approach to collective bargaining (see page 97).

 CCLA attends Nestlé's AGM in Lausanne, Switzerland, and asks a question of the CEO on nutrition reporting and target-setting (see page 72).

 CCLA builds on engagement with Coca-Cola Co (commenced in late 2024) on exploitative labour standards in the Indian sugar supply chain by brokering meetings between the Independent Sugar Workers Association, AIM-Progress (a trade association for fast-moving consumer goods) and others (see page 30).

May

 CCLA attends O'Reilly Automotive's AGM to pose a question on its climate reporting timeline.

 CCLA launches a pilot of the Global Modern Slavery Benchmark, ranking 95 of the world's largest companies on their efforts to tackle modern slavery (see page 37).

 CCLA attends McDonald's AGM to ask a question on how the company plans to compensate victims of modern slavery found in restaurants in Cambridgeshire.

 Nestlé announces new commitments on nutrition reporting (see page 72).



June

 CCLA launches the Corporate Mental Health Benchmark - UK 100. Out of the 100 included companies, 21 have improved their tier ranking, with 76 having engaged with CCLA during the preceding 12 months (see page 75).

CCLA kicks off its client survey cycle with a series of focused roundtable discussions.

 CCLA organises a roundtable for investors and wealth managers regarding Amazon. The event includes presentations from representatives of GMB Union in Coventry (see page 29).

Key

 Better environment

 Better work

 Better health

*Not held in CCLA portfolios at 31 December 2025.

July

 CCLA is a guest speaker and an investor voice representative at the launch of a new all-party parliamentary group on the just transition³ in the construction sector (covering human rights and socioeconomic and environmental impacts) at the House of Lords.

 CCLA signs a sub-licence agreement with the Australian Council of Superannuation Investors to launch a baseline mental health assessment spotlighting the 20 largest Australian-listed companies, using the CCLA benchmark framework.

 CCLA sends bespoke letters to every company in the Corporate Mental Health Benchmark - UK 100 setting out key recommendations to strengthen their mental health approach. The letters are co-signed by 56 investors with a combined \$9.5 trillion in assets under management.

August

 CCLA meets with McDonald's chief sustainability officer to discuss deforestation commitments. This follows the withdrawal of a shareholder proposal that we co-filed earlier in 2025 after the company failed to engage (see page 62).

 CCLA signs an investor statement in support of the government including mandatory health reporting for all large food businesses in its NHS 10-Year Health Plan (see page 73).

CCLA launches its online client consultation. This is a survey in which more than 500 charities and not-for-profit organisations chose to participate.

September

 CCLA meets with L'Oréal to discuss its commitments on deforestation, supply chain practices and responsible political engagement on biodiversity. This is coordinated by the Principles for Responsible Investment's (PRI) Spring initiative, where CCLA is represented on the advisory panel.⁴

 CCLA commences engagement targeting the counterparties used in its cash funds. CCLA sends letters to each of the 40 institutions approved for use by its cash team. The requests focus on the institutions' approach to financing the expansion of fossil fuels (see page 54).

October

 With the UK Cabinet Office, CCLA hosts a construction sector roundtable focusing on the risks and challenges faced by the sector relating to modern slavery and forced labour.

 CCLA is invited to visit an Amazon distribution centre in Dartford. This is followed by a meeting at CCLA's headquarters with the company's global head of ESG engagement to discuss Amazon's approach to collective bargaining (see page 29).

 Following in-person AGM attendance in the spring, CCLA is invited to visit Nestlé's research and development centre in Lausanne, Switzerland, to meet Stefan Palzer (chief technology officer) and other key personnel in nutrition and reformulation (see page 72).

 CCLA launches the Corporate Mental Health Benchmark - Global 100+. Ten companies have improved their tier ranking, with 60 (of 120) companies having engaged with CCLA during the preceding 12 months (see page 75).

 CCLA sends bespoke letters to every company in the Corporate Mental Health Benchmark - Global 100+ setting out key recommendations to strengthen their mental health approach. The letters are co-signed by 56 investors with a combined \$9.5 trillion in assets under management.

November

 CCLA launches the Modern Slavery UK Benchmark. Out of the 111 included companies, 25 have improved their tier ranking, with 68 having engaged with CCLA in the preceding 12 months (see page 37).

December

 CCLA sends bespoke letters to every company in the Modern Slavery UK Benchmark setting out key recommendations to strengthen their approach.

 CCLA signs a sub-licence agreement with De Nieuwe Beurskoers to assess 10 Dutch companies on their modern slavery disclosures using the Modern Slavery Benchmark framework (see page 42).

By year end, CCLA has engaged with:

- 242 companies on work
- 209 companies on the environment
- 220 companies on health.

Additionally, 96 investors (with a combined £16 trillion in assets under management) supported CCLA's engagement programmes.



Stewardship and engagement

Our stewardship programmes are designed both to reflect our clients' priorities and to preserve the long-term value of our clients' investments. Where possible, we also aim to be a catalyst for change in areas that have not received the attention from investors that they deserve.

For CCLA, stewardship sits at the intersection of client priorities and long-term value at risk. We believe that companies with strong sustainability and governance practices are best positioned to serve the interests of all stakeholders. Such companies demonstrate greater resilience to regulatory change, shifting consumer behaviour and long-term challenges such as climate change.

Through active engagement and voting, we seek to improve the business practices of the companies that we invest in on our clients' behalf. By acting to encourage responsible corporate behaviour now, we aim to enhance long-term value while also contributing to a better future.

At CCLA, we seek to be a catalyst for positive systemic change and have a proven track record of developing engagement initiatives that focus investor action on underserved areas.

We view regulation and legislation as key instruments for addressing systemic environmental and social risks. As responsible investors, we believe it is our duty to collaborate with policymakers to advocate for progressive frameworks that drive meaningful and lasting change.

Engagement philosophy

We understand that some of the biggest environmental and social challenges, such as climate change, inequality and global health, can have long-term impacts on our clients' investments. These are complex, widespread issues that cannot simply be avoided by spreading investments across different sectors or regions. We also recognise that the investment industry has not always done enough to tackle these risks.



“Our latest technological leap allowed us to automate our full operation, become carbon-neutral and keep all our employees.”

Stewardship and engagement in numbers

8 engagement themes^{vi}

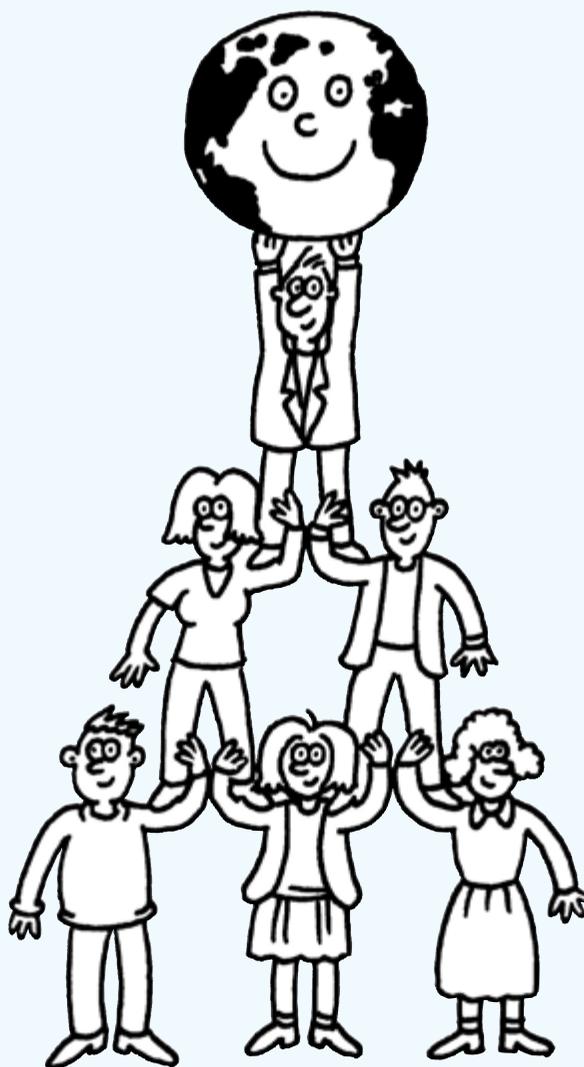
£11 billion in assets under engagement^{vii}

367 total number of companies engaged with^{viii}

4 AGMs attended

105 companies showing improvement

76 companies met engagement targets



£16 trillion in assets supporting CCLA engagements

We are hugely grateful to every investor that collaborates with us.

vi Engagement themes were biodiversity and nature, climate action, human rights controversies, inequality and Living Wage, mental health, modern slavery, nutrition, and UN Global Compact.

vii Based on CCLA's equity holdings and the financial institutions used in our cash funds, for which we conduct engagements.

viii Of which 119 were held in our portfolios during the year.

Engagement framework

In 2025 we launched the CCLA Better World Engagement Framework. This framework defines our engagement themes and uses established best-practice data points to inform our dialogue with companies. Through this framework, we classify portfolio holdings across five performance levels, enabling us to drive meaningful engagement outcomes while evaluating and reporting with clarity and transparency.

The framework categorises engagement themes into three pillars: better work, better environment and better health. For each theme, the framework defines clear, measurable objectives, allowing us to monitor the success of our engagement over time.

Our engagements cover our listed equity holdings and the financial institutions used in our cash funds. They typically span a three-year period, during which we maintain regular dialogue with company representatives. We systematically monitor progress against the objectives we establish at the outset.

CCLA Better World Engagement Framework

Engagement pillar	Theme	Best-practice standard	Sectors covered
Better work	Modern slavery	CCLA Modern Slavery Benchmark	All
	Forced labour	Know the Chain Benchmark	Apparel, food, manufacturing, technology
	Inequality and the Living Wage	Platform Living Wage Financials	Garments and footwear, agrifood, food retail
		Living Wage Foundation	Companies listed and operating in the UK
	Human rights	World Benchmarking Alliance Social Transformation Framework	All
World Benchmarking Alliance Corporate Human Rights Benchmark		Apparel, extractives	
Better environment	Climate change	Transition Pathway Initiative	17 high-impact sectors not covered by Reclaim Finance
		Reclaim Finance	Banks and insurance
		CDP	All other sectors not covered by the two previous standards
	Nature and biodiversity	Nature Action 100	Eight sectors critical to reversing nature loss
Better health	Mental health	CCLA Corporate Mental Health Benchmark	All
	Nutrition	Access to Nutrition index (ATNi)	Food and beverage manufacturing
		ShareAction and ATNi research	Out-of-home food
Antimicrobial resistance*	Access to Medicine Foundation Antimicrobial Resistance Benchmark	Antibiotic manufacturing	

Equity holdings and counterparties demonstrating leading practice do not require engagement.

*No live engagements during the reporting year.

Companies engaged by country of listing





Summary of engagement outcomes in 2025

Engagement consists of a dialogue between a company and its investors to discuss how the company can improve its management of a given theme. We engage with companies worldwide, with a focus on listed equities.

739 engagement cases

367 companies engaged^{ix}

105 companies displayed improvement

76 companies met engagement target in 2025

^{ix} Some companies may be covered under multiple engagement themes. Includes engagement with all portfolio holdings and companies CCLA does not hold.

Engagement prioritisation

Our engagement prioritisation process is overseen by our Investment Committee. The process typically involves a review of existing investor action alongside an analysis of the financial materiality and human and/or environmental impact of a given issue.

We prioritise a small number of issues for focused attention. In 2025, we primarily sought to address market failures that contributed to climate change, poor workplace mental health and widespread modern slavery in company supply chains. These risks apply to all or most companies, regardless of geography or industry, and are therefore considered systemic.

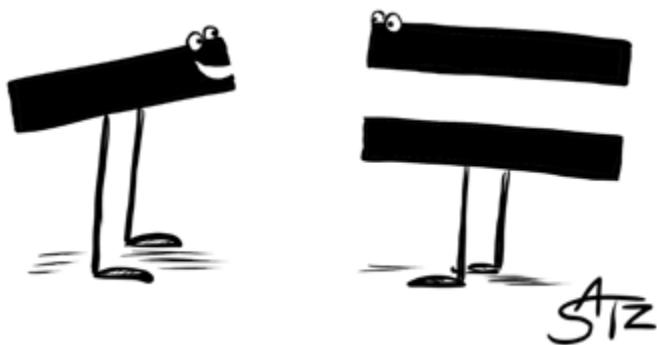
In addition, we maintained focused engagement with a select group of companies on specific issues including the Living Wage, biodiversity and nature, and nutrition. We also prioritise dialogue with companies considered at risk of breaching minimum behavioural standards – particularly in areas such as human and labour rights, environmental responsibility and business ethics.

These engagements are core to our stewardship strategy and ensure that investee companies are held accountable for misconduct and substandard practices.

242 companies engaged on work themes

209 companies engaged on environmental themes

220 companies engaged on health themes



“Working together, we can make a difference!”

Engagement collaborations

We acknowledge that it takes more than action by a single investor to drive change at scale. Collaboration with other investors is key, enabling us to pool resources, share expertise and foster meaningful dialogue with companies on themes of shared concern.

We believe that collective action strengthens our engagement approach, as exemplified by the collaborations that we both lead and support. These are set out below.

Pillar and theme	CCLA led?	Main collaborations	Companies under engagement through collaboration^x
Work: modern slavery	✓	Find it, Fix it, Prevent it	Berkeley Group Holdings, Genuit Group*, Volution Group*
Work: Living Wage in the supply chain		Platform Living Wage Financials	Coca-Cola Co, LVMH Moët Hennessy Louis Vuitton*, Nestlé, TJX Companies, Unilever
Work: human rights		Principles for Responsible Investment – Advance	NextEra Energy*
Work: forced labour		Sugar Supply Chain Engagement Steering Group	Coca-Cola Co, Nestlé, Unilever
Environment: climate		Climate Action 100+	Home Depot, Nestlé, Procter & Gamble, Rio Tinto, Trane Technologies, Unilever
Environment: climate		Institutional Investors Group on Climate Change Net Zero Engagement Initiative	Accenture*, AstraZeneca, Croda International*, Diageo, Kerry Group, Keyence, L'Oréal, LVMH Moët Hennessy Louis Vuitton*, Medtronic, NXP Semiconductors, Pernod Ricard*, Reckitt Benckiser Group, Roche Holding, Schneider Electric, Siemens, TSMC
Environment: nature		Nature Action 100	Amazon, AstraZeneca, Home Depot, Johnson & Johnson, L'Oréal, McDonald's, Nestlé, Novo Nordisk*, Procter & Gamble, Rio Tinto, Roche Holding, TJX Companies, Unilever, Zoetis
Environment: nature		Principles for Responsible Investment – Spring	L'Oréal
Health: mental health	✓	Global Investor Coalition on Workplace Mental Health	220 listed companies worldwide ^{xi}
Health: UK food policy		Investor Coalition on Food Policy	UK government
Health: nutrition		Investor Expectations on Nutrition, Diets and Health	Coca-Cola Co, Nestlé, Unilever
Health: employees, customers and communities		Long-term Investors in People's Health	McDonald's, Nestlé, Unilever

An overview of our memberships and initiatives can be found in Appendix 6.

*Not held in CCLA portfolios as at 31 December 2025.

x Includes companies owned by CCLA and under engagement by these investor coalitions during the reporting year. This includes all CCLA-led, CCLA-member and CCLA-supported signatory engagements.

xi Not all of these companies are owned in CCLA portfolios.

Escalation strategies

We aim to use all the tools available to us as an investor to achieve desired outcomes. Engagement is our preferred route, as we believe that constructive dialogue with investee companies is a more effective method of changing company behaviour than outright exclusion.

Where a problem is concerning, and where an investee company fails to respond or take action, we may escalate our engagement. This typically involves moving beyond bilateral discussions

with the company to, for instance, collaborating with other investors, attending the company's AGM in person or selectively using the media via open letters or press releases. We may also withhold support for the election of company directors or co-file a shareholder proposal.

If a period of engagement on the most serious issues does not lead to the desired change, we can, in extreme cases, sell a stock from our investment portfolios. That said, we consider divestment an action of last resort.



WHAT IS A SYSTEMIC ENGAGEMENT PROGRAMME?

According to the Principles for Responsible Investment, system stewardship is an approach to stewardship that addresses system-level risks – such as climate change or inequality – that cannot be diversified away at the portfolio level. System stewardship aims to enhance long-term value for investors while also benefiting the wider ecosystem within which they operate.⁵

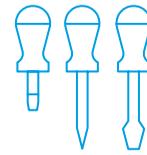
CCLA's systemic engagement programmes are designed to change the system: the accepted way in which businesses approach a certain theme. Whereas engagement aims to drive a clear and measurable improvement by companies at scale, systemic engagement programmes tend to cover a large number of companies. To be successful, they require significant investor collaboration. Systemic engagements aim to create value for both investors and society at large.

For example:

- CCLA's Find it, Fix it, Prevent it investor coalition aims to improve the corporate response to modern slavery through collaborative engagement, knowledge-sharing and convening. Founded in 2019, it comprises 58 investors with a combined £13 trillion in assets under management. Using the CCLA Modern Slavery Benchmark as its engagement framework, it targets more than 200 listed companies for engagement while also selecting certain high-risk sectors, such as construction, for enhanced engagement. See page 37 for details.
- CCLA's Global Investor Coalition on Workplace Mental Health supports engagement around the CCLA Corporate Mental Health Benchmark. The benchmark assesses and ranks 220 companies annually on their approach to mental health, whereas the investor coalition supports engagement efforts by co-signing letters and taking part in company dialogues. The coalition comprises 55 investors with a combined £8 trillion in assets under management. See page 81 for details.

TOOLS FOR CHANGE

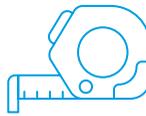
When we engage with companies, we aim to use a variety of 'tools' to deliver the desired outcomes. The tools we use in an engagement vary depending on the nature of the organisation, the problem we're addressing and the behaviours we are trying to change. Some of the tools in our investor's 'toolbox for change' are set out below.



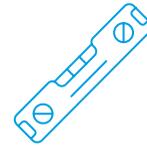
Bilateral company engagement



Shareholder collaboration



Data measurement



Peer comparison



Voting



Sensitive use of the media



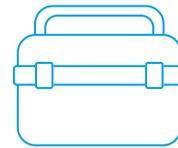
Policy engagement



AGM attendance



Shareholder proposals



Threat of divestment



Stewardship across asset classes

Our stewardship work is focused primarily on equities, where shareholder rights and voting power provide the most direct and effective means of influencing corporate behaviour. While equities represent the largest proportion of our assets under management, they are not the only asset class that we deploy on behalf of our clients.

Money markets

Money market instruments represent the second largest asset class in our overall mix of investments. They comprise our cash-focused funds – the CBF Church of England Deposit Fund, the COIF Charities Deposit Fund and the Public Sector Deposit Fund – which are also held within our core long-term multi-asset funds.

In 2025, we revised our approach to engagement with the counterparties used in our cash funds and sent letters to each of the listed institutions approved for use by our cash team. This correspondence began a new round of engagement for CCLA, being focused primarily on financial institutions' approach to financing the expansion of fossil fuels. See page 54 for details and an engagement case study.

Property

We recognise the importance of environmental and social impact when considering property selection and improvements. Before purchase, all properties, tenants and vendors undergo due diligence to ensure compliance with fund restrictions and standards on the prevention of financial crime. If the potential investment is approved, we conduct enhanced checks on environmental risks and building energy efficiency.

We did not purchase any new properties in 2025. However, we continued to undertake several significant upgrades to improve the properties owned in our funds.

Case study: Lochside Avenue, Edinburgh

In 2025 we refurbished an office building in Edinburgh. This property operated with a building-wide gas-powered heating and cooling system and had an energy performance certificate (EPC) rating of E. Anticipated increases in minimum standards, along with increased scrutiny by potential tenants, would have rendered the space unlettable in the future without refurbishment.

Our works entailed fitting an electric heating and cooling system and installing energy-efficient LED lighting, new water-saving fittings, an improved cycle shelter, better showers and electric car-charging facilities. We are also installing external seating to improve both the physical and mental health of future occupants. Upon completion, we expect a revised EPC rating of A.

Case study: Brackmills Industrial Estate and Lutterworth Distribution Park

This year, we refurbished three large warehouse distribution units, two at Brackmills Industrial Estate, Northampton, and one at the Magna Park distribution centre in Lutterworth. We replaced gas heating with electric and installed LED lighting for the office spaces. We are targeting EPC ratings of B on all three buildings.

Environmental performance

Our ability to set targets and track progress in property investments has historically been hindered by our dependence on tenants and third-party managing agents to collect and share building performance data. In 2025, our collection of data increased considerably. For example, electricity data collection increased by eight percentage points in the Local Authority Pension Fund. This will assist in the expansion of asset-level action plans and portfolio risk management.

We are now exploring opportunities to include relevant clauses in property contracts relating to modern slavery, living wages and employee wellbeing.

Alternatives

Our engagement with the investments in our alternatives book is primarily designed to improve the financial prospects of the assets in which we invest. We set out three examples below.

Case study: Oakley Capital Investments

Throughout 2025 we engaged closely with Oakley Capital Investments' board and investment manager, emphasising that governance improvements are vital to stronger valuation. Our efforts included meetings, private correspondence and joint shareholder initiatives.

A major focus was board composition: Oakley Capital Investments remains the only UK-listed private equity trust without a fully independent board. This issue was highlighted by a 35.31% vote against a non-independent director, in which we participated. After we challenged the accuracy of the vote count, the company secretary was required to re-run the AGM tally, revealing higher dissent than initially reported.

We also influenced capital allocation, supporting the cancellation of the dividend in favour of an expanded share buyback, and were involved in discussions about the appointment of a new chair. While board changes have strengthened Oakley Capital Investments, further progress is needed, and we will continue our engagement.

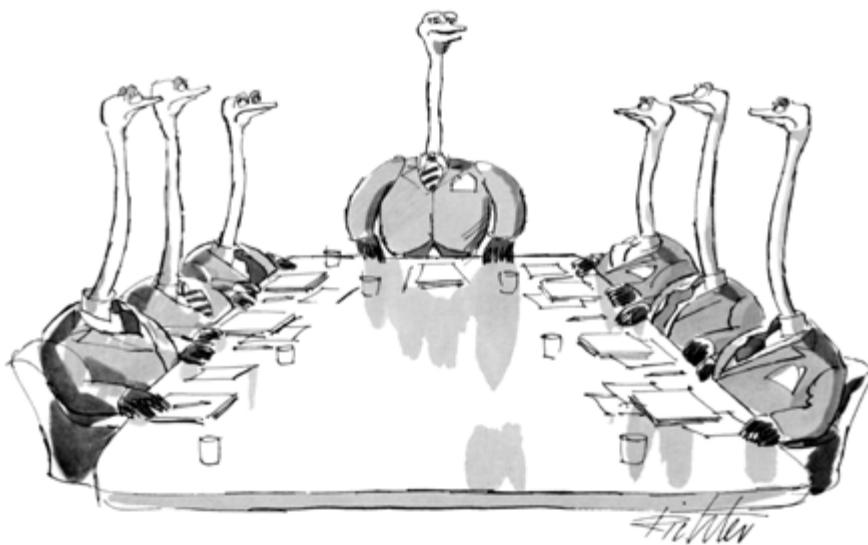
Case study: Greencoat UK Wind

Greencoat UK Wind, a renewable infrastructure trust, has seen share price weakness and a disconnection from its underlying asset value. We engaged management and the board on topics including leadership transition, capital allocation, sector headwinds, consolidation and investor communications.

In our latest meeting with the chair and the senior independent director, we raised concerns over the company's slow response to a government initiative with the potential to materially influence earnings growth and, by extension, asset valuation. Continued underperformance, alongside sector pressures, underscores the need for ongoing engagement as the company pursues strategic measures to improve its long-term outcomes.

Case study: Neuberger Berman Private Equity

Another key engagement in 2025 was with Neuberger Berman Private Equity, focused on performance concerns and the need for a stronger strategy. We met with the board and management to assess the role of the listed vehicle within the broader Neuberger Berman platform and compare performance across vehicles. Following our engagement, the board announced a revised capital allocation policy, committing to increases in its investment activity.



“The motion has been made and seconded that we stick our heads in the sand.”



Engagement focus: better work

Strong labour standards and the promotion of ‘good work’ matter to our clients. These elements also underpin long-term business resilience. We believe companies that uphold fair treatment of workers, safe conditions and ethical labour practices are less exposed to reputational risks, regulatory penalties and costly disruptions in supply chains. As a result, these themes are key priorities in our engagement work.

In 2025 we published the third iteration of the Modern Slavery UK Benchmark and launched a pilot project to rank the largest listed companies in the world on their modern slavery disclosures. This pioneering project aims to incentivise companies to strengthen their response to modern slavery using a combination of annual company rankings and sustained investor engagement. The benchmark and its results are covered on page 37. We also coordinated collaborative investor engagement with 20 construction firms to address the risks of modern slavery in their sector.

While we dedicate significant effort to engaging with individual companies to enhance their approach to modern slavery, we also engage with UK policymakers to encourage more progressive modern slavery legislation. This is covered in the case studies below and in detail on page 83.

Aside from modern slavery, also in 2025, we engaged 14 companies (13 listed in the UK^{xii} and one listed globally^{xiii}) on payment of the Living Wage. We engaged major sugar buyers – Coca-Cola Co, Nestlé and Unilever – on human rights abuses in the Indian sugar supply chain, and engaged with Amazon on workers’ rights. See the engagement case studies on page 29.

xii Bunzl, CVS Health, Diploma, discoverIE, Genuit Group, Genus, Halma, InterContinental Hotels Group, Kainos Group, Prudential, Rio Tinto, Spirax Group and Volution Group.

xiii TJX Companies.

Better work engagement themes

Our better work engagement pillar consists of several underlying themes. For each theme, we define clear, measurable objectives to guide our approach to engagement. Portfolio companies are evaluated against each of the relevant themes and placed into one of five performance levels, based on a set of evidence-based standards. These are set out on the next two pages.

Our engagement approach aims to encourage portfolio companies to improve their performance in the engagement grid, with companies evaluated annually to track improvement or deterioration.

Engagement themes

Our engagement work is organised around three themes: better work, better environment and better health.

> See **Assessing real-world materiality on page 8 for details**

Modern slavery

Evidence-based standard: CCLA Modern Slavery Benchmark 2025

UK listed		
Best practice	Higher-risk sectors: consumer staples, consumer discretionary, materials, transport	Other sectors
1	The company has achieved performance tier 1 in the CCLA Modern Slavery UK Benchmark	The company has achieved performance tier 1 in the CCLA Modern Slavery UK Benchmark
2	Not applicable	The company has achieved performance tier 2 in the CCLA Modern Slavery UK Benchmark
3	The company has achieved performance tier 2 in the CCLA Modern Slavery UK Benchmark	The company has achieved performance tier 3 in the CCLA Modern Slavery UK Benchmark
4	The company has achieved performance tier 3 or 4 in the CCLA Modern Slavery UK Benchmark	The company has achieved performance tier 4 in the CCLA Modern Slavery UK Benchmark
5	The company is covered by the CCLA Modern Slavery UK Benchmark and is ranked in performance tier 5 (unsatisfactory) and/or has not published a modern slavery statement	The company is covered by the CCLA Modern Slavery UK Benchmark and is ranked in performance tier 5 (unsatisfactory) and/or has not published a modern slavery statement

Improvement required

Global companies, not UK listed		
Best practice	Higher-risk sectors: consumer staples, consumer discretionary, materials, transport	Other sectors
1	The company has achieved performance tier 1 in the CCLA Modern Slavery Global Benchmark	The company has achieved performance tier 1 or 2 in the CCLA Modern Slavery Global Benchmark
2	The company has achieved performance tier 2 in the CCLA Modern Slavery Global Benchmark	The company has achieved performance tier 3 in the CCLA Modern Slavery Global Benchmark
3	The company has achieved performance tier 3 in the CCLA Modern Slavery Global Benchmark	The company has achieved performance tier 4 in the CCLA Modern Slavery Global Benchmark
4	The company has achieved performance tier 4 in the CCLA Modern Slavery Global Benchmark	The company is covered by the CCLA Modern Slavery Global Benchmark and is ranked in performance tier 5 (unsatisfactory)
5	The company is covered by the CCLA Modern Slavery Global Benchmark and is ranked in performance tier 5 (unsatisfactory) and/or has not published a modern slavery statement	Not applicable

Improvement required

Forced labour

Evidence-based standard: Know the Chain Benchmark

Best practice	Apparel, food manufacture, technology companies not covered by CCLA Modern Slavery Benchmark
1	The company scores 50.1 or higher on the Know the Chain Benchmark
2	The company scores 35.1-50.0 on the Know the Chain Benchmark
3	The company scores 20.1-35.0 on the Know the Chain Benchmark
4	The company scores 20.0 or less on the Know the Chain Benchmark
5	Not applicable

Improvement required

Human rights

Evidence-based standard: World Benchmarking Alliance (WBA) Social Transformation Framework – Section 1

Best practice	All sectors
1	The company scores 8.1 or higher in the 'Respecting Human Rights' section of the WBA Social Transformation Framework
2	The company scores 4.1–8.0 in the 'Respecting Human Rights' section of the WBA Social Transformation Framework
3	The company scores 2.1–4.0 in the 'Respecting Human Rights' section of the WBA Social Transformation Framework
4	The company scores 2.0 or less in the 'Respecting Human Rights' section of the WBA Social Transformation Framework
5	Not applicable

Improvement required

Evidence-based standard: Corporate Human Rights Benchmark (CHRB)

Best practice	Apparel, extractives
1	The company scores 51% or higher on the CHRB
2	The company scores 31–50% on the CHRB
3	The company scores 21–30% on the CHRB
4	The company scores 20% or less on the CHRB
5	Not applicable

Improvement required

Special projects – workers

Evidence-based standard: Case-by-case basis with agreement of the CCLA Investment Committee

Best practice	All sectors
1	Not applicable
2	Not applicable
3	Not applicable
4	The company has been flagged for another worker-related reason and prioritised for engagement by agreement of the Investment Committee
5	Not applicable

Improvement required

Better work

Evidence-based standard: Sustainalytics Global Standards Screening Analysis

Best practice	All sectors
1	Not applicable
2	Not applicable
3	Not applicable
4	Not applicable
5	The company is categorised as 'watchlist' against the principles of the UN Global Compact that relate to labour standards and/or human rights

Improvement required

Equity holdings under better work engagement

The table below places the portfolio companies in the scope of the better work engagement pillar into five performance levels, based on the themes identified above. The key indicates progress or deterioration evidenced during the 2025 calendar year. Where a company is covered by more than one theme, its position is determined by its lowest placing.

1	2	3	4	5
Best		Work to do		
Cisco Systems	Abbott Laboratories	Adobe*	AIA Group*	Amazon
Pernod Ricard*	Accenture*	Ashtead Group	Alphabet	McDonald's
	▲ Admiral Group	▲ Auto Trader Group*	AstraZeneca	UnitedHealth Group*
	ASML Holding	▲ Berkeley Group Holdings	○ Coca-Cola Co	
	Informa	Broadcom	DBS Group	
	▲ Intertek Group*	Bunzl*	Diploma*	
	Intuit	Compass Group	HDFC Bank	
	Johnson & Johnson	▲ Croda International*	Hermès International	
	Kerry Group	CVS Group*	Keyence	
	▲ London Stock Exchange Group	Danaher	LVMH Moët Hennessy Louis Vuitton*	
	▼ L'Oréal	Deere & Co	Nestlé	
	Mastercard	Diageo	NextEra Energy*	
	Microsoft	discoverIE Group*	Prudential*	
	▼ Novo Nordisk*	▼ Experian	Texas Instruments	
	NXP Semiconductors	Genuit Group*	TJX Companies	
	Reckitt Benckiser Group	Genus*	TSMC	
	RELX	Greggs*	▼ Unilever	
	Roche Holding	Halma*		
	S&P Global	ICG		
	Schneider Electric	△ InterContinental Hotels Group		
	Siemens	Kainos Group		
	Stryker	▼ NVIDIA*		
	Watches of Switzerland*	Procter & Gamble		
		Rightmove*		
		▼ Rio Tinto		
		▲ Sage Group		
		ServiceNow		
		Spark New Zealand*		
		△ Spirax Group*		
		Visa		
		Volution Group*		
		Zurich Insurance Group		

Progress key:

- ▲ Improved more than one level
- ▲ Improved one level
- △ Improved within a level
- ▼ Deteriorated within a level
- ▼ Deteriorated one level
- ▼ Deteriorated more than one level
- Positive momentum
- Negative momentum

Engagement key:

- | Engaged/met
- | Acknowledged

The companies above represent CCLA's equity holdings in the scope of the various better work engagement themes. Equity holdings were taken on 1 January and 1 July 2025. Any companies purchased after 1 July will come into the scope of our portfolio engagement in 2026. Please note that Coca-Cola Co, Unilever and Nestlé fall into level 4 because of the special engagement project relating to labour exploitation in the Indian sugar supply chain. See page 30 for details.

*Not held in CCLA portfolios at 31 December 2025.

Engagement case studies: better work

Our engagement aims to improve the conditions of workers across themes ranging from fair pay to upholding the human rights set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.⁶ With an estimated 50 million people trapped in modern slavery worldwide,⁷ we recognise that such exploitation is likely embedded within the supply chains of virtually all businesses, even when the risks are not immediately visible. For this reason, modern slavery is a strong focus of our work.



Case study:

Engaging with Amazon on the right to freedom of association and collective bargaining

Amazon is a multinational technology company engaged in e-commerce, cloud computing, online advertising, digital streaming and artificial intelligence. With more than 1.5 million employees worldwide,⁸ it is the second largest private employer globally.⁹

Reason for engagement

Journalists, unions and civil society organisations have raised concerns about working conditions, health and safety, and the ability of Amazon workers in fulfilment and delivery to form, join and collectively bargain via unions.¹⁰ Freedom of association is one of the ILO Core Labour Standards. It plays a central role in ensuring workers are treated fairly by allowing them to form and join unions, engage in collective bargaining, and defend their rights at work.

What we did

We have been engaging Amazon about our concerns on workers' rights for many years. In 2023–24 and 2024–25 we filed shareholder proposals calling for the company to commission an independent report on the degree to which its practices align with international human rights standards and its policies on freedom of association and collective bargaining. In June 2024, we wrote a public letter, supported by 47 global investors, to highlight concerns raised by GMB Union regarding its efforts to organise Amazon workers in Coventry.

In March 2025, Amazon moved to 'no-action' the latest shareholder proposal, so as to remove it from the ballot at the annual general meeting. The company argued that the proposal, under new rules, constituted 'ordinary business' and was therefore beyond the purview of investors (see box on page 36). We interpreted this as a move to block a resolution that had previously secured significant investor support.

In June, we organised a roundtable for investors and wealth managers in the UK to discuss labour rights at Amazon. The roundtable included contributions from GMB Union members who had been attempting to organise workers in Coventry.

Outcomes

In October 2025, executives from Amazon came to CCLA's London offices for a meeting and also invited us on a tour of the company's Dartford fulfilment centre (LCY3).

Amazon flew a tour guide in from Seattle to meet with a group of London-based investors for the tour. During the tour, we were told that LCY3 is equivalent to seven football pitches in size, employs 2,500 workers on-site, and packs on average six million packages per week. This number significantly increases during busy periods.

We saw investments that Amazon had made in automation and robotisation. Large areas of the distribution centre are now fully automated, such that the main role of human packers is to pick up items from containers, scan them and insert them into folders on robot stacks. Amazon was keen to emphasise that it had introduced investments in automation to increase safety as well as efficiency. Representatives also explained the mechanisms they have to engage employees, employee safety committees and European-style works councils.

Following the tour, Amazon representatives came to CCLA's offices to discuss the issues of collective bargaining and labour standards. They wished to discuss our concerns and gauge how they could address them. The representatives appeared ready to listen but made no commitments; they took note of what we said but maintained their position that Amazon respects workers' rights to freely associate and collectively bargain. This was only a first step, but the company's willingness to send representatives in person to discuss these issues is a positive development. We will continue to engage with Amazon on collective bargaining and are encouraging the company to publish ongoing data on its engagement with worker representative organisations.



Case study:
Engaging with Coca-Cola Co on forced labour and human rights abuses in the Indian sugar supply chain

Coca-Cola Co is the world's largest beverage enterprise, headquartered in Georgia, United States. It offers a diverse portfolio of soft drinks, juices, teas and waters, selling into more than 200 countries worldwide.¹¹ This engagement focuses on Coca-Cola Co but also includes Nestlé and Unilever, both of which are also significant buyers of Indian sugar.

Reason for engagement

In 2024, a series of articles in *The New York Times* uncovered exploitative abuse, forced labour and coerced hysterectomies in the Maharashtra sugar cane industry.¹² Migrant sugar cutters – labourers who travel to sugar-producing regions to harvest sugarcane – are recruited by gangmasters known as mukadam, who serve as intermediaries between sugar mills, farms and labourers. Through debt traps and informal contracts, these workers are pushed into debt bondage and forced labour, while reports have revealed brutal working conditions and exploitative, sometimes violent, practices aimed at boosting productivity on sugar farms.

What we did

CCLA is a member of the Interfaith Center on Corporate Responsibility's Equitable Global Supply Chains group. The group picked up on the issue and joined an international group of investors engaging major sugar buyers from the Maharashtra region, including Coca-Cola Co, Mondelēz International, Nestlé, PepsiCo and Unilever. As a direct investor in Coca-Cola Co, we took the lead in engaging the company, along with Mercy Investment Services. We have been asking Coca-Cola Co to demonstrate leadership in tackling this deep-rooted and complex human rights issue and ensure there are effective social dialogue mechanisms with workers.

Outcomes

Coca-Cola Co has engaged constructively and launched several initiatives in India with a view to creating a more responsible sugar cane industry. These include:

- Sustainable and Ethical Engagement in Decent Sugarcane (SEEDS): Coca-Cola Co and its implementation partner, Solidaridad, are working with three mills in Coca-Cola Co's direct supply chain to raise awareness and create better working conditions for mill workers and cane cutters.

- Coalition for Responsible Sugar Cane Industry (CRSI): this newly formed multi-stakeholder initiative is working to address the issues at a system-wide level. CRSI has gained the support of and is working with the Indian Sugar Mills Association, the apex sugar industry body in India. CRSI also has the support of Hershey Company, PepsiCo and Unilever.
- Partnering with the International Organisation for Migration, which is tasked with providing pre-departure rights training for migrant workers in India.
- Supporting the ILO's child labour work in the neighbouring state of Karnataka.

In December, Coca-Cola Co published a statement outlining the steps it had taken to address the issue.¹³ Discussions continue.



Case study:

Engaging with InterContinental Hotels Group on modern slavery and the Living Wage

InterContinental Hotels Group (IHG) is a British multinational hospitality company headquartered in the UK, operating more than 6,800 hotels in over 100 countries worldwide.¹⁴ Its portfolio includes brands such as InterContinental, Holiday Inn and Crowne Plaza.

Reason for engagement

The hospitality industry is a sector with a high risk of modern slavery. It is typically a low pay sector, highly reliant on migrant workers in roles such as security, cleaning and catering. It is also associated with human trafficking for sexual exploitation.

What we did

We first engaged IHG on this theme more than a decade ago, specifically concerning the risk of child sex trafficking in the run-up to the London Olympics. In recent years, we have also engaged with the firm on its approach to paying the Living Wage.

IHG is one of the companies assessed and ranked annually in the CCLA Modern Slavery UK Benchmark; we have been benchmarking its approach to modern slavery and forced labour since 2023. We have had several discussions with IHG's human rights team about what the company could do to improve and have found this to be a thoughtful and engaged company with a sophisticated understanding of human rights risks.

Outcomes

We were delighted when, in 2025, IHG reached performance tier 1 in the CCLA Modern Slavery UK Benchmark, considered 'leading on human rights innovation'. In its human rights disclosures published in 2025 IHG:

- improved the information it provided on human rights due diligence processes, including details on audit prioritisation and protocols
- provided detail on processes to strengthen monitoring and evaluation of the implementation of responsible labour requirements, piloting a new self-assessment process and conducting on-site assessments at selected hotels in the United Arab Emirates, Kuwait and Saudi Arabia
- discussed how several hotels had shared that outsourced workers' passports had been held by a third-party labour provider and how IHG had worked to ensure workers could access these essential documents
- published new guidelines for hotels on how to investigate and remediate worker-paid recruitment fees and costs
- explained how it had partnered with civil society organisations to raise awareness of trafficking for sexual exploitation around the Paris Olympics and the Super Bowl in Las Vegas.¹⁵

Furthermore, we were pleased to see IHG disclose in its 2024 annual report that ‘the Real Living Wage will be applied for 12 months from April 2025, as a minimum, for all staff in line with the Real Living Wage Foundation level; zero-hour contracts are not utilised in the UK leased estate. Between 2023 and 2025, entry level salaries in our UK leased hotel estate increased by 15% relative to 7% budgeted increases for our corporate population including senior management’.¹⁶ IHG has not taken the step to gain full accreditation from the Living Wage Foundation, but it is an important step towards matching the real Living Wage.



Case study: **Engaging with Sage Group on modern slavery**

Sage Group is a British multinational enterprise software company specialising in accounting, payroll, HR and business management solutions for small and medium-sized businesses worldwide. It serves customers in more than 20 countries.¹⁷

Reason for engagement

Sage Group is one of the companies assessed and ranked annually in the CCLA Modern Slavery UK Benchmark. The company was ranked as tier 4 (‘failing to meet basic expectations’) in 2024.

What we did

Following the publication of the benchmark, we wrote to all tier 4 companies in our portfolio, including Sage Group. We have subsequently met representatives of the company on several occasions to discuss its approach to modern slavery.

Outcomes

Sage Group embraced the challenge and has invested in internal human rights expertise to review its approach and procedures. In its subsequent modern slavery statement, Sage Group disclosed that it had:

- improved its human rights due diligence processes, including its risk assessment processes
- joined Slave-Free Alliance, a non-profit social enterprise dedicated to helping organisations combat modern slavery; this three-year membership will provide Sage with expert guidance on identifying both potential and actual risks of modern slavery across its operations and supply chain
- introduced a human rights saliency assessment to identify and prioritise the most salient human rights risks across its value chain
- started to develop a human rights risk register to integrate into its enterprise risk management system.¹⁸

As a result of these efforts, Sage Group was one of the most improved companies in the CCLA Modern Slavery UK Benchmark between 2024 and 2025, showing an 11 percentage point increase in its score year on year. This places Sage Group in tier 3 of the benchmark (‘meeting basic expectations’). In our engagement, we will continue to seek to guide the company’s efforts to achieve the higher performance tiers.



Case study: **Engaging with Berkeley Group Holdings and the construction industry on modern slavery**

Berkeley Group Holdings is a British property developer and housebuilder specialising in residential-led and mixed-use developments across London, Birmingham and the South of England. The company operates under brands such as Berkeley, St George, St James, St Joseph, St Edward and St William.

Reason for engagement

The construction sector is considered at high risk of modern slavery.¹⁹ A combination of low-wage, low-skilled jobs, endemic subcontracting and labour shortages increase the risk factors. Furthermore, many of the materials used in construction (e.g. bricks, stone, timber and glass as well as renewables) are associated with elevated supply chain risks.

What we did

For the past two years, CCLA, in partnership with the UK Cabinet Office, LGT Wealth Management and the Supply Chain Sustainability School, has been convening C-suite and senior managers from the construction sector alongside investors, civil servants, government officials and civil society to discuss the risks of modern slavery in the UK construction sector.

The most recent roundtable was held in October 2025 and featured keynote speeches from Jess Phillips, Minister for Safeguarding and Violence Against Women and Girls, and Sam Ulyatt, chief executive of Crown Commercial Services. Representatives from Berkeley Group Holdings attended both roundtables.

Outcomes

Berkeley Group Holdings is one of the companies assessed and ranked annually in the CCLA Modern Slavery UK Benchmark. Having been ranked in tier 3 ('meeting basic expectations') in 2024, in 2025 it improved sufficiently to move up to tier 2 ('evolving good practice'). This was a result of improved disclosures around due diligence, supply chain mapping and the company's approach to risk management. Specifically:

- improved disclosures on human rights due diligence processes, including more details on how the company assesses and manages risk
- reporting on the salient modern slavery risks around the recruitment of contractors and in the company's materials supply chain
- greater detail on the categorisation, mapping and disclosure of the company's supply chain
- improved disclosures on the on-site induction of workers and awareness campaigns disseminated across all Berkeley sites, in Albanian, English, Polish and Romanian
- improved disclosures on the effectiveness of the company's actions and its future plans.²⁰

Berkeley Group Holdings was pleased with the benchmark outcome, stating that it 'recognises [its] improved approach in a number of areas' and sharing that it is 'working to continue the development of [its] modern slavery framework to deliver further improvement'.²¹



Case study:

Engaging with Microsoft on modern slavery

Microsoft is a multinational technology company that develops, licenses and sells computer software, consumer electronics, personal computers and cloud services. Its best-known products include the Windows operating system, Microsoft 365, the Azure cloud platform, Xbox gaming consoles, LinkedIn and Surface devices.

Reason for engagement

As a company that develops hardware as well as software, Microsoft has extensive supply chains that reach into high-risk geographies for forced labour in Asia. In addition, its technology is reliant on rare earth minerals, which are often mined in conflict-afflicted regions in Africa.

As one of the largest companies by market capitalisation globally, Microsoft is in the scope of the CCLA Modern Slavery Global Benchmark. It was assessed and ranked on its approach to modern slavery for the first time in 2025.

What we did

We commenced engagement with the company in 2025 to understand and evaluate its approach to modern slavery and forced labour. Microsoft engaged constructively and was placed in performance tier 2 ('evolving good practice') in the pilot benchmark.

Outcomes

Since engagement commenced, Microsoft has enhanced its modern slavery disclosures and provided more granular detail on its supply chain. It has also incorporated site-level analysis into its modern slavery risk assessments. In its supply chain integrity statement for fiscal year 2024 (published in 2025):

- The company disclosed improved details about its supply chain. The statement indicates that the company sourced from over 19,000 directly contracted suppliers located in 108 countries in 2024. A map illustrating these countries is included.

- It also disclosed that its cloud hardware division integrates on-site analysis into broader risk assessment processes: ‘assessment findings and remediations ... are all inputs to a quarterly risk assessment cycle, out of which new and emerging risks are identified, rated, and actioned’.
- It furthermore demonstrated that modern slavery indicators were found in its supply chain during the reporting period, specifically 13 instances of ‘prohibited recruitment fees’. The statement provides brief detail on the remedial action taken in response to these findings. It confirms that Microsoft requires suppliers to repay such fees and that in fiscal year 2024, suppliers took immediate action to repay a total of \$66,939 to 2,216 employees.²²

INVESTOR INITIATIVE ON HUMAN RIGHTS DATA

The Investor Initiative on Human Rights Data (II-HRD) is a collaborative initiative where institutional investors work together to improve the data available on human rights. This can help investors to more easily incorporate human rights data into their investment and stewardship decision-making.

This year, as part of the II-HRD collaboration, we have engaged with proxy voting advisory service ISS and environmental, social and governance (ESG) data provider Sustainalytics on their approach to human rights data. As clients and users of their data, we pressed them to increase the scope of companies under analysis. We also asked them to ensure their methodologies were transparent and aligned with the UN Guiding Principles on Business and Human Rights and the requirements of the EU Corporate Sustainability Due Diligence Directive.

In addition, we fed into the September 2025 publication of the II-HRD’s ‘Guidance for ESG data providers on assessing company non-compliance with, and breaches of, international human rights norms’.²⁴

The 2025 CCLA Modern Slavery Global Benchmark will be launched in January 2026, at which point we will be able to determine whether the company’s improved disclosures will result in an increase in its performance ranking.



Case study: Engaging with the UK government on seasonal workers

The Department for Environment, Food and Rural Affairs (Defra) is the ministry responsible for the Seasonal Worker visa scheme. The Seasonal Worker Scheme Taskforce is a multi-stakeholder initiative set up in 2022 by the supermarket retailers and Defra following controversies and alleged modern slavery in UK seasonal agriculture.

Reason for engagement

In 2022, following news stories about the exploitation of seasonal agricultural workers coming from Indonesia, Nepal and Central Asian republics to pick fruit and vegetables in the UK, CCLA drafted a public statement calling for (among other things) UK supermarkets to implement the Employer Pays Principle in UK agriculture.²³ This is a human rights concept that asserts that migrant workers should not be charged recruitment fees in order to secure a job. The statement was co-signed by 10 global investors.

What we did

Subsequently, CCLA met the Ministers of State for Food Security and Rural Affairs for the Conservative and Labour governments to raise our concerns, with our latest meeting held in March 2025 with Daniel Zeichner. We have been invited to participate in the Seasonal Worker Scheme Taskforce as the sole investor voice and took part in a working group undertaking a Defra-supported feasibility study on implementing the Employer Pays Principle.

Outcomes

The feasibility study was published in September 2025.²⁵ CCLA's Dame Sara Thornton was interviewed for the BBC's *File on 4 Investigates* programme about our work to protect the UK's migrant seasonal workers from exploitation and our engagement with supermarkets and policymakers to implement the Employer Pays Principle.

Supermarkets and the government continue to consider their response in the context of the rising cost of living and a policy environment that is hostile to migrants. As Dame Sara said on *File on 4 Investigates*, 'Supermarkets have been part of the Seasonal Worker Scheme Taskforce for years. Several of the supermarkets in the UK have made public commitments to the Employer Pays Principle but we are now at a key inflection moment. This is a key test of their commitment.'²⁶



Case study: **Engaging with the UK Home Office on modern slavery policy**

The UK Home Office Forced Labour Forum is a multi-stakeholder group of civil servants, businesses and civil society organisations convened by the Home Office to discuss modern slavery policy. In 2024 and 2025 the group met several times to discuss an update of the transparency in supply chains statutory guidance.

Reason for engagement

In our public policy advocacy, we have been pushing for a new modern slavery Bill and a proportionate, risk-based, mandatory human rights due diligence law. The old transparency in supply chains guidance for businesses looking to comply with the UK Modern Slavery Act 2015 was widely viewed as insufficient and dated.²⁷

In the absence of stretching guidance, the CCLA Modern Slavery Benchmark has had a wide appeal. Many corporates use the framework to gauge the maturity of their processes. We wanted our experiences and elements of our benchmark to be integrated into the new statutory guidance.

What we did

In a series of meetings with the Home Office over several months, we showcased the CCLA Modern Slavery UK Benchmark and emphasised our view that businesses should be encouraged to find – and to report on – instances of modern slavery in supply chains.

Modern slavery is likely to exist in the supply chain of almost every company. We therefore believe that, rather than indicating an absence of modern slavery, failing to 'find it' demonstrates that a company's human rights due diligence processes are inadequate. This is a theme that has been reflected in the public addresses of the Minister for Safeguarding and Violence Against Women and Girls (including modern slavery), Jess Phillips.²⁸

Outcomes

In March 2025, coinciding with the 10-year anniversary of the Modern Slavery Act, the Home Office published its updated statutory guidance. We were pleased to see that the new guidance draws on CCLA's Modern Slavery Benchmark framework and that our benchmark is linked to and positively referenced in the guidance. The statutory guidance states: 'A useful resource to support organisations developing KPIs [key performance indicators] in the above areas is the CCLA Modern Slavery Benchmark. The CCLA Benchmark includes several metrics under each of the above areas, and organisations could use these to develop suitable KPIs for their business.'²⁹

We expect that the guidance will be the first port of call for all companies in the scope of, and working to comply with, the Modern Slavery Act. We are delighted that our benchmark has received such acclaim.

ENGAGING IN A CHANGING POLITICAL ENVIRONMENT

The changing political climate in the United States has influenced investor stewardship, particularly on environmental, social and governance (ESG) issues. In recent years, some policymakers and regulators have questioned whether shareholder engagement on such themes might be politically motivated. In response, certain US states (e.g. Florida and Texas) have introduced measures restricting or scrutinising ESG-related investment practices, framing them as politically motivated rather than an act of fiduciary duty. This has created a highly polarised environment, making coordinated stewardship strategies more difficult for investors, especially those operating globally.

At the same time, the US Securities and Exchange Commission (SEC) has reinterpreted aspects of Rule 14a8, which governs the terms under which investors can place proposals on a company's proxy ballot.³⁰ In the updated guidance, companies that receive a shareholder proposal may request permission from the SEC's staff to exclude it from their proxy materials. The company must submit a 'no-action request' to the SEC, arguing that the proposal fails to meet certain requirements (e.g. it is too vague, relates to ordinary business operations, duplicates another proposal or violates procedural rules). For investors in US-listed companies, exercising stewardship now requires greater persistence and strategic coordination, as proposals that once reached the ballot may now be blocked (or 'no-actioned') earlier in the process.



“Political and economic uncertainty make long term planning difficult. Let’s stick to ordering lunch.”

CCLA Modern Slavery Benchmark

Modern slavery is a serious abuse of human rights, encompassing several forms of exploitation, including forced labour, human trafficking, servitude and forced marriage. Eradicating modern slavery has been set as a target in the UN Sustainable Development Goals, and its achievement will require dedication, innovation and collaboration.

Current estimates indicate that 50 million individuals are trapped in modern slavery worldwide, with 28 million of these victims in forced labour.³¹ This figure is not static; it is actively growing.³² It is estimated that every year the UK imports \$26 billion worth of products at risk of being linked to modern slavery. For the G20 this number increases to \$468 billion.³³

Forced labour is a fundamental violation of human rights and a severe economic crime. It generates an estimated \$236 billion in illicit profits annually. These are effectively wages taken from the vulnerable, remittances taken from migrants and lost tax revenue for countries.³⁴

The International Labour Organization calculates that a global one-off investment of \$212 billion to eliminate forced labour would unlock \$611 billion in demand-driven GDP growth.³⁵

In 2023, CCLA launched the first Modern Slavery UK Benchmark, assessing and ranking UK-listed companies annually on their approach to modern slavery.

FIND IT, FIX IT, PREVENT IT INVESTOR COALITION

In 2019, CCLA established Find it, Fix it, Prevent it, a collaborative investor initiative designed to tackle modern slavery. The initiative aims to harness the power of the investment industry to encourage companies to find, fix and prevent modern slavery in their value chains.

To this end, the Find it, Fix it, Prevent it initiative has four workstreams:

- 1 Corporate engagement:** aiding companies in developing and implementing better processes for finding, fixing and preventing modern slavery
- 2 Public policy:** promoting a meaningful regulatory environment through work with the government and policymakers
- 3 Developing better data:** working with data providers, non-governmental organisations and academia to develop better data on the prevalence of modern slavery and corporate efforts to address it
- 4 Convening:** offering thought leadership and engaging in wider advocacy to tackle the systemic causes of modern slavery.

At the end of 2025, Find it, Fix it, Prevent it had 58 investors in the programme, with collective assets under management and advisory of £13 trillion.

In 2025 we ran a pilot for the Modern Slavery Global Benchmark. The benchmark aims to:

➤ **Provide a framework for companies to follow**

The benchmark represents an evaluation of the degree to which companies are active in the fight against modern slavery.

➤ **Create an objective assessment**

Assessments are undertaken annually and align with statutory requirements, government guidance, and international voluntary standards on business and human rights.

➤ **Support investor engagement**

The benchmark furnishes investors with the data they need to engage meaningfully with investee companies on their approach to modern slavery.

➤ **Contribute to thought leadership**

The benchmark provides a vehicle for learning and sharing good practice.

➤ **Enhance business competition**

The benchmark creates a mechanism to leverage business competition to drive improvement in practice.

The benchmark assesses the modern-slavery-related disclosures of the largest UK and global listed companies on the degree to which they:



Conform with the requirements of Section 54 of the UK Modern Slavery Act 2015



Disclose information aligned with the UK Home Office guidance on modern slavery³⁶



Report on finding, fixing and preventing modern slavery



Modern Slavery UK Benchmark in numbers

The benchmark is designed to support the engagement of the Find it, Fix it, Prevent it investor coalition. During the year, 58 investors, with a combined £13 trillion in assets under management, supported our engagement efforts on modern slavery.

Achievements to date

48 companies have improved their performance tier since the first assessment

58 investors supported CCLA's engagement efforts

47 companies disclosed cases of modern slavery between 2023 and 2025

2025 UK benchmark

111 companies were assessed

68 companies engaged with us

35 companies disclosed finding modern slavery

18 companies mentioned the benchmark in their public reporting^{xiv}

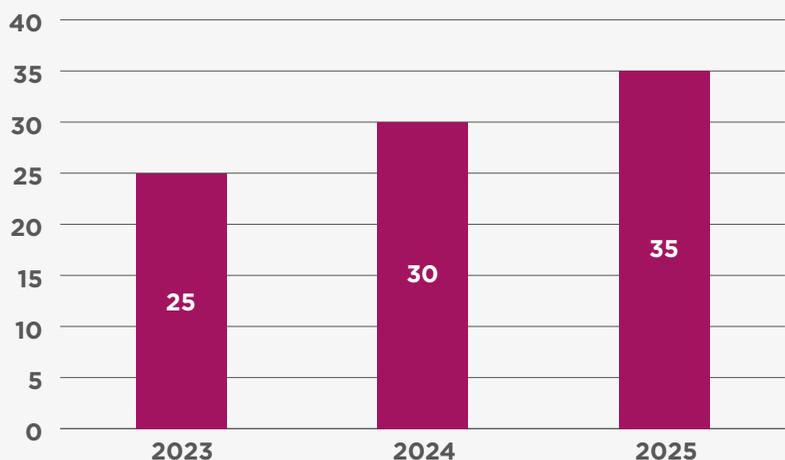
xiv Anglo American, Auto Trader Group, Entain, Imperial Brands, Investec, J Sainsbury, Lloyds Banking Group, National Grid, NatWest Group, Ocado Group, Persimmon, Phoenix Group Holdings, RELX, Rio Tinto, SSE, Tesco, Vistry Group and Weir Group.

REPORTING ON FINDING CASES OF MODERN SLAVERY

The benchmark encourages companies to disclose finding cases of modern slavery. This not only demonstrates a company's commitment to transparency and accountability but also allows investors to assess the quality of the remedy provided.

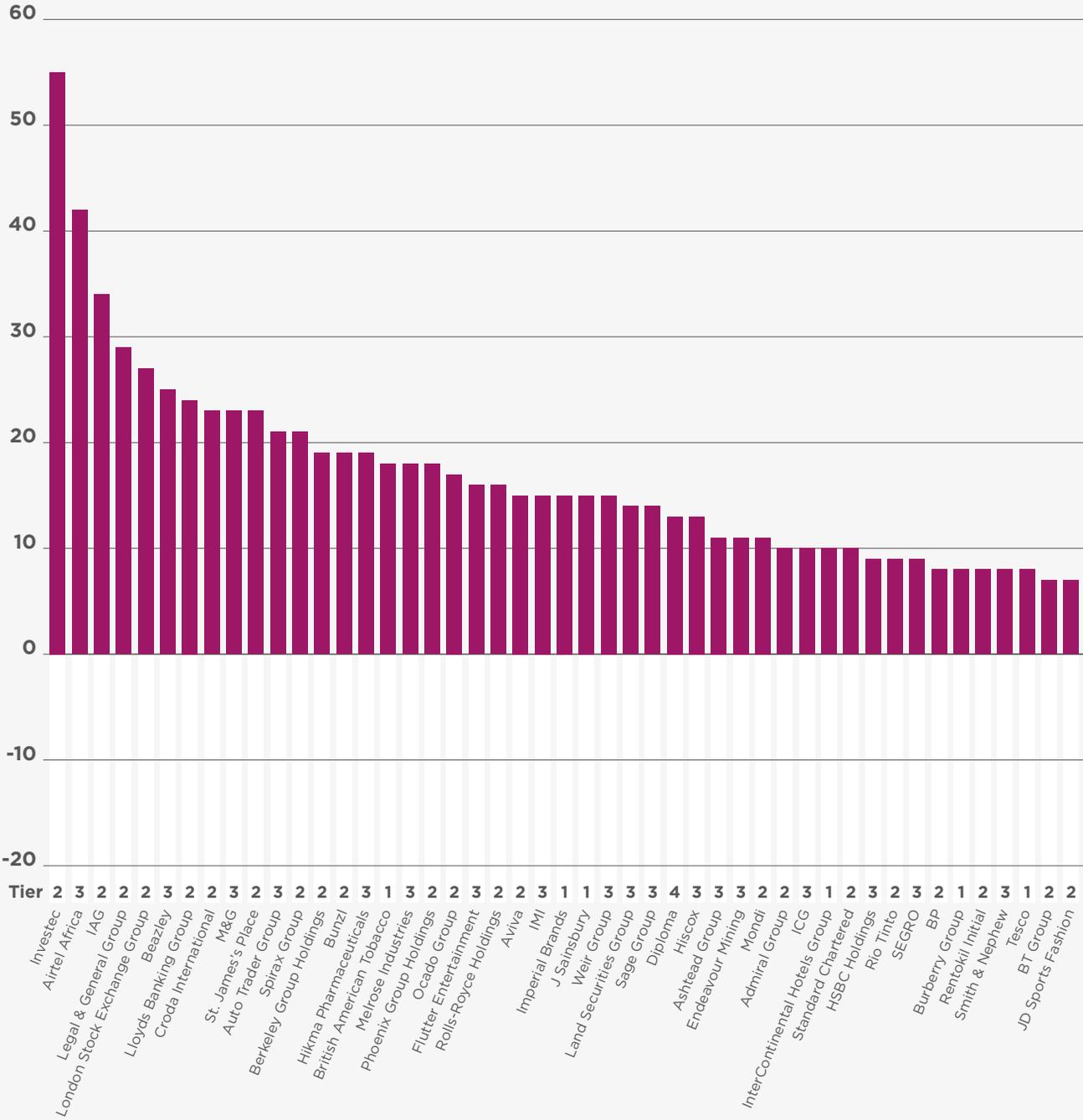
The number of companies disclosing cases of modern slavery has increased year on year since the benchmark's inception.

Number of companies disclosing cases of modern slavery



Modern Slavery UK Benchmark outcomes

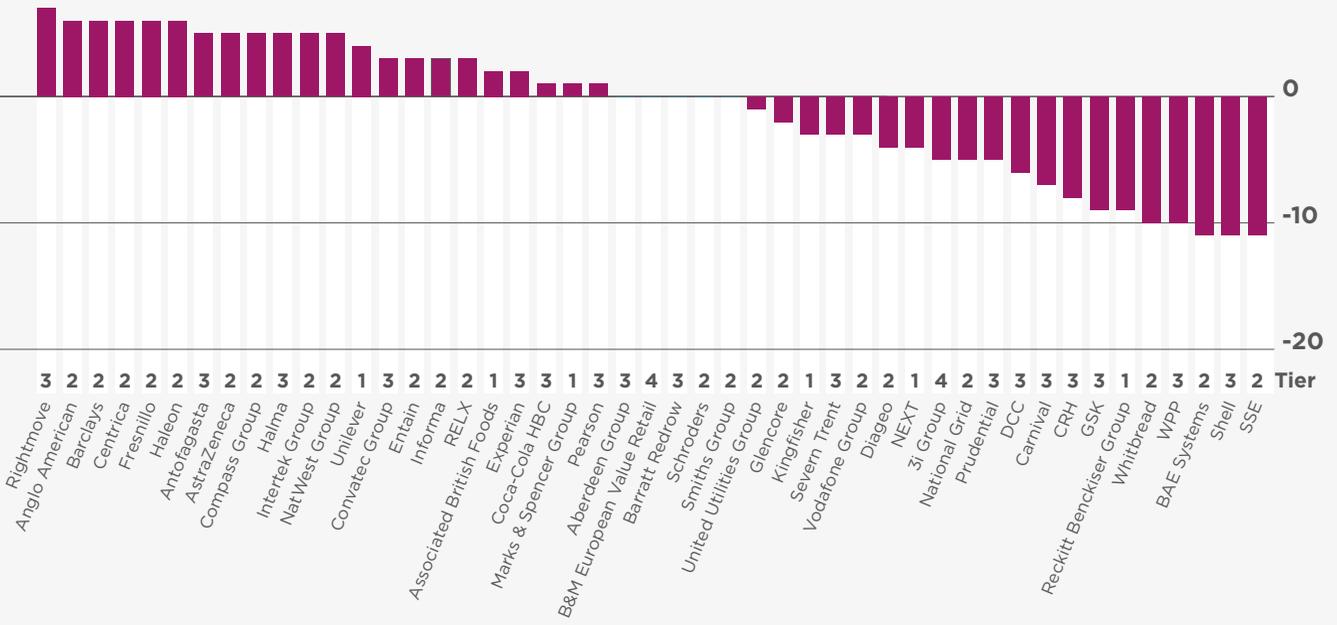
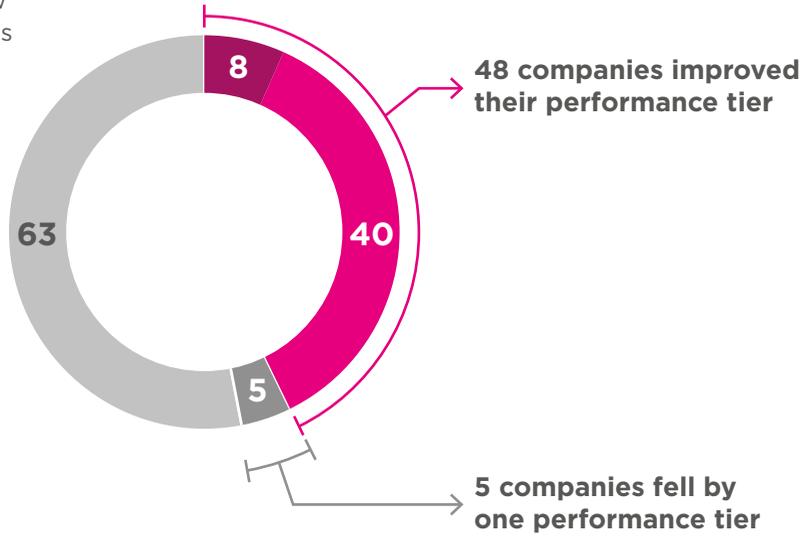
The chart below shows the percentage point changes in score over the past three years for the 94 companies that have appeared in the UK benchmark since its inception in 2023. The companies' 2025 performance tiers are indicated below.



PERFORMANCE SUMMARY BY TIER RANKING 2023-2025

This graphic shows how companies' tier rankings changed between 2023 and 2025.

- Up two tiers
- Up one tier
- Down one tier
- No tier change

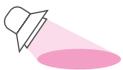


Company	Tier
Rightmove	3
Anglo American	2
Barclays	2
Centrica	2
Fresnillo	2
Haleon	2
AniToFagasta	3
AstraZeneca	2
Compass Group	2
Intertek Group	3
Hälma	2
NatWest Group	2
Unilever	1
Convatec Group	3
Entain	2
Informa	2
RELX	2
Associated British Foods	1
Experian	3
Coca-Cola HBC	3
Marks & Spencer Group	1
Pearson	3
Aberdeen Group	3
Barratt Redrow	4
Schroders	2
Smiths Group	2
United Utilities Group	2
Glencore	2
Kingfisher	1
Severn Trent	2
Vodafone Group	3
Diageo	2
NEXT	1
3i Group	4
National Grid	2
Prudential	3
DCC	3
Carnival	3
CRH	3
GSK	3
Reckitt Benckiser Group	1
Whitbread	2
WPP	3
BAE Systems	2
Shell	3
SSE	2



Case study: Investec

Investec is an Anglo-South African international banking and wealth management group. Investec was the most improved company on the Modern Slavery UK Benchmark between 2023 and 2025 with a 55 percentage point increase in score. It has moved from tier 4 to tier 2, which means it now represents ‘evolving good practice’.



In its 2025 modern slavery statement, Investec lists the steps it has taken to improve its approach. It has:

- established a working group to address modern slavery risks across its operations, supply chain and value chain
- reviewed and updated contract templates for relevant third-party suppliers to strengthen clauses on human rights and modern slavery
- partnered with the modern slavery charity Unseen UK to strengthen its response to modern slavery
- collaborated with Unseen UK to risk assess 261 direct suppliers
- developed a set of red flags to support facilities employees in identifying modern slavery risks during supplier audits
- worked with Unseen UK to conduct a modern slavery gap analysis
- developed a four-year internal roadmap intended to guide the company’s response to modern slavery.³⁷

From our dialogue with Investec, we know that the CCLA benchmark has played a role in spurring this work.

DUTCH MODERN SLAVERY INDEX

In January 2025, CCLA presented the Modern Slavery Benchmark framework to the board of De Nieuwe Beurskoers, a Dutch network of faith-based investors. The board members were impressed by the rigour of the benchmarking process and appreciated that it aligns with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Discussions ensued about whether CCLA’s benchmark framework could be used to assess a selection of Dutch companies on their approach to modern slavery. In December 2025, we agreed a sub-licensing agreement for De Nieuwe Beurskoers to use CCLA’s framework to assess and engage with 10 Dutch-listed companies on their approach to modern slavery and forced labour. We look forward to reporting on the outcomes of this project in 2026.



Case study:

International Consolidated Airlines Group (IAG)

IAG is the owner of the airlines Aer Lingus, British Airways, IAG Cargo, Iberia and Vueling. The scale, nature and footprint of the company's business and supply chain present specific challenges and risks in relation to modern slavery and human trafficking.

Following the publication of the 2023 Modern Slavery UK Benchmark, we met key individuals at the company, who subsequently presented the findings of the benchmark to IAG's board. A plan was put in place to drive improvement. Between 2023 and 2025, IAG's score in the Modern Slavery UK Benchmark increased by 34 percentage points. This improvement was driven by:

- a refreshed code of conduct setting out specific expectations for colleagues, suppliers and partners
- a new board-approved Human Rights Policy and Ethics and Compliance Charter, underpinned by a three-year plan that includes specific initiatives related to human rights, modern slavery and human trafficking
- an initiative to join and use Sedex and EcoVadis for supplier risk assessment processes
- an industry assessment on salient human rights issues, led by the British Airways Holidays Sustainability Team in collaboration with Shift, an expert human rights partner (British Airways Holidays also conducted a review of its top five hotel partners to gain insight into their management of risk and controls)
- an analysis of risks in the company's food and catering supply chain, noting working practices associated with these products (such as growing, farming, harvesting, processing and transport)
- a review of risks in the company's uniform supply chain (IAG sources tens of thousands of new and replacement uniform items each year) that involved auditing 15 suppliers in Bangladesh, China, India, Indonesia, Morocco, Pakistan, Spain, Sri Lanka, the UK and Vietnam.



IAG has also played a key role as part of an international working group led by the International Civil Aviation Organization to produce updated guidelines for combating trafficking in the aviation industry. These guidelines were published in April 2025 and demonstrate growing awareness and collaboration across the travel and tourism industry.³⁸

LAUNCHING THE CCLA MODERN SLAVERY GLOBAL BENCHMARK PILOT

In 2025, we took our benchmark methodology global with the launch of the CCLA Modern Slavery Global Benchmark pilot.³⁹ The pilot built on the success of the UK benchmark by applying its approach to the top 95 global companies that operate in the UK – companies such as Alphabet, Amazon, Apple, Microsoft, Nestlé and Saudi Aramco.

These global companies are in the investment portfolios of many institutional investors. They employ millions of people directly and will have many more in their supply chain. As such, they are exposed to modern slavery risks globally and can play a powerful role in eliminating modern slavery around the world.

A key question for the global benchmark was: to what extent do foreign-domiciled companies respect UK reporting requirements in both letter and spirit? A secondary question was: in a context where the European Union is significantly increasing the reporting and human rights due diligence requirements of



large companies, how do companies domiciled in countries with less stringent requirements report on human rights due diligence?

Only three companies reached the top tier of the pilot benchmark. The majority of the companies were clustered in the bottom tiers, as illustrated in the chart below.

The global benchmark pilot showed some interesting trends:

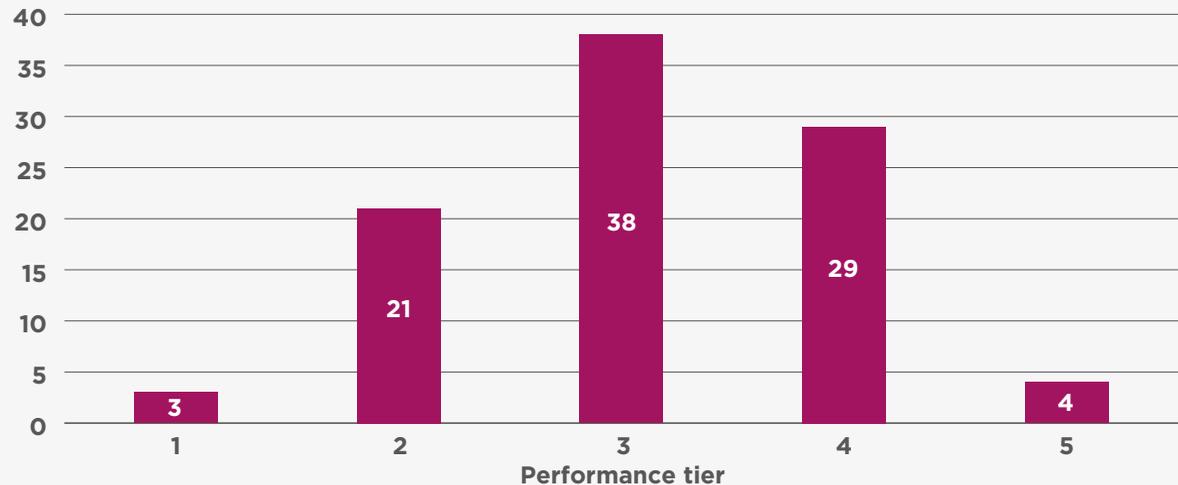
- Global companies on average scored lower than UK companies in the 2024 benchmark, suggesting the UK imports greater modern slavery risk through its open markets.
- There was a significant disparity between the best-performing (Cisco Systems, Costco and Nestlé) and worst-performing companies (China Merchants Bank, Intuitive Surgical, Philip Morris International and Saudi Aramco). Four companies scored less than 10% overall, raising questions about minimum compliance.

- A gap exists between policy and practice, with greater transparency on policy and procedure and less disclosure on practice and how harms to victims are rectified.
- Only one in four companies disclosed finding a case of modern slavery, and just one company confirmed that victims were satisfied with the redress provided.
- Consumer staples and materials were the highest-scoring sectors, with financials and energy scoring the lowest.

In January 2026 we will publish a new iteration of the global benchmark based on companies' 2025 disclosures. This will be an opportunity to see how company reporting has changed since the pilot. The ongoing assessment of these global companies will significantly enhance our ability to engage with them on modern slavery.

PERFORMANCE TIER DISTRIBUTION

Number of companies





Engagement focus: better environment

A thriving environment is fundamental to the long-term health of the economy and the stability of the financial system. Without a resilient natural world, the foundations upon which markets and prosperity depend are at risk. For our clients, environmental concerns and decisive climate action are not peripheral issues but central priorities, shaping both investment outcomes and societal wellbeing.

Recognising this, we have made climate action a core focus of our stewardship and engagement work since 2010, consistently pressing for stronger corporate responses to climate challenges and advocating for practices that safeguard the environment for future generations (see climate timeline on page 50–51).

This work was taken to an additional level in 2025 by the introduction of a new engagement workstream focused on the approach to fossil-fuel financing taken by the counterparties used in our cash funds (see page 54). In addition, we continued as proactive members of Nature Action 100, leading engagement on biodiversity and nature loss with three portfolio companies – AstraZeneca, McDonald's and Zoetis – on behalf of the coalition.

Better environment engagement themes

Our better environment engagement pillar consists of several underlying themes. For each theme, we define clear, measurable objectives to guide our approach to engagement. Portfolio companies and the financial institutions that we use in our cash funds are evaluated against each of the relevant themes and placed into one of five performance levels, based on a set of evidence-based standards. These are set out on the next two pages.

Our engagement approach aims to encourage portfolio companies to improve their performance in the engagement grid, with companies evaluated annually to track improvement or deterioration.

Engagement themes

Our engagement work is organised around three themes: better work, better environment and better health.

➤ See **Assessing real-world materiality on page 8 for details**

Climate – corporate benchmarks

Evidence-based standard: Transition Pathway Initiative (TPI)

Best practice	Companies in the 11 highest-emitting sectors not covered by Reclaim Finance	Companies in the six other high-impact sectors not covered by Reclaim Finance
1	The company has achieved level 5★ in the TPI climate assessment	The company has achieved level 5 or level 5★ in the TPI climate assessment
2	The company has achieved level 5 in the TPI climate assessment	The company has achieved level 4 in the TPI climate assessment
3	The company has achieved level 4 in the TPI climate assessment	The company has achieved level 3 in the TPI climate assessment
4	The company has achieved level 2 or level 3 in the TPI climate assessment	The company has achieved level 2 in the TPI climate assessment
5	The company has achieved level 0 or level 1 in the TPI climate assessment	The company has achieved level 0 or level 1 in the TPI climate assessment

Improvement required

Evidence-based standard: Reclaim Finance Oil and Gas Policy Tracker (OGPT)

Best practice	Banks and insurance companies
1	The company's oil and gas expansion policy scores 5 or above on the OGPT
2	The company's oil and gas expansion policy scores 2-4 on the OGPT
3	The company's oil and gas expansion policy scores 1 on the OGPT
4	The company's oil and gas expansion policy scores 0 on the OGPT
5	Not applicable

Improvement required

Evidence-based standard: Reclaim Finance Coal Policy Tracker (CPT)

Best practice	Banks and insurance companies
1	The company's coal expansion policy scores 9 or 10 on the CPT
2	The company's coal expansion policy scores 4-8 on the CPT
3	The company's coal expansion policy scores 1-3 on the CPT
4	The company's coal expansion policy scores 0 on the CPT
5	Not applicable

Improvement required

Evidence-based standard: CDP

Best practice	Other companies not covered by the TPI or Reclaim Finance
1	The company has achieved a CDP score of A or A-
2	The company has achieved a CDP score of B or B-
3	The company has achieved a CDP score of C or C-
4	The company has achieved a CDP score of D, D- or F or has a non-scored outcome
5	Not applicable

Improvement required

Nature/biodiversity loss

Evidence-based standard: Nature Action 100 (NA100) Benchmark and the Principles for Responsible Investment Spring initiative

Best practice	Sectors critical to reversing nature loss
1	The company scores a 'yes' for 21 or more of the NA100 benchmark metrics
2	The company scores a 'yes' for 11-20 of the NA100 benchmark metrics
3	The company scores a 'yes' for 1-10 of the NA100 benchmark metrics
4	The company scores a 'yes' for none of the NA100 benchmark metrics
5	Not applicable

Improvement required

Special projects - environment

Evidence-based standard: Case-by-case basis with agreement of the CCLA Investment Committee

Best practice	All sectors
1	Not applicable
2	Not applicable
3	Not applicable
4	The company has been flagged for another environmental reason and prioritised for engagement by agreement of the Investment Committee
5	Not applicable

Improvement required

Better environment

Evidence-based standard: Sustainalytics Global Standards Screening Analysis

Best practice	All sectors
1	Not applicable
2	Not applicable
3	Not applicable
4	Not applicable
5	The company is categorised as 'watchlist' against the principles of the UN Global Compact that relate to the environment

Improvement required

A history of climate action

Our climate engagement goes back a long way. Since 2012, it has been instrumental in bringing the investment industry together on this theme through Aiming for A, a forerunner of Climate Action 100+. In 2025, we engaged with every portfolio holding on its approach to the climate.^{xv} We also commenced a new engagement workstream focusing on the counterparties used in our cash funds.

2007



CCLA is an early signatory to the UN Principles for Responsible Investment

2012



The shareholder advocacy campaign Aiming for A is launched (it will go on to be an inspiration for Climate Action 100+)

2015



CCLA files successful climate-related 'Strategic Resilience for 2035 and Beyond' resolutions at BP and Shell, as part of Aiming for A

2010

CCLA starts its climate action pathway with a carbon disclosure watchlist

2013

CCLA's COIF Charities Ethical Investment Fund restricts investment in thermal coal and tar sands



CCLA becomes a cornerstone investor in the Bluefield Solar Income Fund

2016



GLENCORE



Aiming for A files successful climate-related shareholder resolutions at Anglo American, Glencore and Rio Tinto

^{xv} Equity holdings were taken on 1 January and 1 July 2025. Any companies purchased after 1 July will come into the scope of our portfolio engagement in 2026.

2017



Aiming for A is superseded by Climate Action 100+, of which CCLA is a founding member



CCLA joins the Powering Past Coal Alliance

2019

CCLA's COIF Charities Ethical Investment Fund restricts direct investment in oil and gas extraction companies



Following engagement, Duke Energy commits to net-zero emissions by 2050

CCLA works with the UK and Canadian governments to launch the Powering Past Coal Alliance's Finance Principles

2020



With the UK government and others, CCLA becomes a seed investor in the Clean Growth Fund

CCLA sells its remaining direct holdings in oil and gas extraction companies



CCLA's Helen Wildsmith wins the Joan Bavaria Award for her pioneering work on responsible investment and climate action

CCLA joins the Financing a Just Transition Alliance

2021



Unilever

CCLA's lead role with Unilever under Climate Action 100+ contributes towards the first FTSE 100 climate-plan vote

IIGCC

CCLA becomes a founding signatory to the Institutional Investors Group on Climate Change's Net Zero Asset Managers initiative

NextEra Energy responds to engagement by increasing its climate disclosures

2024

CCLA joins the Institutional Investors Group on Climate Change's UK Policy Working Group

CCLA and the Local Authority Pension Fund Forum (LAPFF) write to 76 FTSE 100 companies on transition plan votes, supported by 39 investors representing £1.6 trillion in assets under management

Following engagement, Empiric Student Property puts its environmental, social and governance (ESG) targets and transition plan to a shareholder vote

A NextEra Energy shareholder proposal co-filed by CCLA achieves 33% of the shareholder vote

2022



Helen Wildsmith joins the Delivery Group of the UK government's Transition Plan Taskforce as an investment-sector expert on mining and electrical utilities

2023

The Transition Plan Taskforce issues its final disclosure framework

A climate-related shareholder resolution co-filed by CCLA at Bank of America receives strong shareholder support (28.5%)

2025

Unilever publishes an updated climate policy engagement review, showing stronger alignment across its industry associations and retaining the top InfluenceMap score

Support for the CCLA-LAPFF transition plan vote initiative rises to £3.1 trillion

CCLA starts engaging with approved listed counterparties for cash funds on their alignment with climate goals, with a focus on fossil-fuel expansion

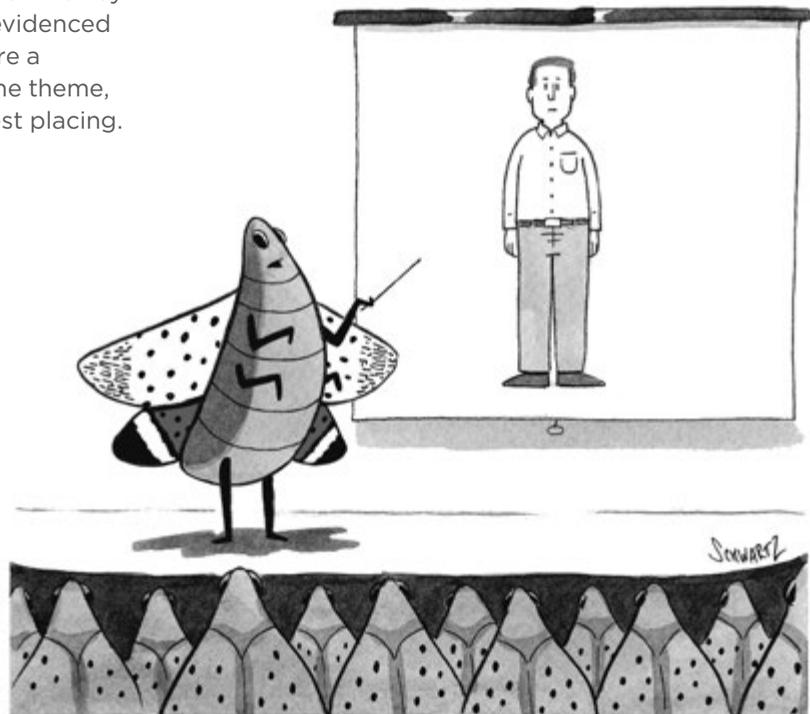
STAYING THE COURSE FOR CLIMATE STEWARDSHIP

The year 2025 had its challenges. Global temperatures continued to rise, with the world off track for limiting the increase to 1.5 °C. The 30th United Nations Climate Change Conference (COP30) provided some positives, including agreements to scale up finance for developing countries and for adaptation, although harder decisions on fossil-fuel reduction were again deferred. As UN Secretary-General António Guterres warned, 'The hard truth is that we have failed to ensure we remain below 1.5 degrees ... Every fraction of a degree means more hunger, displacement and loss.'⁴⁰

Across the investment landscape, political pressures prompted some institutions to reconsider their involvement in climate alliances, creating shifts in collaborative initiatives. These have been real headwinds, but the direction of travel has not changed. More investors expect companies to engage in transition planning, there is growing interest in climate stewardship, and continued investor engagement provides a credible route for supporting real-world decarbonisation and safeguarding long-term value. CCLA continues to stay the course in its stewardship work.

Equity holdings under better environment engagement

The table opposite places the portfolio companies in the scope of the better environment engagement pillar into five performance levels, based on the themes identified above. The key indicates progress or deterioration evidenced during the 2025 calendar year. Where a company is covered by more than one theme, its position is determined by its lowest placing.



“They’re an invasive species that will destroy the environment if left unchecked.”

1	2	3	4	5
Best			Work to do	
▲ Accenture*	▲ Admiral Group	△ Abbott Laboratories	▼ Ansys*	No companies at this performance level
▲ AIA Group*	▽ Adobe*	Agilent Technologies	Car Group	
▲ Alphabet	▲ Auto Trader Group*	Amazon	Cembra Money Bank	
▲ Berkeley Group Holdings	▲ Cisco Systems	Ametek	CME Group	
▲ Epiroc	○ Coca-Cola Co	Arthur J. Gallagher	CVS Group*	
Experian	○ Deere & Co	Ashtead Group	DBS Group	
ICG	▲ Diageo	○ ASML Holding	Diasorin	
Informa	discoverIE Group*	AstraZeneca	DNB Bank	
▲ London Stock Exchange Group	Fortinet	Automatic Data Processing	Genus*	
△ LVMH Moët Hennessy Louis Vuitton*	▲ Genuit Group*	Avantor*	IDEX*	
▲ Pernod Ricard*	▲ Greggs*	Broadcom	Judges Scientific*	
▲ Prudential*	Halma*	Bunzl*	Munich Re Group	
△ Sage Group	Hexagon*	Compass Group	NiCE Systems*	
▲ Schneider Electric	Icon*	Croda International*	Rightmove*	
○ Siemens	○ Illumina*	Danaher	▼ S&P Global	
Spirax Group*	○ InterContinental Hotels Group	▼ Deutsche Börse	Singapore Exchange	
○ Trane Technologies	Intuit	▼ Diploma*	Spark New Zealand*	
TSMC	Kainos Group	○ EssilorLuxottica	TJX Companies	
▲ Watches of Switzerland*	L'Oréal	HDFC Bank	Tradeweb Markets	
	Microsoft	○ Hermès International	▼ Universal Music Group	
	▲ Nestlé	○ Home Depot	Zoetis	
	PTC	Ingersoll Rand	Zurich Insurance Group	
	▲ Recordati Industria Chimica e Farmaceutica	Intercontinental Exchange		
	▲ ServiceNow	△ Intertek Group*		
	○ Unilever	▽ Johnson & Johnson		
	△ Union Pacific*	▲ Kerry Group		
	Visa	Keyence		
	Wolters Kluwer*	Marsh & McLennan Companies		
		Mastercard		
		McDonald's		
		Medtronic		
		▲ NextEra Energy*		
		▽ Novo Nordisk*		
		NVIDIA*		
		NXP Semiconductors		
		▲ O'Reilly Automotive		
		Partners Group		
		○ Procter & Gamble		
		Publicis Groupe		
		Reckitt Benckiser Group		
		RELX		
		△ Rio Tinto		
		○ Roche Holding		
		Roper Technologies		
		SGS		
		Sonic Healthcare		
		Stryker		
		Synopsys		
		Texas Instruments		
		Thermo Fisher Scientific		
		TransUnion		
		▼ UnitedHealth Group*		
		▼ Volusion Group*		

The companies listed on this page represent CCLA's equity holdings in the scope of the various better environment engagement themes. Equity holdings were taken on 1 January and 1 July 2025. Any companies purchased after 1 July will come into the scope of our portfolio engagement in 2026. *Not held in CCLA portfolios at 31 December 2025.

Progress key:

- ▲ Improved more than one level
- ▲ Improved one level
- △ Improved within a level
- ▽ Deteriorated within a level
- ▼ Deteriorated one level
- ▼ Deteriorated more than one level
- Positive momentum
- Negative momentum

Engagement key:

- | Engaged/met
- | Acknowledged

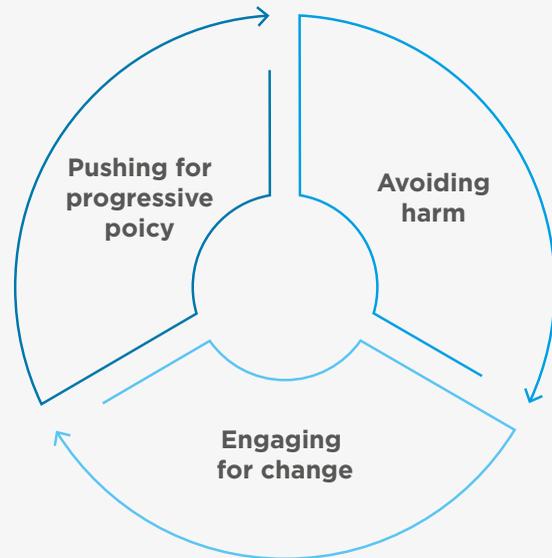
OUR APPROACH TO CLIMATE ACTION

As stewards of our clients' investments, we use our financial power and ownership rights to push companies forward on reducing the emissions associated with their operations and value chains.

Our strategy has three components:

- 1 Avoiding harm.** We avoid investing in companies that are highly exposed to changing legislation and regulation aimed at tackling climate change. Accordingly, we do not invest directly in any companies that focus on extracting, producing or refining coal, oil sands, oil or gas. For the remaining companies (i.e. those not restricted on these grounds), we determine whether they align with the goals of the Paris Agreement on climate change.
- 2 Engaging for change.** Investors can be instrumental in encouraging companies to reduce their own environmental impacts. In 2025, building on work that commenced in 2010, we engaged with every portfolio holding on its approach to decarbonisation.^{xvi} We also commenced a new workstream focused on the counterparties in our cash funds. Climate considerations are woven into our bespoke voting template.⁴¹

- 3 Pushing for progressive policy.** We believe that governments must create conditions that render it economically viable for businesses to phase out damaging activities – in particular, those that contribute to climate change. For this reason, we are working with policymakers, both in the UK and overseas, to encourage more meaningful regulatory action (see page 83).



^{xvi} Equity holdings were taken on 1 January and 1 July 2025. Any companies purchased after 1 July will come into the scope of our portfolio engagement in 2026.

Financial institutions and fossil-fuel financing

Our stewardship work has historically focused on listed equities. However, while equities represent the largest proportion of our assets under management (46% as at December 2025), they are by no means the only asset class that we deploy on behalf of our clients.

The second largest asset class in our overall mix of investments is cash and money market instruments, representing 30% of our total assets under management (as at December 2025). This asset class comprises our cash-focused funds – the CBF Church of England Deposit Fund, the COIF Charities Deposit Fund and the Public Sector Deposit Fund – which are also held within our core long-term multi-asset funds.

The objective of our cash funds is to offer a high level of capital security and a competitive yield to investors. The funds primarily invest in certificates of deposit, but they also use term deposits and notice accounts. All three offer an interest rate in exchange for a predetermined holding period. These investments are allocated to a diversified selection of financial institutions, comprising both banks and building societies.

CCLA maintains an approved list of financial institutions, which represents the menu of counterparties eligible for use by our cash team. To determine this list, we assess institutions on various indicators of financial strength and on several environmental, social and governance (ESG) indicators. Since Q3 2025, each approved listed financial institution has also been ranked into an improved multi-level scoring system, enabling us to identify laggards and prioritise engagement. The revised framework is available on our website.⁴²

A key focus of the new framework is the approach taken by financial institutions to fossil-fuel financing. We rank financial institutions on the strength of their Reclaim Finance oil and gas, and coal expansion policies, and engage with them to help them move forward. The objective is to encourage counterparties to strengthen their coal, oil and gas expansion policies with a view to supporting the eventual phase-out of these fuels.

In September 2025, we sent letters to each of the listed institutions approved for use by our cash team (40 companies). By the end of the year, we had received responses from 12 companies and had met six. See page 59 for a case study.

It is important to note that apart from one or two outliers, we do not hold shares in the financial institutions used by our cash team. We are therefore without the rights that come with being a part-owner. Nonetheless, as an investor in the financial instruments that they issue, CCLA is a client of these firms, and we expect them to engage and take steps to improve in areas of concern. We look forward to reporting on outcomes next year.

STRENGTHENING ACCOUNTABILITY ON CLIMATE TRANSITION PLANS

Investors increasingly expect listed companies to explain how they are addressing climate risks and regulatory change. CCLA has long worked with peers to promote transparency and accountability in UK climate transition planning.

In the past year, alongside the Local Authority Pension Fund Forum (LAPFF), we coordinated sending letters – backed by over 50 investors representing £3.1 trillion in assets – to FTSE 100 chairs. We asked companies to give shareholders a vote on climate transition plans at least every three years. We have been coordinating these letters annually with LAPFF since 2021.

Since the ‘Say on Climate’ initiative began in 2021, around one-fifth of FTSE 100 companies have put climate transition plans to a shareholder vote. CCLA invests in several companies that have done so, including the London Stock Exchange Group, Rio Tinto and Unilever, with Unilever becoming the first FTSE 100 company to introduce a ‘say on climate’ vote following dialogue. After our outreach in 2025, most companies responded, with eight indicating or implying that they intend to provide a shareholder vote at a future annual general meeting.

Engagement case studies: better environment

Climate change

Climate change is a critical challenge for global markets, communities and the environment. Our climate engagement strategy is designed to support the transition to a decarbonised economy through real-world emissions reductions.



Case study:

Engaging with Kerry Group on climate action

Kerry Group is a global taste and nutrition company supplying ingredients and technologies to the food, beverage and pharmaceutical sectors. It focuses on flavour, functional ingredients, and nutrition systems that support product innovation and quality.

Reason for engagement

As one of the few companies in our portfolios operating in a sector that the Transition Pathway Initiative (TPI) classifies as highest emitting, Kerry Group is assessed by the TPI for its preparedness for a low-carbon transition. This provides a strong opportunity for the business to strengthen its transition planning and related disclosures.

What we did

We have engaged with Kerry Group since 2023 as part of the Institutional Investors Group on Climate Change collaborative Net Zero Engagement Initiative. We have met company representatives twice, most recently in April 2025, to discuss progress on climate strategy, target-setting, supply chain impacts, governance and reporting.

Outcomes

By the time of our most recent meeting, Kerry Group had published its first stand-alone climate transition plan, updated its scope 3 targets following the sale of Kerry Dairy, and expanded its climate disclosures as part of wider double materiality reporting. These developments reflect the company's increasing alignment with investor expectations for high-emitting sectors assessed under the TPI, where clearer evidence of strategic assessment is expected for companies to progress from level 3.

A focus of our engagement has been improving the company's explanation of its decarbonisation pathway. Previously, we had encouraged Kerry Group to include a visual roadmap showing expected emissions reductions over time and to provide more detail on how and when offsetting would be used. Both these areas are now included in its reporting, giving a much clearer view of its plans. The company also shares further information on its use of internal carbon pricing for major capital projects, and on the physical and transition risks identified through its climate risk assessment.⁴³

We also asked for clearer reporting on value-chain impacts, given the importance of agricultural sourcing to the business. Kerry Group has added more detail on its approach to sourcing deforestation- and conversion-free soy, its regenerative agriculture work, and how it oversees suppliers. It now reports that 49% of its soy supply is deforestation-free (post-divestment) and highlights continued reductions in water use and support for farmers through practical interventions and financial incentives.⁴⁴

Looking ahead, Kerry Group expects to include more information on nature and biodiversity in its 2025 reporting and is well underway with its preparations for the Corporate Sustainability Reporting Directive (CSRD) requirements. At our most recent meeting, the company said our feedback on its reporting and CSRD preparation had been really helpful and welcomed further input as it develops future disclosures.



WHAT ARE SCOPE 1, 2 AND 3 EMISSIONS?

The scope 1, 2 and 3 system is a way of categorising the various kinds of carbon emissions a company creates in its operations and in its wider value chain.

CCLA's engagement work seeks to address all three of these.

Scope 1

Scope 1 emissions are made up of the greenhouse gas emissions that a company makes directly – for example, while running boilers and vehicles.

Scope 2

Scope 2 consists of emissions for which a company is indirectly responsible – for example, emissions resulting from the production of the energy and electricity that it buys to heat and cool its buildings.

Scope 3

This category covers all other indirect emissions associated with a company both up and down its value chain. Scope 3 includes emissions created by a company's suppliers and extends right down to the emissions created by its products when customers or consumers purchase and use them. Scope 3 emissions tend to account for the majority of a company's carbon footprint but are also the most difficult to measure and address.



Case study:

Engaging with Home Depot on climate action

Home Depot is the largest home-improvement retailer in North America, operating stores across the United States, Canada and Mexico. It supplies building materials, tools, appliances and home-improvement services.

Reason for engagement

Our engagement with Home Depot has primarily taken place under the collaborative initiative Climate Action 100+, which focuses on the world's largest corporate greenhouse gas emitters. Home Depot is included within this initiative because of its significant operational and value-chain emissions, also recognised by the Transition Pathway Initiative. Its high-emission status reinforces the importance of clearer disclosure on its climate actions and stronger planning for a low-carbon economy.

What we did

We have engaged with Home Depot since 2023, including three meetings and ongoing correspondence. As lead investor under Climate Action 100+, we have maintained a regular dialogue with senior sustainability representatives across this period. These interactions have supported continued review of how the company communicates its climate strategy and progress.

Outcomes

Following our meetings, Home Depot has strengthened several aspects of its climate reporting. In its 2025 'Living our values' report, the company introduced visual roadmaps for both direct and indirect emissions.⁴⁵ These diagrams outline the relative contributions of different actions to its 2030 targets and respond to our request for clearer visibility of how it expects to achieve emissions reductions.

In December 2025 we met with Home Depot's head of sustainability, who outlined the company's current reporting approach and where it may consider providing additional clarity. Although no new scope 3 categories were added, the 2025 report includes a more detailed breakdown of scope 3, reflecting our discussions on the benefit of greater transparency on indirect emissions. The additional detail provides investors with a clearer understanding of the sources of these emissions and how the company will track its progress.

Governance reporting has also improved. Home Depot now provides a clearer explanation of how the board and relevant committees oversee climate-related risks and initiatives. This responds directly to engagement points on the value of demonstrating senior-level accountability and how climate considerations inform strategic decisions.

During our meeting, the company noted that the dialogue had been useful in its review of its disclosures. The updates in the 2025 report show a constructive response to the areas raised and provide a more complete picture of Home Depot's climate transition strategy and implementation.



Case study:

Engaging with Siemens on climate action

Siemens is a global technology group operating across industrial automation, digital industries, smart infrastructure and mobility. Its products and services support manufacturing, energy systems and transport networks worldwide.

Reason for engagement

As a company operating in a high-impact sector and assessed by the Transition Pathway Initiative at level 5 (transition planning and implementation), Siemens plays an important role in advancing industrial decarbonisation. Our engagement has focused on strengthening its climate transition planning and implementation, including clearer timelines, improved quantification and transparent communication of progress.

What we did

During 2024, in addition to addressing the board at the annual general meeting, we met representatives of the company to discuss its overall climate approach and progress. A further meeting in 2025 continued this dialogue. These conversations have helped to maintain regular contact and support clearer communication of the company's transition planning.

Outcomes

By early 2025, Siemens had raised its 2030 scope 3 reduction target from 15% to 30%. This reflects areas we had discussed with the company in earlier meetings on value-chain targets and on the drivers of scope 3 performance.

In response to our request for a more structured presentation of its climate pathway, Siemens developed a visual roadmap to 2030 and beyond to 2050.⁴⁶ At our 2025 meeting, Siemens confirmed that our previous feedback had led to the inclusion of this roadmap.

Siemens' updated sustainability report also provides more detail in several areas raised in our engagement, including the treatment of offsetting and the narrative around scope 3.⁴⁷ At the 2025 meeting, Siemens' representatives explained why its reported scope 3 emissions from the use of sold products are high: the company counts the full electricity used by its motors and drives over their lifetime, while many peers count only the small share of energy lost as heat. Siemens noted that if it used the peer approach, its reported scope 3 emissions would fall by around 70%. We also discussed progress within Siemens Financial Services, including how the business is addressing financed emissions and limiting exposure to coal-related activities while supporting energy-transition projects.

Finally, Siemens acknowledged that some trade associations do not fully reflect its climate policy and said it is open to improving communication about how it seeks alignment.

Across these areas, Siemens has responded constructively to engagement, with improvements in transparency, ambition and presentation that allow for clearer investor assessment of its transition plan.

COLLABORATIVE ENGAGEMENT ON CLIMATE AND NATURE

Beyond engagement with individual portfolio companies, we recognise that managing climate- and nature-related financial risks requires collective investor action. We participate in Climate Action 100+ and Nature Action 100, global investor initiatives that support coordinated engagement with systemically important companies on the climate transition and nature-related risks.

Results reported by Climate Action 100+ over the past year show that many of the initiative's focus companies have made progress on emissions reductions and climate-related disclosure. At the same time, the findings highlight continuing gaps in transition planning detail and capital allocation, underscoring the importance of sustained, coordinated engagement in managing long-term financial risk.

Within Nature Action 100, assessments indicate that most companies remain at an early stage of identifying and managing nature-related impacts and dependencies. These insights help to inform investor priorities and reinforce the role of continued engagement in supporting market-wide progress on nature-related risk.

Under Climate Action 100+, we act as lead investor for Home Depot, co-lead for Nestlé and Unilever, and a contributing investor for Procter & Gamble, Rio Tinto and Trane Technologies. Under Nature Action 100, our collaborative engagement focuses on AstraZeneca, McDonald's and Zoetis.



Case study:

Engaging with DBS Group on sustainability and fossil-fuel financing

DBS Group is a leading Asian financial services group offering corporate, retail and institutional banking across Singapore and wider regional markets.

Reason for engagement

We recognise the influence that banks have on climate outcomes through their lending and capital allocation decisions. Our engagement with DBS Group looked at how its financing approach aligns with global climate goals, with a particular focus on its coal, oil and gas expansion policies as assessed by Reclaim Finance. Considering the company as both a holding and a counterparty, we aimed to understand how DBS Group's transition planning and financing activities support decarbonisation across Asian markets.

What we did

Building on previous correspondence in 2024, where we sought clarity on the bank's approach to fossil-fuel expansion and related exclusions, we reached out again in 2025 to share our climate assessment and request a discussion. We then met representatives from DBS Group's climate and institutional banking teams to explore the bank's climate-alignment framework, and continued the dialogue through follow-up exchanges.

Outcomes

In our discussions with DBS Group, the bank provided a clear explanation of how its climate-alignment framework guides financing decisions across sectors. Its representatives noted that it follows a single global net-zero pathway to shape expectations for clients and to ensure consistency across its lending activities. They also outlined how these pathways sit behind credit decisions, client engagement and the development of lending structures intended to support lower-carbon technologies.



The representatives described how the bank uses this framework in sectors such as steel, shipping and aviation, where progress remains uneven and where changes in technology, regulation and market conditions affect the pace at which clients can progress. We also discussed the bank's transition-support programmes for smaller companies, designed to help small and medium enterprises adopt lower-carbon solutions and begin shifting their business models.

We additionally explored how DBS Group applies its policies to companies involved in fossil-fuel expansion, and the bank clarified the scope of its current exclusions and how risk assessments influence lending terms across different parts

of the energy sector. DBS Group reiterated that its exposure to thermal coal is already low and restated its intention to reach zero exposure by 2039, with timing dependent on wider financing conditions and practical opportunities to support early retirement of assets.

While the discussion improved transparency on how DBS Group interprets its climate framework, it did not reveal significant signs of improvement in the bank's approach to fossil-fuel expansion (specifically oil and gas). The exchange nonetheless offered a clearer understanding of the constraints the bank faces and how regional market conditions shape its decisions, providing a more informed picture of its current direction.



Case study: **Engaging with the UK government on climate action**

Reason for engagement

Predictable and credible policy frameworks are essential for long-term investment decisions. Taking part in the Institutional Investors Group on Climate Change (IIGCC) UK Policy Working Group helps investors to ensure their perspectives are reflected in policy development and provides a way to contribute to discussions that affect transition planning, sector alignment and future capital allocation. Participation also strengthens the collective investor voice on climate and industrial policy.

What we did

The IIGCC, of which CCLA is a member, brings together European investors to advance climate policy and support practical action on the energy transition. Its UK Policy Working Group provides a regular forum where members can assess emerging proposals, discuss implications for investment and shape collective responses to consultations. The group focuses on areas that directly influence transition planning, disclosure and sector pathways.

During 2025, we participated in the group's discussions, and reviewed and provided feedback on draft consultation responses prepared by the IIGCC. These covered a wide range of topics, including a proposed UK green taxonomy, principles for developing sector decarbonisation roadmaps, written evidence to the Treasury Select Committee's inquiry on the National Wealth Fund (NWF), analysis of European Commission papers on the steel and metals sector transition, and the response to the International Sustainability Standards Board (ISSB) consultation on amendments to the SASB Standards. We also supported the IIGCC's consultation responses on UK transition plan requirements (led by the Department for Energy Security and Net Zero) and the development of the UK Sustainability Reporting Standards (led by the Department of Business and Trade).

Outcomes

Participation in the UK Policy Working Group keeps us well informed about policy developments and areas where coordinated investor engagement can be most constructive. Through the group, we contributed to the IIGCC's position statements on UK and EU climate and industrial policy and helped to ensure the statements reflected investor priorities. The working group continues to provide an ongoing route to engage in policy development and to support a joined-up investor perspective on issues central to the energy transition.

Since our engagement, both the Treasury Select Committee's report on the NWF⁴⁸ and the UK Sustainability Reporting Standards exposure drafts have been published.⁴⁹ HM Treasury has also confirmed that it will not proceed with a UK green taxonomy at this stage. This outcome reflects themes raised in the IIGCC's response, including the need to prioritise real-economy policy and the resource demands of maintaining a taxonomy.

Taken together, these outputs address issues highlighted through the IIGCC's policy work, such as the importance of catalytic investment through the NWF and the role of ISSB standards in UK sustainability reporting.

Biodiversity

CCLA engages with companies on biodiversity as nature degradation constitutes a systemic financial risk, eroding long-term portfolio resilience. Addressing biodiversity loss and deforestation is also fundamental to mitigate climate change, given that ecosystems such as forests function as critical carbon sinks.



Case study:

Engaging with McDonald's on biodiversity

As a global fast-food restaurant chain, McDonald's is one of the most recognised food service brands. It offers a standardised menu worldwide and generates revenue through company-owned and franchised restaurants.

Reason for engagement

As one of the companies identified by Nature Action 100 as systemically important to reversing nature loss, McDonald's has a significant influence on global supply chains for beef, soy, palm oil, coffee and fibre-based packaging. Its operations depend heavily on natural ecosystems, making biodiversity risks material to its long-term resilience. Our engagement has focused on encouraging the company to assess and disclose its impacts and dependencies on nature, improve transparency on deforestation, and strengthen its approach to managing biodiversity-related risks across its value chain.

What we did

We joined the Nature Action 100 initiative in 2023 and began engagement with McDonald's soon after. Although the company provided an initial written response outlining its commitments on forests and regenerative agriculture, several attempts to secure a meeting were unsuccessful.

In 2024, we co-filed a shareholder resolution (led by BNP Paribas Asset Management) requesting a public assessment of the company's biodiversity impacts, dependencies and risks. Following dialogue with investors, McDonald's agreed to hold two meetings with its chief sustainability officer on deforestation and regenerative agriculture and to conduct a water risk assessment. The proposal was withdrawn on this basis.

Outcomes

Once direct dialogue with senior sustainability leadership had been established, the company provided a level of detail on its approach that had not previously been available. McDonald's outlined how its deforestation strategy applies across five priority commodities, describing the mix of certification, supplier standards and monitoring used, and acknowledging the difficulty of achieving full traceability in complex global supply chains. The company also agreed to share further information on its use of certification versus credits and on sourcing from high-risk countries such as Brazil and Paraguay.

McDonald's clarified how several of its internal policies apply in practice, including the use of free, prior and informed consent requirements and the treatment of high-carbon-stock areas. It recognised gaps in verification and described ongoing work to strengthen oversight and supplier engagement, including preparations for the EU Deforestation Regulation.

The company also explained how wider nature-related risks and dependencies are under review, and how it is working towards more consistent processes for managing these issues across its operations and supply chain. McDonald's confirmed that updates on this work will be shared with investors as it progresses.

Investors welcomed the increased transparency and the company's openness throughout the two meetings held with senior sustainability leadership. These discussions have helped to establish a more constructive and regular dialogue and have supported clearer communication of how McDonald's is strengthening its approach to nature-related risks. Nevertheless, significant work remains to produce a full biodiversity assessment.



“One day, son, this farmland will be yours to sell to a tech company building a data centre.”



Engagement focus: better health

Public health matters to investors because it directly influences economic stability, workforce productivity and long-term economic growth. A healthier population reduces health-care costs, minimises absenteeism and fosters a more resilient labour force: key drivers of business performance and prosperity.

In 2025, we published the fourth iteration of the CCLA Corporate Mental Health Benchmark, a pioneering project aimed at improving company performance by using the dual forces of annual company rankings and sustained and persistent investor engagement.

The benchmark and its results are covered on page 75.

Also in 2025, we took our engagement on nutrition with Nestlé to a new level, including attending the company's spring annual general meeting (AGM), visiting its research and development centre and meeting with the company's new CEO. See page 72 for details.

Better health engagement themes

Our better health engagement pillar consists of several underlying themes. For each theme, we define clear, measurable objectives to guide our approach to engagement. Portfolio companies are evaluated against each of the relevant themes and placed into one of five performance levels, based on a set of evidence-based standards. These are set out on the next two pages.

Our engagement approach aims to encourage portfolio companies to improve their performance in the engagement grid, with companies evaluated annually to track improvement or deterioration.

Engagement themes

Our engagement work is organised around three themes: better work, better environment and better health.

➤ **See Assessing real-world materiality on page 8 for details**

Mental health

Evidence-based standard: CCLA Corporate Mental Health Benchmark (UK and Global) 2024

Best practice	All sectors
1	The company is ranked in tier 1 or tier 2 in the CCLA Corporate Mental Health Benchmark
2	The company is ranked in tier 3 in the CCLA Corporate Mental Health Benchmark
3	The company is ranked in tier 4 in the CCLA Corporate Mental Health Benchmark
4	The company is ranked in tier 5 in the CCLA Corporate Mental Health Benchmark
5	Not applicable

Improvement required

Nutrition

Evidence-based standard: Access to Nutrition index (ATNi) Global Index 2024

Best practice	Food and beverage manufacturing
1	The company's overall score is 6.1-10.0
2	The company's overall score is 4.1-6.0
3	The company's overall score is 3.1-4.0
4	The company's overall score is 2.0-3.0
5	The company's overall score is 1.9 or less

Improvement required

Evidence-based standard: CCLA assessment based on research by ShareAction and ATNi

Best practice	Out-of-home food
1	The company discloses the healthiness of its food and beverage portfolio using a government-endorsed nutrient-profiling model, sets targets on sales of healthier products, and reports on progress
2	The company discloses the healthiness of its food and beverage portfolio using a government-endorsed nutrient-profiling model and sets targets on sales of healthier products
3	The company discloses the healthiness of its food and beverage portfolio using a government-endorsed nutrient-profiling model
4	The company discloses the healthiness of its food and beverage portfolio using a nutrient-profiling model
5	Not applicable

Improvement required

Antimicrobial resistance

Evidence-based standard: Access to Medicine Foundation Antimicrobial Resistance (ATM AMR) Benchmark 2021

Best practice	Antibiotic manufacturing
1	The company is an antibiotic manufacturer and scores more than 70% on responsible manufacturing in the ATM AMR Benchmark
2	The company is an antibiotic manufacturer and scores 61-70% on responsible manufacturing in the ATM AMR Benchmark
3	The company is an antibiotic manufacturer and scores 41-60% on responsible manufacturing in the ATM AMR Benchmark
4	The company is an antibiotic manufacturer and scores 20-40% on responsible manufacturing in the ATM AMR Benchmark
5	The company is an antibiotic manufacturer and scores below 20% on responsible manufacturing in the ATM AMR Benchmark

Improvement required

Special projects - environment

Evidence-based standard: Case-by-case basis with agreement of the CCLA Investment Committee

Best practice	All sectors
1	Not applicable
2	Not applicable
3	Not applicable
4	The company has been flagged for another health-related reason and prioritised for engagement by agreement of the CCLA Investment Committee
5	Not applicable

Improvement required

Better health

Evidence-based standard: Sustainalytics Global Standards Screening Analysis

Best practice	All sectors
1	Not applicable
2	Not applicable
3	Not applicable
4	Not applicable
5	The company is categorised as 'watchlist' against the principles of the UN Global Compact that relate to health and wellbeing

Improvement required

Equity holdings under engagement

The table below places the portfolio companies in the scope of the better health engagement pillar into five performance levels, based on the themes identified above. The key indicates progress or deterioration evidenced during the 2025 calendar year. Where a company is covered by more than one theme, its position is determined by its lowest placing.

1	2	3	4	5
Best				Work to do
Diageo	Accenture*	Abbott Laboratories	Alphabet	No companies at this performance level
Experian	Admiral Group	Adobe*	Broadcom	
△ Prudential*	▲ AIA Group*	Amazon	Bunzl*	
△ Rio Tinto	▲ ASML Holding	Ashtead Group	○ Coca-Cola Co	
Roche Holding	Compass Group	▽ AstraZeneca	Danaher	
	InterContinental Hotels Group	Cisco Systems	▼ Deere & Co	
	▲ Intertek Group*	Hermès International	△ Greggs*	
	L'Oréal	Informa	HDFC Bank	
	LVMH Moët Hennessy Louis Vuitton*	▲ Intuit	Home Depot	
	Novo Nordisk*	Johnson & Johnson	McDonald's	
	▲ Procter & Gamble	London Stock Exchange Group	Microsoft	
	Reckitt Benckiser Group	▼ Mastercard	NextEra Energy*	
	Sage Group	Medtronic	NVIDIA*	
	Schneider Electric	△ Nestlé	Texas Instruments	
	▲ Siemens	RELX	▼ Thermo Fisher Scientific	
	△ Spirax Group*	S&P Global	TJX Companies	
	Unilever	ServiceNow	UnitedHealth Group*	
		Stryker		
		△ TSMC		
		Union Pacific*		
		Visa		

Progress key:

- ▲ Improved more than one level
- ▲ Improved one level
- △ Improved within a level
- ▽ Deteriorated within a level
- ▼ Deteriorated one level
- ▼ Deteriorated more than one level
- Positive momentum
- Negative momentum

Engagement key:

- | Engaged/met
- | Acknowledged

The companies above represent CCLA's equity holdings in the scope of the various better health engagement themes. Equity holdings were taken on 1 January and 1 July 2025. Any companies purchased after 1 July will come into the scope of our portfolio engagement in 2026. *Not held in CCLA portfolios at 31 December 2025.

Engagement case studies: better health

Mental health

Mental health directly affects workforce productivity, corporate performance and long-term value creation. Companies that proactively support mental health are better positioned to reduce costs, enhance performance and create sustainable value for investors.



Case study: **Engaging with Novo Nordisk* on workplace mental health**

Novo Nordisk is a leading global pharmaceutical company and the largest producer of insulin. It specialises in treatments for diabetes, obesity, rare blood disorders and growth hormone deficiencies.

Reason for engagement

As one of the world's largest listed companies and with more than 10,000 employees, Novo Nordisk is in the scope of the CCLA Corporate Mental Health Benchmark – Global 100+. With about 77,000 employees across 80 countries, it has a significant opportunity to improve the wellbeing of its people.⁵⁰

What we did

We have been engaging with the company on this theme since 2022, when it was ranked in tier 5 (worst) in the first CCLA Corporate Mental Health Benchmark. It has been assessed and ranked annually since then. We have written to the company's CEO four times on behalf of a sizeable investor coalition. We have met representatives of the company to discuss this theme six times over the past four years.

Outcomes

In essence, we have been asking the company to enhance its mental health policy and plan; to define clear roles, responsibilities and accountability for its development; to secure senior leadership buy-in to establish a workplace mandate for mental health; and to consistently communicate both its commitment and its implementation progress.

By 2025, the company had published a video of its CEO setting out a leadership commitment to workplace mental health, which is housed on the company's external webpage.⁵¹ A vocal leader helps to seal senior manager buy-in and to break down the stigma associated with poor mental health at work. In addition, the company has now published a comprehensive mental health policy, which clearly describes the processes in place to ensure that it is effectively implemented. The policy is universal to all employees and contingent workers, and to all business areas and geographies where the business operates.

The company has clearly assigned senior management and day-to-day operational management responsibility for this theme and has set targets related to workplace mental health based on reducing the share of employees reporting symptoms of stress. It also clearly explains the mechanisms by which it aims to achieve its objectives (e.g. through customised training and interventions by internal organisational psychologists).

Between 2022 and 2025, the company increased its benchmark score by 44 percentage points, resulting in a jump from tier 5 (worst) to tier 3, making it the third most improved company in the CCLA Corporate Mental Health Benchmark – Global 100+ and placing it in the top quartile of global companies.

*Not held in CCLA portfolios as at 31 December 2025.

In the company's words, 'We at Novo Nordisk are humbled and honored to be recognized for our performance on improving our efforts on ensuring a working environment fostering mental well-being for our people. ... This recognition serves as a powerful motivator for our ongoing efforts to further improve and support health and well-being in our workplace and beyond.'



Case study:

Engaging with Prudential* on workplace mental health

Prudential is a major international financial services group headquartered in London and Hong Kong, specialising in insurance, asset management and retirement solutions.

Reason for engagement

As one of the largest UK-listed companies and with more than 10,000 employees, Prudential is assessed and ranked in the CCLA Corporate Mental Health Benchmark – UK 100.

What we did

We have been engaging with the company on this theme since 2022 and have spoken to its representatives 15 times over the past four years. We have written annually to the company's CEO on behalf of a sizeable investor coalition and the company has been assessed and ranked every year to track its performance.

Outcomes

Prudential was assessed as performance tier 3 (middle) in the benchmark in 2022 and 2023. In 2024 it moved to tier 2, before moving up to tier 1 (best) in 2025. Its score increased by 36 percentage points over that time, making it the sixth most improved company in the UK benchmark since 2022.

*Not held in CCLA portfolios as at 31 December 2025.

In order to achieve tier 1, the company first took steps to understand CCLA's guidance. Representatives from the firm studied the benchmark, reviewed best practices and adapted them to fit Prudential's culture. Where gaps existed, they found ways to close them. For example, the company introduced a programme to train line managers on workplace mental health and set clear targets on completion rates.

In addition, Prudential worked to navigate the complexities of the business. To gain the necessary buy-in internally, support was needed across business functions, including human resources, legal, investor relations, health and safety, and corporate affairs. It took many months of internal negotiations, but ultimately the company published a statement by the CEO in support of mental health.⁵²

Finally, the company went to great lengths to document its efforts, measure key outcomes, and tell a compelling story of strategic purpose and progress. All of these measures together worked to create an open and psychologically safe culture, free of stigma.

We are told that the impact has been both cultural and practical, changing how people think, speak and feel about mental health at Prudential. In the company's words, 'Three years ago, the word "mental" wasn't used at all – it was considered too sensitive or taboo. Today, it's no longer a scary word. Today, it's part of everyday conversations. That shift reflects a deeper cultural change.'



Case study:

Engaging with Experian on workplace mental health

Experian is a global data and technology company focused on lending practices, fraud prevention, health care, digital marketing solutions, and provision of insights across industries using a combination of data, analytics and software.

Reason for engagement

As one of the largest UK-listed companies and with more than 10,000 employees, Experian is assessed and ranked in the CCLA Corporate Mental Health Benchmark – UK 100.

What we did

We have been engaging with the company on this theme since 2022, when it was ranked in tier 3 (middle) in the first CCLA Corporate Mental Health Benchmark. It has been assessed and ranked annually since then. We have written four times to the company's CEO on behalf of a sizeable investor coalition. We have had in-depth meetings every year to discuss areas for improvement.

Outcomes

In 2022, while the company scored relatively well on the benchmark in terms of policy and related disclosures, there was work to be done to strengthen oversight, targets and performance measures. We provided the company with detailed feedback and recommendations for improvement. Towards the end of the year, it duly notified us of a new publication, its 'Global approach to mental health and wellbeing'.⁵³

The document is comprehensive, covering Experian's overall commitment and approach, its mental health offering (including programmes, benefits, support, resources and initiatives), its governance and oversight (from the CEO and board down to line managers and employees), and various measures of progress and impact evaluation. The company's performance and impact metrics include reporting on the proportion of line managers who are trained in mental health and reporting on uptake of and engagement with mental health initiatives and programmes. Experian also publishes an ongoing key performance indicator based on the percentage of employees who say that the company is a psychologically and emotionally healthy place to work.

As a result of these efforts, Experian improved its benchmark score by 33 percentage points between 2022 and 2023 and was able to move from tier 3 to tier 1 (best), a position that it has maintained for three consecutive years. By 2025, it had improved its score by a total of 41 percentage points since 2022, making it the third most improved company of the 85 UK companies that had been in all four editions of the benchmark. In the company's words, 'The Benchmark has had a fantastic impact internally, driving meaningful change and progress year after year.'



Case study:

Engaging with Procter & Gamble on workplace mental health

Procter & Gamble (P&G) is a multinational corporation headquartered in Ohio, United States. It is one of the world's largest and most influential producers of consumer goods, operating in more than 180 countries and employing over 100,000 people worldwide. Its portfolio of brands includes Ariel, Gillette, Lenor, Olay, Oral-B, Pampers and Pantene.

Reason for engagement

As one of the world's largest listed companies and with more than 100,000 employees, P&G is in the scope of the CCLA Corporate Mental Health Benchmark – Global 100+.

What we did

We have been engaging with the company on this theme since 2022, when it was ranked in tier 4 (second to worst) in the first CCLA Corporate Mental Health Benchmark. We have written annually to the company's CEO on behalf of a sizeable investor coalition and the company has been assessed and ranked every year to track its performance. We are supported by Mercy Investment Services in this engagement. We have had four meetings with the company and also visited its European headquarters in Geneva in 2024 to meet the director of global benefits and wellbeing in person.

Outcomes

P&G was assessed as performance tier 4 (second to worst) in 2022, 2023 and 2024, nonetheless showing consistent, incremental improvement in its overall score year on year. In 2025, it moved up into tier 3. Its score increased by 28 percentage points between 2022 and 2025, making it the seventh highest improver in the global benchmark.

The increased score was driven by various activities. P&G strengthened its internal communications and awareness campaigns, and increased the number of its reporting metrics on this theme. Such metrics included reporting on the proportion of people trained in mental health, tracking and reporting on the uptake of mental health programmes and initiatives, and reporting on engagement by employees in this theme.

Additionally, the company published a statement by its CEO, Jon Moeller, setting out the business drivers for good workplace mental health: 'P&G provides a variety of wellbeing solutions that can be adapted to personal needs, because when P&G people are at their best, they thrive professionally and personally – delivering for consumers, customers, each other, society and shareowners.'⁵⁴

At a meeting with the company in June 2025, we learned anecdotally that due to the increased focus on workplace mental health internally, the wellbeing score from the company's pulse survey had increased by double digits for four years in a row. We were told that P&G had been focusing on engaging with leaders and on building mental health into the strategy of the business. We learned that employees had been extensively engaging with the company's mental health initiatives. Finally, we were informed that P&G was working on a new wellbeing strategy to be housed on the company's careers website ready for the next CCLA Corporate Mental Health Benchmark assessment.

Nutrition

Nutrition is a critical focus for investors due to its profound influence on the health and wellbeing of individuals, communities and entire societies. There is a well-established connection between inadequate nutrition and the rise of chronic non-communicable diseases, such as obesity, heart disease and diabetes. These health issues not only strain health-care systems through increased costs but also reduce workforce productivity. Both of these outcomes pose significant economic challenges.



Case study:

Engaging with Nestlé on nutrition

Nestlé, headquartered in Vevey, Switzerland, is the world's largest food and beverage company, with a global presence across nearly every category of nutrition and wellness. Its key global brands include Gerber, Häagen-Dazs, KitKat, Maggi, Nescafé, Nespresso, Perrier and Purina.

Reason for engagement

More than a billion servings of Nestlé products are consumed every day worldwide,⁵⁵ making the company a key player in the fight against diet-related ill-health.

What we did

We have been engaging with Nestlé on nutrition since 2017 via our membership of ShareAction's Healthy Markets Initiative. In 2024 we pre-disclosed our support for a nutrition-related shareholder proposal, and in early 2025 we took the role of lead investor in the Access to Nutrition index's investor coalition. We coordinated an investor letter to the company and attended the company's AGM in the spring to ask a question of the board. We asked the (now former) CEO to prioritise this theme.

Our question led to an invitation to visit Nestlé's research and development site in Lausanne, Switzerland, to tour its laboratories and meet key personnel in the nutrition space. These included Stefan Palzer (chief technology officer and executive board member) and Nestlé's global head of nutrition, health and wellness, its chief nutritionist and head of applied nutrition and dietetics, and its global head of public affairs. The tour took place in October 2025 and included an entire afternoon to discuss investor priorities, with a focus on disclosure and target-setting.

Following the visit, we were invited to meet the new CEO, Philipp Navratil, in person in London. This meeting took place in December.

Outcomes

Since 2022, Nestlé has increased its age threshold from 13 to 16 for marketing unhealthy products, improved its nutrition disclosure, and set a target on sales of healthier products (although we believe the current target lacks ambition and falls short of investor expectations). Shortly after we attended the company's 2025 AGM to pose a question, the company announced new commitments on nutrition disclosure.

Our key priority is for the company to set a target to increase the sales-weighted average Health Star Rating of its food and beverage portfolio.⁵⁶ At the meeting in October, the company acknowledged the important role of investors in bringing nutrition up its corporate agenda but asked for time. The promised disclosure – which will report on the sales-weighted average Health Star Rating of Nestlé's entire food and beverage portfolio for the first time – is due to be published in February 2026.

At our meeting with Mr Navratil in December 2025, further assurances were made that nutrition remains firmly on the management agenda, and we were told that Nestlé would work towards the targets we are looking for in the coming months. We also received confirmation that we would be invited to meet Mr Navratil again in person in mid-2026 to continue the negotiations.

Nestlé has the potential to be a leading company on nutrition. At the meeting in December, investors agreed to support the company's efforts to improve. We will continue to push Nestlé forward with realistic and stretching asks.



Case study:

Engaging with the UK government on nutrition

Through our membership of the Investor Coalition on Food Policy, we have been engaging with the UK government to strengthen its approach to nutrition.

Reason for engagement

In the UK, poor diets are one of the leading risk factors for preventable ill-health, posing significant risks for businesses, investors and the wider economy.⁵⁷ As obesity rates rise, so too do the financial risks: in 2025, the total estimated cost of overweight and obesity in the UK was £126 billion, including £30.8 billion in lost productivity.⁵⁸ The government has an important role to play in tackling these issues.

Our policy engagement on nutrition mirrors our engagement with companies on this theme, with an emphasis on nutrition reporting and target-setting. While some companies have made encouraging progress voluntarily, enhanced government-led regulation and legislation have the potential to transform the food system for the better.

What we did

The Investor Coalition on Food Policy exists to engage with policymakers to advocate for well-designed regulation aimed at creating a healthier, more sustainable and more affordable food system. We joined the coalition when it was founded in 2021 in response to the publication of the UK's National Food Strategy.⁵⁹ We were involved with meetings with the then Minister of State for Food, Farming and Fisheries at the Department for Environment, Food and Rural Affairs as well as representatives from the Department of Health and Social Care.

We have continued to participate in the intervening years. In August 2025, we added our support to an investor statement – coordinated by ShareAction, the Food Foundation and the Investor Coalition on Food Policy – calling for rapid and robust implementation of the government’s plan to make disclosures and target-setting around healthy food sales mandatory in its NHS 10-Year Health Plan.⁶⁰

Outcomes

The Investor Coalition on Food Policy has long been calling for the government to introduce mandatory nutrition reporting and target-setting for food companies operating in and selling into the UK. In June 2025, we learned of an exciting UK policy announcement setting out an ambition to introduce mandatory healthy food sales reporting for ‘all big food businesses’ by the end of this term of government.⁶¹ If implemented effectively, this measure could create a level

playing field, mitigate both enterprise and systemic risks, and lower the long-term costs faced by public services. This was a huge win for the group, which has been campaigning for these measures for several years.

The August 2025 investor statement sought to support the government in its ambition, advocating for the rapid and robust implementation of this plan. We called for the policy to cover all large food companies – including food manufacturers, retailers and the out-of-home sector – to ensure it meaningfully tackles the wider public health challenges facing the UK and to ensure a credible enforcement mechanism.

A small number of investors, including CCLA, are due to meet with representatives from the Department for Business and Trade and HM Treasury in early 2026 to pursue this engagement.



CCLA Corporate Mental Health Benchmark

Mental health directly affects workforce productivity, corporate performance and long-term value creation. Mental ill-health costs the global economy approximately \$1 trillion annually in lost productivity, with 12 billion working days lost.⁶²

Mental health is not just a moral issue but also a strategic business concern. Companies that proactively support mental health are better positioned to reduce costs, enhance performance and create sustainable value for investors.

In 2022, with the help of sustainability consultancy Chronos Sustainability, we launched the inaugural CCLA Corporate Mental Health Benchmark. The benchmark is aligned with the World Health Organization (WHO) guidelines and WHO and International Labour Organization policy brief recommendations for strengthening workplaces so they can implement effective action to protect mental health at work.⁶³

The benchmark provides a clear disclosure framework for companies and represents an important tool for investors in measuring how businesses are managing the mental health of their employees. We assess 220 listed companies annually and rank them into one of five performance tiers, across two benchmarks (UK and global). We then engage with those companies to encourage them to improve their approach. See our website for details and company rankings.⁶⁴

Acknowledging that it takes more than a single investment manager to bring about change at scale, we have also founded and continue to coordinate a sizeable investor coalition that supports our engagement. During the year, 56 investors, with a combined \$10 trillion in assets under management, supported our engagement efforts on this theme.^{xvii}

Workplace mental health: financial case for action

£1,800 cost per employee every year due to mental ill-health

£4.70 return for every £1 invested in employee mental health⁶⁵

xvii This number reflects the assets under management supporting the investor letters that we sent to the global benchmark companies in October 2025.

Mental Health Benchmark in numbers

Achievements to date

74 companies have improved performance tier since their first assessment

5.3 million employees at improved companies

56 investors supporting CCLA's engagement efforts

\$10 trillion in assets under management supporting engagement efforts

2025 UK and global benchmarks

220 companies assessed

137 companies engaged with us

18 companies mentioned the benchmark in their public reporting^{xviii}

4 votes against CEO re-election on mental health performance grounds^{xix}

xviii Associated British Foods, BAE Systems, BT Group, Centrica, Entain, Experian, Hays, HSBC Holdings, J Sainsbury, Legal & General Group, NatWest Group, Prudential, Reckitt Benckiser Group, Rio Tinto, Roche Holding, Serco Group, TotalEnergies and Weir Group.
xix Abbott Laboratories, AstraZeneca, Broadcom and Danaher.

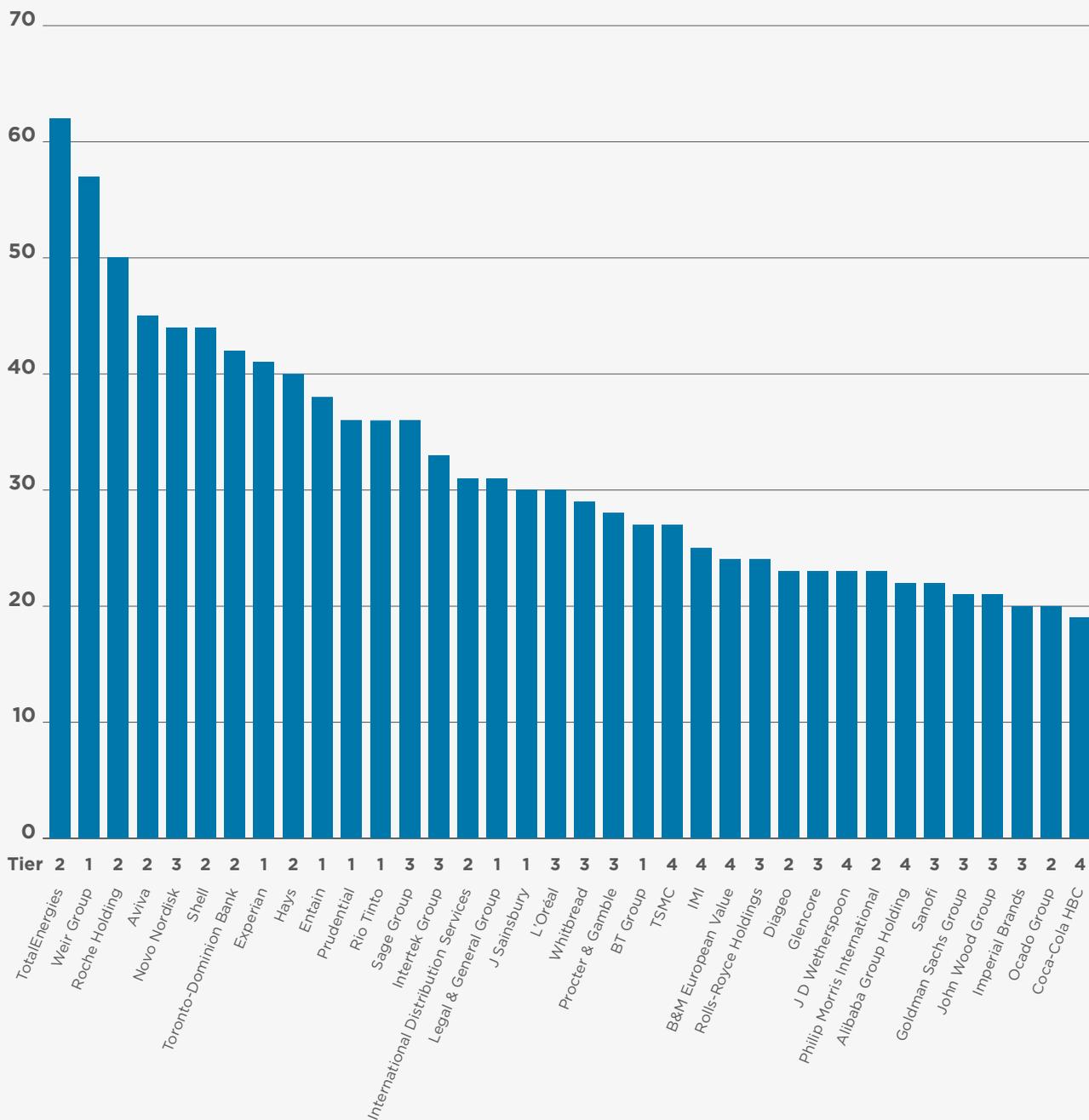




Mental Health Benchmark outcomes

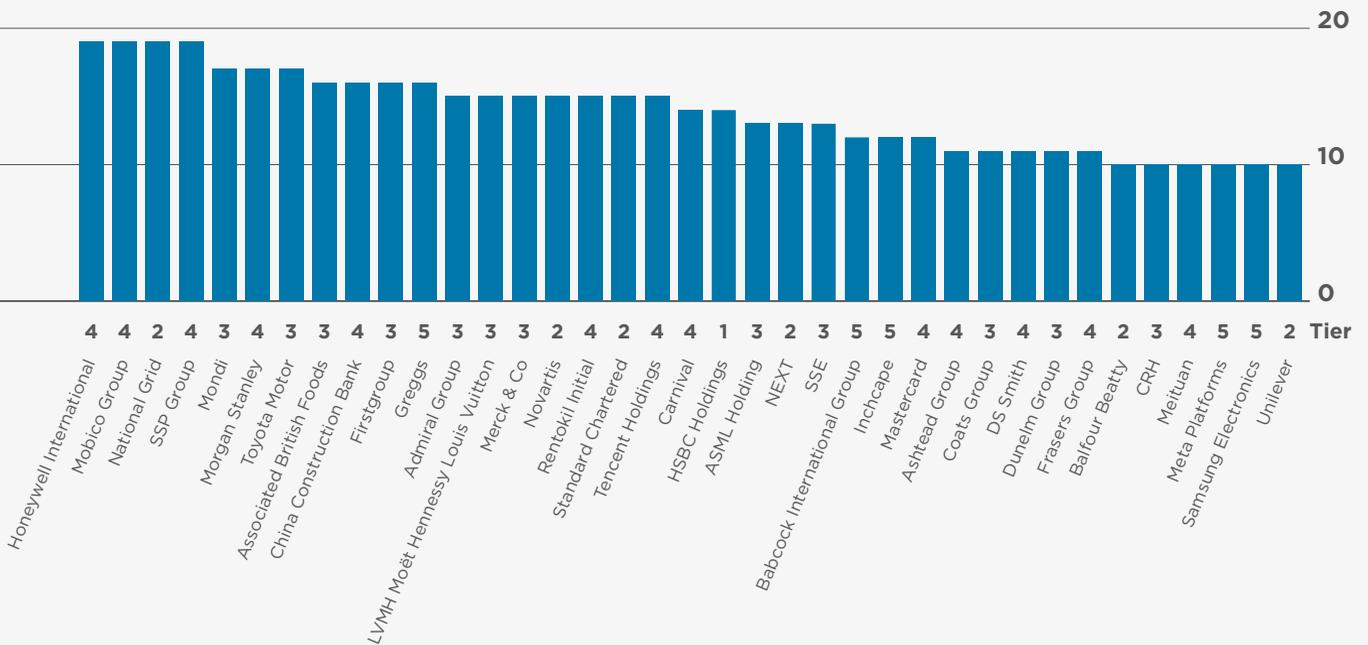
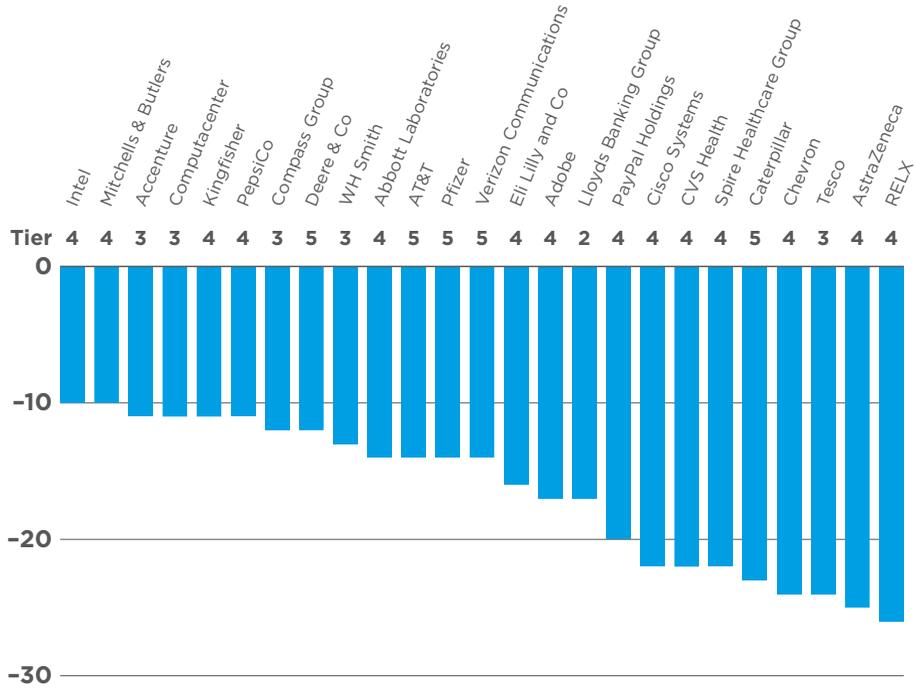
Top improvers by percentage change in score 2022–2025

The chart below shows the companies (in both the UK benchmark and the global benchmark) that improved their score by 10 percentage points or more between 2022 and 2025. Includes each company's first to most recent benchmark score.



MOST DETERIORATED COMPANIES BY CHANGE IN SCORE 2022-2025

The graphic below shows the companies (in both the UK benchmark and the global benchmark) whose score deteriorated by 10 percentage points or more in 2022-2025. Includes each company's first to most recent benchmark score.

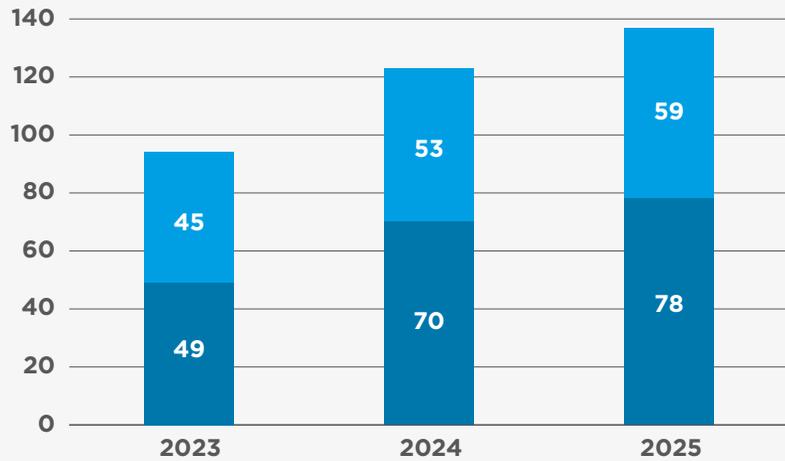


MENTAL HEALTH COMPANY ENGAGEMENT

This chart shows the number of companies engaged in the UK benchmark and the global benchmark between 2023 and 2025

■ UK
■ Global

Number of companies engaged



Mental health benchmark case study: Weir Group

The Weir Group is a Scottish multinational engineering company specialising in mining and minerals technology. The company was assessed as tier 4 (second-to-worst ranking) in the 2022 CCLA Corporate Mental Health Benchmark – UK 100. It duly took our recommendations and built a programme to cover the gaps that we highlighted. Specifically:

- In 2022–2023, the company built out its policy disclosures and worked with the CEO to ensure a strong leadership commitment. Efforts included a new website focused on health and wellbeing and a large internal communications exercise.
- In 2023–2024, the company broadened the scope of its health and wellbeing policy to include contingent workers and all global geographies. It integrated mental health considerations into its recruitment process, with adjustments offered for mental health needs. It also introduced a new key performance indicator (KPI) for its CCLA benchmark performance and linked this KPI to executive remuneration, reinforcing strategic accountability.

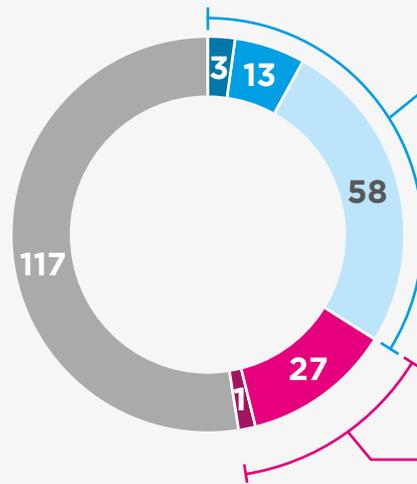
- In 2024–2025, Weir Group started the process of moving towards global employee assistance programme provision. It also ramped up its training of mental health advocates and significantly enhanced its performance reporting.
- In 2025, the company was ranked in tier 1 of the CCLA Corporate Mental Health Benchmark for the first time. Having increased its score by 57 percentage points since 2022, the Weir Group has the largest score increase of any company in the UK benchmark.

In the company’s words, ‘The CCLA Corporate Mental Health Benchmark has been invaluable to Weir. ... The detailed criteria and question-by-question feedback reports allow us to easily track progress, and identify our strengths and areas of opportunity so we can drive change and make an impact as we work towards our ultimate goal of achieving zero harm.’

PERFORMANCE SUMMARY BY TIER RANKING 2022-2025

This graphic shows how companies' tier rankings changed between 2022 and 2025, covering both the UK benchmark and the global benchmark.

- Up three tiers
- Up two tiers
- Up one tier
- Down one tier
- Down two tiers
- No tier change



74 companies improved their performance tier

28 companies fell by one or two performance tiers



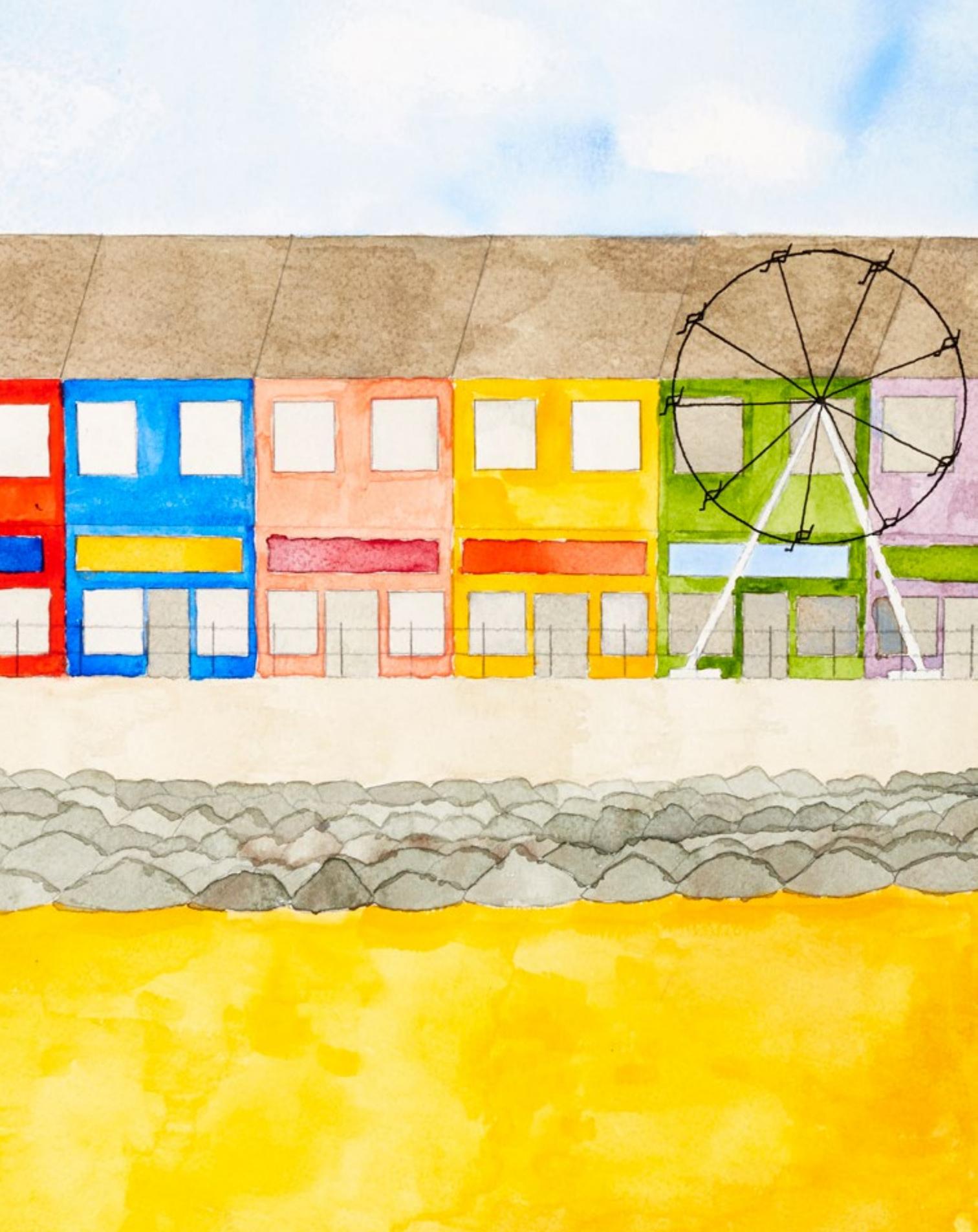
GLOBAL INVESTOR COALITION ON WORKPLACE MENTAL HEALTH

The CCLA Corporate Mental Health Benchmark is serving as an important engagement tool and accountability mechanism for a growing group of institutional investors and asset owners: a group of international investors that are signatories to the CCLA-led Global Investor Coalition on Workplace Mental Health.

The Global Investor Coalition on Workplace Mental Health was launched in July 2022 with 29 founding supporters and representing \$7 trillion in assets under management.⁶⁶ At the end of 2025, the coalition's statement had 55 investor signatories with a combined \$10 trillion in assets under management. Given the level of engagement we are already seeing – both from companies covered by the benchmark and from investors – we are confident that the benchmark will continue to provide incentives for the world's largest businesses to improve.

AUSTRALIAN MENTAL HEALTH INDEX

In July 2025, we agreed a sub-licence agreement with the Australian Council of Superannuation Investors to launch a baseline mental health assessment focusing on the 20 largest Australian-listed companies, using CCLA's Corporate Mental Health Benchmark framework. This development marks an exciting step change in the benchmark's momentum. The results will be shared with the benchmarked companies in Q1 2026 and a company ranking will be published.



Public policy engagement

At CCLA, public policy engagement is a key tool for tackling systemic risks that threaten to undermine societal and economic stability in the long term. We actively collaborate with regulators, legislators and civil society to advocate for policies that promote corporate accountability, social justice and environmental sustainability.

The purpose of engagement with policymakers is to cultivate a more progressive landscape for companies to operate within. Our efforts focus on areas where voluntary corporate action has proven insufficient, such as business and human rights, modern slavery, and climate action.

Through our public policy engagement, we aim to shape regulatory frameworks that raise minimum standards across markets. This work is grounded in our belief that healthy markets require healthy communities, and that responsible investors have a duty to help build the policy infrastructure necessary for both to thrive.

Better work policy engagement

Theme: Work - Living Wage

Approach: Investor statement

In October 2025, we added our support to an investor statement, 'Advancing living wages at the Second World Summit for Social Development, a collective call to action to UN member states'.⁶⁷ The statement was developed by the Platform Living Wage Financials together with Harvard University, IDH, Unilever, Shift, UN Global Compact, the World Benchmarking Alliance and the World Business Council for Sustainable Development. It asserts the importance of social sustainability, living wages and living incomes for vulnerable people in UN member states. The statement calls for member states and companies to address the issue of living wages in order to align with the UN Guiding Principles on Business and Human Rights but also to foster efforts to attain the UN Sustainable Development Goals.

Theme: Work - modern slavery

Approach: Sovereign engagement (UK)

In March 2025, we led a delegation of investors to meet Daniel Zeichner, the then Minister of State for Food Security and Rural Affairs, to discuss the risks of modern slavery in UK agriculture. At the meeting, we supported the position of Professor Brian Bell, chair of the Migration Advisory Committee, who has highlighted issues with the seasonal agriculture visa scheme, which exposes seasonal workers to a greater risk of forced labour and labour abuse.⁶⁸ We shared the work that we have been doing with the Seasonal Worker Scheme Taskforce, a multi-stakeholder body formed by the supermarkets and the Department for Environment, Food and Rural Affairs (Defra) to ensure that supermarkets operationalise the Employer Pays Principle in the UK agriculture sector. CCLA sits on the taskforce to bring the investor voice to the discussion. For more detail, see the case study on page 34.

Theme: Work - modern slavery

Approach: Sovereign engagement (UK)

In 2024, we were invited by the UK Home Office to take part in its Forced Labour Forum, a group of stakeholders from business, civil society, academia and trade unions. Through this forum, we were heavily involved in a series of meetings with the Home Office and its consultants over several months in 2024-2025. Our involvement coincided with the drafting of updated statutory guidance on the 2015 Modern Slavery Act's transparency in supply chains provisions.

In March 2025, the Home Office published new statutory guidance on transparency in supply chains. This new guidance adopted many of the metrics in the CCLA Modern Slavery Benchmark (see the case study on page 35 for further details).⁶⁹

We will continue to engage with the Forced Labour Forum in 2026.

Theme: Work – modern slavery

Approach: Sovereign engagement (UK)

In July 2025, the Joint Committee on Human Rights, consisting of 12 members appointed from both the House of Commons and the House of Lords, published a new report on forced labour in UK supply chains.⁷⁰ This influential committee has a mandate to examine matters relating to human rights in the UK and to scrutinise every government Bill for its compatibility with human rights.⁷¹

Earlier in the year, we had submitted joint evidence to the committee with Rathbones and our knowledge partner Walk Free Foundation.⁷² We were delighted to see that the committee's report reflected many of our advocacy points and cited CCLA multiple times. This indicates that our work on modern slavery and forced labour – encompassing our collaborative engagement programme, Find it, Fix it, Prevent it, and our modern slavery benchmarks – is increasingly being recognised, not only by business but also in Parliament.

Theme: Work – modern slavery

Approach: Sovereign engagement (UK)

In March 2025, Dame Sara Thornton met with Baroness May of Maidenhead, the chair of the Global Commission on Modern Slavery and Human Trafficking, to share CCLA's work on modern slavery. The commission is an international initiative launched in 2023 to exert high-level leverage to restore momentum towards achieving target 8.7 in the UN Sustainable Development Goals (to end forced labour, modern slavery and human trafficking).

The commission has a diverse global membership and leadership, with representation from both the Global South and the Global North. It operates independently of any government or international organisation and aims to complement and amplify existing international collaborations on modern slavery and human trafficking.

In the meeting, Dame Sara updated Baroness May on the work of CCLA and the role of investors in engaging companies on modern slavery. Dame Sara and Baroness May also discussed the need for the UK to update the 2015 Modern Slavery Act and the need for the introduction of a proportionate, risk-based approach to mandatory human rights due diligence.

Theme: Work – modern slavery

Approach: Sovereign engagement (UK)

In February 2025, Dame Sara Thornton met with UK Home Office minister Jess Phillips – in her role as Minister for Safeguarding and Violence Against Women and Girls – to share CCLA's latest modern slavery benchmarks and to advocate for the need for stronger legislation. The minister is responsible for the government's response to modern slavery. Dame Sara updated the minister on CCLA's work to tackle modern slavery, sharing that investors support well-designed regulation that requires businesses to undertake human rights due diligence. Dame Sara and Ms Phillips also discussed the benefits of forced labour bans, such as the US Uyghur Forced Labor Prevention Act 2021 and the EU Forced Labour Regulation.

Theme: Work – modern slavery

Approach: Sovereign engagement (UK)

In October 2025, CCLA hosted a roundtable on modern slavery and exploitation in the construction sector attended by Jess Phillips (Minister for Safeguarding and Violence Against Women and Girls) and Sam Ulyatt (CEO of Crown Commercial Services). Construction continues to rank among the highest-risk sectors for modern slavery and labour abuses.

As one senior official noted, construction operates in many ways like a gig economy, where constant subcontracting entrenches precarity and limits workers' ability to effectively report abuses. The roundtable involved 70 stakeholders, with significant participation from the sector, investors, civil society and government. A full write-up is available on our website.⁷³

Theme: Work – modern slavery

Approach: Sovereign engagement (UK)

In September–October 2025, Dame Sara Thornton attended the Labour Party conference to speak at an event hosted by the Ethical Trading Initiative on the need for due diligence legislation. Dame Sara provided an investor perspective on a panel with the general secretary of the Trades Union Congress, the corporate relations director of Princes Group and the CEO of Anti-Slavery International. This was a timely debate as the government is currently reviewing its guidance on responsible business conduct and ministers have expressed a desire to raise standards.

Theme: Work – modern slavery

Approach: Sovereign engagement (Taiwan)

In June 2025, we co-signed a letter to the Taiwanese Ministry of Economic Affairs.⁷⁴ The letter was drafted by First Sentier Investors in Australia and sent on behalf of the investor coalition Investors Against Slavery and Trafficking Asia Pacific (IAST-APAC), the sister initiative of CCLA's Find it, Fix it, Prevent it. The letter called on the Taiwanese government to align its regulations and laws governing modern slavery, forced labour and protection of its sizeable migrant worker population with growing international expectations on forced labour and human rights.

Theme: Work – modern slavery and contemporary forms of forced labour

Approach: Policy consultation (United Nations)

In April 2025, we wrote to Professor Tomoya Obokata, special rapporteur on contemporary forms of slavery at the Office of the United Nations High Commissioner for Human Rights, in a joint submission with international human rights group Walk Free.⁷⁵ This responded to a call for input for a report being written by Tomoya Obokata, 'A/80/182: The role of financial sector actors in eradicating contemporary forms of slavery' for the UN General Assembly 80th session.

We provided evidence on the function of the finance sector in eliminating contemporary forms of slavery, emphasising investors' important role in the value chain, highlighting our role as stewards of assets, and sharing the work of our Find it, Fix it, Prevent it initiative and Modern Slavery Benchmark. Our submission was cited frequently in the report 'The role of financial sector actors in eradicating contemporary forms of slavery' and Find it, Fix it, Prevent it was described as an 'encouraging collaborative effort'.⁷⁶

Theme: Work – responsible business conduct and mandatory human rights due diligence

Approach: Sovereign engagement (UK)

In June 2025, the government's new trade strategy was published. It stated that 'all UK businesses should respect human rights and the environment in line with the OECD Guidelines on Multinational Enterprises, UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Multinational Enterprises' and that 'businesses should conduct risk-based human rights and environmental due diligence'.⁷⁷ As part of the strategy, the government announced a review of its approach to ensuring responsible business conduct, focusing on the global supply chains of businesses operating in the UK and the formation of a new Office for Responsible Business Conduct (ORBC).

In the autumn we wrote to Peter Kyle, Secretary of State for Business and Trade, in support of proposed human rights due diligence legislation. The letter was supported by 19 investors with £1.4 trillion in assets under management. In the letter, we stressed that the UK needs to follow its nearest trading partners in the European Union and create some proportionate, risk-based mandatory human rights due diligence legislation. Rather than being anti-competitive, this form of legislation would create a level playing field for business.

Meanwhile, also in December, Dame Sara Thornton attended a ministerial roundtable on responsible business conduct with Chris Bryant, Minister of State for Trade Policy. This invitation-only event was with a small group of business leaders (from companies such as Associated

British Foods, M&G, Sky and Tesco) and CEOs of civil society organisations (such as the Ethical Trading Initiative, the Fairtrade Foundation and the Independent Anti-Slavery Commissioner's Office). The group was convened to discuss the appetite among business and investors to align responsible business conduct requirements with the European Union, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct – and to discuss the technicalities of what this might involve.

On 16 December, following a request from the ORBC, we convened a consultation roundtable for investors as part of the ORBC's review of responsible business conduct. We had a rich discussion with a group of 17 investors and await further updates.



“We have an agreement in principle.
The question is, do we all have the same principles?”

Better environment policy engagement

Theme: Environment – climate

Approach: Policy consultation

(via the IIGCC UK Policy Working Group)

Participation in the Institutional Investors Group on Climate Change (IIGCC) UK Policy Working Group allowed us to contribute to a wide range of climate-related policy submissions throughout 2025. These included:

- responses on a UK green taxonomy
- a consultation by the Department for Energy Security and Net Zero on transition plan requirements
- a consultation by the Department for Business and Trade on the forthcoming UK Sustainability Reporting Standards
- IIGCC publications on sector decarbonisation roadmaps
- written evidence to the Treasury Select Committee's inquiry on the National Wealth Fund
- an analysis of recent European Commission papers on the energy transition in the steel and metals sectors
- responses to the International Sustainability Standards Board's consultation on amendments to the SASB Standards.

For more information, see the case study on page 61.

Theme: Environment – climate

Approach: Investor statement

In January 2025 we signed the collaborative 'Investor joint statement on Omnibus legislation'.⁷⁸ This was coordinated by the UN Principles for Responsible Investment (PRI), the Institutional Investors Group on Climate Change and Eurosif in response to the European Commission's proposed legislative changes to key parts of the European Union's sustainable finance framework – specifically, the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

The PRI investor joint statement called on the European Commission to preserve the integrity and ambition of the European Union's sustainable finance framework, warning against weakening disclosure and accountability requirements.

Theme: Environment – climate

Approach: Investor statement

In April 2025 we endorsed a statement coordinated by the French Sustainable Investment Forum calling on European companies to prepare and implement credible climate transition plans. This investor and business joint statement on climate transition plans highlighted the importance of ongoing dialogue with stakeholders and encouraged companies to present their plans for a shareholder vote.⁷⁹

Theme: Environment – climate

Approach: Policy consultation (United Nations)

In June 2025 we co-signed a joint submission to the Financial Accounting Standards Board (FASB), which sets US accounting standards, in response to its agenda consultation, a periodic process where the FASB asks investors and other stakeholders which topics it should prioritise in its future standard-setting. The submission encouraged stronger disclosure of climate-related assumptions in company accounts, which would apply to companies that report under the US Generally Accepted Accounting Principles. This includes US-listed companies and others either required to or choosing to use these standards.

Theme: Environment – climate

Approach: Policy consultation (United Nations)

In November 2025 we contributed to an IIGCC consultation response on the UK government's proposal to change the inflation indexation for the Renewables Obligation (RO) and Feed-in Tariffs (FiT) schemes. The RO and FiT schemes are long-standing UK support mechanisms that guarantee revenue for renewable energy projects, helping to make investments bankable. The government proposed shifting these schemes' inflation link from the Retail Prices Index to the Consumer Prices Index. This potential change raises concerns about policy stability in the UK and could undermine investor confidence in the renewables market. The response advocated for maintaining predictable, stable support terms for existing projects.

Theme: Environment - climate

Approach: Investor statement

In December 2025 we signed a statement, 'Strengthening Europe's industrial edge: a business roadmap for resilience and competitiveness', coordinated by the University of Cambridge Institute for Sustainability Leadership as part of the Clean Industrial Deal initiative.⁸⁰ The statement calls on EU leaders to strengthen policies that support clean industrial transformation and long-term competitiveness ahead of discussions on their 2040 emissions target.

Theme: Environment - deforestation

Approach: Investor letter

In September 2025 we supported a letter, coordinated by the IIGCC, which was sent to senior officials in the European Commission and the German government. The letter reaffirmed investor backing for a strong and effective framework for companies on deforestation

but raised concerns that a proposed 'zero risk' classification, allowing certain products or regions to be treated as automatically compliant, could create ambiguity and weaken consistent supply chain monitoring. We followed this up by agreeing to co-sign an IIGCC investor letter to Kerry Group asking the company to clarify and publicly disclose its position on the Regulation on Deforestation-Free Products.

Theme: Environment - microfibre pollution

Approach: Investor letter

In October 2025, we co-signed a private letter, sent to the Secretary of State for Environment, Food and Rural Affairs, coordinated by the Investor Coalition on Microfibre Pollution (of which we are a member). The letter requested a meeting to discuss the financial and ecological risks of microplastic pollution from domestic washing machines. It highlighted the problem and encouraged government action through practical regulatory measures requiring microfibre filters to be fitted in washing machines.



“The easy part is reducing emissions and building climate resilience. The hard part is that all the stakeholders need to coordinate and cooperate for years.”

Better health policy engagement

Theme: Health – human capital

Approach: Policy consultation

In July 2025, we attended an investor roundtable, hosted by the International Sustainability Standards Board (ISSB), seeking input from investors on a potential new SASB human capital standard.

The SASB Standards enable organisations to provide industry-relevant disclosures about sustainability-related risks and opportunities that could affect their cash flows, access to finance, or cost of capital over the short, medium or long term. They are used in over 3,200 companies in more than 80 jurisdictions around the world.⁸¹ The roundtable represented a significant opportunity for us to influence global reporting standards in this critical area. We emphasised the importance of disclosure on various human capital measures, including physical and mental health support systems. We are awaiting a decision on whether the ISSB plans to move forward with this standard.

Theme: Health – nutrition

Approach: Investor statement

In August 2025, we added our support to an investor statement on robust mandatory nutrition disclosure and target-setting.⁸² This followed earlier UK policy announcements – part of the government’s 10-Year Health Plan for England – to introduce mandatory healthy food sales reporting for all large companies in the food sector and to set targets to increase the healthiness of sales.

The statement, coordinated by ShareAction, the Food Foundation and the Investor Coalition on Food Policy (of which CCLA is a member), asked the government to swiftly mandate robust metrics and ambitious target-setting, and to implement a credible enforcement mechanism.

A small number of investors, including CCLA, are due to meet with the Department for Business and Trade and HM Treasury in early 2026 to discuss this theme.

See the case study on page 73 for further details.

Theme: Health – nutrition

Approach: Policy consultation

In November 2025, we responded to a consultation on proposed revisions to the SASB Standards on processed foods.⁸³ The changes would enhance existing metrics, with the aim of better reflecting shifting consumer preferences and regulatory pressures, such as sugar taxes and warning labels.

We broadly welcomed the proposed changes but drew attention to certain problematic areas, such as the inclusion of pet food, which has no obvious bearing on human health. We also suggested enhancements in certain areas, including nutrition governance.

Theme: Health – pollution

Approach: Policy consultation

In February 2025, we met technical staff at the ISSB to discuss proposed changes to SASB Standards for the extractives and minerals-processing industry. The invitation came as a result of a project on air pollution that we commenced in 2024. The ISSB team was seeking investor input on the specific pollutants considered significant from a health perspective.

Particulate matter (PM) consists of a variety of chemical compounds, some of which are toxic. Very small PM – in particular, measuring less than 2.5 micrometres in diameter (PM2.5) – can enter the bloodstream via the lungs and be transported around the body, lodging in the heart, brain and other organs. It is increasingly being linked to multiple serious health conditions.⁸⁴

Previously, the SASB Standards included air quality metrics for relevant industries, but PM2.5 was not included. At the meeting, we made the case for a specific PM2.5 metric to be included for extractives and minerals-processing companies.

In September, IFRS Sustainability duly published proposed amendments to the SASB Standards, which included a measure for PM2.5. The proposed revised standards then underwent a consultation process, to which we responded.⁸⁵ We hope that the change will be retained in the final output.



Our voting record

We believe that it is in our clients' best interests to vote on all company resolutions, both domestic and overseas, and we aim to do so whenever possible.^{xx}

We have a bespoke voting template, administered by proxy voting provider ISS, through which we aim to promote good standards of corporate governance and to reflect the underlying values of our clients.⁸⁶

Our voting guidelines are updated annually. Our full voting record is published quarterly on our website⁸⁷ and a summary of our voting activity is included in each of our clients' quarterly reports.

2025 in numbers

123 shareholder meetings voted at

22 countries voted in

93 meetings where we withheld support for at least one director

2,176 proposals voted on

Voting escalation principles

When used well, voting can be a powerful driver of change. To maximise our positive impact, we observe the following escalation principles:

- 1 We vote as a house and seek to exercise our clients' voting rights at all investee companies, irrespective of their country of listing.** By default, our voting position is applied to all portfolios under our management. Clients with discretionary mandates can select alternative policies, though this is rarely done.
- 2 We aim to write to all companies, ideally prior to their annual general meeting (AGM), to explain our voting position.** In our experience, anonymous, unsubstantiated voting has little effect. We also use our voting position to complement our wider stewardship work.
- 3 We hold responsible parties to account for areas within their control and not for areas that they cannot control.** For example, voting against the re-election of an auditor where we have concerns about its independence penalises the wrong party. A company's audit committee chair is responsible for selecting an auditor and should be held accountable.

^{xx} It may be impractical to vote in certain circumstances – for example, in markets that adopt the practice of share blocking (banning the sale of shares from the date that the vote is filed until the shareholder meeting) or where power-of-attorney requirements result in prohibitively expensive associated costs. In such instances, we may choose not to vote.

4 Where progress is found wanting, we are not afraid to escalate. Where we identify a concern – for example, inappropriate executive remuneration – we will first vote against the remuneration policy or report, then against the chair of the remuneration committee, and finally against the entire remuneration committee (in extreme cases, we do so in the year the issue is first identified).

5 We expect directors to respond to shareholders. We vote against a director’s re-election where we have had an unsatisfactory outcome to sustained engagement and voting activity.

2025 proxy voting record

During 2025, we voted on 2,176 resolutions at 134 company meetings across 123 companies.

We take a strong position on excessive and poorly aligned executive remuneration proposals and continue to hold directors accountable for their actions, including where there is a lack of gender diversity in company leadership. The table below sets out our three-year voting record.

Our three-year voting record

	2025 (%)	2024 (%)	2023 (%)
All resolutions			
Abstain	1.1	0.7	1.3
Against	19.3	17.2	16.3
For	79.5	82.1	82.4
Executive remuneration†			
Abstain	0.7	1.2	8.0
Against	85.2	80.9	74.1
For	14.1	17.9	17.8
Director election			
Abstain	2.1	0.5	1.0
Against	19.5	19.2	19.3
For	78.4	80.3	79.8

‘Withheld’⁸⁸ votes are included within votes ‘Against’. Some of the groups do not sum to 100% due to rounding.

†The executive remuneration figures do not include votes at companies where the board is wholly composed of non-executive directors.



WHAT IS VOTING?

Voting by shareholders is a governance mechanism that allows investors to participate in key decisions affecting a company. Our aim when voting is to promote exemplary corporate governance and to reflect the underlying values of our client base.

Voting on the election of directors

Every public company should be headed by an effective board that can both lead and control the business, nurturing its long-term success. Although board structures vary by jurisdiction, they typically comprise an independent chair, executive directors, a senior independent (or lead) director and non-executive directors.

Shareholders are responsible for electing board members. When we vote, we look for the following positive attributes in a company’s board:

- The roles of chair and CEO should be held by separate individuals. If one person fills both roles, the board’s ability to exercise judgement independent of management is diminished.
- The board should have an appropriate level of independence from its management team (i.e. independent non-executive directors should hold the majority of seats on a company’s board) and from controlling shareholders.
- Board members should have a clean track record, proven competence and appropriate experience. They should also stand for re-election annually.

In our voting position, we look to target relevant directors by withholding support for their election. For example, if the company has a poor approach to gender diversity at board and sub-board level, we vote against the chair of the nomination committee.

In 2025, we did not support the re-election of 205 directors, some for multiple reasons. The table below shows where we withheld support for directors during the year, and our reasons for doing so.

Our reasons for withholding support for directors, 2025 vs 2024

Reason for withholding support for the election of a director	2025		2024	
	Number of dissenting votes	Percentage of dissenting votes	Number of dissenting votes	Percentage of dissenting votes
Audit	40	18.8	47	18.1
Remuneration	58	27.2	78	30.0
Diversity	47	22.1	76	29.2
Governance	26	12.2	47	18.1
Investment performance	1	0.5	9	3.5
Other	41	19.2	3	1.2
	213		260	

The 2024 percentages do not sum to 100% due to rounding.

Example:

Diversity – Ashtead Group

We voted against the entire nomination committee of Ashtead Group due to a lack of diversity at board and senior management level. The company’s overall gender diversity at board level fell short of our requirements, while the senior positions – CEO, CFO, chair and senior independent director – were all occupied by men. Sub-board diversity was even lower, with only 22% of senior management roles occupied by women.

Example:

Investment performance – Oakley Capital Investments

Throughout the year, we engaged in multiple meetings and calls with Oakley Capital Investments to address concerns regarding both performance and board composition. A key issue was the appointment of Peter Dubens as a non-executive director, given not only his significant shareholding but also his partial ownership of the investment manager (see page 23). The voting outcome suggests our concerns were shared more broadly, as 35% of shareholders opposed Mr Dubens’s reappointment.

Voting on diversity

We believe that shareholders’ interests are best represented by a diverse board of directors. We also believe that promoting diversity of leadership is the right thing to do. A demographically and cognitively diverse board is more likely to represent the composition of a company’s employees, customers and suppliers.

Diversity may also help a company to identify and respond to market shifts and changes in consumer expectations more effectively than a homogeneous board. Where boards lack adequate diversity, the risk of groupthink rises, debate is stifled and the status quo remains unquestioned. There is also a greater likelihood that new appointments will be based on factors other than merit.

We use the following diversity criteria:

- In the UK, adequate board diversity is considered to be a minimum of 33% female.⁸⁹ We believe that larger companies should have more progressive governance structures. Accordingly, for companies in the main developed market indices, we require 40% female directors. For more detail, see the [CCLA proxy voting guidelines](#).⁹⁰
- On ethnic diversity, we follow the recommendations of the Parker Review and require one director from an ethnic minority background for companies in the main developed market indices.⁹¹

- We also consider the composition of a company’s senior management team, requiring at least 40% female directors for large UK companies and at least two female directors for overseas companies.

Where any of these criteria are not met, we begin by voting against the chair of the nomination committee. If progress is not made, we escalate by voting against every nomination committee member.

Example:

Board level – Thermo Fisher Scientific

For the largest UK- and US-listed companies (defined as FTSE 350 and S&P 500 companies), we require at least one of the following roles to be occupied by a female: an executive position and/or chair of at least one of the audit, remuneration or nomination committees. As this was not the case at Thermo Fisher Scientific, we voted against the nomination committee chair.

Example:

Senior management

While board composition at the following companies did not raise concerns, the lack of diversity at senior management level did: Bunzl, Experian, ICG, Kainos Group, RELX, Rightmove and Unite Group.

Voting on executive remuneration

An executive director’s remuneration package should be structured such that their interests are aligned with the long-term interests of the company (and those of its shareholders). While pay should be sufficient to attract, motivate and retain accomplished executives, excessive remuneration can deplete shareholder value.

To prevent interest misalignment, pay structures should be simple and explicitly linked to the long-term objectives of the company – for example, via share ownership.

Executive remuneration should also be linked to both long- and short-term performance targets. These targets should be easy to understand, straightforward to measure and disclosed in the remuneration report. Underperformance against the targets should not be rewarded.

We assess and vote on all executive remuneration proposals according to the following principles:

- Remuneration schemes should not breach good local practice.
- Bonuses should be proportionate and not excessive.
- Long-term incentives should outweigh any short-term bonuses.
- Remuneration schemes should incentivise good conduct.
- Non-financial (and financial) performance metrics should be incorporated.
- Executive remuneration should not exacerbate inequality within the company.

The table below sets out the factors that contributed to us withholding support for remuneration reports or policies in 2025. Note that some remuneration packages triggered multiple principles and are counted more than once.

Reasons for votes against remuneration reports in 2025

	Number of dissenting votes	Percentage of dissenting votes
Local market good practice breached	23	10.1
Excessive or disproportionate annual bonus	73	32.2
Annual bonus exceeds long-term incentives	10	4.4
Non-financial or environmental, social and governance (ESG) indicators not incorporated	34	15.0
Remuneration package may breach a given threshold	61	26.9
UK large or mid-cap company not a Living Wage employer	12	5.3
Other*	14	6.2
	227	

The percentages do not sum to 100% due to rounding. Some remuneration packages triggered multiple principles and are counted more than once. *The category of ‘other’ includes poor disclosure of targets, concerns over pension contributions that are out of kilter with either the market or the wider staff base, and year-on-year double-digit salary increases that ratchet performance pay without a corresponding increase in performance metrics.

Example:**Excessive bonus – Informa**

In 2025, the CEO and finance director of Informa received salary increases that exceeded those awarded to the wider workforce. Combined with higher long-term incentive plan (LTIP) award opportunities, this significantly raised these individuals' maximum potential remuneration. Moreover, the LTIP awards granted in April 2025 were calculated at a temporary share price low, resulting in a disproportionately large number of shares compared to the prior year. This raised concerns about potential windfall gains and further heightened the issue of excessive remuneration.

Example:**Absence of non-financial performance indicators**

For several years, we have encouraged the use of appropriate non-financial performance indicators within remuneration metrics, alongside more traditional financial indicators. This year, for carbon-intensive industries, we have specifically looked for the inclusion of climate metrics within the overall remuneration package. The lack of these resulted in us voting against the remuneration report at Broadcom, Synopsys and Texas Instruments.

HOW DOES OUR VOTING COMPARE TO OTHERS'?

Our voting guidelines are administered by proxy voting provider ISS, which works to a bespoke CCLA template.

In 2025, the application of our template led us to oppose over four times as many management proposals as the standard ISS recommendations. We did not support management proposals on 20.2% of occasions. If we had applied the vote recommendations in ISS's standard template, this would have reduced to 4.6%.

Our record on addressing issues with executive remuneration best illustrates our template's impact. While ISS recommended support for 83.1% of remuneration report or policy votes, we supported just 14.1%, as shown in the table below.

	ISS standard recommendation		CCLA template	
	With management recommendation (%)	Against management recommendation (%)	With management recommendation (%)	Against management recommendation (%)
All resolutions	95.3	4.7	79.2	20.2
Executive remuneration	83.1	16.9	14.7	84.9
Director election	96.9	3.1	78.4	21.6

The percentages do not sum to 100% due to rounding.

Voting on climate

Climate change is a critical issue for investors. We view it as the single largest threat to our planet, ecosystems and communities. At a minimum, we expect all company boards to make an explicit commitment to align their company strategy with the nationally determined contributions associated with the Paris Agreement.

A company's report and accounts should specify how it will deliver on its climate commitments, including any changes in operations and associated capital expenditure. The company should set interim targets and report on its progress.

On climate grounds, we can vote against the re-appointment of a company's auditors, against the chair of the audit committee, against the re-election of the CEO, against the board chair, against the remuneration report, and – in extreme circumstances – against all board members. See our [voting guidelines](#) for full details.⁹²

Example:

Rio Tinto

Rio Tinto has incorporated material climate-related matters into its financial statements in a way that aligns with its broader reporting. However, we believe the company could strengthen its disclosure of its quantitative climate-related assumptions and estimates. That said, in recognition of the progress the company has made in recent years, we adjusted our vote on the audit committee chair from opposition to abstention.

Example:

Prudential*

We do not believe that Prudential has adequate policies in place regarding the financing of fossil-fuel expansion. We therefore voted against the re-election of the CEO.

Example:

Procter & Gamble

The company operates within a carbon-intensive industry. We noted with concern the absence of climate-related financial guidance in both the auditor's report and the company's financial statements. As a result, we chose not to support the auditors' reappointment.

WHAT DO TRENDS IN 2025 SHAREHOLDER PROPOSALS TELL US ABOUT CHANGING INVESTOR PRIORITIES?

The 2025 proxy voting season evidenced clear shifts in shareholder sentiment around sustainability-related themes. This was most likely in response to mounting political scrutiny – particularly in the United States – and a rapidly changing regulatory environment.

In the United States, the number of shareholder proposals saw a marked decrease, from 709 in 2024 to 470 in 2025.⁹³ This came from recent changes to US Securities and Exchange Commission guidance that have made it more difficult for shareholders to file proposals (see page 36 for more information).

Support for the proposals that made it onto the ballot paper was muted. Support from institutional investors at US companies fell below 25%, reaching its lowest level in nine years.⁹⁴ Core governance issues received the highest backing from institutional investors, with broader environmental and social proposals attracting only minimal support.⁹⁵

By contrast, the number of proposals filed outside the United States grew marginally year on year.⁹⁶

*Not held in CCLA portfolios as at 31 December 2025.

Key votes supporting our engagement activity

Our voting guidelines are designed to complement our main engagement themes, both for resolutions proposed by management – such as director elections and remuneration proposals – and for shareholder proposals.

This can be reflected in both positive and negative vote outcomes:

- **39** companies where engagement priorities contributed to our negative vote
- **14** companies where our negative vote was overridden due to positive engagement.

Example: Rio Tinto

In every company, the CEO holds ultimate responsibility for ensuring the effective implementation of climate change policy. In line with our Good Investment framework (see page 4), we assessed Rio Tinto's progress using the Transition Pathway Initiative carbon performance indicator, specifically the 'projected decarbonisation pathway'. According to this assessment, the company's mining operations are not aligned with what is required to restrict warming to 2 °C when measured by carbon intensity (tonnes of carbon dioxide equivalent per tonne of copper equivalent).

Rio Tinto's copper operations contribute approximately 14.6% of its total underlying EBITDA (earnings before interest, taxes, depreciation and amortisation). While this segment is expanding, it continues to account for only a small share of the company's overall emissions. From 2023 to 2024, Rio Tinto's total emissions declined modestly, primarily due to operational reductions, though its scope 3 emissions (see page 57) increased slightly. Taking these factors into account, we opted to override our default 'against' position and instead abstained on the vote relating to the re-election of the CEO.

Example: Zurich Insurance Group

We believe that the financial sector has an important role to play in addressing climate change. Where we have concerns about a company's approach in this area, we will withhold support from both the CEO and the Audit Committee chair. Given Zurich Insurance Group's continued underwriting of oil and gas expansion and its poor Reclaim Finance score, we took the decision to vote against the re-election of these two appointments.

Example: Amazon

We have filed shareholder proposals at Amazon on its approach to freedom of association for the past three years. Facing a more challenging environment for filing proposals in 2025, we instead voted against Edith Cooper, chair of the Leadership Development and Compensation Committee.

Ms Cooper is responsible for overseeing the company's approach to human capital management. Our vote against her election reflects our continued concerns about the company's current strategy and approach to freedom of association and collective bargaining.

Example: AstraZeneca

AstraZeneca is one of the companies assessed and ranked annually in the CCLA Corporate Mental Health Benchmark – Global 100+ and has been evaluated on its mental health disclosures for four consecutive years. Despite an open dialogue with the company, it has slipped down the ranking steadily since its first assessment, with its score deteriorating more than that of any company in the benchmark since 2022.⁹⁷ We reflected our concern via a vote against the re-election of Pascal Soriot, the company's CEO.

Annual general meeting attendance

AGMs provide investors with direct access to the key individuals at listed companies, typically – at least – the chair, CEO, company secretary and chief finance officer (or equivalents). AGMs are an important accountability mechanism for shareholders. Attendance at such events can be a useful lever for influencing companies' priorities and management decisions. We attended four AGMs in 2025, set out below.

Example:

Nestlé

Date: 16 April
Location: Lausanne, Switzerland
Theme: Nutrition

Nestlé, headquartered in Vevey, Switzerland, is the world's largest food and beverage company, with a global presence across nearly every category of nutrition and wellness. Its key global brands include Gerber, Häagen-Dazs, KitKat, Maggi, Nescafé, Nespresso, Perrier and Purina.

AGM strategy

We attended the AGM to reinforce the asks in a letter that we had sent earlier in the month on behalf of the \$21 trillion investor coalition Investors in Nutrition and Health. We lead the group of investors in this coalition that wish to engage with Nestlé on the findings of the Access to Nutrition index. At the AGM, we asked the CEO to prioritise this engagement and to galvanise his teams into action in making Nestlé a leader in nutrition. Following the AGM, we received an invitation to visit the company's research and development site in Lausanne, Switzerland (see page 72 for more detail).

Example:

Unilever

Date: 30 April
Location: London, UK
Theme: Climate

Unilever is a British multinational consumer goods company headquartered in London, operating in over 190 countries, with a diverse portfolio of food, beverage, cleaning and personal-care brands. Key brands include Domestos, Dove, Hellmann's, Knorr and Persil.

AGM strategy

We asked the chair, Ian Meakins, how climate risk is reflected in Unilever's financial planning and audit oversight. This is an issue we have raised with the company before: it formed part of our long-running engagement as Climate Action 100+ co-lead investors. Mr Meakins explained that the board considers a range of risk assessments covering sustainability and climate matters. He also confirmed that the Audit Committee chair would meet with us to discuss its oversight in more depth. This meeting took place later in the year.

Example:
O'Reilly Automotive

Date: 15 May
Location: Virtual
Theme: Climate

O'Reilly Automotive is a leading specialty retailer and distributor of automotive aftermarket parts, tools, supplies, equipment and accessories, headquartered in Missouri, United States. The company operates more than 6,000 stores across North and South America.

AGM strategy

At the O'Reilly Automotive virtual AGM in May, we continued our engagement after meeting company representatives earlier in the month. We asked whether O'Reilly Automotive would bring its climate-related reporting closer to the financial cycle, as the company's 2024 environmental, social and governance (ESG) report is not expected until September 2025. The company did not take the question, and only the proponent of a shareholder resolution was heard. A later written reply said O'Reilly Automotive does not plan to change its timetable but will keep the matter under review, and that it believes its timing aligns with that of its peers. This was a missed opportunity for broader shareholder participation at the AGM.

Example:
McDonald's

Date: 20 May
Location: Virtual
Theme: Modern slavery

McDonald's, headquartered in Illinois, United States, is the world's largest fast food restaurant company. It operates over 41,000 restaurants in more than 119 countries worldwide.

AGM strategy

We attended the AGM to follow up on Dame Sara Thornton's article in *The Times* (London) alleging that the response of McDonald's to cases of modern slavery in Cambridge restaurants - reported by the BBC in 2024 - was inadequate.⁹⁸ We wished to understand whether remedy had been provided to survivors and what form that had taken. We were disappointed that McDonald's did not respond to our question, which we had posted online via its shareholder portal.



“We can do ANYTHING if we all pull together!”

Appendix 1: 2025 engagement record

The following table includes direct engagement, all CCLA-led collaborative engagement and third-party-led engagement where we have portfolio holdings.

Company	CCLA portfolio as at 31 Dec 2025	Better work		Better health		Better environment	
		Modern slavery	Living wage and worker rights	Mental health	Nutrition	Climate	Bio-diversity and nature
3i Group	No	▼ ■				■	
Abbott Laboratories	Listed equity	■		■		▲ ■	
AbbVie	No	■		■			
Aberdeen Group	No	▼ ■					
ABN Amro Bank	Counterparty					■	
Accenture	No	■		■		★ ▲ ■	
Admiral Group	Listed equity	▲ ■	★	■		▲ ■	
Adobe	No	■		■		▼	
Advanced Micro Devices	No	★ ■		■			
Agilent Technologies	Listed equity					■	
Agricultural Bank of China	No	■					
AIA Group	No			▲ ■		★ ▲	
Airbus	No	■					
Airtel Africa	No	▲ ■				■	
Alibaba	No	■		■			
Allianz	No	■		■			
Alphabet	Listed equity	★ ■		■		★ ▲ ■	
Amazon	Listed equity	■	■	■		■	
American Express Co	No	■		■			
Ametek	Listed equity					■	
Amey	No	■					
Amgen	No	■		■			
Anglo American	No	■		■		■	
Ansys	No					▼ ■	
Antofagasta	No	■		■		■	
Apple	No	★ ■		■			
Applied Materials	No			■			
Arthur J. Gallagher	Listed equity					■	
Ashtead Group	Listed equity	■	★	■		■	
ASML Holding	Listed equity	■		▲ ■		▲ ■	
Associated British Foods	No	★ ■		▼ ■		■	
AstraZeneca	Listed equity	■	★	▼ ■		★ ■	■
AT&T	No	■		▼ ■			
Australia and New Zealand Banking Group	Counterparty					■	
Auto Trader Group	No	▲ ■	★			▲ ■	
Automatic Data Processing	Listed equity					■	
Avantor	No					■	
Aviva	No	▼ ■		★ ▲ ■		▲ ■	

Key: ★ Met engagement target ▲ Improved ▼ Deteriorated ■ Engaged/met ■ Acknowledged ■ No response

Company	CCLA portfolio as at 31 Dec 2025	Better work		Better health		Better environment	
		Modern slavery	Living wage and worker rights	Mental health	Nutrition	Climate	Bio-diversity and nature
B&M European Value Retail	No	■		■			
Babcock International Group	No	■		■		■	
BAE Systems	No	■		★ ■		■	
Bakkavor Group	No			■			
Balfour Beatty	No	■		★ ■			
Bank of America	Listed equity	■		■		■	
Bank of China	No	■					
Bank of Montreal	Counterparty					■	
Bank of New York Mellon	Counterparty					■	
Bank of Nova Scotia	Counterparty					■	
Barclays	Counterparty	▲ ■		★ ■		■	
Barratt Redrow	No	■				■	
Beazley	No	■				■	
Bellway	No	■					
Berkeley Group Holdings	Listed equity	▲ ■				★ ▲ ■	
Berkshire Hathaway	No			■			
BHP Group	No	■		■			
BlackRock	No	■		■			
Blackstone Group	No	■					
BNP Paribas	Counterparty					■	
Boeing	No			■			
Booking Holdings	Listed equity	■		■			
Boston Scientific	No	■		■			
BP	No	▲ ■		★ ■		■	
Bristol Myers Squibb	No			▼ ■			
British American Tobacco	No	★ ■		■		■	
British Land	No	■					
Broadcom	Listed equity	■		■		■	
BT Group	No	■		★ ■		■	
Bunzl	No	■	■	■		▲ ■	
Burberry Group	No	★ ▲ ■					
Bouygues Travaux Publics	No	■					
Canadian Imperial Bank of Commerce	Counterparty					■	
Carnival	No	■		■			
Caterpillar	No	■		▼ ■			
Cembra Money Bank	Listed equity					■	
Centrica	No	■		★ ■		▲ ■	
Charles Schwab	No	■		■			
Chevron	No	■		■			
Chicago Mercantile Exchange	Listed equity					■	
China Construction Bank	No	■		■			
China Merchants Bank	No	■					
Cisco Systems	Listed equity	★ ■		■		■	
Citigroup	Counterparty			■		■	

Key: ★ Met engagement target ▲ Improved ▼ Deteriorated ■ Engaged/met ■ Acknowledged ■ No response

Company	CCLA portfolio as at 31 Dec 2025	Better work		Better health		Better environment	
		Modern slavery	Living wage and worker rights	Mental health	Nutrition	Climate	Bio-diversity and nature
Coats Group	No			■			
Coca-Cola Co	Listed equity	▲ ■		■	▲ ■	■	
Coca-Cola EuroPacific Partners	No					■	
Coca-Cola HBC	No	■		■		■	
Comcast	No	★ ■		■			
Commonwealth Bank of Australia	Counterparty	■		■		■	
Compass Group	Listed equity	■	★	■		■	
Computacenter	No			■			
ConocoPhillips	No	■		■			
Contemporary Amperex Technology Co	No	■					
Convatec Group	No	■		■		■	
Costain	No	■					
Costco	No	★ ■		■			
Cranswick	No			■			
Crédit Agricole Corporate and Investment Bank	Counterparty					■	
Crédit Industriel et Commercial	Counterparty					★ ■	
CRH	No	▼ ■					
Croda International	No	▲ ■	★			■	
Currys	No			■			
CVS Group	No		■				
CVS Health	No			■			
Danaher	Listed equity	■		■		■	
Danske Bank	Counterparty					■	
DBS Group	Listed equity					■	
DCC	No	■		■		■	
Deere & Co	Listed equity			▼ ■		▲ ■	
Deutsche Börse	Listed equity					▼ ■	
Deutsche Telekom	No	■					
Diageo	Listed equity	■	★	★ ■		▲ ■	
Diasorin	Listed equity					■	
Diploma	No	■	■			▼ ■	
Direct Line Insurance Group	No			▼ ■			
discoverIE Group	No		■			■	
DNB Bank	Listed equity					■	
Dunelm Group	No			■			
easyJet	No	■		▼ ■		■	
Eaton Corporation	No	■		■			
Eli Lilly and Co	No	■		▼ ■			
Endeavour Mining	No	■				■	
Entain	No	■		★ ■		■	
Epiroc	Listed equity					★ ▲ ■	
EssilorLuxottica	Listed equity					▲ ■	
Experian	Listed equity	▼ ■	★	★ ■		■	

Key: ★ Met engagement target ▲ Improved ▼ Deteriorated ■ Engaged/met ■ Acknowledged ■ No response

Company	CCLA portfolio as at 31 Dec 2025	Better work		Better health		Better environment	
		Modern slavery	Living wage and worker rights	Mental health	Nutrition	Climate	Bio-diversity and nature
Exxon Mobil	No	■		■			
Ferrari	Listed equity	■					
Ferrexpo	No			■			
Firstgroup	No			■			
Flutter Entertainment	No	■					
Fortinet	Listed equity					■	
Frasers Group	No	■		■			
Fresnillo	No	▲ ■				■	
Galliford Try	No	■					
Games Workshop	No	■				■	
GE Aerospace	No	■		■			
Genuit Group	No	■	■			▲	
Genus	No		■				
Gilead Sciences	No	■					
Glencore	No	■		■		■	
Goldman Sachs Group	No	■		■			
Grafton Group	No			■			
Greencore Group	No			■			
Greggs	No			▲ ■		▲ ■	
GSK	No	▼ ■		■		■	
Haleon	No	■		▲ ■		■	
Halma	No	■	■			■	
Handelsbanken	Counterparty					■	
Harbour Energy	No	■					
Hays	No			★ ▲ ■			
HDFC Bank	Listed equity	■		■		■	
Hermès International	Listed equity	■		■		▲ ■	
Hexagon	No					■	
Hikma Pharmaceuticals	No	■				■	
Hiscox	No	■				■	
Home Depot	Listed equity			■		▲ ■	
Honeywell International	No	■		■			
Howden Joinery Group	No	▲ ■		■		■	
HSBC Holdings	Counterparty	■		★ ■		■	
Ibstock	No	■					
ICG	Listed equity	■	★			■	
Icon	No					■	
IG Group	No	■					
IMI	No	■		■		■	
Imperial Brands	No	★ ■		■		■	
Inchcape	No			▼ ■			
Inditex	No	■					
Industrial and Commercial Bank of China	No	■					
Informa	Listed equity	■	★	■		■	

Key: ★ Met engagement target ▲ Improved ▼ Deteriorated ■ Engaged/met ■ Acknowledged ■ No response

Company	CCLA portfolio as at 31 Dec 2025	Better work		Better health		Better environment	
		Modern slavery	Living wage and worker rights	Mental health	Nutrition	Climate	Bio-diversity and nature
ING Group	Listed equity					■	
Ingersoll Rand	Listed equity					■	
Intel	No			▼ ■			
Intercontinental Exchange	Listed equity					■	
InterContinental Hotels Group	Listed equity	★ ▲ ■	▲ ■	■		■	
International Business Machines	No	★ ■		▲ ■			
International Airlines Group	No	■		■		■	
International Distribution Services	No			★ ▲ ■			
Intertek Group	No	▲ ■	★	▲ ■		▲ ■	
Intuit	Listed equity	■		▲ ■		■	
Intuitive Surgical	No	■		■			
Investec	No	▲ ■					
ITV	No	■					
J D Wetherspoon	No			■			
J Sainsbury	No	★ ■		★ ■		■	
JD Sports Fashion	No	■		■		■	
John Wood Group	No			■			
Johnson & Johnson	Listed equity	■		■		▼ ■	
Johnson Matthey	No			■			
JPMorgan Chase	Counterparty	■		■		■	
Kainos Group	Listed equity		■			■	
KBC Bank	Counterparty					■	
Keller Group	No	■		▲ ■			
Kerry Group	Listed equity					▲ ■	
Keyence	Listed equity					■	
Kier Group	No	■		■			
Kingfisher	No	★ ■		■		■	
KKR & Co	No	■					
Land Securities Group	No	■				■	
Legal & General Group	No	■		★ ▲ ■		■	
Linde	No	■		■			
Lloyds	Counterparty	■		★ ■		■	
Lockheed Martin	No	■					
London Stock Exchange Group	Listed equity	▲ ■	★	■		★ ▲ ■	
LondonMetric Property	No	■				■	
L'Oréal	Listed equity	■		■		■	■
Lowe's Companies	No			▲ ■			
LVMH Moët Hennessy Louis Vuitton	No	■		■		★ ▲ ■	
M&G	No	▼ ■				■	
Mace Group	No	■					
Marks & Spencer Group	No	★ ■		▲ ■		■	
Marsh & McLennan Companies	Listed equity					■	
Marshalls	No	■					
Mastercard	Listed equity	■		▼ ■		■	
McDonald's	Listed equity	■		■	■	■	■

Key: ★ Met engagement target ▲ Improved ▼ Deteriorated ■ Engaged/met ■ Acknowledged ■ No response

Company	CCLA portfolio as at 31 Dec 2025	Better work		Better health		Better environment	
		Modern slavery	Living wage and worker rights	Mental health	Nutrition	Climate	Bio-diversity and nature
Medtronic	Listed equity			■		■	
Meituan	No			■			
Melrose Industries	No	▲ ■		■		■	
Merck & Co	No	★ ■		▲ ■			
Meta	No	■		■			
Microsoft	Listed equity	★ ■		■		■	
Mitchells & Butlers	No			■			
Mitie Group	No			■			
Mitsubishi UFJ Financial Group	Counterparty	■		■		■	
Mizuho Bank	Counterparty					■	
Mobico Group	No			▲ ■			
Mondi	No	■		■		■	
Morgan Sindall Group	No	■				■	
Morgan Stanley	No	■		▲ ■			
Munich Re Group	Listed equity					■	
National Australia Bank	Counterparty					■	
National Bank of Canada	Counterparty					■	
National Grid	No	■		★ ▲ ■		■	
NatWest Group	Counterparty	■		★ ■		■	
Nestlé	Listed equity	■		▲ ■	■	▲ ■	
Netflix	Listed equity	■		■			
NEXT	No	★ ■		★ ▲ ■		■	
NextEra Energy	No			■		▲	
NiCE Systems	No					■	
NIKE Inc	No			▼ ■			
Nordea Bank	Counterparty					■	
Novartis	No	★ ■		★ ▲ ■			
Novo Nordisk	No	■		■		▼ ■	
NVIDIA	No	■		■			
NXP Semiconductors	Listed equity					■	
Ocado Group	No	▲ ■		★ ▲ ■			
Oracle	No	■		■			
O'Reilly Automotive	Listed equity					▲ ■	
Oversea-Chinese Banking Corporation	No					■	
Palantir Technologies	No	■					
Partners Group	Listed equity					■	
PayPal Holdings	No			■			
PDD Holdings	No	■		■			
Pearson	No	■		■		■	
PepsiCo	No	■		■			
Pernod Ricard	No					★ ▲ ■	
Persimmon	No	■				■	
PetroChina Co	No	■					
Pfizer	No	■		▼ ■			

Key: ★ Met engagement target ▲ Improved ▼ Deteriorated ■ Engaged/met ■ Acknowledged ■ No response

Company	CCLA portfolio as at 31 Dec 2025	Better work		Better health		Better environment	
		Modern slavery	Living wage and worker rights	Mental health	Nutrition	Climate	Bio-diversity and nature
Philip Morris International	No	■		★ ▲ ■			
Phoenix Group	No	▲ ■				■	
Procter & Gamble	Listed equity	■		▲ ■		▲ ■	
Progressive	No			■			
Prudential	No	■	■	★ ▲ ■		★ ▲ ■	
Qualcomm	No	■		■			
Reckitt Benckiser Group	Listed equity	★ ■	★	■		■	
Recordati	Listed equity					▲ ■	
Reliance Industries	No	■		■			
RELX	Listed equity	■	★	■		■	
Rentokil Initial	No	▲ ■		▲ ■		■	
RHI Magnesita	No	■		▲ ■			
Rightmove	No	■	★			■	
Rio Tinto	Listed equity	▼ ■	▲ ■	★ ▲ ■		★ ▲ ■	
Roche Holding	Listed equity	■		★ ■		▲ ■	
Rolls-Royce Holdings	No	▲ ■		■		■	
Roper Technologies	Listed equity					■	
Royal BAM	No	■					
Royal Bank of Canada	Counterparty	■		■		■	
RTX	No	■		■			
S&P Global	Listed equity	■		■		▼ ■	
Sage Group	Listed equity	▲ ■	★	■		★ ■	
Salesforce	No	■		■			
Samsung Electronics	No	★ ■		■			
Sanofi	No	■		▲ ■			
Santander Group	Counterparty					■	
SAP	No	★ ■		■			
Saudi Aramco	No	■					
Savills	No			■			
Schneider Electric	Listed equity	★ ■		■		★ ▲ ■	
Schroders	No	▲ ■				■	
SEGRO	Infrastructure holding	■				■	
Serco Group	No			★ ■			
ServiceNow	Listed equity	■		■		▲ ■	
Severn Trent	No	▼ ■				▲ ■	
SGS	Listed equity					■	
Shell	No	■		★ ■		■	
Shopify	No			■			
Siemens	Listed equity	■		▲ ■		★ ▲ ■	
Skandinaviska Enskilda Banken	Counterparty					■	
Skanska	No	■					
SMBC Group	Counterparty					■	
Smith & Nephew	No	■		■		■	
Smiths Group	No	▲ ■		▲ ■		■	

Key: ★ Met engagement target ▲ Improved ▼ Deteriorated ■ Engaged/met ■ Acknowledged ■ No response

Company	CCLA portfolio as at 31 Dec 2025	Better work		Better health		Better environment	
		Modern slavery	Living wage and worker rights	Mental health	Nutrition	Climate	Bio-diversity and nature
Société Générale	Counterparty					■	
Softcat	No	■					
Sonic Healthcare	Listed equity					■	
Sony Group	No	■		■			
Spirax Group	No	▲ ■	■	★ ▲ ■		■	
Spire Healthcare Group	No			■			
SSE	No	■		■		▲ ■	
SSP Group	No			■			
St. James's Place	No	▲ ■				■	
Standard Chartered	Counterparty	▲ ■		▲ ■		■	
Stryker	Listed equity	■		■		■	
Sumitomo Mitsui Trust Bank	Counterparty					■	
Synopsys	Listed equity					■	
Tata Consultancy Services	No	■					
Taylor Wimpey	No	■				■	
Tencent Holdings	No	■		■			
Tesco	No	★ ■		▼ ■		■	
Tesla	No	■		■			
Texas Instruments	Listed equity	■		■		■	
Thermo Fisher Scientific	Listed equity	■		▼ ■		■	
TI Fluid Systems	No			■			
TJX Companies	Listed equity	■	■	■		■	
T-Mobile US	No			■			
Toronto-Dominion Bank	Counterparty			★ ■		■	
TotalEnergies	No	★ ■		★ ■			
Toyota Motor	No	■		■			
Tradeweb Markets	Listed equity					■	
Trane Technologies	Listed equity					★ ▲ ■	
TransUnion	Listed equity					■	
Travis Perkins	No			▼ ■			
Tritax Big Box REIT	Infrastructure holding	▲ ■					
TSMC	Listed equity	■		▲ ■		★ ■	
Uber Technologies	No	■		■			
UBS	Counterparty					■	
Unilever	Listed equity	■	▼	★ ■	■	★ ▲ ■	
Union Pacific	No			■		▲ ■	
Unite Group	No	■				■	
UnitedHealth Group	No			■		▼	
United Overseas Bank	Counterparty					■	
United Parcel Service	No			■			
United Utilities Group	No	■				■	
Universal Music Group	Listed equity					▼ ■	
Verizon Communications	No	■		■			
Vertex Pharmaceuticals	No	■					

Key: ★ Met engagement target ▲ Improved ▼ Deteriorated ■ Engaged/met ■ Acknowledged ■ No response

Company	CCLA portfolio as at 31 Dec 2025	Better work		Better health		Better environment	
		Modern slavery	Living wage and worker rights	Mental health	Nutrition	Climate	Bio-diversity and nature
Vesuvius	No			■			
Vinci	No	■					
Visa	Listed equity	■		■		■	
Vistry Group	No	■					
Vodafone Group	No	■		★ ▲ ■		■	
Volution Group	No	■	■			▼ ■	
Walmart	No			■			
Walt Disney Co	No	■		■			
Watches of Switzerland	No		★			★ ▲ ■	
Wates Group	No	■					
Weir Group	No	■		★ ▲ ■		■	
Wells Fargo & Co	No	■		▼ ■			
Westpac Banking Corporation	Counterparty					■	
WH Smith	No			■			
Whitbread	No	■		▲ ■		■	
Wilmott Dixon	No	■					
Wise	No	■					
Wolters Kluwer	No					■	
WPP	No	■		■		■	
Zoetis	Listed equity					■	■
Zurich Insurance Group	Listed equity					■	

Key: ★ Met engagement target ▲ Improved ▼ Deteriorated ■ Engaged/met ■ Acknowledged ■ No response

Appendix 2: Shareholder proposals

The table below shows CCLA's 'for' votes in 2025.
All of these votes took place at annual general meetings.

Company name	Meeting date	Proposal	Environment	Social	Governance
Visa	28 January	Amend bylaws to adopt a new director election resignation governance guideline			■
Visa	28 January	Report on lobbying payments and policy	■		
Deere & Co	26 February	Report on a civil rights audit		■	
Deere & Co	26 February	Report on effectiveness of efforts to create a meritocratic workplace		■	
Agilent Technologies	13 March	Declassify the board of directors			■
Novo Nordisk*	27 March	Approve proposal regarding regulated working conditions at construction sites		■	
Rio Tinto	3 April	Shareholder-requisitioned resolution that the company instigates an independent review into the possible unification of the dual-listed structure into a single Australian-domiciled holding company and publishes the results of that review			■
Synopsys	10 April	Submit severance agreement to shareholder vote			■
Texas Instruments	17 April	Reduce ownership threshold for shareholders to call special meeting			■
Johnson & Johnson	24 April	Submit severance agreement to shareholder vote			■
Johnson & Johnson	24 April	Oversee and report human rights impact assessment		■	
Coca-Cola Co	30 April	Report on food waste management and targets to reduce food waste	■		
Coca-Cola Co	30 April	Issue third-party assessment of safety of non-sugar sweeteners		■	
S&P Global	7 May	Amend clawback policy			■
Union Pacific*	8 May	Amend clawback policy			■
IDEX	8 May	Report on company's hiring practices with respect to formerly incarcerated people		■	
Stryker	8 May	Report on political contributions and expenditures			■
Alexandria Real Estate Equities	13 May	Adopt simple majority vote			■
O'Reilly Automotive	15 May	Amend clawback policy			■
McDonald's	20 May	Disclose an assessment of current climate transition plans	■		
Zoetis	21 May	Amend right to call special meeting			■
Thermo Fisher Scientific	21 May	Amend right to call special meeting			■

Key: ■ CCLA voted in favour of the resolution

*Not held in CCLA portfolios as at 31 December 2025.

Company name	Meeting date	Proposal	Environment	Social	Governance
Amazon	21 May	Adopt mandatory policy separating the roles of CEO and board chair			■
Amazon	21 May	Commission third-party assessment of board oversight of human rights risks of AI		■	
Amazon	21 May	Report on unethical use of external data in development of AI products		■	
Amazon	21 May	Commission independent audit and report on warehouse working conditions		■	
Amazon	21 May	Disclose all material scope 3 emissions	■		
Amazon	21 May	Report on impact of data centers on climate commitments	■		
Amazon	21 May	Report on efforts to reduce plastic packaging	■		
Home Depot	22 May	Require independent board chair			■
Home Depot	22 May	Disclose a biodiversity impact and dependency assessment	■		
Home Depot	22 May	Report on efforts to reduce plastic use	■		
ServiceNow	22 May	Amend bylaws regarding right to cure purported nomination defects			■
ServiceNow	22 May	Amend right to call special meeting			■
Fortinet	13 June	Require independent board chair			■
Mastercard	24 June	Oversee and report on a racial equity audit		■	
Mastercard	24 June	Report on discrimination risks of affirmative action initiatives		■	
Ansys*	27 June	Provide right to act by written consent			■
Procter & Gamble	14 October	Report on efforts to reduce plastic use	■		
Microsoft	5 December	Human rights risk assessment		■	
Microsoft	5 December	Report on risks of operating in countries with significant human rights concerns		■	
Microsoft	5 December	Report on risks of using artificial intelligence and machine learning tools for oil and gas development and production		■	

Key: ■ CCLA voted in favour of the resolution

*Not held in CCLA portfolios as at 31 December 2025.

Appendix 3: Investors supporting CCLA engagement

We aim to mobilise the investment industry into action. Here we summarise institutional investor support for CCLA stewardship initiatives as at the end of 2025.

Company name	Find it, Fix it, Prevent it	Mental health
Aberdeen Group	■	
Achmea		●
Adrian Dominican Sisters, Portfolio Advisory Board	■	■
Alken Asset Management		●
Alliance Bernstein	■	
Allianz Global Investors		■
Alquity Group		■
Anchorage Capital Partners		■
AON	■	
Arabesque Asset Management		■
Artemis Funds	■	
Asset Value Investors		■
AustralianSuper	■	
Aviva	■	
Barrow Cadbury Trust	■	
Bible Society	■	
Bon Secours Mercy Health		■
Border to Coast	■	
Boston Common Asset Management	■	●
Brunel Pension Partnership	■	●
Canada Life Asset Management	■	
Cardano Asset Management		●
Castlefield Investment Partners	■	●
CCLA Investment Management	■	●
Central Finance Board of the Methodist Church	■	●
Church Commissioners for England	■	●
Church Investors Group	■	
Church of England Pensions Board	■	
CMA Impact Inc		■
Congregation of St. Joseph		■
CQS (UK) LLP		●
Daughters of Charity, Province of St. Louise		■
De Nieuwe Beurskoers	■	
EdenTree	■	
EOS at Federated Hermes (on behalf of its stewardship clients)	■	●
Epworth Investment Management	■	●
Ethical Partners Funds Management		●
Evelyn Partners	■	●
Federated Hermes Limited	■	●
Fidelity International	■	

Key: ● Founding signatory ■ Signatory as at 31 December 2025

Company name	Find it, Fix it, Prevent it	Mental health
First Sentier Investors		●
Fondo Cometa		●
Friends Fiduciary		●
Friends Provident Foundation	■	
Future Group		●
GAM Investments	■	
Guy's and St Thomas' Foundation		■
IEIR		■
Impax Asset Management		■
Interfaith Center on Corporate Responsibility	■	●
J. Stern & Co		■
Jesuits in Britain	■	●
JLens Network		●
KLP Kapitalforvaltning AS	■	
Lazard Asset Management	■	
Legal Education Foundation	■	
LGT Wealth Management	■	
Lindsell Train	■	
Liontrust		■
Local Authority Pension Fund Forum	■	
Local Government Pension Scheme Central	■	
M&G	■	
Medical Mission Sisters	■	
Mercy Investment Services, Inc.	■	●
Miller/Howard Investments		■
NEI Investments		■
Nomura Asset Management		●
Allstad (The Norwegian Church Endowment)	■	
Pension Protection Fund	■	■
PIRC	■	
Quilter Cheviot	■	
Railpen	■	●
Rathbones	■	
Rathbone Greenbank Investments		●
Region VI Coalition for Responsible Investment		■
Royal London Asset Management		■
Sarasin & Partners	■	
Schroders	■	
SHARE (Shareholder Association for Research & Education)	■	■
Sisters of St. Francis, Dubuque, Iowa		●
Sisters of the Humility of Mary		●
Huisarts & Pensioen		■
Sycomore Asset Management		■
TAM Asset Management		■
The Archbishops' Council	■	
The Church of Scotland Investors Trust	■	
The Diocese of Westminster	■	
The Episcopal Church in Scotland	■	

Key: ● Founding signatory ■ Signatory as at 31 December 2025

Company name	Find it, Fix it, Prevent it	Mental health
The Representative Church Body of the Church in Wales	■	
The Representative Church Body of the Church of Ireland	■	
The Salvation Army International: UK and Ireland Territory	■	
The United Reformed Church Trust	■	
The William Leech Foundation	■	
Titan Wealth Holdings		■
TrinityBridge		■
Vancity Investment Management		■

Key: ● Founding signatory ■ Signatory as at 31 December 2025



“You’ve got to want to change.”

Appendix 4: Governance and our portfolios

Corporate governance is the system by which companies are directed and controlled. A board of directors is responsible for the governance of a company. The role of shareholders is to appoint the directors and auditors to satisfy themselves that an appropriate governance structure is in place.

Good corporate governance generally requires the following:

- a well-functioning board that can both lead and control the business, nurturing its long-term success
- effective sub-committees (reporting to the board): nomination, remuneration and audit (and risk)
- executive remuneration that aligns the interests of the directors with the long-term interests of the company and its shareholders.

We believe that companies with poor management or weak corporate governance represent a risk to investment performance. For this reason, we have developed a process that includes quantitative and qualitative analysis to identify and avoid companies with weak governance.

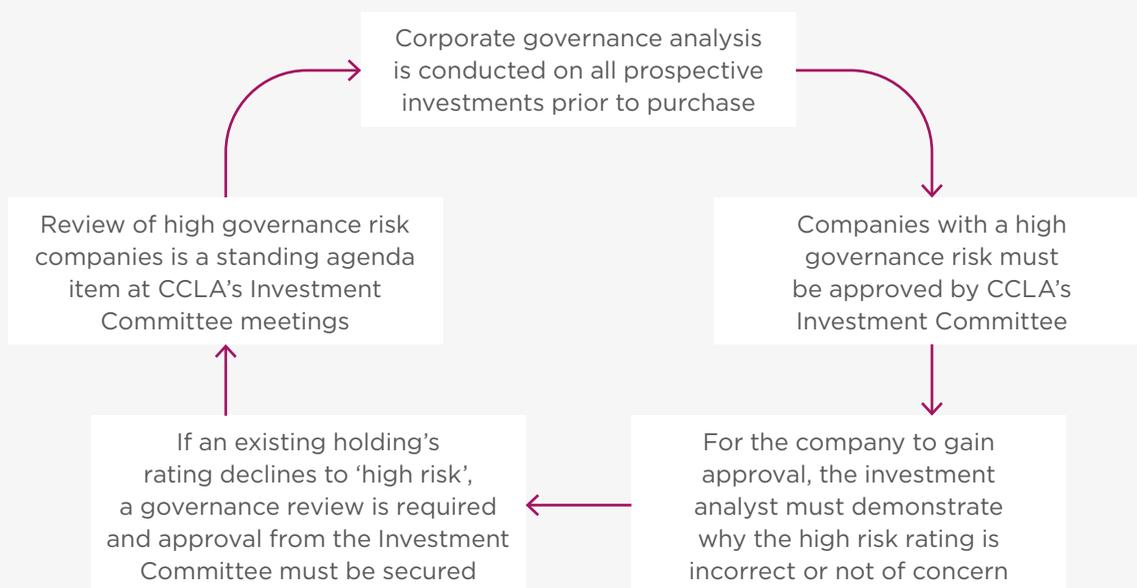
Governance evaluation process

We use a bespoke quantitative corporate governance rating tool, designed to assess companies' board structure, ownership, accounting practices and management capabilities.

The box opposite details what each theme assesses and how these themes are weighted. A secondary, qualitative overlay (see below) allows us to identify strengths and weaknesses in a company's governance structure and how these evolve over the life of the holding.

CORPORATE GOVERNANCE AND THE INVESTMENT PROCESS

Governance evaluation is an integral part of our investment process for listed equities and operates as follows:



OUR GOVERNANCE EVALUATION PROCESS

We score and weight companies on the following themes:

15% capital stewardship

Assesses the quality of management and its ability to generate cash and manage growth

35% board composition

Assesses the quality of the individuals, their independence and their track record

15% accounting

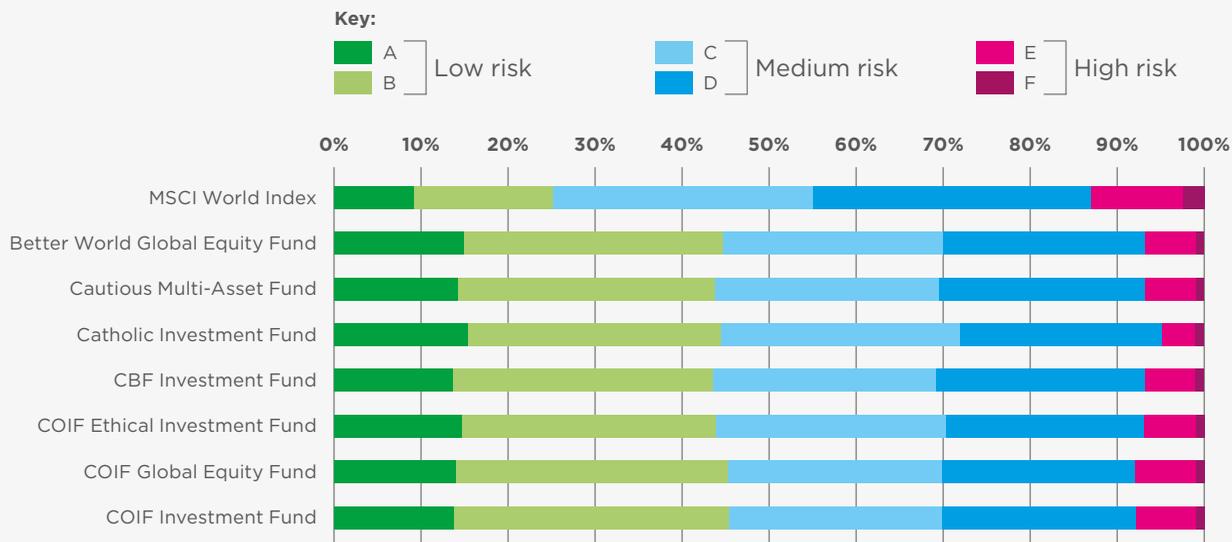
Assesses the quality of the company's financial statements and its accounting

35% shareholder rights

Assesses the ownership structure of the company

OUR PROPRIETARY GOVERNANCE RATING

Using a proprietary quantitative corporate governance rating tool, we award all companies a governance rating from A (best) to F (worst). High-risk companies (i.e. those rated E or F) are not permissible investments without the approval of CCLA's Investment Committee.



The comparison against the MSCI World Index is for information purposes only. The governance ratings only apply to listed equities held in each fund (listed equities excludes investment trusts and other collective investment schemes). Not all listed equity holdings in the funds are included in the MSCI World Index. The funds' data is reweighted to 100% for comparison purposes.

Source: Sustainalytics, UBS HOLT and CCLA, as at 31 December 2025.

Appendix 5: Climate pledge and portfolio carbon footprint

Our climate pledge

At CCLA, we believe that climate change is a systemic risk to the global economy. Unmitigated, it poses a significant financial risk not only to the value of our clients' investments over the long term but also to our collective way of life.

While our approach may differ from that of other parts of the industry, we remain committed to achieving net-zero emissions on the listed equities within our portfolios by no later than 2050.^{xxi} We believe that this requires us to take care in asset selection and to use our tools as an investor to incentivise an accelerated energy transition.

We are committed to playing our part in developing an approach to managing the risks and opportunities associated with climate change, reflecting the need for urgent action and the role we see for ourselves as a catalyst for change in our industry.

Commitment to net zero

The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net-zero greenhouse gas emissions.⁹⁹ As a founding member, we commit to managing our listed equity investments to a carbon footprint that is below a decreasing maximum ceiling.

Our approach to setting targets is based on the scientific findings of the Intergovernmental Panel on Climate Change (IPCC) special report 'Global warming of 1.5 °C'¹⁰⁰ and the United Nations Environment Programme (UNEP) 'Emissions gap report 2020',¹⁰¹ combined with the information contained in various investor networks. In developing these targets, we seek to acknowledge the systemic nature of climate change and the developing nature of the science and methodologies used to determine how

SETTING NET-ZERO TARGETS



Source: MSCI and CCLA as at 31 December 2025.

^{xxi} Listed equities are share or stock holdings in companies that are tradeable on public markets. In this appendix, when referring to listed equities, we exclude listed collective vehicles (such as investment trusts, whose primary business is to invest in other companies to generate a profit) and only refer to individual companies (whose primary business is to provide a service or sell a product to generate a profit).

to achieve global alignment on a maximum temperature change of 1.5 °C. The chart opposite illustrates our approach.

The first, and upper, threshold is a non-linear decarbonisation rate representing a 7.6% per annum emissions reduction. This is aligned with the European Union's requirements for benchmarks aligned with the 2015 Paris Agreement and is derived from the UNEP gap report, using 2018 as the base year. The second, more ambitious threshold is derived from the reductions required to approximately halve global emissions by 2030 and reach net zero by 2050, as set out in the IPCC special report, also using 2018 as the base year. We have altered the trajectory to represent a combination of example pathways in the IPCC special report so as to ultimately target a 50% reduction in emissions by 2025.

The shaded area between these two decarbonisation rates reflects that the definition and development of scenarios aligned with the target warming limit of 1.5 °C are still evolving. We aim to use the best available methodology to determine an appropriate ceiling for our listed equity investments' emissions.

Additionally, we acknowledge that such targets are subject to recalculation on an ad hoc basis in the event of material developments in climate science and the underlying assumptions and methodologies of scenarios aligned with maximum warming of 1.5 °C. Such recalculations will ensure that targets remain representative of the best available science.

We will review our targets in the forthcoming year against new best practice set by the Institutional Investors Group on Climate Change's Net Zero Investment Framework. In line with the best available science on the impacts of climate change, we acknowledge that there is an urgent need to accelerate the transition towards global net-zero emissions and for asset managers to play a part to help deliver the goals of the Paris Agreement and ensure a just transition. For full details, see our report 'A climate for Good Investment'.¹⁰²

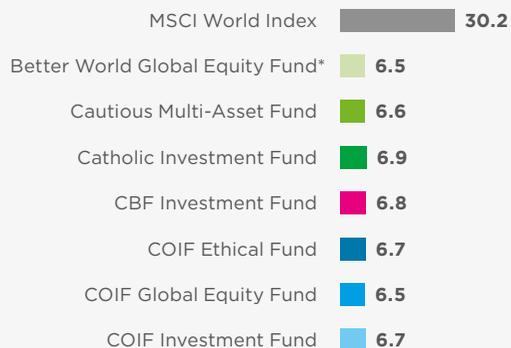


“I’d invite you back, but my planet’s a mess.”

FUND CARBON MEASUREMENTS

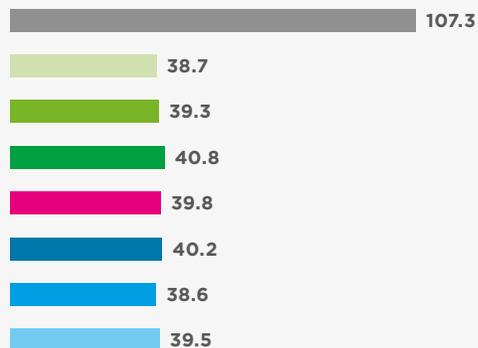
What is my portfolio's normalised carbon footprint per million dollars invested?

Carbon emissions
(tonnes CO₂e/\$m invested)



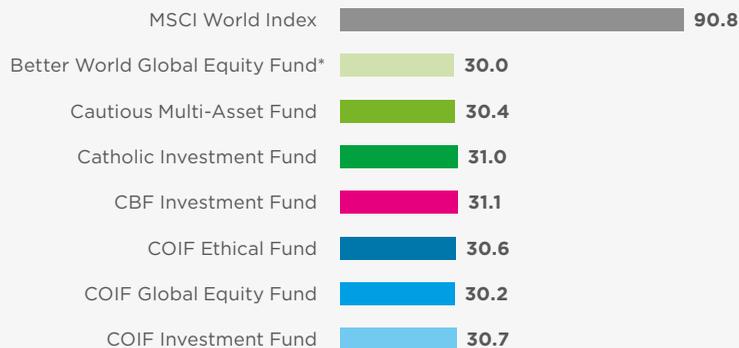
How efficient is my portfolio in terms of carbon emissions per unit of output?

Carbon intensity
(tonnes CO₂e/\$m sales)



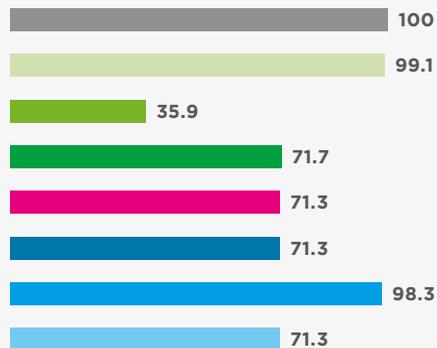
What is my portfolio's exposure to carbon-intensive companies?

Weighted average carbon intensity
(tonnes CO₂e/\$m)



How much of my portfolio is comprised of listed equities?

Coverage
(% of fund comprised of listed equities)



*CBF Global Equity Fund held in the CCLA Better World Global Equity Fund.

Source: MSCI ESG Manager, 31 December 2025. Fund metrics relate to equity holdings only and include scope 1 and 2 emissions (see page 57). CO₂e: carbon dioxide equivalent. All data refers to listed equity holdings only. In each case the equity section has been reweighted to 100% of holdings.

Appendix 6: Memberships and initiatives

We believe that collaborative action strengthens our engagement approach, as exemplified by our engagement collaborations and membership of key thematic initiatives. A full list is provided below.

Better work

Initiative	Lead organisation	CCLA role	Details
Advance	UN PRI	Lead investor on NextEra*	A collaborative initiative where institutional investors seek to advance human rights and positive outcomes for people through stewardship.
Advancing Worker Justice	ICCR	Member	A group that brings shareholder advocates and allied worker-led and worker-focused organisations together to advance dignity and justice for all working people in Canada and the United States.
Amazon co-filing group	SHARE, SOC Investor Group	Co-filer	A group that coordinates and exchanges information in relation to Amazon resolutions.
Equitable Global Supply Chains	ICCR	Member	A group that focuses on transforming global supply chains in a way that benefits all stakeholders but especially workers and their communities, who are vulnerable to wage theft and to exploitative and oppressive working conditions.
Find it, Fix it, Prevent it	CCLA	Founder and manager	An investor network collaborating to make investors more active in the fight against modern slavery.
Good Work Coalition	ShareAction	Member	An investor coalition campaigning to support living wages, tackling insecure work, and promoting diversity, equity and inclusion in the UK workforce.
Investor Alliance for Human Rights	Investor Alliance for Human Rights	Member	An alliance aimed at equipping the investment community with the expertise and opportunities to put into practice the investor responsibility to respect human rights.
Know the Chain	Business and Human Rights Centre	Advisory group of the Fair Food Program	A benchmark initiative on modern slavery.
Labour Rights Investor Network	UNI Global Union – Committee on Workers' Capital	Member	A global investor network focusing on the rights to freedom of association and collective bargaining. It acts as an education and exchange platform and a place to connect on issues related to freedom of association and collective bargaining.
Living Hours	Church Investors Group	Supporter	An initiative calling on companies to become accredited Living Hours employers by agreeing to provide stable minimum working hours, in addition to paying their staff the real Living Wage.
Platform Living Wage Financials	Vereniging van Beleggers voor Duurzame Ontwikkeling (VBDO)	Member of the Apparel and Footwear Working Group	An alliance of financial institutions that encourages and monitors investee companies to enable living wages and incomes in their global supply chains.
Sugar Supply Chain Engagement Steering Group	ICCR – Equitable Global Supply Chains	Member of steering group	A group of investors engaging with major international buyers of sugar.
Votes Against Slavery	Rathbones	Signatory	A group that aims to address the systemic nature of modern slavery by encouraging the highest standards of supply chain transparency at FTSE 350 companies.

*Not held in CCLA portfolios as at 31 December 2025.

Better environment

Initiative	Lead organisation	CCLA role	Details
Ceres and ICCR Banks Working Group	Ceres and ICCR	Member	A group that provides resources against which bank performance can be measured, with engagement then tailored to each financial institution.
Climate Action 100+	IIGCC, Ceres and UN PRI	Collaborative/ co-lead investor; founding member	An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters act on climate change.
Climate Change Programme	CDP	Signatory	A group focusing on the principle that measurement and disclosure are essential to the effective management of climate change risk.
Forests Programme	CDP	Signatory	A group focusing on the principle that addressing deforestation is critical to meeting the global ambition to prevent dangerous climate change.
Institutional Investors Group on Climate Change	IIGCC	Member	A group bringing the investment community together to work towards a climate-resilient future.
Nature Action 100	IIGCC	Member	A group conducting investor engagement to drive greater corporate ambition and action to reverse nature and biodiversity loss.
Net Zero Asset Managers Initiative	IIGCC	Signatory	An initiative aiming to support asset managers in advancing long-term net-zero alignment across portfolios.
Net Zero Engagement Initiative	IIGCC	Member; collaborative investor; signatory	An initiative aiming to help investors align more of their portfolio with the goals of the Paris Agreement.
Non-Disclosure Campaign	CDP	Signatory	A group focusing on companies that have never responded to CDP or have not responded in recent years.
Powering Past Coal Alliance	Powering Past Coal Alliance	Steering committee member	A coalition of national and subnational governments, businesses and organisations working to advance the transition from unabated coal power generation to clean energy.
Spring	UN PRI	Signatory; advisory committee member	A stewardship initiative for nature, addressing the systemic risks of biodiversity loss.
UK Policy Working Group	IIGCC	Member	A member-only forum that advises on and supports IIGCC's engagement with UK policymakers, covering both real-economy and sustainable-finance issues.
Water Programme	CDP	Signatory	A group focusing on the principle that water security is essential to tackling climate change. Companies are requested to disclose and reduce their impacts.

Better health

Initiative	Lead organisation	CCLA role	Details
Access to Medicine Foundation	Access to Medicine Foundation	Signatory	A group focusing on the principle that access to medicine, including the fair and equitable dissemination of medicines and vaccines, should be a significant business concern for global companies involved in the development, manufacturing or distribution of medicines.
Access to Nutrition initiative	Access to Nutrition Foundation	Signatory	An initiative that assesses how the world's 25 largest global food and beverage manufacturers are contributing to addressing malnutrition in all its forms.
Antimicrobial Resistance Benchmark	Access to Medicine Foundation	Signatory	A benchmark comparing how pharmaceutical companies are tackling the antimicrobial resistance crisis.
Business Benchmark on Farm Animal Welfare (and Global Investor Collaboration on Farm Animal Welfare)	Chronos Sustainability	Signatory	A benchmark that analyses the farm animal welfare policies, management systems, reporting and performance of 150 of the world's largest food companies.
FAIRR Initiative's investor network	FAIRR	Investor member	An investor coalition focused on environmental, social and governance (ESG) risks in the protein supply chains. It supports investors through research as well as by running collaborative engagements with the food industry.
Global investor coalition on workplace mental health	CCLA	Lead and signatory	A global investor coalition coordinated by CCLA to galvanise the investment community into action on corporate mental health.
Healthy Markets Initiative	ShareAction	Signatory	An initiative that asks companies to commit to producing healthier products and to make these products more available, affordable and accessible.
Investor Coalition on Food Policy	Food Foundation	Member	A coalition that engages with policymakers to advocate for well-designed regulation aimed at creating a healthier, more sustainable and more affordable food system.
Investor Statement on Technology, Mental Health and Well-being	AXA Investment Managers and Sycomore Asset Management	Signatory	A collaborative engagement initiative to help tech companies define policies and implement measures to mitigate the potential negative impacts of technology on their end consumers' mental health and wellbeing.
Long-term Investors in People's Health	ShareAction	Signatory	A broad coalition of investors coordinated and run by ShareAction to tackle major public health issues.

ICCR: Interfaith Center on Corporate Responsibility;
 IGCC: Institutional Investors Group on Climate Change;
 UN PRI: United Nations Principles for Responsible Investment.

Appendix 7: Industry recognition

While investing sustainably is a priority for many, evaluating the approach of institutional asset managers remains a challenge.

We recognise the importance of credible industry standards such as the UN Principles for Responsible Investment’s annual assessment process and the Financial Reporting Council’s UK Stewardship Code.

As we are a signatory to both, our approach is assessed regularly. The full results are available on our website.¹⁰³

UK Stewardship Code

We have been accepted as a signatory to the Financial Reporting Council’s UK Stewardship Code 2020.¹⁰⁴ The code sets out 12 principles that aim to establish high stewardship standards for those investing money on behalf of UK savers. See our website for our response for 2024-2025.¹⁰⁵

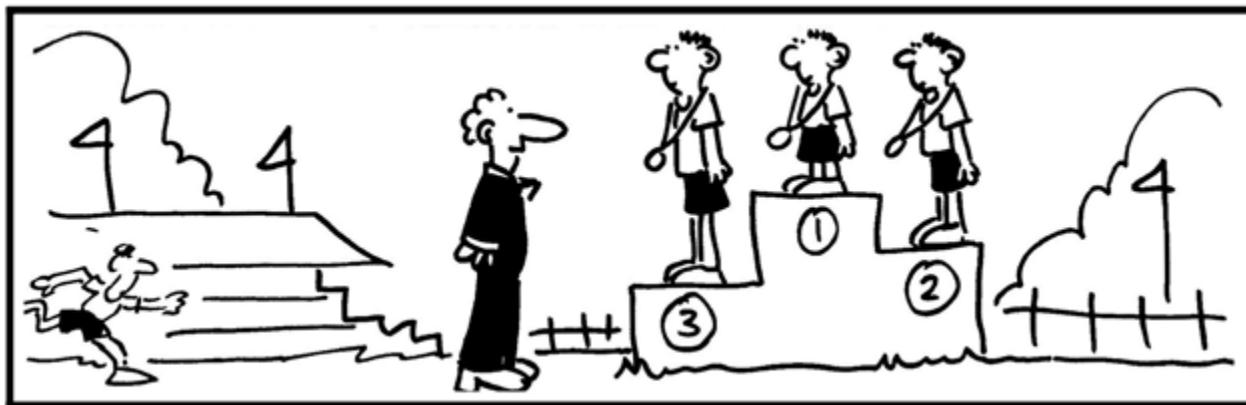
Principles for Responsible Investment

The United Nations-supported Principles for Responsible Investment is the world’s leading proponent of responsible investment.

CCLA’s ratings for 2025 are set out below and available on our website.¹⁰⁶

	CCLA rating (out of 5)	CCLA score (%)	Approx. median score (%)
Policy, governance and strategy	5	96	66
Direct - listed equity - other (how we integrate ESG in listed equity)	5	98	61
Direct - real estate (how we integrate ESG in property)	4	74	72
Confidence-building measures	4	80	80

ESG: environmental, social and governance.



Appendix 8: Standards, frameworks and initiatives

Following are further details on the major standards, frameworks and initiatives referenced throughout this report.

Standard, framework or initiative	Reference
Access to Medicine Foundation	See https://accesstomedicinefoundation.org
Access to Nutrition index (ATNi)	See https://accesstonutrition.org
Advance	Principles for Responsible Investment (2026), 'Advance', online at https://public.unpri.org/investment-tools/stewardship/advance
Advancing Worker Justice	Interfaith Center on Corporate Responsibility (2026), 'Advancing Worker Justice', online at www.iccr.org/advancing-worker-justice
Antimicrobial Resistance Benchmark	Access to Medicine Foundation (2026), 'Antimicrobial Resistance Benchmark', online at https://accesstomedicinefoundation.org/sectors-and-research/amr-benchmark
Business Benchmark on Farm Animal Welfare (and Global Investor Collaboration on Farm Animal Welfare)	See www.bbfaw.com
CCLA Corporate Mental Health Benchmark	CCLA (2026), 'Mental health', online at www.ccla.co.uk/mental-health
CCLA Modern Slavery Benchmark	CCLA (2026), 'Modern slavery', online at www.ccla.co.uk/sustainability/initiatives/modern-slavery
CDP	See www.cdp.net/en
Climate Action 100+	See www.climateaction100.org
Corporate Human Rights Benchmark	World Benchmarking Alliance (2026), 'Corporate Human Rights Benchmark', online at www.worldbenchmarkingalliance.org/benchmark/corporate-human-rights-benchmark
Corporate Sustainability Due Diligence Directive (CSDDD)	Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859, online at https://eur-lex.europa.eu/eli/dir/2024/1760/oj
Corporate Sustainability Reporting Directive (CSRD)	Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting, online at https://eur-lex.europa.eu/eli/dir/2022/2464/oj/eng
Deforestation Regulation	Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010, online at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02023R1115-20241226
Employer Pays Principle	Institute for Human Rights and Business (2025), 'The Employer Pays Principle', online at www.ihrb.org/projects/employer-pays-principle
Equitable Global Supply Chains	Interfaith Center on Corporate Responsibility (2026), 'Equitable Global Supply Chains', online at www.iccr.org/equitable-global-supply-chains
FAIRR Initiative's investor network	See www.fairr.org

Standard, framework or initiative	Reference
Financing a Just Transition Alliance	Grantham Research Institute on Climate Change and the Environment (2025), 'Financing a just transition', online at www.lse.ac.uk/granthaminstitute/financing-a-just-transition
Find it, Fix it, Prevent it	CCLA (2026), 'Modern slavery', online at www.ccla.co.uk/sustainability/initiatives/modern-slavery
Global Compact	See https://unglobalcompact.org
Global Investor Coalition on Workplace Mental Health	CCLA (2024), 'Global investor statement on workplace mental health', online at www.ccla.co.uk/documents/global-investor-statement-workplace-mental-health/download?inline
Global Reporting Initiative	See www.globalreporting.org
Good Work Coalition	ShareAction (2026), 'Fair treatment of workers', online at https://shareaction.org/global-issues/good-work
Guidelines for Multinational Enterprises on Responsible Business Conduct	Organisation for Economic Co-operation and Development (2023), 'OECD guidelines for multinational enterprises on responsible business conduct', online at www.oecd.org/content/dam/oecd/en/publications/reports/2023/06/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_a0b49990/81f92357-en.pdf
Guiding Principles on Business and Human Rights	United Nations Human Rights Office of the High Commissioner (2011), 'Guiding principles on business and human rights', online at www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
Healthy Markets Initiative	ShareAction (2026), 'Healthy Markets Initiative', online at https://shareaction.org/investor-initiatives/healthy-markets-initiative
InfluenceMap	See https://influencemap.org
Investor Alliance for Human Rights	See https://investorsforhumanrights.org
Investor Coalition on Food Policy	Food Foundation (2026), 'The Investor Coalition on Food Policy', online at https://foodfoundation.org.uk/initiatives/investor-coalition-food-policy
Investor Expectations on Nutrition, Diets and Health	Access to Nutrition initiative (2020), 'Investor Expectations on Nutrition, Diets and Health', online at https://accesstonutrition.org/app/uploads/2020/06/Investor-Expectations-on-Nutrition-Diets-and-Health-FINAL.pdf
Investor Statement on Technology, Mental Health and Well-being	Sycomore AM (2025), 'Investor Statement on Technology, Mental Health and Well-being', online at https://en.sycomore-am.com/download/372480158
Know the Chain Benchmark	Business and Human Rights Centre (2021), 'KnowTheChain', online at www.business-humanrights.org/en/from-us/knowthechain
Labour Rights Investor Network	Committee on Workers' Capital (2026), 'Labour Rights Investor Network', online at www.workerscapital.org/labour-rights-investor-network
Living Hours	Living Wage Foundation (2026), 'Living Hours', online at www.livingwage.org.uk/living-hours
Living Wage Foundation	See www.livingwage.org.uk
Long-term Investors in People's Health	ShareAction (2026), 'Long-term Investors in People's Health', online at https://shareaction.org/investor-initiatives/long-term-investors-for-peoples-health
Nature Action 100	See www.natureaction100.org
Net Zero Asset Managers initiative	See www.netzeroassetmanagers.org
Net Zero Engagement Initiative	Institutional Investors Group on Climate Change (2026), 'Net Zero Engagement Initiative', online at www.iigcc.org/net-zero-engagement-initiative

Standard, framework or initiative	Reference
Net Zero Investment Framework	Institutional Investors Group on Climate Change (2026), 'Net Zero Investment Framework', online at www.iigcc.org/net-zero-investment-framework
Non-Disclosure Campaign	CDP (2026), 'Non-Disclosure Campaign', online at www.cdp.net/en/campaigns/non-disclosure-campaign
Omnibus package	European Commission (1 April 2025), 'Omnibus package', online at https://finance.ec.europa.eu/news/omnibus-package-2025-04-01_en
Paris Agreement	United Nations Climate Change (2026), 'The Paris Agreement', online at https://unfccc.int/process-and-meetings/the-paris-agreement
Platform Living Wage Financials	See https://livingwage.nl
Powering Past Coal Alliance	See https://poweringpastcoal.org
Reclaim Finance	See https://reclaimfinance.org
SASB Standards	See https://sasb.ifrs.org
ShareAction and ATNi research	ATNi (2026), 'ATNi partnership with ShareAction', online at https://accesstonutrition.org/project/partnership-with-shareaction
Social Transformation Framework	World Benchmarking Alliance (2026), 'Social Transformation Framework', online at www.worldbenchmarkingalliance.org/latest/social-transformation-framework
Spring	Principles for Responsible Investment (2026), 'Spring', online at https://public.unpri.org/investment-tools/stewardship/spring
Sustainalytics ESG Risk Ratings	Sustainalytics (2026), 'ESG risk ratings', online at www.sustainalytics.com/esg-data
Transition Pathway Initiative	See www.transitionpathwayinitiative.org
Transition Plan Taskforce	Department for Energy Security and Net Zero (25 June 2025), 'Transition plan requirements: implementation routes', online at www.gov.uk/government/consultations/climate-related-transition-plan-requirements/transition-plan-requirements-implementation-routes-accessible-webpage
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“Someone’s taken its appendix out.”

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Norfolk Probation Service

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HM Prison & Young Offender Institution Grampian

Page 12, *Near to Nature*
St Andrew's Healthcare Northampton
(secure mental health unit)

Page 24, *Only Dreaming*
HM Prison Elmley (Sheppey Cluster)

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HM Prison Littlehey

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HM Prison Downview

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HM Young Offender Institution Aylesbury

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Important information

All data as at 31 December 2025, unless specified otherwise.

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