

NORTHERN LGPS 2025: Q3 QUARTERLY STEWARDSHIP REPORT

GENDER PAY GAP REPORTING / PUBLIC HEALTH: NUTRITION /
HIGH DISSENT



FOCUS

Q3: GENDER PAY GAP



Narrowing the gender pay gap in the construction sector

Overview: The gender pay gap remains one of the most persistent forms of workplace inequality, affecting workers across all sectors. Focusing on the difference in average hourly earnings between men and women (calculated as a percentage of men's earnings) at an aggregate level helps identify and analyse pay disparities between genders, fostering discussions on their causes. A positive pay gap (e.g. 15%) means women earn, on average, 15% less per hour than men, whereas a negative pay gap translates into

women earning more per hour than men.

Over the past 30 years, the gender pay gap in full-time employment has narrowed, but progress has been slow and inconsistent.¹ In 2017, mandatory reporting was introduced requiring all public, private and third sector companies with 250 or more employees to report annually on their gender pay gap. As a result of increased disclosures and transparency, the true scale of persistent pay disparities has become more apparent. However, while transparency

has improved, many large employers continue to report significant gaps in both mean and median pay, reflecting deep-rooted issues around representation and occupational segregation – where women are concentrated in lower-paid sectors and roles.

For investee companies, the gender pay gap is not only a reputational risk but can also serve as an indicator of wider governance and workforce challenges. Companies with a persistent pay gap face reputational, regulatory and operational

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CIPD, 'What is the gender pay gap?', CIPD, 2024, <https://www.cipd.org/uk/knowledge/guides/what-is-the-gender-pay-gap/>

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risks that can lead to talent attrition and reduced employee engagement, ultimately affecting long-term competitiveness. Structured engagement, therefore, provides an opportunity to encourage companies to address systemic barriers to strengthen long-term value creation.

In the UK and EU, the regulatory risks include failure to meet disclosure requirements. Non-compliance carries enforcement risk, legal action and fines. While the UK is no longer subject to EU Directives, large employers with EU operations will still need to comply with the EU Pay Transparency Directive. The EU Pay Transparency Directive is a new law designed to close the gender pay gap. The Directive requires employers to increase pay transparency and mandates joint pay assessments if a 5% pay gap is identified. Furthermore, the EU Directive creates a steering effect when it comes to business norms, investor expectations and competitive pressure – resulting in UK companies adopting similar practices in advance of any expected regulation.

Alongside disclosure requirements, UK employers are subject to equal pay laws. This requires men and women to be paid the same for equal work or work of equal value. If a company discloses a significant pay gap, it does not in itself prove unlawful unequal pay. Nevertheless, persistent and unexplained disparities can point to structural bias or discriminatory practices, increasing the risk of equal pay claims. Such claims can present a material financial risk. Moreover, visible gaps also undermine talent attraction, retention and workforce morale, while heightening the risk of consumer backlash, negative media coverage, and damage to brand value – particularly for consumer-facing businesses.

Issues: Although reporting requirements have driven greater transparency, companies with persistently wide pay gaps have been criticised by regulators, employee groups and other stakeholders. The main concerns are around gender representation (particularly at senior levels), a lack of progression pathways and slow progress in narrowing the gap. Many organisations will show relatively equal pay parity in entry-level roles, but

sharp disparities at managerial and executive grades. This suggests that the problem is also rooted in who is advancing into higher-paying roles.

Despite increasing scrutiny, year-on-year disclosure figures remain slow. While most publish their pay gaps as required, far fewer provide detailed action plans and quantifiable targets.

Without robust progression initiatives, companies struggle to develop internal talent pipelines. This is especially prominent in male-dominated sectors where female representation at senior levels remains low. Given that women now outperform men educationally, this points to a systemic failure to fully utilise available talent and retain top candidates.²

The gender pay gap also creates a long-lasting ripple effect in the form of a gender pension gap. Studies show that while women's expected retirement income is increasing and the gap is shrinking, women's pension wealth is only 33.5% of men's.³ Closing the gap by bringing women's earnings up to the level of men's would increase the likelihood of women being able to provide for their own pensions, thereby reducing both pensioner poverty and the welfare support needed to counter it.

These concerns point to structural challenges that require long-term strategies, rather than compliance driven reporting.

Effective Engagement: On behalf of Northern LGPS, PIRC's engagement focused on UK housebuilders and major construction firms held by any of the three individual funds. The construction sectors in the UK is a sector that has consistently reported some of the widest pay gaps which is on average – 23%. This pay gap is primarily driven by low female representation in technical and leadership roles. The engagements focused on understanding the challenges companies faced in narrowing the gender pay gap, as well as the outcomes of the gender focused initiatives in place. While individual company experience varied, a number of common trends and themes emerged.

Attraction of Talent: The Central Challenge

The overwhelming barrier to progress identified by all companies was the difficulty of attracting women into a historically male-dominated sector. Firms consistently identified difficulty in attracting women across the full spectrum of roles, not just in site-based and technical positions. While support functions such as HR, sales and customer service often have stronger female representation, this does not extend to site roles, which is reflected in unbalanced pay quartiles.

Companies acknowledged that the image of construction remains outdated, with young people often associating the industry solely with bricklaying or manual trades. To counter this, several companies are investing heavily in employer branding and outreach. MJ Gleeson have recently partnered with the 'Women into Homebuilding' initiative, offering two-week placements for women returning from career breaks or seeking a new path. They have been able to track the success of this partnership and ultimately place a participant in a permanent site management role.

Taylor Wimpey amended job descriptions to strip out industry jargon and reassessed "nice to have" requirements. The company, along with its peers, is focusing more on transferable skills as well as industry knowledge. The company is also utilising diverse role model advocates at school career fairs to cast a wider net and broaden candidate appeal.

Berkeley Group leveraged platforms such as TikTok, finding significantly higher engagement with videos featuring female graduates, and achieved a record 60% female intake on its 2025 graduate programme.

These efforts speak directly to the need for inclusive recruitment strategies and gender-balanced early talent intakes, which are critical to building more representative long-term pipelines. Despite these efforts, apprenticeships and technical site roles remain a pinch point, with MJ Gleeson noting the persistent struggle to attract and retain women and that the sector is competing for talent with industries perceived as more modern, flexible and inclusive.

² CIPD, 'What is the gender pay gap?', CIPD, 2024, <https://www.cipd.org/uk/knowledge/guides/what-is-the-gender-pay-gap/>

³ NOW: Pensions, 'Gender Pensions Gap Report 2022', NOW: Pensions, 2022, <https://www.nowpensions.com/app/uploads/2022/10/gender-pensions-gap-report-2022-080622.pdf>

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Retention and Progression: Building Sustainable Pipelines

Attracting women is only part of the challenge. Companies also recognised the importance of retaining and progressing female talent into senior and higher-paid roles – the key driver of long-term pay gap reduction.

Balfour Beatty monitors the career progression of high-potential women and intervenes if women remain in roles longer than expected. This is to help ensure females do not opt out of opportunities to progress. Balfour Beatty's targeted leadership programme, 'Evolve', supports approximately 45 women each year in developing the skills and confidence needed to advance in a male-dominated industry.

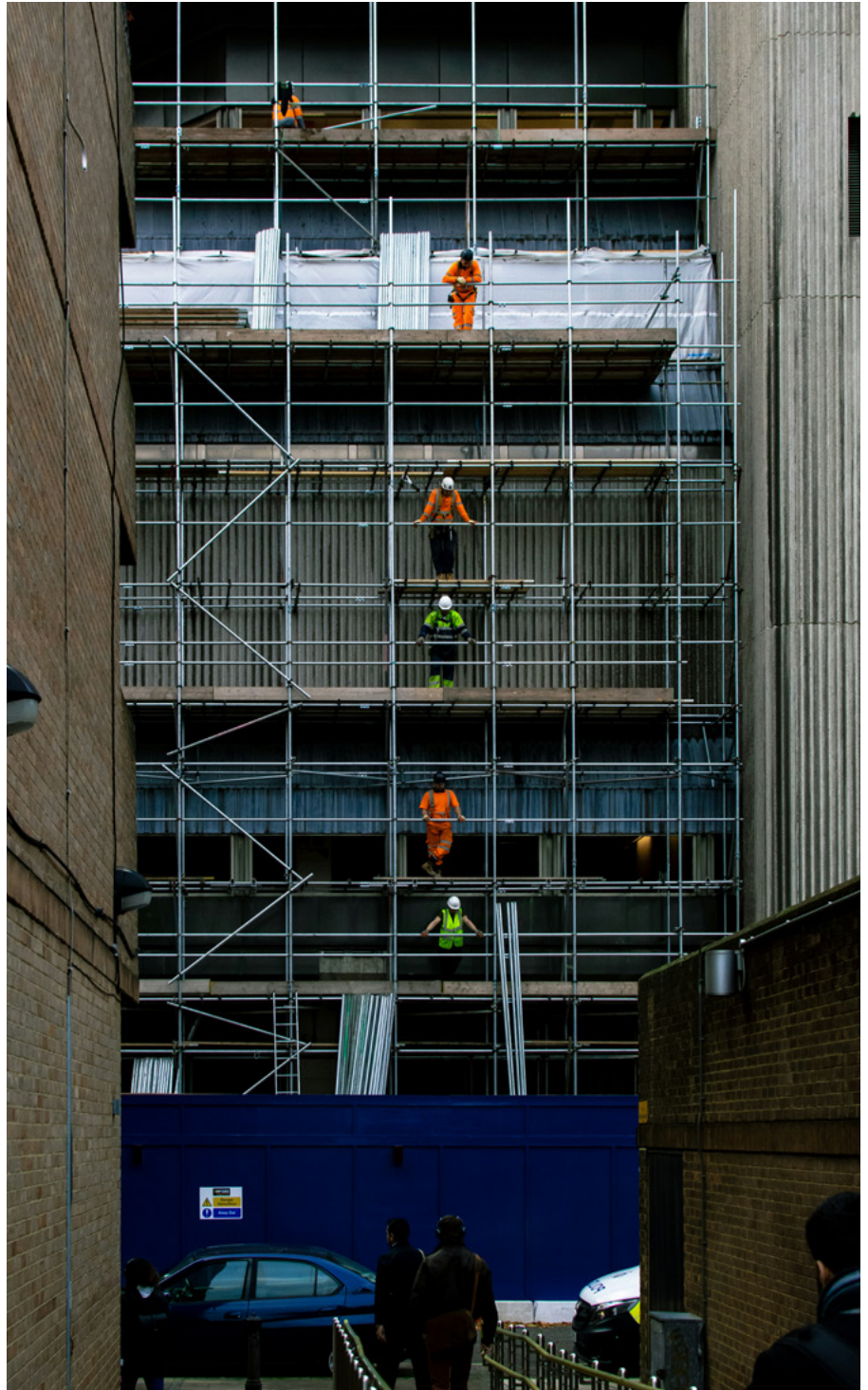
Persimmon created "span break" roles such as 'Deputy Managing Director' to ease the leap from functional director to managing director. The initiative aims to further develop and encourage women to step into senior leadership positions.

MJ Gleeson introduced regular 9-box grid assessments, with executive coaching attached for high-performing women, alongside programmes focused on confidence, negotiation, and leadership skills.

Several companies also highlighted maternity support, mentoring, and enhanced family leave policies as retention tools, reflecting a growing recognition that culture and flexibility are as critical as recruitment in shifting long-term demographics. Companies in the construction sector report challenges in both attracting and retaining female talent, often citing a shortage of women with sufficient experience for senior roles. This highlights why targeted development programmes and progression initiatives are critical – as they help build the internal talent pipelines that the sector currently lacks.

Outcome: The engagements demonstrated that housebuilders are actively addressing gender imbalances, with a range of initiatives underway. Progress is being made in attracting women, supporting their development, and reshaping culture, but these actions are not yet reflected in public reporting.

The companies engaged were encouraged to move beyond statutory requirements and report annually on outcomes,



including data regarding recruitment, retention and promotion. Companies were also encouraged to communicate the breadth of their gender-focused initiatives, including leadership and mentoring programmes. Finally, PIRC emphasised the importance for companies to set function-specific targets and track progress in their business.

Some companies, such as Berkeley and Balfour Beatty, already track detailed internal data and targets, while others are trialling innovative recruitment and progression models. The challenge – and opportunity – lies in making these efforts more visible to demonstrate sustained progress in narrowing the gender pay gap.

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PUBLIC HEALTH: NUTRITION

Overview: Nutrition is an increasingly important global health and economic issue, with dietary patterns shifting significantly over recent decades. More meals are now consumed outside the home, and fast food, packaged meals and other convenience products have become widely available. These changes, driven

by urbanisation and global interconnectedness, have reshaped food systems and consumption patterns.⁴

Diets high in fat, sugar and salt (HFSS) are linked to rising rates of non-communicable diseases (NCDs) such as type 2 diabetes, cardiovascular disease and certain cancers.⁵ In the United Kingdom alone, poor nutrition costs the health and care sector around £23.5bn annually, equivalent to about 15% of NHS spending.⁶ Meanwhile, globally, one in

eight people live with obesity, while undernutrition and deficiencies in essential nutrients such as protein, iron and vitamins continue to affect lower- and middle-income countries. These challenges impact health, quality of life and people's contribution to work.^{7, 8, 9}

Materiality: For investors, nutrition presents material financial, market and regulatory risks.

A healthy economy is contingent upon

4 World Health Organization (2023). *Global report on urbanisation and diet patterns*. [online] WHO. Available at: <https://www.who.int/publications/i/item/global-report-on-urbanisation-and-diet-patterns>

5 Henney, A.E. et al. (2024). *Ultra-processed food and non-communicable diseases in the United Kingdom: A narrative review and thematic synthesis of literature*. [online] *Obesity Reviews*. Available at: <https://pubmed.ncbi.nlm.nih.gov/38204299/>

6 BAPEN (British Association for Parenteral and Enteral Nutrition) (2021). *Managing malnutrition to improve lives and save money*. [online] BAPEN. Available at: <https://www.bapen.org.uk/pdfs/reports/mag/managing-malnutrition.pdf>

7 World Obesity Federation (2025). *World Obesity Atlas 2025*. [online] *World Obesity Federation*. Available at: <https://www.worldobesity.org/resources/resource-library/world-obesity-atlas-2025>

8 Global Nutrition Report (2022). *Nutrition and health inequalities*. [online] *Global Nutrition Report*. Available at: https://globalnutritionreport.org/documents/922/2022_Global_Nutrition_Report.pdf

9 Passarelli, S. et al. (2024). *Global estimation of dietary micronutrient inadequacies: a modelling analysis*. [online] *The Lancet Global Health*. Available at: <https://www.thelancet.com/journals/lanlanc/article/PIIS2214-109X%2824%2900276-6/fulltext>

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a healthy workforce and necessary in supporting productivity, economic growth and societal wellbeing. For institutional investors, health presents non-diversifiable risk. A Vivid Economics model, cited by Chatham House, estimates that in 19 low and middle-income countries, businesses lose \$8-38bn annually (0.2-0.9% of GDP) from underweight employees, while obesity costs an additional \$4-27bn (0.1-0.6% of GDP) through illness and absenteeism.¹⁰

Rising awareness of diet-related health risks is also reshaping consumer behaviour. Companies manufacturing and marketing products high in fat, salt, and sugar (HFSS) products face risks to brand equity, while those expanding healthier portfolios are better positioned to benefit from emerging consumer preferences. The UK Food Standards Agency's 2024-25 review found that "food prices and ultra-processed foods remain the top consumer concerns".¹¹ Similar trends are evident in the US, where per-capita soft drink consumption fell by roughly 0.5% annually from 2020 to 2025, reflecting greater health consciousness and a shift toward alternatives like carbonated water.¹²

The developing regulatory context also presents risks for companies as nutrition standards and marketing restrictions come into effect across various markets. In the UK, a 9 p.m. watershed ban on advertising foods and drinks high in fat, salt and sugar (HFSS) on TV and on-demand services, as well as a total ban on paid online advertising, will come into effect on 5 January 2026, following an initial voluntary compliance period beginning in October 2025. In addition, new multibuy and placement restrictions on HFSS products in supermarkets, such as "buy one get one free" promotions and product placement near checkouts or store entrances, are being phased in to discourage impulse purchases.^{13, 14} From 2025, large food manufacturers and

retailers will also be required to report the proportion of their sales derived from healthier products under the government's 10-Year Health Plan. In Japan, revised Food Labelling Standards, effective March 2025, will tighten nutrient thresholds for claims such as "low sodium".¹⁵

Issues: Despite growing policy attention, manufacturers and retailers face several challenges in improving the healthiness of products sold.

Firstly, there is no universal definition of what constitutes a healthy product. Multiple nutrient profiling models (NPMs) and front-of-pack labelling systems, such as Nutri-Score and the UK traffic light system, produce inconsistent outcomes across markets, making comparison difficult. The Access to Nutrition Initiative (ATNi) addressed this by utilising the Australian Health Star Rating (HSR) model to benchmark 30 of the world's largest food and beverage companies in its 2024 Global Index. Only around one third of assessed products met the "healthier" threshold, and on average, just a third of total sales came from such products.¹⁶ The lack of consistency between companies who use their own NPMs makes it increasingly difficult to compare how companies are performing.

Secondly, companies generally lack quantitative targets on affordability, even though less healthy foods are often cheaper and more accessible than nutritious options. For low- and middle-income households, this results in rapidly increasing rates of malnutrition.¹⁷ To improve diet quality, companies are encouraged to increase access to nutritious products through affordable pricing.

Finally, there remains a gap between responsible marketing commitments and global best practice. The World Health Organization (WHO) recommends restricting marketing of unhealthy foods to all children under 18, yet many

companies continue to apply narrower age limits.

These issues highlight the need for consistent measures of healthiness, clearer affordability targets and stronger marketing standards to align corporate practice with public health goals and investor expectations.

ENGAGEMENTS: MEIJI HOLDINGS CO. LTD:

Overview: Meiji is a Japan-based food and dairy company operating across confectionery, nutrition, and pharmaceuticals.

Issues: Meiji has made progress on transparency regarding the nutritional composition of its products, but greater alignment with internationally recognised models such as the Health Star Rating (HSR) would strengthen credibility and comparability. While 58% of products by sales currently meet the HSR 3.5 threshold, the company has not set formal targets for affordability, making it difficult to assess the accessibility of healthier options. Additionally, it has not set targets to reduce the proportion of sales that are derived from unhealthy products. Marketing restrictions apply to children under 12, though these are being reviewed in line with WHO recommendations and peer practices.

Engagement: On 22 September 2025, PIRC met with Meiji to discuss its strategy regarding health and nutrition. PIRC asked whether the company would consider adopting an independent nutrient profiling model. Meiji explained that it uses its own Meiji Nutrient Profiling System (Meiji-NPS), designed to reflect Japanese dietary habits and

¹⁰ Chatham House (2020) *The Business Case for Investment in Nutrition*. Available at: <https://www.chathamhouse.org/2020/07/business-case-investment-nutrition>

¹¹ Food Standards Agency (2025). *Food prices and ultra-processed foods remain the top consumer concerns, FSA annual insights report reveals*. [online] FSA. Available at: <https://www.food.gov.uk/news-alerts/news/food-prices-and-ultra-processed-foods-remain-the-top-consumer-concerns-fsa-annual-insights-report-reveals>

¹² IBISWorld (2025). *Per capita soft drink consumption in the United States - industry data report*. [online] IBISWorld. Available at: <https://www.ibisworld.com/united-states/bed/per-capita-soft-drink-consumption/1786/>

¹³ UK Government, Department of Health and Social Care (2024). *Restricting advertising of less healthy food or drink on TV and online: products in scope*. [online] GOV.UK. Available at: <https://www.gov.uk/government/publications/restricting-advertising-of-less-healthy-food-or-drink-on-tv-and-online-products-in-scope/restricting-advertising-of-less-healthy-food-or-drink-on-tv-and-online-products-in-scope>

¹⁴ UK Government, Department of Health and Social Care (2023). *Less healthy food or drink: advertising and promotions restrictions*. [online] GOV.UK. Available at: <https://www.gov.uk/government/collections/less-healthy-food-or-drink-advertising-and-promotions-restrictions>

¹⁵ Ministry of Health, Labour and Welfare (Japan) (2025). *Amendments to Food Labelling Standards*. [online] Ministry of Health, Labour and Welfare. Available at: <https://label-bank.com/blog/foodlabel/202505foodlabel>

¹⁶ Access to Nutrition Initiative (2024). *Global Index 2024*. [online] Access to Nutrition Initiative. Available at: <https://accesstonutrition.org/global-index-2024/>

¹⁷ https://accesstonutrition.org/app/uploads/2024/11/ATNi_GI_category_affordable_nutrition_edited2.pdf

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capture positive nutrients that some international models may not fully address. The company outlined that the model incorporates life-stage differences and has been compared with independent frameworks, faring well in its correlation with other nutrient profiling systems.

PIRC queried whether Meiji would consider reporting in line with an internationally recognised model, the company appeared open and positive. It was supportive of the use of the Health Star Rating (HSR) system in the Access to Nutrition Initiative (ATNi) benchmark to promote healthier eating and said it intends to disclose by FY2026 the proportion of products classified as healthy under HSR.

PIRC also probed the company's approach to affordability and responsible marketing. Meiji acknowledged that it has not yet set formal affordability targets but is considering pricing zones to ensure that each includes at least one more affordable product. Other strategies include offering different product versions, such as the SAVAS Milk Protein range, where the powder format provides better value for money compared with the ready-to-drink option.

On marketing, Meiji confirmed that its global restriction on advertising to children under 12 is under review. If the company were to extend this policy, it

would examine differences across markets and consider changes carefully, considering regulatory, market and regional factors. It is currently in a fact-finding phase, reviewing WHO standards and peer practices, and may tighten the policy by geography or age group in future.

The company also highlighted its internal sustainability certification system, introduced last year, which evaluates products across five criteria. One of these is whether a product has been assessed using the Meiji-NPS model. This certification supports cross-departmental efforts to strengthen product sustainability and healthiness at multiple stages of development.

Outcomes: PIRC welcomed Meiji's openness to aligning with internationally recognised nutrient profiling models and its intention to disclose Health Star Rating data by FY2026. The company's efforts to tailor its profiling system to Japanese dietary habits and life stages, and its internal sustainability certification, show a thoughtful approach to product health. However, PIRC encouraged Meiji to consider formal affordability targets and to strengthen its responsible marketing policy, particularly regarding advertising to children.

NISSIN:

Overview: Nissin Foods is a Japanese multinational best known for inventing instant noodles, including the iconic Cup Noodles. The company operates globally, with a presence in Asia, North America, and Europe, offering a wide range of convenience food products.

Issues: In the 2024 Global Index by the Access to Nutrition Initiative (ATNi), Nissin ranked 16th out of 30 of the world's largest food and beverage companies. ATNi noted that Nissin uses its own nutrition profiling model (NISSIN-NPS), based on Australia's Health Star Rating, but the methodology is not publicly disclosed. This limits transparency and makes it difficult to assess how the company defines "healthier" products.

ATNi also estimated that only 15.3% of Nissin's global sales come from healthier products, suggesting room for improvement in both portfolio composition and affordability. While Nissin has set nutrition-related targets, not all are quantitative, and ATNi found limited clarity on how responsibility for nutrition strategy is assigned at the board and executive levels.

On responsible marketing, Nissin restricts advertising to children under 12 in Japan, while WHO guidelines and peer

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companies apply stricter age thresholds. Labelling practices are market-specific, and there is no commitment to disclose adoption of international front-of-pack schemes.

Engagement: On 9 September 2025, PIRC engaged with Nissin to discuss its nutrition strategy, referencing findings from the ATNi Index. PIRC highlighted the materiality of health and nutrition and encouraged reporting against recognised third-party nutrition profiling models to enable meaningful comparisons.

Nissin shared its Group Nutrition Policy and explained the launch of its own profiling system, NISSIN-NPS, in February 2024. It has set 2030 targets to improve the nutritional value of 50% of its products (relative to 2020) and to launch 150 new products that meet its “healthy product” criteria. The company expressed plans to publish more detail on its model and acknowledged the value of third-party systems, though noted limitations in standardised approaches.

On marketing, Nissin clarified that its child advertising restrictions apply only in Japan and are based on local definitions. It conducts internal audits pre- and post-launch to ensure compliance and may consider external audits in future. Regarding labelling, Nissin complies with local regulations and is monitoring global developments, including in the US and EU. The company does not currently disclose labelling adoption by market but is open to considering this. The company also noted the recent establishment of its Amsterdam office, which was set up to monitor regulatory developments and support its efforts to stay aligned with evolving international labelling standards.

Outcomes: PIRC welcomed Nissin’s commitment to improving product nutrition and expanding healthier offerings by 2030, as well as its plans to publish more detail on its nutrition profiling model to enhance transparency. The company’s openness to considering third-party nutrition profiling systems, external audits of marketing practices, and clearer labelling disclosures across markets was encouraging.

AHOLD DELHAIZE N.V.:

Company Overview: Ahold Delhaize is a Dutch multinational retail group operating supermarkets and e-commerce platforms across Europe and the US. It focuses on health, sustainability, and affordability through its own-brand products and digital services.

Issues: Although Ahold Delhaize has achieved its 2025 target to increase healthy own-brand food sales to 51.7%, this is based on a company-defined metric combining Nutri-Score and Guiding Stars, rather than a single, government-endorsed nutrient profiling model. The company has yet to set a post-2025 target, lacks a group-wide responsible marketing policy, and does not disclose restrictions on unhealthy food marketing to children. While it highlights affordability initiatives, it has not set measurable targets across its markets.

Engagement: On 9 September 2025, PIRC engaged with Ahold Delhaize to discuss its nutrition strategy. The company explained that reformulation, particularly gradual reductions in salt and sugar, was the main lever for meeting its 2025 healthy own-brand sales target. Other contributing factors included changes to store layout, use of Nutri-Score and Guiding Stars, and pricing strategies like the “Price Favourite” range.

PIRC asked whether a new target would be set and expanded beyond own-brand products. The company confirmed plans to introduce a new, broader target, likely using an all-store metric. While the external metric will remain binary, Ahold Delhaize emphasised its internal focus on continuous improvement, even if products do not shift categories.

PIRC encouraged the company to consider disclosing sales against a single, government-endorsed nutrient profiling model to improve comparability. While not planning such disclosure, Ahold Delhaize noted its support for Nutri-Score and Guiding Stars being adopted as official standards in the EU and US.

On responsible marketing, the company acknowledged this as an area for improvement. It noted that pre-merger, Ahold had a policy prohibiting

the use of cartoons for products aimed at children, but current practices vary by brand and market. For example, Benelux avoids using characters on packaging.

Regarding affordability, the company highlighted increasing own-brand penetration as a key strategy, given these products are typically healthier. However, it does not plan to set a separate affordability target. PIRC also asked about regulatory developments, and the company noted limited expectations for new EU regulation, though flagged potential expansion of Make America Healthy Again (MAHA) and temporary laws in Serbia.

Outcomes: PIRC welcomed Ahold Delhaize’s commitment to set a new nutrition target that will extend beyond own-brand products and its strategy to increase own-brand penetration, which could support affordability. However, concerns remain around the continued use of a binary metric, the lack of disclosure against a single, government-endorsed nutrient profiling model, and the absence of a group-wide responsible marketing policy or restrictions on unhealthy food marketing to children. Additionally, no measurable targets have been set to ensure affordability, despite the company recognising it as a material issue.

GREGGS PLC:

Company overview: Greggs plc is a UK-based bakery chain known for its affordable and accessible food offerings, including savoury pastries, sandwiches, and increasingly, healthier and plant-based options. The company has a strong presence on high streets and transport hubs.

Issues: Greggs has made progress on nutrition transparency and healthier product availability through its Greggs Pledge, which includes targets on reformulation, labelling, and healthier choices. However, its current health targets are portfolio-based rather than sales-based, meaning they reflect what is offered rather than what is purchased. Additionally, its binary definition of “healthier choices” may limit incentives for broader reformulation across its range.

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Engagement: On 1 July 2025, PIRC met with Greggs as part of the ShareAction Healthy Markets initiative. Greggs confirmed that its current health target will expire at the end of 2025 and that a new commitment is being developed, with investor input shaping its design. The company has exceeded its 2021 target of 30% healthier products, with rising sales and improved customer perceptions of its healthier, vegan, and vegetarian options.

Greggs is collaborating with Nesta over the next two years to explore behavioural nudges that encourage healthier consumer choices. The company expressed support for proposed government requirements for retailers to set health-related sales targets. PIRC raised concerns about the binary nature of Greggs' health metrics and advocated for a continuous, sales-weighted approach. Greggs appeared open to exploring this and shared learnings from its current target, noting that customers value healthier options but expect them to taste just as good. The company's vertically integrated model has supported reformulation efforts.

On lobbying, Greggs stated that it engages through the British Retail Consortium (BRC) rather than directly. PIRC and ShareAction encouraged the company to consider more independent public positioning, given differing views among BRC members.

Outcomes: PIRC welcomed Greggs' openness to developing a new health target informed by investor feedback and its collaboration with Nesta to strengthen its strategy. The company's willingness to explore a sales-based, continuous metric is encouraging, and PIRC looks forward to contributing further to its design. Continued engagement will focus on ensuring the new commitment drives meaningful reformulation and aligns with best practice in nutrition disclosure.

HIGH DISSENT:

Introduction: During Q3, PIRC engaged with companies that had experienced significant shareholder dissent during their 2025 Annual General Meetings. The UK Corporate Governance Code requires companies in receipt of 20% dissent to the management recommendation should engage with shareholders and publish an update on their views and actions taken within six months.

PIRC tracked voting trends in the 2025 proxy season and found a number of board directors who had received significant opposition to their re-election. In many such cases, the chair of the board or a key committee was opposed in protest of the company failing to meet a critical governance standard under the director's purview.

Opposition often focused on shortcomings in board independence. Several

chairs received dissent when their boards had a low proportion of independent directors. Separately, some senior board members faced opposition as they themselves were considered to lack the independence required to perform their roles adequately. An independent board is critical for holding management to account on behalf of minority shareholders, and attributes such as holding an executive role, ties to a major shareholder, or an excessive tenure can all diminish independence.

In addition, a number of nomination committee chairs received notable dissent based on the lack of adequate gender or ethnicity representation. It is PIRC's view that diverse boards can mitigate the risk of groupthink by introducing more varied perspectives and are more likely to understand the needs of diverse stakeholders.

PIRC identified a focus group of companies receiving high dissent to director election resolutions to engage during Q3.

AB INBEV

Issues: At the 2025 AGM, Board Chair Martin J. Barrington and non-executive directors Salvatore Mancuso and Alejandro Santo Domingo were each opposed by over 20% of shareholder votes cast. This appeared to reflect shareholder concern regarding the structure of the board and shortage of independent director representation. Eleven of the 15 directors on AB InBev's board are not classified as independent by PIRC, raising concerns about its ability to represent the interests of minority shareholders.

The majority of directors were appointed by the Reference Shareholder - a concert party consisting of the founding families of Interbrew and Ambev, the two firms which merged to form AB InBev in 2004. They now collectively hold around 33% of the voting rights. An additional three directors were appointed by the Restricted Shareholders, Altria Group Inc. and Bevco who together hold approximately 11% of the capital. They have a voting agreement with the Reference Shareholder to align their votes on certain matters, further consolidating decision-making power. This structure raises concerns about the composition of

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key committees. In particular, the nomination committee is dominated by representatives of the Reference Shareholder and Restricted Shareholders, giving them influence over appointments intended to represent minority shareholders.

Engagement: The company attributed the level of dissent to the influence of proxy advisor recommendations among minority shareholders. These advisors, it noted, apply stricter independence standards than those set out in the Belgian Corporate Governance Code, which requires only three independent directors. On the question of ensuring the board acts in the interests of all equity holders, the company emphasised that the directors are non-executive and independent from management, and that the combination of reference and restricted shareholder appointees offers a balance of perspectives despite the restricted voting rights of the latter.

PIRC suggested the company consider conducting a third-party facilitated board evaluation – a common practice in the UK. The company highlighted its use of external consultants in the nomination process and in determining director remuneration, noting that these advisers provide feedback and oversight to support the integrity and transparency of governance processes. It added that, unlike the UK Code, the Belgian Corporate Governance Code does not require an externally facilitated assessment.

Outcome: The company stated that adding more independent non-executive directors is possible in the future, though no current plans exist. In 2023, one independent director was added and one reference shareholder appointee removed. On the possibility of negotiating the long-term shareholder agreement, the company noted that it is essentially a matter between the majority shareholders, though board composition may evolve over time, as demonstrated in 2023.

AG BARR

Issues: The current Chair of the Board, Mark Allen, has faced increasing levels of opposition to his re-election. In 2025, he received 20.5% opposition to his

re-election at the AGM. The company had not met the Parker Review target of having at least one director from an ethnic minority background on the board, a responsibility that ultimately rests with him in his capacity as Chair of the Nomination Committee. However, the company has since moved into compliance with the Parker Review by appointing Dr Rohit Dhawan to the board. PIRC had also flagged concerns regarding the Chair's capacity to dedicate sufficient time to AG Barr following his appointment as Chair of Hilton Foods plc, another FTSE 250 company, earlier in 2025.

Engagement: The company said that it had engaged with shareholders to understand their views, identifying alignment with the Parker Review ethnicity target as an important expectation. PIRC probed the company's processes for ensuring adequate diversity is maintained. The company stated that while appointments are based on merit, diversity is a key consideration and defined broadly to include gender, ethnicity, background, skills and perspectives. It confirmed that a Board and Executive Committee Diversity Policy, reviewed annually by the Nomination Committee, sets out this approach.

PIRC raised concerns about Mark Allen serving as Chair of two FTSE 250 companies at the same time. The company explained that before accepting the position at Hilton Foods plc, Allen informed AG Barr and an internal consultation was undertaken to assess any implications of the appointment. The company was reassured that Allen remains a very engaged chair, attending all board meetings in person and regularly visiting company sites in Scotland to meet employees and carry out workforce engagement. PIRC queried how Allen might manage his time commitments during a major crisis, such as a public health emergency. The company responded that in such a hypothetical scenario, it has a Senior Independent Director who is able to step in if required. On the management of conflicts of interest, the company highlighted that provisions are embedded in director contracts and related policies. It further emphasised Allen's decades of governance experience and his ability to manage risks effectively.

Outcome: The company has now met the Parker Review target and strengthened its board with the appointment of Dr Dhawan, meeting a key ask of PIRC and other shareholders. The company also displayed consideration of the potential risks from the Allen serving as chair of another listed company.

THE GYM GROUP

Issues: At the 2025 AGM, John Treharne, Chair of The Gym Group, received 20.8% opposition to his re-election. As a former CEO and founder of the company, he is not considered independent. A further concern was that board gender diversity does not align with the FCA's recommended target of 40% female representation, with female representation at 25% in 2025. As Chair of the Nomination Committee, Treharne is considered responsible for board composition and diversity.

Engagement: The company outlined that the primary driver of the dissent was a single shareholder applying strict rules on chair independence and diversity. The company further stated that after consulting the Board and shareholders in 2024, and completing a positive internal review in 2025, his continuation as chair was considered appropriate. The company described his return in 2022 as valuable during leadership changes, as he provided stability, supported recruitment, and guided incoming CEO Will Orr. PIRC asked how the company ensures objective oversight given the Chair's non-independent status. The company emphasised that the majority of the Board is independent, and the Senior Independent Director engages privately with independent directors where appropriate, with John Treharne stepping aside from discussions when necessary.

PIRC also asked about the company's strategy for addressing board diversity. The company said diversity remains a priority and that it continues to aim for 40–50% gender representation. It explained that recent natural turnover on the board temporarily reduced its diversity. The company emphasised that future appointments would balance diversity with merit and experience, noting that the recent recruitment of Tamsin Todd involved an

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independent search firm with diversity as a key consideration.

Outcome: The company confirmed that succession planning for an independent chair is under active consideration, with discussions already in progress to shape the approach. While a formal timeline has not yet been set, there are continued consultations with major investors. The company also stressed its commitment to maintaining strong board independence overall, noting that the majority of directors are independent. While diversity would be considered in future appointments, it did not want to increase the size of the board, so was dependent upon vacancies opening.

JPMORGAN CHASE & CO

Issues: At JPMorgan's most recent AGM, 36.6% of shareholder votes supported a proposal to separate the roles of CEO and chair, both of which are currently held by Jamie Dimon. The proposal called for the company's governing documents to require separation of the two roles and, where possible, appointment of an independent chair. It is considered that separating these roles is important because the chair should act as a counterbalance to executives and bring skills distinct from those of the CEO. There are also potential succession challenges if Dimon is forced to leave the role at short notice.

Engagement: PIRC asked about the company's understanding of shareholder sentiment regarding the significant support for separating the chair and CEO roles. JPMorgan replied that a version of this proposal has appeared for 12 years, with support declining by more than six percentage points this year. It attributed around 30% of support to proxy advisor influence, and said that while some investors dislike combined roles, many support Jamie Dimon specifically. However, the company noted that once Dimon leaves the CEO role, its default position is to separate the roles of CEO and chair. On how the board ensures objective oversight when the chair is not independent, the company highlighted its Lead Independent Director with full chair

duties, and independent director meetings held without the CEO.

On contingency planning for the event that Dimon could no longer serve, the company noted that Chief Operating Officer Daniel Pinto was previously designated as successor; but since he stepped away from the role, no public replacement has been named in the interest of avoiding conflicts.

Outcome: The planned separation of the CEO and chair roles is welcomed, as it would mitigate the concentration of power and aids continuity of leadership in the event of a CEO resignation. The company was also open to PIRC's suggestion of conducting a third-party facilitated board review, which was acknowledged.

KBC GROUP

Issues: A syndicate of core shareholders, including Cera, KBC Ancora and MRBB, controls approximately 42% of KBC Group's shares. Under a shareholders' agreement, they act in concert, with rights to appoint the majority of directors on the board. This gives the syndicate disproportionate influence, limiting minority shareholder representation. The company complies with the requirements of Belgian Companies and Associations Code, which requires at least three independent directors. However, the proportion of independent directors (27%) falls well below the 33% or 50% often considered as best practice. As a result, the three non-independent directors standing for re-election received significant dissent, ranging from 22.5% to 42.6% of shareholder votes cast.

Engagement: PIRC asked how the company ensures independent oversight given the limited number of independent directors. The company noted that board meetings are usually held jointly with those of its two subsidiaries, KBC Insurance and KBC Bank. Because each subsidiary board includes two additional independent directors, joint meetings include a total of nine independents. The company emphasised that decisions are taken by consensus rather than vote, with proposals revised until independent directors are in alignment. PIRC asked the company about prospects for increasing independence on the board. KBC stated

that this would require reducing core shareholder representation, as expanding the 18-member board is not considered appropriate.

PIRC questioned the company on its processes to prevent conflicts of interest when major shareholders or executives sit on the Board. The company noted that conflict of interest provisions are embedded in directors' contracts, and Board members are required to declare and step aside in the event of a personal conflict.

PIRC further queried the company about its approach to board evaluation, suggesting that appointing an external consultant to conduct an evaluation and disclosing the outcome could mitigate shareholder concerns about board structure. The company confirmed that the Board evaluates its own performance at least once every year, with recent evaluations described as generally positive. However, the company did not recognise the benefits of using an external party, citing adequate internal processes and cost considerations.

Outcome: The company noted it is open to disclosing a director skills matrix to demonstrate the board's collective expertise. This could reassure investors that, despite concerns about independence, directors have important skills and experience that support balanced decision-making. On board independence, the company does not currently foresee changes to overall composition or evaluation practices, noting that independent directors have already increased from three to five.

PLUS500

Issues: At the 2025 AGM, 22.7% of shareholders voted against the re-election of Steven Baldwin, who serves as Chair of the Nomination and ESG Committees. PIRC had expressed concerns that female representation on the board had fallen below 40%, holding Baldwin responsible as Chair of the Nomination Committee. This threshold is set out in UK listing rules which apply to major FTSE-listed companies on a "comply or explain" basis.

Engagement: On the dissent to the re-election of Steven Baldwin, the company considered that the opposition

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was not primarily related to diversity concerns. One major proxy advisor had recommended an oppose vote as it felt that the company had not adequately disclosed on its engagement with shareholders, following previous shareholder dissent. However, the company disputed this, saying that it had disclosed a statement addressing this.

PIRC then raised the issue of gender diversity. The company reaffirmed its commitment to board diversity, as outlined in the 2025 AGM notice, and shared plans to appoint an additional female director. The company noted that recent changes, including the passing of a

female board member and the resignation of another, had reduced female representation from 50% to 29%. Despite this, the company highlighted strong female representation in senior and mid-level roles, including heads of HR, marketing, tech, and the company secretary. PIRC queried the lower level of female representation in executive management, which the company attributed to the small size of the executive team and their strong performance. The company stated that while no specific targets have been set for increasing gender diversity at the executive level, future appointments will take it into account. The company also

confirmed the use of third-party search firms to assist board evaluation.

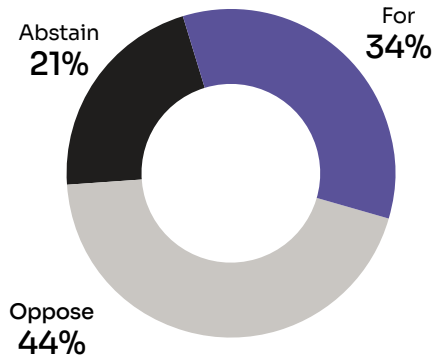
Outcome: The company demonstrated transparency in addressing past AGM issues and reaffirmed its commitment to board diversity, explaining recent drops in female representation and outlining plans to try to appoint an additional female director. Nevertheless, PIRC would expect the company to improve the board's female representation in the short- to medium-term and will consider this in future voting recommendations.

Q3 Engagements

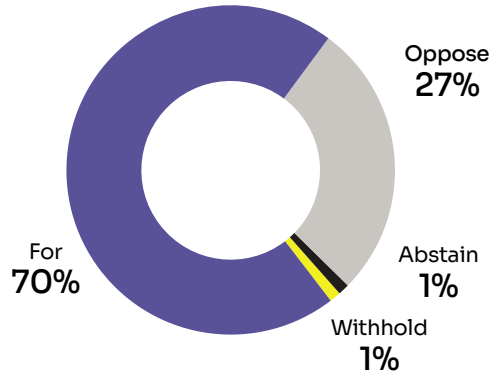
Company	Topic	Domicile
A G BARR PLC	Board Composition	GBR
ANHEUSER-BUSCH INBEV SA	Board Composition	BEL
ASSOCIATED BRITISH FOODS PLC	Remuneration	GBR
BALFOUR BEATTY PLC	Diversity Equity and Inclusion	GBR
BERKELEY GROUP HOLDINGS PLC	Diversity Equity and Inclusion	GBR
CANADIAN TIRE CORPORATION LIMITED	Employment Standards	CAN
CARREFOUR SA	Climate Change	FRA
CLP HOLDINGS	Human Rights	HKG
COLGATE-PALMOLIVE COMPANY	Climate Change	USA
DHL GROUP	Public Health	DEU
GEBERIT AG	Board Composition	CHE
GREGGS PLC	Public Health	GBR
JBS NV	Climate Change	NLD
JPMORGAN CHASE & CO.	Board Composition	USA
KBC GROEP NV	Board Composition	BEL
KONINKLIJKE AHOLD DELHAIZE N.V.	Public Health	NLD
LINDE PLC	Climate Change	IRL
MARUBENI CORP	Environmental Risk	JPN
MEIJI HOLDINGS CO LTD	Public Health	JPN
MJ GLEESON PLC	Diversity Equity and Inclusion	GBR
NISSIN FOOD HLDGS CO LTD	Public Health	JPN
PERSIMMON PLC	Diversity Equity and Inclusion	GBR
PLUS500 LTD	Board Composition	ISR
RYANAIR HOLDINGS PLC	Remuneration	IRL
SHELL PLC	Climate Change	GBR
SOUTH32 LTD	Climate Change	AUS
TAYLOR WIMPEY PLC	Diversity Equity and Inclusion	GBR
THE GYM GROUP PLC	Board Composition	GBR
THE HOME DEPOT INC	Climate Change	USA
VOLKSWAGEN AG	Climate Change	DEU

PIRC VOTE RECOMMENDATIONS FOR AGMS Q3

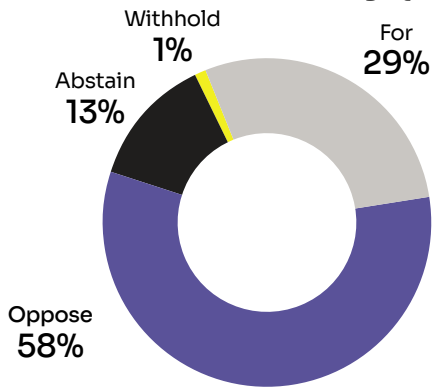
Votes on remuneration advisory, Q3 2025



Director elections, Q3 2025



Votes on remuneration binding, Q3 2025



Auditor appointments, Q3 2025

