



# ROYAL BOROUGH OF GREENWICH PENSION FUND

Stewardship Report 2024

# Contents

<b>Purpose and Governance</b>	<b>5</b>	<b>Investment Approach</b>	<b>41</b>	<b>Engagement</b>	<b>56</b>
<b>Principle 1</b> - Purpose, strategy, and culture – signatories’ purpose, investment beliefs, strategy and culture which creates long term benefits leading to sustainable benefits for the economy, the environment and society.	<b>6</b>	<b>Principle 6</b> – Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.	<b>42</b>	<b>Principle 9</b> – Signatories engage with issuers to maintain or enhance the value of assets.	<b>57</b>
<b>Principle 2</b> - Signatories’ governance, resources and incentives support stewardship.	<b>16</b>	<b>Principle 7</b> – Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.	<b>46</b>	<b>Principle 10</b> – Signatories, where necessary, participate in collaborative engagement to influence issuers.	<b>60</b>
<b>Principle 3</b> – Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.	<b>22</b>	<b>Principle 8</b> – Signatories monitor and hold to account managers and/or service providers.	<b>53</b>	<b>Principle 11</b> – Signatories, where necessary, escalate stewardship activities to influence issuers..	<b>64</b>
<b>Principle 4</b> – Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.	<b>26</b>			<b>Exercising Rights and Responsibilities</b>	<b>67</b>
<b>Principle 5</b> – Signatories review their policies, assure their processes, and assess the effectiveness of their activities.	<b>35</b>			<b>Principle 12</b> – Signatories actively exercise their rights and responsibilities.	<b>68</b>





## Introduction

Welcome to the annual Stewardship Report of the Royal Borough of Greenwich Pension Fund 2024.

The Fund became a signatory to the Stewardship Code in July 2024 and this is the Funds second annual Stewardship Report written in line with The Financial Reporting Council's (FRC) UK Stewardship Code 2020.

The UK Stewardship Code 2020 comprises of a set of 12 'apply and explain' principles through which asset owners and their counterparts can demonstrate their approach to stewardship.

As stated in our prior year report the Fund mirrors the FRC, by defining stewardship as the "responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society". The Royal Borough of Greenwich Pension Fund continues to believe that effective stewardship is not a 'tick box' exercise and the Fund remains focused on assessing and adapting its stewardship focus and activities in an ever-changing landscape.

Responsible investment, in particular climate risk, continues to dominate the Local Government Pension Scheme (LGPS) and broader investment landscape with environmental, social and governance (ESG) issues at the forefront of much

of the work we have undertaken this year. As asset owners we see stewardship as a key factor in exploring the risks and opportunities posed by ESG related issues.

Our main purpose is to provide pension benefits for our members and their dependents, alongside delivering value for money for the Royal Borough of Greenwich and other employers within the Fund. Delivering active stewardship in line with our key values and investment beliefs is fundamental to support the needs of our members and other stakeholders. Much of the contextual information provided throughout the report remains in line with our 2023 disclosures, however the 2024 report provides an update to the stewardship activities undertaken by the Fund and their outcomes during the past 12 months to 31 December 2024.

This report provides details of our stewardship activities in 2024 and their outcomes. It also considers the key aims we laid out for the year in our prior report and the work undertaken to meet those aims. This report acts as a tool through which the Fund can assess areas of achievement and evaluate where further improvements are needed. We will continue to report on our stewardship activities moving forward and we welcome feedback on our work undertaken thus far.

# Foreword from the Chair of the Pension Investment and Administration Panel

I am delighted to present the Annual Stewardship Report of the Royal Borough of Greenwich Pension Fund 2024, which we hope provides a comprehensive overview of our responsible investment and stewardship activities over the past year.

Our stewardship and engagement activities this year have been undertaken against an ever-changing and challenging backdrop of geo-political uncertainty. Now, more than ever, the Fund believes in the importance of investing sustainably and undertaking active stewardship.

It is in the best long-term interest of our members and employers and, therefore, part of our fiduciary duty to take ESG issues seriously and consistently into consideration as well as integrate them into all investment decisions.

The report is organised according to the 12 principles of the UK stewardship Code, and we believe that this report demonstrates the Fund's continued commitment to the rigorous responsible investing standards we have set ourselves.

The Fund holds strong investment beliefs and values which feed into our stewardship activities.

We continue to review our work to ensure that we adopt best practices, leading to sustainable benefits for the economy, the environment and society.

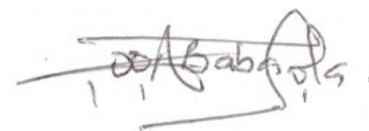
In 2024, we reaffirmed our commitment for the Fund to be carbon neutral and achieve a net zero target date of 2040 alongside a commitment to explore options for reaching this target more quickly. Our updated Net Zero Roadmap sets out a workplan for the next 18 months to further achieve this ambition, which will not only help reduce emissions from the portfolio, but also create tangible, real world change.

We are proud of the governance work and effective actions we have undertaken this year and we continue to develop our stewardship approach both internally and in collaboration with strategic partners including our pooling manager the London CIV, the Local Authority Pension Fund Forum and our fund investment managers.

Finally, I would like to take this opportunity to thank my colleagues on the Panel, Local Pension Board and our officers for ensuring that the Fund continues to be managed effectively and that our Fund members continue to receive an excellent service.



Cllr Olu Babatola



Chair of the Royal Borough of Greenwich Pension Fund Investment and Administration Panel



# Purpose and Governance

ROYAL BOROUGH OF GREENWICH  
**PENSION FUND STEWARSHIP REPORT**



# Principle 1

Purpose, strategy, and culture – signatories' purpose, investment beliefs, strategy and culture which creates long term benefits leading to sustainable benefits for the economy, the environment and society.

## Context

### The Royal Borough of Greenwich Pension Fund

The Royal Borough of Greenwich Pension Fund (the 'Fund') is part of the Local Government Pension Scheme (LGPS). The LGPS is governed by the Public Services Pension Act 2013 and is one of the largest pension schemes in the UK. It is run for local government employees and people working for other employers who are able to participate in the scheme. It is a defined benefit scheme, designed to provide retirement benefits for its members. Scheme regulations are approved nationally by Parliament however the LGPS is administered locally by 86 local pension funds across England and Wales.

The LGPS is a funded pension scheme which means that contributions into the Fund are made by employers and employees which are then used to make investments upon which a return is anticipated.

The Royal Borough of Greenwich Pension Fund is an administering authority for the LGPS and as at 31 December 2024 comprised of:

- 67 active employers
- 27,033 members, of which 8,736 were actively contributing into the Fund, 8,900 were drawing benefits and the remainder had rights to deferred benefits.
- Net assets worth £1.75bn

The Royal Borough of Greenwich is the Administering Authority for the Pension Fund. The Authority has delegated to the Pension Fund Investment and Administration Panel (the 'Panel') various powers and duties in respect of its administration of the Fund. The Panel is the formal decision-making body of the Fund.

In 2015 The Local Pension Board (the 'Board') was established in accordance with Section 5 of the Public Service Pensions Act and under regulation

106 of the Local Government Pension Scheme Regulations 2013 (as amended). The purpose of the Board is to assist the administering authority of the Fund (the Royal Borough of Greenwich) in its role as scheme manager. The Board enhances scrutiny and governance within the Fund, helping to ensure that it complies with legislation and the law relating to pensions.

Day to day running of the Fund in respect of administering the membership through collecting contributions, paying benefits / pensions and maintaining all necessary records, is undertaken by the Director of Resources. This is further delegated to the Business Change Accountancy (Treasury and Pensions) and Pension Administration Teams.

Further detail regarding the Funds governance structure, resources and incentives can be found under Principle 2 within this report.

## Our Purpose

The purpose of the Fund is to provide an efficient and effective pension scheme to deliver retirement benefits to members when they fall due. The fundamental functions of the Fund are:

- To provide retirement benefits (pensions, lump sums, and other benefits) to Scheme members when they fall due.
- To enable primary contribution rates to be kept as nearly constant as possible and at reasonable cost to all relevant parties (such as the taxpayers, scheduled and admitted bodies), while achieving and maintaining Fund solvency and long-term cost efficiency.
- To seek investment returns which should be assessed considering the risk profile of the Fund and employers.
- To safeguard the assets of the Fund by ensuring strong corporate stewardship and oversight

Furthermore, the purpose of the Fund is to ensure that our members can access clear and accurate information to plan for their retirement. The Fund is accountable to its members, employers, and other stake holders and therefore has a duty to ensure that there is effective governance and oversight of its activities.

## Values and Culture

The Pension Fund has a fiduciary duty to its members which remains its priority, and it must be made clear that the Pension Fund is a separate entity to the Royal Borough of Greenwich (RBG). However, as RBG is the largest employer within the Fund and the employers within the Fund are based within the Borough, the Fund works to ensure that it is aligned to some of the key missions set out in Royal Greenwich's Corporate Plan, namely:

Greenwich plays an active role in tackling the climate crisis and improving environmental sustainability, in line with our commitment of being carbon neutral by 2030	The Fund operates to include environmental, social and governance (ESG) factors within its day-to-day operation. The landscape within which Local Government Pension Funds operate is now evolving with there being increasing emphasis on the importance of monitoring and engaging on ESG matters to explore the risks and opportunities presented by climate change. However, the Fund has developed its own Net Zero Roadmap with a pledge to be carbon neutral by 2040 (with the commitment to explore options to meet this target sooner).
Our Council is an adaptive organisation, enabling it to navigate the increasing number of challenges it faces while remaining financially sustainable.	The Fund's key purpose is to ensure that it delivers retirement benefits to its members.  The Fund has a responsibility to ensure that it provides value for money to its members, employers and to RBG as an employer.
Our Council works in the most efficient and effective ways possible	A key value held by the Fund is that it is run well for its members, employers and other relevant parties. Oversight and governance of the Fund is a key part of its function to ensure that it runs effectively.

Each of these key values feed into creating long term value for our beneficiaries and sustainable benefits for the economy, the environment and society.



Active stewardship is an integral part of the Funds culture. The Fund works to ensure that it is clear and concise in its communications and that it is run with integrity and transparency. Strong stewardship feeds into every aspect of the Fund from the day-to-day reconciliation work undertaken by officers to the delivery of key policies and statements, through to its investment beliefs and decisions.

## Our Strategy

The world of the LGPS is ever evolving and therefore the Funds strategy is to work in a proactive and not reactive manner. This strategy, to ensure that we deliver on our values, includes:

- Ensuring that new areas of work are undertaken with due diligence so that those charged with governance have the right information – taking adequate time to research where necessary.
- Having a key focus on training, ensuring that it is timely, appropriate, and continual so that officers, Panel and Board members have the requisite knowledge and skills to undertake their roles.
- Keeping our responsibility to our stakeholders is at the heart of what we do, providing transparent and concise information in our communications and reporting is at the forefront of our investment decisions.
- Using collaboration with other counterparties as a tool for objectivity and development, applying the viewpoint that we can learn from others.
- Engaging with relevant companies, investment managers and other counterparties to use our position as owners of capital to drive change.
- Reviewing our portfolio and activities in line with environmental, social and governance issues to identify areas of risk and opportunity.





## Investment Beliefs

The Royal Borough of Greenwich Pension Fund is committed to managing investments efficiently and effectively. Its key investment beliefs are:

Investment Belief	Importance
A strategic asset allocation which is regularly reviewed is key.	A suitable strategic asset allocation benchmark ensures a balance between generating a satisfactory long-term return on investments whilst taking account of market volatility and risk alongside the nature of the Funds liabilities.
Managing the performance of the investment managers is key to driving the delivery of returns they have agreed to make.	Monitoring performance not only ensures that the Fund is able to fulfil its fiduciary duty to members, it also guarantees that the Fund is working within its key values – to provide a well-run fund and economic prosperity for all.
Negotiating fair fees with managers to ensure we are not paying excessive fees.	The Fund must ensure that it is run cost efficiently and that it achieves value for money while also exploring if paying higher fees will unlock opportunities with regards to higher performance.
Reviewing our investment structure and objectives in light of economic changes using asset/liability study tools.	It is vital that the Fund actively monitors its portfolio in an ever-evolving economic landscape.
Choosing investments wisely and mitigating poor performing activities in real time.	Choosing investments wisely and actively monitoring performance ensure that funding objectives are met to maintain employer rates and meet liabilities.
Training our Panel members and officers to ensure effective due diligence and focused and sound stewardship.	The Royal Borough of Greenwich recognises that effective management, governance, and decision making can only be achieved where those involved have the requisite knowledge and skills to discharge the duties and responsibilities allocated to them.
Exploring opportunities for new ways of administering the Fund that deliver lower costs and improve returns.	The Fund has a responsibility to ensure that it provides value for money to its members, employers and to RBG as an employer alongside ensuring that it generates returns in order to meet its liabilities when they fall due. The Fund engages with its Pool partner (London CIV) to review alternative managers that can deliver the existing strategy, but at a lower fee.

Investment Belief	Importance
A robust Responsible Investment (RI) Policy is key to understand and manage Environmental, Social and Governance (ESG) issues which can impact the Fund.	ESG issues can have a material impact on the long-term risks and returns from Fund investments. A robust RI policy helps to ensure that ESG risks and opportunities are recognised, understood, and acted upon.
A rebalancing framework is important.	<p>A rebalancing policy ensures:</p> <ul style="list-style-type: none"> <li>• The desired strategic risk/expected return across assets is maintained.</li> <li>• The desired allocation between various managers is maintained</li> <li>• Locks in some of the gains when a particular asset class/manager outperforms</li> <li>• Buys into 'cheap' asset classes/managers when they underperform.</li> </ul>
Diversification is key.	The Panel reviews the nature of Fund investments on a regular basis with reference to suitability, risk and diversification.
Engagement with managers and other stakeholders is key to drive change.	The Fund recognises the importance of its role as stewards of capital. The Fund has a commitment to actively exercise its ownership rights and engage with managers and the underlying companies it invests in to promote corporate responsibility and ultimately protect the financial interest of the Fund and its members.
The economy of scale through pooling where appropriate, can generate reduced costs, improved investment opportunities and enhance responsible Investment	The Pension Fund is a Member of the London Collective Investment Vehicle (LCIV)- through collective investment with other London LGPS Funds, it hopes the combined buying power will reduce costs, improve investment returns and widen the range of available asset classes for investment – all for the benefit the Fund members

Further details regarding the Fund's Investment Strategy can be found within its Investment Strategy Statement (ISS) on the Royal Greenwich website [royalgreenwich.gov.uk](https://royalgreenwich.gov.uk). The ISS is produced in accordance with Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 which require administering authorities to prepare, publish and when appropriate, revise a written statement recording the investment policy of the pension fund.

## Activity

The Funds purpose and values directly feed into the Funds stewardship strategy. The stewardship activities undertaken by those charged with governance are further supported by the governance structure in place.

Each fiscal year the Fund holds a strategic 'away day'. This day is an opportunity for Panel and Board members and officers to receive training, have round table discussions on key issues and reflect on current and future priorities for the Fund. The event is attended by the Funds investment advisors (Hymans Robertson) and actuary (Barnett Waddingham) alongside other key counterparties pertaining to the

particular focus of each event. This year's annual away day which took place in February 2024, focused on a strategic update for the Fund including training on natural capital as an asset class which was provided by both the Funds pooling manager and a fund manager with vast natural capital experience. The day also covered reporting requirements under the Taskforce for Nature Related Financial Disclosures (TNFD)<sup>1</sup> and a review of next steps in relation to the Governments consultation on investments and pooling. In the Funds 2023 Stewardship report we identified that the Fund needed to complete further work to actively engage with the Local Authority Pension Fund Forum (LAPFF)<sup>2</sup> to utilise its membership more effectively for stewardship. To this end, the Fund received a presentation from the LAPFF at its February away day. This was an opportunity for Panel and Board members to ask questions surrounding the role of the LAPFF, the work they undertake and how the Fund can work more collaboratively with the forum for the benefit of its members. The Funds 2025 away day will focus on the importance of engagement in light of investment in companies based in areas of high conflict and the upcoming triennial valuation.

The Funds commitment to holding this annual event reflects the Funds core values and investment beliefs namely, stewardship being an active process, making sure that those charged with governance have the right information, taking time to research and discuss key topics in depth and using collaboration with other counterparties to broaden our views and understanding.

The Fund has been on its environmental, social and governance (ESG) journey since 2018 (further details of the Funds ESG journey can be found under Principle 7). Understanding the risks and opportunities posed by climate change is imperative for the Fund to undertake effective stewardship of fund assets and therefore fulfil its purpose of delivering benefits to its members. The ESG landscape is ever evolving and therefore the Fund needs to continually monitor the effectiveness of its stewardship activities. This year the Fund has focused on reviewing the work it has undertaken on its ESG journey so far and has derived upcoming workstreams to drive ESG focused stewardship activities moving forward.

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<sup>1</sup> The Taskforce on Nature Related Financial Disclosures is a global initiative providing disclosure recommendations for organisations and finance to assess and report on their nature-related dependencies, impacts and risks and opportunities.

<sup>2</sup> The LAPFF is a member-led forum which aims to promote high standards of corporate governance through company engagement. At the time of writing forum membership comprised of 87 LGPS funds and seven pooled companies with aggregated assets under management of over £350 billion.



Some of the key work undertaken in this area this year includes:

- Review and update of the Funds Net Zero Roadmap, which was initially agreed in 2022. This review assessed the work undertaken to date to reduce the Funds carbon footprint – evaluating what had been achieved and identifying work which still needs to be undertaken. The revised strategy then set out a workstream for the next 12-18 months which includes a re-review of the Funds Responsible Investment beliefs.
- Presentations from Fund investment managers focusing specifically on their ESG activities at each Local Pension Board meeting. This process was introduced in 2023 and allows Board members to ask questions of the Funds investment managers in relation to their stewardship and engagement activities and to also gain an understanding of the different forms this can take in relation to different asset types. As this was the second year within which managers made these presentations, the Board were able to receive updates on previous engagements and ESG activities alongside information on new engagements. This meant that the Board was able to evaluate and gain understanding on what had progressed/changed over the year and challenge where appropriate.
- Further development of a Climate Change section included within the Funds 2023/24 annual report which reports on the Funds ESG activities aligning to the four pillars of the Taskforce for Climate Related Financial Disclosures (TCFD<sup>3</sup>), these being Governance, Strategy, Risk Management and Metrics and Targets. The inclusion of this section not only means that the Fund is actively working towards reporting in line with TCFD but also supports the Funds values by ensuring that our communication to our members is clear and concise. The Fund intends to review its annual report layout in 2025 with a view to further develop the Climate Reporting section.
- Reporting on the Funds carbon footprint data for a third consecutive year in collaboration with the LCIVs Climate Analytics Service. In September 2024 the Panel received the Funds third year data which showed that the reduction in the Funds carbon intensity since 31 March 2022 has now brought the Funds implicit temperature to less than 1.75 degrees Celsius resulting in the Fund being aligned with the objectives set out in the Paris Agreement. This reduction can be partially attributed to Funds movement of £237.5m of global equities into a low carbon index tracking global equity fund during 2023. Further detail on this can be found under Principle 7.
- This year the Fund gained membership to Pensions for Purpose, an organisation which works with asset managers, pension funds and professional advisors to empower investors to understand ESG, sustainability and impact investment issues. The Pensions for Purpose membership community consists of over 430 organisation members and membership provides access to a wide range of resources and information to empower decision-making and understanding of ESG and impact investment. Pensions for Purpose will be presenting on engagement with companies in high conflict areas as part of the 2025 annual away day.
- Participation in the LCIV Seed<sup>4</sup> Investor Group for their Nature Based Solutions Fund. This involved Fund officers contributing to a working group to help shape the Fund and gain further understanding of this more nascent asset class. The Pension Panel agreed to invest in this Fund in January 2025. More details on this can be found under Principle 7.

This work undertaken in relation to the Funds ESG objectives supports the Funds strategy of reviewing our portfolio and activities in line with environmental, social and governance issues to identify areas of risk and opportunity.

<sup>3</sup> The TCFD is an international body founded with the support of G20 members. In 2017 the TCFD produced a framework for the financial sector to improve and report on climate-related financial information. The disclosures focus on four key areas - governance, strategy, risk management and metrics & targets. It is expected that LGPS Funds will be required to report under these requirements.

<sup>4</sup> Seed investment refers to the earliest investment a fund manages to received

This year the Fund has also continued to ensure that it actively reviews its strategic asset allocation. Following agreement of a new investment target allocation in 2023, the Panel received a report from the Fund's investment advisor, Hymans Robertson in July 2024. The report laid out plans to reduce the funds multi-asset allocation, top up the Funds protection assets and create a blended fund of equities, bonds and cash. The purpose of these recommendations was to bring the Funds multi asset allocation in line with the strategic long-term target and to create a liquidity waterfall which will help meet expected future capital calls from the Funds Private Market managers. This work ensures that the Fund's strategic asset allocation provides the requisite structure to support diversification, protection, growth and income generation and reflects the Funds belief that a strategic asset allocation which is regularly reviewed is key, balancing the requirement to generate a satisfactory long-term return while taking into account key market risks. This in turn helps the Fund in fulfilling its purpose of paying member benefits when they fall due.

During 2024 officers also sat on the Seed Investor Group for the LCIVs Private Debt II Fund. As with the natural capital working group, this platform allowed officers to work in collaboration with the LCIV and other London boroughs to lay the

groundwork for expectations of a Private Debt Fund which was fit for purpose. The Pension Panel agreed to invest in the LCIV Private Debt II Fund at its January 2025 meeting.

The Fund believes that managing the performance of its investment managers is key to driving the delivery of returns they have agreed to make. The Panel and Board therefore receive quarterly manager performance reports and engage with managers where performance is not at the expected standard. During 2024 the Panel requested and received presentations from two managers where performance had fallen below that expected to gain an understanding of the reasons for poorer performance and plans for improvement.

During 2023 the Fund completed a review of its training processes. As part of this review officers completed an analysis of the training undertaken by Board and Panel members and officers, creating an improved system for logging, and monitoring training. Further to this, 2024 saw the introduction of training assessments for Panel and Board members. Training is provided to both Panel and Board at each of their meetings in line with the CIPFA Knowledge and Skills framework. The results of these assessments will be reported on as part of the Knowledge and Skills Framework review during 2025.

In line with its strategy, The Fund ensures that training is timely, appropriate and continual - believing it to be a pivotal part of the Funds stewardship activities. Training therefore, goes beyond a 'tick box' exercise and the Fund undertakes further training beyond the Knowledge and Skills framework. In 2023 the Fund ascertained a free trial of an online training platform called Enlighten provided by the Funds Actuary, Barnett Waddingham. The platform provides access to short training videos on various topics and provides a facility to log the progress of participants. New topics have been added to the system in 2024 and the Fund is actively involved in providing feedback to help shape the platform further. Other training sessions this year focused on Carbon Footprint measurement and reporting, provided by the Funds pooling manager the LCIV and training on Natural Capital. Officers have also undertaken a series of IT Safety Course Sessions covering various topics such as cyber security fundamentals, malware, data breaches, social engineering and phishing. During the year officers, Board and Panel members also attended the following training/conferences on subjects which actively feed into the stewardship activities of the Fund.

Date	Training/Seminar	Detail	Attended by
January 2024	LGIM Natural Capital Workshop	Introduction to Natural Capital as an asset class – training included overview of biodiversity and reporting under the Taskforce on Nature-related Financial Disclosures (TNFD).	Officers
June 2024	Climate Models and Investing	How climate models can be used by investors and the pros and cons of different types of models.	Officers
July 2024	LAPFF Mid-Year Conference	Topics included a fair and just transition, climate risk modelling and work on the Conflict Affected & High-Risk Areas (CAHRA) pilot programme	Officers
July 2024	Bloomberg Training	Navigating macroeconomic and interest rate market uncertainty	Officers
July 2024	Audit and Accounting Standards – Hymans Robertson	Overview of key auditing and accounting standards which apply to the LGPS	Panel/Board
September 2024	LCIV Annual Conference	Topics included the development of Pooling and consolidation, updates on various asset classes, market review and exploring natural capital.	Officers/Panel Chair
November 2024	Bloomberg Training	Money market forum – trends challenges and opportunities	Officers
December 2024	Private Markets – Blackrock	Overview of how Private Markets work – key features, risks and opportunities	Panel/Board

This focus on training ensures that the Fund can demonstrate that Panel, Board and officers have the essential knowledge required to undertake their governance duties and to run an efficient and effective Fund for its members and supports our strategy of ensuring that those charged with governance have the right information – taking adequate time to research where necessary.

The Taskforce for Nature-related Financial Disclosures (TNFD) is an international initiative which develops reporting a framework for organisations to report and act on nature-related risks.



## Outcome

The Fund's strategy has enabled it to undertake stewardship activities in line with its investment beliefs and values. This year the Fund delivered on his commitment to re-review its Net Zero Roadmap, reaffirming its aim to be carbon neutral by 2040 (with the commitment to explore options to meet this target sooner). This work supports one of the Funds key values that taking an active role in including ESG factors within its day-to-day operations. Review of the climate analytics data for the Fund further supported that the roadmap has been effective in setting workplan objectives and stewardship activities to reduce the Funds carbon emissions. Review of the roadmap also identified a need for the Fund to re-review its Responsible Investment (RI) Policy – which is set to take place in 2025. This will further support the Funds belief that a robust RI Policy is key to understand and manage ESG issues which could impact the Fund.

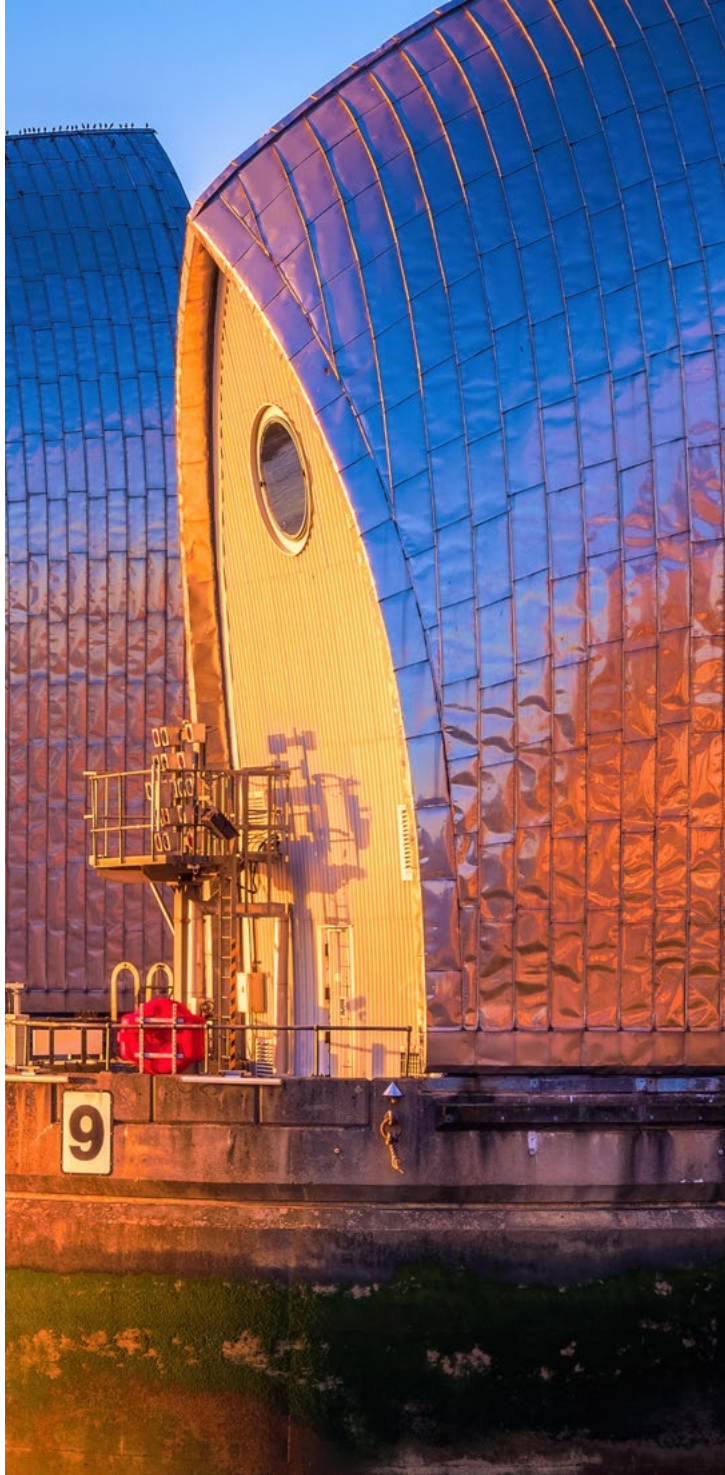
The work undertaken on the funds multi-asset allocation during 2024 has been driven by the Funds investment beliefs that diversification is key, and a rebalancing framework is important to ensure that strategic risk/return across all

assets is maintained. This rebalancing work will also provide liquidity so that the Fund can meet capital calls when they fall due.

In 2023 the Fund identified that it needed to undertake a review of its voting and engagement activities and how best to report on these. Initial work has begun in to identify a new programme for engagement during 2024. As aforementioned the Fund has continued manager presentations to Board on ESG related engagement activities, invited the LAPFF to attend its annual away day in February to ascertain how it can work with the LAPFF more on engagement and the Fund joined membership of Pensions for Purpose, who provide relevant training materials and assistance in areas such as engagement and who are set to present to at the 2025 annual away day on the benefits on engagement vs divestment. The Fund is presently in the process of liaising with other peers and its pooling partner to gain insight into best practice and researching other frameworks in this area. There is still more work to do on this and, although the Fund has begun to complete an initial review of its manger voting activities, it still needs to agree a reporting process for

this moving forward. This is set to take place in 2025. Although the Fund still needs to improve its engagement and voting reporting, the work undertaken in 2024 is in line with the Funds strategy of ensuring that we take adequate time to research, focusing on the importance of training and gaining information and collaborating with other counterparties as a tool for objectivity and development.

The Funds investment belief that training is key to ensure effective due diligence and focused and sound stewardship is supported through the undertaking of the annual way day and the various training/conferences and webinars undertaken attended by Pension Panel, Board and officers. The introduction of assessments to test the knowledge of Panel and Board will further help support effective stewardship of the Fund by identifying any gaps in knowledge and additional training needs. This, in turn, will help the Fund continually adapt and deliver a training programme which ensures that those charged with governance have the requisite knowledge and skills to undertake their governance role.



## Principle 2

### Signatories' governance, resources and incentives support stewardship.

#### Context

##### Our Structure

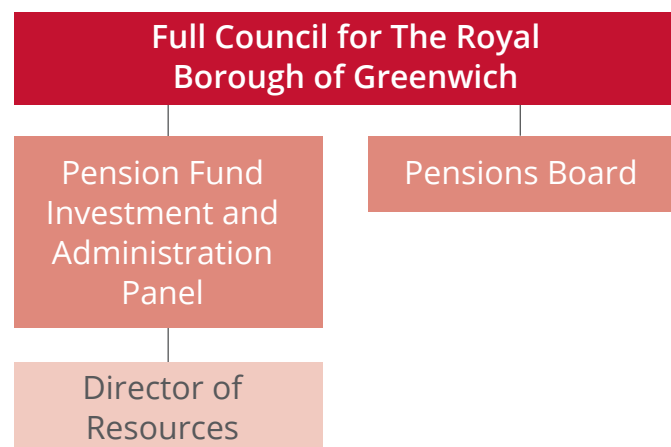
##### The Pension Investment and Administration Panel

The Royal Borough of Greenwich, under its constitution, has delegated the responsibility of the Fund to the Pension Investment and Administration Panel (the 'Panel'). The Panel is a decision-making body and therefore has governance and oversight of all Fund matters including, but not limited to, communications and administration, investment strategies, scrutiny of external investment managers and performance assessment, employer and employee member engagement and policy review. The Panel consists of four Greenwich Councillors with full voting rights and decisions should be made in the best interest of the Fund and its members. Representatives from admitted bodies and the trade unions are invited to participate as members of the Panel, but do not have voting rights. The Panel convenes a minimum of four times a year.

#### The Board

On 1 April 2015 the Royal Borough of Greenwich Local Pension Board was established in accordance with Section 5 of the Public Service Pensions Act and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended). The Board was established by the Pension Fund Investment and Administration Panel under delegation from the Administering Authority and operates independently of the Panel. Its purpose is to assist the Administering Authority in its role as a scheme manager. The Pension Board consists of four members, each with voting rights. These members are made up of two member representatives and two employer representatives. The Board will meet, as a minimum, two times a year. The chair of the Board, with consent from the Board members, may call additional meetings. In 2024 the Board met four times.

The table bellows illustrates the governance structure in place for The Royal Greenwich Pension Fund



Further information regarding the delegation arrangements for the Fund can be found in the Funds Governance Compliance Statement on the Councils website [royalgreenwich.gov.uk](http://royalgreenwich.gov.uk). The statement is reviewed annually. The Panel and Board also produce and maintain Terms of Reference.

### The Business Change Accountancy Team (Treasury and Pensions)

The Panel has delegated the daily management of the Fund to the Director of Resources who is the Council's Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972. The day- to-day running of the Fund is further delegated to officers within the Accountancy and Business

Change – Treasury and Pension Investment Team and the Pensions Administration Team.

The Treasury and Pensions Team is made up 6.5 full time equivalent (FTE) staff, with half of the team focused mainly on the Pension Fund. The team is headed by the Business Accountancy Change (Treasury and Pensions) Manager who directly reports to the Director of Resources (S151 Officer). The team is made up of officers from a range of backgrounds, all of whom have public sector experience and are members of or are currently undertaking qualifications with professional bodies such as AAT, CIPFA and ACCA.

The work undertaken by this team includes:

- Day to day management of the Fund including all reconciliation and accountancy work.
- Day to day liaison with Fund Investment managers, the Fund Custodian, Investment Advisors and the Fund Actuary and all other counterparties
- Production of quarterly and annual Pension Fund Accounts, alongside collaboration with the Fund auditors during the audit process.
- Production of the Annual Report.
- The provision of guidance to the Pension Fund Investment and Administration Panel and Board on all reports, policies and statements.

- Co-ordination of training including the annual away day
- Management and oversight of fees

### The Pensions Administration Team

The Pension Administration team comprises of 13.6 full time equivalent (FTE) staff, however only 7.4 FTE posts are currently filled due to vacancies and staff secondments. The team covers both the employing and administration duties for the Local government Pension scheme (LGPS) in the Royal Borough of Greenwich Pension Fund and employer duties in respect of Greenwich employees who are members of the NHS Pension Scheme and the London Pension Fund Authority (LPFA) pension fund. The services provided by the pension section consist of:

- The administration of the Local Government Pension Scheme (LGPS) in accordance with relevant legislation.
- The running and maintenance of the Pension Payroll to ensure accurate and timely payment of monthly pensions.
- The maintenance of accurate records for each member of the pension scheme (including the employing authority and every admitted body that contributes to the Royal Borough of Greenwich Pension Fund).



- The provision of key employee data to the NHS and London Pension Fund Authority.
- The provision of information and key data to scheme members and other bodies associated with the LGPS.
- The provision of guidance to the Pension Fund Investment and Administration Panel on pension legislation and the options available.
- To encourage and promote membership of the LGPS.

The administration team has the following aims at its core:

- The improvement of standards and efficiency and to keep costs under scrutiny.
- To develop plans to increase IT efficiency and give members more options with regards to accessing details of their pension benefits and other information.
- To train and develop staff in respect of any changes to legislation and to meet the service requirements.
- To achieve a high standard with regards to service delivery and customer service.

## Activity

Officers, under delegation from the Director of Resources as Section 151 Officer, are responsible for the day to day running of the Fund, undertaking research and providing a range of reports to the Pension Panel in collaboration with the Funds service providers including investment managers, investment advisors, the Fund Actuary and the Pensions Administration Team.

The Panel, as the decision-making body for the Fund, receives these reports alongside presentations and liaison with various counterparties and undertakes decisions on various matters including (but not limited to) agreement of policies and procedures, changes in asset allocations, frameworks for training, ESG priorities etc. Key examples of reports reviewed, and decisions made by the Panel in 2024 include:

- Review of the Local Pension Board's Conflicts of Interest Policy
- Review of the Funds multi asset allocations and agreement to change these allocations in line with re-balancing proposals.
- Quarterly review of fund manager performance.
- Review of the Funds annual accounts and agreement of the Annual Report.

The Pension Board, provides an additional layer of scrutiny, overseeing the governance of the Fund and the work undertaken by Panel. The Board has a role to hold the Panel accountable for its decisions and as such, makes recommendations to committee as required.

## Other Key Counterparties/Service Providers

The Fund also receives a range of services from other providers supporting its stewardship activities, all of whom are invited to relevant Panel meetings during the year. The experience and expertise of the advisors of the Fund are reviewed and assessed as part of the tender of contracts to ensure that third parties have the requisite knowledge and skills. The Fund investment advisors, actuary and investment managers are all FCA regulated firms. The Funds external counterparties include:

- Investment Advisors – Hymans Robertson
- Fund Actuary – Barnett Waddingham
- Custodian – Northern Trust
- External Auditors – Forvis Mazars
- Pooling Manager - London Collective Investment Vehicle (LCIV)
- Investment Managers - CBRE Global Investment Partners, Blackrock Advisors (UK) Limited, Fidelity, Partners Group (Guernsey) Ltd, Wilshire Associates and Legal and General Investment Management (LGIM).

## Training and Performance Measurement

Due to the nature of the Fund being that of a local authority and staff pay being aligned to the Royal Borough of Greenwich pay policy (through which fairness of pay across roles is ensured) there is little opportunity for the Fund to provide financial incentives to officers to drive performance. However, officers work within the councils flexible working policy and are permitted to work from home for a percentage of the week. This is undertaken while ensuring that the interests of scheme members is priority. This flexibility, coupled with a strong investment into training and development helps to encourage staff to undertake their work proactively.

The Fund recognises that effective financial administration and decision-making can only be achieved where those involved have the requisite knowledge and skills. The Fund therefore collaborates with its investment advisors, fund managers, actuary and other stakeholders in the delivery of its training.

The Fund also recognises that training can take various forms and therefore uses various methods of delivery including, but not limited to, formal presentations, webinar attendance, workshops, informal discussion and reading of relevant articles and publications.

A training plan is produced on an annual basis and is updated as necessary to account for any changes in legislation, updated guidance, and other relevant changes. Alongside the training plan, officers maintain a training register which will hold details of training courses/events available alongside details of who has attended. A list of the training undertaken by Board, Panel and officers during 2024 can be found under Principle 1.

Training is undertaken on a rolling programme, ensuring that the six key areas of the Knowledge and Skills Framework are covered. These are undertaken at each Panel and Board meeting and are aligned to the content of the meeting to ensure relevance. The Fund's Knowledge and Understanding Policy and Framework is published on the council website ([royalgreenwich.gov.uk](http://royalgreenwich.gov.uk)) to demonstrate that the Fund has adopted the 2021 CIPFA Code of Practice on LGPS Knowledge and Skills. Newly appointed members of both the Panel and Board receive induction training carried out by the Funds investment advisors. During 2024 the Fund welcomed one new member to its Pension Board and one new member to its Pension Panel, both members received this induction training. Pension Board members are encouraged to use the e-learning toolkit provided by the Pensions Regulator. Although there is no statutory obligation placed on them to do likewise, Panel members and officers are encouraged to do the same.

As aforementioned under principle 1, during 2023 the Fund ascertained a free trial of an online training platform called Enlighten provided by the Funds Actuary, Barnett Waddingham. Panel, Board and officers all have access to the system which provides training videos on various LGPS related topics. During 2024, new topics were brought onto this platform, increasing the training topics available. The Fund also holds training sessions on specified relevant subjects which may fall outside of the Knowledge and Skills framework. This year Panel and Board received training sessions focused on Climate Analytics and measurement and Natural Capital.

The Fund recognises the importance of developing and supporting staff within each team and within their roles. Officers receive regular 1 to 1's with managers to discuss areas of development, including training and feedback on performance. Officers also each have an individual workplan which is regularly reviewed with their line manager. During 2024 the Accountancy and Business Change Team also re-booted its use of Personal Development Conversations (PDCs). These are more in-depth annual reviews on performance, coupled with a workplan for the upcoming year. The PDCs are a tool through which work, and performance targets can be set. They provide managers and staff the opportunity to have constructive conversations about performance and development and help to support career progression related to an employee's

current job as well as broader professional development. This process makes each team member accountable for their part in the running and stewardship of the Fund.

During 2024 the Funds Business Change Accountant was successful in qualifying as a chartered accountant under the Chartered Institute of Public Finance Accounting (CIPFA). The Fund's Accountancy and Business Change Deputy Finance Manager was also successful in completing a 6-week certified Focus on ESG Course. During 2024 the Accountancy and Business Change Deputy Finance Manager has been supported one step further in undertaking a post-graduate course on Financial Climate Risk, set to finish in April 2025. This training will help further strengthen the teams ESG credentials with practical training and strategic know-how.

## Diversity, Equity & Inclusion and Social Value

Staff within the Pensions Administration and Business Change Accountancy Teams work in line with the Royal Borough of Greenwich Equality Policy. As council employees, officers share the responsibility to promote equality, diversity, and inclusion (EDI) in every aspect of their work and the Fund has begun to incorporate questions within its tendering process around the EDI policies and processes for the third parties with which it works. Ensuring that Fund contracts contain a tangible deliverable with regards to social value is also a key component of the tendering process for the procurement of pension fund services.

The Royal Borough of Greenwich aims to promote equality of opportunity and to celebrate and value diversity. During 2024 the Council agreed 7 Equality and Equity Objectives as part of its Public Sector Equality Duty ([royalgreenwich.gov.uk](http://royalgreenwich.gov.uk)). To achieve these objectives, the Council is setting up an action plan to be developed by a Task and Finish Group who will monitor progress. The group includes representatives from each directorate and network staff members. The Council run various networks and groups for staff. These include:

- Disability Staff Forum
- Greenwich Young Professionals Network
- LGBTQIA+ Network
- Mental Health and Wellbeing Network
- Muslim Network
- Race Equality Network

The Royal Borough of Greenwich also welcomes and encourages residents and local organisations to sign its Equality and Equity Charter ([www.royalgreenwich.gov.uk](http://www.royalgreenwich.gov.uk)) which sets out 8 pledges to promote EDI values which support a fairer, safer, accessible and inclusive borough.

A Multi-faith and Quiet Contemplation room is also available to staff of all faith groups as a place to pray and undertake quiet contemplation.

## Reporting Rules

The Royal Borough of Greenwich has strict reporting rules to which the Fund adheres. These rules include detail by officers as to how the report interlinks with Royal Greenwich's high-level missions and the requirement for officers to stipulate the pros and cons of the different options available to members to provide a holistic analysis of the options available. Reports are then reviewed by the Councils Legal Department for comment before publication.

2024 saw the introduction of two new reporting areas upon which the Accountancy and Business Change and Pensions Administration Teams must consider and make comment. These are Risk Management and Community Engagement. The inclusion of these two new areas has resulted in officers further identifying how risk features into the content of each specific report to Board and Panel and how, if applicable, community engagement has taken place. Before publication, these comments are reviewed by the Councils legal team to ensure that they fulfil the purpose of clear communication and consideration of these important themes.

All reports to the Pension Panel and Board in 2024 adhered to these guidelines supporting stewardship by providing clear, concise, and transparent communication for Fund members and ensuring that those charged with governance are given the correct information and tools to make informed decisions.



## Outcome

The governance structure in place helps to support stewardship by providing various layers of review and accountability on decisions regarding the administration, investment and governance of the Fund. Furthermore, there are clear roles and responsibilities set via individual workplans, PDCs, I to Is and within the Terms of Reference for the Panel and Board.

The re-boot of more detailed Performance Development Conversations during 2024 has worked to ensure that staff have a clear workstream and set targets for the upcoming year. These reviews also help to support and incentivise staff through identifying key learning opportunities for career development. The Fund has supported staff in undertaking relevant qualifications, as can be seen through the completion of CIPFA by the Business Change Accountant and the post-graduate Financial Climate Risk Course being undertaken by the Accountancy and Business Change Deputy Finance Manager.

Panel, Board and officers have undertaken various training throughout the year, ensuring that they have the requisite knowledge and skills to undertake their work and empowering staff and Panel and Board members to undertake their stewardship roles with confidence and

consideration. The Funds annual away day, as mentioned under principle 1, also provides a platform for staff to get together and talk freely about key ideas and themes, to build working relationships and to receive relevant training to strengthen knowledge.

Strong working relationships between the Accountancy Business Change and Pensions Admin Teams help the ensure cohesion across the breadth of the Fund. Interaction between officers at all levels and the Funds various external counterparties help to ensure strong stewardship across all work within the Fund and help to empower staff to build strong working relationships and to collaborate with third parties as appropriate.

Clear expectations with regards to report requirements help to ensure that the Fund fulfils one of its key purposes of ensuring that our members can access clear and accurate information to plan for their retirement. The introduction of the Risk Management and Community Engagement reporting requirements during 2024 has enabled staff to further develop their consideration of reporting in these areas to ensure that the Fund provides clear communication to its members and stakeholders.





## Principle 3

### Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first

#### Context

#### Conflicts of Interest

For the Fund to ensure that it is run in the best interest of its members, conflicts of interest must be identified, monitored, and managed.

A conflict of interest occurs when an individual's personal or financial interests could compromise their judgement to make a decision or recommendation within their official capacity.

Conflicts of interest in relation to the Funds responsible investment and stewardship may occur when:

- Those charged with governance (or their family/close contacts) have a personal or financial interest that could influence a decision or recommendation they make within their role.
- Where the personal/financial interest of an officer prevent them from working for the best interest of the Fund.

- An officer, Panel or Board member receives gifts or hospitality to gain preferential treatment.
- An external counterparty, such as an investment manager or advisor, may provide other services than that for which they have been employed which prevent them working within the best interest of the Fund.

There is an inherent conflict of interest presented by virtue of the structure of the LGPS in that the Royal Borough of Greenwich is the administering authority for the Fund while also being an active employer in the Fund. The objectives of RBG as a local authority may not always be aligned to those of the RBG Pension Fund, which is a separate entity. In order to mitigate the conflict of interest presented by this dynamic, there is segregation between the authority and the Fund in relation to budgets, its governance structure and the external parties it uses.

## Officers, Panel and Board

The Royal Borough of Greenwich Constitution sets out the expectations of officers and members in relation to conflicts of interest. The elected members on the Pension Fund Panel are further governed by 'The Members Code of Conduct'. The Code stipulates the following:

- Written notice of any financial interest including the name of any relevant body with a brief description of its purpose must be provided to the monitoring officer within 28 days of any new or change to the interest.
- If a member is at a meeting and has a personal or financial interest in any matter to be considered, the existence and nature of the interest must be declared at the start of the meeting. A disclosure must be made for six months after ceasing to be appointed to that body.
- If there is a sensitive interest, the fact that there is an interest must be disclosed.
- If a member proposes to make an executive decision in relation to a matter, then:
- If there is a personal interest in a matter, a written statement of the decision must record the existence and nature of the interest; and

- if there is a financial interest or a personal interest the member must not make an executive decision or take any steps in relation to the matter, except to enable it to be dealt with by someone else.

Any declarations of interest declared are detailed on the Register of Member Interests. This is monitored and updated regularly and published on the Royal Borough of Greenwich's website.

Each year, as part of the completion of the Pension Fund Annual Accounts, officers and Panel and Board members are expected to complete a Related Party Transactions form. This details any related party transactions which may have taken place in the year and is reviewed by the Funds auditors during the audit process.

A review of the processes and procedures in place to identify and manage any potential conflicts of interest is also picked up as part of the Royal Greenwich internal audit review of the Pension Fund.

Conflicts of Interest is a feature of the Funds risk register which is broken down and reviewed quarterly and reviewed in its entirety by Panel each year.

## Investment Managers

Voting and engagement by investment managers may also present a conflict of interest. The Fund expects its investment managers to maintain publicly available Conflicts of Interest Policies. These are reviewed as part of the Investment Manager appointment process.

## Training

In line with the 2021 CIPFA Code of Practice on LGPS Knowledge and Skills, officers, Panel and Board members receive a rolling training programme which covers the requirements and expectations of them to govern the Fund with transparency and integrity. As part of this training, officers, Panel and Board members are encouraged to complete The Pensions Regulator (TPR) online Toolkit, a set of learning modules, one of which covers conflicts of interest.

## Activity

In 2024 there were no potential or actual conflicts of interest which required management.

Each financial year the Fund declares, in its annual accounts, any related party transactions which are reviewed by external audit. As at 31 March 2024, no trustees or key management personnel of the Authority with direct responsibility for pension Fund issues had undertaken any material transactions with the Pension Fund, other than the following:

- Administrative services were undertaken by the Authority on behalf of the Fund, under the SLA, valued at £1.148m (2022/23: £0.980m).
- The Royal Borough of Greenwich is the single largest employer of members of the pension fund and contributed £35.850m to the Fund in 2023/24 (2022/23: £33.090m). In 2023/24, £2.997m was outstanding at year end in relation to contributions due from the Royal Borough of Greenwich.
- With respect to other Scheduled Bodies, an amount of £0.661m was owed to the Fund by Academies at year-end for contributions due.

- The Royal Borough of Greenwich Pension Fund is a Member of the London Collective Investment Vehicle (LCIV). As at the reporting date, Councillor Olu Babatola was the Fund's representative on the Board and the deputy was Councillor Nick Williams. In 2023/24, administration and management fees of £0.201m were paid to this organisation.

This will be reviewed and reported on again as part of the 2024/25 annual accounts process.

Section 5 (4) of the Public Service Pension Act 2013 (the "2013 Act") stipulates a requirement for public sector pension schemes to make provisions to ensure Board members do not have conflicts of interest. The Pensions Regulator (tPR) has regulatory oversight of public sector schemes by virtue of the 2013 Act. The 2013 Act added new provisions to the Pensions Act 2004 requiring the tPR to produce a Code of Practice regarding the governance of public service pension schemes.

In September 2023 the Board agreed its Conflict-of-Interest Policy to ensure it manages conflicts of interest in line with this code. The policy was previously embedded with the Board Terms of Reference but is now a separate stand-alone document to ensure that the Board will manage any

potential conflicts of interest appropriately. The aims of the policy include:

- To set out clearly the processes applicable to Board Members and officers supporting the Board in relation to identifying, monitoring, and managing potential and actual conflicts of interest.
- To ensure that Board Members and officers are aware of, and comply with, the legislative requirements under which conflicts of interest are to be properly managed.
- To provide assurance that Board Members are not influenced by external responsibilities or interests which conflict with their role as a Board Member.
- To ensure that Members of the Board and the officers supporting the Board work independently and in adherence to the seven principles of public life (also known as the Nolan Principles).

In March 2024 the Panel reviewed and approved the Board's Conflict of Interest Policy, providing secure and effective governance that the policy was fit for purpose.



## Outcome

During 2024 the Funds approach to identifying, monitoring, and managing conflicts of interest has acted as intended. Conflict of Interest declarations feature on the agenda of every Panel and Board meeting and are documented in the minutes. No actual or potential conflicts of interest were identified in 2024.

Officers, Panel and Board members receive training covering conflicts of interest and the conflict policies of external providers are considered at the point of appointment.

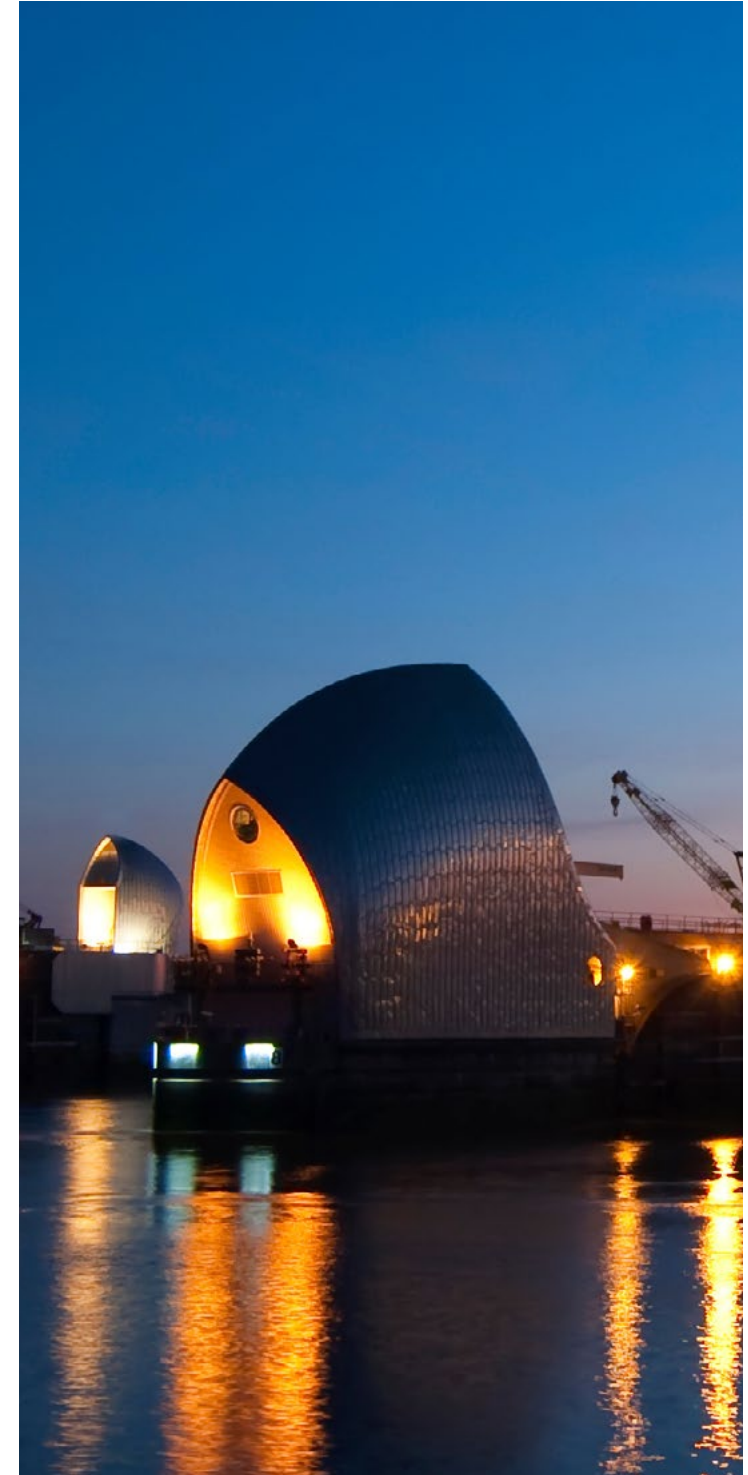
As part of its annual accounts process, the Fund declared any relevant related party transactions in line with the CIPFA Code of Practice and this was reviewed as part of the annual external audit process.

The Pension Boards Conflict of interest Policy specifies the role of Board and officers in ensuring that any potential conflicts of interest are identified, monitored, and managed. The policy was agreed by Panel in March 2024 and will be reviewed on each material change and at least annually.

Conflicts of interest is a key topic on the Funds rolling training programme. The Fund also encourages Panel and Board members to complete the conflict-of interest unit of the TPR Toolkit.

It is recognised that local investment could be identified as a conflict of interest. The Fund therefore has a clear investment strategy statement which focuses on balancing risk with financial return. The Fund has made no commitment to invest locally. Investment decisions are made in line with the Funds fiduciary duty and those charged with governance receive regular training on how to assess the suitability of new investments.

As part of the procurement process for third-party providers any potential conflicts of interest are assessed before appointment. The Fund still needs to undertake more work in relation to the continual monitoring of conflict-of interest policies of external providers including its pooling partner during 2025.





## Principle 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

### Context

Effective risk management underpins strong corporate governance. The key function of the Fund is to provide retirement benefits to members when they fall due and therefore, as a long-term investor, the Fund must continually work to identify and manage risk to help promote sustainable, well-functioning financial markets.

### Market-wide Risks

Market-wide risk affects the performance of an entire market often leading to financial loss. Causes of market-wide risk, which could impact the Fund include (but are not limited to):

- **Interest Rate Risk** – the risk of unpredictable interest rate changes on assets.
- **Equity Risk** – the risk associated with investment in commodities as stock prices fluctuate with supply and demand.

- **Currency/Exchange Rate Risk** – These can change rapidly as they are affected by various political and economic situations.
- **Geopolitical Issues** – the impact of political, socioeconomic, and cultural factors/events on business/markets.

### Systemic Risks

Systemic risk is the risk that an event may lead to the collapse of an economy, financial market, or industry. Systemic risks which could affect the Fund include (but are not limited to):

- **Counterparty Risk** – the counterparty to a transaction defaults on their element leading to a potential loss for the fund.
- **Security Risks** – such a cyberwarfare attack.
- **Political risks** – for example conflict or trade wars between nations.
- **Environmental factors** – such as climate change, natural disasters, biodiversity loss.



## Activity

### Information from Key Counterparties

To monitor market-wide and systemic risks the Fund utilises information from its key stakeholders.

Market Commentary from Managers	The Funds investment managers include relevant market commentary in their quarterly reports. Officers meet quarterly to discuss the performance of each mandate and during this process also discuss market conditions and how these have and may in future effect performance.
Investment Advisors	The Fund utilises its investment advisors, Hymans Robertson, to gain insight on market trends and potential risk areas. Hymans Robertson produce a quarterly performance report for the Fund which is received by both Panel and Board – this report includes market commentary and its impact on the Fund.
Bloomberg	Fund officers have access to a Bloomberg terminal through which they set up various alerts to monitor the market (examples include MPC bank rate change announcements, alerts on specific companies and monitor of the FTSE 100)
Publications and Webinars	Officers actively monitor articles and notifications from publications such as Room 151, Pensions Expert and Public Finance which include commentary on the financial markets. Officers also attend various Pensions & Treasury conferences throughout the year that provide commentary from investment professionals about the state of the global economy.



## Risk Register and Policy

The need for effective risk management is reflected throughout guidance and regulations in the LGPS, notably in Regulations 12(2) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, and in the CIPFA 2018 publication “Managing Risk in the Local Government Pension Scheme”.

Responsibility for risk management is an issue for all those involved in the management of the Fund, with overall oversight falling to the Panel. The Fund maintains and monitors an in-depth risk register. The risk register is reviewed by Panel annually and split into four sections which are reviewed each quarter on a rolling basis. This ensures that the risk register is reviewed regularly. The risk register is much more than a paperwork exercise – it is a tool within which to actively identify, analyse, control, and monitor risk. The risk register is divided into the following risk categories:

- Administrative risk
- Compliance/regulatory risk
- Employer risk
- Investment Risk
- Liability Risk
- Other Risk
- Reputational Risk
- Skill Risk
- Reputational Risk
- Skill Risk

Each risk is assigned an ‘owner’ - a responsible officer who reviews and updates the risk details at least annually.

Risks are currently assessed in relation to two aspects

- The chance of it happening
- The impact of it happening

Each element is then independently assessed on a scale of 1-5 (see table below). The product of the elements for each risk is calculated to give an overall score. Scores can be plotted on a matrix to determine the overall risk factor (high, medium, low). The factor will determine the level of response required by the Fund in respect of that risk.

### Chance

Score	Overall Chance	Definition
1	Unlikely	This event is not expected to occur
2	Rare	The event may occur only in exceptional circumstances
3	Possible	The event might occur at some time
4	Likely	The event will probably occur in most circumstances
5	Almost Certain	The event is expected to occur in most circumstances

### Impact

Score	Overall Chance	Definition
1	Negligible	The event should cause little or no effect to the Fund
2	Minor	The event should have a minor effect upon the Fund
3	Moderate	The event should have a moderate effect upon the Fund
4	Major	The event should have a major effect upon the Fund
5	Very Significant	The event should have a very significant effect upon the Fund



		Impact				
		5 V Significant	4 Major	3 Moderate	2 Minor	1 Negligible
chance	5 - Almost Certain	25	20	15	10	5
	4 - Likely	20	16	12	8	4
	3 - Possible	15	12	9	6	3
	2 - Rare	10	8	6	4	2
	1 - Unlikely	5	4	3	2	1

Risk Factor	Management of Risk
16 – 25 Significantly High Risk	Senior management monitoring
11 – 15 High Risk	Management develop action plan / monitoring
6 – 9 Medium Risk	Routines enhanced by specific procedures
0 – 5 Low Risk	Routine procedures

The risk register is published annually as part of the Funds Annual Report. The 2023/24 annual report can be found on the Royal Greenwich website [royalgreenwich.gov.uk](https://royalgreenwich.gov.uk)

The risk register was reviewed by Panel at its March 2024 meeting and is due to be reviewed again at its March 2025 meeting.

The Fund will be reviewing its Risk Register system as part of its 2025 workstreams – aiming to evaluate the effectiveness of the current process, to ascertain if it is still fit for purpose and to identify where improvement may be made.

## The General Code – Own Risk Assessment (ORA)

On 28 March 2024 The Pensions Regulator's (TPR's) General Code of Practice (the Code) came into force. The Code (which was previously known as the Single Code) brings together 10 of TPR's previous 15 codes of practice, aiming to provide a clear and concise framework setting out expectations on scheme governance (including investment and administration) in line with the requirements of the 2018 Governance Regulations.

Under the requirements of the Code LGPS Funds must establish and operate an effective system of governance (ESOG). Schemes with more than 100 members must also carry out a regular Own Risk Assessment (ORA).

The Fund has ascertained use of a LGPS digital Checker Tool via its Investment Advisors, Hyman's Robertson, to self-assess our governance arrangements in line with the Code, the results of which will be reviewed by Panel in 2025. This process will involve the Fund reviewing its current governance structures and risk management procedures to ensure that they are fit for purpose. This further review of our risk management processes will help the Fund to assess if those systems are still effective

in helping the Fund to identify and respond to market-wide and systemic risks.

## ISS and FSS

The Funds Investment Strategy Statement (ISS), Responsible Investment (RI) Policy and Funding Strategy Statement (FSS) also address various risks and the associated control measures including financial, demographic, regulatory, maturity and governance risks. The Funds Funding Strategy Statement can be found on the Royal Greenwich website [royalgreenwich.gov.uk](https://royalgreenwich.gov.uk).

## Diversification

As stated within the Funds investment beliefs under principle 1 - one of the key mechanisms for ensuring that the Fund mitigates market and systemic risk, is to hold a diversified portfolio of investments with a suitable strategic asset allocation benchmark for the Fund, which sets an appropriate balance between generating a satisfactory long-term return on investments whilst taking account of market volatility and risk. Consideration is also given to diversification across asset types, geographies, and managers. Further details of the asset and geographical allocations of the Fund can be found under principle 6.

To ensure that the Fund is appropriately diversified, the Fund seeks investment advice from its advisors, Hyman's Robertson. The asset allocation and benchmarks of the Fund are reported to Panel with each quarterly performance report and the Funds investment advisors provide advice on any additional steps which could be taken to mitigate risks.

The Fund carried out an asset liability modelling exercise in conjunction with the 2022 actuarial valuation in June 2023. As part of the exercise a number of contribution rates and investment strategies were modelled and the implications of adopting a range of alternative investment strategies were assessed. The Panel considered the probability of being fully funded at the end of the projection period and considered the level of downside risk under a range of different scenarios.

In line with the Funds strategy and investment beliefs the Fund has continued to review its strategic asset allocation and diversification of investments, undertaking further work in 2024, with help from its investment advisors, to review whether the allocations to specific investment assets were appropriate.

Please see the following table for detail of the work undertaken in this regard over the past few years:

2020	<p>Asset/Liability review undertaken. Panel agreed the following updates to the long-term strategic allocation to provide further diversification:</p> <ul style="list-style-type: none"> <li>• A 5% decrease in the allocation to equities, to 45%;</li> <li>• Reshape the allocation to illiquid assets by increasing allocations to private debt and infrastructure to 5% and reducing the allocations to private equity and global property to zero.</li> <li>• A 3% increase in the allocation to multi-asset funds, to 13%;</li> <li>• A 2% increase in the allocation to multi-asset credit, to 12%;</li> </ul>
2021	<p>Panel agreed to invest £42.5m into the London Collective Investment Vehicle (LCIV) Renewable Infrastructure Fund (2.5% of its 5% infrastructure allocation – leaving a further 2.5% to provide further diversification across a number of infrastructure projects and sectors).</p> <p>Panel agreed to make a commitment of £85m to the LCVI Private Debt Fund – a 5% allocation.</p> <p>Initial drawdowns for both mandates have been undertaken.</p>
2023	<p>£237.5m of global equities were moved into the LGIM Future World Global Equity Index Fund – a low carbon passive equity fund. Following a further asset liability study, the Panel reviewed the Fund Investment Strategy and agreed the following changes:</p> <ul style="list-style-type: none"> <li>• A 5% decrease in the allocation to equities to 40%</li> <li>• To reshape the allocation to illiquid assets by increasing allocations to private debt and infrastructure to 10%</li> <li>• The increased allocations will be funded by an 8% decrease in the allocation to multi-asset funds to 5% and a 2% decrease in the allocation to multi-asset credit to 10%.</li> </ul>
2024	<p>Panel agreed to undertake rebalancing activities to:</p> <ul style="list-style-type: none"> <li>• Reduce its multi-asset allocation to bring holdings in line with the Funds long-term strategic target of 5% of total Fund assets.</li> <li>• Top up of protection assets to bring them in line with the Funds long-term target.</li> <li>• Create a blended fund of equities, bonds and cash to create a liquidity waterfall to help meet expected future capital calls.</li> </ul> <p>Officers also sat on Seed Investor Groups for both the LCIV Private Debt II and Nature Based Solutions Funds.</p>

The Funds commitment to continuously reviewing and diversifying its investment portfolio, where appropriate, supports the Fund in holding an investment portfolio which balances the generation of long-term return with consideration given to market and systemic risks.

This approach, ensures that the investment strategy takes due account of the maturity profile of the Fund (in terms of the relative proportions of liabilities in respect of pensioners, deferred and active members), together with the level of disclosed surplus or deficit (relative to the funding bases used).

### Fit for the Future Consultation

In July 2023 the Government released a consultation which proposed its vision for pooling, setting out what it believes to be the LGPS's role in levelling up and private equity investment. The Fund evaluated the proposals, seeking viewpoints from its investment advisors, actuary and LGPS peers and provided a response to the consultation in September 2023, to ensure that its views were considered.

In November 2024 The Ministry of Housing, Communities and Local Government (MHCLG) released its 'Fit for the Future' Consultation on LGPS investments consulting on proposals relating to the investments of the LGPS in areas such as asset pooling, UK and local investment and governance. Again, the Fund sought the viewpoints of its investment advisors, actuary, LGPS peers and the

LCIV when providing its response to ensure that its viewpoints were considered. The response was submitted by the 16 January 2025 deadline.

### Training

One of the ways in which the Fund continues to work to mitigate against various types of risk, including market wide and systemic risk, is to ensure that officers, Board, and Panel members have the vital knowledge and skills to undertake their governance roles. Performance measurement and risk management training forms part of the Knowledge and Skills framework which is undertaken by both Panel and Board. In December, Panel and Board received specific training pertaining to Private Markets and the risks and opportunities posed by this asset class. The training was followed by a quiz to assess the learning undertaken. Further to this Panel, Board and officers received training on the risks and opportunities posed by new asset types linked to biodiversity including natural capital and forestry at the strategic away day February 2024.

### Collaboration

The Fund recognises that partnership is a vital tool to understand and reduce risks. Collaboration with other counterparties provides valuable information to help identify potential risks and share insight as to how to mitigate these risks.





## LAPFF

Throughout the year the Fund has continued to engage with various counterparties including other LGPS colleagues, its investment advisors, actuary, and investment managers and through its membership of the Local Authority Pension Fund Forum (LAPFF). Throughout 2024 officers have attended business updates alongside the mid-year conference of the LAPFF to keep abreast of the work undertaken by the forum. Key work undertaken by the LAPFF in relation to risk during 2024 includes (but is not limited to):

- Joining an Investor Alliance for Human Rights (IAHR) pilot project which focuses on engagement with companies operating in conflict-affected and high risks areas (CAHRAs). The forum also undertook collaborative engagements with IAHR on Uyghur Forced Labour. The LAPFF places importance on the key risks in this area and has engaged with defence companies and carmakers with regards to their supply chains, with key transition minerals often coming from conflict-affected areas.
- Following its sign up to the Nature Action 100 initiative<sup>5</sup>, the LAPFF has continued to seek assurance that companies are meeting investor expectations on mitigating the managing the risks associated with biodiversity loss.

- Publication of a report entitled “Maximising Impact and Competitiveness: LAPFF Recommendations for UK Climate Policy” which issued recommendations for how UK government can support investment in climate action while boosting competitiveness and long-term growth. The report sought to reduce the climate risks faced by investors which is often influenced by policy.

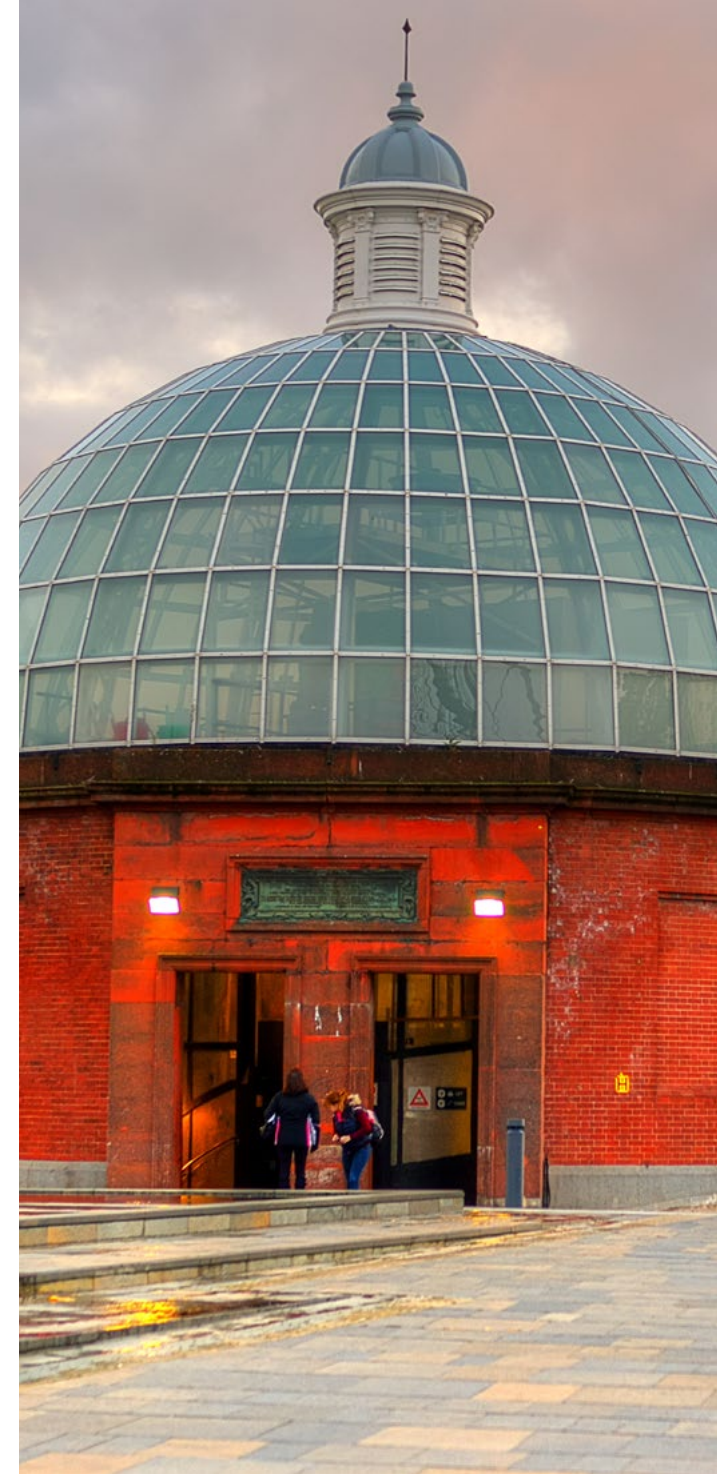
## Pensions for Purpose

In 2024 the Fund became a member of Pensions for Purpose, which operates as a bridge between asset managers and pensions funds alongside their professional advisors to empower pension funds to make informed investment decisions through its member community, training and associated articles and Knowledge centre. This membership ensures that the Fund can keep abreast of the key risks and opportunities associated with sustainable investment.

## London Pension Fund Forum

The Accountancy and Business Change Finance Managers regularly attends the London Pension Fund Forum (LPFF). The forum is made up of London-based LGPS Funds and is a platform through which to discuss various current topics. Through this forum the Fund is able to identify and discuss various risks to the Fund with its peers.

<sup>5</sup> Nature Action 100 is a global investor engagement initiative led by Ceres (a nonprofit organization working with the most influential capital market leaders) and the Institutional Investors Group on Climate Change (IIGCC) which aims to work with companies to promote positive environmental impacts to reduce the operational, reputational, and regulatory risks association with biodiversity loss.



## Outcome

Panel have proactively reviewed the pension fund risk register, asking questions to further their understanding where necessary to enable them to challenge where appropriate. The risk register has also been reviewed quarterly by the relevant risk 'owners'. The Fund intends to review its risk register process in 2025 to ensure that it remains fit for purpose and to ascertain where improvements may be made.

The Fund recognises that climate change presents a financial systemic risk (physical and transitional) which can have a long-term impact on investments. The Fund reviewed and updated its Net Zero Roadmap in 2024 to ensure that it is still fit for purpose. This process involved reflecting on the work undertaken so far, reassessing if the Funds net zero targets are still appropriate and reaffirming the workplan for the next 12-18 months.

ESG issues can have a material impact on the long-term risks and returns from Fund investments. A robust RI policy helps to ensure that ESG risks and opportunities are recognised, understood, and acted upon. The workstream generated by the review of the Net Zero Roadmap highlighted the need for the Fund to review its RI policy in 2025. ESG also features as a specific risk category on the Funds risk register.

The Fund ensures that Panel, Board and officers receive training specific to the various risks to the Fund. During 2024, the Fund has begun to test the learning undertaken by Panel and Board and will report on this as part of its Knowledge and Skills Framework review in 2025. The Fund has provided asset specific training this year in addition to the subjects covered in the Knowledge and Skills framework, ensuring that Panel, Board and officers are informed of the specific risks and opportunities associated with different asset types. The Fund also encourages Panel and Board members and officers to complete the TPR Toolkit which covers risks posed to Pension Funds.

In 2023 the Fund identified that it needed to utilise its membership of the LAPFF more effectively. To this end the Fund invited the LAPFF to attend its annual 'away day' in February 2024 to discuss the forums work and the ways in which the Fund can work more collaboratively with the LAPFF. The Fund has been more proactive during 2025 in its engagement with the forum this year, raising questions in relation to engagement with companies in conflict related areas and risks associated with these investments.

Through its membership of Pensions for Purpose and the London Pension Fund Forum the Fund can collaborate and discuss key risks to the Fund and how these may be monitored and mitigated.

The Fund adheres to its investment beliefs that a strategic asset allocation, which is regularly reviewed, and diversification are key factors to reduce investment risk. This can be seen through the continued work undertaken with regards to asset allocation review. The work undertaken this year ensured that the Fund maintained its expected return and risk measures while still providing liquidity to meet future capital calls.

The Fund ensured that it responded to the MHCLGs 'Fit for the Future' consultation on LGPS Investments and evaluated what impact it believes the proposed changes would have on the Fund, giving examples of what it believed to be the key risks and opportunities associated with the proposals. The Fund will consider next steps to ensure that asset allocation decisions are made in the best interest of the Fund and its members.





## Principle 5

Signatories review their policies, assure their processes, and assess the effectiveness of their activities.

### Context

The Fund has a legislative duty to monitor and maintain certain policies (please see table below) however the Fund recognises that the production, review and publication of its policies and procedures is not a 'tick box' exercise. Clear, concise, and informative policies and reporting is vital to ensure that the Fund is transparent in its operation, that it can provide clear information to its members and stakeholders and to demonstrate it is governed effectively and efficiently.

The Fund seeks assurance of its processes through a variety of means including, a clear process for its reporting, via its governance structure, third party assurance through internal and external audits and via clear objectives for its third-party providers. These layers of governance provide various formats through which the Fund can assess the effectiveness of its activities.

### Activity

#### Policy Review

Officers maintain a 3-year rolling business plan for both Panel and Board which factors in

policy review required by legislation, alongside upcoming workstreams such as consultations on new policies and informative reports regarding the governance of the Fund in areas such as risk monitoring, investment performance, training, and administration. In March each year the draft business plan for the following financial year is presented to both Panel and Board for discussion. A finalised business plan is then presented to Panel and Board at their first meeting of the fiscal year. This more detailed plan affirms the agenda for the coming year and also comprises a section in which the Fund reviews the work undertaken in the previous year, detailing what was successful and what still needs to be achieved along with an indicative timeline for next steps.

The Business Plan is an evolving document which factors in new policies and reports as and when they are relevant and required. Board and Panel consultation on the draft business plan in March each year is vital each year to ensure that the finalised plan sets a clear agenda and has factored in all relevant workstreams and key legislative policies.

Some of the key policies reviewed by Panel include:

Policy	Overview	Detail
Investment Strategy Statement (ISS)	The Investment Strategy Statement details the Fund's investment strategy, including its agreed asset allocation and voting guidelines. It also details the Fund approach to responsible investment	The ISS is produced under Regulation 7(1) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. It should be updated at least every 3 years following the triennial valuation or if there are significant changes in the investment policy. The Panel aim to review this annually.
Funding Strategy Statement (FSS)	This statement outlines the Fund's approach to meeting its liabilities. The strategy covers the main principles underpinning decisions around employer contributions and how this is linked to the Fund's investment strategy. It is produced in consultation with the Fund's actuary, investment advisor and scheme employers.	The FSS is prepared under Regulation 58 of the Local Government Pension Scheme Regulations 2013 and should be updated when material changes occur. The Panel aim to review this annually.
Governance Compliance Statement	The statement provides details of the delegation arrangements in place for decisions taken in relation to the Fund. It also states how the Fund complies with best practice guidance issued by the Secretary of State.	This is prepared under Regulation 55 of the Local Government Pension Scheme Regulations 2013 and should be updated upon material change in delegation arrangements. The Panel aim to review this annually.
Statement of Compliance with the UK Stewardship Code	The UK Stewardship Code is published by the FRC. It sets out the key principles of effective stewardship for institutional investors to help them better exercise their stewardship responsibilities.	Compliance with the Code is not mandatory for LGPS funds but is supported by the UK Government and is considered best practice. Compliance to the UK Stewardship Code is reviewed annually.
Communications Policy	The Communications Policy describes how the Fund communicates with its members, scheme employers and representatives of both groups. The policy covers the format and frequency of communication.	This policy is prepared under Regulation 61 of The Local Government Pension Scheme Regulations 2013 and is reviewed annually.
Knowledge and Understanding Policy and Framework	This policy is prepared to ensure that all members and decision makers carrying out their roles and responsibilities on behalf of the Fund have the requisite knowledge and skills to do so.	This policy is written in line with the CIPFA Code of Practice on LGPS Knowledge and Skills which was updated in 2021. The Knowledge and Skills Policy is reviewed annually.



In addition to these legislative policies, Panel also review the Funds other policies and processes including (but not limited to):

- An annual review of its administrative arrangements
- An annual review of the work undertaken by Pension Board
- An annual review of its Risk Management Policy and Risk Register

Fund officers hold a data base of the relevant legislation associated with the delivery of specific reports and the frequency of which each report must be reviewed by Panel and/or Board. In March each year a separate report entitled 'Fund Strategies, Statements and Reports' is presented to Board. This report details the key policies reviewed by the Panel each year in line with LGPS legislation.

By reviewing the Fund's publication of relevant reports, strategies, and statements the Board acts within its stewardship role and ensures the best interest of the Fund, the administering authority, scheme employers and Fund members. The Board also ensures that the Fund is producing relevant reports in line with the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Each year the Board produce an annual report as a roundup of the work they have undertaken for the previous year. The RBG Local Pension Board report is presented to Panel for review and comment. The annual report of the Board is an opportunity for the

Board to reflect on the work they have undertaken during the year and discuss areas of success and areas for improvement. The Boards latest report is scheduled to be reviewed by Panel at the start of 2025.

## Fair, Balanced and Understandable Reporting

The Royal Borough of Greenwich has a strong corporate governance process with regards to the writing and publication of reports for committees. It is important that any reports produced by the Fund are written fairly, are balanced and are understandable for stakeholders. Reports therefore adhere to a series of guidelines before they are published:

- Reports are written by one officer reporting to a higher officer for secondary review who ultimately reports to a chief officer.
- It must clearly state if the report and/or appendices are exempt from public view and if so, why.
- To provide context and meaning, reports must stipulate how they link to the Royal Borough of Greenwich's corporate missions (as per Principle 1, the Fund aligns to 3 of these beliefs– 1) Greenwich plays an active role in tackling the climate crisis, 2) Our Council is an adaptive organisation, enabling it to navigate the increasing number of challenges it faces while remaining financially sustainable and 3) Our Council works in the most efficient and effective ways possible.)

- The purpose of the report and decision required must be clearly stated at the start of the report alongside the relevant legislation under which the decision is required.
- Reports must stipulate the available options in relation to the decision being made. There must be pros and cons for each option to demonstrate a balanced view.
- Reports must address a series of crosscutting issues and implications such as financial implications, equalities, and climate change.
- Reports (and associated appendices) must have oversight from legal who will review and comment upon any legal cross-cutting issues and implications.

Once these guidelines have been adhered to, reports are published 5 working days in advance of any committee to allow enough time for public review of the documents before the meeting is held.

In 2024 Royal Greenwich introduced two new areas for cross-cutting review to be considered on all committee reports. These focus on Risk Management and Community Engagement. The requirement to report under these two topics supports officers in considering the risk management requirements of the subject upon which they are reporting and also helps to ensure that community engagement, if required, has taken place effectively and that relevant responses have been considered. These cross-cutting issues are factored into the legal team review of the reports.

## Governance Structure

The Governance Structure of the Fund provides an additional layer of assurance. The Pension Board was established by the Pension Fund Investment and Administration Panel under delegation from the Administering Authority and operates independently of the Panel. Its purpose is to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS. The core function of the Board is to ensure the effective and efficient governance and administration of the Scheme.

## Audit Assurance

The Funds Financial Statements and Annual Report are audited by the Funds external auditors who assess whether the statements provide a “true and fair view” of the position of the Fund. As part of the annual accounts process, the Fund also reviews internal audit assurance reports from each of its investment managers, including the London Collection Investment Vehicle (LCIV) which are examined as part of the annual audit.

The Funds 2023/24 Annual Report and Financial Statements received an unqualified opinion from the Funds external auditors. This demonstrates that the Fund Account, Net Asset Statement, and notes to the accounts, including a summary of significant accounting policies give a “true and fair view of the

financial transactions of the Pension Fund during the year ended 31 March 2024”.

The Fund also completes an annual scheme return of The Pensions Regulator (tPR).

The Royal Borough of Greenwich's internal audit department complete internal audit testing of the Fund in line with CIPFA guidelines. The Fund reports on this internal audit process within its Annual Report each year. This internal audit process provides on-going assurance that the Fund is run effectively and efficiently for its members and provides an additional layer of governance to address any risks to the Fund.

## Third Party Performance Assurance

The Fund assures that its third-party services are provided by counterparties who have the requisite knowledge, skills and experience and monitors the work undertaken by these counterparties throughout the life of their contract. The Fund ensures that it procures contracts via The Royal Borough of Greenwich's Procurement Procedures –Contract Standing Orders. This process includes an evaluation of the social value of any of the services provided and sets KPI's through which the Fund can monitor the quality of services.

Following a review of the investment consulting and fiduciary management markets, in June 2019, the Competition and Markets Authority (CMA)

published an order making it a regularity requirement for LGPS Funds to set objectives for their investment consultants. Each year the Fund agrees a set of objectives to monitor and assess the performance of the Fund investment advisors, Hymans Robertson.

The Fund must submit a Compliance Statement annually to the CMA regarding the strategic objectives set for our investment consultants and monitors our investment consultant's performance against these objectives.

The Panel receives quarterly performance reports from its investment advisors, detailing the performance of each investment manager. This report is used as a tool for review and discussion of the individual managers performance (and the performance of the Fund as a whole) and provides assurance as to whether the managers are investing as anticipated.

This year, upon reviewing investment manager performance, the Panel invited two of the Fund's investment managers to provide presentations on why performance had fallen below that expected to gain an understanding of the reasons for poorer performance and plans for improvement.

Officers meet monthly with the Fund actuary, Barnett Waddingham, to discuss workstreams and expectations for current projects.

Officers from the Fund attend monthly Business Updates provided by the Funds pool, the LCIV. This provides a platform through which officers can ask questions and raise queries.

### Conflict of Interest Policy

As mentioned in Principle 3, following agreement by Board of its Conflict-of-Interest Policy in September 2023, in March 2024, the Panel reviewed and agreed the policy, establishing that it was fit-for-purpose.

### Net Zero Roadmap

In July 2022 the Panel agreed the Fund's Net Zero Roadmap. The purpose of the roadmap was to set out a framework to develop net zero objectives and policy, alongside a proposed work plan for the Fund to move towards net zero over the short term (12-18 months) and medium term (2-3 years). As part of this process in 2022, the Panel agreed to set a net zero target of 2040 alongside a commitment to explore options for reaching this target more quickly.

In 2024 the Fund reviewed this policy to assess the

effectiveness of the activities undertaken so far and assure that there is a clear process moving forward. From this review the Fund established that it had made good progress so far moving towards net zero. Work undertaken to date includes:

Establishing a dedicated Responsible Investment (RI) Policy.

- Establishing a baseline carbon footprint position as at 31 March 2022 via utilisation of the London Collective Investment Vehicle's (LCIV's) Climate Analytics reporting with follow up reporting as at 31 March 2023 and 31 March 2024.
- The introduction of a manager monitoring programme where managers are invited to each Board meeting to present on ESG-related themes, including net zero, and stewardship activities.
- A commitment of £42.5m to the LCIV's Renewable Infrastructure Fund which invests in renewable energy infrastructure assets in brownfield and greenfield investments.

This includes generation, transmissions and distribution assets, with a market segment focus on renewable energy including, wind solar and other generations.

- Investment of 14% of the Fund's assets (£237.5m) in a low carbon global equity mandate with LGIM, which achieved a c50% reduction in carbon emissions relative to the Fund originally held. This fund aims to further reduce carbon emissions by 7% annually.
- An update of the Fund's Annual Report to include a climate change section reporting on the Fund's activity in line with the four core elements of the Taskforce for Climate-Related Financial Disclosures (TCFD).

## Outcome

Throughout 2024 Panel and Board have continued to review relevant policies to ensure strong corporate stewardship of the Fund.

At its first meeting of the calendar year, Board was asked to note a review of the arrangements for the publication on the Funds Strategies, Statements and Reports throughout the year to ensure that they had a knowledge of the policies to be reviewed and amended, as appropriate, by Panel.

At each meeting of the Pension Board, the Board has reviewed the minutes from the previous Panel meeting to provide governance and oversight of Panel decisions – creating assurance that the Panel is working in the best interest of the Fund and its members.

Fund officers make note of any actions from each meeting to ensure that they undertake those activities expediently. These actions are also noted in the minutes of each meeting; however, the Fund has identified a gap in reporting that these actions were undertaken and their outcomes. In 2025 officers intend to build in a system to report at each meeting, the outcome of any actions to be taken from the previous meeting.

In its 2023 report the Fund identified that although officers meet regularly with third party

services providers, review of any KPI's set out in the procurement of contracts is often ad-hoc. The Fund acknowledged that it needs to ensure that a process is put in place to review these regularly and report as required on the performance of its third-party services providers. Since the end of 2023 the Fund has undertaken tender processes for both its Investment Advisory Services and Actuary contracts. As part of this process, officers have re-reviewed the KPI's set within the tender to ensure that these are fit for purpose, updating these to reflect the ever-changing needs of the Fund. The Fund aims to report on performance against these KPI's during 2025.

In 2024 both internal and external audit have provided assurance that the Fund is working efficiently and effectively and in line with relevant regulations.

Re-review of the Funds NetZero Roadmap during 2024 demonstrates the Funds commitment to ensure that its policies and workplans are fit for purpose and to update these policies as required. This ensures that the Fund assesses its activities and how effective they have been. Review of this workplan identified workstreams for the next 12-18 months including a review of the Funds Responsible Investment (RI) policy, set to take place in 2025.





# Investment Approach

ROYAL BOROUGH OF GREENWICH  
**PENSION FUND STEWARSHIP REPORT**







## Principle 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

### Context

#### Scheme Structure and Membership

The Royal Borough of Greenwich Pension Fund (the 'Fund') is part of the Local Government Pension Scheme (LGPS) and is a defined benefit scheme.

The Royal Borough of Greenwich Pension Fund is an administering authority for the LGPS and as at 31 December 2024 comprised of 27,033 made up of:

- 8,736 members who were actively contributing into the Fund
- 8,900 were drawing benefits
- 9,397 members who have rights to deferred benefits.

The average age of an active member is 46. The average age of a pensioner is 71 (with the eldest being 102).

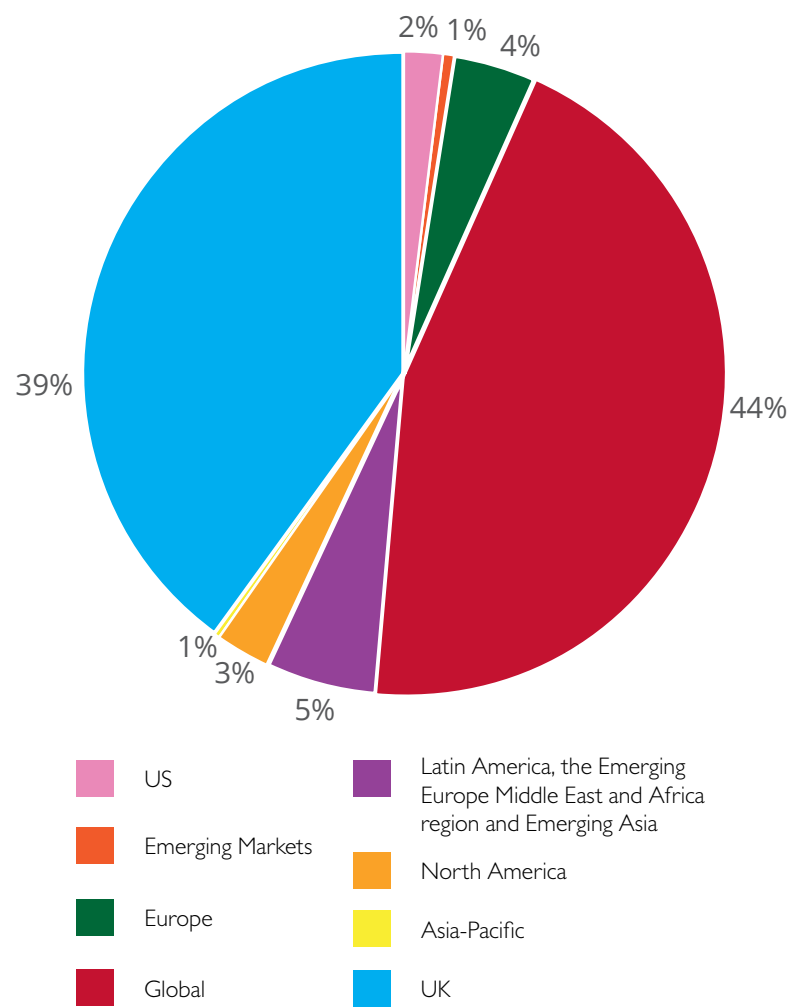
The Fund is made up of 67 active employers. The Royal Borough of Greenwich is the largest employer, making up 80% of the Fund.

#### Assets under Management and Investment Time Horizon

As at 31 December 2024 the Market Value of Fund's assets were as follows:

Investment Assets	MV 31/12/2024 £000
Property - Freehold	5,945
Pooled Investment Vehicles:	
Equities	793,609
Fixed Income	470,066
Property Unit Trusts	148,797
Multi Asset	97,820
Private Equity	795
Diversified Alternatives	83,662
Infrastructure	29,321
Private Debt	68,404
Cash Deposits	3,462
Cash Equivalents	19,834
<b>Total</b>	<b>1,721,715</b>

The geographical split of the Funds assets can be seen on the chart below:



One of the key responsibilities of the Fund is to ensure that benefits are paid as they fall due. The Fund is not closed to new members and therefore has a multi-decade time horizon.

The latest Fund valuation as at 31 March 2022 provided a deficient recovery period for each employer. This is the period of time through which employers pay a secondary rate of contributions to restore funding positions to 100%. This recovery period did not exceed 20 years for any employer.

As part of the valuation process the actuary also completes a long term analysis of four climate scenarios which could impact the funding position. These scenarios stretch to 2050.

The Funds investment strategy factors into account the long-term nature of the Funds liabilities in relation to the underlying investments. The structure of the Funds' assets is therefore split as follows to accommodate a long-term time horizon:

- Growth Assets – Investments which aim to provide capital appreciation. These return seeking investments aim to provide a positive return over time to grow the scheme assets in order to meet future liabilities.
- Income Assets – Investments which provide income to support the Funds cashflow and therefore ensure that benefits are paid when they fall due.

- Protection Assets – These assets provide further protection against market risks by providing diversification.

The Funds current asset allocation can be seen in the tale below:

Asset Class	Target Allocation (%)*
Listed Equities	40
<b>Total Growth Assets</b>	<b>40</b>
Multi-Asset Funds	5
Property	10
Infrastructure	10
Private Debt	10
Multi-Asset Credit	10
<b>Total Income Assets</b>	<b>45</b>
Corporate Bonds	7.5
Government Gilts	7.5
<b>Total Protection Assets</b>	<b>15</b>
<b>Total</b>	<b>100</b>

*\*Most recent allocations agreed in July 2023.*

The Fund also considers environmental, social, and corporate governance factors which can have a material impact on the long-term risks and returns from the Fund’s investments. Longevity risk is built into the triennial actuarial valuation and is therefore included when determining the investment strategy.

Activity

As mentioned under Principle 1 – one of the Funds keys purposes is to ensure that members can access clear and accurate information. The Fund is accountable to its members and employers, and therefore has a duty to ensure that it provides clear communication and a platform for engagement with its key stakeholders to provide their feedback and views.

When deciding how to communicate we take into consideration our audience and the cost to the Fund. We aim to use the most appropriate means of communication for the audiences receiving the information. The Royal Borough of Greenwich Pension Fund is proud of its diverse and multicultural membership and ensures that information is available in a variety of languages and formats.

There are a variety of ways in which members and employers can communicate with Fund officers including via a central email address and phone line through which members and employers can contact Fund officers. The Fund provides an annual

Communications Policy Statement which stipulates how it communicates with its members. The policy can be found on the Royal Greenwich website [royalgreenwich.gov.uk](https://royalgreenwich.gov.uk).

In 2023, upon request from Panel, the communications policy was updated to state that the Fund will make best endeavours to “issue a regular, at least annual, newsletter to all staff – members and non-members of the scheme” in “simple accessible language outlining costs, benefits, contact details and any recent updates or changes affecting scheme members. In addition, it should contain for instance case studies of individuals receiving their pensions, members’ experience of additional contributions etc”. The Fund is yet to send out a newsletter to this effect and intends to review the best way to execute distribution of such a newsletter in a cost-effective way to its members.

The Fund has its own area of the Royal Borough of Greenwich website [royalgreenwich.gov.uk](https://royalgreenwich.gov.uk) where it holds information for members such as:

- Background information regarding the Fund.
- Published key policies.
- Dates, agendas, minutes and attendance details for Panel and Board meetings.
- Contact details for relevant officers.

The Fund has a member self-service website [mypension.royalgreenwich.gov.uk](https://mypension.royalgreenwich.gov.uk) which allows members to access their records, review their annual benefit statements, undertake estimates of their pension benefits, and make amendments to their personal details, where allowed. Members can also contact the pension team via member self-service, upload and download various documents and forms. Links are also available to other useful pension sites for example the National Members website, The Pension Regulator, and the state pension scheme.

At the time of writing the Fund had 5,374 members registered with relevant statuses on MSS as follows:

Actives	1,436
Undecided Leavers	113
Deferred Members	901
Pensioners	1,492
Spouses	64
Frozen Refund	14
Other	1,354

The agendas and supporting documents for Board and Committee meetings are published on the Royal Borough of Greenwich website 5 clear working days ahead of the meetings for public view. The Board and Panel meetings are open for the public to attend.



The Fund publishes an annual report and set of financial statements each year which are audited. These key documents provide information to members and other stakeholders. The accounts are available for public inspection for a two-week period each year before finalisation of the audit and the final documents are published on the council's website.

The policy statement is revised and published following a material change in policy and details how the Royal Borough of Greenwich processes and protects personal data in accordance with GDPR and the Data Protection Act 2018.

Each year an Annual Benefit Statement is sent to members which also features any additional key information, for example, promotion of the My Self-Service platform.

The Fund engages with its employers on new policies, for example, the Fund previously held a consultation with employers on the Funds proposed Debt Spreading Agreements (DSA) and set up Deferred Debt Agreements (DDA) which were brought in during 2022 following a government amendment to the Local Government Pension Scheme (LGPS)

Regulations. The change in regulations introduced new powers for administering authorities to review employer contributions, spread exit payments via. The two-week consultation period was held for employers to review the policies and raise any questions or concerns. The consultation was issued via email. One employer contacted officers to gain further understanding of the draft policies however no formal responses were received during the consultation period.

## Outcome

The Fund welcomes the views of its members and employers and where appropriate, the Fund consults with employers and members on various governance policies. In 2023 the Panel agreed that it wanted to further open the lines of communication with members and the Fund made a commitment within its communications policy to issue a regular, at least annual, newsletter to all staff – members and non-members of the scheme.

During the year the Fund has not received feedback/views from pension fund members via attendance at Panel or Board meetings or during the inspection of the annual accounts. The Fund must consider other pathways to garner interaction with members including the distribution of an annual newsletter, as agreed by Panel. The Pensions Administration Team provide a platform through which members can raise ad-hoc queries both via phone or email.

The Fund recognises that it needs to make improvements in relation to monitoring the effectiveness of its communication with members. It needs to reassess the system for monitoring query resolution and other key performance indicators and put in place a system to report on these accordingly.

In 2024 the annual benefit statements for both active and deferred members were provided by the statutory deadlines.

All relevant policies and statements have been published on the Royal Borough of Greenwich website within relevant deadlines and members and employers have been able to attend all open sessions of the Pension Panel and Board meetings.

The Fund is not aware of any circumstances during 2024 where investment managers have not followed Fund stewardship and investment policies.

The Fund has a standalone Responsible Investment Policy and a section of its annual report which is dedicated to Responsible Investment and written in line with the four core elements of the Taskforce on Climate-Related Financials Disclosures (TCFD) – these being governance, strategy, risk management and metrics and targets. Focus has been placed on ensuring that these items of communication are written clearly and concisely for members to highlight the risks and opportunities posed by climate change and their relation to pension fund investments. Furthermore, the Fund publishes its carbon footprint emissions data and in 2024 provided its third year comparator to show the Funds journey towards net zero.

Promotion of the My Self-Service tool been successful in recruiting 5,374 members to the online tool. The Fund needs to ensure continued promotion to the service moving into 2025.



## Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

### Context

The Fund recognises the importance of integrating stewardship and investment. The Fund understands that the inclusion of environmental, social and governance (ESG) issues, such as climate change, within its stewardship of investments is key for the Fund to fulfill its responsibilities. The Fund will invest in line with its fiduciary duty and requires its investment managers to integrate all material financial factors contributing to long-term financial risk and returns, including ESG considerations, into their decision-making process for all Fund investments. It expects its managers to follow best industry practice and use their influence as major institutional investors and long-term stewards of capital to promote good practice in the companies and markets to which the Fund is exposed.

### Activity

The Fund began its ESG journey in 2019 and over the past few years has increasingly worked

towards systematically integrating environmental, social and governance issues into the Funds stewardship activities. The world of ESG is continuously changing and the Fund is mindful that it continues its responsible investment journey in line with the overall Fund strategy detailed in Principle 1, namely:

- ensuring that those charged with governance have the right information, taking time to research where necessary.
- ensuring training is timely, appropriate, and continual.
- being transparent and clear in our communications to stakeholders
- collaborating with other counterparties as a tool for objectivity and development
- engaging with relevant companies and investment managers to use our ownership of capital to drive change and
- reviewing our portfolio and activities in line with ESG issues to identify areas of risk and opportunity.

The Funds ESG journey to date can be found below:

March 2019	Initial inclusion of an ESG and Responsible Investment Policy within the Investment Strategy Statement
June 2021	The Panel agreed to invest 2.5% (£42.5m) of its new 5% infrastructure allocation in the London Collective Investment Vehicle (LCIV) Renewable Infrastructure Fund, leaving a further 2.5% to be allocated to other areas on infrastructure to provide further diversification
December 2021	The Panel received an initial report on the carbon footprint information available to the Fund, including information on the 'Meaning and Metrics' of carbon footprint data and the 'Coverage and Availability' of this data within the Fund
February 2022	<p>The Funds annual 'away day' focusing solely on ESG. The day was an opportunity for Panel and Board members and officers to receive further training on ESG issues and to have a round table discussion on the next steps for the Fund in relation to its climate ambitions. The day included:</p> <ul style="list-style-type: none"> <li>• a high-level summary of the Funds carbon, fossil fuel and green energy exposure.</li> <li>• A presentation was given by Hermes EOS on the pros and cons of engagement vs divestment. presentation was given by Hermes EOS on the pros and cons of engagement vs divestment</li> <li>• Presentations from 6 of the Fund's managers on ESG issues within each portfolio including examples of active engagement undertaken.</li> <li>• The Funds investment advisors proposed a three-dimensional framework to support the Funds climate ambitions including suggestions for, and a discussion on, the next steps required to build a Net Zero Roadmap and broader Responsible Investment policy.</li> </ul>
July 2022	In collaboration with London CIV - Panel received the first annual report detailing the Funds carbon footprint.
July 2022	Development of a Net Zero Roadmap with a pledge to be carbon neutral by 2040 (and a commitment to explore options to meet this target sooner)
August 2022	The Fund produced its first standalone Responsible Investment (RI) policy.
February 2023	The Fund agreed to move global equities representing c15% of total assets into a low carbon equity Fund, this equated to £237.5m
July 2023	The Fund, in collaboration with the LCIV provided its second report detailing the Funds carbon footprint and provided the first year on year comparator.
July 2023	The Fund updated its Annual Report for 2022/23 to include a climate section reporting on the Funds activity in 2022/23 in line with the four core elements of the Taskforce on Climate-Related Financial Disclosures (TCFD)
February 2024	The Fund held its annual 'away day' which included training provided by both the London Collective Investment Vehicle (LCIV) and Gresham House, an investment manager which specialises in natural capital investment.
September 2024	The Panel re-reviewed and updated the Funds Net Zero Roadmap – assessing the work undertaken on the Funds net zero journey so far and speaking out the work plan for the next 12-18 months
September 2024	The Fund, in collaboration with the LCIV provided its third report detailing the Funds carbon footprint and provided the second year on year comparator.

## Expectations of Investment Managers

The Fund has a comprehensive Investment Strategy Statement and a standalone Responsible Investment (RI) Policy. The Fund recognises that the integration of stewardship and investment differs across asset classes and geographies. The Fund therefore has the following expectations of its managers:

- **Active managers** are expected to consider geographical and financial factors, including ESG considerations in their individual stock selection decisions.
- The Fund's **low carbon passive equity manager** is expected to use shareholder influence via engagement with the corporates in which they invest on ESG matters and to use their voting rights. This mandate has been selected due to its role in decarbonising the Fund, however engagement is still considered a key tool through which to influence a company's governance processes.
- The Funds **property manager** provides an annual Sustainability Report which details key ESG focused objectives for the year alongside an ESG maturity matrix assessment and GRESB scores per investment.
- The Fund holds **pooled investments** through the London CIV. The CIV has developed its own Responsible Investment Policy. The Fund requires the CIV to monitor the investment managers appointed for their fund range and provide reporting on the engagement activities of

those investment managers across the different geographies and asset classes.

- The Fund expects its external investment managers to undertake appropriate monitoring of current investments regarding their procedures and practices on all issues which could present a material financial risk to the long-term performance of the Fund including corporate governance and environmental factors. The Fund expects its fund managers to integrate material ESG factors within its investment analysis and decision making.
- The Fund believes that the identification and effective monitoring of ESG issues is key to enable engagement with boards of investee companies to seek resolution to potential problems at an early stage. Where collaboration is likely to be the most effective mechanism for encouraging issues to be addressed, the Fund expects its investment managers to participate in joint action with other institutional investors as permitted by relevant regional, legal and regulatory codes.
- Investment managers are required to provide copies of their responsible investment policies and are encouraged to report on their engagement activity with companies as part of their regular quarterly reporting to the Fund. The consideration of ESG factors, along with discussion on current examples, is also an item on the agenda at all meetings between the managers and the Panel / officers.

## Procurement Practices and External Advice

The Royal Borough of Greenwich has a stringent procurement policy by which the Pension Fund abides when procuring services such as investment advice, actuary advice and custody services. As part of the contract standing orders process service providers are expected to incorporate social value into their bid which is assessed as part of the procurement process. The Fund also ensures that equality, diversity, and inclusion (EDI) features in the assessment criteria so that it can ensure the counterparties with whom it works have robust, effective policies in place. During its recent tender process to ascertain actuary services, officers reviewed and updated the questions pertaining to EDI policies and processes to ensure that bidders explained their policies and processes and how these are incorporated into their strategy and beliefs.

When obtaining a new investment mandate, the Pension Panel seeks advice from its investment advisors who have the requisite knowledge and skills. The Funds advisors undertake a full assessment of suitable Funds, providing a full product assurance review. ESG factors are integrated into this assessment, which is presented to Panel for review, discussion, and then decision of appointment.

The governance structure of the Fund assures that the selection of new managers/mandates are further reviewed by the Pension Board.



## Acquisition of New Mandates

During 2024 officers sat on the Seed Investor Groups for the LCIV Nature Based Solutions and Private Debt II Funds. As part of this process officers held discussions and raised questions about the mandates on environmental, social and governance issues and how these factored into the construction of the funds. In late 2024 the Funds investment advisors undertook a review of each Fund under the following criteria:

- Fund Overview (including but not limited to: objectives, tracking error vs benchmark, target carbon emissions, exclusions, Fund size & Fees)
- Ownership & Focus
- People
- Investment Process
- Responsible Investment

As part of this review officers and the Fund's investment advisors met with the LCIV to raise questions on the Funds including queries surrounding the ESG risks and opportunities associated with the Funds and how stewardship of the Funds by the pooling partner would be undertaken. This review also focused on the LCIV – its staff turnover and team size, experience and expertise, investment philosophy, responsible investment and the suitability of the actual product design.

The Fund aims to invest in strategies that protect, sustainably manage, or restore natural ecosystems (both land and water-based) and address challenges related to climate change, human well-being, and

biodiversity. The Nature Based Solutions Fund focuses on natural capital assets including sustainable forestry, sustainable agriculture and the emerging opportunities in carbon reduction such as natural carbon capture and storage.

While a focus is given on the ESG factors effecting investment, the Fund is also mindful of its overall purpose to deliver benefits to its members and therefore fiduciary and stewardship responsibilities. Alongside positive environmental impact this asset class presents, it also provides the Fund with:

- Diversification: This often provides negative correlation with traditional assets.
- Indirect link to inflation: natural capital assets can also offer a level of inflation linkage. As a source of raw material, products made from natural resources are key inputs to inflation calculations.

In January 2025 Panel agreed to invest 2.5% of Fund assets (approximately £45m) into the Nature Based Solutions Fund and 5.1% of Fund assets (approximately £115m) into the Private Debt II Fund.

The research and assessment undertaken during this process demonstrates the Funds commitment to ensure that those charged with governance have the right information to make decisions on behalf of the Fund and have the tools necessary to utilise the opportunities presented by climate change and work towards a more sustainable way of investing while still ensuring that its fiduciary duty takes president.

## Engagement

As aforementioned, the Fund expects its investment managers to integrate all material financial factors, including ESG considerations, into their decision-making process and to use engagement, where appropriate, to promote good practice in the investee companies and markets within which the Fund is invested. Monitoring the engagement undertaken by the Funds investment managers as part of their investment decisions, especially on ESG factors, is an integral part of the Funds governance to ensure that the Fund operates for the best

interests of its members. As aforementioned under Principle I, Pension Board receives presentations from an investment manager at each meeting which specifically focus on ESG and responsible investment. This provides a platform through which Board can ask questions and engage with managers directly on ESG.

Updates to example engagements provided in the Funds 2023 report alongside details of new engagements include:

### Updates on 2023 Engagements:

**Low Carbon Equities** – In 2023 the Fund manager is worked under the Midwest Investors Diversity Initiative (MIDI) leading an engagement with three companies within the Russell 3000 who were not meeting diversity disclosure expectations. The engagement aimed to work with the companies to discuss strengthening their policies in relation to the consideration of diversity across board candidates alongside adopting disclosure best practice with

regards to the demographic make-up of the companies' workforces. LGIM has continued this engagement and has volunteered to engage one of the companies directly, and are in the preparatory stages of this. LGIM has also consolidated their expectations on diversity in their Diversity Policy.

**Property** – In 2023, as part of engagement with an institutional UK real estate fund with a focus on secure long term income streams, the Funds property manager, contacted the funds underlying manager on a number of ESG related issues, including:

- Future plans for green building certifications across the fund's standing assets: the manager was due to commence their second phase of buildings to undergo BREEAM In-Use certification, the results of which they intended to share with tenants to help inform their own ESG actions.
- The fund's plans for transition planning in relation to net zero carbon targets, which included details of the fund's plans to engage with tenants in ESG matters and identifying opportunities for them to collaborate with tenants. This was despite the fact that all tenants were signed on full repairing and insuring (FRI) lease terms and there were no common, landlord control areas in the fund's portfolio.
- Plans to increase the proportion of energy sourced from renewable supplies: here the manager pointed to their tenant engagement programme, which included occupiers to switch to and fully

utilise renewable energy tariffs from their utility providers.

The manager has continued work on this engagement, taking to following actions this year:

- Following the release of the 2024 GRESB results, the manager requested some commentary on the fund's performance (main drivers of performance, reasons why points were gained/lost, where improvements can be made next time etc.).
- Sent out an annual ESG questionnaire to the manager, asking for information to be provided in relation to areas including the manager's ESG policy, DE&I statistics, and fund's net zero carbon targets.
- Undertook discussion regarding the net zero carbon pathway and capital expenditure spend required, after the fund completed a CRREM analysis.

## New Engagements

**Fixed Income** - In August 2024 Fidelity engaged with Prosus to discuss executive remuneration with the chair of the remuneration committee. Fidelity highlighted several issues including concerns over remuneration packages, particularly that of the CEO's. This discussion was prior to the AGM and Prosus acknowledged the managers concerns. Following this discussion, there were positive changes to the CEO's remuneration package, with it now more directly linked to value creation, incentivising the CEO to be aligned with this goal.

**Property** - The Funds property manager, CBRE IM Indirect continue to engage with the manager of a UK residential fund specialising in the provision of homes at affordable rents, Engagement has focused on the manager's ESG strategy, and how it can continue to improve upon its GRESB score (61/100 in 2023). At one of the fund's assets in the East of England, many of the residential units were originally heated though oil-fired heating systems which were nearing the end of their economic lifespan. Further, the use of aging oil-fired boilers also resulted in the relevant properties not meeting the upcoming minimum energy efficiency standard of an EPC rating of C. A retrofitting programme involving the implementation of air source heat pumps and solar PV panels has subsequently resulted in the improvement in EPC ratings from D to B for these properties, utility savings of approximately 20% for the residents, and carbon savings of approximately 72%.

## Carbon Footprint and Fossil Fuel Reporting

As aforementioned, as part of the Funds ESG journey, the Fund has utilised the Climate Analytics services of the Funds pool manager the London Collective Investment Vehicle (LCIV). Continued monitoring of the Funds climate footprint supports the Fund to monitor progress against its Net Zero Roadmap and enables the Fund to report under the requirements of TCFD. The Fund received its first Climate Analytics report for the financial year ending

31 March 2022, which was presented by LCIV in July 2022. The Fund has now received 3 consecutive years of carbon footprint data with the latest Climate Analytics report (as at 31 March 2024) being presented to Panel in September 2024.

The chart below shows the reduction in carbon intensity of the Fund between 31 March 2022 and 31 March 2024. This is measured through the total carbon dioxide equivalents per million GBP invested (tCO2e/mGBP).

	Direct + First Tier Indirect*	Scopes 1-2-3*
31 March 2022	185.4	835.1
31 March 2023	154.6	831.3
31 March 2024	96.5	754.2
<b>Total Reduction Since 31 March 2022</b>	<b>88.9</b>	<b>80.9</b>

\* Direct and First-Tier Indirect (company emissions deriving from direct business activities or through the first tier of the companies supply chain) and Scopes 1-2-3 (direct operational emissions, emissions from consumption of purchased electricity, steam and other sources generated upstream from the company and emissions deriving from the in-use phase of a company's product or service)

Since 31 March 2023 the Funds implicit temperature has decreased from between 2 and 3 degrees Celsius (59,390 tCO2e) to less than 1.75 degrees Celsius resulting in the Fund being aligned with the objectives of the Paris Agreement.

Fossil fuel exposure per value of holdings has decreased to 9% from 12.24% since 31 March 2023. The Fund has not actively increased its investment in fossil fuels and the revenue weighted exposure decreased slightly from approximately 2.5% to 2%.

Carbon footprint data is now available across approximately 78% of the value of Funds assets (an increase from 54% as at 31 March 2023) however the level of coverage across each mandate still continues to vary. It is important to note that the quality of the data available remains more relevant than achieving maximum coverage at this stage.

The value of holdings exposure in relation to Renewables was 2.45% of the portfolio as at 31 March 2023, as more of the Funds capital commitment is called, the Fund expects the value of this exposure will improve.

The Funds transition of £237.5m of its global equities to the LGIM Future World Global Equity Fund, a reduced carbon equities Fund, during 2023 has helped the Fund move closer to it's net zero target over the course of 2024

## Outcome

The Fund is committed to incorporating material environmental, social and governance factors into its investment stewardship processes. The Fund has a standalone Responsible Investment policy and Net Zero Roadmap, designed to assist the Fund in maximising ESG opportunities and assessing ESG risks within its investment and stewardship activities. The Fund has revisited its Net Zero Roadmap in 2024 to review if it is still effective in helping the Fund integrate environmental risks and opportunities into its investment and stewardship activities and has built a new workplan for the next 12-18 months as part of this process.

The 2024 review of the Net Zero Roadmap identified that the Fund needs to revisit and update as necessarily its Responsible Investment Policy. This work is set to be undertaken in 2025.

During 2024 Fund officers sat on the LCIV Seed Investor Group for their Nature-based Solutions mandate. During this process officers were able to question and challenge the makeup of the fund and how it would

work including the consideration and integration of material environmental, social and governance issues.

The Fund seeks advice from its external investment advisors with regards to investment selection and assesses the risks and opportunities presented by climate change. The Funds investment advisors undertook due diligence on both the LCIV Private Debt II and Nature based Solutions Funds at the end of 2024. Part of this review incorporated an assessment of how ESG factors had been considered.

The Funds work on the Seed Investor Group for the LCIV's Nature based Solutions Fund means that the Fund has been able to assess and comment on how ESG factors and stewardship are built into the Fund from inception. Investment in this Fund, which was agreed in January 2025, assists the Fund in working towards its net zero target. This ensures that the Fund capitalises on returns driven by the energy transition so that it remains funded to fulfil its fiduciary duty to provide benefits to members when due.

ESG specific presentations from Fund Investment managers take place at each Board meeting. The Fund is now into its second year of receiving these presentations through which asset managers provide updates on previous engagements,

alongside details of current engagements they undertake. Fund managers also cover their approach to ESG and stewardship, including overview of their key policies and processes. These presentations have provided a further layer of governance through which Board ask questions and engage with managers directly on ESG risks and opportunities. This helps those charged with governance to establish the impact and importance of incorporating environmental, social and governance issues into the investment and stewardship activities of the Fund.

In 2024 the Fund became a member of Pensions for Purpose, a B Certified Corporation<sup>6</sup> which works with asset managers, pension funds and professional advisors to promote the flow of capital towards impact investment. Membership to Pensions for Purpose provides the Fund with access to community events, online educational and training materials and a platform through which to collaborate with others and share knowledge.

The Fund reports annually on its carbon footprint, however the information available at the 2023 reporting date only covered approximately 54% of the value of Fund assets. The latest data (as at 31 March 2024), covered approximately 78% of total Fund assets. This increase is largely due to the

transition of £237.5m of its global equities to the LGIM Future World Global Equity Fund, a reduced carbon equities Fund, during 2023. Data quality and coverage is gradually improving; however, the Fund remains mindful in its reporting that the information currently available does not cover all assets held. Reporting on this should improve moving forward as more information becomes available however the quality of data remains the utmost importance.

In its 2023 Stewardship Report the Fund noted that it needed to undertake more work and interaction with the LAPFF, using its collective voice to challenge companies and influence best practice. At its February 2024, the LAPFF provided a presentation on the work they undertake and held discussions with officers, Panel and Board as to how the Fund can utilise its membership of the Fund more effectively. Officers have continued to attend the business meetings and mid-year conference held by the LAPFF, raising questions on specific engagement where required. In 2025, the Fund intends to review how it reports on its engagement activity via its investment managers, pool and the LAPFF so that it can communicate effectively the work being undertaken to integrate ESG and climate related issues into its stewardship of assets.

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<sup>6</sup> A B Corporations are companies which have been certified by B Lab, a global non-profit organisation, as meeting high standards of social and environmental performance, transparency and accountability.



## Principle 8

### Signatories monitor and hold to account managers and/or service providers.

#### Context

The purpose of the Fund is to provide an efficient and effective pension scheme to deliver retirement benefits to members. The Fund has a responsibility to its members to provide value for money and assurance of the stewardship of Fund assets, therefore the monitoring of investment managers and service providers is a key component to achieving this. Day to day communication with Fund counterparties is undertaken by Fund officers who hold regular relationship meetings with third-party service providers including the Funds investment managers, the LCIV, the Fund custodian and the Fund actuary and investment advisors. The Fund also has in place various other methods through which it monitors the performance of its managers and advisors and through which it can escalate any causes for concern.

#### Activity

##### Procurement of Services

As part of the procurement process for Pension Fund services the Fund incorporates contract Key Performance Indicators (KPI's) into the tender specification. These KPI's are monitored throughout the life of the contract and should performance fall

below target for two or more reporting periods, the Fund expects the services provider to produce a performance improvement plan, including timescales for rectification of the under-performance. These KPI's are not a simple 'tick. During 2024, the Fund went out to tender for its actuary services – as part of this process, officers reviewed and updated these KPI's to ensure that they effectively reflect the requirements of the Fund.

##### Investment Advisors

The Fund receives investment advice from its advisors Hymans Robertson. Fund officers have a strong working relationship with the Funds advisors and meet with them regularly.

As mentioned under Principle 5, each year, in line with the Competition and Markets Authority (CMA) order the Fund agrees a set of objectives to monitor and assess the performance of the Fund investment advisors, Hymans Robertson. The Fund submits a Compliance Statement annually to the CMA regarding the strategic objectives set for our investment consultants and monitors our investment consultant's performance against these objectives.

##### Quarterly Performance

Both the Pension Panel and Pension Board receive quarterly performance reports from the Funds investment advisors, Hymans Robertson. These reports cover market background and manager performance against benchmark with a look at historic performance. The Panel utilises these reports and the expertise of the Funds investment advisors to assess investment activity and act when required.

##### Investment Managers

Fund officers have regular communication with investment managers and meet with each manager at least annually. Alongside this, managers present regularly to Panel and Board. Managers provide ESG specific presentations to Board. This platform allows Board to engage with managers in relation to their environmental, social and governance activities and allows Board to identify and challenge any gaps in this area.

If a managers performance raises concern, Panel will invite the manager to a meeting to gain further information and challenge/set targets where appropriate. In September 2024, the Fund invited the LCIV to attend its Panel meeting to provide

an update on the performance of its LCIV Real Return and Absolute Return Funds. This followed an initial presentation on the performance of these mandates in 2023. This presentation also featured an update on LCIV operations following turnover of key staff. In December 2024, the Panel requested a Private Markets manager to present on why performance had fallen and what their plans were for improvement. Performance of these mandates remains under review.

## Pooling

Officers have a good working relationship with the Funds pooling provider the London Collective Investment Vehicle (LCIV). The LCIV provide quarterly performance reports to officers which include performance information, engagement activity and an ESG summary. Officers also attend virtual monthly business update meetings held by the LCIV which act as a platform to find out the latest developments within the LCIV and provide an opportunity for officers to raise questions or concerns.

The LCIV hold an annual two-day in-person conference covering various relevant LGPS topics. As part of this event, the LCIV provides a more detailed, up to date breakdown of its operations and performance. The Fund has agreed with the LCIV that they will present a general update to the Panel each quarter in 2025/26 to provide the Fund the ability to work more closely with the pool and to remain abreast of the latest updates.

## Fund Actuary

Officers hold monthly virtual meetings with the Funds actuary. These meetings cover relevant workstreams and provide a platform through which expectations of workloads and deliverables is discussed.

## Annual Strategic 'Away Day'

The Fund holds an annual 'Strategic Away Day' within which investment managers, the Funds investment advisors and Fund actuary often provide updates on key work and performance against objectives. This provides a platform through which the work of each provider can be assessed and discussed as required.



## Outcome

Officers have monitored investment managers and service providers regularly throughout the year via virtual meetings and calls and via participation at conferences and webinars. Officers have attended virtual monthly business updates with the LCIV throughout the year and used the platform to ask questions and gain information. To provide a further, more Fund specific interaction with the LCIV, the Fund has agreed with the pool that they will attend each of the Pension Panel meetings in 2025/26 to provide a quarterly update on their processes and stewardship activities. This will also provide the Panel with a platform to ask Fund specific and more general queries in relation to the LCIVs operations.

Throughout 2024 Panel and Board have received quarterly performance reports detailing the performance of the Funds' assets managers. The Funds commitment to holding to account its service providers can be demonstrated by its review of performance. In 2024 the Panel requested a further update on the performance of the LCIV Real Return and Absolute Return Funds following an initial review in 2023. Further to this,

the Panel requested a presentation from one of the Funds Private Market investment managers to discuss falling performance. These Funds remain under monitoring.

The Fund sets performance objectives for its Investment Advisors in line with the Competition and Markets Authority (CMA) The Fund submits a Compliance Statement annually to the CMA regarding the strategic objectives set and monitors our investment consultant's performance against these objectives. The Fund is happy that its investment advisors have achieved the objectives set for them.

The Funds annual strategic 'Away Day' provides a further platform through which officers, Panel and Board can interact and assess the work undertaken by various counterparties and challenge where necessary.

Officers has continued to hold monthly virtual meetings with the Fund actuary to discuss current and upcoming workstreams. Officers have also held meetings with the Fund Custodian, Northern Trust, to discuss performance and workloads.

The Fund sets out in its Investment Strategy Statement the guidelines within which it expects its investment managers to vote. In 2023, the Fund identified that it needed to undertake further work in relation to reviewing and reporting on the voting activity undertaken by investment managers. Initial work has begun in this area, with officers researching into the way through which each relevant manager votes and reviewing not just the quantitative information on voting but also the qualitative data. The Fund still has more work to do on this in relation to reporting on this to Panel. This workstream is due to be built into the Funds 2025/26 business plan. Although the Fund receives voting activity reporting, the Fund still needs to complete further work in this area with regards to review of these reports and presentation to Panel which is not currently undertaken on a regular basis. The Fund needs to ensure that it reviews this area to confirm that managers are voting in line with the Funds voting policy.



# Engagement

ROYAL BOROUGH OF GREENWICH  
**PENSION FUND STEWARSHIP REPORT**





## Principle 9

### Signatories engage with issuers to maintain or enhance the value of assets.

#### Context

The Fund recognises that engagement with key counterparties is a primary tool to maintain and enhance the value of assets. It is therefore prevalent that the Fund not only has well developed principles and processes for engagement but that it also has clear and concise expectations of the engagement undertaken by other counterparties on its behalf.

#### Activity

The Fund undertakes engagement through various forms:

##### Indirect engagement through investment managers

- The Panel has appointed a number of investment managers, all of whom are authorised under the Financial Services and Markets Act 2000 to undertake investment business. As mentioned in Principle 7, the Fund expects its investment managers to incorporate all material financial factors, including ESG factors which contribute to the long-term financial risk and returns, into their daily investment decisions. The Fund expects its managers to follow best industry practice and to engage with companies to promote good practice. The Fund takes stewardship, including manager best practices on engagement, seriously when appointing new

managers and considering new investment mandates and sets out its expectations. The Fund will assess the suitability of its managers were they not meeting the Funds expectations in this regard.

##### Indirect engagement through exertion of voting rights

- The Fund understands that the exercising of voting rights provides shareholders the opportunity to use their position as stewards of capital to promote corporate responsibility in the underlying companies in which its investments reside. The Fund recognises that ultimately this protects the financial interests of the Fund and its ultimate beneficiaries.

The Fund sets out its voting intention guidelines within its Investment Strategy Statement (ISS) and expects its investment managers to engage in voting activity within these guidelines (please see Principle 12 for more information on the Fund voting policy).

**Engagement via LAPFF Membership** – The Fund is a member of the London Pension Fund Forum – a member-led forum which aims to promote high standards of corporate governance through company engagement. The Fund can raise concerns regarding companies which it holds and can participate in engagement activities through the LAPFF.

##### Direct engagement with Fund service providers

- Fund officers meet regularly with various counterparties including its investment advisors, custodian, actuary, investment managers and the LCIV through which it holds pooled investments. These meetings provide the opportunity to engage on items such a service provision, investment performance, investment and funding strategies and legislative and policy developments. This engagement with the Fund counterparties is key to ensuring that the Fund is run effectively and efficiently for its members and to enhance the value of assets.

**Direct Engagement with Panel and Board** - Every year the Fund holds an annual 'Strategic Away Day' for Board and Panel Members and Officers.

Throughout the day various counterparties provide updates and training on relevant topics. It is an opportunity for Board and Panel members to discuss items such as engagement and the Funds expectations in relation to engagement with Fund counterparties. Prior to each Panel meeting the Accountancy and Business Partnering Manager for Investment Partnering holds a pre-meet with the Panel Chair and the Fund Investment Advisors to discuss the upcoming agenda with the objective of affirming the governance responsibilities in relation to the agenda.

### Example Engagement 1

The London CIV continued to engage with Shell as part of their collaborative engagement led by Follow This I, aiming at addressing the climate crisis. Further, London CIV continued to work with their engagement partner, Hermes EOS, to address diversity concerns within Shell. Since 2020, Hermes EOS have been communicating with Shell to set targets for ethnic diversity within the workforce, and reporting on metrics in line with EEO-I. They met with Shell in 2021, highlighting the lack of reporting on ethnic diversity when compared to other reporting dimensions. They highlighted the increasing expectations of reporting in the US and asked them to emulate this, which Shell acknowledged. Hermes EOS escalated this via voting engagement, asking to disclose granular data on ethnic diversity within the workforce, including a breakdown by seniority. They also asked if Shell had ethnic diversity targets other than those they have set out for the UK.

Subsequently, in the 2022 annual report (published in 2023), Shell published a race/ethnicity breakdown for staff in the UK and USA, including a breakdown for senior management.

They also published 2025 targets for UK and USA senior leadership roles held by people from ethnic minority groups. In the UK, the company also has a target to increase black graduate and experienced hires.

Hermes will continue to monitor the company's reporting with regards to ethnic diversity and disclosure in line with EEO-I, as signatories of the Workforce Disclosure Initiative.

### Engagement Example 2

In November 2024 Fidelity engaged with Meta as part of their digital ethics thematic engagement focused on promoting ethical Artificial Intelligence (AI). Meta principally derives its revenue from advertising and is leveraging AI to improve its capacity to decide which advertisements to present to users across its platforms, as well as the optimal timing for these advertisements. By improving monetisation efficiency, Meta can increase revenue and conversions without displaying more adverts and negatively impacting the user experience.

Fidelity have collaboratively engaged with Meta alongside approximately 50 other investors including the Collective Impact Coalition for

Ethical AI, (led by Fidelity, Church Commissioners for England, and Mercy Investment Services), The Big Tech & Human Rights collaboration and representatives from the broader peer/competitor group.

The aim of this engagement was to get Meta to implement, demonstrate and publicly disclose the following:

- A set of ethical principles that guide the company's development, deployment, and/or procurement of AI tools.
- Strong AI governance and oversight across the value chain of AI deployment and use
- How these principles are implemented via specific tools and programs of actions relevant to the company's business model, including on the product and service level
- Impact assessment processes applied to AI, emphasizing human rights impact assessments (HRIAs), especially in high-risk use cases

Fidelity aim to follow up this introductory engagement to discuss their expectations and objectives for Meta in the coming months.

## Outcome

As stated in Principle 1 – part of the Funds strategy is to engage with relevant companies, investment managers and other counterparties to use our position as owners of capital to drive change. Some examples of engagement undertaken by the Fund this year include:

### Direct engagement with Fund service providers -

The Fund has engaged with the LCIV to provide its third-year carbon footprint data to the Panel as at 31 March 2024. As part of this collaboration the LCIV has continued to provide training on the carbon metric data - the engagement with the LCIV meant that the Fund was able to gain understanding in this area. The Fund has engaged with the LCIV on its overarching operations, with the pool presenting to the Panel in September 2024. Officers also engaged with the pool via participation on the Seed Investor Groups for both its Nature based Solutions and Private Debt II Funds.

The Fund has also collaboratively engaged with its investment advisors, Hyman Robertson, on various workstreams including its review of multi-asset allocations, re-working of its Net Zero

Roadmap to establish next steps on its net zero journey and in its due diligence review of both the LCIV Private Debt II and Nature based Solutions Funds.

### Direct Engagement with Panel and Board –

Officers engage with Panel and Board members throughout the year not only during meetings but also via sending out training opportunities and events, researching and answering questions raised and through interaction at the annual 'Strategic Away Day' Panel and Board members have received training on the power of and processes for engagement.

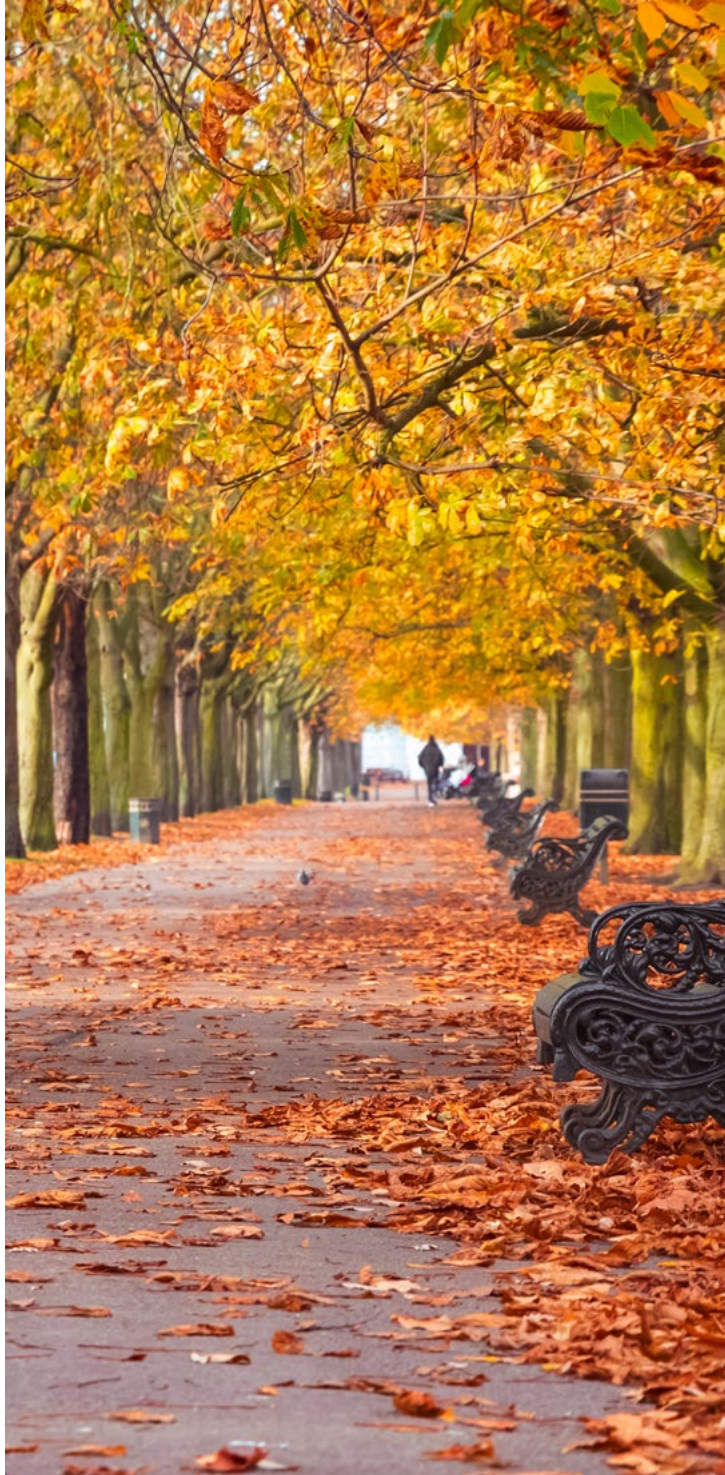
### Engagement via LAPFF Membership –

The Fund monitors engagements undertaken by the LAPFF. The Fund receives weekly updates from the LAPFF on its workstreams and officers attend the forums business updates – reviewing and agreeing key workstreams and policies. The Fund has engaged directly with officers at the LAPFF this year, not only through the LAPFFs attendance to the Funds annual away day but also by asking questions on the engagement work undertaken with companies in Conflict Afflicted and High-Risk Areas.

### Indirect engagement through exertion of voting rights –

Investment managers are expected to vote in line with the Funds policies. In 2024 the Fund began to review not just the voting numbers from its equity managers, but also the qualitative information in relation votes – for example, where a vote has been unsuccessful, has escalation taken place? The Fund still needs to undertake a review of how it consolidates and reports on its voting information to the Pension Panel. This workstream has been built into the Funds 2025/26 business plan.





## Principle 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

### Context

As mentioned in Principle I – a key part of the governance strategy is to work in collaboration with other counterparties. The Fund sees this collaboration as a tool for objectivity and development and applies the viewpoint that we can learn from others. Collaborative engagement is therefore a key component of the functioning of the Fund to provide value for money for its members.

### Activity

#### London Collective Investment Vehicle (LCIV)

The Fund is a member of the London Collective Investment Vehicle (LCIV). The LCIV pool is made up of the London Boroughs and City of London totalling 32 Shareholders. Officers have attended virtual monthly update meetings held by the LCIV which provide a vital platform through which pooled Funds can engage on a variety of topics and through which the LCIV can provide information and updates. Officers from the Fund also attended the annual LCIV Strategy and Responsible Investment Conference which provides a further engagement platform for

pooled Funds to openly discuss relevant topics. Most recently officers have sat on the Seed Investor Groups for the LCIV's Private Debt II and Nature based Solutions Funds – helping to inform and shape the creation of these mandates through collaboration with the LCIV and other boroughs across the pool.

The LCIV also participates in collaborative initiatives with other financial institutions and industry bodies to drive outcomes at scale, which in turn better support the member Funds of the pool. These include (but are not limited to):

- **Climate Action 100+** – London CIV are a signatory of the investor initiative helping to drive the necessary corporate action on climate change for a Just Net Zero Transition. Climate Action 100+ now has over 600 investors.
- **Cost Transparency Initiative (CTI)** – The CTI is an independent group tasked by the Financial Conduct Authority (FCA) to deliver a standardised template for cost disclosures. London CIV informed the Fund that 100% of their investment managers report in line with the CTI.



- **The Taskforce on Nature-related Financial Disclosures (TNFD) Forum** – The TNFD forum is a global network of organisations who contribute to the further development of guidance on nature related financial disclosures to support the ongoing work of the Taskforce.
- **Pensions for Purpose** – London CIV are an affiliate member of Pension for Purpose and participate in thought leadership discussions and publications to inform research and share their knowledge on impact investment.
- **UN backed Principles for Responsible Investment (PRI)** – the LCIV is signatory to the PRI - a community of more than 5,000 organisations around the world that have publicly demonstrated their commitment to responsible investment.
- **Deforestation-Free Pensions Guidance** – Since 2021, London CIV has been one of the early pension fund group members of the deforestation free pensions guidance working group set up by Global Canopy, Systemiq and Make My Money Matter. The aim of the coalition is to develop practical guidance for pension funds to systematically identify, address, and eliminate deforestation, conversion, and associated human rights abuses from their investments.

## Local Authority Pension Fund Forum (LAPFF)

As aforementioned the Fund is a member of the Local Authority Pension Fund Forum (LAPFF) which is a member-led forum which engages with companies to promote high standards of corporate governance. The forum's membership currently consists of 87 LGPS Funds and 7 pooled companies (including the LCIV) with aggregated assets under management of over £350 billion. The collective voice created by the volume of members and assets under management result in greater leverage and shareholder power to engage with companies to promote good governance. During 2024 the LAPFF engaged with 340 companies across 35 domiciles. Alongside this the LAPFF issues voting alerts to members on areas that it feels need further escalation. The LAPFF also works collaboratively with other organisations to undertake engagement. Some examples of the collaborative work undertaken by the forum in 2024 includes:

- Joining the Investor Alliance for Human Rights (IAHR) pilot project which focuses on conflict-affected and high-risk areas (CAHRAs). The forum has undertaken collaborative engagements under this project with defence companies and carmakers regarding their supply chains, with key transition minerals often coming from CAHRAs.
- Engagement via the Asia Research and Engagement's (ARE) Energy Transition Platform. This collaborative initiative focuses on influencing high-emitting companies based in Asia to adopt strategies that align with the goals of the Paris Agreement. LAPFF aims to support and accelerate the energy transition in Asia and aims to assess companies' readiness and commitment to a low-carbon economy, and to encourage transparent reporting on climate related risks and opportunities.
- In 2024 LAPFF joined Nature Action 100 (NA100)—a newly established global investor-led engagement initiative focussed on companies with significant impacts on nature. The initiative aims to provide a framework through which investee companies can assess nature-related risks and dependencies affect their business models. Specifically, LAPFF aimed to engage with companies to understand and encourage their efforts in integrating nature into wider business considerations.

## Investment Managers

Although investment management is delegated to the Funds investment managers – the Fund managers can work collaboratively with other stakeholders on engagement issues should they deem it appropriate. This collective engagement work can be seen through the examples below:

### London Collective Investment Vehicle (LCIV)

London CIV continued to work with their engagement partner, Hermes EOS, to address Science-based carbon emissions reduction targets with Samsung Electronics. They have worked with Samsung since 2018 regarding its climate change strategy. Following engagement both bilaterally and in collaboration with other investors, at management and board levels, there has been significant development in the company's climate change action plan. Samsung's two main lines of business are different in terms of climate change strategy. The DX division, responsible for consumer electronics and household appliances, accounts for 5% of Scope 1 and 2 emissions. The company has committed to achieve net zero Scope 1 and 2 emissions by 2030, which is an ambitious target in this sector.

Samsung's DS division, responsible for semiconductor components manufacturing, accounts for the remaining 95% of the company's Scope 1 and 2 emissions. It has committed to achieve net-zero emissions by 2050, without interim targets yet. Although its main peers have interim targets, no one has had them verified, as the Science Based Targets initiative has not yet developed a methodology for the semiconductors sector. The company has a plan to achieve its net-zero targets, built around its most material impacts and supported by detailed sub-targets, such as renewable energy target, gas treatment efficiency tech development target, and power consumption improvement in key product categories target.

The initial engagement objective of establishing a groupwide science-based absolute carbon emissions reduction target is being discontinued as Hermes do not anticipate the company will achieve this due to the diverse nature of its business units and their impact on company emissions. However, the company was proactive in trying to achieve its targets, including by joining the Semiconductor Climate Consortium as a founding member, an initiative aimed at addressing climate change challenges in the semiconductor supply chain.

However, ultimately Hermes EOS believe this engagement can be more effective by approaching the decarbonisation challenges specific to each business unit, building on the progress achieved so far. A new objective has been set on the development of an interim Scope 1 and 2 carbon emissions reduction target specific for the semiconductor components division (DS division).

### Legal and General Investment Management (LGIM)

The funds low carbon passive equity manager, LGIM, is a member of three collaborative engagement groups; ShareAction's Good Work Coalition; the Platform for Living Wage Financials; and ICCR Living wage for US workers. The Good Work Coalition aims to encourage UK companies to pay their employees a real living wage and to become accredited living wage employers. LGIM joined the Platform for Living Wage Financials (PLWF) in 2022, to encourage, support, assess and monitor investee companies on their commitment to enable living wages and incomes for workers in their supply chains. LGIM carried out the assessment, scoring and engagement with three companies, one of which was Walmart.

At Walmart's 2022 AGM, LGIM supported a shareholder proposal demanding a report on the

alignment of racial justice goals and starting wages. LGIM voted in favour of this proposal because they expect Walmart to pay all employees at least a living wage. The additional disclosure should ensure that all employees are being paid fairly and at least a living wage for the region they are working in.

In Walmart's 2023 AGM, LGIM supported a shareholder resolution requesting that the company consider the pay disparity between the CEO and other employees. LGIM expects the remuneration committee to take into account the pay and benefits provided throughout the organisation when setting the CEO's compensation.

Although LGIM acknowledge that Walmart has made increases to the wages of its employees, the new pay levels fall short of being a living wage.

In 2023, LGIM launched its own income inequality engagement campaign targeting 15 of the largest global food retailers. Walmart being the largest food retailer in the world is one of the 15 companies in the campaign. In addition to setting objectives regarding the living wage for these companies' own operations, LGIM also expect them to take certain actions regarding their supply chains; companies within this campaign that do not meet our expectations may be subject to a vote against the Chair at their 2025 AGM.

The milestones set under this campaign relate to expectations that, should they be achieved, they would not only improve wages for significant numbers of low-paid workers around the world but also, given these companies' influence in their respective countries and supply chains, LGIM would expect there to be a knock-on impact as competitors and smaller peers would then be compelled to follow suit. LGIM would hope that this would improve the livelihood of thousands of workers and their families but also boost GDP.

LGIM may consider co-filing some shareholder resolutions in 2025 at some of the companies targeted under this campaign.

## Outcome

Collaborative engagement via membership of the LAPFF provides the Fund greater shareholder influence to engage with companies due to the economy of scale achieved through the pooling of members holdings. The additional benefit of LAPFF membership is that, due to the forum being specific to the LGPS, the members of the forum share common values and objectives.

This economy of scale is also achieved via the Funds pooled assets with the LCIV. The partnerships the LCIV has with various relevant bodies and ESG initiatives provides a large network through which the LCIV can engage with companies on the Funds behalf to drive shareholder value. The LCIV is a member of the LAPFF.

Although investment managers are responsible for day-to-day engagement with companies, officers and Board receive reports and presentations on this engagement work and where collaboration is likely to be the most effective mechanism for encouraging issues to be addressed, we expect and encourage our investment managers to participate in joint action with other institutional investors as permitted by relevant legal and regulatory codes where appropriate.



# Principle 11

## Signatories, where necessary, escalate stewardship activities to influence issuers

### Context

The Fund looks to influence companies via engagement versus divestment, believing that the Fund can use its leverage as a steward of capital to positively impact corporate behaviour. Were this to prove unsuccessful, the Fund would challenge the investment manager on their decision to continue to hold the company, with an aim for them to divest.

### Activity

As aforementioned within principles 9 and 10 – day to day engagement and stewardship activities are delegated to the investment managers. The Fund does not operate an overarching escalation policy due to the diversity of investments. Instead, the Fund expects its investment managers and the London CIV to use their specialist knowledge to escalate concerns (including ESG concerns) where appropriate to influence issuers. Fund officers monitor regular reports from investment managers to review the engagement activity being undertaken.

### Example Escalation

London CIVs engagement partner, Hermes EOS, have worked with AstraZeneca, one of Europe's leading pharmaceutical companies, since 2014. As part of its defence against a takeover from a rival company, AstraZeneca announced an ambitious revenue target. Hermes identified robust succession planning for both the CEO and chair as integral to the achievement of a long-term strategy, as well as the alignment of incentives with long-term revenue targets.

As part of their engagement, Hermes held regular meetings with AstraZeneca, including with the chair, to ensure progress was made against the targets. Assurance was provided to link remuneration to the longer-term strategy and as a result, notable improvements were made in this area including a simplification of the bonus structure and greater disclosure on its targets.

Discussions were held regarding succession planning for the CEO and concerns were raised over the independent director's capacity to effectively support the CEO succession, due to other roles and responsibilities. In 2023, a new chair was appointed to the board of directors,

with Hermes meeting with them in 2024. Hermes were pleased to learn that the chair had been working to ensure candidates for CEO have experience across the business in time for a formal selection process, with Hermes obtaining reassurance regarding the diversity of the pipeline and the consideration of external candidates.

By April 2023, the company had achieved its long terms revenue target and in April 2024, AstraZeneca became the UK's largest public company by market capitalisation.

Throughout their engagement with the company regarding CEO succession planning, Hermes have raised concerns regarding the high level of variable pay. The company has consistently justified pay to retain a high-performing incumbent, however, Hermes are not convinced that such significant pay increases are required, especially if a robust internal CEO pipeline is available. As a result, Hermes escalated their engagement by recommending votes against the proposed remuneration policy at the 2024 AGM. They subsequently met with the chair and obtained reassurance that a future CEO would not necessarily be remunerated under as generous a performance plan.

Fund officers hold regular meetings with investment managers who are also invited to present to Panel and Board, where suitable. From these meetings the Fund can request for escalation of engagement issues if required.

### London Collective Investment Vehicle (LCIV)

London CIV outlines their escalation approach in their Stewardship Policy. The pool informed us that they prioritise engagement as a first line of action. They acknowledge that one-on-one engagement is not always effective, however they do not see selling holdings as an immediate solution because divestment alone results in losing influence and the opportunity for future dialogue. Therefore, escalation methods remain integral in their engagement strategy. The pool emphasises that there is no uniform approach to escalation, and certain options may be skipped or omitted due to asset class or regulatory constraints.

Where engagement dialogue does prove to be unsuccessful, the pool considers other strategies to influence a company's behaviour. Further steps may include:

- Escalating the issue with the investment manager to advocate for the improved outcome by portfolio companies

- Opposing and instructing investment managers to oppose management on key resolutions and/or against the re-election of directors who are responsible for the topic in question (listed equity)
- Attending AGMs to trigger more dialogue with boards and executives (listed equity)
- Filing or co-filing shareholder resolutions in relation to ESG issues of concern (listed equity)
- Submitting one or more nominations for election to Board (listed equity)
- Reducing exposure
- Litigation
- Divestment: London CIV only use this as a last resort when previous persistent engagement activities were unsuccessful

### Local Authority Pension Fund Forum (LAPFF)

As aforementioned the Fund is a member of the LAPFF through which it can collaboratively escalate areas of concern further should it feel that a company is not adhering to its stewardship commitments or responding to initial engagement.

If the LAPFF believes that escalation is necessary, it will use various means for escalation, including, but not limited to:

- Escalation of communications with specific companies
- Filing shareholder proposals
- Issuing voting alerts to its members
- Initiating Media Campaigns

The LAPFF issues voting alerts on areas it feels need further escalation. The Fund has not undertaken escalation on engagement stemming from the LAPFF voting alerts during 2024, however it has remained in communication with the LAPFF throughout 2024 on the forum's engagement work with companies in conflict related areas, requesting updates on engagements throughout the year.

### Training

In 2024 the Fund became a member of Pensions for Purpose, who share best practices and provide knowledge for organisations on impact investments. Pensions for Purpose are due to provide training on engagement practices, escalation techniques and the pros and cons of divestment to Fund officers, Panel and Board at their 2025 annual 'away day'.

## Outcome

The Fund believes that we must be responsible asset owners and therefore ongoing engagement is preferable to divestment. The Fund expects its investment managers and the LCIV to actively engage with companies on areas of risk and concern to protect/increase shareholder value.

The Fund is a member of the LAPFF who engage with companies on various issues, including ESG risks, on behalf of local authority pension funds. The LAPFF use various tools to escalate engagement when required.

The Fund ensures that those charge with governance have the requisite knowledge and skills to understand the processes for engagement and escalation and provides training on the balance between escalation and divestment.

The Fund encourages its investment managers, the LCIV and the LAPFF to utilise various means to influence a company if engagement were proving unsuccessful, these include (but are not limited to) exerting voting rights, submitting nominations for company Boards, making a public statement regarding concerns or expressing concerns during shareholder meetings.

The Fund is mindful that a lack of engagement from companies can serve as a warning that there may be other governance issues and that this may present a risk to the Fund. If all other forms of engagement were exhausted, and the Fund believed the risk of holding a particular company could be detrimental to the Fund, it would then consider divestment.





# Exercising Rights and Responsibilities

ROYAL BOROUGH OF GREENWICH  
PENSION FUND STEWARSHIP REPORT



## Principle 12

### Signatories actively exercise their rights and responsibilities.

#### Context

The Fund recognises the importance of actively exercising the voting rights attached to its investments to ensure that the companies within which it invests operate under the highest standards of governance. The Fund believes it should use its position as owner of capital to help drive real world change in relation to environmental, social and governance issues as well as to promote corporate responsibility. The Fund has a commitment to utilising its voting rights to reflect its belief that this ultimately protects the financial interest of the Fund and its beneficiaries.

#### Activity

##### Voting Guidelines

For pooled mandates the Fund has delegated the exercise of voting rights to its investment managers and expects managers to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies under Regulation 7(2)(f).

For segregated mandates the Funds Investment Strategy Statement sets out the Funds Voting Intention Guidelines. These are as follows:



	Voting Governance Issues	Action if Negative
CHAIR/CHIEF EXECUTIVE	Role of Chair and Chief Executive should be separate to avoid concentration of power	Vote against Chair/Chief Executive re-appoint as Director.
NON-EXECUTIVE DIRECTORS	Board must have a minimum of 40% non-executive Directors	Vote against appointment of all Executive Directors
	Non-Executive Directors should not hold such a position in a competitor	Vote against re-appointment when up for re-election
DIRECTORS	There should be formal appointments for all Directors	Vote against all Executive Directors
REMUNERATION COMMITTEE	The Committee should be answerable to the shareholders at the AGM	Vote against acceptance of the accounts. Vote against the reappointment of Chair as Director.
GENERAL	All Directors need to seek re-election at least every three years (by rotation)	Vote against acceptance of accounts.
	There shall be an Audit Committee	Vote against acceptance of accounts.
AUDIT COMMITTEE	The Audit Committee should have a majority of Non-Executive Directors	Vote against acceptance of account
	The Audit Committee shall meet with the Auditors at least once in the year without Executives present.	Vote against acceptance of accounts.
REPORTING AND CONTROLS	The Directors shall report on fraud uncovered that exceed £100,000 and action taken	Vote against acceptance of accounts
THE CADBURY CODE	There shall be no rolling contracts of more than 12 months	Vote against all relevant Directors re-appointments
	There shall be full disclosure of all emoluments received by Directors.	Vote against re-appointment of all Directors
	There shall be transparent disclosure of the basis of performance related payments.	Vote against re-appointment of Chair of Remuneration Committee as a Director.
	The basis of executive share options granted shall be subject of shareholders resolution, be voted upon at least every five years and meet the guidelines of the Inland Revenue and the national Association of Pension Funds.	Vote against acceptance of accounts.
	There shall be full disclosure of share options granted to Directors and the Executive and those exercised in the preceding 12 months.	Vote against all Directors re-appointments.



	Voting Governance Issues	Action if Negative
AUDITORS GENERAL	The Auditors shall not be given or awarded additional work with the company that exceeds 50% in value of the Audit contract.	Vote against all Director Members of Audit Committee. Vote against the re-appointment of Auditors.
	The Board shall contain no former employee of the audit firm	Vote against Directors re-appointment who come into this category.
OTHER MATTERS	The Company shall not make any political or quasi-political donations	Vote against acceptance of accounts. Vote against Chair's re-appointment.
	The Company shall indicate how it ensures equal opportunity is genuinely available.	Seek compliance through written Contract.

## Investment Managers - Reporting

Investment managers are required to provide copies of their voting policies, and these are reviewed by officers and considered as part of the appointment of a manager. Investment managers are asked on an annual basis to provide an update on any changes to their policies.

The managers are also required to report on their voting activity as part of their reporting to the Fund and the Fund expects managers to provide suitable context when reporting on their voting and engagement activities. The Fund expects managers to explain the rationale behind the actions they have taken, the relevance to the Fund, and outcome of engagement activity.

During the year the Funds passive equity manager voted on 57,147 proposals on the Funds behalf, this represents 98.4% of votable proposals. Of these 54,613 were with management and 2,534 were against management as follows:

Votes For	53,074
Votes Against	3,183
Other	890

During the year the Funds Low Carbon Equity Manager voted on 55,352 proposals on the Funds behalf, this represents 99.79% of votable proposals as follows<sup>9</sup> :

Resolutions voted with management	44,813	80.96%
Resolutions voted against management	10,052	18.16%
Resolutions abstained from	487	0.88%

The Fund's passive low carbon equity manager LGIM, uses ProxyExchange, the voting platform from proxy advisory firm Institutional Shareholder Services (ISS), to vote electronically and to ensure, in markets where we have unimpeded voting rights, that no votes remain unexercised. Share position data is

updated, based on the settled positions provided by custodians. Only eligible share positions are reflected against expected upcoming voting events across our portfolio of companies within ProxyExchange. Any additional trading that takes place on the receipt of the electronic ballot is updated per trade settlement based on the holdings update by the custodian.

Our global passive equity manager also utilises the same voting platform from ISS, allowing them to monitor activity, execute proxy vote instructions, record keep, and generate client and regulatory voting reports. The controls they have in place ensure that they identify upcoming meetings, cast votes ahead of the voting deadline for each meeting, reconcile holdings with ballots received, and identify any uninstructed ballots.

The Funds low carbon passive equity manager LGIM has been an advocate for equal voting rights. Voting is an essential right for shareholders and LGIM is a strong proponent of the 'one share, one vote' standard, based on the principle that control of the company should be equal to one's economic interest – a notion that the Fund fully supports, in order for shareholders to use their influence to drive change. As part of its equal voting rights campaign LGIM has used its voting power to help drive change in this area.

## Fixed Income Assets

Unlike equity investors, bondholders and lenders do not vote regularly on governance issues. The Funds Fixed Income manager Fidelity uses different methods to carry out stewardship activities within the fixed income and private credit markets, exercising stewardship through pre-investment due diligence activities, including by assessing cashflows, leverage and business strategy to determine whether it generates the cashflow to meet coupon or interest payments. Fidelity also engages with companies before debt issuance or lending activity to voice any concerns about proposed covenants or the structure of the issuance or loan.

After an initial investment, the manager will engage further with issuers or borrowers through the debt reissuance or refinancing process, which is when the company seeks to refinance or roll over its bonds or loans.

If a requirement to vote is identified, the relevant portfolio manager will liaise with the analysts and verify the vote before it is submitted. This may include voting resolutions which relate to approving amendments to debt covenants and/or terms of the investment, approving the repurchase of the debt security or certain debt restructuring plans. The circumstances of the specific company and wider market best practice is considered when voting and approach to exercising voting rights is in accordance with all applicable laws and regulations and in line with the respective investment objectives of the portfolio.



## LCIV

The LCIV has a Voting Guideline Policy which can be found on the Pool's website [londonciv.org.uk/stewardship](https://londonciv.org.uk/stewardship).

The policy sets out the pools 8 key voting principles as follows:

1	Exercise our shareholder rights by always voting on contentious issues	We aim to vote either for or against a resolution and only abstain in exceptional circumstances. This can occur when our vote is conflicted, a resolution is (or will be) withdrawn, or insufficient information is available to base an informed decision.
2	Vote consistently on issues	We aim to vote consistently on issues, in line with our voting policy, applying due care and diligence, allowing for a case-by-case assessment of individual companies and market-specific factors when necessary.
3	Remain informed	We aim to be knowledgeable about our investee companies and support their boards and management when their actions protect long-term shareholder value.
4	We aim to be knowledgeable about our investee companies and support their boards and management when their actions protect long-term shareholder value.	We aim to be knowledgeable about our investee companies and support their boards and management when their actions protect long-term shareholder value.: Our voting and engagement seeks to protect and optimise long-term value for shareholders, stakeholders and society.
5	Uphold exemplar transparency	We will publish our voting activity quarterly and update our stewardship priorities annually.
6	Engage	We believe engagement is our most effective tool and will escalate a vote if our concerns remain unaddressed. Leveraging the threat of divestment as a shareholder is more powerful than divestment alone.
7	Collaborate	We will partner with like-minded investors and service providers to leverage our voting at scale and amplify our shareholder voice.
8	Align with Local Authority Pension Fund Forum (LAPFF)	We aim to vote in line with LAPFF recommendations. Where there is misalignment between our votes and LAPFF's suggestions, we will provide sound reasoning and research behind our decisions to our stakeholders.



Hermes EOS are the appointed engagement partner for the LCIV to assist the Pool in exercising its voting rights in line with the interest of its stakeholders. Hermes also engages with investee companies to enhance the long-term value of partner funds' investments within the Pool. The LCIV acknowledges that governance practices differ across geographies and therefore incorporates region-specific guidance as an overlay to its voting guidelines so that execution of voting can take place more effectively.

The LCIV reviews selected recommended votes by EOS to confirm that they align to the pools voting guidelines and LAPFF recommendations.

## LAPFF

The Fund receives climate voting alerts from the LAPFF on issues it feels are of importance to its members including climate targets plans, transition resolutions and lobbying.

## Voting Activity Case Studies

### Successful vote

LGIM voted against a resolution to elect a director at Alphabet Inc, due to the following reasons:

- Average board tenure: A vote against was applied as LGIM expects a board to be regularly refreshed to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
- Diversity: A vote against was applied as LGIM expects a company to have at least one-third women on the board.
- Independence: A vote against was applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.
- Shareholder rights: A vote against was applied because LGIM supports the equitable structure of one-share-one-vote. They expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.

In this instance, the vote was successful. LGIM will continue to monitor company next steps to ensure that processes and policies align to the outcome of the relevant votes and will continue to publicly promote their stance on this issue.

### Unsuccessful vote

LGIM voted for a resolution with The Boeing Company to report on the Median Gender/Racial Pay Gap, as they expect companies to disclose meaningful information on their gender pay gap and the initiatives they are applying to close any stated gap.

In this instance, the vote was unsuccessful.

LGIM has continued engagement with the company, with diversity being one of the discussion topics. The manager will continue to publicly advocate their position on this issue and monitor company and market-level progress.

## Outcome

The Fund believes that active voting is vital for effective stewardship and protects shareholder value. Voting ensures that the companies within which the Fund invests have strong corporate governance and are equipped to deal with risks and take opportunities posed by climate change – this in turn results in better returns and therefore benefits Fund members in the long-term.

The Fund has a clear set of voting guidelines and requires its investment managers to be transparent in their voting policies and procedures. The Fund receives voting reports from its managers who provide context and rationale behind their voting decisions.

The Funds pooling partner, not only has a clear set of voting guidelines but also a clear set of voting principles which guide its voting implementation and reporting processes.

The Fund receives voting alerts from the LAPFF who flag any voting set to take place on areas which they think are of specific interest to their member Funds.

In 2023 the Fund recognised that it needed to do more in relation to its voting review and reporting. Although the Fund received information from its investment managers and pool on their voting activities the Fund did not correlate or report on this information regularly to Panel. During 2024 officers have undertaken initial review of the voting information provided by its investment managers, the pool and the LAPFF and have been drafting a review system not just on the quantitative voting statistics but also on how qualitative information pertaining to voting can be communicated to Panel and members. The Fund aims to undertake its inaugural reporting on the Funds voting activities and outcomes in 2025.





# Next Steps – Action Plan

ROYAL BOROUGH OF GREENWICH  
**PENSION FUND STEWARSHIP REPORT**





As mentioned in the introduction to this report the Royal Borough of Greenwich Pension Fund believes that effective stewardship is not a ‘tick box’ exercise. As asset owners we see stewardship as a key factor in exploring risks and opportunities for the Fund including those posed by ESG related issues.

Below is a list of our intended key governance workstreams for 2024 which we committed to in our 2023 Stewardship Report, alongside an assessment of how did.

Area	Aim	Status	Comments
Net Zero Roadmap	In 2024 the Fund intends to re-review its net zero roadmap in collaboration with its investment advisors to assess what progress has been made to date and where further improvement is needed	Achieved	In September 2024 the Panel reviewed an updated Net Zero Roadmap which assessed the work undertaken to date to reduce the Funds carbon footprint – evaluating what had been achieved and identifying work which still needs to be undertaken. The revised strategy sets out a workstream for the next 12-18 months which includes a re-review of the Funds Responsible Investment beliefs.
Conflicts of Interest	The Fund intends to undertake a re-review of the current conflict of interest policies in place across its external providers including the LCIV to ensure that their conflicts of interest policies are still fit for purpose and to maintain this review on a regular basis.	Partially Achieved	As part of the procurement process for third-party providers during 2024 - any potential conflicts of interest are assessed before appointment. The Fund still needs to undertake more work in relation to the continual monitoring of conflict-of interest policies of external providers including its pooling partner during 2025.
Communication with Members	The Fund needs to make improvements in relation to monitoring the effectiveness of its communication with members. It aims to reassess the system for monitoring query resolution and other key performance indicators and put in place a system to report on these accordingly.	Not Achieved	In 2023 the Fund updated its communications policy to “issue a regular, at least annual, newsletter to all staff – members and non-members of the scheme” in “simple accessible language outlining costs, benefits, contact details and any recent updates or changes affecting scheme members. In addition, it should contain for instance case studies of individuals receiving their pensions, members’ experience of additional contributions etc’’. The Fund is yet to send out a newsletter to this effect and intends to review the best way to execute distribution of such a newsletter in a cost-effective way to its members. It also still needs to implement a system to review the successfulness of communications with members.

Area	Aim	Status	Comments
Engagement through LAPFF	The Fund intends to undertake a review of how it engages with the work undertaken by the LAPFF and how it can utilise its membership of the forum to use a collective voice to challenge companies and influence best practice.	Achieved	The LAPFF presented at the Funds February 2024 away day. The Fund has engaged with the LAPFF throughout 2024, especially on its work in relation to its CAHRA pilot.
Voting	The Fund needs to complete further work in relation to monitoring and reporting on voting across its investments. The Fund needs to ensure that it reviews this area to confirm that managers are voting in line with relevant voting policies.	Partially Achieved	During 2024 officers have undertaken initial review of the voting information provided by its investment managers, the pool and the LAPFF and have been drafting a review system not just on the quantitative voting statistics but also on how qualitative information pertaining to voting can be communicated to Panel and members. The Fund aims to undertake its inaugural reporting on the Funds voting activities and outcomes in 2025.
Government Consultation on LGPS Investments	The Fund will continue to consider next steps in light of the Governments consultation on Investments to ensure that asset allocation decisions are made in the best interest of Fund beneficiaries. A review of un-pooled investments against opportunities via the LCIV will be undertaken as we move into 2024.	Achieved	The Fund reviewed future allocations to the LCIV during its 2024 away day. The Fund also ensured that it responded to the Government's 'LGPS Fit for the Future Consultation.

Below is a list of the Funds key next steps to be undertaken during 2025 as we continue on our governance journey:

Responsible Investment Policy	The Fund aims to review and update its Responsible Investment Policy.
Risk Register Process	The Fund intends to review its risk register process to assess if this system is still effective in identifying the various risks posed to the Fund.
Evaluating Training	During 2024 the Fund began issuing quizzes to test the knowledge of its Board and Panel members – the Fund will report on this during 2025.
Engagement Framework	The Fund intends to design an engagement reporting framework so that it reports to both Panel and Fund members on engagement work undertaken across its asset holdings.
Conflicts of Interest	The Fund intends to undertake more work in relation to the continual monitoring of conflict-of interest policies of external providers including its pooling partner during 2025
Communication with Members	The Fund is yet to send out a newsletter to members. It also still needs to implement a system to review the successfulness of communications with members.
Voting	The Fund aims to undertake its initial reporting on the Funds voting activities and outcomes in 2025.





The Fund will continue to review and define its governance arrangements into 2025 and beyond and is committed to active stewardship to fulfil our purpose of providing pension benefits for our members and their dependents, alongside delivering value for money for the Royal Borough of Greenwich and other employers within the Fund.

For any comments or questions please contact the Fund via the details below - we welcome feedback on our work undertaken thus far.

#### Report Author

**Jade Pearce** – Accountancy and Business Change Deputy Finance Manager

**020 8921 2195**

**[Pension-investment@royalgreenwich.gov.uk](mailto:Pension-investment@royalgreenwich.gov.uk)**