ROYAL BOROUGH OF GREENWICH

PENSION FUND

Stewardship Report 2025

ROYAL borough of GREENWICH

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Introduction

Welcome to the annual Stewardship Report of the Royal Borough of Greenwich Pension Fund 2025.

The Fund became a signatory to the Stewardship Code in July 2024; hence this is the Fund's third annual Stewardship Report, now written in line with The Financial Reporting Council's (FRC) UK Stewardship Code 2026.

The UK Stewardship Code 2026 comprises of a set of 6 '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 sustainable value for clients and beneficiaries". 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 2024 disclosures, however the 2025 report provides an update to the stewardship activities undertaken by the Fund and their outcomes during the past 12 months to 31 December 2025, in line with the newly developed set of codes as outlined by The UK Stewardship Code 2026 - https://www.frc.org.uk/library/standards-codes-policy/stewardship/uk-stewardship-code/

This report provides details of our stewardship activities in 2025 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

It is with pride that I present the Annual Stewardship Report of the Royal Borough of Greenwich Pension Fund 2025, which we have chosen to prepare to provide a detailed overview of our responsible investment and stewardship activities over the past year.

Our stewardship and engagement activities this year continue to be undertaken against an ever-changing and challenging backdrop of geo-political uncertainty. The Fund believes in the importance of investing sustainably and undertaking active stewardship and as such, has a responsibility to its members to demonstrate the work we have undertaken in this regard.

The stewardship activities the Fund undertakes are in the best long-term interest of our members and employers and, therefore, it is a vital part of our fiduciary duty to take ESG issues seriously and consistently into consideration as we continue to integrate them into all investment decisions.

The Financial Reporting Council released the new UK Stewardship Code 2026 in June 2025. The new code is organised into 6 core principles of effective stewardship. This report is written in line with these principles and we believe that this demonstrates the Funds continued commitment to the rigorous responsible investing standards we have set ourselves.

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

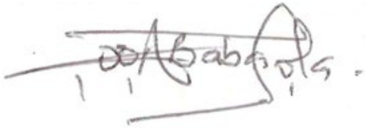
2025 was a triennial valuation year, with the Fund establishing an increased funding level of 118% (up from 103% in 2022). This improved position demonstrates the Funds prudent investment and funding strategies deliver value for money and maintain robust financial governance.

Alongside this, 2025 saw the introduction of The Pensions Bill in the House of Commons. The Pensions Bill details the Government's requirement for Local Government Pension Scheme (LGPS) Funds to pool assets under an FCA-regulated investment pool by 31 March 2026. These reforms will also change the way that Funds invest, report and engage.

We are proud of the engagement and governance actions we have undertaken this year. As we move further into pooling, we will 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

Policy and Context Disclosure

ROYAL BOROUGH OF GREENWICH
PENSION FUND STEWARSHIP REPORT

Royal Borough of Greenwich Pension Fund Stewardship Policies

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 stakeholders and therefore has a duty to ensure that there are 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 set out below:

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, but 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.	The Fund reviews its investment structure regularly, supported by asset–liability modelling, to ensure that the portfolio remains appropriate as economic conditions and long-term risks evolve.
Choosing investments wisely and mitigating poor performing activities.	Poor performance that goes unchallenged can compound over time. Active oversight enables the Fund to intervene early, by reallocating assets, engaging with managers, or adjusting strategy, before losses become entrenched.
Training our Panel members and officers to ensure effective due diligence and focused and sound stewardship.	The Fund 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.	A rebalancing policy ensures: • The desired strategic risk/expected return across assets is maintained. • The desired allocation between various managers is maintained • Locks in some of the gains when a particular asset class/manager outperforms • Buys into 'cheap' asset classes/managers when they underperform.
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**. 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.

Who are our clients and beneficiaries?

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 can 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 2025 comprised of 27,571 members made up of:

- 8,843 were actively contributing into the Fund,
- 9,435 were drawing benefits
- 9,293 members who have the rights to deferred benefits.

The average age of an active member was 47. The average age of a pensioner is 72; the eldest being 104.

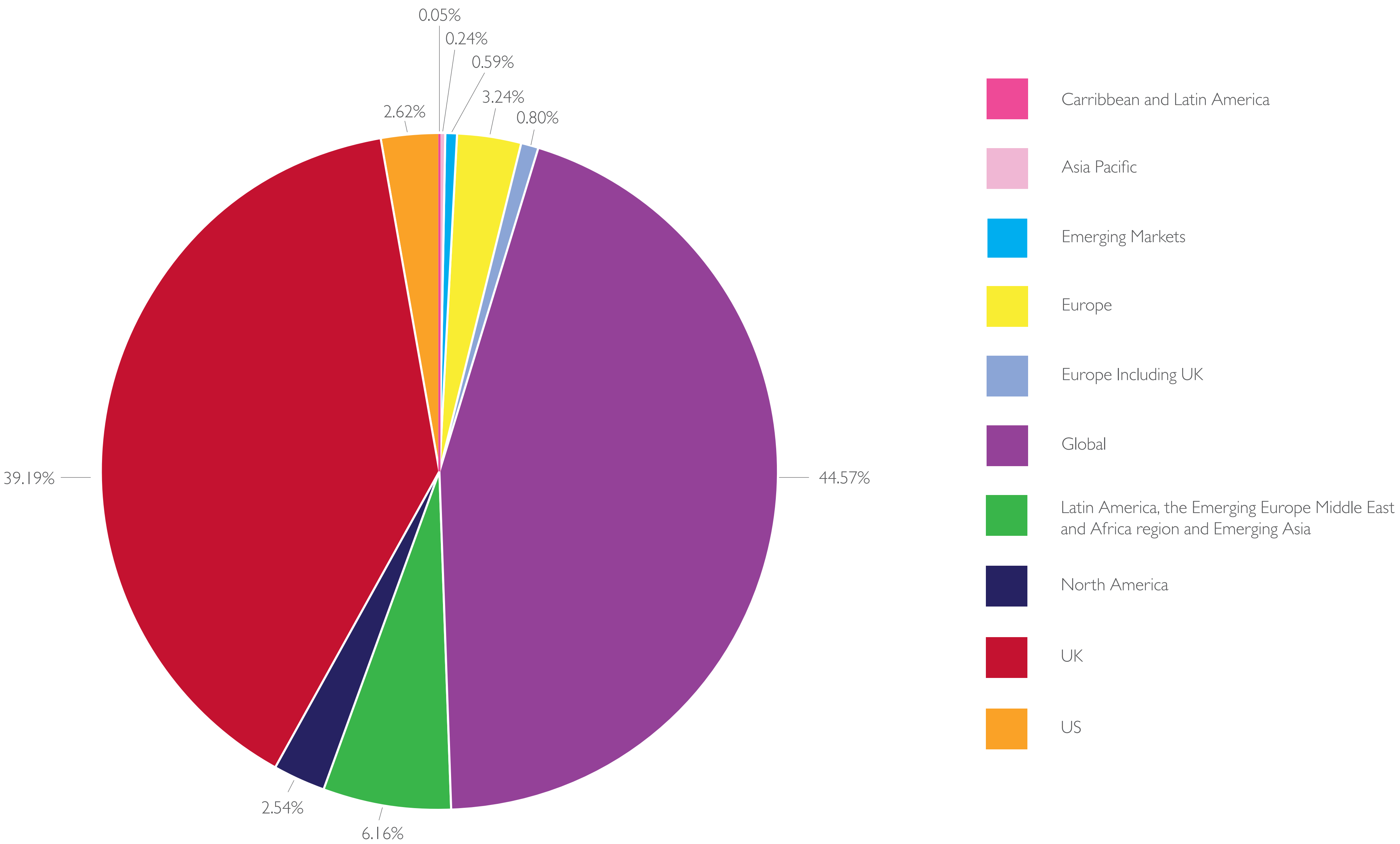
The Fund is made up of 63 active employers. The Royal Borough of Greenwich is the largest employer, estimated to hold 87.22% of the Fund.

Assets under Management and Investment Time Horizon

As at 31 December 2025 the Market Value of Fund's assets were as follows:

Investment Assets	Market Value as at 31/12/2025(£'000
Pooled Investment vehicles:	
Equities	955,840
Bonds	306,957
Property Unit Trusts	158,575
Multi Assets	108,364
Private Equity	715
Infrastructure	31,273
Private Debt	110,211
Multi Assets Credit	184,664
Nature Based Solutions	21,648
Diversified Alternative	72,373
Total	**1,950,621**

The geographical split of the Fund's assets can be seen on the chart below:



Assets Held directly

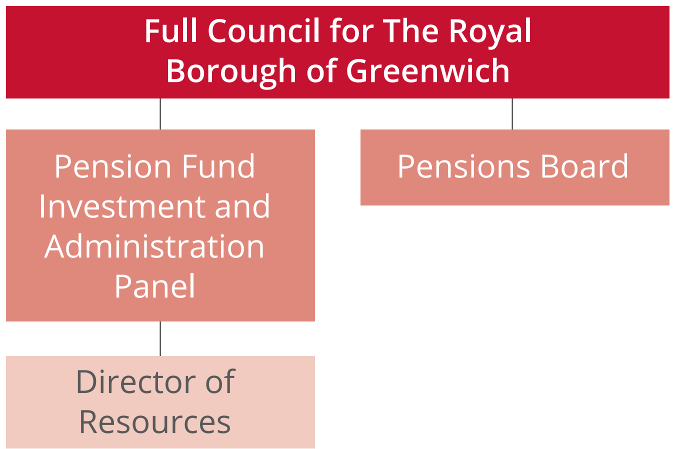
The Fund owns the freehold of one investment property – New Lydenburg Industrial Estate. The value as of 31st March 2025 was £6,560,000

The impact of resources on effective stewardship

Our Governance 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 2025, 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. 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 the 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 of 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 15.6 full time equivalent (FTE) staff which includes 2 apprentices, however only 10.0 FTE 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.

The impact of our governance structure on effective stewardship

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 2025 include:

- Reviews of the updated draft Funding and Investment Strategy Statements; Responsible Investment 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.
- Review of the FRC UK Stewardship Code Report 2024

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 – Hymans Robertson LLP[1]
- 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 summary of the training undertaken by Board, Panel and officers within the year can be found under Principle 2.

[1] The Fund's actuary was changed partway through the year following the end of the previous contract and a competitive re-tender process.

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) 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.

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 2025, 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.

Within the year, one of the Fund's accountants began the Chartered Institute of Public Finance Accounting (CIPFA) certification. The Accountancy and Business Change Deputy Finance Manager completed a post graduate course in Financial Climate Risk in July 2025, achieving a 97% pass mark on the final paper.

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. In 2024, the Council agreed 7 Equality and Equity Objectives as part of its Public Sector Equality Duty (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 for sign its Equality and Equity Charter (**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 2025 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.

Stewardship Policies and systems of review

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.

Regarding policy reviews, officers maintain a rolling three-year business plan for both the Panel and the Board. This plan incorporates the statutory review requirements, alongside forthcoming workstreams such as consultations on new policies and reports on Fund governance, including 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 and consultation – a vital step to ensure that the finalised plan sets a clear agenda and has factored in all relevant workstreams and key legislative policies - with a finalised version 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 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.

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 reviews 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 database 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 Regulations 2013 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Each year the Board produces 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 management of stewardship-related 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 decide or recommendation within their official capacity.

Conflicts of interest in relation to the Fund's 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 prevents 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 those 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 making 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 Fund's auditors during the audit process.

A review of the processes and procedures - to identify and manage any potential conflicts of interest - is also picked up as part of the Royal Borough Greenwich internal audit review of the Pension Fund. Conflicts of Interest is a feature of the Fund's 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.

In 2025, 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 2025, 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 £1.388m (2023/24: £1.148m).
- The Royal Borough of Greenwich is the single largest employer of members of the pension fund and contributed £37.674m to the Fund in 2024/25 (2023/24: £35.850m). In 2024/25, £3.211m 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 £0.776m 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 2024/25, administration and management fees of £0.222m were paid to this organisation.

- As at the reporting date, K. Scotford, an employee of the Authority served as a Non-Executive Director on the boards of both Greenwich Service Plus (GSP) and Greenwich Service Solutions Ltd (GSS). During the financial year, contributions by GSP amounted to £0.527m, with no contribution for GSS (2023/24 £0.560m).

This will be reviewed and reported again as part of the 2025/26 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 December 2025, the Panel noted the Conflict-of-Interest Policy for The Board to be reviewed annually.

Communication with clients and beneficiaries

One of the Fund's key 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**.

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** 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** - 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[2]. 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 this report, 2,436 members had signed up to the new website:

Actives	795
Undecided Leavers	45
Deferred Members	364
Pensioners	398
Spouses	22
Frozen Refund	0
Other	812

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 a 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.

[2] In July 2025, the Self-Service website was upgraded to a new portal with more features. Members who had previously signed up to the old version were not automatically migrated and needed to make new accounts along with new members.

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.

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 is not aware of any circumstances during 2025 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 regularly publishes its carbon footprint emissions data. In 2025, the Fund published its fourth-year comparator. The Royal Borough of Greenwich has also put in place a Climate Neutral Plan 2030.

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.

Activities and Outcomes Report

ROYAL BOROUGH OF GREENWICH
PENSION FUND STEWARDSHIP REPORT

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

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 2025 comprised of 27,571 members made up of:

- 8,843 were actively contributing into the Fund,
- 9,435 were drawing benefits,
- 9,293 members who have the rights to deferred benefits.

The average age of an active member was 47. The average age of a pensioner is 72; the eldest being 104.

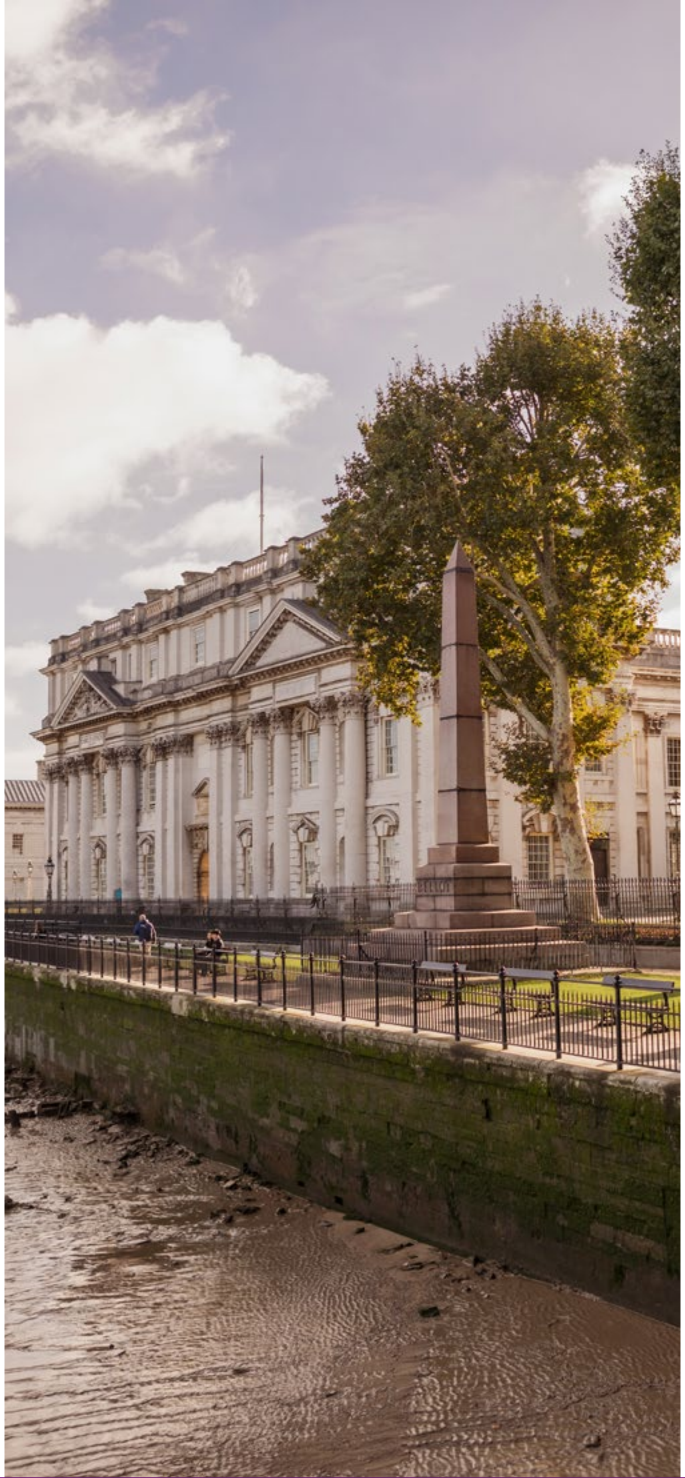
The Fund is made up of 63 active employers. The Royal Borough of Greenwich is the largest employer, estimated to hold 87.22% of the Fund.

Assets under Management and Investment Time Horizon

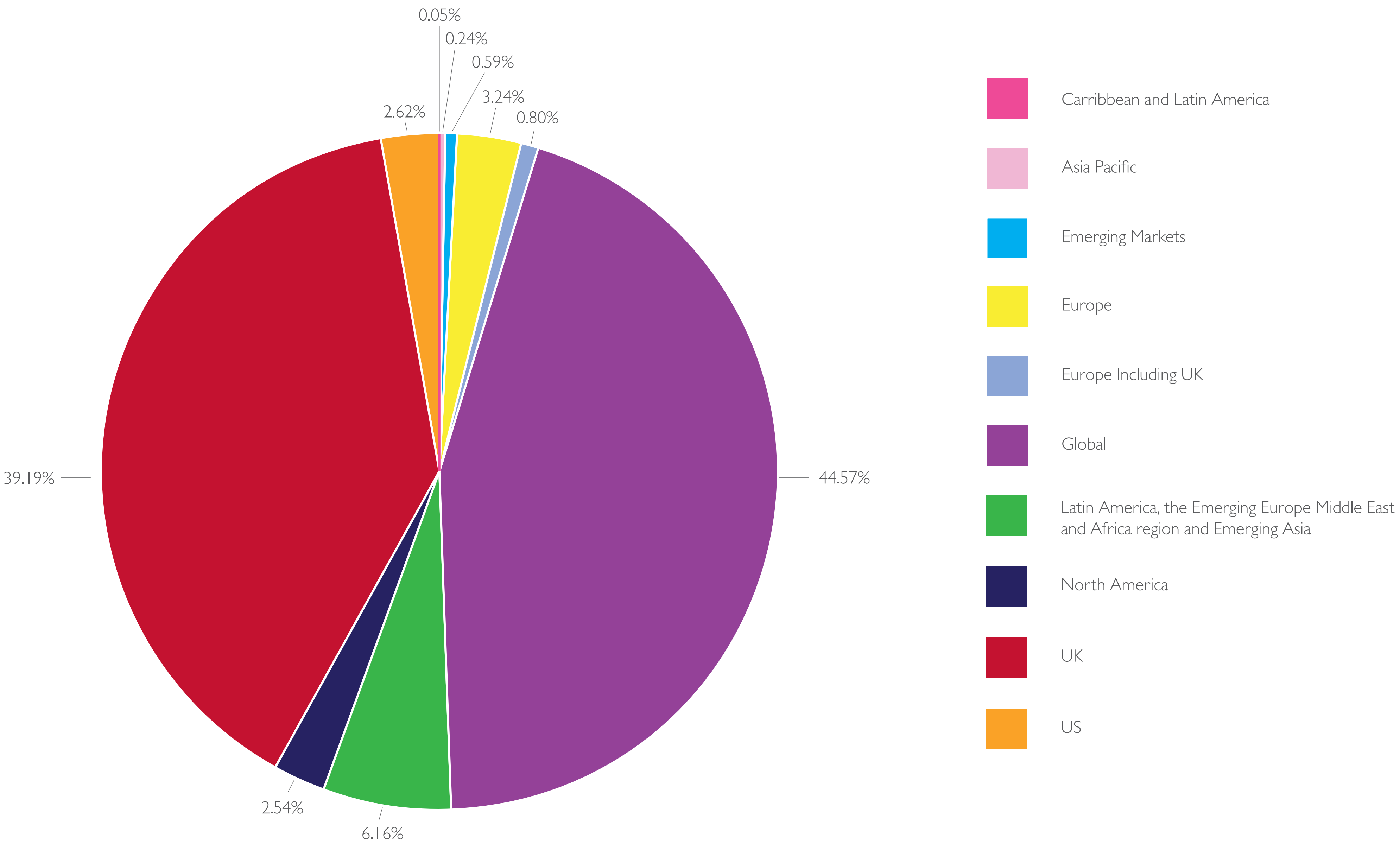
As at 31 December 2025 the Market Value of Fund's assets were as follows:

The geographical split of the Fund's assets can be seen on the chart below:

Investment Assets	Market Value as at 31/12/2025(£'000
Pooled Investment vehicles:	
Equities	955,840
Bonds	306,957
Property Unit Trusts	158,575
Multi Assets	108,364
Private Equity	715
Infrastructure	31,273
Private Debt	110,211
Multi Assets Credit	184,664
Nature Based Solutions	21,648
Diversified Alternative	72,373
Total	**1,950,621**



The geographical split of the Fund's assets can be seen on the chart below:



Assets Held directly

The Fund owns the freehold of one investment property – New Lydenburg Industrial Estate. The value as of 31st March 2025 was £6,560,000

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 2025 provided a deficient recovery period for each employer. This is the period of time in 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 Fund's current asset allocation can be seen in the table below:

	Asset Allocation (31 March 2025)	Target Allocation
Equities	45.00%	40.00%
Bonds	17.00%	15.00%
Multi Asset Credit	10.00%	10.00%
Property	9.00%	0.00%
Diversified Alternative	4.50%	0.00%
Cash and Cash Equivalents	3.00%	0.00%
Multi Asset Strategy	5.50%	5.00%
Infrastructure	2.00%	10.00%
Private Debt	4.00%	10.00%
Total	**100.00%**	**100.00%**

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

The Fund has a clear Investment Strategy Statement and a standalone Responsible Investment Policy, setting out expectations that stewardship and ESG considerations are integrated into investment decision-making across asset classes and geographies. External investment managers are expected to monitor and manage material financial, governance and ESG risks, engage with investee companies where appropriate, collaborate with other investors where effective, and report on stewardship activity through regular reporting. For pooled investments, including those held via the London CIV, the Fund relies on the CIV's monitoring and reporting of appointed managers' stewardship and engagement activities.

The Fund follows the Council's procurement framework when appointing advisers and service providers, incorporating social value and equality, diversity and inclusion considerations. The Pension Panel is supported by professional investment advisers who undertake ESG-integrated assessments when recommending new mandates, with decisions subject to further oversight by the Pension Board.

Although 2025 was a valuation year and as such no new mandates were acquired, an Asset and Liability study will be undertaken following the valuation.

In January 2025, the Panel agreed allocations to the Nature Based Solutions Fund and Private Debt II Fund, reflecting the Fund's commitment to sustainable investment opportunities that support long-term returns, diversification and inflation sensitivity, while ensuring fiduciary duties to beneficiaries remain paramount.

One of the Fund's key purposes is to ensure that members can access clear and accurate information. In line with the principles of the FRC Stewardship Code, the Fund is accountable to its members and employers and is committed to clear, transparent and accessible communication. The Royal Borough of Greenwich Pension Fund considers its audience and the cost to the Fund when determining how information is communicated and seeks to use appropriate and proportionate channels. Reflecting the Fund's diverse and multicultural membership, information is provided in a range of languages and formats where appropriate.

The Fund provides multiple channels for engagement, including a central email address and telephone line, enabling members and employers to provide feedback and raise queries. An annual Communications Policy Statement sets out the Fund's approach to engagement and disclosure and is published on the Royal Greenwich website. Following a request from the Panel in 2023, the Communications Policy was updated to include a commitment to issue a regular (at least annual) newsletter in clear and accessible language. While this has not yet been implemented, the Fund intends to review a cost-effective approach to delivery. The Fund also maintains a dedicated portion of the Council's website to provide access to key policies, governance information and contact details.

The Fund publishes an audited Annual Report and Accounts each year, providing key information to members and other stakeholders. The accounts are made available for public inspection for a two-week period prior to completion of the audit, with the final documents published on the Council's website (royalgreenwich.gov.uk). Relevant policy statements are reviewed and published following any material change, including those setting out how the Royal Borough of Greenwich processes and protects personal data in line with GDPR and the Data Protection Act 2018. Members also receive an Annual Benefit Statement each year, which includes key updates and information such as promotion of the My Self-Service platform[1]. The Fund also engages employers on policy changes where appropriate.

[1] In July 2025, the Self-Service website was upgraded to a new portal with more features. Members who had previously signed up to the old version were not automatically migrated and needed to make new accounts along with new members.

Outcome

The Fund is committed to integrating material environmental, social and governance (ESG) factors into its investment and stewardship activities. This is supported by a Net Zero Roadmap and a standalone Responsible Investment Policy, which were refreshed and updated in September 2025 to ensure they remain effective in identifying, managing and monitoring ESG risks and opportunities, and in supporting long-term sustainable outcomes for the Fund and its beneficiaries.

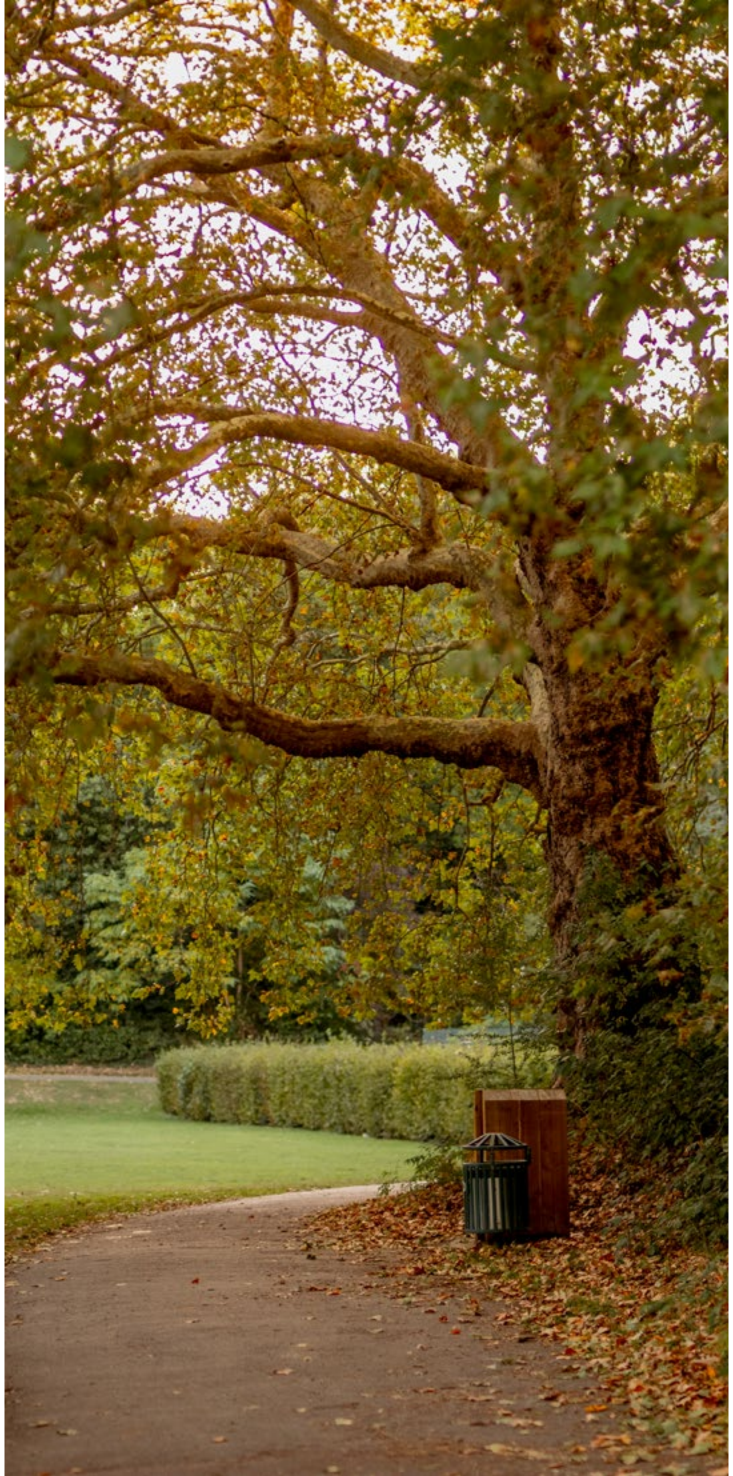
The Fund's involvement as a seed investor in the LCIV Nature Based Solutions Fund enabled ESG and stewardship considerations to be embedded from inception, supporting progress towards the Fund's net zero target while maintaining a focus on long-term, sustainable returns and fiduciary duties. The Fund reports annually on its carbon footprint, with coverage improving to approximately 78% of fund assets (as of 31 March 2025), whilst recognising data limitations. The Fund also engages collaboratively through organisations such as the Local Authority Pension Fund Forum (LAPFF) and Pensions for Purpose, supporting knowledge-sharing, training and collective engagement to promote effective stewardship in a changing investment and regulatory environment.

The Fund welcomes engagement from members and employers and consults on governance and policy matters where appropriate. In 2023, the Panel agreed to strengthen engagement through the introduction of a regular, at least annual, newsletter, as set out in the Communications Policy[2]. While no feedback was received via Panel or Board meetings or during the public inspection of the accounts, members can raise ad-hoc queries through the Pensions Administration Team via email or telephone.

The Fund recognises the need to improve monitoring of communication effectiveness and intends to review arrangements for tracking query resolution and other key performance indicators. Annual Benefit Statements for active and deferred members were issued within statutory deadlines in 2025, and all relevant policies and statements were published on the Council's website within required timescales.

The Fund now maintains a Responsible Investment Policy and reports on stewardship and climate-related matters in line with TCFD, including publication of carbon emissions data and progress towards net zero. The Fund is not aware of any instances in 2025 where investment managers did not act in accordance with the Fund's stewardship and investment policies and continues to promote digital engagement tools such as My Self-Service.

[2] See Next Steps – Action Plan



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

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 may default on their element leading to a potential loss for the fund.
- Security Risks – such as 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 Fund's 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 Fund's) 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 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 much more than a paperwork exercise – it's 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
- Reputational 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 2024/2025 annual report can be found on the Royal Greenwich website - **royalgreenwich.gov.uk**

Specific sections of the risk register, including the Reputational and Skills-related; Administrative and Compliance risks, as well as the Liabilities and Other Risks sections, were reviewed by Panel across its 2025 meetings. The Fund aims to review its Risk Register system as part of its 2026 workstreams – to evaluate the effectiveness of the current process, ascertain if it is still fit for purpose and identify areas of improvement.

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 Fund's must establish and operate an effective system of governance (ESOG).

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. This was used to conduct an initial high-level review within the year; however, we are currently completing a more detailed review which will go to Panel in March 2026.

The Fund's 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. Following the valuation, the FSS is currently being updated; a draft was presented to the Pensions Panel in December 2025 and will be consulted on imminently. The updated ISS was also presented to the Panel in December 2025.

In addition, the Fund will shortly be issuing a member survey with the aim engaging with and getting feedback from stakeholders – through multiple choice and open-ended questions using clear and accessible language - on the updated ISS with a particular emphasis on the newly added RI Policy and Human Rights' section. Respondents will be asked whether they agree with the approach in the draft ISS and RI policy and will be invited to express any views which they may have about possible alternative approaches.

Diversification

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 in the Policy and Context Disclosure.

To ensure that the Fund is appropriately diversified, the Fund seeks investment advice from its advisors, Hymans Robertson. The asset allocation and benchmarks of the Fund are reported to Panel with each quarterly performance report, and the Fund's 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, several 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 the Fund being fully funded at the end of the projection period and the level of downside risk under a range of different scenarios.

The latest actuarial valuation, as at 31 March 2025, commenced during 2025, with results showing an improvement from 2022 was presented to the Panel in December 2025. This valuation will inform a further asset liability modelling exercise, which will be undertaken with due regard to the Fund's obligation to pool its investments.

In line with the Fund's strategy and investment beliefs the Fund has continued to review its strategic asset allocation and diversification of investments 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	Asset/Liability review undertaken. Panel agreed the following updates to the long-term strategic allocation to provide further diversification: • A 5% decrease in the allocation to equities, to 45%; • 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. • A 3% increase in the allocation to multi-asset funds, to 13%; • A 2% increase in the allocation to multi-asset credit, to 12%;
2021	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). Panel agreed to make a commitment of £85m to the LCVI Private Debt Fund – a 5% allocation. Initial drawdowns for both mandates have been undertaken.
2023	£237.5m of global equities were moved into the LGIM Future World Global Equity Index Fund – a low carbon passive equity fund. Follow a further asset liability study, the Panel reviewed the Fund Investment Strategy and agreed the following changes: • A 5% decrease in the allocation to equities to 40% • To reshape the allocation to illiquid assets by increasing allocations to private debt and • infrastructure to 10% • 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%.
2024	Panel agreed to undertake rebalancing activities to: • Reduce its multi-asset allocation to bring holdings in line with the Funds long-term strategic target of 5% of total Fund assets. • Top up of protection assets to bring them in line with the Funds long-term target. • Create a blended fund of equities, bonds and cash to create a liquidity waterfall to help meet expected future capital calls. Officers also sat on Seed Investor Groups for both the LCIV Private Debt II and Nature Based Solutions Funds.
2025	Considering the Government's Pensions Bill, which mandates the pooling of all assets by 31 March 2026, the Fund has begun focused work to ensure timely and effective implementation.

The Fund's 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 economic 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), as well as the level of disclosed surplus or deficit (relative to the funding bases used).

Fit for the Future Consultation

On 29 May 2025, the Government issued its Final Report for the "Fit for the Future" consultation on LGPS investments confirming that all core proposals will be implemented through primary and secondary legislation. The Pension Schemes Bill was introduced in the House of Commons on 5 June 2025 and is currently in the House of Lords, with Royal Assent anticipated in 2026.

The Government's LGPS reforms mandate that all administering authorities pool their assets under an FCA-regulated investment pool by 31 March 2026. LCIV is one of six pools endorsed by Government following its review of pooling arrangements in May 2025. These reforms aim to deliver economies of scale, cost efficiencies, and improved governance across the LGPS.

The transition process will involve two routes:

1. Active decision by the Panel to invest existing mandates in specific LCIV Fund's; or
2. Default pooling under an Investment Management Agreement (IMA), whereby existing mandates are signed over to LCIV without immediate changes to underlying investments.

Unless the Panel takes an active decision before April 2026, mandates will automatically be pooled under the IMA.

The Fund currently holds significant investments with Fidelity across three mandates:

- Emerging Market Equities
- Multi-Asset Credit
- UK Gilts/Corporate Bonds.

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 July 2025, the Panel and Board received training on relevant Audit and Accounting Standards per the CIPFA Knowledge and Skills framework. In September, they also received specific training from Hymans Robertson on its assumption setting for the 2025 Valuation. Both trainings were followed by a quiz to assess the learning undertaken.

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 2025, 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 2025 includes (but is not limited to):

- The Forum met with Shell to address concerns over its slow progress towards an orderly transition to a low-carbon future. The company has committed to improve disclosure regarding LNG activities, and how these operations reconcile with Shell's broader strategy and climate commitments.

- On a more global scale, the LAPFF engaged financial institutions in Asia, e.g. Mizuho Financial Group, Sumitomo Mitsui Banking Corporation (SMBC) and Mitsubishi UFJ Financial Group (MUFG) to discuss their role in financing energy transition – research and engagement – across the continent. Specifically, LAPFF engaged with Bank Rakyat Indonesia (BRI) regarding its climate strategy and its net-zero by 2050 commitment; it requested BRI to establish credible interim 2030 targets for financed emissions and to expand its decarbonization pathways. Additionally, LAPFF questioned whether BRI would move from monitoring oil and gas financing, particularly unconventional fuels, to exclusion policies.
- To decarbonise hard-to-abate sectors, such as aviation, cement and steel, LAPFF expects companies (Wizz Air, Heidelberg Materials, ArcelorMittal) to provide investors with material climate-related disclosures, including Scope 1-3 emissions, targets aligned 1.5C, how they integrate carbon risk management into strategy, and how they focus on real emissions reductions.
- The Forum has also led a collaborative shareholder initiative to push for votes on climate transition plans as a tool for building trust and demonstrating account ability on climate-related risks. This has proved effective as approximately one-fifth of the FTSE 100 have put their climate plans to and AGM vote over the past 4 years.
- LAPFF also continued to keep its members abreast on guidance on climate-related shareholder resolutions through a series of targeted alerts; designed to reinforce the Forum's engagement efforts by helping members encourage companies to take meaningful action on climate issues in line with LAPFF engagement priorities.

Pensions for Purpose

Pensions for Purpose operates as a bridge between asset managers and pensions Fund's alongside their professional advisors to empower pension Fund's to make informed investment decisions through its member community, training and associated articles and Knowledge centre. The Fund's membership (starting 2024) ensures that we 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 attend the London Pension Fund Forum (LPFF). The forum is made up of London-based LGPS Fund's and is a platform though which to discuss various current topics. Through this forum the Fund can identify and discuss various risks to the Fund with its peers.

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 the work streams for coming year to ensure that it remains fit for purpose and to ascertain where improvements may be made.

The Fund recognises that climate-related factors present financial systemic risks, including both physical and transition risks, which may have a long-term impact on investments. During 2024, the Fund reviewed and updated its Net Zero Roadmap to ensure it remained fit for purpose. This review involved reflecting on progress to date, reassessing the appropriateness of the Fund's targets, and confirming a programme of work, with implementation continuing through 2025.

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, a process that was carried out by Panel in September 2025. As earlier mentioned, a member survey is to be carried out to get feedback from stakeholder on their views on the approach in the draft RI policy, as well as suggestions on alternative approaches. ESG also features as a specific risk category on the Fund's 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 Valuation Assumption 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 Fund's. Multiple choice questionnaires were added to some quarterly meetings training sessions this year and both Panel and Board recorded average scores of 4.25/5.

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 2025 to discuss the forum's 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 one the Fund, giving examples of what it believed to 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 3
Signatories engage 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 with its counterparties:

Indirect engagement through investment managers - The Panel has appointed several investment managers; all of whom are authorised under the Financial Services and Markets Act 2000 to undertake investment business. As mentioned in Principle1, 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 Fund's 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 4 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 manages 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. An example is the Fund's representation at the LCIV Sustainable Working Group (SWG) during 2025, feeding into the LCIVS RI Matrix.

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 Fund's 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.

Engagement Example 1

Following the release of the 2025 GRESB results, the Fund's Property Manager, CBRE, contacted managers have contacted managers to provide commentary on their fund's performance (main drivers of performance, reasons why points were gained/lost, where improvements can be made next time etc.). In addition, CBRE IM's annual ESG due diligence questionnaire was sent to managers, asking for information to be provided in relation to areas including the managers' ESG policy, DE&I statistics, and fund's net zero carbon targets. Our ESG questionnaire is designed to complement the data we are able to source from GRESB, allowing CBRE's Analytics team to bring both data sources together and thereby provide details content for the portfolio's Annual Sustainability Report.

Engagement Example 2

Fidelity, the Fund's Multi Asset Credit Manager, engaged with UBS Group on climate governance and strategy within the context of a broader collaborative investor effort coordinated through the Institutional Investors Group on Climate Change. Although the engagement during the year took the form of a direct meeting, it formed part of an ongoing collective dialogue that originated from prior collaborative engagement and is expected to resume on a more formal group basis. The focus of discussions was UBS's departure from the Net Zero Banking Alliance and the associated rollback of public climate commitments and disclosures.

Fidelity raised concerns shared by other institutional investors regarding the loss of comparability, transparency, and long-term ambition following these changes, while also acknowledging the legal and regulatory pressures faced by global banks. Its engagement emphasised the importance of maintaining robust climate governance, credible targets, and effective integration of climate considerations into risk management, irrespective of alliance membership. It continues to engage collaboratively with peers to encourage progress and will reassess UBS's response as the collective engagement evolves.

Engagement Example 3

As a contributing investor in Pemex since 2023, LGIM, the Fund's Passive Equity Investment Manager has participated in CA100+ engagements with the company, encouraging improved climate governance, disclosure, and the setting of achievable targets. These efforts contributed to the company publishing its first Sustainability Plan, outlining emissions reduction targets, enhanced reporting aligned with Task Force on Climate-Related Financial Disclosures (TCFD) and International Sustainability Standards Board (ISSB), capital allocation towards climate goals, and measures to manage methane emissions. The commitments, endorsed by Pemex's CEO, represent a significant step in the company's approach to addressing key climate risks.

Outcome

As stated in Principle 1 – part of the Fund's 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 fourth-year carbon footprint data to the Panel as at 31 March 2025. As part of this collaboration, the LCIV has continued to provide training on the carbon metric data. One of which was on the transition from reporting under the Direct & First-Tier Indirect emissions framework to the Scopes 1 and 2 classifications, in order to bring the Fund's reporting in line with industry. The Fund has engaged with the LCIV on its overarching operations, with the pool presenting to the Panel in December 2025 where the CIO provided an update on the LCIV workstreams, allowing Panel to engage on current issues etc. The Finance Manager and Deputy Finance Manager participated in the LCIV Sustainable Working Group (SWG) during 2025, contributing to the development of LCIV's Responsible Investment (RI) Matrix.

The Fund has also collaboratively engaged with its investment advisors, Hymans Robertson, on various workstreams including updating the Fund's Responsible Policy and Investment Strategy Statements, assisting with content for the upcoming member survey and considerations for the Pensions Bill.

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 utilising engagement and voting as opposed to excluding and restricting the Fund's exposure/performance 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 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 Fund's policies. In addition to reviewing voting statistics from its equity managers and the accompanying qualitative information (for example, whether escalation has taken place following unsuccessful votes), the Fund recognises the need to review how voting activity is consolidated and reported to the Pension Panel. A key consideration, in light of the requirement to pool investments, is whether responsibility for monitoring voting activity should sit with the pool or remain with the Fund going forward.

Principle 4
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 Fund's Investment Strategy Statement sets out the Fund's 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 undue 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. Non-Executive Directors should not hold such a position in a competitor.	Vote against appointment of all Executive Directors. Vote against re-appointment when up for re-election.
DIRECTORS	There should be formal appointments for all Directors. The Committee must be composed entirely of independent Non-Executive Directors The Committee should be answerable to the shareholders at the AGM.	Vote against appointment of Directors. Vote against appointment of all Executive Directors Vote against acceptance of the accounts
REMUNERATION COMMITTEE	The Committee must be composed entirely of independent Non-Executive Directors The Committee should be answerable to the shareholders at the AGM.	Vote against appointment of all Executive Directors Vote against acceptance of the accounts
GENERAL	All Directors need to seek re-election at least every three years (by rotation).	Vote against acceptance of accounts.
AUDIT COMMITTEE	There shall be an Audit Committee. The Audit Committee should have a majority of Non -Executive Directors The Audit Committee shall meet with the Auditors at least once in the year without Executives present.	Vote against acceptance of account Vote against acceptance of account Vote against acceptance of accounts.

	Voting Governance Issues	Action, if Negative
REPORTING AND CONTROLS	The Directors shall report on frauds 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.
AUDITORS	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 of 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 Manager – 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; 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 the outcome of the engagement activity.

During the year, the Fund's passive equity manager voted on 47,600 proposals on the Fund's behalf, this represents 95.43% of votable proposals. Of these 45,468 were with management and 2,132 were against management as follows:

Votes For	44,008
Votes Against	2,864
Votes Abstained from/Withheld	669

During the year, the Fund's Low Carbon Equity Manager voted on 59,824 proposals on the Fund's behalf, this represents 99.96% of votable proposals as follows:

Resolutions voted with management	46,998	78.56%
Resolutions voted a gainst management	12,162	20.33%
Resolutions abstained from	664	1.11%

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 Fund's 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, 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 Fund's 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 wiser 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**. The policy sets out the pool's 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 Fund's' 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

Blackrock Investment Stewardship (BIS) voted on the Fund's behalf in the following regard:

- Governance: It voted against numerous shareholder proposals which were filed as several U.S. companies – which included The Cigna Group, Quest Diagnostics Incorporated and Thermo Fisher Scientific Inc. These companies sought to amend their bylaws to remove a provision that required that shares be held continuously for at least one year n order to count towards the applicable ownership threshold to exercise the right to call a special meeting. BIS considered the 1-year holding requirement a reasonable safeguard. Shareholder support for these proposals ranged from ~7% to ~12%.
- Climate and natural capital: The Fund manager voted against two proposals presented at Equinor ASA's May 2025 AGM to shut down its wind power business, as well as a disclosure as to whether its energy production strategy was consistent with the expectation of the Norwegian State concerning certain efforts to reduce greenhouse gas emissions. The support for this proposal ranged from ~0.1% to ~4%.
- Company Impacts on people: BIS did not support a proposal at Alphabet's June 2025 AGM which requested that the company conduct an independent human rights impact assessment (HRIA) related to AI-driven targeted advertising policies. The rejection was because it had supported a similar proposal at Alphabet's June 2024 AGM, having assessed that the assessment would help investors understand the effectiveness of the human rights due diligence carried out by Alphabet in relation to its material operational risk.

The Fund's passive low carbon equity manager, LGIM, voted in the following regards:

- At SSE Plc's AGM which took place in July 2025, the investment manager voted for the management's approval pf the Net Zero transition report. The Manager voted for this resolution as it is line with its work under climate and nature; it commends SSE's efforts in committing to net-zero across all scopes of emissions as well as transparently reporting on progress against the set targets. There were 97.8% shareholders in favour of this resolution.
- Against management recommendation, LGIM voted for the use of antibiotics in animal husbandry at Restaurant Brands International Inc's AGM. This is because the manager considers the phasing out of medically important antibiotics for disease prevention as a contributing factor in the rise of Antimicrobial Resistance (AMR). It also considers AMR to be financially material for its clients. 16.5% voted in favour of this resolution.

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 is 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 Fund's 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 Fund's.

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. Beginning in 2024, officers undertook an initial review of voting information provided by the Fund's investment managers, the pool and LAPFF, and began developing an approach to reporting that would capture both quantitative voting statistics and relevant qualitative information. While the Fund has not been able to complete or implement this reporting framework, establishing a clear and robust approach to consolidating and reporting on voting activity remains a key priority, with the Fund aiming to deliver its inaugural reporting on voting activities and outcomes in the coming year.

Principle 5

Signatories integrate stewardship considerations into their selection and oversight of external managers.

Context

The Fund recognises the importance of integrating stewardship and investment and considers effective stewardship of investments to be central to fulfilling its responsibilities. The Fund will invest in line with its fiduciary duty and requires its investment managers to integrate all material financial factors that contribute to long-term financial risk and returns into their decision-making for all Fund investments. Whilst the Fund doesn't prescribe specific areas for engagement/exclusion, it expects its investment managers to follow best industry practice and to 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

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 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 believes that the identification and effective monitoring of material investment risks and issues is key to enabling 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.
- The Fund's 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.
- 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.

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 Fund's advisors undertake a full assessment of suitable Fund's, providing a full product assurance review before presentation 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

As the latest valuation took place as at 31 March 2025, the Fund has not subsequently acquired any new mandates. An Asset and Liability study will be conducted following the valuation.

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 and agriculture, as well as emerging opportunities in carbon reduction including natural carbon capture and storage.

In line with the Fund's primary objective of delivering benefits to its members, these investments are made with due regard to the Fund's fiduciary and stewardship responsibilities. In addition to any wider environmental considerations, this asset class is expected to provide the Fund with the following financial characteristics:

- Diversification: Natural capital assets often exhibit low or negative correlation with traditional assets.
- Indirect link to inflation: As a source of raw material, natural capital assets can offer a level of inflation linkage. 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. These allocations were subsequently increased during 2025 by approximately £21m and £34m respectively.

The research and assessment undertaken during the acquisition of new mandates demonstrates the Fund's 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 precedence.

Engagements during the year

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 Fund's investment managers as part of their investment decisions, especially on ESG factors, is an integral part of the Fund's governance to ensure that the Fund operates for the best interests of its members. ESG specific presentations from Fund Investment managers take place at each Board meeting. The Fund is now in its third year of receiving these presentations through which asset managers provide updates on previous engagements, alongside details of current engagements they undertake. This provides a platform though which Board can ask questions and engage with managers directly on ESG.

The following are examples of ESG engagements carried out in 2025:

Fixed Income: Fidelity undertook a dedicated ESG engagement with Bank of Nova Scotia as part of its regular shareholder outreach, with a primary focus on climate strategy and risk management. Discussions covered the bank's transition preparedness, use of climate scenario analysis, and progress on climate-related disclosures, including financed emissions and interim sector targets. Fidelity also reviewed the bank's approach to sustainable finance, consumer protection, and fraud risk management across regions, reflecting our holistic view of ESG risks and opportunities.

Having acknowledged progress in areas such as sustainable finance initiatives and enhanced disclosure plans, Fidelity challenged the credibility and achievability of certain interim climate targets and questioned the extent to which transition preparedness metrics are actively influencing client engagement and business decisions. It will continue to monitor developments, particularly around physical risk assessment and the integration of climate considerations into core risk frameworks and expect further evidence that stated ambitions translate into measurable outcomes.

Property: Following the release of the 2025 Global Real Estate Sustainability Benchmark (GRESB) results, CBRE IM have contacted managers to provide commentary on their fund's performance (main drivers of performance, reasons why points were gained/lost, where improvements can be made next time etc.). In addition, CBRE IM's annual ESG due diligence questionnaire was sent to managers, asking for information to be provided in relation to areas including the managers' ESG policy, DE&I statistics, and fund's net zero carbon targets. Our ESG questionnaire is designed to complement the data we are able to source from GRESB, allowing our Analytics team to bring both data sources together and thereby provide details content for the portfolio's Annual Sustainability Report.

Bonds: Fidelity engaged with East Japan Railway Company on governance concerns relating to its listed affiliated companies; its analysis highlighted structurally weak capital efficiency, long cash conversion cycles, and low returns on equity across several affiliates, raising concerns about group oversight and the treatment of minority shareholders. These issues were raised directly with senior management and framed as material governance risks with potential valuation and reputational implications.

The engagement was constructive, with management acknowledging the concerns and committing to an internal review, followed by a prompt request for further analysis. Fidelity also challenged aspects of the company's public messaging and encouraged improvements in transparency, capital discipline, and governance practices across the group. While this did not constitute a formal escalation, it plans to monitor progress closely and would consider escalation should the review fail to result in tangible improvements aligned with shareholder interests.

Carbon Footprint and Fossil Fuel Reporting: Having established its Net Zero Roadmap in 2022, the Fund pledged to be carbon neutral by 2040, with a commitment to explore options to achieve this target sooner. The Fund continues to utilise the Climate Analytics services of the London

Collective Investment Vehicle (LCIV), now in its fourth consecutive year of receiving the report and presenting it to the Panel. An update in September 2024 highlighted the need to incorporate forward-looking metrics alongside carbon intensity, and to assess how different companies are positioned to support the Fund in setting clear and achievable targets.

Carbon footprint reporting relies on a variety of data sources, including company disclosures, estimations based on reported data, and modelled data from S&P. Some data is unavailable, and certain assets (e.g., sovereign bonds) fall outside the scope of analysis. Coverage also varies depending on the type of asset.

Currently, carbon footprint data is available for approximately 78% of the Fund's mandates, though coverage varies across individual mandates. Of the assets included, data was available for 68%. At this stage, the Fund prioritises the quality of the data over achieving full coverage. The chart below illustrates the reduction in carbon intensity of the Fund between 31 March 2022 and 31 March 2025, measured in total carbon dioxide equivalents per million GBP invested ($tCO_2e/mGBP$).

	Direct + First Tier Indirect[3]	Scopes 1-2-3[4]
31 March 2022	185.4	835.1
31 March 2023	154.6	831.1
31 March 2024	96.5	754.2

	Scopes 1 and 2[5]	Scopes 1-2-3
31 March 2025	61.9	651.5

Total Reduction	**183.6**

It has measured its carbon footprint exposure since then and tracked it against the roadmap. On average, the Fund is consistent with a scenario where global temperatures are kept to well below 2 degrees Celsius, in line with the Paris agreement.

As at 31 March 2024 the Fund's revenue weighted fossil fuel exposure (the proportion of company revenues which came from fossil fuel extraction) was approximately 2.0%, this has decreased to 1.92% as at 31 March 2025.

[3] 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).

[4] 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).

[5] Scope 1 (direct operation emissions), Scope 2 (emissions form consumption of purchased electricity and other sources generated upstream from the company).

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 reviewed its Net Zero Roadmap in 2024, confirming its effectiveness in integrating environmental risks and opportunities into investment and stewardship activities, and mapped out work streams through 2025.

The review of the Net Zero Roadmap brought about streamlined Climate Analytics Dashboard introduced by LCIV – the provider of the Fund's carbon footprint data - designed to simplify and clarify the presentation of carbon footprint metrics, the Fund has transitioned from reporting under the Direct & First-Tier Indirect emissions framework to the more widely recognised Scopes 1 and 2 classifications. This change standardises the Fund's reporting with industry practice, improving comparability across investment portfolios.

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 Fund's investment advisors undertook due diligence on both the LCIV Private Debt II and Nature based Solutions Fund's at the end of 2024. Part of this review incorporated an assessment of how ESG factors had been considered.

The Fund's 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.

The Fund became a member of Pensions for Purpose, a B Certified Corporation[6] in 2024, it works with asset managers, pension Fund's 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. At its 2025 symposium, which was attended by the Fund's Deputy Finance Manager, delegates engaged in panel sessions, roundtable discussions and case studies showcasing how pension funds and the broader investment ecosystem can implement purposeful investment practices to support long-term outcomes. Sessions explored topics such as:

- the role of institutional investors in strengthening governance and resilience across investment portfolios.
- approaches to integrating environmental and social challenges within investment decision-making.
- how local and impact-oriented investments can deliver value for members and communities; and
- practical examples of applying impact-focused investing principles

[6] 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 6
Signatories monitor and hold to account stewardship 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 the Fund officers who hold regular relationship meetings with third-party service providers including the Fund's 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 KPIs are monitored throughout the life of the contract; 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 KPIs 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 the KPIs 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 Fund's advisors and meet with them regularly.

Annually, 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's investment advisors, currently, 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 Fund's 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 Fund's 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 manager's performance raises concern, Panel will invite the manager to a meeting to gain further information and challenge/set targets where appropriate. In September 2025, the Fund invited Fidelity to attend its Panel meeting to provide an update on the performance on the Fund's Global Emerging Markets Portfolio. The LCIV, represented by the Chief Investment Officer, in December 2025 also presented an update on its operational priorities/developments to the Panel.

Pooling

Officers have a good working relationship with the Fund's 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 holds an annual one-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 conference in 2025 covered workstreams such as:

- the government's vision for LGPS investment reforms, as well as feedback from key stakeholders
- navigating fixed income and private capital in the LGPS context
- positioning LGPS for efficiency in a dynamic economic landscape and
- the future of responsible investment
- The Fund has agreed with the LCIV that they will present a general update to the Panel regularly to provide the Fund the ability to work more closely with the pool and to remain abreast of the latest updates. An example of this collaborative effort is in the invitation of the LCIV's CIO to the September 2025 panel meeting, as well as the Fund's representation at the LCIV Sustainable Working Group (SWG) during 2025, feeding into the LCIVS RI Matrix.

Fund Actuary

Officers hold regular virtual meetings with the Fund's actuary to 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 Fund's 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. Key discussions during the February 2025 edition included:

- the Fund's exposure to the Occupied Palestinian Territories
- suggestions on including the Humans Rights section on the Fund's Responsible Investment Policy and an explanation of the Triennial Valuation process

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, both parties have agreed 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 LCIV's operations.

Throughout 2025, Panel and Board have received quarterly performance reports detailing the performance of the Fund's' assets managers. The Fund's commitment to holding to account its service providers can be demonstrated by its review of performance. In September 2025, the Fund invited Fidelity to attend its Panel meeting to provide an update on the performance on the Fund's Global Emerging Markets Portfolio. The LCIV, represented by the Chief Investment Officer, in December 2025 also presented an update on its operational priorities/developments to the Panel.

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 Fund's 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 have 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's Investment Strategy Statement sets out the guidelines within which it expects its investment managers to vote. In 2023, the Fund identified the need to undertake further work to improve the review and reporting of investment managers' voting activity. While some initial work was undertaken, including officers researching managers' voting approaches and reviewing both quantitative and qualitative voting data, this work was not completed. As a result, comprehensive reporting to the Panel was not achieved. Further development of this workstream has therefore been deferred and is scheduled to be incorporated into the Fund's long term 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 Fund's voting policy.

Next Steps – Action Plan

Having established that the Royal Borough of Greenwich Pension Fund believes that effective stewardship is not just a 'tick box' exercise; we asset owners see stewardship as a key factor in exploring risks and opportunities for the Fund including those posed by ESG related issues.

As in previous years, the table below sets out the key actions the Fund planned to deliver during the year alongside progress made. While not all actions were fully achieved, this provides a transparent view of delivery against objectives and highlights areas where work has continued or will be taken forward into future plans. This approach supports effective oversight and helps inform priorities for the coming year.

Priority/Action	2024-25 Plan	Progress to Date	Revised Timeline/Next Steps
Responsible Investment Policy	The Fund aims to review and update its Responsible Investment Policy.	Completed and sent to Panel for review as of December 2025	N/A
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.	Rolled into 2026	This remains a priority; the Fund will carry out the review to identify new or emerging risks before presenting to Panel.
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	Ongoing	The Fund officers, with counterparties, will take steps to ensure efficiency in the training and testing processes.
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.	Rolled into 2026	Pooling has taken priority over this workstream. The Fund will review the governance arrangements within the LCIV in this context.
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	Rolled into 2026	This was assessed as part of our compliance to the General Code of Practice during 2025; next steps will be implemented in 2026.

Priority/Action	2024-25 Plan	Progress to Date	Revised Timeline/Next Steps
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.	Partially Completed	We have issued, at the start of 2026, a member survey to all the Fund members to gain their views on the Fund's Responsible Investment Policy. We haven't begun the process of issuing regular newsletters.
Voting	The Fund aims to undertake its initial reporting on the Fund's voting activities and outcomes in 2025.	The Investment Managers carry out all voting responsibility on behalf of the fund	In the coming year, the Fund will prioritise reporting on its voting activities, determining whether responsibility for consolidating and monitoring this information should sit with the LCIV or remain with the Fund.
Voting	The Fund aims to undertake its initial reporting on the Fund's voting activities and outcomes in 2025.	The Investment Managers carry out all voting responsibility on behalf of the fund	In the coming year, the Fund will prioritise reporting on its voting activities, determining whether responsibility for consolidating and monitoring this information should sit with the LCIV or remain with the Fund.

The Fund will continue to review and refine its governance arrangements into 2026 and beyond and remains committed to active stewardship to fulfil its purpose of providing pension benefits for members and their dependents, while delivering value for money for the Royal Borough of Greenwich and other employers participating in the Fund.

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

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ROYAL borough of GREENWICH