

Title of Report	Responsible Investment Working Group (RIWG) Update
For Consideration By	Pensions Committee
Meeting Date	21 January 2026
Classification	Open with Exempt Appendix 2
Ward(s) Affected	All
Group Director	Naeem Ahmed, Group Director Finance & Corporate Resources

1. Introduction

- 1.1. This report presents the Pensions Committee with an update from the meeting of the Responsible Investment Working Group (RIWG) held on 10 December 2025.

2. Recommendations

- 2.1. The Pensions Committee is recommended to note the report.**
- 2.2. Agree the updated Voting Policy and delegate the implementation of the Policy to the Group Director Finance & Corporate Resources in conjunction with the Chair and Vice Chair.**

3. Related Decisions

- 3.1. Various RIWG update reports to Pension Committee meetings.

4. Background to the Report

- 4.1. This report presents the Pensions Committee with an update on the work of the Responsible Investment Working Group (RIWG) following its meeting held on 10 December 2025.
- 4.2. The sub-group of the Committee is made up of 6 Committee members supported by Fund officers and advisers. The meeting was well attended by members of the Committee and relevant officers. It was supported by presentations from Redington the Fund's investment advisers, that generated useful discussion and debate around the subject matters of how

the Fund's voting can be implemented in practice, the new requirements under the draft 2026 regulations, and how as well how the Fund might be able to deliver local impact in relation to local investment.

4.3. Appendix 1 provides a summary of the presentations considered at the third meeting as set out below.

4.4. The following topics were considered:

- Voting Procurement Implementation
- Impact Investing and Local Investment
- RIWG Work Plan

4.5. Appendix 1 provides a summary of the presentations considered at the 10 December meeting.

Voting Implementation

4.6. RIWG considered options for implementation following the completion of a standstill period. This included consideration of next steps to develop a more detailed voting policy to implement the Fund's voting requirements, putting arrangements in place with the Fund's passive provider and ensuring the arrangements are captured in the Fund's IMA with London CIV.

Updated Voting Policy (Exempt Appendix 2)

4.7. The RIWG received the options for implementation which was shared with the winning bidder. Appendix 2 includes additional detail suggested by the winning bidder.

Impact Investing and Local Investment

4.8. RIWG considered the new requirements under the draft 2026 regulations and guidance in relation to local investment and how the Fund might be able to deliver local impact, be that in the local authority itself or in the wider GLA region. RIWG further reviewed the core tenets of impact investing, intentionality, additionality and measurability and the types of investments that could be invested in across different asset classes, recognising that this will ultimately be for the Fund's investment pool to determine going forwards. The Fund has set an indicative 3-5% allocation towards local investment.

Work Plan

4.9. The broader RI Work Programme for 2026/27 municipal year is set below. Each of these items of work will feed into updates to subsequent Committee meetings and appropriate recommendations for approval.

Timing	Activity
28 February	<ul style="list-style-type: none">● BlackRock Stewardship update

Timing	Activity
2026	<ul style="list-style-type: none"> ● Finalise Voting policy with voting provider ● London CIV Responsible Investment (RI) Matrix update ● Feedback from Stewardship Code
21 May 2026	<ul style="list-style-type: none"> ● London CIV ESG activities ● RIWG Annual Review ● Annual Responsible Investment policy review to incorporate any changes required under updated guidance
02 September 2026	<ul style="list-style-type: none"> ● LAPFF Update on Conflict Affected & High-Risk Areas (CAHRA) and broader activities ● Stewardship Code ● TCFD Report ● Consideration of climate targets
09 December 2026	<ul style="list-style-type: none"> ● London CIV update ● Voting provider update on voting ● Reporting on nature
17 February 2027	<ul style="list-style-type: none"> ● London CIV update ● Stewardship Code Feedback

5. Comments of the Group Director Finance and Corporate Resources

- 5.1. This paper provides an update to the Committee of the work of the RIWG following its meeting on 10 December 2025.
- 5.2. The working group has been set a number of tasks within its terms of reference set by the Pensions Committee, including overseeing the development of the Fund's Environmental, Social and Governance (ESG) strategy, reviewing its responsible investment policy, monitoring progress on climate charges and initiatives, consider reporting on Task Force on Climate-related Financial Disclosures (TCFD), support the Fund's stewardship and engagement activities and to monitor regulatory and other ESG developments.
- 5.3. The work of the group is important as it allows more devoted time for discussion of topics and tasks related to responsible investment in both London CIV and non pooled managers, Stewardship Code, Voting Policy, TCFD and impact.

6. Comments of the Director of Legal, Democratic and Electoral Services

- 6.1. The Pensions Committee has responsibility for the prudent and effective stewardship of the Pension Fund and a clear fiduciary duty in the performance of its functions. The work of the RIWG helps to ensure that responsible investment decisions are made in line with the Committee's fiduciary duty.
- 6.2. There are no immediate legal implications arising from this report.

Appendices

Appendix 1 - Responsible Investment Working Group Update
Appendix 2 - Updated Voting Policy (Exempt)

Background documents

None

Exempt Appendix 2

By Virtue of Paragraph(s) Part 1 of schedule 12A of the Local Government Act 1972 this report and appendices are exempt because it contains information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Report Author	Name: Miriam Adams Title: Assistant Director Pension Investments and Administration Email: miriam.adams@hackney.gov.uk Tel: 020 8356 2734
Comments for the Interim Group Director of Finance prepared by	Name: Deirdre Worrell Title: Director, Financial Management Email: Deirdre.worrell@hackney.gov.uk Tel: 0208 3567350
Comments for the Acting Director of Legal, Democratic and Electoral Services prepared by	Name: Georgia Lazari Title: Team Leader (Places) Email : georgia.lazari@hackney.gov.uk Tel: 0208 356 1369