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13 March 2026

To: All Members of the Pensions Committee & Board

Dear Member,

Pensions Committee & Board - Tuesday, 17 March 2026

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

8. RESPONSIBLE INVESTMENT POLICY (PAGES 1 - 24)

Report to follow.

13. PENSION FUND QUARTERLY INVESTMENT AND PERFORMANCE UPDATE (PAGES 25 - 28)

This report provides the Pensions Committee and Board (PCB) with the following updates on the Pension Fund's performance for the quarter ended 31 December 2025

Appendix 2 of this report is to follow.

Yours sincerely

Nazyer Choudhury, Committee & Governance Officer

SECOND DESPATCH

PENSIONS COMMITTEE AND BOARD

Tuesday, 17th March, 2026, 7.00 pm - George Meehan House, 294 High Road, N22 8JZ (watch the live meeting [here](#) and watch the recording [here](#))

Members: Councillors George Dunstall (Chair), John Bevan (Vice-Chair), Nick da Costa, Thayahlan Iyngkaran, Matt White and Anna Lawton

Co-optees/Non Voting Members: Keith Brown, Randy Plowright, Craig Pattinson, John Raisin (Independent Adviser) (Advisor), Alex Goddard (Mercer) (Advisor) and Steve Turner (Mercer) (Advisor)

Quorum: 3

9. RESPONSIBLE INVESTMENT POLICY (PAGES 1 - 24)

Report to follow.

14. PENSION FUND QUARTERLY INVESTMENT AND PERFORMANCE UPDATE (PAGES 25 - 28)

This report provides the Pensions Committee and Board (PCB) with the following updates on the Pension Fund's performance for the quarter ended 31 December 2025

Appendix 2 of this report is to follow.

Kodi Sprott, Principal Committee Coordinator
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Fiona Alderman
Head of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Friday, 13 March 2026

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Report for: Pensions Committee and Board – 17 March 2026

Item number: 8

Title: Responsible Investment Policy

Report authorised by: Taryn Eves, Corporate Director of Finance and Resources
(Section 151 Officer)

Lead Officer: Jamie Abbott, Head of Pensions
Jamie.Abbott@Haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1. Following a consultation with Pension Fund members, The Fund has finalised the draft Responsible Investment Policy to ensure that it remains aligned with best practice, regulatory requirements, and the long-term interests of members and stakeholders.
- 1.2. Responsible investment has become an increasingly important aspect of pension fund governance, reflecting the need to integrate environmental, social, and governance (ESG) considerations into investment decision-making.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note the responses received from the member consultation on the draft Responsible Investment Policy listed in section 6.7 and to provide any comments on the draft Responsible Investment Policy (Appendix 1).
- 3.2. Approve the draft Responsible Investment Policy to be made live from April 2026

4. Reason for Decision

- 4.1. To strengthen the integration of environmental, social, and governance (ESG) considerations into all aspects of investment decision-making, manager oversight, and engagement activities, thereby supporting the long-term financial health of the fund.
- 4.2. To provide greater transparency and accountability by consulting with stakeholders before final adoption, ensuring that the policy reflects the views and priorities of members, employers, and other interested parties.

- 4.3. To align the Fund's long-term investment approach with its fiduciary duty to members and beneficiaries, ensuring that capital is managed responsibly in a way that balances financial returns with sustainability objectives.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. Following an extensive review of the pension fund's investments and underlying holdings, the Pensions Committee and Board undertook modelling to assess different levels of exposure thresholds to Environmental, Social, and Governance (ESG) risks. This analysis was designed to evaluate how varying degrees of ESG risk could impact the Fund's long-term performance, resilience, and alignment with its Responsible Investment Policy. The modelling exercise provided a framework for understanding potential vulnerabilities within the portfolio and informed the Committee's approach to setting appropriate thresholds that balance financial returns with sustainability objectives.
- 6.2. The Responsible Investment (RI) Policy is designed to clearly articulate the investment beliefs of the Pensions Committee and Board (PCB) and the Haringey Pension Fund. It sets out the principles that guide how the Fund approaches responsible investment, ensuring that environmental, social, and governance (ESG) considerations are embedded within the decision-making process. The Policy highlights the key ESG factors that apply to investment decisions.
- 6.3. Within the policy sits the Fund's engagement framework, which provides a structured approach to monitoring, assessing, and engaging with fund managers and the asset pool. This framework outlines how the Fund will actively pursue dialogue and influence to ensure that its holdings are aligned with its stated investment beliefs and Responsible Investment principles.
- 6.4. The framework highlights the steps the Fund can take to encourage positive change, including setting clear expectations, tracking progress, and escalating engagement where necessary. Importantly, it also establishes the Fund's position should engagement fail: the potential to reduce exposure or divest from assets that remain misaligned with its ESG objectives. The policy will ensure that the Fund retains both accountability and flexibility in managing risks while reinforcing its commitment to responsible stewardship.
- 6.5. The Pension Fund will continue to actively engage with London Collective Investment Vehicle (LCIV) and the wider pensions community throughout the consultation period. This ongoing dialogue will ensure the Fund remains informed of any developments, regulatory updates, or emerging best practices that could influence the future direction of the Responsible Investment Policy. By maintaining close engagement, the Fund can adapt its approach as necessary, strengthen collaboration with peers, and ensure that its policy remains both relevant and forward-looking with the go live date of 01 April 2026.
- 6.6. Following the Pension Committee Board meeting on 22 January 2026, where the draft Responsible Investment Policy was approved for member consultation, the

consultation period closed on 08 March 2026. The Fund received a total of 340 responses.

6.7. Members were consulted through a range of communication methods. For pensioner and deferred members, emails were issued where the Fund held a valid email address, and letters were sent to all remaining individuals. For active members, information was communicated internally via notices on the staff intranet, updates included within management bulletins for wider cascade, and verbal briefings.

6.8. Key findings from the consultation are listed below:

- 87% of respondents felt it was Important or very important that the Haringey Pension Fund considers environmental, social, and governance (ESG) factors when making investment decisions.
- 71% of respondents agreed that the Haringey Pension Fund should seek to influence companies through engagement and stewardship.
- 75% of respondents felt that the Haringey Pension Fund should reduce investment exposure to sectors with significant ESG risks (e.g., fossil fuels, tobacco, controversial weapons).
- The three key areas that members wanted to see a reduction in exposure to were: Armaments/defence, Fossil Fuels and Gambling.
- The majority of respondents wanted the fund to report on its Responsible Investment progress on an annual basis.
- 45% of respondents felt the Responsible Investment policy met their expectations as a pension fund member, with 46% neutral.
- 50% of respondents were satisfied with the direction of the Responsible Investment policy, with 41% neutral.

6.9. The feedback from the consultation is noted and no changes have been made to the draft policy as a result

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Carbon and climate change

8.1. Not applicable.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 9.1. Implementation of the Responsible Investment (RI) Policy may influence the pension fund's investment approach by limiting certain investment products in line with its stated principles. All decisions will continue to be taken in accordance with the fund's fiduciary duty, ensuring that any impact on investment performance is kept to a minimum while supporting the achievement of the fund's responsible investment objectives.

Director for Legal and Governance [Jason Ofosu]

- 9.2. The Director for Legal and Governance has been consulted on the content of this report. There are no specific legal implications arising from this report.

Equalities

- 9.3. Not applicable.

10. Use of Appendices

- 10.1. Appendix 1: Haringey Responsible Investment Policy

11. Local Government (Access to Information) Act 1985

- 11.1. Not applicable.

Draft Responsible Investment Policy

LONDON BOROUGH OF HARINGEY PENSION FUND

DRAFT

Contents

- 1. Introduction**
- 2. Background**
- 3. Purpose and Scope**
- 4. Investment Beliefs**
- 5. Governance**
- 6. Regulatory Background**
- 7. Conflicts of Interest**
- 8. Stewardship**
- 9. Engagement Framework**
- 10. Exclusions Policy**
- 11. Conflict Zones**
- 12. Reporting**
- 13. Monitoring and Review**
- 14. Glossary**

DRAFT

1. Introduction

The Haringey Pension Fund, administered by Haringey Council, is a part of the Local Government Pension Scheme (LGPS). The Fund's core objective is to ensure long-term-risk-adjusted returns for current and future pension members.

As a member of the London Collective Investment Vehicle (LCIV), the Fund collaborates with other partner funds to leverage shared investment opportunities, identifying shared responsible investment beliefs and stewardship best practices.

In fulfilling its fiduciary duty, the Fund recognises that responsible investment is integral to securing sustainable long-term returns. Environmental, Social, and Governance (ESG) factors are considered material to financial performance and are embedded throughout the Fund's investment and governance processes.

Environmental, Social, and Governance (ESG) risks refer to factors that can materially affect the long-term performance, resilience, and reputation of investments. These include environmental issues such as climate change and resource depletion; social concerns like labour practices, human rights, and community impact; and governance matters including board accountability and ethical conduct. Failure to manage ESG risks can lead to financial losses, regulatory penalties, reputational damage, and diminished stakeholder trust. By proactively identifying and mitigating ESG risks, the Fund aims to protect long-term value, uphold its fiduciary duty, and contribute to a more sustainable and equitable financial system.

Through this Policy, the Fund reaffirms its commitment to responsible investment as a means of delivering sustainable, long-term value for its members and contributing positively to the broader community.

2. Background

In pursuit of a comprehensive understanding of the pension fund's portfolio and its exposure to Environmental, Social, and Governance (ESG) risks, the Pensions Committee and the Board (PCB) commissioned an extensive analysis of all assets held within the Fund, including the underlying companies. This initiative was undertaken in collaboration with an independent Responsible Investment (RI) financial specialist firm, selected for its expertise in ESG risk evaluation and ethical investment practices.

The scope of the analysis encompassed a detailed review of the activities of the underlying companies, benchmarking them against a broad spectrum of ESG risk categories. These categories included, but were not limited to, exposure to controversial and conventional weapons, fossil fuels (oil and gas), gambling, and tobacco. The assessment applied a range of tolerance thresholds to evaluate the

materiality and significance of these exposures, thereby enabling a nuanced understanding of the fund's alignment with its RI principles.

Over a 12-month period, the analysis was supplemented by future scenario modelling and iterative consultations between the RI specialists and the Pensions Committee and Board. During this time, the PCB requested additional deep-dive evaluations into specific areas of concern, with a particular focus on understanding the implications of applying more stringent tolerance thresholds. This on-going and collaborative approach ensured that the analysis was both robust and reflective of the fund's evolving RI objectives.

The thoroughness of the work undertaken by the Pensions Committee and Board and its appointed advisors underscore the Fund's commitment to upholding its Responsible Investment beliefs. This process has served as a critical foundation for the development and formalisation of the fund's RI policy.

As a direct outcome of this extensive evaluation, the Fund has been able to confirm that it holds zero exposure to controversial weapons and only minimal exposure to other ESG-sensitive sectors such as conventional weapons and fossil fuels. This clarity empowers the fund to make informed, strategic decisions regarding its approach to mitigating these risks. It also enables the formulation of a phased plan to reduce and ultimately eliminate such exposures from the portfolio, within a reasonable timeframe.

Whilst the Fund aims to reduce its exposure to identified ESG risks. The Fund recognises that achieving this objective is contingent upon the availability of suitable investment opportunities that support such a transition. Accordingly, the Fund will actively collaborate with the London Collective Investment Vehicle (LCIV) to identify and evaluate appropriate opportunities. This partnership will facilitate the reallocation of assets away from investments that are inconsistent with the Fund's underlying investment beliefs, and towards those that demonstrate stronger alignment with its ESG principles. This approach ensures that the Fund continues to meet its fiduciary obligations to beneficiaries, maintaining financial performance and long-term returns while upholding its ethical and responsible investment standards.

3. Purpose and Scope

The purpose of the policy is to ensure that RI is embedded across all aspects of the Fund's decision-making, stewardship, and monitoring activities, in alignment with its fiduciary duty to act in the best interests of its members and beneficiaries.

The policy applies to all assets held by the Fund, whether managed directly or through external managers and pooling arrangements. It sets expectations for investment managers, outlines the Fund's approach to stewardship, engagement

and ultimately divestment where those attempts have failed. It also defines how RI factors are considered in selection and monitoring of investments.

4. Investment Beliefs

The Haringey Pension Fund has undertaken comprehensive research into its investment holdings to gain a detailed understanding of the Fund's exposure to a range of environmental, social, and governance (ESG) issues. This analysis was conducted using various tolerance thresholds that reflect what the Pensions Committee and Board (PCB) consider appropriate for the Fund's long-term objectives and fiduciary responsibilities.

Through this in-depth review of the portfolio and a thorough assessment of the rationale behind existing ESG exposures, the PCB has established a set of investment beliefs. These beliefs are intended to guide future decision-making, ensure alignment with responsible investment principles, and support the Fund's commitment to sustainable and resilient financial outcomes.

Responsible Investment & Fiduciary Duty - Integrating ESG considerations supports the Fund's fiduciary responsibility by identifying risks and opportunities that can enhance long-term financial outcome.

ESG Integration Across All Investments - ESG factors must be considered in all asset classes, time horizons, and stages of the investment process, from strategy setting to manager monitoring.

Climate Risk - Climate change and related systemic risks are material to the Fund's financial health and are of concern to the PCB. The Fund invests in low carbon tracker funds for its equity investments and renewable infrastructure.

Engagement Over Divestment - The Fund adopts an engagement over divestment approach to promote our RI beliefs, prioritising active ownership and dialogue with companies. Divestment is considered only when engagement fails to address material ESG concerns.

Active Ownership & Stewardship - Exercising shareholder rights, including voting and engagement, is a key tool for influencing positive change and protecting member interests.

Collaboration for Greater Impact - Working with like-minded investors, including through the London CIV and industry initiatives, enhances the Fund's influence and effectiveness.

Evidence-Based, Long-Term Investment - Investment decisions are grounded in robust evidence and aligned with the Fund's long-term liabilities. Diversification and risk management are central to the Fund's strategy.

Transparency, Accountability & Continuous Improvement - The Fund is committed to transparent reporting, regular policy reviews, and evolving its RI approach in line with best practice and stakeholder expectations.

Social Impact & Inclusion - The Fund recognises the potential to generate positive social outcomes through its investments and expects its partners to uphold principles of diversity, equity, and inclusion.

The Fund supports impact investing as a strategic approach to achieving both financial returns and measurable positive outcomes for society and the environment. Impact investments are those made with the intention to generate beneficial social or environmental effects alongside a financial return, contributing to long-term sustainability and resilience.

These investments may target areas such as renewable energy, affordable housing, healthcare, education, sustainable infrastructure, and inclusive economic development. The Fund seeks opportunities that align with its Responsible Investment (RI) beliefs and works in collaboration with the London Collective Vehicle (LCIV) to identify any impact investment opportunities.

5. Governance

The Haringey Pension Fund is part of the Local Government Pension Scheme (LGPS) and is administered by Haringey Council. The Council has delegated responsibility for the management and strategic oversight of the Fund to the joint Pensions Committee and Board (PCB). The PCB acts as trustees of the Fund and is responsible for setting investment strategy, including the approval and oversight of the Responsible Investment (RI) Policy.

The PCB's role is to promote the efficient and effective governance of the Fund. The PCB includes six elected members and two employer and two scheme member representatives, ensuring that the Fund's policies reflect the interests of all its stakeholders.

The Fund's investment strategy and strategic asset allocation is decided by the PCB, with advice taken from the financial advisors to the fund. Day-to-day investment decisions, around the appointment of asset managers and the selection of investment products, are delegated to and managed by the Fund's pooling partner, LCIV.

The Fund retains ultimate responsibility for oversight and sets clear expectations for the LCIV and the chosen fund managers through formal agreements, policies, and regular performance reports.

Where necessary, and with the approval of the Pensions Committee and Board, additional resources may be sought to meet evolving RI requirements and reporting obligations.

The Fund also works closely with its advisors, LCIV and custodians, to ensure that appropriate information, cooperation, and transparency are maintained. These relationships are governed by formal agreements and monitored through structured engagement, reporting, and review processes.

The Fund has established an Investment Working Group (IWG). This group, comprised of members of the Pensions Committee and Board, is tasked with advancing the Fund's RI agenda and overseeing the implementation of its RI policy.

The Fund's assets will be completely pooled by the March 2026 deadline via the LCIV pool. The Fund pursues its responsible investment objectives via the pool and, alongside other LCIV partner funds, are actively contributing to the development of the pool's responsible investment approach.

The Fund believes that strong governance is essential to safeguarding the interests of its members and stakeholders. It expects its managers to demonstrate robust governance practices, including clear policies on ESG risks, stewardship, and accountability. Through these arrangements, the Fund seeks to ensure that its RI objectives are effectively implemented and that long-term value is delivered for its beneficiaries.

6. Regulatory Background

The Haringey Pension Fund operates within the framework of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which require administering authorities to prepare and maintain an Investment Strategy Statement. This statement must address how ESG considerations are factored into investment decisions and stewardship practices, the Responsible Investment policy is closely aligned with the Investment Strategy Statement (ISS), ensuring a consistent, integrated, and compliant approach to investment governance.

In addition, the Fund is guided by broader responsible investment principles supported by industry bodies such as Pensions UK and The Local Authority Pension Fund Forum (LAPFF) which advocate for ESG integration, climate risk management, and stewardship best practices across UK pension schemes.

7. Conflicts of Interest

The Haringey Pension Fund recognises the importance of identifying and managing actual or perceived conflicts of interest in a transparent and effective manner.

All individuals involved in the governance and management of the Fund, including members of the Pensions Committee and Board, senior officers, and external service providers such as asset managers and investment advisers, are required to act solely in the interests of the Fund's beneficiaries when undertaking investment activities.

The Fund maintains a formal Conflicts of Interest Policy, which applies to all relevant parties and supports the integrity and accountability of its decision-making processes.

8. Stewardship

The Fund considers stewardship a core pillar of its Responsible Investment (RI) strategy, recognising its role as an asset owner in influencing sustainable corporate behaviour and safeguarding long-term value for members. Effective stewardship enables the Fund to promote high standards of Environmental, Social, and Governance (ESG) performance across its investments, contributing to a more resilient and equitable financial system.

Stewardship is primarily exercised through three interconnected activities: voting, engagement, and collaboration.

Voting

Voting is a key mechanism of active ownership and a direct expression of the Fund's RI beliefs. The Fund expects all appointed investment managers and pooling partners to exercise voting rights diligently and in alignment with the Fund's ESG priorities. This includes:

- Voting on all eligible holdings, including those held within pooled vehicles where possible.
- Supporting resolutions that advance transparency, accountability, and sustainability.
- Opposing proposals that conflict with the Fund's RI principles or pose material ESG risks.
- Disclosing voting records and rationales, particularly in relation to significant or contentious resolutions.

Voting activity will be monitored and reviewed regularly to ensure consistency with the Fund's stewardship objectives and to promote accountability among managers.

Engagement

Engagement is a central component of the Fund's stewardship approach, aimed at encouraging companies to improve ESG practices, address material risks, and pursue long-term sustainability. The Fund believes that constructive dialogue can be more effective than exclusion or divestment in driving positive change.

The Fund expects its investment managers and pooling partners to engage proactively with companies on ESG issues.

The Fund carries out the following Engagement activities:

- Communicating our engagement priorities to our Pool, LCIV, and the underlying fund managers.
- Collaborating with the LCIV pool and partner funds in the development of Responsible Investment approaches.
- Challenging LCIV and fund managers on holdings that appear misaligned with the Fund's overall objectives
- Holding LCIV and fund managers accountable for their stewardship and engagement activities, ensuring alignment with the Fund's Responsible Investment beliefs and fiduciary responsibilities.

Where engagement does not result in satisfactory outcomes, the Fund expects managers to escalate their approach. Escalation measures may include voting against management, filing or supporting shareholder proposals, issuing public statements, applying collaborative pressure, or, in cases of persistent misalignment, recommending divestment.

The Fund's full engagement approach can be found in section 9, our Engagement framework.

Collaboration

The Fund recognises that many ESG challenges, such as climate change, human rights, and governance reform, are systemic in nature and require collective action. As such, the Fund may participate in collaborative engagement initiatives with other institutional investors, industry bodies, and responsible investment networks, including but not limited to other partner funds, the Local Authority Pension Fund Forum (LAPFF) and London CIV (LCIV).

Collaborative efforts enable the Fund to amplify its voice and influence on key ESG issues, share insights, resources, and best practices and support coordinated action on market-wide risks and opportunities.

All collaborative activities will be aligned with the Fund's RI beliefs and monitored for effectiveness and impact.

9. Engagement Framework

Engagement is considered effective only when it leads to meaningful progress toward resolving identified ESG concerns. The Pension Fund believes that the most constructive way to influence companies on Responsible Investment (RI) matters is through a sustained process of active ownership and dialogue. However, where the Fund determines that engagement efforts, whether direct or through appointed managers, are not yielding the desired outcomes, or are failing to do so within a reasonable timeframe, escalation measures will be pursued.

In such cases, the Fund reserves the right to take appropriate action against fund managers or companies whose ESG risks remain inadequately addressed and whose practices are misaligned with the Fund's RI beliefs. These actions will include, but are not limited to, initiating legal proceedings against company management, reducing exposure, or divesting from the asset entirely. All escalation decisions will be guided by the Fund's fiduciary duty, risk tolerance, and long-term investment objectives.

Below is the Engagement steps the fund will take:

Identify ESG risk

The Fund will identify Environmental, Social, and Governance (ESG) risks by monitoring our portfolio and underlying holdings, regulatory developments, and ESG performance trends. This approach ensures that emerging risks are recognised and addressed. The Pensions Committee and Board receive regular investment updates that help shape the investment strategy and policy framework, ensuring alignment with Responsible Investment principles and fiduciary obligations.

Assess Materiality

The Fund will assess the materiality of Environmental, Social, and Governance (ESG) risks by evaluating their potential impact on financial performance, reputation, and alignment with the Fund's Responsible Investment beliefs. This process involves determining which ESG factors are most relevant to long-term value creation across asset classes and sectors. Materiality assessments will consider both direct and indirect exposures.

Engagement Approach

The Fund adopts a multi-faceted engagement approach to promote responsible corporate behaviour and address ESG risks across its portfolio. This includes

direct dialogue with companies and asset managers to raise concerns and advocate for improved practices, collaborative engagement with institutional investors and networks such as LCIV and LAPFF to amplify influence, and proxy voting to exercise shareholder rights in alignment with the Fund's RI beliefs. Additionally, the Fund may engage in public advocacy through open letters and policy submissions to support regulatory reform and market-wide ESG improvements. All engagement activities are guided by the Fund's fiduciary duty, with progress monitored and reported to ensure transparency and accountability.

Evaluate Outcome

Following engagement activities, the Fund will evaluate outcomes to determine whether meaningful progress has been achieved in addressing identified ESG concerns. This assessment will consider the responsiveness of the company or asset manager, the quality and timeliness of actions taken, and alignment with the Fund's Responsible Investment objectives. Where engagement has led to satisfactory improvements, the Fund will continue to monitor developments and maintain dialogue. If progress is deemed insufficient or absent within a reasonable timeframe, the Fund may initiate escalation measures.

Re-engage

If initial engagement does not lead to satisfactory progress on addressing ESG concerns, the Fund may choose to re-engage with the company or asset manager to reiterate its expectations and seek further clarification or commitment. This follow-up engagement aims to reinforce the Fund's position, assess any changes in response or strategy, and provide an additional opportunity for resolution before considering escalation. Re-engagement will be conducted in a structured and timely manner, ensuring that the Fund continues to act as a responsible steward while maintaining alignment with its Responsible Investment objectives.

Reduce exposure

If engagement efforts fail to produce meaningful progress on ESG concerns, the Fund may consider reducing its exposure to the affected asset. This step involves a careful reassessment of the investment's alignment with the Fund's Responsible Investment beliefs and its potential risk to long-term returns. Any decision to reduce exposure will be guided by fiduciary duty and undertaken only where the Fund is satisfied that doing so will not materially compromise expected returns. This approach allows the Fund to manage ESG risks proactively while maintaining a prudent and responsible investment strategy.

Divest from Holding

If ESG concerns remain unresolved despite engagement and escalation efforts, the Fund will consider full divestment from the holding. This decision will be made following a thorough assessment of the financial implications and alignment with the Fund's Responsible Investment beliefs. Divestment will be pursued only where the Fund is satisfied that exiting the position will not materially compromise its fiduciary duty or long-term return objectives. This action reflects the Fund's commitment to managing ESG risks responsibly and maintaining an investment portfolio consistent with its ethical and sustainability standards.

Report on outcome

The Fund will report on the outcomes of its engagement activities to ensure transparency, accountability, and continuous improvement in its stewardship practices. This includes documenting the nature of ESG concerns raised, the engagement methods used, the responses received, and the progress achieved. Where engagement leads to meaningful change, the Fund will highlight positive developments; where outcomes are unsatisfactory, the Fund will detail any escalation actions taken. These reports will be reviewed by the Pensions Committee and Board ensuring alignment with the Fund's Responsible Investment objectives and fiduciary responsibilities.

10. Exclusions Policy

The Fund does not apply blanket exclusions as a default approach, recognising that ESG risks vary across companies and industries. Instead, it supports a targeted, risk-based approach that allows for nuanced assessment and engagement.

Exclusions may be applied where companies are materially misaligned with the Fund's responsible investment beliefs, pose significant ESG risks, or are subject to regulatory or financial constraints. These decisions are typically informed by the Fund's investment managers and aligned with its overall risk profile and RI objectives.

The Fund prioritises engagement over divestment, particularly in high-impact or transition-prone sectors, where investor influence can drive meaningful change.

The Fund does not exclude investments in order to pursue boycotts, divestment and sanctions against foreign nations and UK defence industries, other than where formal legal sanctions, embargoes and restrictions have been put in place by the Government.

The only exclusion the Fund has implemented is a full exclusion on investments with exposure to controversial weapons. Controversial weapons are types of armaments whose use or development is widely opposed due to their potential to cause indiscriminate harm, long-term suffering, or violations of international law.

Examples of controversial weapons are: Chemical, Biological, Cluster munitions, landmines etc.

As part of its ongoing commitment to Responsible Investment principles, the Fund will initiate a structured approach to reducing and eliminating its exposure to conventional weapons and other controversial areas such as non-conventional fossil fuel extraction, gambling and tobacco. The Fund recognises the importance of aligning its investment portfolio with its ethical beliefs and long-term sustainability objectives.

The fund will monitor its investments using MSCI screening tools to identify companies which breach global norms and human rights standards, taking action to reduce exposure and in some instances, look to fully divest, from any companies which are flagged.

The reduction will be pursued through a phased divestment strategy, targeting companies whose operations or revenue streams contribute to the Fund's exposure to these identified areas. Decisions to divest will be made following a thorough financial impact assessment to ensure that such actions do not compromise the Fund's ability to meet its fiduciary duty to beneficiaries.

Specifically, divestment will proceed only where the Fund is satisfied that the removal of these holdings will not result in a material detriment to expected investment returns or portfolio resilience and that a suitable alternative investment has been identified that more aligns with the Fund's investment beliefs.

The Fund acknowledges that, effective from April 2026, the pooling of assets with the London Collective Investment Vehicle (LCIV) may constrain its ability to implement specific exclusions or execute targeted disinvestment requests. Notwithstanding these limitations, the Fund is committed to maintaining constructive and ongoing engagement with the LCIV on areas of concern. Through this engagement, the Fund will seek to ensure that appropriate measures are taken to mitigate and, where possible, eliminate exposures to identified risks. Furthermore, the Fund will work to avoid future investments that fall below its established expectations.

11. Conflict Zones

A Conflict Zone refers to any geographic area or operating environment experiencing direct, material impacts from armed conflict. This includes, but is not limited to:

- Active hostilities between states, armed groups, or internal factions
- Situations of military occupation identified by credible international bodies
- Regions where authoritative sources report sustained conflict related violence, instability, or coercive control

The Fund acknowledges that a company's operations or presence in such areas does not, in isolation, constitute misconduct. The Fund therefore does not implement blanket geographic exclusions or boycotts based solely on location.

Instead, the Fund's assessment centres on credible, well substantiated allegations of human rights abuses or other serious misconduct directly linked to conflict, including a company's potential involvement in violations of international humanitarian or human rights standards.

The Fund, in collaboration with LCIV, will monitor the exposure of the portfolio to identified conflict zones using MSCI screening tools and monitor for any new UN lists on conflicts.

For any identified exposure, the Fund prioritises engagement over divestment for our pooled investments managed through LCIV. Any escalation will be evidenced-based and aligned with our fiduciary duties and engagement framework.

If The Fund is required to request engagement actions, the process set out in section 9 of this policy will be followed. However, The Fund recognises that LCIV will assess the requested actions within its own fiduciary and governance framework, and the Fund recognises that LCIV may not always be able to act on Haringey-specific instructions.

12. Reporting

The Fund is committed to maintaining high standards of transparency in its Responsible Investment (RI) activities. Clear and consistent reporting is essential to ensuring accountability to stakeholders and supporting informed decision-making by the Pensions Committee and Board.

Investment managers and pooling partners are required to provide regular reports that detail how environmental, social, and governance (ESG) factors are integrated across portfolios.

These reports must also include information on voting activity, with explanations for key decisions, as well as engagement efforts outlining objectives, progress, and outcomes. Where ESG concerns remain unresolved, managers are expected to describe any escalation actions taken. Furthermore, reporting should demonstrate alignment with relevant frameworks.

The Fund publishes RI-related disclosures through its annual report and other public communications. These publications aim to illustrate how RI principles are applied in practice and how they contribute to long-term financial performance and sustainability goals.

In addition to formal reporting, the Fund actively engages with scheme members, employers, and other stakeholders to share updates on RI progress. This ongoing commitment to transparency helps reinforce trust and ensures the Fund remains responsive to evolving expectations and regulatory requirements.

13. Monitoring and Review

The Fund is committed to regularly monitoring and reviewing its Responsible Investment (RI) activities to ensure they remain aligned with its investment beliefs, fiduciary duty, and evolving best practices. This oversight is essential for maintaining transparency, accountability, and continuous improvement across the Fund's investment portfolio.

Monitoring involves assessing how investment managers and our investment pool incorporate environmental, social, and governance (ESG) factors into their decision-making processes, stewardship activities, and reporting practices.

The Fund reviews the integration of ESG considerations and the effectiveness of voting and engagement activities, including the outcomes achieved and any escalation measures taken.

Progress against climate-related and broader sustainability targets is also evaluated, alongside compliance with relevant stewardship codes.

The fund expects reports on RI performance. These reports should include relevant metrics and updates on engagement outcomes, backed by case studies, where possible. The Pensions Committee and Board review these reports to ensure that RI practices remain effective and responsive to changing circumstances on an annual basis

In addition, the Fund conducts periodic reviews of its RI Policy at least every three years, or sooner, if necessary, to reflect regulatory developments, market changes, and stakeholder feedback. This ensures that the policy remains fit for purpose and continues to support the Fund’s long-term investment objectives.

14. Glossary

Term	Definition
Administering Authority	The body responsible for managing its own Local Government Pension Scheme (LGPS) fund. It holds full decision-making authority over all aspects of the Fund’s administration and operation.
Climate Risk	The potential impact on future financial returns resulting from climate change. It may be defined as transition risk, which refers to the effects of policy changes and technological advancements associated with the shift to a low

	carbon economy, and physical risk, which refers to the consequences of changing weather patterns and the increasing frequency or severity of extreme climate events.
Custodian	An entity, typically a bank, that safeguards assets and provides related services including investment accounting, cash management, dividend collection and repatriation, proxy voting, securities lending, and the measurement and reporting of investment performance.
Engagement	The process of interaction between an investor (or their delegate) and the management of an investee company, undertaken with the objective of influencing or creating change in how the company is managed or governed.
ESG	A framework referring to factors or characteristics that assess a Fund's, portfolio's, or investee company's approach to sustainability issues and risks. ESG encompasses environmental considerations, social impacts, and governance practices that influence long term performance and responsibility.
Governance	The process and principles by which a company or organisation conducts its business. This encompasses the approach taken to both operational and investment responsibilities, ensuring they are carried out effectively and in the best interests of members.
IMA	Investment Management Agreement – The formal contract between the client procuring investment management services and the firm providing them. It sets out the specific nature of the services required and includes details such as benchmarks to be applied, risk controls, fee

	arrangements, and client reporting requirements.
LAPFF	A voluntary association of 85 public sector pension funds and seven pool companies in the UK, representing combined assets of over £300 billion. Its purpose is to promote the long term investment interests of local authority pension funds and to strengthen their influence as shareholders in order to encourage corporate responsibility and uphold high standards of corporate governance in the companies in which they invest.
LCIV	London Collective Investment Vehicle - the LGPS pool of which Haringey is one of the founding partner funds. Responsible for the investment arrangements of the Fund.
LGPS	The Local Government Pension Scheme is a statutory pension scheme for employees of local authorities.
PCB	The joint Pensions Committee and Board, responsible for overseeing the governance of Haringey's pension fund, ensuring that both operational and investment decisions are carried out in line with regulatory requirements and in the best interests of members.
RI	Responsible Investment – a broad term used to cover sustainability issues in investment management
SLA	Service Level Agreement – a document put in place between the procurer and provider of services to establish certain aspects of the service delivery, usually around service standards, timeliness, deliverables and reporting

Stakeholder	Parties with an interest in the investment arrangements of the partner funds. This includes Local Government Pension Scheme (LGPS) members, employers, and other bodies within the scheme, as well as local taxpayers.
Stewardship	The responsible allocation, management, and oversight of capital to create long-term sustainable value for clients and beneficiaries

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JOHN RAISIN FINANCIAL SERVICES LIMITED**Independent Advisors Report****Market Commentary October to December 2025**

Despite ongoing geopolitical tensions and issues, the October to December 2025 Quarter continued the positive trend, of the previous two Quarters, for World Equities. The final Quarter of the 2025 calendar year saw broad gains across Global Listed Equity markets with the MSCI World Index gaining 3.1% (in US\$ terms). Generally positive company earnings; moderating inflation; continued positivity towards technology stocks (particularly in Asia); together with expectations of, and actual, interest rate reductions by the US Federal Reserve all supported Listed Equity markets.

While the United States S&P 500 Index advanced by a further 2.7% there were larger gains across all of European, United Kingdom, Japanese, Asian and Emerging Markets. In addition to regional/local factors this was likely influenced by elevated US valuations (see also the Market Commentary for July to September 2025); less elevated valuations elsewhere; investors rebalancing and diversifying their Listed Equity exposure. By the end of 2025 US Listed Equities, as measured by the Shiller cyclically adjusted price to earnings ratio applied to the S&P 500 Index was higher than at any time in history except just before the dotcom bubble burst in 2000. However given the increasing importance of the Communications/Technology Sectors within the Index and in particular the surging values of Artificial Intelligence (AI) related stocks during 2025 there are increasing concerns amongst some market commentators that the US Listed Equity market is increasingly vulnerable to a change (reversal) in investor confidence in Technology and in particular AI going forward. Notwithstanding the potential transformative impact of AI its actual impact remains unclear and uncertain. Investor sentiment, particularly if it becomes clearly more positive or alternatively negative, relating to Technology and in particular AI may weigh significantly on US Equity markets going forward. However, by the end of 2025 market commentators anticipated some further cuts to interest rates by the US Federal Reserve in 2026, and the nine largest Investment Banks, surveyed by the Financial Times in December 2025, forecast, on average, that the S&P 500 Index would increase by around 10% in 2026.

US Equities, as measured by the S&P 500 Index, advanced by 2.7% over the Quarter. There were some clear indications of economic concerns/issues as demonstrated by both consumer confidence and unemployment. Consumer confidence as measured by the respected University of Michigan "Index of Consumer Sentiment" was 52.9% at December 2025 compared to 55.1% in September 2025. Over the year January 2025 to December 2025, it fell from 71.7% to 52.9%. Unemployment rose from 4.0% in January 2025 to 4.4% in December 2025. Indeed the November 2025 figure of 4.5% (the last actually released during the Quarter) was the highest since October 2021. However, US Equities were supported by strong US corporate earnings reports, a clear relaxation in trade tensions between the United States and China as a result of a meeting at the end of October between Presidents Trump and Xi, and anticipated and actual rate cuts by the US Federal Reserve (which were however somewhat mitigated by comments made by Federal Reserve Chair Jay Powell at his 29 October Press Conference). Nine of the eleven Sectors of the S&P 500 Index gained over the Quarter.

As widely anticipated the meeting of the US Federal Reserve Federal Open Markets Committee (FOMC) which concluded on 29 October 2025 reduced the Federal Funds rate (interest rates) by 0.25% to a “*target range*” of 3.75% to 4.0%. However, at his Press Conference following the meeting Chair Jay Powell was clear that a further reduction in December was far from certain stating that “...*In the Committee’s discussions at this meeting, there were strongly differing views about how to proceed in December. A further reduction in the policy rate at the December meeting is not a foregone conclusion—far from it...*” The S&P 500 Index clearly advanced from the beginning of October until the 29 October when the FOMC made its rate cutting announcement, doubtlessly influenced (in part) by high expectations of an interest rate reduction. However following Chair Powell’s statement regarding divisions within the FOMC expectations of a December rate cut fell rapidly, and at the same time the S&P 500 retreated. Interestingly, however, following comments favouring a December interest rate cut by FOMC Members John Williams and Christopher Waller the S&P 500 began to reverse its decline as markets became increasingly confident of a December rate cut. At the FOMC meeting which concluded on 10 December 2025 the Federal Funds rate “*target range*” was cut by 0.25% to 3.5% to 3.75%. However, there was clear dissent within the FOMC with only 9 of the 12 decision makers voting for the 0.25% reduction (two members voted for no rate cut while one member voted for a 0.5% reduction), making this the most fragmented vote at the FOMC since 2019.

In a context of continuing low interest rates (the European Central Bank having reduced its headline interest rate to 2% in June 2025), low inflation, stable employment, strong corporate earnings, and a rotation by investors towards Europe the Quarter saw European Equities clearly advance. The MSCI EMU Index gained over 5% (in both Euro and US\$ terms). As in the two previous Quarters the Financial sector experienced clearly positive performance.

As widely expected, the European Central Bank (ECB) Maintained the headline “*deposit rate*” at 2% at both the October and December 2025 Governing Council meetings. At her Press Conference following the October meeting Christine Lagarde President of the Governing Council stated “...*The robust labour market, solid private sector balance sheets and our past interest rate cuts remain important sources of resilience...*” At her Press Conference following the December Governing Council meeting Christine Lagarde stated “...*The economy has been resilient...The economy is benefiting from a robust labour market...Real incomes are set to rise further...Business investment and substantial government spending on infrastructure and defence should increasingly underpin the economy...*” Eurozone inflation remained close to the ECB target of 2%.

UK Equities, again advanced very positively during the Quarter with the FTSE All Share gaining 6.4% while the FTST 100 (large cap) Index gained 6.9%. While gaining 2.9% the more domestically focussed FTSE 250 clearly lagged behind the internationally focussed FTSE 100 as it had in the previous Quarter. The FTSE 250 was likely again disadvantaged, compared to the FTSE 100, by concerns regarding the UK economy including domestic taxation and economic prospects. The FTSE 100 again benefitted from its significant allocations to Banking, Mining, and Defence stocks all of which clearly advanced during the Quarter. UK Equities, and in particular certain sectors of the FTSE 100, appear likely attractive to foreign investors seeking to diversify their holdings into the UK Listed Equity market given its relatively low valuations and its clearly limited orientation towards Technology orientated stocks compared to the US market. Market perceptions of the approach of the Bank of England to monetary policy (interest rates) during the Quarter were likely positive (rather than negative) for UK Equities.

At the Bank of England Monetary Policy Committee (MPC) meeting which concluded on 5 November 2025 the Committee voted by the narrow margin of 5 to 4 against a cut in Bank Rate. Andrew Bailey, the Governor of the Bank, voted against a cut but wording reflecting his views, as recorded in the Minutes of the meeting gave markets a clear signal that a rate cut in December could occur “...if the durability in disinflation is confirmed...” As the December MPC meeting approached there were increasing indications that there could be a rate cut based on improved inflation figures and a weakening employment market. At the meeting which ended on 17 December 2025 Governor Andrew Bailey joined the four Members who had previously voted for a rate cut. Consequently, by a majority of 5 to 4 the MPC voted to reduce Bank Rate by 0.25% to 3.75%.

Japanese Equities experienced another very positive Quarter with the Nikkei 225 Index advancing by 12%. Japanese markets have benefitted from a perception of becoming increasingly shareholder friendly in the context of corporate governance reforms, share buy backs and increasing dividends. Also, the Japanese Equity market is not closely correlated to the US market. Additionally, over the Quarter reported corporate earnings were positive. There were broad gains across the Index during the Quarter with Financials and Industrials continuing their clear upward trend and the Technology sector posting a strong gain at the Quarter end.

However, the gains over the Quarter appear to have been particularly linked to the victory of Sanae Takaichi in the Liberal Democrat party (LDP) leadership election and her subsequent appointment as (the first female) Prime Minister of Japan. In early October Sanae Takaichi was elected leader of her party and on 21 October Prime Minister of Japan following the agreement of a coalition deal between the LDP and the Japan Reform party. On both occasions the Nikkei 225 surged on the expectation of what has become known as the “Takaichi trade.” This includes expectations of expanded fiscal stimulus, increased defence spending, industrial expansion, and pressure on the Bank of Japan to maintain extremely low interest rates (even in the context of inflation above the Bank’s target of 2%).

The Monetary Policy meeting of the Bank of Japan which concluded on 30 October 2025 maintained short term rates at 0.5%, but with two of the nine members voting for an increase to 0.75% as they had at the September meeting. However, at the meeting which concluded on 19 December 2025 short term rates were increased, unanimously, by 0.25% to 0.75% the highest level for thirty years! This increase was expected by markets following two statements from Governor Kazuo Ueda early in December hinting at a rate rise. This increase was made in the context that “...it is highly likely that the mechanism in which both wages and prices rise moderately will be maintained...” according to the Statement issued by the Bank after the meeting. Additionally, the Statement also reiterated that “...Real interest rates are expected to remain significantly negative after the change in the policy interest rate, and accommodative financial conditions will continue to firmly support economic activity.”

Asian (excluding Japan) and Emerging Markets both experienced another clearly positive Quarter. Both the MSCI Asia (ex Japan) and the MSCI Emerging Markets Indices gained clearly in excess of 4% (in US\$ terms). In broad terms Asian/Emerging Markets benefitted from indications of and actual US Federal Reserve interest rate reductions (in mid September, October and December); and also from clear relative “cheapness” compared to US Listed Equity markets; as well as far less impact from President Trump’s approach to tariffs than appeared likely earlier in the year.

The important South Korean and Taiwan markets gained significantly based on continued enthusiasm for Technology and in particular Artificial Intelligence (AI) related products. Manufacturers of semiconductors, chips, power equipment, and other AI related components clearly advanced. Latin America had a clearly positive Quarter with, for example, generally moderating inflation and high commodity prices (including copper, gold, and lithium) benefitting a number of countries including Chile, Mexico, Peru, Brazil, and Argentina.

Chinese Equities experienced a negative Quarter in the context of weak economic data including concerns regarding levels of fixed asset investment, industrial output, domestic (retail) sales, low consumer confidence, uncertainty over China's future growth prospects, and property market issues. In late November and December concerns regarding the property sector (again) intensified with the near default of Vanke one of the largest and best known Chinese residential developers. Market commentators also suggested that "profit taking" after the significant gains by Chinese Equities earlier in the year was another contributory factor to their underperformance in the October to December 2025 Quarter.

This Quarter, in contrast to the July to September 2025 Quarter, was positive for UK Gilts with prices rising (and therefore Yields falling) across 2, 10, and 30 Year Gilts. UK inflation though still at levels well above the Bank of England target stabilised and fell during the Quarter. The November Bank of England Monetary Policy Committee meeting indicated a potential interest rate cut at the December meeting, which was delivered. The UK Budget delivered on 26 November was received not unfavourably by markets. This was in the context of a larger than expected "fiscal headroom" of £22 billion and an announcement of a smaller issuance of new Gilts than expected. US Treasuries experienced a mixed Quarter with the shorter term 2 Year Yield falling, the 10 Year Yield remaining (almost) stable, and the 30 Year Yield rising. German Bund Yields rose over the Quarter across all of the 2, 10, and 30 Year maturities. A clear negative influence on Bunds was likely the huge fiscal stimulus plans of the German Government and the decision of the German Parliament to approve a 525 billion Euro Federal Budget for 2026 including approximately 180 billion Euros of borrowing to fund defence and infrastructure projects.

John Raisin

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"Strategic and Operational Support for Pension Funds and their Stakeholders."