

London Borough of Lewisham Pension Fund

Results of the 2025 Responsible Investment Member Survey

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Addressee and purpose

This paper has been prepared for the Officers and Pensions Investment Committee (“PIC”) of the London of Borough of Lewisham Pension Fund for the purpose of analysing the results of the member survey and assessing whether any changes need to be made to the Fund’s existing Responsible Investment Beliefs, Engagement & Stewardship Policy or Net Zero Policy. It has not been prepared for use for any other purpose and should not be so used.

The survey was comprehensive, and **the responses indicate clearly the Fund aligns well with the priorities expressed by members**. This was a very positive exercise that reinforces the Committee’s approach to a broad range of responsible investment activities, including on climate, social/controversial issues and engagement. As such, **only modest changes to the Fund’s existing policies are recommended, and we also set out some practical next steps for the Committee to consider**.

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Background

In October 2025, the Officers invited all members of the London Borough of Lewisham Pension Fund to share their views on responsible investment. The survey aimed to give the PIC a clear understanding of the key areas that matter most to members. It included 22 questions covering a range of topics, grouped mainly into four sections:

- Section 1: About you
- Section 2: Responsible investment
- Section 3: Influencing investments
- Section 4: Responsible investment priorities (split into environmental, social and governance)

Questions within this survey either required members to select or rank preferences.

The survey of the Fund's members was conducted for the following purposes:

- To raise awareness and engage with members to hear what matters most to them.
- As a tool for PIC to consider whether the Fund's existing Responsible Investment Beliefs, Engagement & Stewardship Policy, and Net Zero Policy remain appropriate.

The survey was open to all types of members e.g. actives, deferred and pensioners. In total **1,015 responses** to the survey were received across a series of employers within the borough. This represents about c.3.5% of the overall pension members. **Voluntary surveys such as this exercise are subject to 'non-response bias', and may reflect the views of a small group rather than the "silent majority" of 96.5% non-respondents.** The results should therefore be interpreted as indicative only. This paper aims to review the results of the survey, highlighting the key themes. Where survey responses show consistent high ratings, this would indicate strong levels of interest and/or concern albeit you will need to consider whether these views are representative of the wider membership, given the c.3.5% response rate.

Reminder of process timelines

FSS (Dec 2025)

- Valuation near complete, FSS presented at Dec 2025 PIC

ISS

- Update ISS to reflect strategy changes and local investment placeholder – take to Feb 2026 workshop for discussion (further updates needed before September 2026)

Workshop (Feb 2026)

- Discuss strategy recommendations and member survey results

Workshop (Feb 2026)

- Consider and agree/refine the proposed changes required to the Fund's RI documents (Beliefs, NZ and Engagement policies)

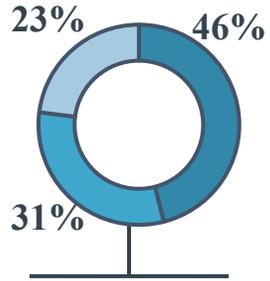
2026 & beyond

- Maintain ongoing monitoring, review and engagement program

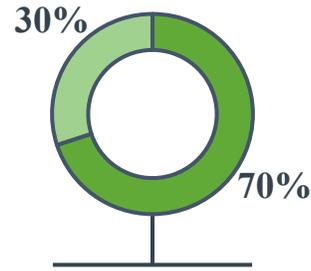
Section 1: *About you*



Member demographics of the Fund



Deferred Members make up the largest group of the pension Fund, at 46%. This group is then followed by **Pensioners**, with **Active** members having the smallest representation, at 23%.



Females account for the majority of the fund, representing 70% of the pension Fund.

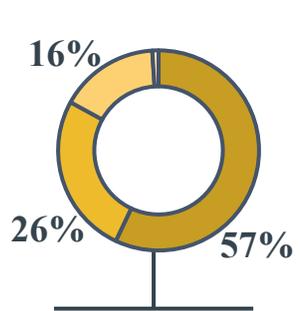


There were 29,393 **members** of the pension Fund as of 31 March 2025.

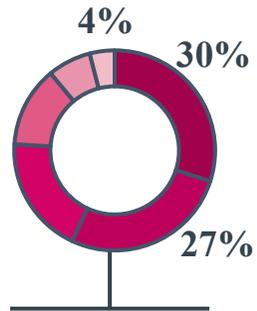
Member type	Weighted average age by pension liability
Active	55.8
Deferred Pensioners	55.0
Pensioners	69.9

The demographics of the survey respondents & the Fund differ substantially, with the responses of the survey comprising only c. 3% of the Fund's total membership. As a result, we need to be cautious about the interpretation of these results.

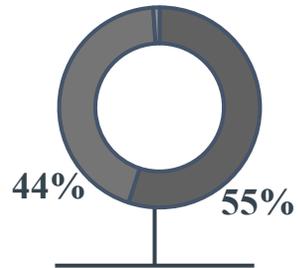
Member demographics of those who responded



Pensioners make up the largest group of respondents. This group is then followed by **Active** members, with **Deferred** members having the smallest representation, at 16%.



Members aged between **66-75** were the largest respondents at 30%, followed by those aged between **56-65** at 27%. Fewest responses received were from members aged between **21-35** at 4%.



Females accounted for the majority of responses, representing 55% of all respondents.



From the active and deferred members, **50%** confirmed that they **have not** registered for the Pension Fund's website 'Members Self Service'.



79% of members **have not** accessed the Lewisham Pension Fund website in the past 12 months, with some indicating an unawareness of its existence or difficulties with accessing.



Only **15%** of respondents **have read** the Pension Fund Annual Report.

Pensioners were the largest respondents to the survey followed by actives. The smallest group of respondents were aged between 21-35 years (accounting for only 4% of all members responding). However, the figures on the right-hand side indicate a general low level of engagement.

Note: Members were also asked about their employers. The responses have not been included here.
Note: Numbers may not add to 100% where respondents chose not to answer

Member response rate across survey questions

Q1	Q2	Q3	Q4	Q5	Q6	Q7
98%	100%	99%	100%	100%	72%	99%
Q8	Q9	Q10	Q11	Q12	Q13	Q14
99%	99%	98%	99%	99%	98%	N/A*
Q15	Q16	Q17	Q18	Q19	Q20	Q21
68%	99%	60%	52%	98%	52%	52%
Q22	-	-	-	-	-	-
N/A*						

Member response rate dropped towards the end of the survey when asked to rank several themes/factors/key areas. We highlight above the questions with lower response rates in Amber

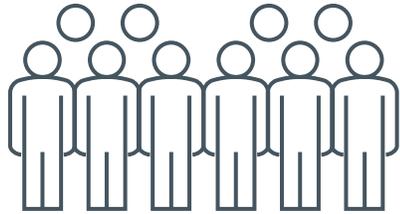
*For questions where members were asked if they had any additional comments response rate cannot be determined

Section 2: Responsible investment



Member understanding and values

This section of the survey aims to assess members' understanding of responsible investment. This section comprised of 3 questions.



Level of understanding of responsible investment

- 47% of members selected a '**Partial**' understanding of responsible investment. This was the most selected option closely followed by '**Good**' at 42%.
- 8 members chose not to answer.



Member views

- Majority of members (65%*) **view responsible investment as an important theme.**
- Of all responses, **31% of members believe investments returns should be secured first** ahead of positive societal impact, communications and/or the environment and **2% don't mind how their pension is invested.**

Note: *This figure accounts for members who selected the following options:

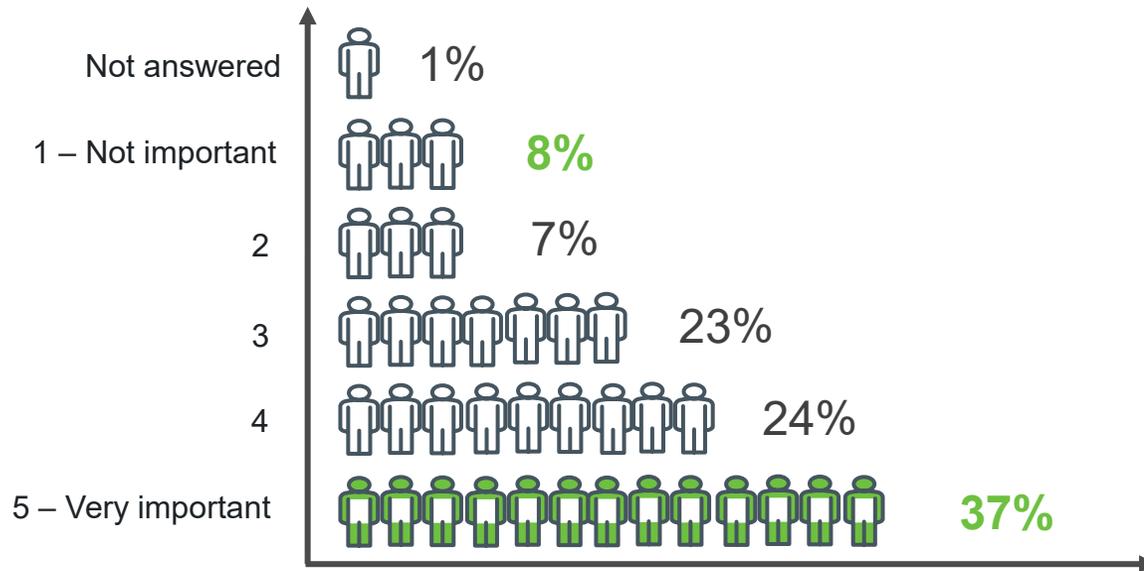
- My pension fund investments should actively contribute to positive impacts on society, communities and the environment, and avoid negative ones, even if this means lower investment returns.
- My pension fund investments should avoid negative impacts on society, communities and/or the environment, even if this means lower investment returns.
- My pension fund should avoid negative impacts on society, communities and/or the environment, but only if this can be done without risking lower investment returns.

Section 3: Influencing investments

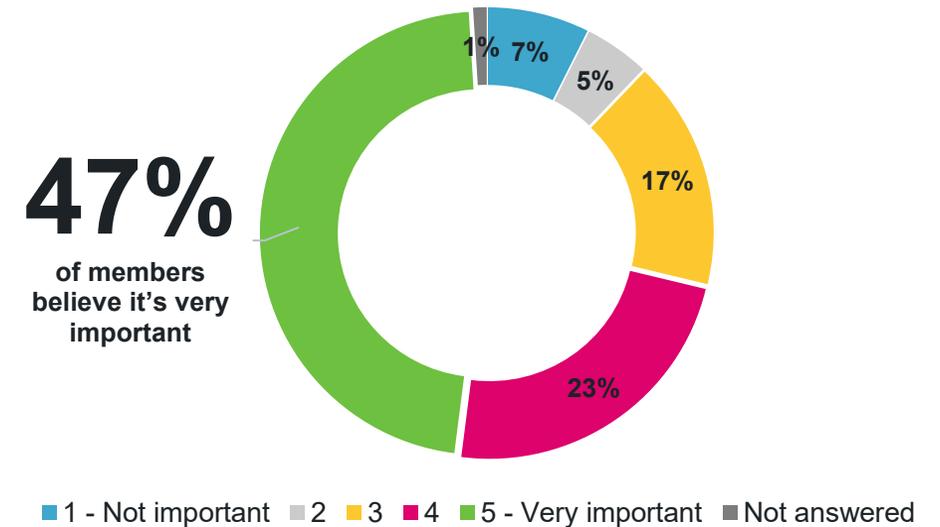
Influencing investments

This section aims to understand the extent to which members wish the Fund to take into account responsible investment principles.

How *important should responsible investment (climate change, human rights and equality) be* when the Pension Fund thinks about how to invest its money?

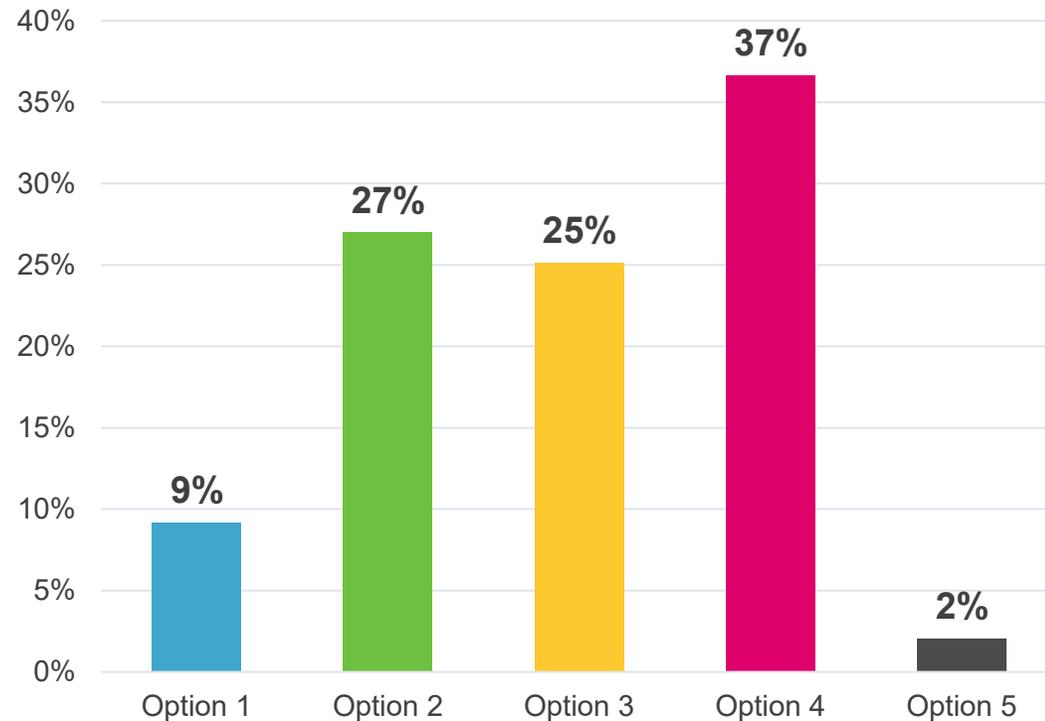


How important is it that the Pensions Committee *actively engages with investment managers* around the Fund's environmental, social and governance (ESG) priorities and holds them to account for their actions?



Influencing investments (continued)

When asked which statement best described member views, Option 4 received slightly higher support, however other views on the timing of implementing changes alongside manager engagement received notable support (a clear majority believe the PIC should take a year or more to implement changes following manager engagement rather than as soon as possible).



Options:

- 1 I expect the Pension Committee to engage on financial performance, but do not expect the Pension Committee to engage with investment managers about responsible investment priorities.
- 2 I would like the Pension Committee to engage with investment managers over time to make changes while carefully managing the financial returns of the Fund, even if this means investing in things that do not fully align with the Fund's responsible investment priorities for several years.
- 3 I would like the Pension Committee to engage with investment managers over time to make changes while carefully managing the financial returns of the fund, even if this means investing in things that do not fully align with the fund's responsible investment priorities for about a year.
- 4 I expect the Pensions Committee to take steps to ensure investments align with the Fund's responsible investment priorities as soon as possible.
- 5 Not answered.

Section 4: Responsible investment priorities



Responsible investment priorities

This section of the survey is split into three main areas: environmental, social and governance; and involved members being asked two questions. **The responses received under this section will assist in shaping the Fund's Responsible Investment policy.**

Least important



The way a company is run

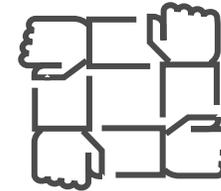


Protecting the environment



How a company treats people, communities, including its own workers (human slavery & humans rights abuses)

Most important



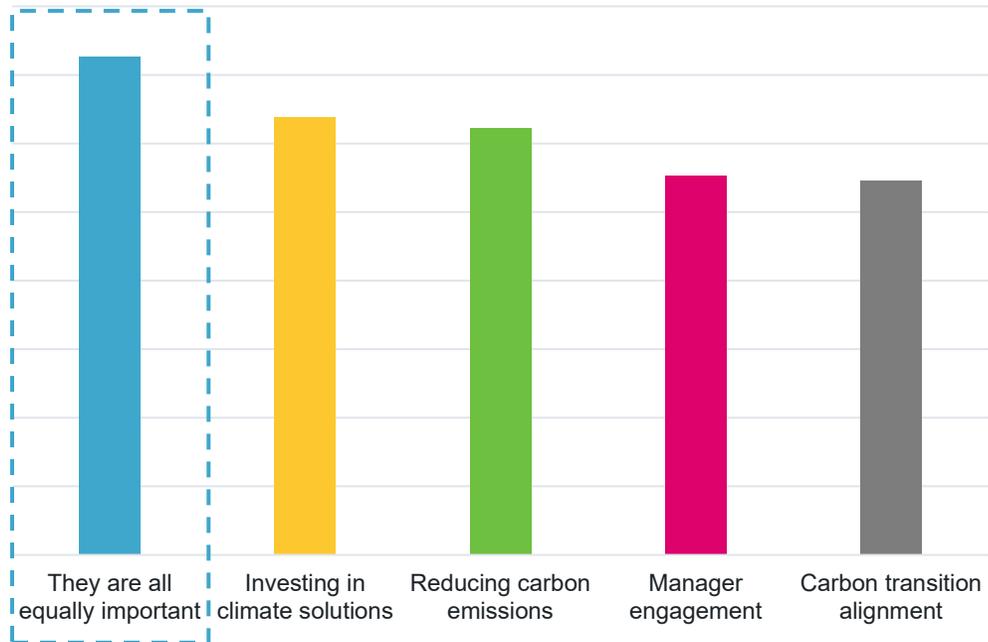
They are all equally important

The majority of members consider each key theme to be equally important, as responses received were broadly similar, with little dispersion in ranking across the themes.

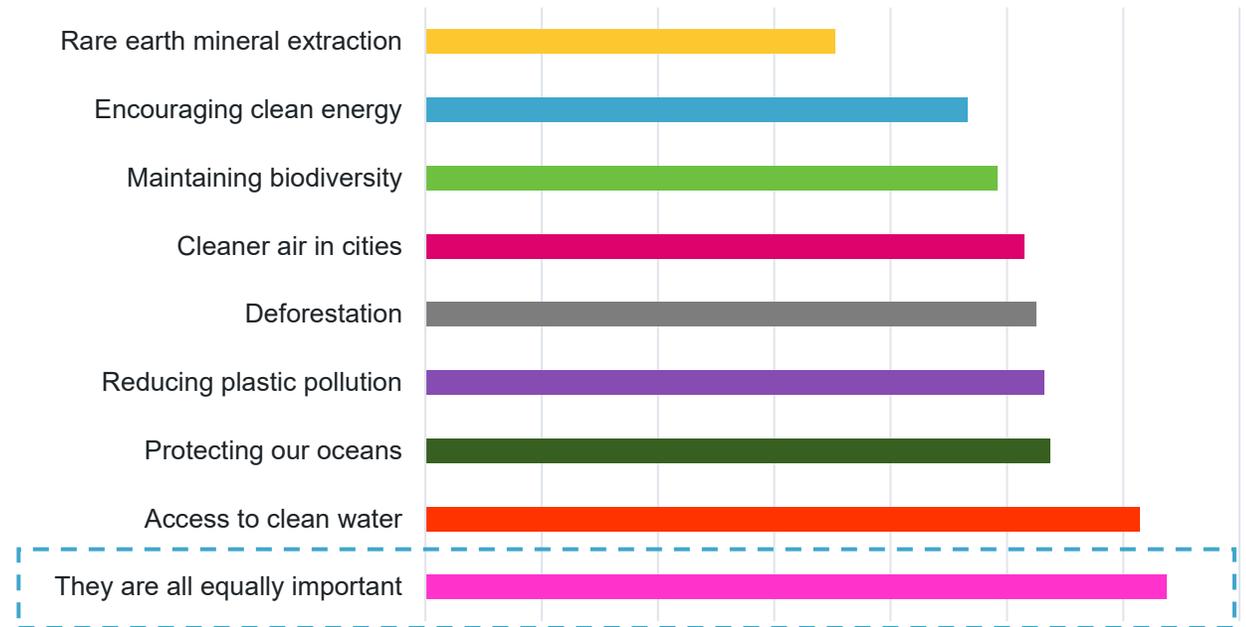
Note: For questions requiring a ranking from least to most important, the reported results reflect the responses ordered by their average ranking.

Environment

Which of these key areas do you think is most important?



Which environmental factors matter most to you?



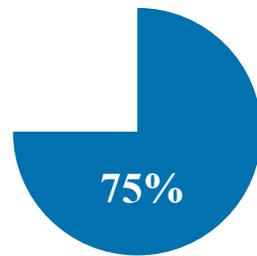
Members view all environmental priorities as equally important.

Note: For questions shown above, members were asked to rank the responses in order from least to most important. The results reported are the responses ranked by average.

Social

This section covers questions on Social factors. Specifically, there were two questions given to members. The first being:

How important is it to you that the Committee monitors and engages with investment managers on the issues that have a direct or indirect impact on people? (with 1 being not important and 5 being very important)



3 out of every 4 members view addressing social issues as **very important** or **important**.



The majority of members said that this was **very important** to them



5%

1 in every 20 members said that this was **not important** to them



2%

1 in 50 members chose not to answer this question

The data suggests members expect the Committee to monitor and engage with investment managers on Social issues

Social (continued)

In the second part of this section, members were asked to rank *which social factors mattered to them most*.



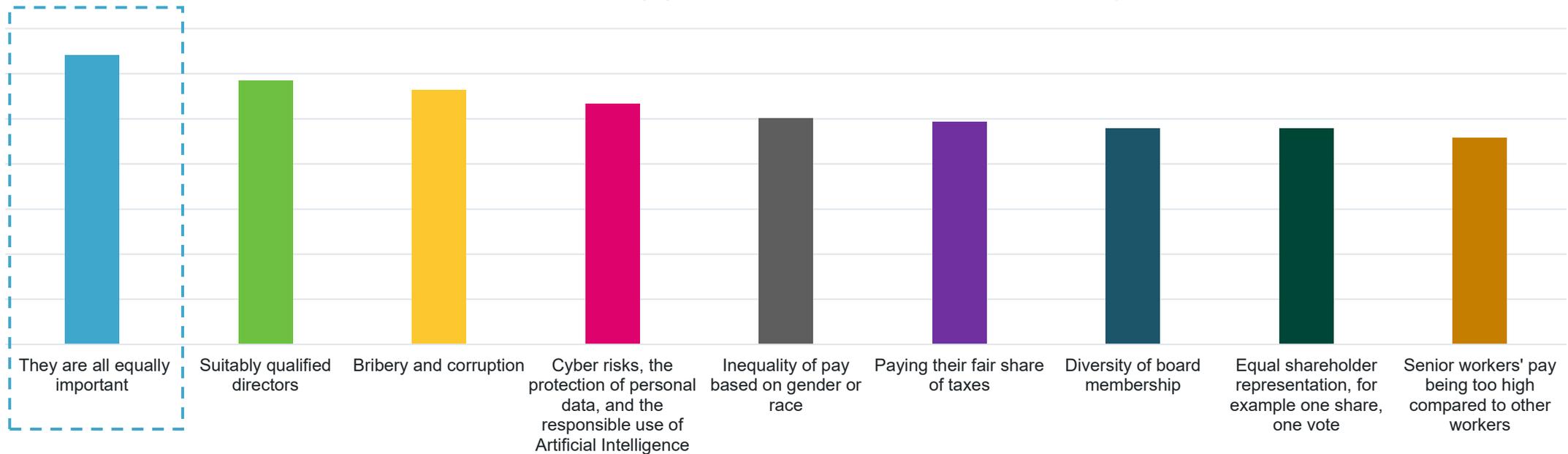
- When asked which social factors the Committee should focus on, for the most part, members said that **all factors were equally as important (modest dispersion as shown by the relative size of the bars on the left hand side)**.
- In second place members ranked **‘Paying a living wage’**, which highlights the importance placed on sustainable standards of living.
- In contrast members ranked **‘Defence’** last; further questioning may be required to understanding members views in more detail

*Defence here relates to ensuring that we recognise the need for defence, whilst also seeking to prevent the proliferation of weapons

Governance

'Governance' refers to the systems, policies, and processes a company uses to direct and control itself. It encompasses how a company is led, managed and overseen, ensures ethical practices, accountability and transparency in its operations. This sub-section invited members to rank governance matters and share any other views.

Which of the following governance factors matter most to you?



Members view all governance priorities as equally important. However, senior workers pay was ranked as least important.

Note: For questions requiring a ranking from least to most important, the reported results reflect the responses ordered by their average ranking.

Member Feedback on RI Priorities

Members were asked whether they had any additional comments related to responsible investment priorities that they would like to share with the PIC. As expected, this open-ended question produced a wide range of responses and around 170 of the respondents made a comment. **Due to the nature of the responses, we recommend the Officers and Committee may want to review these in their entirety.**

"I trust you all are all ethical and make good decisions"

"Climate change is the greatest priority"

"I want immediate divestment from companies complicit in the apartheid and genocide economy and a commitment not to invest in companies linked to human rights abuses."

"People first, ethics, diversity, health, fairness, cybersecurity, defence"

"All of the above responsible investment considerations are important but only if the Pension Fund is managed to deliver the returns needed."

"Focus on ethical values-based investments"

"Everything raised is important but just needs to be balanced with the need of your customers who will expect as good as return as possible."

"Everyone involved in working for pensioners must have the most important goal - ensuring financial security for pensioners."

"Investment preferably to be in the UK companies and industries."

"I don't want any of my money to invest in weapons directly or indirectly.."

"Making sure the Pension Fund is distributed fairly taking in consideration the work that's being carried out by each and every member."

"Specifically, please don't invest in fossil fuel extraction, Sizewell C, or any activity that may facilitate genocide in Palestine or elsewhere."

"I would like my pension fund managed by people who have the experience and skills to do so, and whose priority is ensuring the sustainability of the fund and a return for the members."

"I have found this survey to be quite cynical and manipulative..."

"The Primary Duty of the Pension Fund Trustees and Managers is to ensure a viable, reliable, continuing Fund."

Member Feedback on RI Priorities: Theme breakdown

The below table provides a breakdown of the themes the ~170 members provided feedback on 236 themes:

Theme:	Count:	Proportion of count (%):
Other / uncategorised	69	29%
Ethical (animal welfare, AI, testing, general ethics)	61	26%
Gaza / Israel / Palestine / Occupied Territories	27	11%
Environmental	20	8%
Governance	18	8%
Survey construction	17	7%
Human Rights (general)	14	6%
Social	10	4%

By far the most commonly mentioned theme was ethical (covering a broad range of topics within this), followed by Gaza/Israel and a range of other ESG topics generating similar levels of comment from those who responded

Summary and next steps



Summary of findings

- Pensioners were the largest group of respondents, with most aged 66–75. It is important to note the demographic of the survey as it is skewed to members of older age. Feedback from some respondents within this age group (as well as the over 75s) indicated difficulties with completing the survey and survey comprehension. This should be considered when interpreting the results.
- Females represented 55% of responses. The youngest age group (21–35) was least represented, accounting for 4% of total respondents (out of these 36 members, 3 are deferred).
- Most members believe the Fund should avoid negative societal impacts, but not at the expense of investment returns.
- Nearly half (47%) feel it is very important for the PIC to engage with investment managers on ESG priorities.
- Members expect the PIC to ensure investments align with responsible investment priorities over time.
- However, when asked to rank their priorities *within* each of the broader environmental, social, and governance factors respondents in each case choose to rank all factors as important.
- For social considerations, members believe the PIC must continue to monitor and engage with investment managers on all matters considered in the survey.
- Under governance, an open-ended question led to a large variety of responses from c. 170 respondents. Some key themes from member comments include climate change, human rights, survey construction and Occupied Palestinian Territories.
- The survey results **suggest modest revisions to the Fund's RI Beliefs, Engagement or Net Zero policies would be beneficial.**

Assessment of existing RI Beliefs following survey



Are any policy changes required?

While the survey suggests broad support for the Fund's approach to responsible investment, we suggest some minor changes to the three main components of the Fund's RI approach:

RI Beliefs

Members expressed a spread of views on the broad range of topics surveyed. While members expect the Committee to consider a comprehensive range of ESG matters, members recognise the primary objective of the Fund is financial in nature. Members expect the Fund to invest responsibly, integrate financially material ESG factors into investment decision-making and hold investment managers to account. Changes to the RI beliefs are set out in the following slides.

Net Zero Policy

An activity attracting clear support is the Fund's approach to managing environmental and climate risk. Respondents indicated this is a key area of concern. This suggests the Fund's existing RI beliefs and ambitious approach to Net Zero resonates well with members. While no changes to the principles of the policy are required, it remains a live document that should be updated periodically (typically annually).

Engagement Policy

Respondents indicated a clear desire for investment managers to be monitored regularly and engaged with on a wide range of E, S and G topics – and most wish any change to be implemented carefully, prioritising financial returns. The current policy has been updated to take the survey results into account.

Responsible Investment Beliefs

The tables below set out proposed changes to the Beliefs (in pink).

	Belief
1.	The Fund and its members recognise the primacy of fiduciary duty but believe that it can still exercise this while investing responsibly, and securing the required investment returns to ensure the financial sustainability of the Fund.
2.	Responsible Investment issues (including Environmental, Social and Governance factors, and particularly climate risk) can have a material impact on the long-term performance of the Fund’s investments and the Fund’s reputation. Members expect the Committee to consider a wide range of ESG factors in its decision-making processes.
3.	Both members and the Fund believe climate change and the expected transition to a low carbon economy is an area of significant financial risk and opportunity to the Fund, and therefore the Fund will seek to proactively manage risks and pursue long term investment opportunities arising from this.
4.	The Fund and its members consider that the sustainability of investment returns over the long-term, even beyond the expected investment horizon of the Fund, is important.
5.	The Fund’s investment manager, which from 1st April 2026 will be its Pool (the London Collective Investment Vehicle (“LCIV”), which will oversee all the Fund’s assets, including legacy funds) should demonstrate its commitment to responsible investment by being signatories to the Principles for Responsible Investment and UK Stewardship Code.
6.	The LCIV is a key component of the Fund successfully delivering on its RI objectives and any climate-related targets set. Members expect the Fund to actively engage with, and monitor, LCIV and expects it to provide leadership in helping Funds address the potential risks associated with ESG, and particularly climate change.
7.	The Fund and its members expect LCIV to exercise robust stewardship of its assets, ensuring underlying legacy managers continue to deliver consistent votes (except for in limited exceptional circumstances) on common company resolutions.
8.	The Fund recognises its responsibility to proactively monitor LCIV’s integration of ESG analysis, and voting and engagement activities regularly, and hold it accountable for its decisions

Responsible Investment Beliefs (continued)

	Belief
9.	<p>The Fund recognises LCIV is the primary mechanism through which to implement policy on ESG matters. They should embed ESG and RI considerations throughout their processes, be responsible for engaging with investee companies and issuers on ESG factors and take responsibility for voting (where relevant), disclosing to the Fund on all such activities.</p>
10.	<p>Responsible ownership of companies benefits long-term asset owners. Companies that manage their business responsibly are expected to outperform companies that do not, over the longer term.</p>
11.	<p>The Fund should be aware of, and monitor, financially and non-financially material ESG-related risks, and issues (including voting and engagement activity) through its investment managers and will consider regular reporting (annual) on these areas.</p>
12.	<p>The Fund and its members believe divestment on ESG grounds can be a mechanism for managing ESG risks and should be considered if engagement with individual companies proves unsuccessful or is unlikely to have impact. The Fund will consider mandate constraints where possible and wider practicalities prior to any disinvestment taking place.</p>
13.	<p>Appropriate disclosure of the Fund's responsible investment activities is a priority for the Fund to ensure accountability, and the Fund may also seek to collaborate with other institutional investors on RI issues to deliver greater impact than it could achieve individually.</p>
14.	<p>The Fund and its members believe that it is necessary and desirable to set a net-zero investment emissions target. It will prioritise this activity to ensure a credible plan for the delivery of an agreed net zero objective is constructed.</p>
15.	<p>The Fund and its members expect LCIV to screen, monitor and where appropriate, exclude exposure to specific issues including controversial weapons, human rights abuses and any company with significant operations within an area considered occupied territory under international law. The Fund has responsibility for selecting investments that actively reduce or mitigate social risks and expects LCIV to be aware of how these issues could arise across supply chains.</p>
16.	<p>The Fund and its members expects LCIV to screen and monitor companies with significant revenue from tobacco, pornography and gambling. Investments in these areas could contribute to negative social effects that can present financial risks, and therefore, we expect LCIV to report on and justify such holdings, alongside their engagement efforts on social risks.</p>

Responsible Investment Beliefs (continued)

	Belief
17.	The views of the Fund's members is important, and the Fund commits to periodically testing these through member surveys. The Fund's approach to responsible investment will take into account member views, while continuing to invest in a prudent manner to achieve its investment objectives.

Conclusions and Next Steps

- The results of this survey are to be discussed with the Officers and PIC at a workshop in February 2026.
- The overall conclusion is that **the existing suite of policies (RI Beliefs, Net Zero and Engagement Policies) are closely aligned with member views, with modest changes proposed to take these views into account.** In addition, there are clear actions for the Committee to complete over the next 12 months:
 - Continue rolling program of monitoring investment managers
 - Use the member survey results to form the basis of engagement dialogue with managers
 - Prioritise LCIV as next engagement meeting (in particular seek an update on its consideration of exclusions for PEPPA): **suggest Q2 2026**
 - Review and update NZ policy & key metrics to assess progress against targets: **suggest Q2 2026**
 - Assess LCIV's RI capabilities when more information on tiers is known (and consider whether changes to Fund's RI Beliefs are warranted): suggest **Q3 2026**
 - Review engagement activity over 2026 and consider if any changes are required to the policy: **suggest Q4 2026**

Appendix



General risk warning

The analysis in this presentation is based on data provided by the Officers in December 2025.

Please note the value of investments, and income from them, may fall as well as rise. This includes but is not limited to equities, government or corporate bonds, derivatives and property, whether held directly or in a pooled or collective investment vehicle. Further, investments in developing or emerging markets may be more volatile and less marketable than in mature markets.

Exchange rates may also affect the value of investments. As a result, an investor may not get back the full amount of the original investment. Past performance is not necessarily a guide to future performance.

Thank you



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