

Shropshire Council
Legal and Democratic Services
Guildhall
Frankwell Quay
Shrewsbury
SY3 8HQ

Date: Thursday, 11th June 2026

Committee:
Pensions Committee

Date: Friday, 19 June 2026
Time: 10.00 am
Venue: Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ

You are requested to attend the above meeting.
The Agenda is attached.

There will be some access to the meeting room for members of the press and public, but this will be limited. If you wish to attend the meeting, please email democracy@shropshire.gov.uk to check that a seat will be available for you.

Please click [here](#) to view the livestream of the meeting on the date and time stated above. (Please note that while we strive to live stream meetings, technical issues may occasionally occur. In the event of a technical disruption, the meeting will be paused to try to resolve the issue. Should it not be possible to resume the live stream, the meeting will proceed as scheduled, and a backup recording will be made available after the meeting. Any disruption to the live stream does not affect the legality of the meeting).

The recording of the event will also be made available shortly after the meeting on the Shropshire Council YouTube Channel: [Here](#)

Tim Collard
Service Director – Legal and Governance (Monitoring Officer)

Members of the Committee:

Roger Evans
Gary Groves
Malcolm Myles-Hook
Charles Shackerley-Bennett

Co-opted Members (Voting):

Paul Davis
Zona Hannington

Co-opted Members (Non-Voting):

Thomas Biggins (Pensioner Representative)

David Burton (Employee Representative Shropshire Council)
Byron Cooke (Employee Representative Telford & Wrekin Council)

Substitute Members of the Committee:

Ben Jephcott (SC)
Chris Naylor (SC)
Carl Rowley (SC)
Sam Walmsley (SC)
Fiona Doran (T&W)
Stephen Reynolds (T&W)
Sarah Sweeney (SC Employee Rep)
Vacancy (T&W Employee Rep)
Vacancy (Pensioner Rep)

Your Committee Officer is:

Sarah Townsend Committee Officer

Tel: 01743 257721

Email: sarah.townsend@shropshire.gov.uk

When attending this meeting, Members are reminded of the three principles of the Jo Cox Foundation and Compassion in Politics Civility Pledge:

1. *Use a civil and constructive tone in debate.*
2. *Act with integrity, honesty and compassion.*
3. *Behave respectfully towards others, including those I disagree with.*

AGENDA

1 Election of Chairman

To elect a Chairman for the forthcoming year.

2 Apologies and Substitutions

To receive apologies for absence and notification of any substitutions.

3 Appointment of Vice-Chairman

To appoint a Vice-Chairman for the forthcoming year.

4 Disclosable Interests

Members are reminded that they must declare their disclosable pecuniary interests and other registrable or non-registrable interests in any matter being considered at the meeting as set out in Appendix B of the Members' Code of Conduct and consider if they should leave the room prior to the item being considered. Further advice can be sought from the Monitoring Officer in advance of the meeting.

5 Minutes of the Previous Meeting (Pages 1 - 6)

The minutes of the meeting held on 20th March 2026 are attached for confirmation, marked 5.

Contact: Sarah Townsend (01743 257721)

6 Public Questions

To receive any questions or petitions from members of the public, notice of which has been given in accordance with Procedure Rule 14. The deadline for this meeting is 12 noon on Monday, 15th June 2026.

7 Pensions Administration Monitoring (Pages 7 - 24)

The report of the Pensions Administration Manager is attached, marked 7.

Contact: Vicky Jenks (01743 252192)

8 Governance (Pages 25 - 102)

The report of the Pensions Administration Manager is attached, marked 8.

Contact: Vicky Jenks (01743 252192)

9 Corporate Governance Monitoring (Pages 103 - 142)

The report of the Pensions Investment and Responsible Investment Manager is attached, marked 9.

Contact: Peter Chadderton (07990 086399)

10 Exclusion of Press and Public

To consider a resolution under paragraph 10.2 of the Council's Access to Information Procedure Rules that the proceedings of the Committee in relation to Agenda Items 11 to 15 shall not be conducted in public on the grounds that they involve the likely disclosure of exempt information as defined by the categories specified against them.

11 Exempt Minutes of the Previous Meeting (Exempted by Category 3) (Pages 143 - 148)

The exempt minutes of the meeting held on 20th March 2026 are attached for confirmation, marked 11.

Contact: Sarah Townsend (01743 257721)

12 New Employers (Exempted by Category 3) (Pages 149 - 152)

The exempt report of the Pensions Administration Manager is attached, marked 12.

Contact: Vicky Jenks (01743 252192)

13 Investment Portfolio Update (Exempted by Category 3) (Pages 153 - 176)

The exempt presentation of Mr Luke Hammond, Aon, is attached, marked 13.

14 Investment Strategy Update (Exempted by Category 3) (Pages 177 - 206)

The exempt report of the Pensions Investment and Responsible Investment Manager is attached, marked 14.

Contact: Peter Chadderton (07990 086399)

15 Investment Monitoring - Quarter to 31 March 2026 (Exempted by Category 3) (Pages 207 - 250)

The exempt report of the Pensions Investment and Responsible Investment Manager is attached, marked 15.

Contact: Peter Chadderton (07990 086399)

16 Training Session on Understanding the Accounting and Audit Regulations

Immediately after the meeting, there will be a training session for Members of the Pensions Committee and Pensions Board on Understanding the Accounting and Audit Regulations, presented by Mr Jonathan Perera, Mercer. The presentation in relation to this will be circulated separately.

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Pensions Committee

19 June 2026

10.00 a.m.

MINUTES OF THE PENSIONS COMMITTEE MEETING HELD ON 20 MARCH 2026 10.00 AM - 12.00 PM

Responsible Officer: Sarah Townsend

Email: sarah.townsend@shropshire.gov.uk Tel: 01743 257721

Present:

Members of the Committee:

Councillors Gary Groves (Chairman), Alan Holford, Malcolm Myles-Hook and Charles Shackerley-Bennett

Co-Opted Members (Voting):

Councillors Paul Davis and Zona Hannington

Co-Opted Members (Non-Voting):

Tom Biggins, David Burton and Byron Cooke

Others Present:

Shropshire Council Officers:

Justin Bridges (Head of Pensions – LGPS Senior Officer), Peter Chadderton (Pensions Investment and Responsible Investment Manager), Vicky Jenks (Pensions Administration Manager) and Martin Griffiths (Pensions Governance and Communication Team Leader)

Aon:

Colin Cartwright and Luke Hammond

Grant Thornton:

Avtar Sohal (remotely via MS Teams)

LGPS Central:

Russell Oades

Independent Advisor to the Committee:

Philip Hebson

Pensions Board Members:

John Hall (remotely via MS Teams)

52 Apologies and Substitutions

There were no apologies for absence received.

53 Disclosable Interests

None were declared.

54 Minutes of the Previous Meeting

RESOLVED:

That the minutes of the meeting held on 5th December 2025 be approved and signed by the Chairman as a correct record.

55 Public Questions

There were no public questions.

56 Audit Plan for Shropshire County Pension Fund 2025/26

The Committee received the report of the External Auditor, Grant Thornton, which set out the Shropshire County Pension Fund Audit Plan for the year ending 31 March 2026. Mr Avtar Sohal, Engagement Lead on the Pension Fund, was in attendance virtually from Grant Thornton to present the report. In particular, Members' attention was drawn to the two significant risks identified, materiality and the audit logistics and the comments detailed therein.

It was confirmed that the audit plan would also be presented to a future meeting of the Audit Committee.

57 Pension Fund Treasury Strategy 2026/27

The Committee received the report of the Head of Pensions – LGPS Senior Officer which explained that Shropshire Council as the Administering Authority maintains a small working cash balance for the Pension Fund that is invested separately to the Council's own cash and is managed under the defined Treasury Strategy as set out within the report.

There were no questions from Members.

RESOLVED:

1. That authority be delegated to the LGPS Senior Officer to manage the Pension Funds day to day cash balances.
2. That the Pension Fund Treasury Strategy be approved.
3. That the LGPS Senior Officer be authorised to place deposits in accordance with the Pension Fund's Treasury Strategy.
4. That authority be delegated to the LGPS Senior Officer to add or remove institutions from the approved lending list and amend cash and period limits as necessary in line with the Administering Authority's creditworthiness policy.

58 Pensions Administration Monitoring

The Committee received the report of the Pensions Administration Manager which provided them with monitoring information on the performance of and issues affecting the Pensions Administration Team.

A question was asked regarding accessibility and whether the increase to 60% of members joining the digital platform My Pensions Online had resulted in a reduction of postal communications. The Pensions Administration Manger explained that postal communications were being incrementally reduced as more members moved online. However, the use of digital communication was not mandatory and some information would continue to be sent out by post as there would always be some members who would only ever receive communications this way due to them being unable to access digital services.

Concern was expressed regarding the accuracy of responses generated by Penny, the Pensions Bot, which could be accessed via the Fund's website with it noted that a proportion of responses were incorrect. The Committee were advised that monthly monitoring reports identified inaccuracies, enabling responses to be refined and where incorrect or incomplete responses occurred, these were escalated to Officers and directly followed up with the member concerned. It was noted that improvements, including the potential adoption of a more sophisticated bot, were under consideration.

The Committee requested that they be kept informed over the next twelve months regarding both the digital uptake and the Pensions Bot and were reassured that this monitoring data would continue to be included in future reports.

RESOLVED:

1. That the KPI chart and information on those KPI's not currently meeting the 95% target and the actions being taken to address this (Appendix A) be noted.
2. That the progress and completion of key activities from the business plan 2025-26 up to Q3 (Appendix B) be noted.
3. That the progress of the Pension Dashboard implementation which is provided in the update report (Appendix C) be noted.
4. That the regulatory updates coming up that will have a significant impact on the work of the team be noted.

59 Governance

The Committee received the report of the Pensions Administration Manager which provided them with information regarding regulatory breaches arising from 1st April 2025 to 31st December 2025 (Quarter Three) that have been recorded in the breaches log. Also reported were any stage one or stage two appeals that had been received under the internal dispute resolution procedure (IDRP). Finally, fund policies that had been reviewed in the last quarter and have been approved by Committee were also included within the report.

It was noted that the Governance report having previously been considered in the private section of the meeting, had been moved into the public section of the meeting

in order to improve transparency. It did not contain anything of a commercial, sensitive nature.

The Committee's attention was drawn to recommendation 3.1 of the report and they were informed that '30 September 2025' needed to be amended to read '31 December 2025'.

Regarding the Funding Strategy Statement (FSS), it was noted that there were a couple of items still highlighted yellow that needed to be updated and the Committee would be informed once this had been completed, prior to publishing on the Fund's website.

The importance of both Committee and Board members attending training was emphasised and where members were unable to attend, they were reminded of the need to watch the recording of the training to ensure compliance with governance standards.

Mr Thomas (Tom) Biggins was welcomed to his first Pensions Committee meeting as Pensioner Representative, having previously been Chairman of the committee for many years and brought a wealth of valuable knowledge and expertise.

A question was asked regarding the increase in amber breaches as shown in Appendix A and particularly, the spike in November 2025. The Pensions Administration Manager explained that the spike was attributable to a change in payroll provider affecting a multi-academy trust comprising twelve schools and that the issue had now been resolved. The breaches escalation process was outlined, with issues progressing from green to amber after three months and then to red where there was no interaction from an employer, at which stage the matter could be escalated further, including to the Pensions Regulator if necessary.

Regarding the introduction of the new sustainability reserve to improve contribution stability and reduce the risk of future increases, it was confirmed that this had been documented within the Funding Strategy Statement.

RESOLVED:

1. That the content of Appendix A to the report, breaches recorded from 1 April 2025 to 31 December 2025, be noted.
2. That the final draft of the Funding Strategy Statement (FSS) be approved.
3. That the Funds Medium Term Business Plan for 2026-29 be approved.

60 Corporate Governance Monitoring

The Committee received the report of the Pensions Investment and Responsible Investment Manager which informed them of corporate governance changes including the government's latest "LGPS - Fit for the Future" consultation and updates since the last committee together with a review of socially responsible investment issues arising in the quarter period 1st October 2025 to 31st December 2025.

Regarding the Palestine Solidarity Campaign (PSC) and investments in conflict affected areas, it was reported that further consideration of whether independent or

further legal advice was required remained ongoing at Scheme Advisory Board (SAB) level and with the Ministry of Housing, Communities and Local Government (MHCLG). In the meantime, the Fund continued to rely on existing independent legal advice confirming that its current approach was compliant and in line with its fiduciary duties.

Regarding the Pensions Bill and the Local Government Pension Scheme (England and Wales): Fit for the future consultation, the Committee were informed that, due to amendments still being considered in the House of Lords, it was now looking unlikely that the legislation would be in place by 1st April 2026. However, it was noted that the amendments did not alter the overall direction of travel on pooling and governance reform although, any delay would affect the issue of supporting guidance including the understanding of any constitutional changes needing to be made to the role of the LGPS Senior Officer and the impact of having an Independent Advisor to the Committee.

It was noted that the Fund had successfully maintained its status as a signatory to the Financial Reporting Council's (FRC's) Stewardship Code for a further twelve months.

There were no questions from Members.

RESOLVED:

1. That the position as set out in the report of the Pensions Investment and Responsible Investment Manager in respect of voting and engagement activity be noted and accepted:
 - LGPS Central at Appendix A;
 - Columbia Threadneedle Investments Responsible Engagement Overlay Activity Report at Appendix B; and
 - LAPFF Engagement Report at Appendix C.
2. That the changes to the Climate Stewardship Plan as a result of the Climate Risk Report presented in December 2025 be noted and accepted. The revised plan is attached as at Appendix E.

61 Exclusion of Press and Public

RESOLVED:

That under paragraph 10.2 of the Council's Access to Information Procedure Rules, the proceedings of the Committee in relation to Agenda Items 11 to 16, be not conducted in public on the grounds that they might involve the likely disclosure of exempt information as defined by the categories specified against them.

62 Exempt Minutes of the Previous Meeting (Exempted by Category 3)

RESOLVED:

That the exempt minutes of the meeting held on 5th December 2025 be approved and signed by the Chairman as a correct record.

63 New Employers (Exempted by Category 3)

The Committee received the exempt report of the Pensions Administration Manager which provided them with details regarding new academy admissions to the Fund under Schedule 2, Part 1 (20) of the LGPS regulations 2013.

RESOLVED:

That the recommendations as set out in the exempt report of the Pensions Administration Manager be noted.

64 Financial Markets Update (Including Equity Protection) (Exempted by Category 3)

The Committee received a presentation from Mr Luke Hammond, Aon, which provided them with a financial markets update (including equity protection).

65 Investment Strategy Update (Exempted by Category 3)

The Committee received a presentation from Mr Luke Hammond, Aon, which provided them with an investment strategy update.

66 Investment Strategy Implementation Update (Exempted by Category 3)

The Committee received the exempt report of the Pensions Investment and Responsible Investment Manager which provided them with an Investment Strategy Implementation update.

RESOLVED:

That the recommendations as set out in the exempt report of the Pensions Investment and Responsible Investment Manager be approved.

67 Investment Monitoring - Quarter to 31 December 2025 (Exempted by Category 3)

The Committee received the exempt report of the Pensions Investment and Responsible Investment Manager which provided them with monitoring information on investment performance and managers for the quarter period to 31st December 2025 and reported on the technical meetings held with managers since the quarter end.

RESOLVED:

That the recommendations as set out in the exempt report of the Pensions Investment and Responsible Investment Manager be approved.

Signed (Chairman)

Date:



Pensions Committee
Date 19 June 2026

Item

7

Public

Pensions Administration Monitoring Report

Responsible Officer:	Vicky Jenks
email: Vicky.jenks@shropshire.gov.uk	Tel: 01743 252192
Cabinet Member (Portfolio Holder):	

1. Synopsis

The report provides members with monitoring information on the performance of and issues affecting the pensions administration team.

2. Executive Summary

- 2.1. Detail is provided on team workloads and performance, and projects currently being undertaken, including Annual Benefit Statements and Pension Dashboards.
- 2.2. Information is also included on regulatory changes impacting on the work of the administration team.

3. Recommendations

- 3.1. Members are asked to note the KPI chart and information on those KPI's not currently meeting the 95% target and the actions being taken to address this. (Appendix A).
- 3.2. To note the progress of the Pension Dashboard implementation which is provided in the update report (Appendix C).
- 3.3. To note the regulatory updates are having a significant impact on the work of the team.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. Risk Management

Performance is considered and monitored to ensure regulatory timescales and key performance indicators are adhered to. Administration risks are identified and managed and are reported to committee on an annual basis.

4.2. Human Rights Act Appraisal

The recommendations contained in this report are compatible with the Human Rights Act 1998.

4.3. Environmental Appraisal

There is no direct environmental, equalities or climate change consequences of this report.

5. Financial Implications

- 5.1. Managing team performance, collaborating with other administering authorities, and making best use of the technology that is available to use ensures costs to scheme employers for scheme administration are kept to a minimum.

6. Climate Change Appraisal

- 6.1. Energy and fuel consumption: No effect
Renewable energy generation: No effect
Carbon offsetting or mitigation: No effect
Climate Change adaptation: No effect

7. Performance and Team Update

- 7.1. The team's output and performance level for the period 1 April 2025 to 31 March 2026, is attached at Appendix A. The chart shows that 10 of the 14 KPIs are achieving at least 95% of cases being completed by the legal time limits.
- 7.2 In February, we introduced a new process for distributing work within the Membership and Benefits team. Cases are now assigned based on individual skills and capacity, rather than alphabetically, where officers handled a mix of case types such as retirements, deaths and transfers. As the new process becomes established, we are seeing improvements in both allocation and completion rates. Older transfer cases are now being cleared, so overall case completions are increasing, although the KPI will take time to improve until the older cases are reduced.

- 7.3 However, scheme regulation changes taking effect from 1st April, including retrospective checks on certain cases, death grants, partner benefits, and the change to the SCAPE rate from 19 May, mean that some cases will need to be delayed until updated factors are available. This is likely to create a backlog, which will then need to be cleared once the factors and updates to the system are issued.

8. Staffing

- 8.1. Recent staffing changes have taken place within the administration team due to retirement, internal promotions, and maternity leave.
- 8.2. Neil Twidale, a valued member of the Systems and Employer Relations team for over 30 years, retired on 31st March. We extend our sincere gratitude for his dedication and commitment throughout his time on the team. This transition has enabled us to promote another team member, with the subsequent backfilling of this position also through promotion.
- 8.3. Martin Griffiths who recently joined the team as Communications and Governance Team Leader will be leaving on 30 June as he has been successful in gaining a position with Nottingham Pension Fund. We have advertised this post and have successfully appointed a replacement who will start in July.
- 8.4. Additionally, the membership and benefits team has established a new Pensions Officer role to manage the increased workload resulting from regulation changes effective from April.
- 8.5. We have appointed a new Helpdesk Officer to fill an existing vacancy and welcomed three new Pensions Assistants to address vacancies arising from maternity leave, promotions, and staff departures.

9. Communications

- 9.1. The following chart shows statistics on the work undertaken by the helpdesk team not covered by the workflow system or reported with the wider team statistics in Appendix A.
- 9.2. The helpdesk is the gate keeper of all initial enquiries received by the team; these enquiries are triaged and directed to another member of the team to complete. More general enquiries can be answered by the helpdesk.
- 9.3. Work is being done to streamline how enquiries are received and reduce delays that may be created by how these are prioritised.

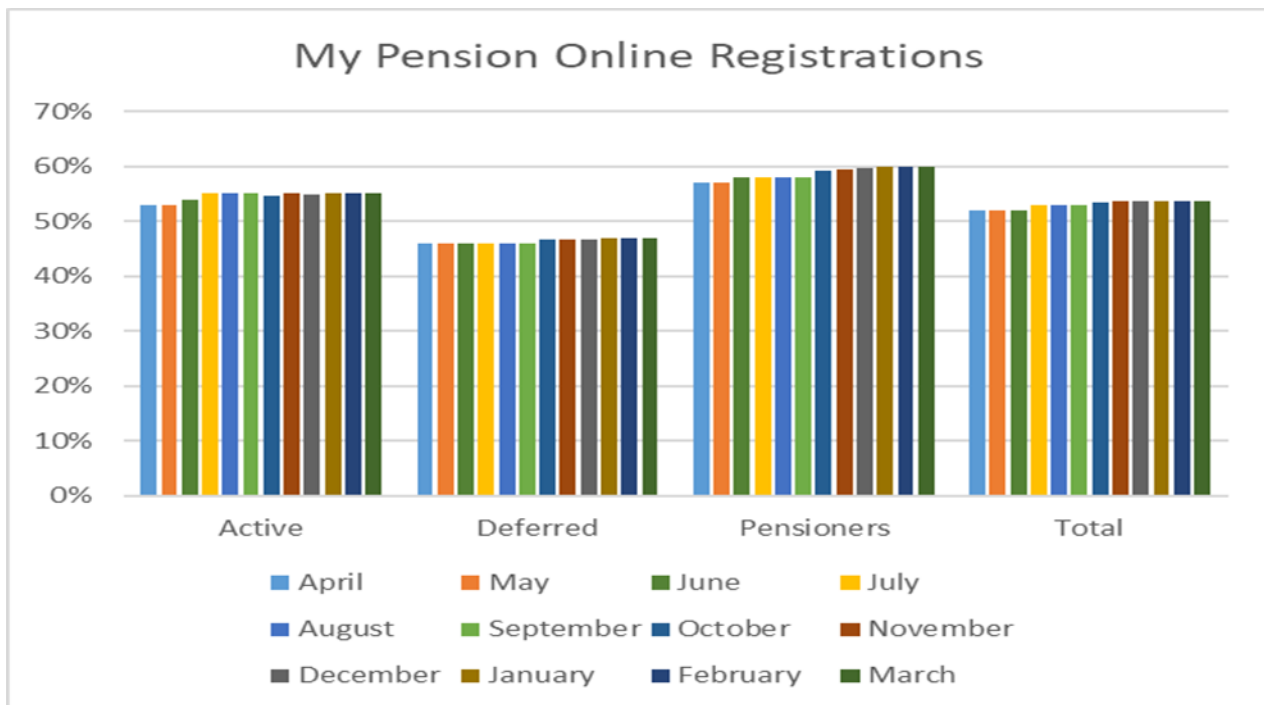
	April 25	May 25	June 25	July 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26
Telephone calls received to helpdesk	696	618	552	628	523	608	575	514	449	587	585	640
% of calls answered	94%	96%	97%	97%	95%	98%	97%	94%	94%	97%	96%	96%
Contact us forms and Emails received to pensions inbox	681	814	680	798	756	907	767	778	524	553	769	863
% responded to within 10 working days	100	100	100	100	100	100	100	100	100	100	100	100
My Pension Online activation keys issued	70	102	67	102	97	113	90	75	61	145	136	111
Incoming post received (items per day)	103	102	109	105	94	92	123	85	104	88	107	91
1-2-1 video meetings	11	5	4	6	5	4	2	4	3	5	11	7
Users visiting the website*	3,759	758	797	794	769	812	804	617	562	672	710	695

* Cookies has been accepted to track movement around website

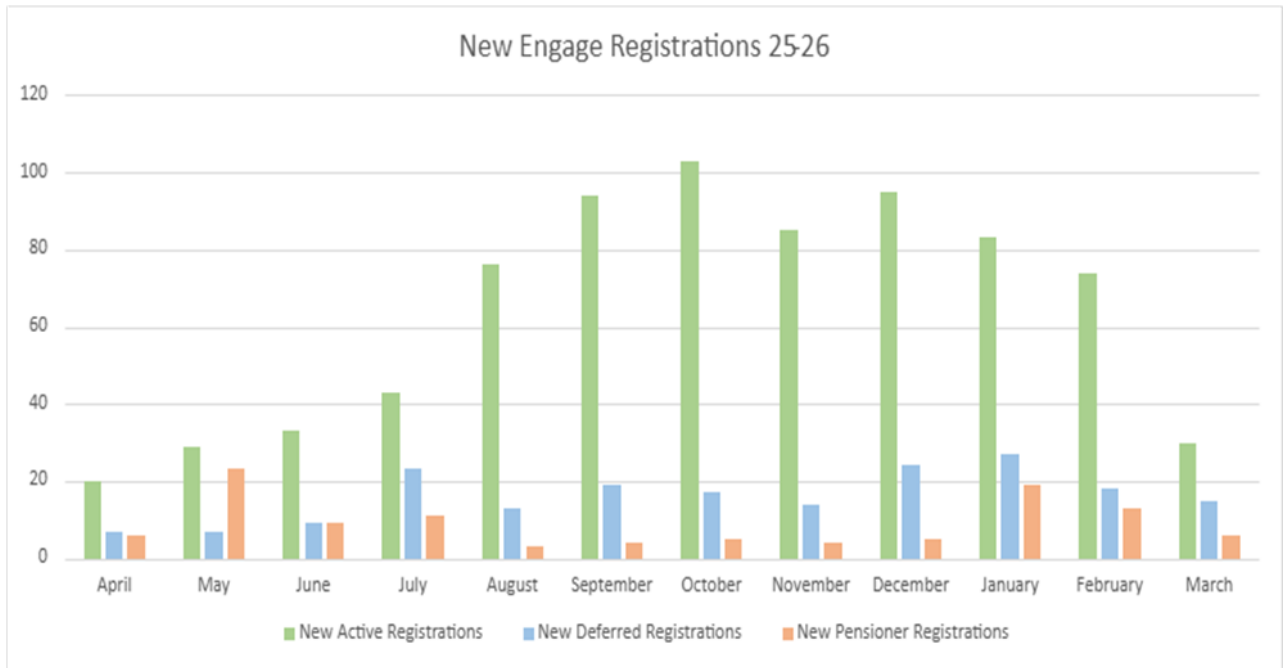
Penny the Pensions Bot achieved an average accuracy rate of 76% over the year, showing consistent support to members while highlighting scope for further improvement. The team are continually reviewing the questions asked and supplementing the information bank to enhance the quality of the responses provided.

2025/2026	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Questions submitted	96	99	116	81	113	133	119	147	75	70	70	109
Asked an expert	6	5	10	9	5	14	8	19	6	8	4	10
Accuracy %	83%	79%	83%	75%	78%	72%	73%	73%	73%	69%	75%	74%

9.4. The table below shows the percentage of members who have registered for ‘My Pensions online’ by the different member types in the fund. It’s encouraging to see that we are seeing a steady increase in the numbers registering for the service for active and pensioner members.



- 9.5. The chart below shows the number of new registrations we have received since April 2025. The spike in numbers correlates with campaigns where we have sent out information to members, i.e. May – Pensioner P60s are sent out, July to September, Annual Benefit Statements are sent to active and deferred members.
- 9.6. When an employee joins the pension scheme a new membership form is sent out with an instruction to set up the online account. This way we can then communicate with more members via digital communications, which is more effective and efficient.



10. Employer Performance

10.1. In line with the Shropshire County Pension Fund administration strategy, employers must pay their contributions and lump sum deficit payment by the 19th of the month. Accompanying data must also be submitted via i-Connect by this date. The below table shows the percentage of employers who have made payments by the deadline over this quarter.

10.2.

	i-Connect Submissions on time	Contributions paid on time	Lump sum deficit payments paid on time
April 2025	99%	99%	96%
May 2025	97%	100%	98%
June 2025	99%	99%	80%
July 2025	98%	98%	96%
August 2025	99%	98%	96%
September 2025	87%	98%	78%
October 2025	90%	98%	100%
November 2025	90%	97%	100%
December 2025	90%	97%	89%
January 2026	99%	99%	91%
February 2026	99%	99%	98%
March 2026	Not available	Not available	Not available
Average for the year	95%	98%	93%

10.3. We have been working with two employers who have changed their payroll provider. This has proved challenging as there have been issues with data supplied and delays with getting a satisfactory submission provided. The team are looking at creating an information guide for employers which will clearly set out the

requirements to help make this process smoother for both the Fund and employers.

10.4. Although the contributions have been received for those employers who have moved payroll provider, the difficulty has been the data uploads, and this is reflected in the table. One of the employers is a Multi Academy Trust with 12 schools treated separately for pension purposes, so the payroll moves make up 13 of the late submissions for September, October, and November. As of February 2026, both employers who have changed payroll provider are now up to date with their data submissions.

11. Projects

11.1. The fund's business plan for 2025/26 with comments on activities undertaken for 2025-2026 is available at Appendix B. All work that was scheduled for these quarters has been started and completed within the set timescales. The business plan for 2026-27 has been drawn up and an update for Q1 will be provided in September.

11.2. **Valuation** – Has now been completed, with all employers agreeing to their new rates and accepting the Funding Strategy Statement. New rates have been implemented from 1 April 2026 and will run through to 31 March 2029. The team will be monitoring the payments received from April to ensure the new rates are being implemented correctly. Work on the Investment Strategy Statement is underway, following this committee meeting it will be shared with both Board and Employers to gather any feedback before it is approved by Committee in September.

11.3. **Pension Dashboards** – See Appendix C for the latest project report. The annual address tracing project has commenced; we are working through the updates to member addresses and have introduced new processes to verify the information we have received. We have also been reviewing the data standards reporting requirements so that we can introduce the new processes into our workplans.

11.4. **Pensions Increase** – the team have now applied the annual increases applicable to member records. Pension members will see a part month increase for April as the increase is applied from the first Monday of the new tax year (6th April). We have also issued P60s and the Pensioner newsletter to our pensioner members.

11.5. **Year End** – the team are now working through the year end reconciliation of data and contributions received for all employers in the Fund. This work is normally completed towards the end of June. Once this is completed, we can then move on to start work on Annual Benefit Statements.

11.6. **Annual Benefit Statements** are sent out to all Active and Deferred members every year. This must be completed by 31 August, if 100% of statements are not sent out this must be reported to the Pensions Regulator. The team are on track for statements to be sent out to Deferred members by the end of July and Active statements will be sent by mid-August.

12. Regulatory updates Check Paragraph numbering below

12.1. The Access and Fairness scheme changes implemented from 1 April 2026, aim to make benefits fairer and more accessible for all members. Several updates will address equality issues:

- **Fairer Survivor Benefits:** Survivor pension rules are being updated so eligible spouses and civil partners are treated equally, regardless of when or which section you joined. Affected survivor pensions will increase.
- **Consistent Treatment:** Members with similar service will now receive the same benefits, eliminating past inconsistencies.

Effective Date: Changes start from 1 April 2026, with some updates backdated.

Key Changes:

- **Death Grants:** The age limit for death grant eligibility has been removed for deaths after 1 April 2014, including for those who died over age 75.
- **Faster Payments:** The previous two-year limit before a tax charge on Death Grants is removed.

Gender Pension Gap Remedies:

- Unpaid breaks under 15 days count towards your pension.
- You can buy back pension lost during unpaid breaks over 14 days, with employers able to contribute for absences over three years.
- The deadline to decide on buying back lost pension is extended from 30 days to one year if you remain employed.
- Child-related leave now includes unpaid maternity, adoption, and shared parental leave.

Further LGPS changes will be announced later this year.

Under disclosure requirements the fund must send out a notification to all effected members to notify them of the changes. This must be done within 3 months of the change. The team have planned and sent out notification of the changes to affected members. Information has been added to the website.

Access and Protections Consultation – We have received a partial response for changes listed in this consultation. Access to the LGPS for elected members came into force on 11 May 2026, the first Monday after the local elections. Councillors will need to opt into the scheme, and further information is available on the pension fund website. We expect further updates on other changes later in the year, including the increase in the normal minimum pension age from 55 to 57 in April 2028.

13. LGPS England & Wales Scheme Advisory Board (SAB) 2025/26 Board Annual Review

13.1. [The Board's 2025/26 Annual Review](#) has now been published. The review focuses on the Board's key workstreams in the past year and the expected workstreams for the year ahead. Amongst other topics, the future workstreams will include:

- assisting the Scheme with embedding the Fit for the Future investment, pooling, and governance changes
- increased engagement with pension committees and boards
- reviewing guidance for local pension boards
- undertaking peer support pilot events
- closing down the central Code of Transparency data system and launching a new Code of Transparency framework.

Pensions Committee: Administration and Regulatory Update March 2026

Local Member:

Appendices [Please list the titles of Appendices]

Appendix A – KPI tables Q4 2025-26

Appendix B – Business Plan Q4 2025-26

Appendix C – Dashboard Project update to May 2026

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Appendix A KPI table for the period April 2025 to March 2026

Category	Q1 Complete at End of Period Apr 25 to Jun25	Q2 Complete at End of Period Jul25 to Sep25	Q3 Complete at End of Period Oct25 to Dec25	Q4 Complete at End of Period Jan26 to Mar26	Legal target	Complete Within Legal Target Apr25 to Jun25	Complete Within Legal Target Jul25 to Sep25	Complete Within Legal Target Oct25 to Dec25	Complete Within Legal Target Jan26 to Mar26	Year average
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	145	103	84	147	2 months	99.3%	93.2%	92.1%	98.6%	95.8%
Communication issued confirming the amount of dependents pension	96	91	75	101	2 months	97.9%	96.7%	93.3%	97.0%	96.2%
Communication issued to deferred member with pension and lump sum options (quotation)	34	30	26	14	2 months	100.0%	100.0%	100.0%	100.0%	100.0%
Communication issued to active member with pension and lump sum options (quotation)	48	48	37	46	2 months	100.0%	100.0%	100.0%	100.0%	100.0%
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	243	198	124	226	2 months	98.4%	93.9%	97.5%	96.0%	96.5%
Communication issued to active member with confirmation of pension and lump sum options (actual)	102	131	102	125	2 months	99.0%	97.7%	98.3%	96.0%	97.8%
Payment of lump sum (both actives and deferreds)	322	324	243	306	2 months	99.1%	98.8%	99.1%	98.0%	98.8%
Communication issued with deferred benefit options	392	243	74	464	2 months	44.9%	57.6%	50.4%	52.4%	51.3%
Communication issued to scheme member with completion of transfer in	96	54	20	65	2 months	66.7%	79.6%	62.5%	32.3%	60.3%
Communication issued to scheme member with completion of transfer out	69	76	28	84	2 months	78.3%	88.2%	95.6%	79.8%	85.5%
Payment of refund	105	77	67	79	2 months	99.0%	98.7%	100.0%	96.2%	98.5%
Divorce quotation	22	24	17	27	2 months	100.0%	95.8%	100.0%	100.0%	98.9%
Member estimates requested by scheme member and employer	157	134	86	129	2 months	93.6%	97.8%	94.2%	94.6%	95.1%
Aggregation cases	269	375	313	497	2 months	89.2%	96.0%	96.4%	93.6%	93.6%
Grand Total	2100	1908	1296	2310						

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Pensions Administration & Investment Business Plan Update 25/26

Project Name	Context	Actions	June 2025 Update Q1		September 2025 Update Q2		December 2025 Update Q3		March 2026 Update Q4	
			Progress	Status	Progress	Status	Progress	Status	Progress	Status
Administration										
Year-end 2024/2025	All records to be checked from postings. All employer forms to be reconciled to total of monthly postings	Data cleansing to be undertaken following last i-Connect submission for March 2024. Reconciliation forms and communication to employers to be issued February 2024. Forms reconciled to accounts. Project completed by 30th June 2025.		Complete		Complete		Complete		Complete
Annual Benefit Statements 2025 (Active and Deferred)	All Annual Benefit Statements issued by 31 August	Project plan to be put in place by 31st March 2025. Statement preparation to commence following completion of year end processes.	Plan completed in Q1 and project completion will be Q2	G - On Track		Complete		Complete		Complete
Preparation of Pension Fund Annual Report 2025/2026	To produce annual report by statutory deadline of 1st December 2025	Project plan to be put in place by March 2025. Review new guidance when available. This will be compulsory from 2025. Draft version available to be signed off by September 2025 pension committee.	Majority of content gathered and formatted in Q1 and final version will be completed in Q2	G - On Track	Still awaiting report from Audit and a couple of other corrections.	G - On Track	Still awaiting report from Audit and a couple of other corrections.	G - On Track		Complete
SAB Good Governance Review Outcome	To demonstrate compliance with any recommendations/regulation changes put in place	Review guidance when available. Some of the recommendations were part of the Fit for the Future consultation and will be taken forward following the Government's response to this.	Having done a light touch review on recommendations, the Fund already has a number of these in place and will create an action plan.	Ongoing	Waiting for further information on the independent review.	Ongoing	MHCLG consultation (part 2 of Fit for the Future) closed 2 January, this covers off Good Governance recommendations, we will need to wait for final outcome from MHCLG before we can progress with this.	Ongoing	Regulations still outstanding but fund officers are reviewing requirements and external support required to identify gaps to create action plan to address these. (carry forward to 2026-27 plan)	Ongoing
McCloud Remedy	To implement the 1st October 2023 McCloud legislation and to ensure any guaranteed amounts are paid to protected members.	Ensure the system is configured to allow all calculations to perform the underpin calculation. All relevant documentation to be amended. Disclosure requirements to be met by 31st December 2023 due to the change in legislation. Rectification cases of past cases during the remedy period to be undertaken.	McCloud now forms part of business as usual for all future cases and the team are working through rectification cases to clear these by the end of March 2026. There is still ongoing system development and guidance for some of the rectification cases. Officers requested delegation from the Committee to extend the timeframe for these cases which was approved in June Committee.	G - On Track	Awaiting casual hours for the remaining five cases - will be completed by end of 2025. LGA have provided information on prioritisation.	G - On Track	Work on rectification cases continues and is due to be completed by August 2026	G - On Track	Further systems developments coming through later this year to enable completion of outstanding cases (carry forward to 2026-27 plan)	Ongoing
Review of Bonds (Employer guarantor)	For certain types of admitted bodies a Bond is required to provide an assurance that contributions can be collected in the event of an employer having financial difficulties	As part of the valuation process Bond values are reviewed. The administration team need to liaise with employers to ensure bonds are put in place and reviewed before they expire	All outstanding bonds prior to 01/04/25 have been put in place however, the review of bonds will form part of the valuation process.	G - On Track	All outstanding bonds prior to 01/04/25 have been put in place however, the review of bonds will form part of the valuation process.	G - On Track	All outstanding Bonds in place, results of valuation will lead to less Bonds being required for the next valuation period.	Complete	All outstanding Bonds in place, results of valuation will lead to less Bonds being required for the next valuation period.	Complete
External Audit of Pension Fund	Annual requirement	Providing information required within the agreed timescales.	Preparation work for the external audit began January 2025. The actual audit commenced first week of July and actions for this will be completed in Q2.	Ongoing	Presented to September Committee.	Complete	Presented to September Committee.	Complete	Work on 2026 Audit preparation has now began	Complete
Production of Pension Savings Statements	Comply with HMRC regulations	Identify the members who have breached the annual allowance. Provide a pension saving statement by the 5th October 2025 deadline.	Preparation and production of PSS commences in Q2.	Not Started	Nine PSS sent this year and one with taxable input.	Complete		Complete		Complete
Pensions Increase 2025	To ensure pensioners and deferred are uprated with annual increase amount	Bulk process to update the system with the confirmed CPI increase on 8th April 2025.	Completed and run in April 2025 with increase applied to Pensioners' records.	Complete		Complete		Complete	Pensions Increase 2026 kick-off meeting held 06/01/26	Complete
Pensions Dashboard Implementation	Implement in line with national guidelines by October 2026.	Implementation of the ISP in order to connect to Dashboards. Implementation of address tracing, mortality and bank account verification included as part of this project.	Phase 1 completed and Phase 2 being implemented. Mortality screening has been implemented. Address tracing and bank account verification is scheduled for Q2/3.	G - On Track	Looking at policy for Find Data and testing of data. AVC single source connection to be established.	G - On Track	New Governance and Communications Team Leader will be drawing up policy documents for Dashboard, work progresses for testing AVC single source.	G - On Track	A draft Dashboard policy has been created and being worked on in conjunction with South Yorkshire Pension Fund.	G - On Track
Bulk Revaluation	Annual CARE uprating to be applied to active records	Bulk process to be run after year end postings are complete in May/June 2025.		Complete		Complete		Complete		Complete
P60 to Pensioners	To produce a P60 for pensioner members by 31st May	Following year end 2024/25 payroll processes run P60 production in end March/April 2025.		Complete		Complete		Complete		Complete
Investment										
UK Stewardship Code	Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. The UK Stewardship Code 2020 comprises a set of 12 'apply and explain' Principles for asset owners. As part of the Fund's desire to demonstrate its good governance and stewardship of its assets, the Fund submitted its first report in October 2022. The Fund was successful in its submission and is now a signatory to the UK Stewardship Code. The Fund has received feedback from the FRC on its submission and the Fund will develop its submission following this feedback. The Fund will submit a report annually to the Financial Reporting Council ("FRC") to maintain its status as signatory to the Code. As part of the work on the Stewardship Code the Fund will review its approach to stewardship and engagement to ensure that it continues to meet the requirements of the Committee.	ESG monitoring is in place as part of business as usual. Resources have been allocated to review positions with Investment Managers annually to address any points. Lead Officer: Pensions Investment and Responsible Investment Manager	Work has commenced on Stewardship application for this year.	G - On Track	Draft went to September Committee and final version being circulated to members for submission by 31/10/25.	Complete	Application complete, we await results in Q1 2026	Complete		Complete
Triannual Valuation Results	Work with Actuary to prepare and consider the Actuarial valuation results. The next valuation date is the 31st March 2025 alongside the Fund's Funding Strategy Statement.	Regular update meetings are held with the Actuary. Communications will be issued to scheme employers in 2024/25 in respect of the valuation process. The Funding Strategy Statement has been updated as part of the 2022 valuation and will be reviewed and issued for consultation following the 2025 valuation. Lead Officer: Head of Pensions – LGPS Senior Officer	Regular meetings with Mercer and plan in place.	G - On Track	Regular meetings with Mercer and plan in place. Results expected end of October and Employer Meeting 24/11/25.	G - On Track	Employer meeting held on 24 November with an excellent turn out from Fund employers. Funding Strategy Statement (FSS) is out for consultation and has been shared with DoF, Committee and Fund Employers. Employers need to sign off new rates by 31 January 2026, consultation on FSS also closes on this date	G - On Track	Valuation sign off March Committee, all rates agreed by employers and implemented from 1 April 2026	Complete
Covenant Review	Work with Actuary to review Employer covenants on an annual basis to monitor risk to fund.	Meetings have been held with Actuary to discuss employers subject to review and the terms and reference of the reviews. Lead Officer: Pensions Investment and Responsible Investment Manager	Information to be requested from employers as at the end of July.	G - On Track	Data has been provided to Mercer for inclusion in the Valuation. Not yet seen the outcome.	G - On Track	Data has been provided to Mercer for inclusion in the Valuation. Not yet seen the outcome.	G - On Track	review complete	Complete

Pensions Administration & Investment Business Plan Update 25/26

Project Name	Context	Actions	June 2025 Update Q1	September 2025 Update Q2	December 2025 Update Q3	March 2026 Update Q4
Climate Change Risk	The Fund issues an annual climate risk report and TCFD report as part of its commitment to net zero. In addition, the Fund supports these reports by undertaking Climate scenario analysis on a bi-annual basis to ensure that developments in this field are fed into ongoing analysis.	Climate Risk reports and TCFD reports have been commissioned with LGPS Central. Alternative Investment managers ESG policies and progress on Climate Risk monitoring are reviewed periodically with a view to establishing full portfolio monitoring. Lead Officer: Pensions Investment and Responsible Investment Manager	Provisional dates have been agreed with LGPS Central for data provision. G - On Track	Provisional dates have been agreed with LGPS Central for data provision. Climate training agreed for 21/11/25. G - On Track	Climate training was delivered in November 2025 as planned. Climate reports for 2025 have been made available on Pension Fund Website. G - On Track	complete Complete
Biodiversity Risk	The Government is currently consulting on TNFD (Taskforce for Nature related Financial Disclosures). The Fund is monitoring the position and discussing potential data sources with investment managers and other Funds with a view to be able to report in a similar context to TCFD on climate.	Discuss the format of TNFD reports with LGPS Central to establish what can be accurately reported. Consider integration of Biodiversity risk into climate change strategy as whilst different risks there is an underlying fundamental link. Liaise with Investment Managers with a view to establishing full portfolio monitoring. Lead Officer: Pensions Investment and Responsible Investment Manager	Still awaiting guidance on TNFD reporting within the LGPS. Y - On Hold	Natural Capital as an asset class is still to be developed by LGPS Central and remains on hold as they deal with fit for the future. Y - On Hold	Natural Capital as an asset class is still to be developed by LGPS Central and remains on hold as they deal with fit for the future. Y - On Hold	Y - On Hold
Investment Strategy Statement	The Fund sets a triannual investment strategy which was last reviewed in June 2023 and the Fund is currently working on transition plans to meet the new strategic asset allocation. The investment strategy review took place concurrently with the review of the Funding Strategy Statement in 2022/23. The outstanding actions now are implementing the agreed changes to the investment strategy. The implementation of the revised investment strategy will occur over a period to manage transition risks.	Reports on the Investment transition to meet the new ISS were presented to Pensions Committee in September 2023. The transition will take approx. 18 to 24 months to fully implement given some of the illiquid asset classes involved. A full timetable is in place and Pensions Committee will be updated on a quarterly basis of major changes. Lead Officer: Head of Pensions – LGPS Senior Officer	Quarterly update taken to June Committee and will continue to be monitored quarterly pending the valuation results. G - On Track	Quarterly update taken to June Committee and will continue to be monitored quarterly pending the valuation results. Training will be provided in the new year following the valuation results. G - On Track	Quarterly update taken to December Committee and will continue to be monitored quarterly. Strategy training will be provided in the new year following the valuation results. G - On Track	training delivered to board and committee through January and February. Updated investment strategy will be presented to Committee in June for sign off G - On Track
Pooling	The Fund works directly with LGPS Central to ensure that appropriate products are available to meet future investment requirements and allow transition from legacy managers as investments mature. Following the General Election, the new Pensions Minister has instigated a pensions review with phase 1 including the Local Government Pension Scheme, in particular the pooling of investments. The recommendations to this will be known towards the end of 2024	The Fund Continues to work with LGPS Central to ensure that appropriate investment vehicles are available to allow the transfer of the Funds uncommitted assets. The transition of illiquid assets will continue to be reviewed based on maturity profiles and investment opportunities available. The Fund has responded to the consultation on moving pooling forward. Lead Officer: Head of Pensions – LGPS Senior Officer	Fit for the Future consultation results have been received and reported to Committee. Fund will work with LGPS Central in Q2 to establish position and requirements. G - On Track	Update report provided to September Committee. Work continues on integration of new partner funds to LGPS Central. G - On Track	Update report provided to September Committee. Work continues on integration of new partner funds to LGPS Central. G - On Track	working towards transfer to LGPS Central from 1st April G - On Track

Project Highlight Report

Pensions Committee



Project Name:	Pensions Dashboard	Report Number:	008
Period	March to May 2026	Date Completed:	29/05/2026
Completed By:	Jake Glover Senior Pensions Project Officer		

TREND SINCE LAST REPORT	On Track
CURRENT STATUS	Green
EXPECTED STATUS AT NEXT REVIEW	Green

Previous progress	Progress made this period
<ul style="list-style-type: none"> An ISP (Integrated Service Provider) has been procured and signed off by Legal. Monthly meetings are in place for the Pensions Admin Manager, Team Leaders, and Senior Pensions Project Officer. Vicky and Jake have completed all the required invitations to tender documentation, and this has been released to providers. Risks, Issues and Decisions reviewed at November project catch-up. Member Data Tools Invitation to Further Competition to run until 28th November for providers to submit bids for each lot. Review provider bids for Member Data Tools and carry out scoring. Contract to be awarded on 18/12/24. Contract awarded to Heywood Pension Technologies for the data tools software. ISP DPIA reviewed and signed off by Information Governance. Complete User Acceptance Testing (UAT) for phase 1 implementation of the ISP. UAT acceptance issued and signed off. Project kick-off call booked for 6th March for the Data Tools implementation project. Implementation study issued for Mortality Screening, signed and returned. Mortality Screening testing is completed, and a meeting to be booked with Heywood to discuss the next steps for the project. 	<ul style="list-style-type: none"> A draft Dashboard policy has been created and being worked on in conjunction with South Yorkshire Pension Fund. This is being shared with Debbie w/c 11/05/26. Dashboard policy and Matching Criteria policy to be shared with Committee possibly in December.

- Mortality Tracing go live was delayed on the Heywood side and some extra workflow needed to be put in place for Status 9 records. Went live on 04/06/25.
- ISP Phase 2 kick-off call booked in for 16/07/25. The questionnaire and connection template completed and sent back to Heywood ahead of the call.
- ISP Phase 2 implementation completed, and connection confirmation signed and returned. Project closure call held 07/08/25.
- AVC template has been shared with Heywood, awaiting a response re costings.
- First mortality tracing completed.
- Bank Account Verification is in Live however there are issues with the number of errors and referrals. This has been fed back to Heywood and another fund has been contacted.
- Address tracing kick-off call has been booked for 12th November with Heywood.
- AVC single source data:
 - **Upmost** have sent across an encrypted file which has been checked and confirmed. This will be sent annually.
 - **Prudential** have sent across a test file through their Secure File Transfer Protocol (SFTP). This has all been setup and members of the Systems team are able to access this.
- Heywood have finalised testing on their AVC interface for Altair having discovered issues with the Managed File Transfer (MFT) for AVC uploads. This has been deployed to Altair Test (07/11/25) with a handover email containing information required. The Systems team will ensure it is working prior to it being deployed to Altair Live.
- AVC process has now been tested end to end from receiving a file from Prudential to uploading and viewing in Altair. Small issue with regards the date format in the Prudential file however, Systems team found a simple fix for this.
- All the testing has been completed for the address tracing and we're waiting on a date for it to go into live. We've had a call with Heywood to clarify the filtering on the Insights reports to get the High matches. Decisions need to be made on what to do with these with regards to a letter to the member. Further decisions to be made on medium matches but low matches will be ignored - so rejected. However, the data for rejected cases still stays on a data view on the records so this is being raised with

Heywood. Only High matches will update the address data view.	
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Slippage and Remedial Action

- ~~• Mortality screening delayed due to staff shortages at Heywood; this has delayed implementation of address tracing as we have now hit the valuation project which the team need to focus on.~~
- ~~• After escalating this with CRM eventually went live 4 June 2025.~~
- ~~• Implementing the Address Tracing module and the AVC interface have been delayed due to Heywood staffing pressures and not as a result of any delays/issues within the Fund.~~
- ~~• Continued delays with the AVC interface in Altair as Heywood are investigating some issues.~~
- There is an issue with error messages coming from the dashboard from the AVC update. Heywood have now raised this as a problem.
- Address tracing isn't live and working as there is an issue with the results and this is back with Heywood to resolve.

Key Risks and Issues

R/I	Detail	Rating	Open / Closed
R	Suitable ISP is not obtained and so can not connect to dashboard	Very Low	Closed
R	Data quality is low, leading to poor matching criteria and members having to contact the fund to find their pension (rather than finding it directly through the dashboards)	Low	Open
R	Procurement of new tracing and mortality screening provider (gap in service as current provider current ends in September)	Very Low	Closed
I	Decide on implementation dates	N/A	Closed
I	How do we resource queries from Dashboard to reduce the team being overwhelmed and to meet required timescales	N/A	Open
I	What to use for Find Data and how AVC information will be accessed	Medium	Closed
R	ISP connection deadline not met	Low	Closed
R	Having adequate resource to deal with any additional work created	Medium	Open
I	Delays with the AVC interface	Medium	Closed
I	Delays with Address Tracing implementation (10/04/26 Reopened this issue as per point above)	Medium	Open

1	Error messages being received from the Dashboard for AVC updates	Medium	Open
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High Level Milestones

Action	Date Completed / Target Date	Status	Comments
Procure ISP	19/08/2024	Complete	ISP procured and approved.
Data Tools Procurement	February 2025	Complete	Procurement complete and contract awarded
ISP UAT	March 2025	Complete	UAT acceptance issued and signed off
Mortality Screening	June 2025	Complete	Module went live following a delay on the Heywood side
Data Tools Implementation	April/May 2025	Complete	Address Tracing to commence November – delayed due to staff pressures at Heywood working on the ISP
ISP Phase 2	July/August 2025	Complete	
Single Source File connection with Prudential	September/October 2025	Complete	Connection made to the Prudential SFTP and test file gained
Single Source Solution Testing with Heywood	September/October 2025	Complete	Implementation dates slipped due to issues with the Heywood Altair interface. AVC solution now in place in Altair Test however, issues being investigated by Heywood so not yet deployed to Live.
Address Tracing	January/February 2026	Slipping	Tested end to end with one issue that has been resolved.
Dashboard Policy	September/October 2025	On Track	This will be looked at once Martin starts in January. Matching criteria decided and agreed
Bank Account Verification	September 2025	Complete	



Date 19 June 2026

Item

8

Public

Governance Report

Responsible Officer:	Vicky Jenks		
email:	Vicky.jenks@shropshire.gov.uk	Tel:	01743 252192
Cabinet Member (Portfolio Holder):			

1. Synopsis

- 1.1. This report provides information regarding regulatory breaches arising from 1 April 2025 to 31 March 2026 that have been recorded in the breaches log. (Appendix A).
- 1.2. This report will also inform the Committee of any stage 1 or stage 2 appeals which have been received under the internal dispute resolution procedure (IDRP).
- 1.3. Fund officers have a review cycle for fund policies, policies that have been reviewed in the last quarter and require approval by Committee with also be included in this report.

2. Executive Summary

- 2.1. There have been no breaches recorded this quarter which the fund has deemed 'materially significant' to require reporting to the Pensions Regulator.
- 2.2. **4** IDRP cases have been received and completed up to 31 March 2026.
- 2.3. Fund Officers have reviewed and updated several Policies examined the Conflicts of Interest Policy (Appendix B) and have incorporated references to members of the Pensions Committee. This inclusion aligns with good governance recommendations, which require that funds establish their own policy instead of relying solely on the Administering Authority's policy.
- 2.4. The Fund has established a specific retention policy for data that is maintained for the purpose of providing pension benefits. (Appendix C)

- 2.5. Fund Officers have revised the data improvement strategy and work plan and policy for 2025-2027, considering the tasks needed to update member addresses in preparation for the pensions dashboard. (Appendix D)
- 2.6. Fund Officers have reviewed the Communications Policy and updated the document to reflect new and current practices. (Appendix E)
- 2.7. As part of the annual review process, the Reporting Breaches Policy has been reviewed and no updates were required.

3. Recommendations

- 3.1. Members are asked to note the content of Appendix A; breaches recorded from April 2025 to March 2026
- 3.2. The Committee is asked to approve the following fund policies:
 - Conflicts of Interest Policy (updated) (Appendix B)
 - Data Retention Policy (new) (Appendix C)
 - Data improvement Strategy and workplan 2025-27 (updated) (Appendix D)
 - Communication Policy (updated) (Appendix E)

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1. Risk Management
By ensuring the policies and legislation mentioned in this report are followed and adhered to, the risks to the fund are minimised. A reporting breaches document is in place which explains the procedure to report any breaches deemed 'materially significant,' to the Pensions Regulator. Members should refer to this policy which can be found on the fund's website.
- 4.2. Human Rights Act Appraisal
The recommendations contained in this report are compatible with the Human Rights Act 1998.
- 4.3. Environmental Appraisal
There is no direct environmental, equalities or climate change consequences of this report.

5. Financial Implications

- 5.1. By ensuring good internal controls are in place to monitor when the regulatory requirements are not met by either the fund or employers, the risk of being fined by the Pensions Regulator is minimised.

6. Climate Change Appraisal

- 6.1. Energy and fuel consumption: No effect
- Renewable energy generation: No effect
- Carbon offsetting or mitigation: No effect
- Climate Change adaptation: No effect

7. Recording Breaches

- 7.1. Section 70 of the Pensions Act 2004 imposes a requirement on the following persons to report a breach of law:
 - a trustee or manager of an occupational or personal pension scheme
 - a member of the pension Board of a public service pension scheme
 - a person who is otherwise involved in the administration of such an occupational or personal pension scheme
 - the employer in relation to an occupational pension scheme
 - a professional adviser in relation to such a scheme; and
 - a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme.
- 7.2. A breach must be reported to The Pensions Regulator as soon as is reasonably practicable where that person has reasonable cause to believe that a legal duty relating to the administration of the scheme has not been/or is not being complied with, and where the failure to comply is likely to be of material significance to the Pensions Regulator.
- 7.3. Breaches recorded for scheme employers from 1 April 2025 to 31 March 2026 are detailed in Appendix A. Most of these breaches concern late data submissions, from employers transitioning to new payroll providers. We have been actively collaborating with the affected employers to facilitate satisfactory data submissions following these changes; however, delays have arisen due to challenges with data received from previous payroll providers. Where delays have persisted for longer than 6 months or more than 6 times in a 12-month period these are shown as red breaches. These have not been reported to The Pensions Regulator but have been escalated with the scheme employer.
- 7.4. No breaches have been recorded for the fund for 1 April 2025 to 31 March 2026
- 7.5. No breaches have been recorded on behalf of the Pension Committee and Pension Board in the period 1 April 2025 to 31 March 2026.

8. Internal Dispute Resolution Procedure

- 8.1. Regulations 72 to 79 of the Local Government Pension Scheme Regulations 2013 set out the formal dispute procedure. The complaints procedures official name is the Internal Dispute Resolution Procedure (IDRP).

- 8.2. The fund has received notification from an employer of 4 stage one appeals under IDRPs up to the end of 31 March 2026. These have all been upheld and relate to the decision to not pay pension benefits on ill health grounds by an employer in the fund.

9. Valuation Report

- 9.1. The fund valuation report has now been made available on the fund website [SCPF Valuation Report](#). It outlines the factors considered during the actuarial valuation as of 31 March 2025 and explains the decisions that were made. The purpose of the actuarial valuation is to allow the Administering Authority to:

- Assess the expected cost of benefits earned by members up to the valuation date (“liabilities”) and compare this to the assets held by the Fund.
- Decide the contributions needed to pay for future benefits being built up by active members and other running costs (the “Primary Contribution Rate”).
- Develop a suitable strategy to achieve and maintain full funding, 100% solvency—if the Fund’s assets do not match its liabilities. This includes specifying the amounts needed (the “Secondary Contribution Rate”) and the period over which these payments will be made (the “Recovery Period”).

10. Policy updates

Communication Policy

- 10.1. The Communication Policy has been reviewed and updated. Changes have been made to reflect advances in our communication methods. These include increased use of email communications and online training. There have also been developments to the member online platform and general improvements in making the policy clearer to follow by all our stakeholders.

- 10.2. The committee is asked to approve the updates to this policy.

Conflicts of Interest Policy

- 10.3. Local Government Pension Scheme (LGPS) administering authorities, as well as advisers to LGPS funds, have always faced conflicts of interest. This is because many individuals involved in managing or advising LGPS funds hold various other positions, such as being a Scheme member, serving as an Elected Member of an employer within the LGPS, or acting as an adviser to multiple LGPS authorities. Additionally, any of these people may have personal, business, or other interests that could potentially conflict—or appear to conflict—with their responsibilities regarding LGPS funds.

- 10.4. The policy was revised based on the Good Governance review's recommendations to include the responsibilities of Pension Committee members

within the Fund's specific policy, instead of relying solely on the Council Constitutions.

10.5. The committee is asked to approve the updates to this policy.

Data Improvement Strategy and Workplan

10.6. This document summarises the key issues from the fund's 2025 Data Quality review and the planned actions for the next two years. The objectives are to improve member record accuracy, boost data quality scores, and prepare for the Pensions Dashboard launch. Steps include ensuring correct member records, filling data gaps like missing addresses, and minimising historical Deferred Refund records.

10.7. The plan will be reviewed on a regular basis to monitor progress and completion of improvements.

10.8. The Committee is asked to approve the strategy and workplan.

New Policy

Data Retention Policy

10.9. The Fund, as a data controller, must adhere to data minimisation and storage limitation principles following data protection laws. Personal data must be adequate, relevant, and restricted to what is necessary, and should only be kept for as long as it serves its intended purpose. Some records are kept either due to legal requirements or because they may be needed later, such as for calculating benefits or handling possible legal claims within the statutory time limit. This policy provides an overview of how the Fund manages personal data in compliance with these standards, rather than relying exclusively on the Council's policy.

10.10. The committee is asked to approve this policy.

11. Fit for the Future – New Governance Requirements

11.1. Fund Officers have been engaging with advisors to address the necessary actions for the Fund in response to the updated governance requirements introduced by the Fit for the Future regulatory changes which have now been passed.

11.2. A workplan is being developed, with updates provided to the committee at future meetings. Here is a simple timeline of requirements:

Date / Deadline	Requirement	Key Action
1 April 2026	Pool standards expected	Finalise agreements
30 June 2026	Regulations in force	Start compliance + review guidance
30 Sept 2026 (ongoing expectation)	Strategy development phase	Prepare investment strategy
31 Dec 2026	Senior Officer + Independent Person	Appoint roles
Within 3 months of pool entry	Assets pooled	Complete transition
31 March 2027	Investment strategy deadline	Publish ISS
30 Sept 2027	Pool AIFM status	Ensure compliance
Every 3 years	Independent Governance Review	Procure independent advisor to complete review before next valuation (2028)

11.3. The fund already has an LGPS Senior Officer, but work needs to be done to update the Council's constitution to recognise this role within the Council structure.

11.4. Work is underway on the review and updating of the Investment Strategy, with a draft version being presented to committee.. Following this the strategy will be shared with The Local Pension Board and scheme employers before returning to committee for approval later in the year.

11.5. We await further guidance regarding the Independent Governance Review (IGR) before we look to procure a provider for this.

12. Training

12.1. A survey was issued to both Committee and Board members on the 24 February 2026 to gather information on the level of knowledge across administration, investments, and governance. Fund Officers have reviewed training needs for this year and have planned training accordingly to support both the Board and Committee.

12.2. It is extremely important that all members of the Committee and Board attend the training that is provided to them, as this is essential to support in the understanding and decision-making process. Fund Officers record attendance and completion of training and this is reported in the fund's annual report and to both Chairs so that any issues with attendance can be addressed.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Governance Report March 2026

Local Member:

Appendices

Appendix A - Record of Breaches April 2025 to March 2026

Appendix B – Conflicts of Interest Policy June 2026

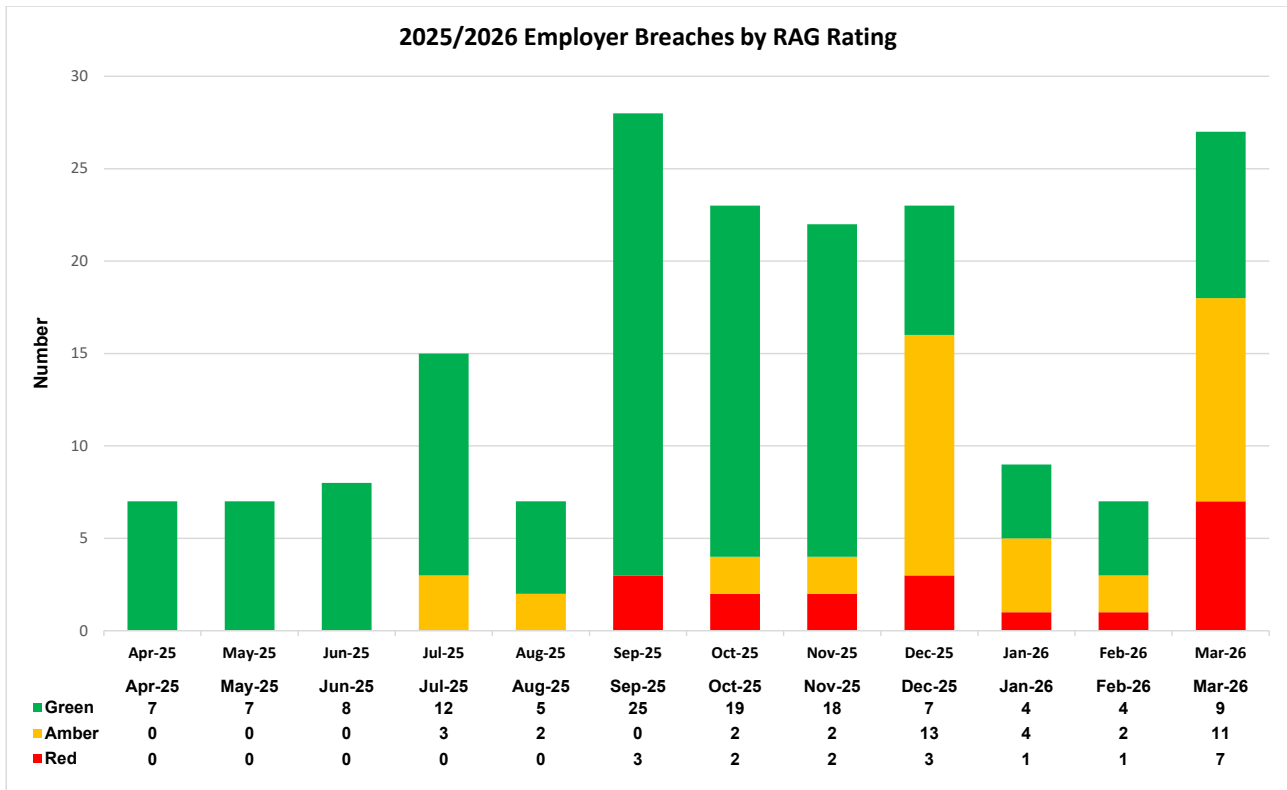
Appendix C – Data Retention Policy June 2026

Appendix D - Data improvement Strategy and workplan 2025-27

Appendix E - Communication Policy

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2025/2026 Employer Breaches by RAG Rating



RAG ratings for deciding whether or not to report to TPR

	Where the cause, effect, reaction and wider implications of a breach, when considered together, are likely to be of material significance, the breach is 'red'. These must be reported to the Pensions Regulator
	Where the cause, effect, reaction and wider implications of a breach, when considered together, may be of material significance, the breach is 'amber'.
	Where the cause, effect, reaction and wider implications of a breach, when considered together, are not likely to be of material significance, the breach is 'green'. These should be recorded but do not need to be reported.

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Conflict of Interest Policy

Approved by Pensions Committee XXXX





Contents

Introduction	4
Objectives of the Policy	4
To whom this Policy applies	6
Recognised behavioural principles	7
Specific requirements.....	7
Conduct at meetings	8
What is a Conflict or Potential Conflict and how will they be managed?	9
Minor gifts	10
Responsibility	10
Additional areas of conflict- Administering Authority and the Council	10
Additional areas of conflict- Administering Authority and LGPS Central.....	11
Operational procedure for Officers, Pensions Committee members and Local Pension Board members.....	12
Operational procedure for Advisers	13
Monitoring and reporting	13
Key risks	13
Costs.....	14
Approval, review and consultation	14
Contact details.....	16





Introduction

Conflicts of interest have always existed for Local Government Pension Scheme (LGPS) administering authorities as well as for advisers to LGPS funds.

This reflects the fact that many of those managing or advising LGPS funds will have a variety of other roles and responsibilities, for example as a member of the Scheme, as an Elected Member of an employer participating in the LGPS, or as an adviser to more than one LGPS administering authority. Furthermore, any of those persons may have an individual personal, business, or other interest which might conflict, or be perceived to conflict, with their role in managing or advising LGPS funds.

The Public Services Pensions Act 2013 defines a conflict of interest as “a financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the Scheme or any connected Scheme).”

It is accepted that LGPS administering authorities have both fiduciary and public law duties to act in the best interest of both the Scheme beneficiaries and participating Scheme employers. This, however, does not preclude those involved in the management of the Fund from having other roles or responsibilities which may result in an actual or potential conflict of interest. Accordingly, it is good practice to document how any such conflicts or potential conflicts are to be managed.

Objectives of the Policy

This is the Conflicts of Interest Policy of the Shropshire County Pension Fund which is administered by Shropshire Council. The policy details how actual and potential conflicts of interest are identified and managed by those involved in the management and governance of the Fund whether directly, or in an advisory capacity. The Conflicts of Interest Policy is provided to guide the Pensions Committee members, Local Pension Board members, officers, and advisers. Along with other constitutional documents, including various Codes of Conduct, it aims to ensure that those individuals do not act improperly or create a perception that they may have acted improperly. It is an aid to good governance, encouraging transparency and minimising the risk of any matter prejudicing decision making or management of the Fund.



The Fund's objectives, as they relate to the governance of the Fund are:

- To meet the highest standards of Governance and demonstrate key principles of transparency and accountability in the management of the Fund through clear responsibilities and reporting.
- To have an appropriate Investment Strategy, which balances risk and reward and is consistent with the Funding Strategy Statement.
- To ensure that sufficient funds are available to meet the pension liabilities, as they fall due for payment.
- To ensure robust governance arrangements are in place, to facilitate informed decision making, supported by appropriate advice, policies, and strategies.
- To ensure the Fund is managed and its services delivered by those who have appropriate knowledge and expertise.
- To act with integrity and be accountable to stakeholders for all decisions, ensuring they are robust, soundly based and do not unreasonably favour one group of stakeholders over another.
- To comply with the appropriate legislation and statutory guidance, and act in the spirit of other relevant guidelines and best practice guidance.
- To clearly articulate the Fund's objectives and how those objectives will be achieved through business planning, and continually measure and monitor success against those objectives; and
- To deliver an efficient and effective pensions and financial administration service, which provides excellent value for money.
- The identification and management of potential and actual conflicts of interest is integral to the Fund achieving its governance objectives which are set out above.



To whom this Policy applies

This Policy and the issue of conflicts of interest in general must be considered considering everyone's role, whether this is a management, advisory or assisting role.

This Conflicts of Interest Policy applies to:

All members of the Pensions Committee and the Local Pension Board, including Scheme member and Scheme employer representatives, whether voting members or not

All employees of Shropshire Council involved in the management, administration, and governance of the Fund; and

All advisers and suppliers to the Fund, whether advising the Pension Board, Pensions Committee or Fund officers, in relation to their role in advising or supplying the Fund. In this Policy, reference to advisers includes all advisers, suppliers and other parties providing advice and services to Shropshire County Pension Fund in relation to Pension Fund matters. This includes but is not limited to actuaries, investment consultants, independent advisers, benefits consultants, third party administrators, fund managers, lawyers, custodians, and Additional Voluntary Contribution providers. Where an advisory appointment is with a firm rather than an individual, reference to "advisers" is to the lead adviser(s) responsible for the delivery of advice and services to Shropshire County Pension Fund rather than the firm as a whole. In accepting any role covered by this Policy, those individuals agree that they must:

- Acknowledge any potential conflict of interest they may have
- Be open with Shropshire County Pension Fund on any conflicts of interest they may have
- Adopt practical solutions to managing those conflicts; and
- Plan and agree with Shropshire County Pension Fund how they will manage any conflicts of interest which arise in future.

The procedures outlined later in this Policy provide a framework for assisting everyone to meet these requirements.



Recognised behavioural principles

The Seven Principles of Public Life, otherwise known as the ‘Nolan Principles’ apply to anyone who works as a public office holder delivering public services. Many of the principles are integral to the successful implementation of this Policy. These principles are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Specific requirements

Pensions Committee Members

In addition to the requirements of this Policy, Pensions Committee members and co-opted members are required to adhere to the Shropshire Council Members’ Code of Conduct which includes requirements in relation to disclosable pecuniary interests.

Local Pension Board Members

In addition to the requirements of this Policy, Local Pension Board members are required to adhere to Terms of Reference of the Local Pension Board which includes declaring any interests that may lead to a conflict situation.

Employees

In addition to the requirements of this Policy, officers of Shropshire Council are required to adhere to the Shropshire Council Officers’ Code of Conduct which includes requirements in relation to disclosable pecuniary interests.



Advisers and Suppliers

Will be required to meet professional standards relating to the management of conflicts of interest, for example, the Fund Actuary will be bound by the requirements of the Institute and Faculty of Actuaries.

Any protocol or other document entered into between an adviser and the Administering Authority in relation to conflicts of interest, whether as a requirement of a professional body or otherwise, should be read in conjunction with this policy.

The Fund appoint its own advisers and suppliers. How conflicts of interest will be identified and managed should be addressed within its contractual agreements with those advisers and suppliers. In addition, the following requirements will apply:

- Where the Fund's advisers are asked to give advice to the Council or other Scheme employer, or to Scheme members or Scheme member representatives such as the Trades Unions, in relation to pension matters; or
- Where, an adviser is also appointed to another Local Government Pension Fund, which is involved in a transaction involving Shropshire County Pension Fund and on which advice is required, that adviser can only continue to advise Shropshire County Pension Fund and another party where there is no conflict of interest in doing so; or
- Where the Local Pension Board decides to appoint an adviser, this can be the same person appointed to advise the Pensions Committee or Fund officers if there is no conflict of interest between the two roles.

Conduct at meetings

There may be circumstances where a representative of a Scheme employer or a Scheme member wishes to provide a specific point of view on behalf of a Scheme employer (or group of Scheme employers) or Scheme member (or group of Scheme members). The Fund requires that any individual wishing to speak from a Scheme employer's or Scheme member's viewpoint must state this clearly, e.g. at a Local Pension Board or Pensions Committee meeting, and that this will be recorded in the minutes. The above requirement does not apply to co-opted members who have been specifically appointed to represent the views of Scheme members and Scheme employers in the Fund and / or Pension Recipients.



What is a Conflict or Potential Conflict and how will they be managed?

The Public Service Pensions Act 2013 defines a conflict of interest as a financial or other interest which is likely to prejudice a person's exercise of functions. Therefore, a conflict of interest may arise when an individual has a responsibility or duty in relation to the management of or advice for Shropshire County Pension Fund and at the same time has:

- A separate personal interest (financial or otherwise) or
- Another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility.

An interest could also arise due to a family member or close colleague having a specific responsibility or interest in a matter. Some examples of potential conflicts are included in Appendix 2.

The Fund will encourage a culture of openness and transparency and will encourage individuals to be vigilant; have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflicted interest, and of how potential conflicts should be managed.

The Fund will evaluate the nature of any dual interests or responsibilities that are highlighted and assess the impact on Fund operations and good governance, should an actual conflict of interest materialise.

Ways in which conflicts of interest are managed are detailed in Shropshire Council's Code of Conduct for Members. Provided that the Fund (having taken any professional advice deemed to be required) is satisfied that the method of management is satisfactory, it shall endeavour to avoid the need for an individual to have to resign due to a conflict of interest. However, where the conflict is so fundamental that it cannot be effectively managed, or where the Member has an actual conflict of interest as defined in the Public Service Pensions Act, the individual will be required to resign from the Committee, Board, or appointment.



Minor gifts

For the purposes of this Policy, gifts such as t-shirts, pens, trade show bags, and other promotional items obtained at events such as conferences, training events, seminars, and trade shows, that are offered equally to all members of the public attending the event do not need to be declared.

Officers and Elected Members must declare personal gifts of more than £50 in accordance with Shropshire Council's Code of Conduct.

Responsibility

The Fund must be satisfied that conflicts of interest are appropriately managed. For this purpose, the Monitoring Officer is the designated individual for ensuring the procedure outlined below is adhered to.

However, it is the responsibility of everyone covered by this Policy to identify any potential instances where their personal, financial, business, or other interests might come into conflict with their Fund duties.

Additional areas of conflict- Administering Authority and the Council

There may be the potential for conflicts between the Council as an employer in the Fund and the Council in its role of Administering Authority.

To mitigate the risk of conflict the following principle is adopted:

That the statutory role of LGPS Senior Officer for the Pension Fund is held by the Head of the Fund, while the role of Section 151 Officer for the Council is held by the Council's Executive Director for Finance creating a clear segregation in the duties of both officers.

As a result, where tasks require a Council position and Pension Fund position, staff are clear on their role, and which position they are advising on when supporting any decision.



In summary "In the interests of promoting the separation of decision making between the Council and the Fund, all Fund decisions sit with the Head of the Fund acting as the (LGPS Senior Officer) as per regulatory requirements."

Additional areas of conflict- Administering Authority and LGPS Central

The Council has two relationships with LGPS Central. One is as one of the partner authorities owning an equal share of the company alongside other partner authorities. The Council's interest is that the company is successful in meeting its objectives which include providing appropriate investment opportunities and advice to partner Funds that meet the requirements of pooling, reducing costs and meeting their investment objectives.

The other relationship is from Shropshire County Pension Fund as a customer/client, and in this relationship the Fund's interest is to meet its fiduciary duties by implementing its investment strategy appropriately.

Examples of the potential for conflicts include:

1. If/where the investment opportunity set provided by LGPS Central does not provide the optimum opportunity to the Fund; and
2. If developments that would best benefit the company itself or the majority of its shareholders results in less optimal investment opportunities for the Shropshire County Pension Fund.

To mitigate the risks above, the Fund will adopt the following protocols:

- Client interactions will be led by Fund Officers and will be presented to the Full Pensions Committee for approval where appropriate.
- Shareholder interactions to be led by Chair of the Committee supported by the LGPS Senior Officer. Independent legal advice will be obtained as necessary to ensure appropriate support.



Operational procedure for Officers, Pensions Committee members and Local Pension Board members

Step 1 - Initial identification of interests which do or could give rise to a conflict

On appointment to their role, or on the commencement of this Policy if later, all individuals will be provided with a copy of this Policy and be required to complete a Declaration of Interest. This information will be provided by each individual to the Monitoring Officer who will assess the extent to which any declarations are relevant to the individual's role in relation to the Shropshire County Pension Fund and collate them into the Council's Register of Interest.

Everyone is responsible for maintaining their Register of Interest on a continuous basis (see Step 3).

Step 2 – Ongoing notification and management of potential or actual conflicts of interest

At the commencement of any Pensions Committee, Local Pension Board, or other formal meeting where Fund matters are to be discussed, the Chair will ask all those present who are covered by this Policy to declare any interests and potential conflicts. All interests declared will be detailed in the record of the meeting.

Any individual who considers that they have a potential or actual conflict of interest which relates to an item of business at a meeting, must advise the Chair and the Head of Pensions prior to the meeting, where possible, or state this clearly at the meeting at the earliest possible opportunity. The Chair, in consultation with the Monitoring Officer, will advise the conflicted individual whether they need to leave the meeting during the discussion on the relevant matter or to withdraw from voting on the matter.

If such a conflict is identified outside of a meeting the individual must update their Register of Interest. Where it relates to the business of any meeting, the conflict must be recorded in the minutes of that meeting. In addition, the Chair of that meeting in consultation with the Monitoring Officer will consider any necessary action to manage the potential or actual conflict.

Step 3 - Periodic review of potential and actual conflicts



At least once every 12 months, the Monitoring Officer will provide to all those to whom the above procedures apply a copy of the Register of conflicts of interests. All individuals will confirm in writing to the Monitoring Officer that the information held in relation to them is correct. If that is not the case, they will complete a new Declaration of Interest as per Step 1 and the Register will be updated.

Operational procedure for Advisers

Although this Policy applies to all advisers, the operational procedures outlined in Steps 1 and 3 relating to completing ongoing declarations are not expected to apply to advisers.

Instead, all advisers must:

- Be provided with a copy of this Policy on appointment and whenever it is updated
- Adhere to the principles of this Policy
- Provide, on request, information to the Head of Pensions in relation to how they will manage actual or potential conflicts of interest relating to the provision of advice or services to Shropshire County Pension Fund; and
- Notify the Head of Pensions immediately should a potential or actual conflict of interest arise.

All potential or actual conflicts notified by advisers will be recorded in the Fund's Register of conflicts of interest or the minutes of meetings.

Monitoring and reporting

Within 28 days of election or appointment to office, the Council's Monitoring Officer requires Members to complete a Register of Disclosable Pecuniary Interests and notify him or her of other Registerable Interests. These documents can be made available on request to the Monitoring Officer.

To identify whether the objectives of this Policy are being met, Shropshire County Pension Fund will review the County Council's Register of Interests and the minutes of Pensions



Committee meetings on an annual basis and consider whether there have been any potential or actual conflicts of interest that were not declared at the earliest opportunity.

Key risks

The key risks to the delivery of this Policy are outlined below, all of which could result in an actual conflict of interest arising and not being effectively managed. The Pensions Committee, Local Pension Board, the Monitoring Officer, and the Scheme Manager will monitor these and other key risks and consider how to respond to them.

- Insufficient training or poor understanding in relation to individuals' roles on Fund matters
- Failure to communicate the requirements of this Policy
- Absence of the individual allocated to manage the operational aspects of this Policy and no one deputising, or failure of that individual to carry out the operational aspects in accordance with this Policy
- Failure by a Chair to take appropriate action when a conflict is highlighted at a meeting; and
- Failure by a Local Pensions Board member to make a declaration of interest resulting in an actual conflict of interest.

Costs

All costs related to the operation and implementation of this Policy will be met directly by the Shropshire County Pension Fund. However, no payments will be made to any individuals in relation to any time spent or expenses incurred in the disclosure or management of any potential or actual conflicts of interest they may have under this Policy.

Approval, review and consultation

This Conflicts of Interest Policy was approved by the Pensions Committee on the date on the front cover of the policy. It will be formally reviewed and updated at least every three years,



or sooner if the conflict management arrangements or other matters included within it merit reconsideration.



Contact details

The Shropshire County Pension Fund is a data controller under data-protection law. This means we store, hold, and manage your personal information in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we must share your information with certain bodies but will only do so in limited circumstances. For more information about how we hold your information, who we share it with and what rights you have, you can ask for this information from the fund, please visit www.shropshirecountypensionfund.co.uk.

If you can read this but know someone who cannot, please contact us on 01743 252130 so we can provide this information in a more suitable format.

Office hours

Monday to Thursday 8.45am to 5.00pm

Friday 8.45am to 4.00pm

Helpdesk phonelines are open Monday to Friday: 10am to 4pm (excluding Bank Holidays).

Contact details

Contact form: www.shropshirecountypensionfund.co.uk/contact-us

Website: www.shropshirecountypensionfund.co.uk

Tel: 01743 252130

Write: Pensions, PO Box 4826, Shrewsbury, SY1 9LJ

Administered by





Data Retention Policy

Approved by the Pension Committee xxxx





Contents

Introduction.....	3
Purpose.....	3
Type of Personal Data Retained.....	4
How Long We Retain Personal Data.....	5
Member and beneficiary rights and the right to erasure (“right to be forgotten”).....	7
Data Retention Requirements for UK Government Dashboards.....	8
Review.....	8
Contact details.....	9

This document has been prepared by Shropshire Council in its capacity as the “Administering Authority” for the Local Government Pension Scheme (LGPS) pension administration of Shropshire County Pension Fund.



Introduction

As data controllers, Shropshire Council is required by data protection legislation to comply with the principles of data minimisation and storage limitation.

Personal data we process:

- must be adequate, relevant and limited to what is necessary in relation to the purposes for which it is processed; and
- must not be kept in a form which permits identification of a data subject for longer than is necessary for the purposes for which the personal data is processed.

We are obliged to retain certain records (whether in hard copy or electronic form) for various periods of time because:

- we have a statutory obligation to do so; and/or
- the information contained in those records may be necessary for the future (for example, questions may arise about the calculation of benefits paid in the past, and data that may be relevant to a possible legal claim needs to be kept until the period within which that claim could be brought has expired).

This policy document sets out the measures adopted by the Fund to comply with the principles of data minimisation and storage limitation in relation to personal data that it holds.

Purpose

Shropshire Council has a number of responsibilities under the Data Protection Act 2018 (“DPA 2018”) and the General Data Protection Regulation (“GDPR”) in relation to the processing of personal data it carries out.

One such responsibility is to comply with the fifth data protection principle, Storage Limitation, which requires personal data to be deleted when it is no longer needed. The timescales in most cases are not set. They will depend on business circumstances and the reasons why the data was originally collected.



The period of retention is, therefore, at the discretion of the Shropshire Pension Fund provided that personal data is not kept longer than is necessary for the purposes for which it was obtained. Thus, the period of time data may be retained may vary between scheme member and circumstance.

For the purposes of this policy, 'personal data', 'special category personal data', 'data subject' and 'processing' have the same meaning as defined in section 3 and Schedule 1 of the DPA18 and outlined in the Data Protection Policy.

Type of Personal Data Retained

The types of personal data we hold and process can include:

- Contact details, including name, address, telephone numbers and email address.
- Identifying details, including date of birth, national insurance number and employee and membership numbers.
- Information that is used to calculate and assess eligibility for benefits, for example, length of service or membership and salary information.
- Financial information relevant to the calculation or payment of benefits, for example bank account and tax details.
- Information about scheme members and their family, dependents or personal circumstances, for example, marital status and information relevant to the distribution and allocation of benefits payable on death.
- Information about scheme member health, for example, to assess eligibility for benefits payable on ill health, or where health is relevant to a claim for benefits following the death of a member of the Fund.
- Information about a criminal conviction if this has resulted in a scheme member owing money to their employer or the Fund and the employer or Fund may be reimbursed from the scheme member benefits



How Long We Retain Personal Data

In compiling our policy on the retention of personal data, Shropshire Council has taken into account the guidelines on the retention of personal data as set out by / in:

- Information and Records Management Society;
 - The National Archives;
 - HMRC compliance handbook manual CH15400;
 - [Lord Chancellor's Code of Practice on the Management of Records issued under Section 46 of the Freedom of Information Act 2000];
 - Information Commissioner's Office's guidance on storage retention; and
 - The Pensions Regulator's code of practice for public service pension schemes.
-
- Data protection legislation requires that we retain personal data for no longer than is necessary in order to fulfil the purpose(s) for which it is processed. Given the long-term nature of pensions, we need to ensure that personal data is retained to:
 - comply with our legal and regulatory obligations regarding the payment of benefits from the Fund; and
 - deal with any questions or complaints that we may receive about our administration of the Fund.

For **active, deferred and pensioner scheme members** we will retain personal data for the greater of*

- such period as the Member (or any beneficiary who receives benefits after the Member's death) are entitled to benefits from the Fund and for a period of 15 years after those benefits stop being paid; or
- 100 years from the member's date of birth; or
- 100 years from the date of birth of any beneficiary who received benefits from the Fund after the member's death.

We will only keep personal data for as long as the pension fund need to in order to fulfil the purpose(s) for which it was collected and for so long afterwards as considered may be required to deal with any questions or complaints that may be received about our administration of the Fund, unless we elect to retain scheme member data for a longer period to comply with our legal and regulatory obligations.



In practice this means that personal data will be retained for such a period as an active scheme member, deferred scheme member or pensioner scheme member, or any beneficiary who receives pension benefits after the death of the scheme member, are entitled to benefits from the Fund and for a further period of 15 years after those benefits cease to be paid.

When a scheme member opts out of the scheme or leaves Local Government employment and receives a refund of contributions or elects to transfer the value of their LGPS benefits to another pension provider, the liability to pay pension benefits will be discharged. In such an event the pension fund will retain the personal data of the scheme member until they are aged 75**.

Shropshire Council will keep personal data up to date and take all reasonable steps to ensure that inaccurate data is either erased or rectified without delay. We will periodically review the personal data that we retain and consider whether it is still required; any personal data that we no longer require will be destroyed.

**The greater of "100 years from date of birth" and "last payment of benefits to the Member/beneficiary plus 15 years", is intended to ensure that Administering Authorities are acting in line with the Pensions Regulator's Code of Practice 14 (Public Service Pension Schemes) which notes that data will need to be held for long periods of time and schemes will need to retain some records for a Member even after that individual has retired, ensuring that pension benefits can be properly administered over the lifetime of the Member and their beneficiaries (paragraph 135).*

The suggested period of "last payment of benefits plus 15 years" is based on the current maximum statutory limitation period, as any complaints about the payment of those benefits would usually need to be brought within that timeframe.

***Under LGPS regulations 2013, regulation 32(2), all pension benefits due must be in payment prior to the scheme member's 75th birthday.*



Member and beneficiary rights and the right to erasure (“right to be forgotten”)

Beneficiaries form a wider category of people who receive benefits from the Fund, for example the active/deferred/pensioner scheme member's spouse / cohabiting partner / child(ren) / dependants who may receive benefits from the Fund following a scheme member's death. Scheme members of the Fund and beneficiaries have a right to access and obtain a copy of the personal data that we hold about them and to ask us to correct personal data if there are any errors or it is out of date or incomplete.

In certain circumstances a scheme member / beneficiary has the right to:

- object to the processing of their personal data;
- restrict the processing of their personal data until any errors are corrected;
- transfer their personal data; or
- erase their personal data.

Under section 47 of the DPA18 (Article 17 GDPR), a data subject has the right to obtain from the data controller the erasure of personal data concerning them and the data controller must erase the personal data without undue delay. This is not, however, an absolute right.

For **active scheme members, deferred scheme members and pensioner** scheme members or their beneficiary's, if the exercise of their rights would prevent the Shared Service from paying or continuing to pay a pension from, we may only consider retaining a minimised version of that Member's / beneficiary's personal data providing we can still fulfil our legal and regulatory obligations.

For **former scheme members** we may consider the criteria have not been met (for the reasons as stated in How Long We Retain Personal Data) and may still require the personal data to be retained. This may occur where the former scheme member has received a transfer value from another pension arrangement or received a refund of contributions in respect of their period of membership in any of the Shropshire County Pension Fund.



Data Retention Requirements for UK Government Dashboards

The UK Government does not provide specific data retention requirements for dashboards. However, general guidelines for data retention include the following:

Data Minimization: Only retain data for as long as necessary for the purpose for which it was collected.

Storage Limitation: Do not retain personal data for longer than necessary.

Retention Periods: Retain data for the shortest period that is still relevant to the purpose for which it was collected.

Justification: Clearly explain the reasons for retaining data for the specified period.

Review

This policy will be reviewed by Shropshire Pension Fund annually to confirm the correct information is being retained.



Contact details

The Shropshire County Pension Fund is a data controller under data-protection law. This means we store, hold and manage your personal information in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we must share your information with certain bodies, but will only do so in limited circumstances. For more information about how we hold your information, who we share it with and what rights you have, you can ask for this information from the fund, please visit www.shropshirecountypensionfund.co.uk.

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Contact details

Contact form: [Contact us | Shropshire County Pension Fund](#)

Website: www.shropshirecountypensionfund.co.uk

Tel: 01743 252130

Write: Pensions, PO Box 4826, Shrewsbury, SY1 9LJ

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Data Improvement Strategy and Plan 2025-2027

Approved by Pensions Committee xxxx





Contents

Introduction.....	3
Legislative Framework	3
Obtaining excellent data.....	4
Third party data services.....	6
Data improvement plan	7
Measures of success	8
Appendix 1: Data improvement plan.....	9
Appendix 2: Pension Regulator data scoring	12
Data improvement approach.....	13
Contact details.....	17



Introduction

This document outlines the key issues identified in the fund's annual Data Quality review of 2025 and the steps the fund will take to address these issues over the next two years. The plan aims to ensure the accuracy and completeness of member records, improve data quality scores, and prepare for the Government's Pensions Dashboard programme live launch to the public. It includes specific objectives, such as maintaining accurate member records, rectifying data gaps including missing addresses, and reducing the number of historical Deferred Refund records.

The Fund exists to pay pension benefits to beneficiaries when these benefits fall due. To achieve this, data must be received in a timely manner and maintained to the highest possible quality standards. This data quality is also the basis for Fund valuations and effective decision-making. The maintenance of high-quality data is increasingly difficult due to the volume and diversity of the Fund's data providers (e.g. scheme employers and payroll providers) and the increasing complexity of the Scheme's benefit design.

Legislative Framework

The regulations, standards, and guidance that the Fund must comply with includes:

LGPS Regulations 2013, as amended:

- Public Service Pensions (Record Keeping and Miscellaneous Amendments)

Regulations 2014:

- The Pensions Act 1995, 2004 and 2008;
- The Occupational and Personal Pension Schemes (Disclosure of Information)

Regulations 2013:

- Data Protection Act 2018;
- Freedom of Information Act 2000;
- Pension Regulator's Code of Practice No.14



The Pension Regulator's Code of Practice addresses the need for high standards of accurate data and states that schemes must regularly review the data held and put in place a data improvement plan to address any issues. Failure to maintain accurate records can put the Fund at risk of failing to meet its legal obligations which could result in enforcement action from the Pensions Regulator and therefore legal and reputational harm.

Obtaining excellent data

The following are the approaches that the Fund uses to ensure that high quality data is received from employers, and that the accuracy of that data is maintained during processing by the Fund.

Administration Strategy — The Fund has put in place an Administration Strategy that sets out the responsibilities and required performance standards for both scheme employers and the administering authority. This includes the requirement of the scheme employer to provide accurate and timely data to the Fund.

Scheme employer support — The Fund is reliant upon the accuracy, completeness, and timeliness of data provision from scheme employers and payroll providers. The Fund will provide support to scheme employers including newsletters, website, employer meetings, and virtual face-to-face training sessions where necessary.

Clear data submission templates and forms — The data requirements of the Fund are complex due to the inherent nature of the scheme. The Fund work closely with employers to ensure that data is submitted clearly and timely. The Fund work hard to ensure that data request forms are as straightforward as possible and processes are reviewed regularly.

All scheme employers provide data monthly through the iConnect facility.

Effective internal controls and processes — The Fund's control processes are subject to annual review by internal audit and any management actions required in connection with recommendations for improvement are monitored through to completion.

Fund staff must undertake mandatory e-learning modules on protecting personal data and information governance. Staff are granted the appropriate level of system access to fulfil their duties and that access is withdrawn upon the member of staff leaving the team. This minimises the risk of accidental loss, errors, and unauthorised activity.



Actions to ensure that any data being created or updated is accurate include:

- Ensuring clear and up-to-date workflow processes exist, are documented and are being followed
- The Altair pensions administration and payroll system is upgraded when required
- All 'known errors' reported by the software supplier are communicated to relevant parties
- Regularly reviewing data being processed and making recommendations for improvement
- Reporting of any scheme employer data quality issues and appropriate management of these issues in line with the Administration Strategy
- **Timely receipt and processing of data** — The Fund will process data received from data providers in a timely manner and ensure that appropriate skilled resource is in place to reduce the risks of backlogs building up. Should backlogs arise a plan will put in place to reduce volumes to business-as-usual levels.

Data cleansing is undertaken at year-end, at each triennial valuation and before any benefits are put into payment. This is to check the accuracy of the pay and other data provided by employers.

The Fund's performance standards are set out in its Administration Strategy. The legislative framework set out above includes required standards associated with numerous casework processes that are reliant on accurate and timely employer data.

The Fund reports its Key Performance Indicators associated with the main workflow processes to both the Pension Committee and Local Pension Board using the Heywood's Insights reporting tool. Any breaches of the law, including late processing, are also reported.



Third party data services

The Fund will make use of third-party data services to improve the quality of its data and to support the administrative function. These services are either minimal cost collaborative ventures or are procured commercially.

- **LGPS National Insurance Database** Administered by South Yorkshire Pension Fund Authority (SYPA) on behalf of the Local Government Association (LGA), the secure National Insurance Database was developed for LGPS administering authorities to identify scheme members who had LGPS benefits elsewhere to ensure the correct actions are taken when assessing members entitlement under the scheme regulations. Each administering authority is required to complete a data sharing agreement before data is uploaded and shared. When processing a payment, Officers will procedurally check the LGPS National Insurance Database for the existence of membership at other LGPS Funds.
- **“Tell Us Once” service** The secure LGPS National Insurance Database also facilitates the integration of the Fund’s membership profile into the Department of Work and Pensions (DWP) ‘Tell Us Once’ service (TUO). The service allows an individual registering a death to request that the DWP pass on the deceased’s information to other government and council services. If the deceased is a member of the Fund, as determined by the LGPS National Insurance Database, an email notification is received informing the designated officers that a copy of the death certificate is accessible on the secure government gateway.
- **National Fraud Initiative (NFI)** Administered by the Cabinet Office, the NFI programme is a biennial exercise that matches electronic data within public and private sector bodies to prevent and detect fraud. As a participant, the Fund receives a report of matches to investigate, to take remedial actions and update records accordingly.
- **Mortality screening services** The Fund procured the mortality screening service with Heywood Pension Technologies who provide the administration software, in Spring 2025. This checks its deferred and pensioner membership database against the national death register monthly. Any reported deaths are investigated and action taken if we have not received prior notification of this.
- **External tracing services** The Fund procured the address tracing service with Heywood, in 2025. A full address trace across pensioner, deferred pensioner, and deferred refund records will be run on an annual basis with the aim to reduce the



number of “gone away” members and ensure address accuracy. Ad hoc tracing can be done when required This will be used when benefits are due for payment and the address details are out of date.

Data improvement plan

Appendix 1 contains details of the current areas of focus to improve the Fund’s data. Progress against this plan will be monitored internally and updates reported as and when required to the Local Pension Board and Pensions Committee.

2025 - 2027 Plan Objectives (in priority order)

1. To ensure member records are maintained as accurately as possible to ensure benefits are paid correctly and on time.
2. To ensure member records hold the correct service history from any previous interfund or public sector pension fund to enable correct processing of records in respect of the McCloud remedy. To ensure records are rectified for all pensioners, deferred and death in service where an underpin has been identified.
3. To undertake an address tracing project to ensure data held is accurate and current as well as reducing the number of “gone away” members by using the recently procured Address Tracing Service with Heywood’ the Fund’s software provider.
4. To ensure that find data and view data is checked by using the Insights Reports to reduce the number of partial match requests or errors from the ISP console when the Pension Dashboard goes live.
5. To reduce the number of historical Deferred Refund (Status 9) records through engagement with appropriate members to claim their refunds.
6. Addressing common and conditional data failures from the Pension Regulator data scoring exercise undertaken in October 2025.



Measures of success

A key driver for the activities within the plan is an annual analysis of the Pension Regulator's common and conditional (scheme specific) data scores. The Fund targets a 100% score for both common and conditional data and uses the measurements provided by its software provider for the purposes of deriving the scores to be reported to the Pensions Regulator. The Fund would expect improvements in the data score over time. Further detail is shown at Appendix 2.

The Fund reports Key Performance Indicators (KPIs) for its main workflow processes quarterly to both the Local Pension Board and Pension Committee. These are set out in its Administration Strategy.

The Fund issues annual benefit statements to each deferred and active member. These statements are heavily reliant on accurate and timely data, and the Fund targets 100% to be issued by the statutory deadline of 31 August, with any material breaches reportable to the Pensions Regulator.



Appendix 1: Data improvement plan

Area of Improvement	Action	Method of Resolution	Resolution Timescale	Lead Officer	Resource Required
To ensure member records are maintained as accurately as possible to ensure benefits are paid correctly and on time.	The TPR data score for Common and Scheme Specific Data reported Continue to hold a 'Good' administration audit outcome	Address the fails raised from the insight's reports Ensure data is checked at year end and when processing a record	During 2026 until next TPR return scoring for assessment of progress	Cheryl Morrell/Helen Tomkins	Systems Team and Membership and Benefits Team
To ensure member records hold the correct service history from any previous interfund or public sector pension fund to enable correct processing of records in respect of the McCloud remedy. To ensure records are rectified for all pensioners, deferred and death in service where an underpin has been identified.	To be collected from members and when a transfer takes place Records are individually and manually rectified	To ensure forms hold the correct request for other pension fund service M&B Team to work through rectification cases from reports	During 2026 and ongoing	Helen Tomkins	Membership and Benefits Team

Page 69



Area of Improvement	Action	Method of Resolution	Resolution Timescale	Lead Officer	Resource Required
To undertake an address tracing project to ensure data held is accurate and current as well as reducing the number of “gone away” members by using the recently procured Address Tracing Service with Heywood’s, the Fund’s software provider.	To implement the new address tracing service To assess results and identify the high priority areas for address update	Work with Heywood’s to test and implement to Live To internally assess which areas are to be accepted and which members need letters and checks	Implementation November and December 2025 Address cleansing and tracing during 2026 until the next annual set of results will be done November 2026	Cheryl Morrell/ Helen Tomkins	Systems Team Membership & Benefits Team Communications Team
To ensure that find data and view data is checked by using the Insights Reports to reduce the number of partial match requests or errors from the ISP console when the Pension Dashboard goes live.	Insights reports to be used for checking data	Ensure a process is in place for regular checks and for updates that can be done or for further checks to be conducted	Ongoing following connection deadline date of 31 October 2025	Cheryl Morrell	Systems Team
To reduce the number of historical Deferred Refund (Status 9) records through engagement with appropriate members to claim their refunds.	Use reports available on Insights to show the number of outstanding Deferred Refund records	Write to members to claim refund	During 2026	Helen Tomkins	Membership and Benefits Team Systems team for bulk letter production



Addressing common and conditional data failures from the Pension Regulator data scoring exercise undertaken in October 2025.	To report the best data quality scores for both common and scheme specific data to the Pensions Regulator	From the insights reports assess the areas that TPR score and amend records accordingly or consult with software provider if changes cannot be made	During 2026 and to scoring assessment November 2026	Cheryl Morrell	Systems Team Membership and Benefits Team
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Appendix 2: Pension Regulator data scoring

The data quality review undertaken split the assessment of data held between two data categories:

- Common Data
- Scheme Specific Data

Tests were undertaken on the data held by the fund on its Scheme members to identify whether data is present and accurate. The Common Data items are specific in the Pensions Regulators guidance.

Scheme Specific data items are not prescriptive by The Pensions Regulator but is data key to running the Scheme and meeting legal obligations. In July 2019, the Scheme Advisory Board issued LGPS scheme specific data items to be measured and scored for the TPR's annual scheme return going forward and these have been used to calculate the Fund's scores.

The Fund also performs wider data quality tests which do not fall into the core tests which should be used when calculating the data scores to be submitted to The Pensions Regulator (TPR). Although the results of the wider tests do not impact on the data scores reported to the TPR any failures in the tests are investigated as best practise.

Data scores reported in 2025 scheme return

Data category	2025 data score	2025 data score reported*	Aim
Common data	98.50%	99%	100%
Scheme specific data	98.25%	98%	100%

*TPR scoring system only accepts rounded figures



Data improvement approach

When tackling the data errors identified during the 2025 Data Quality exercise, the objectives listed in this plan will be used when making the decision on the errors to be worked on first. Data which has the greatest impact on member benefits will be looked at as a priority therefore any data errors highlighted on pensioner member records will be looked at first, followed by deferred and active members.

The below provides a breakdown of the areas, within the common and scheme specific data errors found following the 2025 data quality tests which require improvement. Further detail has been provided for scheme specific errors for reference.

Breakdown of activities for improvement - common data

Data Category	Milestone	Priority	How	Deadline	Update as of November 2026	Lead Officer
NI Number	Obtain correct NI numbers for the members with temporary numbers or those in the incorrect format	Low	Team to investigate each case and update record	March 2026		Helen Tomkins
Address	The outstanding 'gone away' members to be traced on an annual basis	Medium	Member tracing service will now be completed on an annual basis to keep address information up to date. As more members access the online portal it is becoming easier to stay connected where an email is on account, and we can use	October 2026 For initial addressing tracing to be completed and deferred		Helen Tomkins/ Cheryl Morrell



Data Category	Milestone	Priority	How	Deadline	Update as of November 2026	Lead Officer
			<p>this to notify members when benefits become due.</p> <p>However, for historical deferred refunds, where they are listed as Gone away and no email is held, once the address tracing is completed a project will commence to try and clear as many of these cases</p>	refund clearance to start.		

***Where records cannot be updated, or it is not efficient to spend resources to investigate updating the record, a management decision will be taken on the impact of not resolving the data issue/gap.**

For context, a breakdown of the number of failures in the common data tests, compared with the number tested, of the data categories highlighted in this plan for improvement:

Category	Qualifying members Tested	Members with test fail	TPR Score
NI Number	69,436	544	99.22%
Address	69436	1019	97.85%



Breakdown of activities for improvement - scheme specific data

Data Category	Recommendation	Suggested Priority	How	Deadline	Update as at November 2026	Lead Officer	Other resource required
Member benefits	Investigate the gaps or incomplete data highlight on the data quality report in the following areas: transfer details 1 & 2, AVC details, total original deferred benefits, total gross pension	High	Team to investigate each case and update record	September 2026	This work is to commence	Helen Tomkins	Systems team to sort from Insights reports
Member details	Investigate the gaps or incomplete data highlight on the data quality report in the following areas: date of leaving, employer details, final salary.	High	Team to investigate each case and update record	September 2026	This work is due to commence	Helen Tomkins	Systems team to sort from insights reports
CARE data	Investigate the gaps or incomplete data highlight on the data quality report	High	Team to investigate	September 2026	This work due to commence	Cheryl Morrell	Systems team
HMRC	Investigate the gaps or incomplete data highlight on the data quality report	Medium / High	Team to investigate	September 2026	This work is due to commence	Helen Tomkins	Systems team to sort from Insights reports
Contracting out	Investigate the gaps or incomplete data highlight on the data quality report	Medium / High	Team to investigate	September 2026	This work is due to commence	Helen Tomkins	Systems team to sort from Insights reports
McCloud Remedy Data	Investigate the gaps or incomplete data highlight on the data quality report	Medium / High	Team to investigate	September 2026	This work is due to commence	Helen Tomkins	Systems team to sort records for checking from Insights reports

For context, a breakdown of the number of failures in the scheme specific tests, compared with the number tested, of the data categories highlighted in this plan for improvement:



Category	Qualifying members Tested	Members with test fail	TPR Score
Member details	55,019	6,836	99.93%
Member Benefits	37,238	1,020	99.56%
CARE data	33,728	497	98.58%
HMRC	48,325	1,287	99.09%
Contracting out	50,865	404	99.25%
McCloud Remedy Data	35,267	618	100%



Contact details

The Shropshire County Pension Fund is a data controller under data-protection law. This means we store, hold and manage your personal information in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we must share your information with certain bodies, but will only do so in limited circumstances. For more information about how we hold your information, who we share it with and what rights you have, you can ask for this information from the fund, please visit www.shropshirecountypensionfund.co.uk.

If you can read this but know someone who cannot, please contact us on 01743 252130 so we can provide this information in a more suitable format.

Office hours

Monday to Thursday	8.45am to 5.00pm
Friday	8.45am to 4.00pm

Helpdesk phonelines are open Monday, Tuesday and Thursday: 10am to 4pm, and Wednesday and Friday: 10am to 1pm (excluding Bank Holidays).

Contact details

Contact form: [Contact us | Shropshire County Pension Fund](#)

Website: www.shropshirecountypensionfund.co.uk

Tel: 01743 252130

Write: Pensions, PO Box 4826, Shrewsbury, SY1 9LJ

Administered by



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Communications Policy Statement

Approved by the Pensions Committee xxxx





Contents

Introduction.....	3
Principles of communication	4
How the fund communicates.....	6
Employer specific communications.....	11
Governance and communications	13
How we communicate with staff within the Pension Team	14
Communication with other bodies.....	16
How communication is measured.....	18
Data Protection.....	18
Contact details.....	24



Introduction

This statement has been prepared in accordance with Regulation 61 of the Local Government Pension Scheme (Administration) Regulations 2013 by Shropshire County Pension Fund (the 'Fund'). It sets out its communications approach with scheme members, employers, and other interested stakeholders.

The fund deals with more than 240 employers and over 50,000 scheme members made up of contributing members, deferred members, and retired members in relation to the Local Government Pension Scheme (LGPS).

The main aim of the Shropshire County Pension Fund is to provide members and employers with an efficient pension administration service providing secure pension benefits which have been worked out accurately and paid on time. Timely and clear communication with both members and employers plays a key role in helping employers meet their statutory obligations and helps members plan their retirement.

The Fund designs and delivers communications to scheme members and employers in a way that makes sure they can understand the LGPS. Information should be clear and simple to understand, as well as being accurate and easily accessible. It is important that members can understand their pension arrangements and make informed decisions when needed and employers understand their statutory responsibilities.

The Pensions Team work to maintain a thorough knowledge of the regulations to keep the confidence of its members. The Pensions Team should always be the first-place staff members turn to for LGPS pension information during their working life and in retirement.

The Fund also takes part in several national groups, with the aim of sharing best communication practices. The Joint Communications Group allows the fund to work with other Local Government Authorities, giving group members the chance to share communication resources and develop joint projects, such as newsletters and member guides. This group also receives updates from the Local Government Pensions Committee (LGPC), which publishes national communication material.



Principles of communication

The law details when governing bodies must communicate with their members, the information they must provide and the timescales for providing the information. These requirements range from information provided when a member joins the scheme, on-going communications, taking benefits, and beyond. The law also sets out information that governing bodies must provide on request.

When preparing communications to members, the fund will:

- ensure all communications sent to members are accurate, clear, concise, relevant, and in plain English
- regularly review member communications, taking account of member feedback, any changes to scheme design and developments in law and The Pension Regulator's General Code of Practice
- when deciding on the format of communications and information to be published, consider any technology that may be available to them and appropriate for their members
- consider using various communication methods, including accessible online content, audio, Braille, large font, and languages other than English; and
- consider what additional information or explanation members may need to help them make informed decisions about their benefits.

The Fund has adopted five key principles that support all its communication. The Fund is committed to making sure:

- communication is factual and presented in plain, easy to understand language
- communication is designed in a manner appropriate to its audience
- communication is issued in a timely manner
- communication keeps up with the developments and improvements in new technology; and
- communication is planned, co-ordinated and reviewed.



The Fund is 'digital by default' unless a member requires the information in a paper format. Digital communication is used by the Fund to deliver scheme information, increase member engagement and to give regular updates to employers. It can help meet member demand and expectation to regularly access pension information. It can also reduce the Fund's environmental footprint by decreasing paper and printing usage. When information is asked for in paper format, the Fund will aim to use a sustainable printing service.

The Fund is working with the Administering Authority's climate change team to work towards reducing our carbon footprint. We are always considering how we can change process to reduce our impact on the environment.

The Local Government Pension Scheme is a desirable benefit for attracting employees to work in local government. For employers, it is a key part of their recruitment and retention package. The Fund is also the last, and often the only, link between former staff members and their employers. The Fund therefore has an important role in making sure effective communications continue even when members have left employment, have a deferred pension, or a pension in payment. The Fund keeps in touch with all members and if contact is lost (for example, if a member has moved and not told the fund), a tracing exercise can be carried out to find the member and update their personal details.

The Pensions Team are committed to responding quickly to member requests for information. Information is given within set internal and regulatory timescales taking into consideration the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and other overriding legislation. The turnaround time for dealing with standard requests for information is normally ten working days but may take longer depending on the request timing and the request itself.

When a request for information has been made, an acknowledgement receipt will be given, usually within three working days. If it is going to take longer than 10 days to provide the information, members will be told when they are likely to receive it.



How the fund communicates

Scheme literature

A wide range of scheme literature is produced and updated by the Fund for both members and employers. Copies are available on the Fund's website and can be provided in paper format on request. All paper and electronic guides are made using similar branding and include full contact details for the Pensions Team. The Fund has scheme guides which cover the scheme benefits, who is eligible and retirement options. Both new and prospective members are provided with basic information about the LGPS, such as how benefits are worked out, how member and employer contributions are calculated etc via the scheme guides.

One-to-one meetings

For members who require a one-to-one meeting, appointments can be made with a member of the team. Virtual meetings will be encouraged but face-to-face meetings can be arranged, depending on venue availability, and must be booked in advance. The Fund will organise one-to-one meetings at employer workplaces periodically. Employers can also ask for one-to-one meetings and these requests will be considered depending on location and member interest.

Helpdesk

The Fund has a dedicated helpdesk which deals with all the incoming post, emails and telephone calls. The helpdesk contact details are published on all scheme literature. The helpdesk telephone number is 01743 252130 and email address is pensions@shropshire.gov.uk.

The helpdesk operates from 8.45am to 5.00pm, Monday to Thursday, and from 8.45am to 4.00pm on Fridays. Telephone lines are available between 10.00am and 4.00pm on Mondays, Tuesdays and Thursdays, and between 10.00am and 1.00pm on Wednesdays and Fridays. Please note that phone lines will be temporarily closed during team meetings.

All fund officers also have a direct telephone number and email address should they need to be contacted directly.



Contact Forms

Members and employers can contact the Fund using our online contact form, available on our website. The form collects the information we need to help us respond to queries as quickly and accurately as possible.

Website

The Fund has a website, www.shropshirecountypensionfund.co.uk, which holds most of the scheme information including copies of scheme literature, policies and annual reports. There is a latest news page which is used to keep members up to date. There is also a news page on the employer's area of the website specifically aimed at employers. The website has been adapted to make sure it is accessible to view on electronic devices such as tablets and mobile phones. The website has been developed in line with accessibility standards and has a published compliance statement.

Pension Bot

Members looking for information can use the pension bot on the website. This digital assistant is available 24/7 to help answer common questions. If the required information cannot be found, the 'ask the team' option can be selected, here an email can be sent to the helpdesk team for review and response.

Online Pension Portal (My Pension Online)

A secure online portal gives members access to their pension record. The facility provides members with the opportunity to update their personal details, view annual benefit statements and run benefit projections, as well as register or update death grant nominations. Members in receipt of a pension are also able to change bank details, check their annual pension, view monthly payments and see their P60s. My Pension Online can be accessed via the Fund's website homepage.

Members can also submit secure enquiries through the portal's contact form. The team will aim to respond within 10 working days.



Material changes to the scheme

The Fund will inform members when any material changes are made to the LGPS via the website, email alerts or electronic newsletter, unless a paper version has been requested. This information is normally given as soon as possible after the change takes effect, but in any event within three months after the change.

Email alerts

The fund asks all members for a personal email address, so they can be contacted by the fund with the latest scheme news. Our preference for personal email addresses is so that if members leave employment, the Fund can still maintain contact with them.

Presentations

The Fund can deliver standard or tailored presentations on a wide range of pension topics for both employers and members. These presentations are provided by fund staff at the request of employers, or organised by the Fund, at geographically convenient locations or using virtual meeting technology.

Newsletters

'Pension Update' is the Fund's in-house newsletter for active members and is produced as a collaborative project with other funds. This newsletter is produced annually and aims to provide topical news articles and the latest information about the scheme and pensions in general. The newsletter is issued via email and published on the Fund's website. The Fund also produces an equivalent newsletter for deferred members titled 'Deferred Member News'.

'InTouch' is the Fund's newsletter for retired members. The newsletter is a useful way of providing updates on relevant changes in legislation as well as topical news articles. It is published twice a year.

All newsletters can be easily viewed on mobile phones and tablets.



Annual report & accounts

The annual report is a statutory financial reporting document showing the Fund's accounts over the previous 12 months, along with details on both investment and administration performance. Members and employers are notified when the report has been published via email and the news pages of the Fund's website.

Videos

When needed, the Fund uses short videos to help explain the scheme.

Annual benefit statements

It is a statutory requirement to provide annual benefit statements to both active and deferred members. Annual benefit statements are issued via our online portal, unless a paper copy has been requested. The statements include various pension details such as the current value of benefits, how they are calculated and when they become payable. The format of the statement is continually reviewed to provide members with the required statutory information in a clear and concise manner. Statements for all members must be issued by the 31 August each year and members are notified when statements become available to view. In the future, members will have access to video versions of their annual benefit statements, using visual aids to help explain the information clearly and improve accessibility for members who may find written information difficult to understand.

Pension savings statement

A Pensions Saving Statement will be supplied to a member by the 6 October each year if their pension savings in the Fund, during a pension input period, are more than the annual allowance limit.

Active members - new starters

When eligible members are enrolled into the scheme, the employer should provide basic scheme information. This should be provided by scheme employers to all new employees as part of their letter of employment, terms and conditions – some employers choose to email this to new employees. This information can be accessed via a link to the Fund's website.



The Fund provides a membership form to new starters following a new employment notification and a brief scheme guide on the Local Government Pension Scheme is available on the website. This guide is located in the 'Forms and Guides' section of the website.

Retirement process booklet

All members on reaching retirement will receive information on the retirement process.

Corporate induction courses

Officers of the Fund are happy to attend employer corporate inductions, either in person or online, for prospective members. Employers need to contact the fund to make suitable arrangements.

Promotional campaigns

The Fund develops communication campaigns where needed for changes in legislation or service delivery such as the new 'My Pension Online' portal.

P60 notification

Each member receiving a pension will have a P60 issued each year by the statutory deadline of 31 May. These are published on our online portal and email notifications or articles in the InTouch newsletter inform pensioners where to find them.

Pension increase notification

Following the publication of a Pensions Increase (Review) order, the Fund will adjust the relevant pensions in payment according to the order and make available the new annual pension amount to the member in 'My Pension Online' portal.

Existence Validation

As well as monthly mortality tracing for pensioners residing in the UK, Pensions Services undertakes an annual exercise, conducted through correspondence, in order to establish the continued existence of pensioners living abroad.



Members considering the 50/50 Option or Opt Out

Pensions Services has specially prepared material to inform Fund Members of the consequences of opting out of the LGPS. Our website promotes the 50/50 option as an alternative.

Satisfaction Surveys

Regular satisfaction surveys are carried out by the Pension Fund website.

Supplemental employer communications

The increasing role of communication within all organisations means that more employers have staff newsletters, intranets and other communication methods. The fund actively works to provide their members with the best information regarding the scheme via the fund website and creates toolkits for employers to promote the scheme on their own intranets and websites.

Employer specific communications

Contact Database

An email contact database has been set-up for scheme Employers. This enables Pensions Services to communicate information quickly and efficiently to the right people.

New or prospective employers

Scheme information is given to all new and prospective scheme employers via information booklets or the employer's areas on the Fund's website.

Employer meetings & training sessions

Meetings and training sessions are arranged for employers on a regular basis and will be delivered either in person or using virtual meeting technology. They are used to communicate issues with employers such as benefit regulation changes, administration



changes, employer contribution rates and the funding level of the Fund at each actuarial valuation.

Employers' guide

An employers' guide is available to all employers, explaining the processes, procedures and forms needed to effectively discharge their pension administration responsibilities. The employers' guide is held on the employers' area of the website and should be read together with the pensions administration strategy which outlines their responsibilities:
www.shropshirecountypensionfund.co.uk.

Employers' bulletins

Regular email bulletins are sent to all employers. These emails aim to tell employers about the latest news, issues, events and regulatory changes. The emails highlight actions employers need to take in response to any changes.

Monthly data requirements and end of year procedure

Employers must send monthly data to the Pensions Team for their scheme members to make sure their pension record is accurate. Employers in the Fund must use a facility called i-Connect to ensure their submissions are received on time, minimising the risk of fines from The Pension Regulator by ensuring data is provided by the statutory timescales. The cost of this system is met by the Fund. Guides for using i-Connect are published on the employer's area on the Fund's website. Employers are reminded to consult with the Fund when considering a change of payroll provider as this can impact the supply of data if the i-Connect submission is not set up correctly or on time.

Each year employers must submit a year end return and compliance statement. Employers are contacted towards the end of the financial year with the year-end template, forms and instructions for completion.

Webinars

Webinars are periodically used to give information to employers. Webinar content will vary depending on feedback received from employers and target specific topics and current issues. Webinars can also be recorded and sent to employers unable to attend.



Reporting breaches

The Fund has a reporting breaches policy and procedure. This makes sure anyone responsible for reporting and whistle blowing can find, assess and report (or record if not reported) a breach of pensions law. All potential breaches of the law are recorded by the fund and the scheme employer informed that it has been recorded as a breach. Each employer must choose a named individual to act as the main point of contact about the LGPS. If an employer has built up multiple recorded breaches, the main contact will be told and asked to help resolve any outstanding issues and reduce the risk of reoccurrence. The breaches policy can be found on the Fund's website.

Governance and communications

Pension Committee

The Pension Committee is made up of member representatives from employing authorities, trade union representatives and a retired member. The Committee has an on-going training programme for members and officers to ensure that decision making is on an informed basis. Training can form part of the quarterly committee meeting and separate sessions are also arranged.

Knowledge building and training is provided via the Fund's officers, advisors and external training courses. Pension Committee reports are available on the council's website www.shropshire.gov.uk and by following the link for 'Committees, meetings and decisions' and on the 'Pension Committee' page on www.shropshirecountypensionfund.co.uk.

Pension Board

Under the LGPS Governance Regulations 2015, a Pension Board was introduced on 1 April 2015 to ensure effective governance and administration of the Scheme.



The Local Pension Board is responsible for assisting Shropshire Council, the Scheme Administrator, to secure compliance with:

- The Local Government Pension Scheme Regulations;
- any other legislation relating to the governance and administration of the Scheme; and
- requirements imposed by The Pensions Regulator in relation to the Scheme to ensure the effective governance and administration of the Scheme.

The Pension Board consists of an equal number of employer and employee representatives. Training can form part of the Pension Board meeting and Board members are invited to all other LGPS related training sessions and Pension Committee meetings/training sessions.

Pension Board reports are available on the council's website www.shropshire.gov.uk and by following the link for 'Committees, meetings and decisions' and on the 'Pension Board' page on www.shropshirecountypensionfund.co.uk.

Surveys and self-assessments of the knowledge and skills of both the Pension Committee and Pension Board members are regularly undertaken. More information can be found in the Fund's Training Policy.

How we communicate with staff within the Pension Team

Induction

All new members of staff are provided with a corporate induction, as well as a more detailed introduction to the work of Pensions Services.

Business Plan

The Fund has a Business Plan which is actively managed and discussed in regular Management Team meetings. The plan includes key performance indicators and progress against the plan is reviewed. The content of the Business Plan is shared with the wider service through Team Meetings.



Management team

The Head of Pensions – LGPS Senior Officer is responsible for the Pensions Administration Team and the Pension Investment Team. The Pensions Management Team meets on a weekly basis to discuss items in relation to the running of the team and regulation changes. It comprises the Pensions Administration Manager and Team Leaders. A similar monthly meeting is held between the Head of Pensions - LGPS Senior Officer, the Pensions Administration Manager and the Pension Investment Manager.

Team meetings

Team meetings involving all staff are held monthly. Notes of all meetings and items arising from such meetings are recorded.

Training

The Fund seeks to continually develop the ability of staff to communicate effectively and to understand its importance. This includes training available from the Pensions Regulator's, the council's internal training programme and other external providers. Each member of staff has a regular performance appraisal where training needs are identified.

Intranet and email

Each member of staff has access to email and a SharePoint site which contains electronic copies of all key documents required to perform their duties.

Policy documents

All the Fund's approved policies can be found on the website:

www.shropshirecountypensionfund.co.uk.



Communication with other bodies

Mercer (Pension Fund Actuary)

The Fund performs an actuarial valuation as required by the regulations. The actuary also deals with interim valuations when needed and gives information and advice about a range of issues affecting the Fund. These issues include dealing with new and ceasing employers, bulk transfers and regulatory changes.

Legal advice

The Fund obtains legal advice from external advisors and Shropshire Council, as required.

Ministry of Housing, Communities and Local Government (MHCLG)

The Fund communicates with the MHCLG while in consultation on proposals for changes to the scheme regulations or any other legislation matters and via the National Pension Officer Group.

Trade unions or member representatives

The Fund works with the trade unions to check the scheme is understood by all interested parties. The Fund ensures that all pension-related issues are communicated effectively with the trade unions through representation on the Pension Committee or via member representatives on the Pension Board.

Press and media

The Fund, in conjunction with the council's communications team, actively engages with the press and other media organisations to ensure any coverage is factual, clear and as a fair representation.

Northwest Regional Pension Officer's Group (NWPOG)

The Shropshire County Pension Fund (SCPF) hosts the Northwest Pension Officers Group which meets on a quarterly basis. The group, comprised of several local authority funds, discuss technical queries and legislation matters of common interest.



LGA Communication Working Group

An officer from the Fund chairs the LGA Communications Working Group. This group helps generate communication that all LGPS funds can utilise.

National working groups

The Fund is involved at national level in an LGPS officer group and LGPS Central Strategic Administration group.

Joint working with other pension funds

To reduce costs and share best practice, the Fund works collaboratively with other pension funds.

LGPS Central Investment Working Group/Practitioners Advisory Forum

The Fund has an active involvement in the LGPS Central Investment Working Group and Practitioners Advisory Forum with the seven LGPS funds in the West Midlands region where common investment issues between funds are discussed.

The Fund also participates in the LGPS Central Pension Administration Working Group where responsible administration officers attend, on a regular basis, to discuss key LGPS issues and working practices.

Software provider group

Members of the team attend user group meetings with the pensions administration software provider, to make sure the administration system can deal with regulation changes when they happen, and to discuss how the system is used and its future developments.



How communication is measured

Surveys

Surveys are issued to members periodically to gain feedback on the service received and how the Fund can improve. Survey responses are collated and reviewed at regular intervals.

Employer satisfaction survey

Employers are invited to complete this survey periodically to allow the Fund to review the service and methods of communication provided. The responses are collated and used to identify any employer requirements and possible areas for improvement.

Compliments, complaints and feedback

Any compliments, complaints or feedback received are recorded. The Fund will investigate complaints and, where appropriate, make improvements to the service. Compliments and complaints are listed in the fund's Annual Report.

Data Protection

Data Protection Act

The Fund is required to hold and keep a record of certain information on scheme members which is needed to administer the Fund. The Fund is a data controller under the Data Protection Act 2018 and is required to protect the information it holds about scheme members and communicate the legal basis for holding, storing and using the information.

The Fund has published a summary and full privacy notice for scheme members and employers. Statements on 'how we use your data' are published on documentation supplied to scheme members.

The Fund is committed to keeping member data safe and uses Shropshire Council's policies on information sharing. Pension benefits information can only be provided directly to the scheme member and cannot be requested by a third party. Information shared with



employers will only be supplied when necessary and via a secure portal or email encryption. Further information can be found in the fund's full privacy notice.

All Fund officers are required to undertake annual 'Data Protection' and cyber security training.

Dealing with freedom of information requests

The Freedom of Information Act (FOI) means that members of the public and organisations have rights of access to information held by public bodies. Requests for information under the Freedom of Information Act or similar legislation should be sent to:
information.request@shropshire.gov.uk



Fund publications				
Document	Issued	Aimed at	Availability*	Reviewed
Brief scheme guide	Upon notification of a new employment / when requested	All members	Website	Annually and as regulations change
Retirement process booklet	With retirement forms	To retiring active members	Website	Annually and as regulations change
Thinking of retiring- guide for active members	To active members when required	Active members	Website	Annually and as regulations change
Thinking of retiring- guide for deferred members	To deferred members when required	Deferred members	Website	Annually and as regulations change
Leaving before retirement booklet	As required	Prospective Deferred Members	Website	Annually and as regulations change
Topping up your pension guide	As required	Active members	Website	Annually and as regulations change
Internal Dispute Resolution Procedure (IDRP) booklet	As required	All members and employers	Website	Annually and as regulations change
Divorce booklet	As required	All members	Website	Annually and as regulations change
Annual benefit statements	Annually by 31 August	Active/deferred/pension credit	My Pension Online	Annually
P60	Annually by 31 May	Pensioner members/dependents	My Pension Online	Annually
Pensions increase notification	Annually	Pensioner members	My Pension Online	Annually
Monthly pension payment confirmation	Monthly	Pensioner members/dependents	My Pension Online	Monthly
Annual report	Annually in line with regulations	All stakeholders	Website	Annually



Members newsletter	As required	Active/deferred members	Website	As regulations change / when required
InTouch - pensioner newsletter	Twice a year	Retired members	Website	As required
Valuation report	Every three years	Employers/ all stakeholders	Website	Every three years
Investment strategy statement	Continuously	All members/ stakeholders	Website	As required*
Governance statement	Continuously	All members/ stakeholders	Website	As required*
Administration strategy statement	Continuously	Scheme employers	Website	As required*
Funding strategy statement	Continuously	Employers	Website	Every three years
Climate Change Strategy/Climate Risk Reports	Annually	All members/stakeholders	Website	Annually
Reporting breaches policy	Continuously	All stakeholders	Website	As required*
Knowledge & Training policy	Continuously	All stakeholders	Website	As required*
Communications policy statement	Continuously	All stakeholders	Website	As required*

*At least every three years



Fund meetings, presentations, and training				
Event	Frequency	Available to	Availability	Reviewed
Workplace presentations	As required	Prospective/active members	Face-to-face or virtual meeting	As required
Induction presentations	When requested by employer	Prospective members	Face-to-face or virtual meeting	As required
Employer meetings and training	As required	Scheme employers	Face-to-face / webinars / videos on website	As regulations change/as required

Other Fund communications				
Method	Frequency	Available to	Availability	Reviewed
Website	Continually	All stakeholders	Online	Continuously
Helpdesk	Within office hours	All members / employers and all other stakeholders	Face-to-face (if available) or virtual meeting appointment/ telephone / paper correspondence /email	continuously
Email alerts	As required, when there is a significant website update / event / regulation change	All members/ employers	Email	As required
Pension consultations	As required	Active members	Face to face (if available) or virtual meeting	As required
New starter letter	Monthly	Active members	Paper	As regulations change/as required
Encouraging new members campaign	When required	Prospective eligible members	When required	When required
Existence checks of pensioners living abroad	As required	Pensioner members	As required	As required



Service quality survey	Continually	Active/ deferred/ retired members	Paper / email	As required
Employers guide including forms	As required	Employers	Website	As regulations change/ as required
Employers email bulletin	As required	Employers	Email alerts	As regulations change/ as required
Employer satisfaction survey	As required	Employers	Online survey	As required

*All our communications can be provided in paper format if requested by members.



Contact details

The Shropshire County Pension Fund is a data controller under data-protection law. This means we store, hold and manage your personal information in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we must share your information with certain bodies, but will only do so in limited circumstances. For more information about how we hold your information, who we share it with and what rights you have, you can ask for this information from the fund, please visit www.shropshirecountypensionfund.co.uk.

If you can read this but know someone who cannot, please contact us on 01743 252130 so we can provide this information in a more suitable format.

Office hours

Monday to Thursday 8.45am to 5.00pm
Friday 8.45am to 4.00pm

Helpdesk phonelines are open Monday, Tuesday and Thursday: 10am to 4pm, and Wednesday and Friday: 10am to 1pm (excluding Bank Holidays).

Contact details

Contact form: [Contact us | Shropshire County Pension Fund](#)

Website: www.shropshirecountypensionfund.co.uk

Tel: 01743 252130

Write: Pensions, PO Box 4826, Shrewsbury, SY1 9LJ

Administered by





Pensions Committee
Date 19 June 2026

Item

Public

Corporate Governance Monitoring Report

Responsible Officer:	Peter Chadderton		
email:	peter.chadderton@shropshire.gov.uk	Tel:	07990 086399
Cabinet Member (Portfolio Holder):			

1. Synopsis

- 1.1 The report is to inform members of corporate governance changes including the government's response to the Scheme Advisory Boards Letter of October 2025 in respect of investments in conflict zones, and a review of socially responsible investment issues arising in the quarter, 1st January 2026 to 31st March 2026.

2. Executive Summary

- 2.1. Detail is provided on the actions taken by the Funds key stewardship partners in respect of the quarter from 1st January 2026 to 31st March 2026.
- 2.2. An update on the Government's response to the Scheme Advisory Board request for clarification following the challenge by the Palestine Solidarity Campaign on funds investing in conflict areas.
- 2.3. Information is also included on the Pensions Bill which gained royal assent on 29th April, formalising many of the recommendations from the government's Local Government Pension Scheme (England and Wales): Fit for the future consultation.

3. Recommendations

- 3.1. Members are asked to note and accept the position as set out in the report in respect of voting and engagement activity.
 - LGPS Central included in report,
 - Columbia Threadneedle Investments Responsible Engagement Overlay Activity Report at Appendix A and
 - LAPFF Engagement Report at Appendix B.
 - The update from MHCLG on investing in companies in conflict zones at Appendix C.

- The update on the Pension Bill 2026.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. Risk Management

Risk Management is part of the Pension Fund's structured decision-making process by ensuring that investment decisions are taken by those best qualified to take them.

4.2. Human Rights Act Appraisal

The recommendations contained in this report are compatible with the Human Rights Act 1998.

4.3. There are no direct Equalities or Community consequences.

4.4. Environmental Appraisal

The Fund's Corporate Governance Policy enables it to influence the environmental policies of the companies in which it invests.

5. Financial Implications

5.1. There are no direct financial implications arising from this report.

6. Climate Change Appraisal

6.1 The Fund takes responsible investment very seriously and has a Climate Change Strategy (updated in September 2024) in place committing to net zero by 2050 in line with the Paris accord on climate change adopted in 2015 and setting out interim targets to achieve that goal.

6.2 Responsible investment is a key process the investment managers go through before investing and something the fund considers as part of investment opportunities. Thorough due diligence is undertaken considering all risks including climate change. The investment managers vote where applicable on the Fund's behalf, Columbia Threadneedle Investments engage with companies on the Fund's behalf and the Fund is a member of the Local Authority Pension Fund Forum (LAPFF) which undertakes engagements on behalf of all LGPS members.

6.3 Shropshire County Pension Fund is a signatory to the UK stewardship code.

6.4 Shropshire County Pension Fund has also received and published Climate Risk Reports and TCFD reports since December 2020. The latest report from December 2025 is publicly available on our website.

7. Background

- 7.1 The Shropshire County Pension Fund has been actively voting for over eighteen years at the Annual General Meetings and Extraordinary General Meetings of the companies in which it invests. Voting is carried out by LGPS Central through EOS @ Federated Hermes (EOS) on all equity portfolios since the 1st January 2025 which ensures a consistency of approach. LGPS Central no longer produce a Quarter 1 stewardship report, but full reports will be provided for quarters 2, 3 and 4. A highlight of activities is instead included in section 8 for information.
- 7.2 CTI engage with companies across five key engagement themes and a rolling program of 10 projects. The current themes and projects are shown below:

Theme	Project
Climate Change	Coal phase out
	Deforestation
Environmental Stewardship	Emissions and plastic waste
	Sustainable supply and demand of critical minerals
	Responsible Water Stewardship
Human Rights	Responsible governance of Artificial Intelligence
Public Health	Diversity in clinical trials
	Sustainable Food Systems
Governance	Improving board gender diversity in Asia
	Independent Board Evaluation

- 7.3 Engagements often operate over a period of several years reflecting the time taken to build relationships and develop real change. A copy of their quarterly report is attached at **Appendix A**.
- 7.4 In addition the 86 LGPS Scheme members and the pooling companies are represented by the Local Authority Pension Fund Forum (LAPFF). LAPFF use the holdings of the entire Local Government Pension Scheme to leverage engagement with companies on a range of ESG issues and their quarterly report is attached at **Appendix B**.

8. Manager Voting Activity

- 8.1. Highlights of the LGPS Central voting activity are shown at below. A full quarterly report will be produced in quarters 2,3 and 4 of the calendar year.
- 8.2 **Engagement:**

- Alstom: Engaged after being flagged for operations in conflict-affected regions and the absence of a standalone human rights policy; discussions with the Head of Sustainability confirmed human rights risks are embedded within enterprise risk management, including double materiality assessments, identification of salient risks and governance oversight, providing comfort that risks are effectively managed.
- Shell: Engagement focused on the development of an interim decarbonisation target; discussions with investor relations covered worker safety risks linked to the Iran conflict, confirmation that shareholder proposals will not be excluded from ballots, and an invitation to meet the Chair in September to discuss interim and medium-term decarbonisation targets.
- Holcim: Engaged to encourage clearer disclosure of the pathway to achieving the 2030 clinker factor target, referencing its sector-leading CCS roadmap as a template and encouraging market-level pathways and capex disclosures; we also pressed for clearer disclosure of board-level ESG competence criteria, with the company confirming an external board assessment this year and disclosure in 2027, ahead of AGM voting.
- EUDR Letters: Co-signed letters to 10 European multinationals seeking clarity on their approach to the EU Deforestation Regulation, which introduces due diligence requirements for forest-risk commodities to prevent sourcing from recently or illegally deforested land, amid delays and an EU Commission simplification.

8.3. Advocacy:

- Australia Modern Slavery Act: As part of consultations on reform of Australia's 2018 Modern Slavery Act, we co signed a letter to the Attorney General urging alignment with the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises and the introduction of mandatory, risk based due diligence to promote a proportionate, outcome focused approach.
- EUDR: We wrote to the European Commission opposing any weakening of EUDR due diligence requirements, a position reiterated by Investor Policy Dialogue on Deforestation colleagues in a recent meeting with EU policymakers and corporates.

8.4. Voting:

- Costco: Voted against the remuneration report due to insufficient disclosure of annual bonus targets and concerns that executives were rewarded for the same outcomes under both the short term and long-term incentive packages.
- Apple: Voted against the remuneration report due to weak incentive stretch and repeated near maximum short term incentive payouts, extending dissent to the Chair of the Remuneration Committee after four consecutive years of opposition to the remuneration report.
- Volvo: Abstained on a binding shareholder resolution on climate lobbying disclosure; while supportive of the intent, concerns about reduced flexibility led to abstention, with follow up engagement planned to encourage leading voluntary disclosure.

8.5. The Fund holds the following public market investments which are voted on and engaged with by LGPS Central:

- LGPS Central Global Equity (Multi Manager Fund)

- LGPS Central Sustainable Equities Broad Fund
- LGPS Central Sustainable Equities Targeted Fund
- LGPS Central Investment Grade Credit Fund (Engagement Only)
- Legal and General Investment Managers (LGIM) Low Carbon Global Equity Passive Fund.

8.6 The Funds investments are held on a pooled basis so the Fund actually holds units in a pool which has underlying investments, this means unlike previous segregated mandates the equities are in the name of LGPS Central or LGIM. On average there are approximately between 1700/2000 underlying holdings in the portfolios at any given point.

9. Responsible Engagement Activity

- 9.1. During the last quarter Columbia Threadneedle Investments have continued to actively engage with companies on the Fund's behalf. An update on the engagement activities for the quarter is attached at **Appendix A** in the REO Activity report. This report covers companies across all the Fund's equity portfolios and includes engagement examples from Bayer AG, Infineon, Nat West Group, PepsiCo, Rentokil Initial, Siemens AG and Target Corp.
- 9.2. In addition to the public overview Columbia Threadneedle Investments also produce a confidential report on an ongoing engagement which can be shared with Committee members on request.
- 9.3. As part of the service provided by Columbia Threadneedle, they screen holdings against breaches and controversies around the UN Global Compact which is a voluntary initiative to get CEO's to adopt sustainable and socially responsible practices. There were no reported breaches in the last quarter.
- 9.4. In addition to the service provided by Columbia Threadneedle Investments, the Fund is also a member of the LAPFF (Local Authority Pension Fund Forum). The LAPFF use the combined power of LGPS Members to engage with companies on behalf of the LGPS. An update on the engagement activities of the LAPFF for the quarter is attached at **Appendix B**.
- 9.5. The LAPFF engagement is not specific to companies in the Fund's portfolio. The LAPFF use Pension Fund share holdings at an aggregate level to determine engagement companies, and they often engage at a sector level as well as with specific companies. Examples of some of the companies within the Shropshire portfolio on 31st March 2026 include an article on climate adaptation which covers Danone and an item on electric vehicles which covers General Motors. Other articles such as climate mitigation in aviation may not cover specific companies in the Shropshire portfolio but they do highlight sector issues.

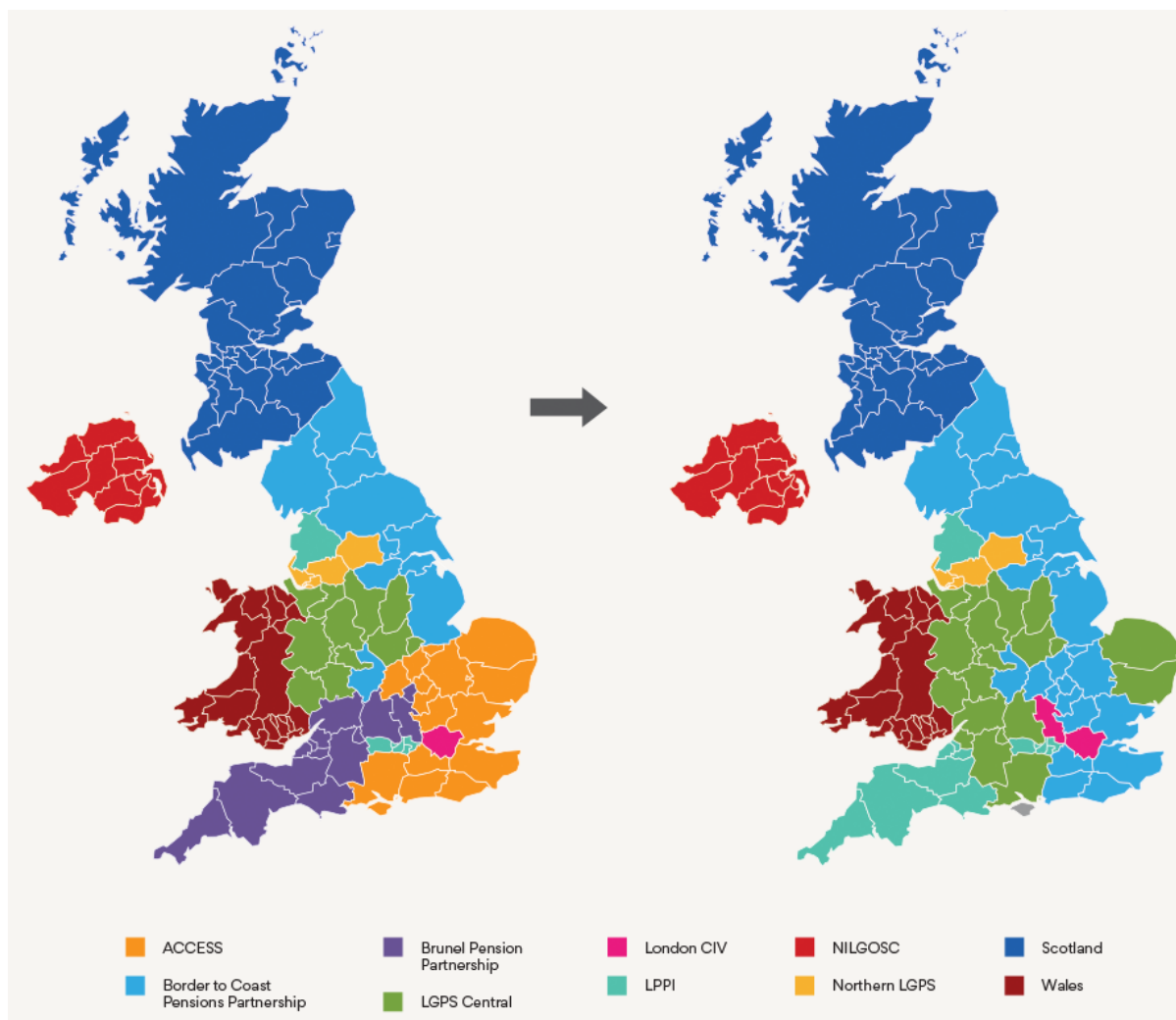
10. Conflict Affected Areas

- 10.1 On the 28th August 2025 Committee members received a letter from the Palestine Solidarity Campaign (PSC) requesting the Fund divest from companies involved in breaches of International Humanitarian Law supported by a legal position paper.

- 10.2 The Fund's position on investment in companies in conflict affected and high-risk areas is set out in our CAHRA statement which is available on the Funds [website](#) and is backed by legal opinion from Nigel Giffen KC which was obtained by the Scheme Advisory Board on behalf of the LGPS.
- 10.3 The report in September 2025 outlined the Scheme Advisory Boards (SAB) response at that time. Since that date SAB have written directly to MHCLG on the 13th October 2025 as promised and a copy of their letter is available on the SAB website [here](#). The letter clearly sets out SAB's view that having already obtained legal advice regarding allegations of criminality by administering authorities, the onus is on the government to provide clarity in the light of opposing opinion provided by Palestine Solidarity Campaign. In this respect they cite the previous Secretary of State did communicate the Governments views on the appropriateness of investments in Russia following the invasion of Ukraine.
- 10.4 The Governments response to the letter and the role of Pension Committees was received on 12th May and stresses that "The Government's position is clear: decisions on boycotts, divestment and sanctions are matters of UK foreign policy and are for central government, not local authorities. It is therefore not appropriate for local authorities to adopt investment policies that go beyond or differ from UK Government sanctions or foreign policy positions." A full copy of the response is provided at **Appendix C** to this report.
- 10.5 The Fund continues to keep the position under review and recognises the hardship for people living in these areas, for the reasons outlined in our CHARA statement, the Fund believes that the effective stewardship of assets provides the best long-term outcomes for stakeholders and society.
- 10.6 The Fund continues to work with stewardship partners to ensure that all companies operating in impacted areas have appropriate policies in place and promote formal adoption of the UN guiding principles in these areas.

11. Pensions Bill 2026

- 11.1. The Pensions bill gained royal accent on the 29th April 2026 and brought into law the recommendations raised under the Governments LGPS: fit for the future consultation. The background to the consultation was set out in the paper to Committee in September 2025.
- 11.2. On the 1st April 2026 LGPS Central moved to a pooling company covering 14 funds when the existing 8 members of LGPS Central were formally joined by Gloucestershire, Hampshire, Norfolk, Oxfordshire, Suffolk, and Wiltshire to form a combined pool of 14 LGPS Funds with a combined asset value of approximately £100 Bn. The Isle of Wight continues to negotiate the terms on which it will join LGPS Central.



- 11.3. The revised shareholder agreement was signed by all parties by the 31st March 2026 as required. The exception to this is the Isle of Wight who are still in discussions with LGPS Central about joining the pool.
- 11.4. The guidance for the changes proposed under the pensions Bill is expected to be issued by the end of June and the Government have advised that the six-month timeframe for adoption will be extended from the original 30th September 2026 deadline to 31st December 2026.
- 11.5. There are two sets of regulations for the LGPS. The first covers the LGPS (Pooling, Management and Investment of Funds) Regulations. The second regulation LGPS (Amendment) Governance Regulations 2026. The key changes under these regulations are as follows:

Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations

- 11.6. LGPS Central was already set up in accordance with the majority of the regulations proposals, and the regulations will add safeguards to ensure the Secretary of State can only use direction powers in the interests of all

stakeholders. The regulations are also expected to provide additional guidance on managing the performance of the pooling company.

- 11.7. Changes to the Investment Strategy: All Funds will be required to publish an updated Investment Strategy statement by 31st March 2027 which is aligned with the funding strategy to ensure long term cost efficiency and solvency of the fund. The Fund is well advanced in this process having undertaken training and in early 2026 and agreed a draft strategic assets allocation at the March 2026 meeting. Based on the decisions in March a revised Investment Strategy has been drawn up in draft for review by the Committee at today's meeting. Following this meeting Officers will accommodate any proposed changes from the Committee and issue the strategy for consultation with employers and key stakeholders with the intention of bringing the final Investment strategy statement back to the September Committee meeting for final approval. A separate consultation paper is expected alongside the regulations to clarify exact expectations on the consultation.
- 11.8. The Fund will be required to take primary investment advice from LGPS Central and LGPS Central will be responsible for administering all investments and implementation of the strategic asset allocation.

Local Government Pension Scheme (Amendment) (Governance) Regulations 2026

- 11.9. Knowledge and Skills: Committee Members must comply with knowledge and understanding requirements within three months or by their first meeting, whichever is earliest.
- 11.10. The Governance Strategy must explain when substitute members will be allowed. We are comfortable that our Governance Compliance statement meets this requirement, but we will review once the regulations are received.
- 11.11. All funds will be required to have an Administration Strategy by 2028. Shropshire County Pension Fund has always maintained a separate Administration policy and we will review the regulations to ensure this remains fully compliant.
- 11.12. Conflicts of Interest policy should cover both Pensions Committee and Pensions Board. A new Conflicts of Interest Policy will be presented for approval today to address this area and establish a separate policy to that used by the administering authority.
- 11.13. LGPS Senior Officer: Funds are required to appoint an LGPS Senior Officer by 31st December 2026. As the Committee are aware the Fund appointed an LGPS Senior Officer when it was first recommended in the good governance guidance, though we will have to ensure that this position is fully reflected in the Council Constitution when the regulations are received.
- 11.14. Independent Person: Funds are required to appoint an independent person by the 31st December 2026 and their role is to support the Committee not be a member of the Committee. The associated statutory guidance will cover the process for appointing an independent person.
- 11.15. Independent Governance review: The regulations are expected to clarify the process for undertaking this on a triannual basis and that Administering

Authorities must set out an action plan within six months of the review being published, to resolve any recommendations made in the review.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Climate Risk Report, Pensions Committee 5 December 2025

Corporate Governance Monitoring report, Pensions Committee 20 June 2025

Corporate Governance Monitoring report, Pensions Committee 19 September 2025

Corporate Governance Monitoring report, Pensions Committee 05 December 2025

Corporate Governance Monitoring report, Pensions Committee 20 March 2026

Local Member:

N/A

Appendices [Please list the titles of Appendices]

Appendix A – Columbia Threadneedle Investments Engagement Overlay Report 1st January 2026 to 31st March 2026

Appendix B – LAPFF Quarterly Engagement Report 1st January 2026 to 31st March 2026

Appendix C – MHCLG Response to Scheme Advisory Board

Shropshire County Council

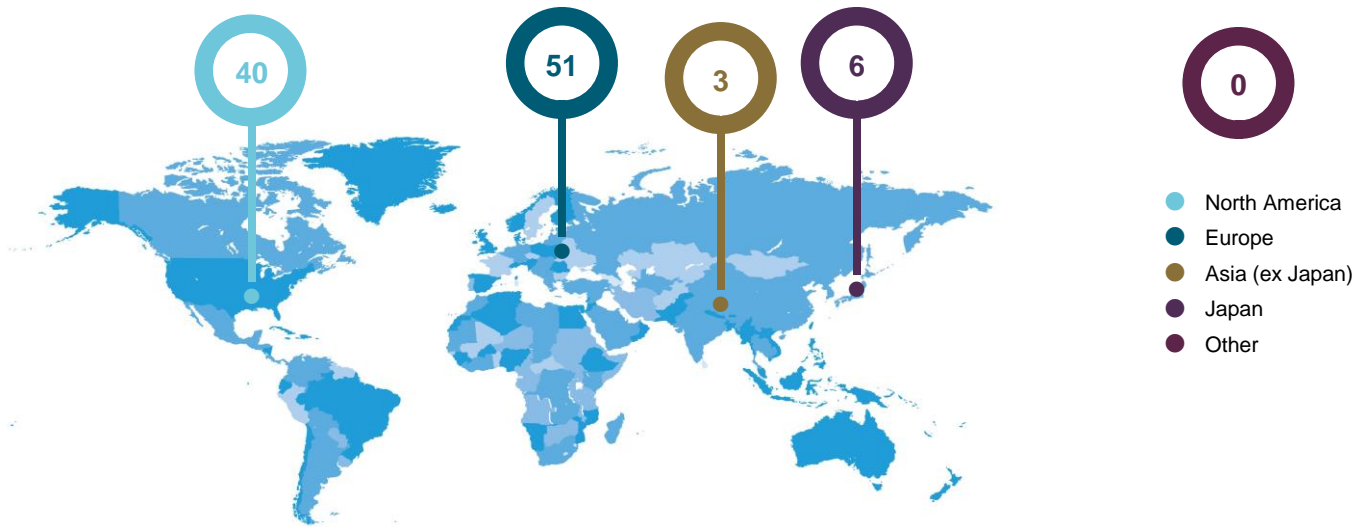
Q1 2026

The purpose of the *reo*[®] (responsible engagement overlay) service is to engage with companies held in portfolios with a view to promoting the adoption of better sustainability practices. Our quarterly Responsible Ownership Activity Report (ROAR) sets out key statistics from the quarter in terms of engagements across themes, milestones assigned and geographic spread of engagements. Furthermore, you will find an overview of UN Sustainable Development goals addressed through engagement as well as case studies across themes and geographies to outline specific engagement examples.

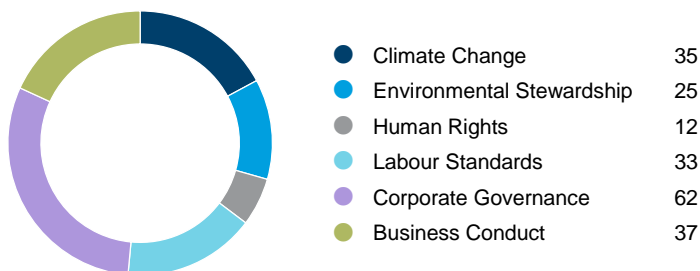
Companies engaged this quarter

Engagement	Companies Engaged	Milestones assigned	Countries covered
142	100	18	17

Companies engaged by region



Engagement by theme



Milestones assigned by theme

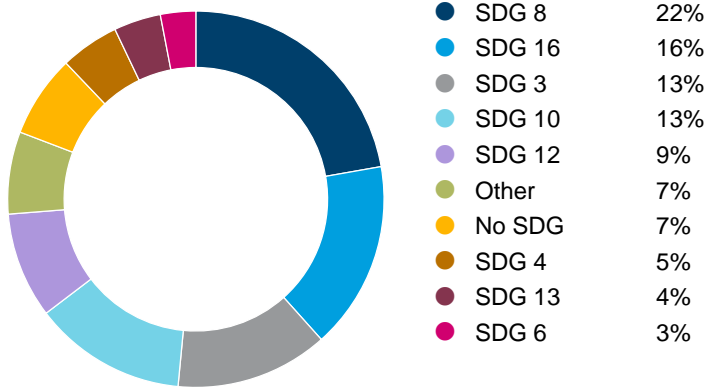


Engagements and Sustainable Development Goals (SDGs)

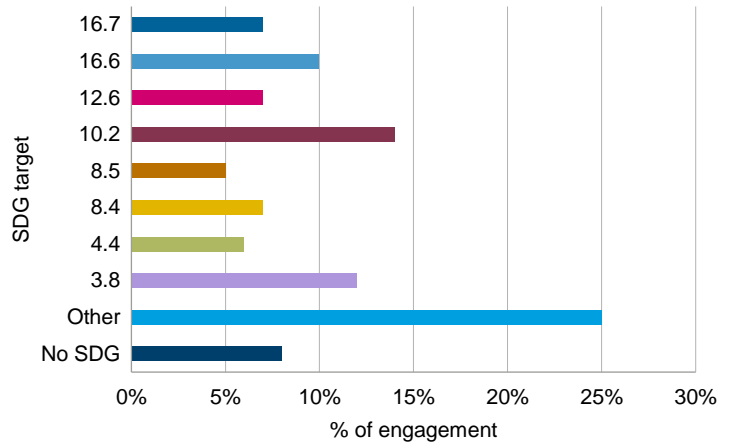
The 17 Sustainable Development Goals (SDGs) were developed by the UN and cross-industry stakeholders with a view to providing a roadmap towards a more sustainable world.

We use the detailed underlying SDG targets to frame company engagement objectives, where relevant, as well as to articulate the positive societal and environmental impacts of engagement. Engagements are systematically captured at a target level, to enable greater accuracy and achieve higher impact.

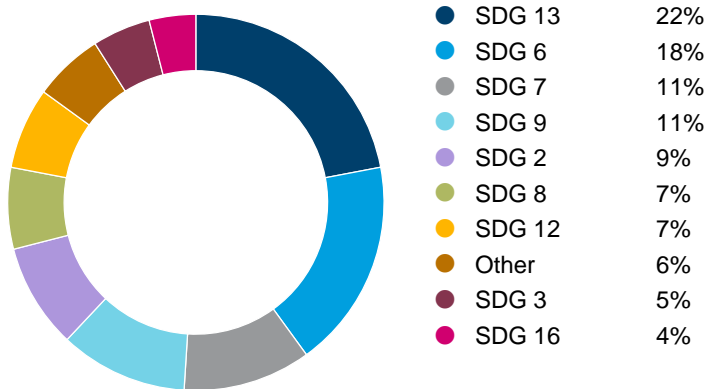
Engagement: SDG level



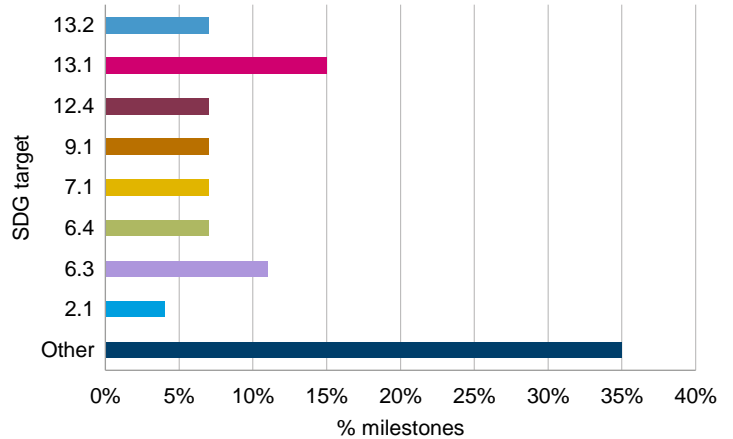
Engagement: SDG target level



Milestone: SDG level



Milestone: SDG target level



Engagement case studies

Company: Bayer AG

Mailing country: Germany

Sector: Health Care

Priority company: ✓

ESG risk rating: ●

Response to prior engagement: Good

Theme: Climate Change

Engagement case study name: Innovating climate-resilient agriculture with lower environmental impact



Background

Bayer AG is a major agricultural science company developing seeds and crop protection products. Climate change is creating significant challenges for farmers, including extreme weather, new pests and diseases, and unpredictable growing conditions. We engaged with Bayer to understand how the company is helping farmers adapt while reducing agriculture's environmental impact. Climate pressures are intensifying globally. Bayer is responding with a major business transformation, restructuring its Crop Science division by exiting approximately 200 lowest-margin, older crop protection products. This is expected to generate over €3bn in additional revenue and restore profit margins to the mid-20s range. Simultaneously, Bayer is investing heavily in innovation, with ten new blockbuster products in development, including Plenexos - a highly selective insecticide protecting beneficial species like bees while using very low doses of approximately 10 grams per acre.

Action

We met with Bayer's CEO in March 2026, building on conversations from March and June 2025, demonstrating ongoing engagement on climate resilience and agricultural innovation. We discussed Bayer's three-part strategy to help farmers manage climate risks while improving environmental outcomes. The company is developing climate-resilient crop varieties using gene editing technology, including disease-resistant soybeans and short-stature corn that better withstands extreme weather. Gene editing speeds up natural plant breeding without introducing foreign genetic material, potentially easing regulatory approval. Bayer is creating more precise crop protection products with lower environmental impacts to replace older chemicals from the 1960s. Products like Plenexos demonstrate how newer technologies control pests more selectively using far smaller quantities of active ingredients.

Verdict

Bayer is well-positioned to benefit from growing farmer demand for climate-resilient crop varieties and capitalize on more flexible regulatory approaches to gene-edited crops expected in Europe from 2028. Their newer products offer both margin opportunities and environmental benefits by replacing older chemicals with more targeted solutions, using smaller quantities and limiting environmental impacts. Next we aim to appraise Bayer's crop protection and seeds pipeline, and evaluate potential margin expansion from increasing farmer demand for climate resilience. Key milestones include regulatory progress for gene-edited crops, commercial launch timelines, and monitoring of farmer willingness to pay premiums for climate-resilient solutions.

ESG Risk Rating:

Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

● Top quartile ● Second quartile ● Third quartile ● Bottom quartile

For illustrative purposes only. The mention of any stocks or securities is not a recommendation to deal.

Engagement case studies

Company: Infineon Technologies AG

Mailing country: Germany

Sector: Information Technology

Priority company: ✓

ESG risk rating: ●

Response to prior engagement: Good

Theme: Environmental Stewardship

Engagement case study name: A drive toward more efficient water use to support water risk mitigation

SDG: 6.4



Background

Infineon Technologies is a major semiconductor manufacturer focused primarily on automotive and power chips. Semiconductor manufacturing is highly water-intensive, and the company operates fabrication facilities (fabs) in regions with varying levels of water stress. We engaged with the company to assess its management of water risk across its fabs and progress on water target setting, particularly as production volumes continue to grow to meet demand for automotive electrification and power management chips. The company's water recycling currently averages 32% across fabs, with wide performance variation between sites. Water investment is driven by efficiency and future cost expectations rather than current economics, with management expecting water costs to increase. The motivation is efficient water use for the benefit of the wider population as much as immediate cost savings.

Action

We held a group meeting with the Head of Sustainability and Investor Relations in February 2026 to discuss water risk management and target setting. We explored the company's water recycling performance, which varies significantly between sites. We encouraged more ambitious water recycling targets and site-specific goals reflecting different water stress levels and technological capabilities across facilities. Management explained that even with state-of-the-art recycling technology at the new Malaysia fab, they cannot achieve flat or declining absolute water volumes as production grows. We discussed water risk concentration across their manufacturing footprint. Management identified Wuxi and Dresden as the highest-risk facilities currently. Dresden is particularly noteworthy as it is not water-scarce today but faces potential future constraints from industrial demand and population pressures.

Verdict

Infineon has low-medium water stress currently, but we anticipate this may increase with Malaysia increasingly anchoring production closer to 2030. Diversification across manufacturing sites reduces Infineon's risk exposure, but this will need to be supplemented with water technology investment to mitigate risk. The company's acknowledgment that water use will continue to grow even with advanced recycling technology is realistic and reflects the fundamental challenge facing the semiconductor sector as production scales. Looking ahead, we will monitor for an increase in water recycling performance or a decrease in water stress exposure based on new fab site selection.

ESG Risk Rating:

Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

● Top quartile ● Second quartile ● Third quartile ● Bottom quartile

For illustrative purposes only. The mention of any stocks or securities is not a recommendation to deal.

Engagement case studies

Company: NatWest Group PLC

Mailing country: United Kingdom

Sector: Financials

Priority company: ✓

ESG risk rating: ●

Response to prior engagement: Good

Theme: Climate Change

Engagement case study name: Managing flood risk exposure in UK residential mortgage portfolio

SDG: 13.1



Background

NatWest is one of the UK's largest residential mortgage lenders. Flood risk represents a material exposure for the bank's mortgage book, particularly as climate change increases the frequency and severity of flooding events across the UK. We engaged to understand how NatWest manages its flood exposure and how it is evaluating the risk associated with the 2039 deadline for FloodRE (the UK's government backed flood reinsurance scheme). The UK's Environment Agency estimates that one in four UK houses could be at risk of flooding by 2050. As insurance markets start anticipating and pricing this risk, property values could be affected well before flooding actually impacts properties, as buyers start to consider risks to their long-term mortgability.

Action

We spoke to the Head Climate Adviser to NatWest in March 2026, and attended NatWest's annual climate conference. This engagement is part of our broader review of how European banks are managing climate risks and opportunities. During our discussions, we explored how NatWest assesses flood risk across its mortgage portfolio. We discussed the bank's internal research that 3.6% of residential mortgages are at high flood risk and 1.6% at very-high flood risk. We noted this is a point-in-time analysis and encouraged the bank to develop forward-looking assessments that account for how climate change may increase these exposures over time. Management emphasized their engagement with policymakers on this topic, explaining that FloodRE is essential to protecting the UK residential housing market. They stressed that individual lenders have a limited role in building structural defences and highlighted the need for cross-industry collaboration to address systemic flood risk.

Verdict

NatWest is exposed to risks should insurance prices increase or house values decrease due to flood risk. The current analysis is backward-looking rather than forward-looking, which limits the bank's ability to anticipate effects to the mortgage portfolio over time. These point in time analyses also impedes the bank's ability to signal to consumers the risk to their houses. Management's emphasis on policy engagement is appropriate given flood risk is fundamentally a systemic challenge requiring government investment in structural defences and continued support for FloodRE. We will continue monitoring, particularly whether the bank develops forward-looking flood risk projections and factors flood risk into lending decisions.

ESG Risk Rating:

Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

● Top quartile ● Second quartile ● Third quartile ● Bottom quartile

For illustrative purposes only. The mention of any stocks or securities is not a recommendation to deal.

Engagement case studies

Company: PepsiCo Inc

Mailing country: United States

Sector: Consumer Staples

Priority company: ✓

ESG risk rating: ●

Response to prior engagement: Good

Theme: Human Rights; Labour Standards

Engagement case study name: Reactive approach to food system transformation

SDG: 2.2



Background

We engaged PepsiCo under the Food System Transformation theme due to its significant exposure to snacks and sweetened beverages, categories facing rising health, nutrition, and regulatory pressure. While the company has publicly committed to reformulation and “better-for-you” innovation, there remains uncertainty over whether these efforts are structurally embedded across the portfolio or applied selectively to manage risk perception. Recent volume weakness, operational disruption, and affordability pressures raised questions about the durability of earnings and whether pack architecture and pricing actions reflected long-term strategic repositioning or short-term tactical responses. The engagement sought to assess whether reformulation and clean-label progress are increasingly driven by retailer requirements and whether affordability-led volume recovery may be masking underlying structural headwinds linked to HFSS (High Fat, Salt and Sugar) dependency.

Action

We spoke with PepsiCo Investor Relations to discuss the depth and consistency of ingredient clean-up across core and flavoured SKUs, the role of reformulation within low-sugar and functional innovation platforms, and evolving retailer behaviour, including store-level decision-making, perimeter placement, and listing dynamics. We also assessed price/mix expectations, volume recovery, and governance discipline to determine whether product portfolio actions are sufficient to materially alter PepsiCo’s long-term risk profile.

Verdict

Our engagement reinforced that PepsiCo’s affordability and productivity initiatives are increasingly structural and supported by a leaner operating model, contributing to stabilisation in volumes and retailer relationships. Reformulation and ingredient clean-up are advancing, but remain selective and uneven, with HFSS products still underpinning earnings. While reformulation is becoming necessary in parts of the portfolio, it is not yet embedded at a scale sufficient to materially shift revenue mix. As a result, we believe PepsiCo remains high risk regarding the theme of food system transformation with evidence of incremental progress driven by retailer enforcement rather than proactive redesign.

ESG Risk Rating:

Rating of a company’s ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

● Top quartile ● Second quartile ● Third quartile ● Bottom quartile

For illustrative purposes only. The mention of any stocks or securities is not a recommendation to deal.

Engagement case studies

Company: Rentokil Initial PLC

Mailing country: United Kingdom

Sector: Industrials

Priority company: ✓

ESG risk rating: ●

Response to prior engagement: Good

Theme: Labour Standards; Business Conduct

Engagement case study name: Addressing cultural and operational challenges following major acquisition

SDG:  8.5

Background

Rentokil Initial is a global pest control and hygiene services company. Following its acquisition of Terminix, the company faced significant cultural and operational integration challenges, particularly in North America (NA) - its most important market representing 60% of group revenue. We engaged with the company to assess whether prolonged integration failures were creating material execution risk and whether recent leadership changes could stabilize performance. Management's decision to centralize branch operations fundamentally misread the requirements of a route-based consumer focused business, disrupting local accountability and contributing to weaker employee retention and customer service in NA.

Action

We met with senior management and the Chair in January and March 2026, including discussions with outgoing CEO Andy Ransom (who led the Terminix acquisition) and incoming CEO Mike Duffy. This built on prior engagements focused on Terminix integration failures, branch operations, and leadership turnover in critical NA operations. We discussed the appointment of Mike Duffy as Group CEO, noting the lack of a permanent North America CEO remains a key risk. We reviewed the satellite branch strategy to improve local accountability, retention, and service quality, following leadership turnover that weakened cultural cohesion and execution. Management acknowledged past integration issues and pointed to early signs of stabilization, though execution remains uneven across regions.

Verdict

Prolonged cultural and operating-model misalignment following the Terminix acquisition created material execution risk in Rentokil's key market. The company's acknowledgment of integration failures and willingness to reverse course is encouraging, but the proof will be in consistent operational performance. We will continue monitoring the appointment of a permanent North America CEO with pest control industry experience, assess whether the satellite branch model delivers sustained improvements in employee and customer retention, and track evidence that execution stabilization translates into consistent performance.

ESG Risk Rating:

Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

● Top quartile ● Second quartile ● Third quartile ● Bottom quartile

For illustrative purposes only. The mention of any stocks or securities is not a recommendation to deal.

Engagement case studies

Company: Siemens Energy AG

Mailing country: Germany

Sector: Industrials

Priority company: ✓

ESG risk rating: ●

Response to prior engagement: Adequate

Theme: Climate Change

Engagement case study name: Driving grid modernisation and clean energy growth

SDG:



7.2



9.4

Background

Siemens Energy is positioned at the center of the global energy transition, providing critical infrastructure for both conventional power generation and renewable energy. The company's portfolio spans gas services, grid technologies, and wind turbines through its Gamesa division, making it a key enabler of grid modernisation and clean energy deployment. The gas services business continues to see strong underlying demand from the transition away from coal-fired generation and increasing electrification. Data center demand remains robust and grid technologies face very strong demand - the grid business is critical for integrating renewable energy and supporting electrification trends driven by data center growth.

Action

In February 2026, we engaged with Siemens Energy's Head of Investor Relations in a group meeting to assess the company's order backlog, revenue expansion prospects, and positioning within clean energy and grid infrastructure markets. We explored the drivers of strong demand across the company's business segments. Management explained that gas services continue to benefit from the coal-to-gas transition and electrification trends, with the company seeing continued increases in electrification especially in the US. The investments they are making remain cautious, so they see potential for upside. We discussed the grid business, where demand is very strong. They highlighted the company is well-positioned to capture this opportunity given its market-leading position in power equipment supply.

Verdict

Siemens Energy has high exposure to clean energy and grid infrastructure themes, with attractive revenue visibility supported by a strong order backlog. The company's diversified portfolio positions it to benefit from multiple energy transition trends, including coal-to-gas conversion, renewable energy integration, and grid modernization. The path to improved profitability appears credible, with clear targets for margin expansion and the Gamesa wind turbine turnaround. However, execution risk remains, particularly around achieving their ambitious Gamesa breakeven targets and delivering on margin expansion commitments.

ESG Risk Rating:

Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

● Top quartile ● Second quartile ● Third quartile ● Bottom quartile

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Engagement case studies

Company: Target Corp

Mailing country: United States

Sector: Consumer Discretionary

Priority company: ✓

ESG risk rating: ●

Response to prior engagement: Good

Theme: Environmental Stewardship

Engagement case study name: Making healthier food more accessible through private-label innovation

SDG: 12.5



Background

Target is a major U. S. retailer that is increasingly focusing on healthier, cleaner food options. We engaged to assess whether Target's shift toward healthier, functional, and wellness-aligned food is structural, and what this implies for long-term mix, margins, and resilience. The results are encouraging. Target's wellness categories - including food, supplements, beauty, and activewear - are growing strongly with 4.6% comparable sales growth. Good & Gather is on track to become Target's first \$4 billion brand by focusing on simple ingredients with no artificial additives. Healthier food options are expanding across the store, helping to improve profit margins. Importantly, Target's customers are more health-conscious than average shoppers, meaning the company is well-positioned to benefit as consumers shift from highly processed foods toward simpler, healthier options.

Action

We met with Investor Relations to discuss food mix, private-label strategy, and wellness-driven consumer behaviour. We explored how Target is leveraging its Good & Gather private-label platform to drive clean-label reformulation at scale. The brand removes artificial ingredients and emphasizes transparency - an approach more commonly seen from major food manufacturers than retailers. This gives Target better control over product quality while improving profitability. While Good & Gather has been Target's primary vehicle for clean-label and health-aligned positioning, emerging actions such as the removal of synthetic certified colours from all cereal SKUs by May 2026 indicate that health considerations are beginning to extend into high-volume core categories, signalling early movement beyond private label into the mainstream assortment.

Verdict

Target is in the early stages of a meaningful shift toward healthier, cleaner food. Growth in wellness categories, better-for-you brands, and clean-label private products is supporting both better margins and long-term resilience. While progress is uneven and there is room for transparency, the foundations for healthier products are strengthening. We will continue monitoring their progress on removing synthetic colours, expanding ingredient standards, and growing clean-label brands like Good & Gather, alongside broader health-driven shopping trends. To reach the next milestone, we need to see sustained growth in healthier food sales and successful implementation of ingredient standards across core product categories, not just select items.

ESG Risk Rating:

Rating of a company's ESG risk exposure and risk management compared to industry peers. Source: MSCI ESG Research Inc.

● Top quartile ● Second quartile ● Third quartile ● Bottom quartile

For illustrative purposes only. The mention of any stocks or securities is not a recommendation to deal

Appendix



SDG	Target	Target Summary
SDG2	2.1	End hunger and ensure access to safe and nutritious food
SDG2	2.1	End hunger and ensure access to safe and nutritious food
SDG2	2.2	End all forms of malnutrition, particularly for children and women
SDG2	2.2	End all forms of malnutrition, particularly for children and women
SDG2	2.4	Implement climate-resilient and sustainable food production
SDG2	2.4	Implement climate-resilient and sustainable food production
SDG3	3.3	End AIDS, TB, malaria and other water-borne and communicable diseases
SDG3	3.4	Reduce mortality from non-communicable diseases and promote mental health
SDG3	3.4	Reduce mortality from non-communicable diseases and promote mental health
SDG3	3.8	Access to medicines and health-care
SDG3	3.9	Reduce deaths and illnesses from pollution and contamination
SDG3	3.9	Reduce deaths and illnesses from pollution and contamination
SDG4	4.4	Increase the number of technically and vocational trained individuals
SDG5	5.5	Ensure full equality of opportunity for women, including at leadership levels
SDG6	6.3	Improve water quality by reducing pollution
SDG6	6.3	Improve water quality by reducing pollution
SDG6	6.4	Increase water-use efficiency to address water scarcity
SDG6	6.4	Increase water-use efficiency to address water scarcity
SDG7	7.1	Ensure universal access to modern energy services
SDG7	7.1	Ensure universal access to modern energy services
SDG7	7.2	Substantially increase the global share of renewable energy
SDG7	7.2	Substantially increase the global share of renewable energy
SDG7	7.3	Double the global rate of improvement in energy efficiency

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SDG	Target	Target Summary
■ SDG8	8.2	Achieve greater productivity through innovation.
■ SDG8	8.2	Achieve greater productivity through innovation.
■ SDG8	8.4	Improve resource efficiency and prevent environmental degradation
■ SDG8	8.5	Achieve full and productive employment for all
■ SDG8	8.5	Achieve full and productive employment for all
■ SDG8	8.7	Eradicate forced labour, modern slavery & human trafficking
■ SDG8	8.8	Protect and promote safe working environments for all workers
■ SDG9	9.1	Develop resilient and sustainable infrastructure
■ SDG9	9.1	Develop resilient and sustainable infrastructure
■ SDG9	9.4	Upgrade and retrofit industries to increase sustainability
■ SDG9	9.4	Upgrade and retrofit industries to increase sustainability
■ SDG10	10.2	Empower and promote inclusivity for all
■ SDG11	11.2	Provide access to safe and affordable transport systems
■ SDG12	12.2	Sustainably manage and make efficient use of natural resources
■ SDG12	12.4	Manage chemical usage and waste throughout their life cycle
■ SDG12	12.4	Manage chemical usage and waste throughout their life cycle
■ SDG12	12.5	Reduce waste through prevention, reduction, recycling and reuse
■ SDG12	12.6	Encourage companies to adopt sustainable practices and enhance ESG reporting
■ SDG13	13.1	Strengthen adaptive capacity to climate-related events
■ SDG13	13.1	Strengthen adaptive capacity to climate-related events
■ SDG13	13.2	Integrate climate change plans into policies and strategies
■ SDG13	13.2	Integrate climate change plans into policies and strategies
■ SDG14	14.1	Prevent and reduce marine pollution of all kinds
■ SDG15	15.5	Take urgent action to reduce degradation of natural habitats
■ SDG15	15.5	Take urgent action to reduce degradation of natural habitats
■ SDG16	16.3	Promote the rule of law and access to justice at all levels
■ SDG16	16.6	Develop effective, accountable and transparent institutions
■ SDG16	16.6	Develop effective, accountable and transparent institutions
■ SDG16	16.7	Ensure responsive and inclusive decision-making at all levels

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Quarterly
Engagement
Report

January-March
2026



Climate Change Adaption

• Aviation • Zero
Hour Contracts

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Cover image: kateryna-ivanovaunsplash; left: lee-milo unsplash

CLIMATE CHANGE ADAPTATION & RESILIENCE

FOOD / PROTEIN / AGRICULTURAL SUPPLY CHAINS

Climate adaptation has continued to be a focus for LAPFF during Q1 of 2025. With climate change and more frequent extreme weather events already impacting our planet and economy, ensuring companies are taking measures to adapt to the physical risks is of significant interest to investors. In this context, climate adaptation relates to companies anticipating and preparing for the climate-related changes already with us and predicted to intensify. According to a 2024 report by the World Economic Forum, climate hazards could drive \$560-610 billion of asset losses annually across listed companies by 2035, rising to \$1.1 trillion by 2055.¹ In a scenario without adaptation strategies,

this could lead to a 6.6% to 7.3% drop in average company earnings every year by 2035. Climate adaptation differs from mitigation, where companies work to reduce the risk that the negative impacts will occur in the first place, which remains a central focus of LAPFF’s work.

Climate-related impacts will be felt across the entire economy but will affect some sectors more than others. One such area is food systems, whereby the UK government has identified climate change as one of the greatest risks to the long-term stability of global food security.² This means food producers and distributors will experience the impacts of climate change acutely, with the material negative impacts stemming from extreme heat, drought, and water stress. In the context of the UK, Met Office projections³ indicate that warmer, wetter winters and hotter, drier summers will become more frequent, as will extremes like floods and droughts. These all have implications for how food is produced. The extent to which companies need to adapt depends on the specific hazard (its frequency and certainty), their vulnerability to its impacts, and the geographic exposure of their operations. As a result, adaptation strategies demand a

bespoke approach at the industry and company level.

Inside Track is a non-profit organisation that provides a platform for people working within key industries to confidentially share internal insights, with the aim of shaping strategic interventions to support industry change. In April 2025, it published a memo from anonymous food industry executives in which they were voicing concerns about the threat climate change poses to food security.⁴ The memo stressed that yield, security, and predictability of supply will become unreliable due to climate risks such as declining soil health, water scarcity, and global heating. The memo cautioned that the food sector is ill-equipped to deal with the magnitude of these risks and called on investors to lead a pragmatic dialogue with companies, urging them to strengthen supply chain resilience.

Objective: What can LAPFF do to encourage companies to prepare?

The starting point is for investee companies to understand and be clear about what a higher temperature outcome might mean for their business. LAPFF is therefore actively encouraging companies to identify and describe

1 https://reports.weforum.org/docs/WEF_Business_on_the_Edge_2024.pdf
 2 <https://lordslibrary.parliament.uk/impact-of-climate-change-and-biodiversity-loss-on-food-security/>
 3 <https://weather.metoffice.gov.uk/climate-change/climate-change-in-the-uk>
 4 <https://insidetrack.org.uk/foodmemo>

ENGAGEMENTS

climate adaptation issues that are financially material. Such disclosures should include the potential impacts and the actions that the company is taking to reduce the risks. By doing so, companies would be aligning with the IFRS S2 standard.

To further this objective, in Q1 LAPFF held engagement calls with Sainsbury's, Associated British Foods (ABF), Danone, Marks and Spencer (M&S), and Nestlé. This was part of a dialogue facilitated by BNP Paribas. These collaborative engagements sought to encourage companies to identify and describe financially material physical climate-related impacts, and disclose the adaptation measures they are taking to mitigate such risks. LAPFF expects these measures to be company-specific and embedded within a range of 'reasonable outcomes', not just a single 'preferred' scenario. Given the heterogeneity of global climate change, companies should be focused on the regional differences of key sourcing areas and commit to regularly disclosing information that allows investors to monitor progress. LAPFF upholds the expectation that the board must have direct oversight of the execution of climate-adaptation strategies, anchored by a named director to ensure clear accountability.

Achieved Sainsbury's

Sainsbury's disclosed that supply chain resilience is embedded within its commercial strategy; it has and continues to be a high priority for the Board. Sainsbury's identified water stress and scarcity as one of its greatest risks, particularly in Peru and Spain, noting that the four growing areas across Spain face different climate hazards. A key pillar of its adaptation strategy is to prioritise long-term supplier partnerships, whereby the sustained commitment empowers suppliers to invest in localised mitigation and adaptation measures. Sainsbury's aims to enhance traceability across the end-to-end value chain by establishing shorter supply chains. It emphasised its commitment to industry collaboration, particularly in sourcing regions where it cannot operate alone.

ABF

ABF outlined a risk management process

led by the CFO who reports to the Board. The company highlighted how physical climate-related risks are identified and managed within its devolved business units (Retail, Grocery, Sugar, Agriculture and Ingredients), with periodic reporting to central management. ABF noted that some risks may be material at a business level without aggregating to group level materiality. The company acknowledged investor feedback that disclosures could be strengthened through financial quantification of physical risk impacts, beyond qualitative risk ratings.

Danone

In 2025, Danone conducted a multi-layer risk mapping of its supply chains, including the physical risks of climate, land use change, supply concentration and water usage. The study identified the top 15 high-risk commodities and potential yield changes by 2030 and 2050. This exercise was used to guide investment in mitigation. Milk was identified as its top priority, followed by sugar and strawberries. North America, Spain, France, and Mexico were identified as its risk focus areas, noting the UK is not an area of concern as it is relatively small from a sourcing perspective.

In addition, Danone has committed to ensuring that 45% of its supply is sourced from farmers using regenerative agriculture by 2030. It is working to identify where the climate impacts will be most severe and assess whether regenerative practices demonstrate greater resilience relative to conventional farming; one way they are measuring this is by leveraging satellite imagery.

Through its January 2024 Sustainable Sourcing Programme, Danone introduced new contractual commitments for strategic suppliers aligned with SBTi requirements and has since collected 93% of supplier specific emissions factors from its dairy ingredient suppliers, strengthening visibility and accountability across its supply chain.

M&S

The Board of M&S has ultimate oversight of its ESG strategy, reinforced by the board-level ESG committee. The cross-functional ESG Business Forum operationalises delivery across business units, meeting quarterly to track progress, manage risks, and report to the Executive

Committee and the ESG Committee; M&S noted that the most recent meeting explored its supply chains.

In 2025, the company conducted a risk assessment of its top 50 raw materials, including palm oil, cocoa and coffee, to prioritise resilience strategies for those with the highest environmental and social risks. It is committed to funding and scaling innovative projects that address supply chain risks using its annual £1m 'Plan A Accelerator Fund'; current projects include extending the season of British tenderstem broccoli, drone-based crop monitoring, and biochar trials. With regards to milk yields, M&S' milk pool of 40 British farmers embeds resilience by maintaining the highest welfare and environmental standards, supported by a five-year programme that funds the equipment for the real-time monitoring of animal health and wellbeing as well as regenerative farming practices, such as soil health and biodiversity. This data spans 42 metrics, with results interpreted by on-site visits from environmental experts.

M&S emphasised that its long-term partnerships, particularly in Britain, provide assurance for its suppliers to invest in both climate mitigation and adaptation strategies. M&S added that it is collaborating with the UK government to help drive policy changes in this space at the national level.

Nestlé

Nestlé defined a climate resilience strategy underpinned by a proprietary risk-mapping tool that identifies where its key ingredients are sourced, the physical climate risks these regions face, and hotspots of high biodiversity. Nestlé is scaling regenerative agricultural practices across its supply chain alongside identifying alternative sourcing regions. Across Côte d'Ivoire and Ghana, two of its key cocoa sourcing regions, Nestlé supports its farmers to implement regenerative agriculture practices, including shade-tree systems and frequent pruning. Malaysia has been pinpointed as a region for future cocoa sourcing, whereby cocoa trees will be planted alongside existing palm oil plantations. Intercropping aims to diversify monoculture plantations, which can enhance crop resilience to weather extremes. Nestlé continues to scale climate-linked insurance across

ENGAGEMENTS



Image: Alamy

commodities including coffee and palm oil, using its long-term sourcing relationships to improve farmers' access to coverage. It noted that this remains challenging in cocoa due to unpredictable and highly variable yields. Nestlé reiterated the importance of a collectively recognised definition for regenerative agriculture, and moving towards consistent reporting frameworks and standardised regulation across the industry.

In Progress: There is growing recognition among both companies and investors that climate change will negatively impact most agricultural activities; this will impose material risks on companies

across the food supply chain.⁵ While financially viable solutions are available, it's often not clear who will fund the required actions. Given this, it is not unreasonable for investors to require that companies clearly set out not just the possible impacts, but also the detailed actions they will be taking, as has been made clear during engagements in Q1.

At the February 2026 Business meeting, LAPFF issued a report entitled 'Climate Adaptation: Food Producers and Distributors', setting out what the Forum and other stewards of capital should be asking investee companies with exposure to the most at risk commodities. The report covered dairy, fresh fruit & vegetables as well as coffee

and chocolate. For those companies exposed to dairy farming, the report recommended a focus on three key areas: herd management, land management, and infrastructure. In the case of fresh fruit and vegetables, this would include a requirement for companies to set out specific actions they are proposing to take, such as plans to shift sourcing away from the most exposed parts of its supplier base.

LAPFF will continue to engage companies exposed to the physical risks of climate change on agriculture, in particular, exploring opportunities for enhanced stewardship while determining any appropriate level of sector or commodity focus over time.

⁵ <https://www.wwf.org.uk/press-release/uk-supermarkets-track-meets-critical-targets>

ENGAGEMENTS



Image: Alamy

South West Water handing out emergency rations of bottled water to anyone affected by the Cryptosporidium outbreak in Torbay

WATER UTILITIES

Issue: LAPFF has maintained longstanding engagement with the water utilities sector regarding pollution from storm overflows and required upgrades to ageing Victorian infrastructure. Building on this foundation, LAPFF is expanding its engagement focus to include the growing risks posed by per- and poly-fluoroalkyl substances (PFAS), or “forever chemicals”, and other environmental contaminants, such as microplastics.

PFAS are synthetic chemicals and environmental contaminants built around strong carbon-fluorine bonds; these are chains of carbon atoms bonded to fluorine, with each compound containing at least one fully fluorinated carbon group. These bonds are among the strongest in organic chemistry, which is why PFAS are often called “forever

chemicals”: they break down extremely slowly and can persist in water, soil, and air for decades or even centuries.

Their chemical stability makes them highly resistant to oil, water, heat, and stains. As a result, PFAS have been widely used in many commercial and household products, including non-stick cookware, water- and stain-repellent fabrics, firefighting foams, certain paints, medical devices, and various types of food packaging.

However, the same durability that makes PFAS useful also makes them a major environmental concern. PFAS, especially short-chain varieties, can travel easily through the environment and accumulate in soil, plants, and animals, ultimately entering the human food chain. They are frequently detected in drinking water supplies around the world. Epidemiological studies have linked PFAS exposure to several health

risks, including adverse reproductive outcomes in women, immune system disruption, and potential carcinogenic effects.

LAPFF also notes the significant regulatory changes underway within the UK water sector via the government’s decision to dismantle Ofwat and transition to a new integrated water regulator, as recommended in the government-commissioned 2025 Independent Water Commission: review of the water sector, the Cunliffe Report⁶, and detailed in the January 2026 DEFRA Water White Paper “A New Vision for Water”⁷. These reforms signal a shift toward more coordinated, system-wide oversight of the sector. In this context, LAPFF’s engagement will encourage companies to demonstrate how they are addressing both legacy pollution challenges and emerging risks, while adapting to the forthcoming regulatory

6 <https://www.gov.uk/government/publications/independent-water-commission-review-of-the-water-sector>

7 https://assets.publishing.service.gov.uk/media/698dd6d5ceeaa48d377fc973/Defra_Water_White_Paper_2026_print__with_correction_slip_.pdf

ENGAGEMENTS

framework and supporting sector-wide collaboration to deliver a more resilient and sustainable water system.

Achieved: LAPFF met with Pennon's ESG Committee Chair, senior executives, and incoming leadership to discuss progress across environmental performance, preparation for regulatory changes, and governance, particularly in relation to its South West Water operations. The company reported strengthened capability through an expanded ESG function and creation of a dedicated Chief Strategy and Regulatory Affairs role.

Pennon outlined material improvements across its operations, including continued delivery of the 'Upstream Thinking' catchment programme as well as the company's long running, nature-based catchment management programme designed to improve water quality at source by working with farmers, landowners, and environmental partners across the South West. The company also outlined energising two new renewable energy sites as part of its ambition to self-generate 40% of energy consumption by 2030.

On pollution via storm overflows, Pennon confirmed progress, noting 291 overflow improvements have been completed, all bathing-water overflows have been addressed, and the company remains committed to achieving fewer than ten overflows a year by 2040. This progress is welcome, given South West Water has historically recorded some of the highest storm overflow incident rates in England, according to Environment Agency (EA) Event Duration Monitoring (EDM) data (2024-2020)⁸. The 2025 data was released by the EA after the meeting with Pennon in late March 2026. Its latest Incident Reduction Plan is forthcoming, and the company continues to target 4-star EPA ratings, which Pennon confirms is reviewed at every board meeting.

On emerging contaminants, Pennon described active PFAS monitoring in coordination with the Drinking Water Inspector (DWI) and participation in national trials, noting its partnership with the University of Exeter's CREWW to develop PFAS removal methods and

advance microplastics detection and research. The company reiterated its support for the 'polluter pays' principle, cautioning that end-of-pipe solutions alone are unsustainable for bill payers.

Pennon also discussed the 2026 Water White Paper and the sectors transition to a new single regulator, welcoming the sector-wide shift from a water-sector to a water-system approach. It noted active involvement in transition planning and supported the reintroduction of a Chief Engineer to strengthen asset health oversight. The company recognised the importance of improved regional planning and better alignment between regulators and the unique geographic and socio-economic context of the South West.

In Progress: Pennon continues to operate in a challenging risk environment, where climate-driven weather variability and legacy infrastructure pressures are shaping day-to-day performance. Although progress has been made on storm-overflow reductions, progress is lagging, and Pennon remains under heightened public and regulatory scrutiny. A notable example is Channel 4's Dirty Business⁹ which aired in February; a series examining the UK water industry and associated issues. Additionally, shortly after LAPFF's meeting with the company, South West Water pleaded guilty to supplying water unfit for human consumption following the 2024 cryptosporidium outbreak in Brixham - which resulted in more than 140 confirmed cases, several hospitalisations, and a prolonged boil water notice affecting thousands of households - as reported on 4 March 2026 by the BBC¹⁰. This incident underscores ongoing risks around water quality management and the importance of robust internal controls, transparent reporting, and strengthened oversight as the sector transitions towards a new regulatory model.

Pennon also faces a period of leadership transition, with CEO Susan Davy stepping down and incoming CEO Keith Haslett assuming the role in April 2026. The transition will require continued stability and board-level focus

to maintain momentum on long-term environmental targets. LAPFF will monitor how the company manages this leadership change while responding to regulatory expectations, rebuilding public trust, and ensuring that lessons from recent incidents translate into operational improvements.

Valuing Water Finance Initiative

LAPFF is also focused on effective water stewardship as a member of the Valuing Water Finance Initiative (VWFI), a coalition of 108 investors representing US\$18.1 trillion in AUM. The initiative calls on companies to meet the Corporate Expectations for Valuing Water, which provides guidance as to how companies should manage, protect, and value freshwater across their operations and supply chain. LAPFF was co-chair of the Valuing Water Finance Task Force whilst these expectations were developed.

During Q1, LAPFF signed a letter circulated to 56 companies across four water-intensive industries, namely food, beverage, apparel, and high-tech. The letter reinforces investor attention to mitigating water risk and reflects key themes found in Ceres' 2025 VWFI benchmark analysis, which outlined that while companies are aware of water-related risks, significant gaps remain that place value at risk.

The letters encourage each company to identify the most water-dependent and water-impacting areas across its operations and supply chains and to then disclose credible water-related targets along with the actions taken to achieve them.

ARE Protein Transition Platform – Meiji & Nissin

Objective: Asia Research and Engagement's Protein Transition platform is an initiative focused on the contributions of Asia-based food companies to regional and global protein security through expanding the share of sustainable proteins.

8 <https://environment.data.gov.uk/dataset/21e15f12-0df8-4bfc-b763-45226c16a8ac>

9 https://www.channel4.com/programmes/dirty-business?gad_source=1&gad_campaignid=19633109208&gbraid=0AAAAACqZr-DdkkpdPlqGIMMIRPdBYGb3&gclid=Cj0KQCQIAk6rNBhCXARISAN5mQLvVFSUopVyHwVoJAge8sl2qaga2TXotdhl27Jc9yKdujNEC13MPgKgaAkblEALw_wcB

10 <https://www.bbc.co.uk/news/articles/cvg3599690yo>

ENGAGEMENTS

The initiative looks at a wide range of issues within protein producers, including climate change, animal welfare, deforestation, responsible use of natural capital, fair labour, and responsible use of chemicals. In total, the initiative has set 19 goals for companies to hit by 2030 with a view to a just, human, and climate-safe protein transition.

Achieved: LAPFF participated in calls through the platform for the first time in Q1, meeting Nissin Foods and Meiji HD.

In a meeting with Nissin Foods, key issues covered included deforestation, food waste, animal disease, antibiotic use, and protein diversification. Nissin has implemented 'Satelligence', a Netherlands-based satellite data platform, to monitor deforestation on a weekly basis. The company has also shown a 34.9% reduction in food waste, driven primarily by improved procurement planning and sales forecasting, alongside the recycling of unsold products into animal feed. LAPFF discussed a growing demand for plant-based products and cage-free eggs as business opportunities, although uptake in Japan was described as materially lower than that in the UK and Europe.

In a meeting with Meiji, LAPFF welcomed the company's recent move to participate in the 'In-Setting Consortium', an industry coalition aimed at reducing scope 3 GHG emissions and transitioning the food value chain towards 'nature positive'. While Meiji plans to harness this platform to enhance the traceability of its supply chain, it is yet to set a strategy or timebound targets. It also provided limited detail on why it was unable to provide transparency on certain commodities where a number of its peer companies do, which was stressed as a point of potential improvement for the company. Meiji echoed the sentiment expressed by in Nissin Foods, that Japanese consumers were less concerned by animal welfare or cage-free eggs than other markets.

In Progress: LAPFF will continue to support the platforms core aims of a transition to net zero, which also encourages companies to move towards net positive practices for nature and biodiversity and supports workers in a fair and just transition.

CLIMATE CHANGE MITIGATION

Aviation

Objective: Aviation remains heavily dependent on fossil-based jet fuel, making it a significant source of hard-to-abate emissions and subject to increasingly stringent regulatory requirements across the UK, EU, and international markets.

In Q1, LAPFF met with major European airline groups, including Ryanair, International Consolidated Airlines Group (IAG), Wizz Air, and easyJet, to press for decarbonisation strategies that are credible, measurable, and aligned with a 1.5°C pathway. Across all engagements, LAPFF sought to understand airlines' plans for scaling Sustainable Aviation Fuel (SAF), the extent to which long term SAF targets are being converted into firm supply agreements, and how companies intend to meet emerging SAF mandates that may reshape cost structures and competitive dynamics within the sector.

LAPFF also focused on how each airline is managing material climate-related risks, including regulation, operational impacts, and supply chain, as well as whether governance structures, board-level oversight, and executive incentives are sufficiently robust to support long term climate objectives. Additionally, LAPFF assessed the credibility of airlines' pathways to net-zero, including the roles of new aircraft technology, fleet renewal, operational efficiency, and investment in disruptive technologies such as hydrogen power and synthetic fuels. Given the sectors complex value chain, LAPFF also sought assurance on supplier accountability, Scope 3 emissions transparency, and how companies intend to address gaps or non-compliance among critical suppliers.

Achieved:

Ryanair

LAPFF met with Ryanair's Director of Sustainability and Finance to discuss climate strategy, governance, and regulatory developments. The company clarified recent media coverage surrounding CEO Michael

O'Leary's remarks on Sustainable Aviation Fuel (SAF), noting that while it expects to meet the 2030 first- and second-generation SAF mandates under ReFuelEU, it views the e-SAF sub-mandate as unachievable given current technology readiness and supply constraints. Ryanair confirmed that it has secured MoUs for around 80% of its 12.5% SAF target for 2030 and does not expect this target to shift. The company highlighted systemic challenges in the European SAF market, including high penalties for fuel suppliers and a lack of incentives relative to the US, which can drive feedstocks and producers out of Europe.

Ryanair outlined ongoing investments in SAF innovation through its partnership with Trinity College Dublin, which is supporting certification of 15 feedstocks to broaden future supply. The company also discussed its engagement in policy debates around EU ETS, ReFuelEU, and the "polluter pays" principle, warning that current policies favour long-haul carriers, with higher emissions, over short-haul point-to-point operators.

On governance, Ryanair explained that sustainability oversight sits with the audit committee and that three board sustainability sessions occur annually. LAPFF welcomed the company's transparency on regulatory challenges, SAF progress, and technological limitations while noting the space for continued development of governance structures and long-term decarbonisation planning.

IAG

LAPFF met with IAG's sustainability and investor relations leads to continue dialogue with the company on decarbonisation strategy. IAG provided a detailed overview of its emissions trend, noting that recent increases in reported Scope 3 emissions reflect expanded and more accurate disclosure rather than operational deterioration. The company highlighted early achievement of its 2025 carbon-intensity target of 80g/pkm, attributing this to fleet modernisation, including the retirement of Boeing 747s and the introduction of new neo aircraft, as well as upgrades to ground vehicle fleets now operating on HVO (Hydrotreated Vegetable Oil) fuel or electric power.

IAG outlined significant improvements

ENGAGEMENT



Image: Alamy

in supplier engagement, supported by its partnership with Watershed to standardise Scope 3 methodologies across the Group and focus on high-risk suppliers. The company described strengthened auditing using EcoVadis and SEDEX, with follow up action plans implemented where non-compliance is identified. IAG also noted its work on wildlife-trafficking prevention and local biodiversity assessments, reflecting a broadened sustainability remit beyond decarbonisation.

On policy and regulation, IAG emphasised the growing complexity of global SAF mandates and the need for more coherent frameworks, particularly given the limited production capacity for advanced SAF pathways such as Power-to-Liquid (PtL) and Alcohol-to-Jet (AtJ) in Europe. IAG also raised concerns about future feedstock availability, noting growing jurisdictional competition as countries introduce its own SAF mandates and seek to secure domestic supply. This is particularly relevant for waste-based feedstocks such as used cooking oil, where China is a major global supplier. As China's domestic SAF market

develops, more of that feedstock may be absorbed domestically rather than exported, potentially tightening supply for European producers, increasing price volatility, and making long-term planning more difficult for airlines reliant on imported feedstocks.

Wizz Air

LAPFF met with Wizz Air's sustainability, corporate affairs, and investor relations leads. Wizz Air emphasised the central role of its young, fuel-efficient fleet for its position as one of Europe's lowest-emitting airlines on a per-RPK (Revenue Passenger Kilometres) basis. The company reported continued improvements, with emissions intensity coming in at c.52.2 grams of CO₂ per passenger kilometre and reiterated its target of operating a 100% neo fleet by 2028.

Wizz Air described proactive steps to secure SAF supply well ahead of increasing EU mandates, including equity investments in UK-based Firefly, producing SAF from human waste, and US-based CleanJoule. These investments aim to diversify feedstocks and overcome

geographic supply limitations across Wizz Air's dispersed airport network, which was also a challenge raised in discussions with easyJet. Wizz Air confirmed its aspiration to reach a 10% SAF blend by 2030 and noted that while SAF availability remains the largest barrier to progression, it is still mapping pathways to move beyond the 10% blend. The company noted SAF uptake is driven primarily by mandate compliance rather than customer demand, with trial flights demonstrating limited consumer willingness to pay a premium.

On governance and reporting, Wizz Air reiterated that Scope 1 emissions remain its primary focus, with Scope 2 targets expected this year and Scope 3 targets planned over a longer timeframe. LAPFF highlighted reputational risks associated with delayed Scope 3 commitments and encouraged the company to consider a future 'Say On Climate' vote. Wizz Air also raised concerns about fragmented regulatory frameworks, infrastructure constraints for SAF distribution, and the need for coordinated European investment to scale next generation SAF.

ENGAGEMENT

easyJet

LAPFF met with easyJet's Director of Sustainability and investor relations representatives at the airline's Luton headquarters to discuss the company's decarbonisation strategy and governance approach. easyJet presented its "Reduce, Replace, Remove" framework, which translates into a 75% reduction in emissions intensity by 2050, with a 35% interim reduction target by 2035. The airline highlighted operational efficiency improvements, such as retrofitting sharklets, use of lighter-weight materials like paint, single-engine taxiing, APU switch-off procedures, and deployment of the IRIS air-traffic management system, as well as progress in fleet renewal with the more efficient A320neo and A321neo aircraft.

On SAF, easyJet noted, like Wizz Air, the challenges associated with smaller airlines operating across multiple bases, unlike larger hub-based carriers. This was said to limit its ability to secure SAF at scale at any single airport. The airline currently relies on MoUs and is exploring tripartite agreements between producers, fuel suppliers, and airports to bridge the gap between long term offtake needs and its annual procurement cycle. It highlighted that SAF suppliers require long-term commitments to attract investment, while logistical and supply chain constraints continue to hinder scale up.

easyJet also discussed its longer-term interest in hydrogen propulsion aviation, expressing cautious optimism for post-2035 potential of this technology. However, the airline did acknowledge manufacturer (e.g. Airbus) delays and technological hurdles. On governance, LAPFF noted the absence of a designated sustainability director on the board, in response easyJet pointed to regular board sessions on sustainability, dedicated ESG and SAF steering committees, and sustainability-linked remuneration.

In Progress: Across the aviation sector, LAPFF observes that while all four engaged airlines are making progress on fleet modernisation, operational efficiencies, and early stage SAF procurement, significant challenges remain in translating long-term decarbonisation ambitions into fully deliverable pathways. A recurring theme across engagements was the structural

fragility of the SAF market, marked by limited supply, regional imbalances, and growing jurisdictional competition. The extent to which airlines are dependent on policy coherence, feedstock availability, and accelerated investment in advanced pathways such as PtL and ATJ to meet future mandates were also flagged as structural issues. Smaller, multi-base carriers like Wizz Air, easyJet and Ryanair face logistical disadvantages in accessing SAF at scale, while even the larger hub-based carriers within IAG highlighted ongoing cost pressures, constrained infrastructure, and the need for clearer long-term regulatory signals to support supply chain development.

LAPFF further notes that although airlines are, broadly speaking, strengthening aspects of governance, emissions reporting, and supplier engagement, gaps remain in board-level sustainability oversight. The Forum will continue to monitor how companies address these structural barriers, improve governance arrangements, and strengthen transparency around Scope 3 emissions. LAPFF will also assess how airlines balance emerging technologies such as hydrogen and synthetic fuels with credible near-term decarbonisation action. Additionally, the Forum will maintain scrutiny of whether corporate transition strategies remain aligned with a 1.5°C pathway as airlines respond to evolving mandates, cost pressures, and the sector-wide need for coordinated investment in next-generation SAF.

SAY ON CLIMATE

Say on Climate – Schroders and Land Securities

Objective: LAPFF and CCLA lead an investor campaign calling on FTSE 100 companies to provide shareholders with a regular vote on their climate risk and resilience strategies. LAPFF's view is that companies should give shareholders a say at least once every three years, in line with guidance from the Transition Plan Taskforce (TPT), now under the ISSB.

LAPFF's view is that climate change is a systemic financial risk, and companies should demonstrate credible

decarbonisations plans. A dedicated shareholder vote improves accountability, transparency, and investor confidence in how companies plan to navigate climate transition.

Achieved: LAPFF met with Schroders and Land Securities Group in Q1 to request the companies consider including a management resolution setting out their respective transition plans

LAPFF built on an engagement with Schroders in Q4 2025, in which the company provided further detail regarding its climate stewardship, including voting and engagement activity. The company outlined its established expectations of investee companies, including the adoption of material Scope 1, 2 and 3 emissions targets, net-zero commitments, credible transition plans, and ongoing disclosure, noting that these expectations have remained broadly consistent and are reviewed annually. LAPFF queried the effectiveness of engagement with Schroders' highest-emitting and hard-to-abate companies.

Schroders outlined its approach to climate stewardship, describing voting and engagement as a continuum, and at the core of its efforts on managing climate risk whilst maximising opportunities. The company reiterated its long-standing expectations of investee companies, including the setting of material Scope 1, 2 and 3 targets, net-zero commitments, credible transition plans and ongoing disclosure, noting that these expectations have remained consistent and are reviewed annually.

Discussion focused on the credibility of transition plans among the highest-emitting and hard-to-abate companies, with Schroders noting an increased focus on a narrower group of issuers where delivery against 2030 targets was becoming more challenging. Schroders reflected on its approach to 'Say on Climate', explaining that it is not fundamentally opposed to management resolutions as a vehicle to engage on issuers approach to transition but prefers targeted engagement and existing voting tools, including voting against management where concerns persist. The discussion also covered broader shareholder rights and governance considerations, including the role of regulatory frameworks in supporting

ENGAGEMENT



Image: Alamy

investor accountability.

LandSec undertakes large-scale development and regeneration projects and launched a dedicated £135 million Net Zero Transition Investment Plan in 2021 to support decarbonisation initiatives through to 2030, forming a key component of the company's transition strategy. LAPFF sought further detail on capital allocation under the plan, including the effectiveness of investments to date and how capital will be deployed through to 2030 to ensure the company meets its targets. LAPFF also asked about the company's approach to addressing harder-to-abate embodied emissions associated with development activity, and whether LandSec would consider

submitting a 'Say on Climate' resolution to its 2026 AGM.

Schroders and LandSec indicated that they would keep market sentiment around climate transition plans under review but confirmed that there are currently no plans to include such a resolution on the agenda of upcoming AGMs.

In Progress: LAPFF will continue to approach shareholder oversight of climate transition plans as an ongoing governance issue. Throughout 2026, the Forum will track the introduction, withdrawal, and framing of climate-related resolutions at company AGMs and maintain engagement and, where appropriate, escalation.

SOCIAL FACTORS

Zero-hours contracts & employment rights act

Objective: Building on LAPFF's ongoing focus on workforce standards and modern slavery risk, engagements were held with InterContinental Hotels Group (IHG) and Mitie Group (Mitie) to assess preparedness for forthcoming changes under the UK Employment Rights Act (ERA), including rights to request guaranteed hours, reforms affecting agency labour, and wider provisions such as Day 1 unfair dismissal rights.

Across both engagements, LAPFF sought to understand: (i) how companies are adapting operational models historically reliant on flexible labour; (ii) how risks associated with zero-hours contracts (ZHCs) and agency workers are being managed, particularly in higher-risk sectors; (iii) the implications for recruitment, probation and performance management processes; and (iv) how oversight and transparency – including in relation to migrant and agency workers – can be strengthened within complex operating models (e.g. franchise or client site structures).

Achieved:

InterContinental Hotels Group (IHG)

Engagement with IHG clarified the distinction between directly managed and franchised operations. IHG confirmed that it does not operate zero-hours contracts within the parts of the business it directly controls. Where newly onboarded hotels have ZHCs in place, these may remain temporarily during integration but are typically phased out. Within the franchised estate, employment models remain under franchisee control, though IHG said they could raise ZHC practices in discussion with owners.

On the ERA reforms effective from 1 April, IHG acknowledged that provisions relating to guaranteed hours and agency workers may have operational implications, particularly in hospitality contexts characterised by fluctuating demand (e.g. large events or banqueting). While recognising the reputational sensitivities surrounding ZHCs, the company noted that some workers value

ENGAGEMENT

flexibility that ZHC provide. The company is engaging with labour providers to assess how legislative changes may affect agency staffing models and indicated an intention to create greater permanency in roles where feasible.

LAPFF noted there is an increased risk of reputational damage within the franchise model should individual franchisees fail to respond adequately to new legislative requirements. IHG acknowledged this inherent exposure and outlined mitigation mechanisms, including contractual obligations requiring compliance with applicable laws; engagement through Owners Association and regional People Committees; legislative briefings via UK-specific HR forums; and a confidential, multilingual whistleblowing channel covering employment and supply chain concerns.

On disclosure, IHG noted that its granular employment data across the franchised estate is not centrally collected and therefore not reported in corporate disclosures. It is noted that IHG provided the same explanation when LAPFF met with the company in 2024. Within the managed and corporate estate, workforce metrics (including agency usage) are monitored through optimisation processes and employee voice surveys. IHG acknowledged that agency and migrant workers represent heightened risk groups and confirmed that its forthcoming modern slavery statement will provide enhanced detail on identified issues and remediation actions.

Mitie Group

The engagement with Mitie focused on operational preparedness and practical implications of the ERA. Since the previous meeting in September 2024, Mitie described the legislative landscape as having evolved, with some proposals amended or removed, including the removal of the unfair dismissal compensation cap. The company characterised its overall position as “no better and no worse,” but with greater clarity on likely impacts.

Mitie indicated that guaranteed hours provisions may be more manageable than initially anticipated, noting that it often has more available hours than employees

seek, resulting in a balancing exercise to fill gaps. However, concerns were raised about being required to offer guaranteed hours to individuals who may prefer flexible arrangements, potentially creating administrative and operational burdens.

The company was among a limited number of firms to publicly sign an open letter to senior government ministers expressing concerns that certain provisions could have unintended consequences. Mitie reported engagement with members of the House of Lords and noted particular concern regarding Day 1 unfair dismissal rights, which it suggested could result in more conservative and bureaucratic hiring processes.

On probation and performance management, Mitie confirmed a standard three-month probation period (extendable), operating within a six-month qualifying period before ERA protections apply. Approximately 630 employees are currently categorised within the lowest performance bracket (out of a workforce of c.72,000), and the company acknowledged that performance management practices may require strengthening. Work is underway to improve clarity and consistency in this area.

Agency labour was described as forming a small proportion of the workforce, though flexible demand remains critical in certain areas (e.g. airport security and surge capacity roles). Around 25% of Mitie’s workforce are trade union members. The company anticipates that expanded trade union access rights may represent one of the more significant practical changes, particularly where staff operate on client-owned sites.

Mitie further noted it is monitoring potential future reforms, including sector-wide collective bargaining proposals, which may evolve significantly over the coming year.

In Progress: Across both engagements, several themes remain under active scrutiny. LAPFF will continue to assess how companies operationalise guaranteed hours provisions in practice, particularly where employee preference for flexibility may diverge from statutory entitlements. Further engagement will

examine how recruitment, probation and early-stage performance management processes are being adapted in response to ERA reforms, including the removal of the compensation cap and changes to unfair dismissal rights.

For IHG, continued dialogue will focus on transparency and assurance mechanisms within the franchised estate, including oversight of agency and migrant worker experiences and thresholds for agency reliance. For Mitie, follow up will explore data on probation outcomes, performance management effectiveness, and the scale and oversight of migrant labour within both direct operations and supply chains.

More broadly, LAPFF will monitor how legislative reform interacts with business models reliant on flexible labour, and whether companies can demonstrate that workforce flexibility is being balanced with strengthened protections, effective risk mitigation, and credible disclosure.

CONFLICT-AFFECTED AND HIGH-RISK AREAS (CAHRAS)

Objective: With conflicts increasing globally, having seen a rise from 147,000 in 2023, to over 200,000 in both 2024 and 2025¹¹, companies face heightened operational, reputational, legal, regulatory and financial risks where conflict dynamics intersect with actual or potential adverse impacts on people¹². Against this backdrop, LAPFF expects companies with exposure to CAHRAs to demonstrate and explain how they identify, prevent, mitigate and accounts for these risks, including where heightened human rights due diligence (hHRDD) is applied, in line best practice principals set out by international standards such as the United Nations Guiding Principles on Business and Human Rights, amongst others.

LAPFF considers that companies should have policies, governance arrangements and due diligence

¹¹ <https://acleddata.com/series/acledd-conflict-index>

¹² <https://publications.schroders.com/view/3335662/>

ENGAGEMENT

processes that explicitly address CAHRAs. This should include an assessment of human rights impacts, conflict impacts, and the cross section where conflict and human rights impacts intersect, which can only be done by applying the principles of hHRDD.

Achieved: LAPFF wrote to 31 companies considered to have operations, or business activities linked to the Occupied Palestinian Territories. The letter contains a 12-question survey, requesting information on companies’ policies, policy and governance, identification of risks, action and hHRDD, and transparency.

As of 31 March 2026, 12 companies had responded, or stated their intent to respond in due course. Responses for which are currently under review.

This outreach prompted further engagement with Motorola Solutions. The discussion focused on the company’s oversight mechanisms, its approach to new business, and the processes it uses to assess risks within its existing client base.

Motorola shared examples of withdrawing from certain regions ahead of formal sanctions, such as its exit from Russia, and instances where it had sought advice from external human rights experts in particularly challenging jurisdictions. While these

examples were helpful, the company’s broader disclosures on how it manages high-risk transactions remain limited. It is still unclear how Motorola consistently applies heightened human rights due diligence across its business, or whether it fully evaluates how its commercial decisions may influence conflict dynamics.

In Progress: LAPFF is currently reviewing responses to the questionnaire, which will be presented to members in due course. Escalation will be considered based on responses and non-responses, through either voting alerts or at company AGMs.

Electric Vehicles – General Motors

Objective: LAPFF engages automotive manufacturers to assess how they are managing the human rights and supply chain risks associated with a transition to electric vehicles. In particular, engagements focus on critical mineral sourcing, supply chain traceability, and the extent to which companies apply robust human rights due diligence in regions where risks are more present, and supply chains more opaque. LAPFF seeks greater clarity on governance,

oversight, and implementation, including how risks linked to battery production and raw material extraction are identified, mitigated, and remediated, and whether disclosure is sufficient to demonstrate that electrification plans are being delivered responsibly.

Achieved: LAPFF has been engaging General Motors (GM) on these issues since 2022. In a notable move, the company did not publish a standalone sustainability report in its most recent reporting period.

Whilst a more fragmented approach to reporting has been taken by GM, it has made notable progress in mapping its supply chain, providing better visibility throughout its supply chains. It has also been consulting NGOs and other civil society organisations to better understand how to address both systemic and localised human rights issues, designed to complement a series of other tools that GM is using such as social auditing, capacity building, and training with suppliers.

In Progress: LAPFF will continue to expand its engagement across automotive manufacturers and relevant value chain actors to assess how human rights risks associated with electric vehicle production are being identified and managed.



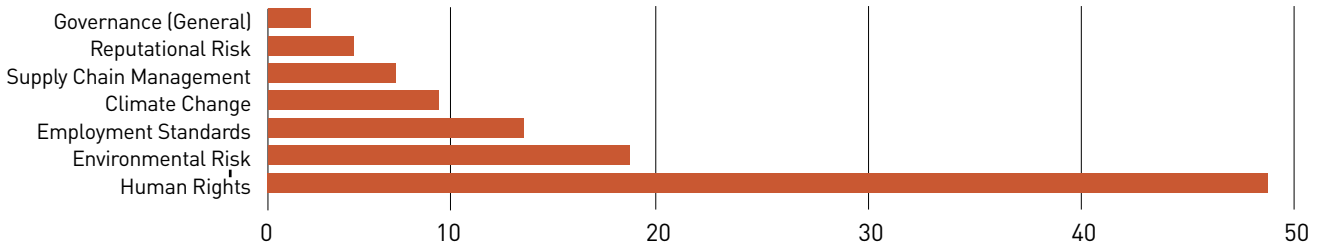
COMPANY PROGRESS REPORT

The table below represents data taken from 'Meetings', 'AGMs' and 'Received Correspondence' only. LAPFF engaged 65 companies engaged over the quarter

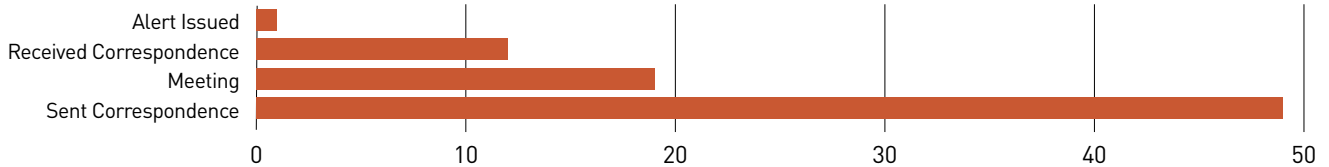
Company/Index	Activity	Topic	Outcome
ABB LTD	Received Correspondence	Human Rights	No Improvement
AMAZON.COM INC.	Received Correspondence	Human Rights	No Improvement
AP MOLLER - MAERSK AS	Received Correspondence	Human Rights	No Improvement
ASSOCIATED BRITISH FOODS PLC	Meeting	Environmental Risk	Dialogue
ATLAS COPCO AB	Received Correspondence	Human Rights	No Improvement
BOOKING HOLDINGS INC.	Received Correspondence	Human Rights	Moderate Improvement
CHIPOTLE MEXICAN GRILL INC	Meeting	Environmental Risk	Small Improvement
CNH INDUSTRIAL NV	Received Correspondence	Human Rights	No Improvement
DANONE	Meeting	Environmental Risk	Dialogue
EASYJET PLC	Meeting	Climate Change	Dialogue
EXPEDIA GROUP INC	Received Correspondence	Human Rights	No Improvement
GENERAL MOTORS COMPANY	Meeting	Human Rights	Dialogue
INTERCONTINENTAL HOTELS GROUP PLC	Meeting	Employment Standards	Dialogue
INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA	Meeting	Climate Change	Dialogue
J SAINSBURY PLC	Meeting	Environmental Risk	Dialogue
LAND SECURITIES GROUP PLC	Meeting	Climate Change	Small Improvement
MARKS & SPENCER GROUP PLC	Meeting	Environmental Risk	Moderate Improvement
MEIJI HOLDINGS CO LTD	Meeting	Environmental Risk	Small Improvement
MICROSOFT CORPORATION	Received Correspondence	Human Rights	No Improvement
MITIE GROUP PLC	Meeting	Employment Standards	Small Improvement
MOTOROLA SOLUTIONS INC.	Meeting	Human Rights	Small Improvement
NESTLE SA	Meeting	Environmental Risk	Dialogue
NISSIN FOOD HLDGS CO LTD	Meeting	Environmental Risk	Dialogue
PENNON GROUP PLC	Meeting	Environmental Risk	Dialogue
PRADA SPA	Received Correspondence	Human Rights	Dialogue
RYANAIR HOLDINGS PLC	Meeting	Climate Change	Dialogue
SCHRODERS PLC	Meeting	Climate Change	Satisfactory Response
SIEMENS AG	Received Correspondence	Human Rights	Moderate Improvement
STARBUCKS CORPORATION	Alert Issued	Employment Standards	
VOLVO AB	Received Correspondence	Human Rights	Small Improvement
WIZZ AIR HOLDINGS PLC	Meeting	Climate Change	Dialogue

ENGAGEMENT DATA

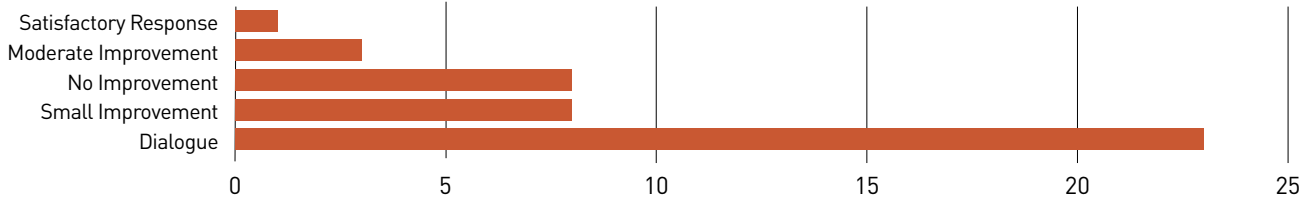
ENGAGEMENT TOPICS



ACTIVITY

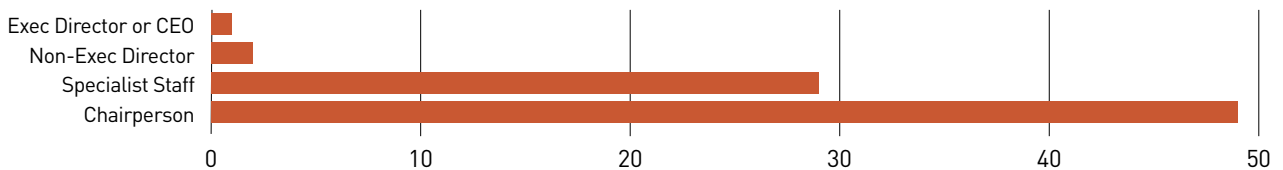


ENGAGEMENT OUTCOMES*

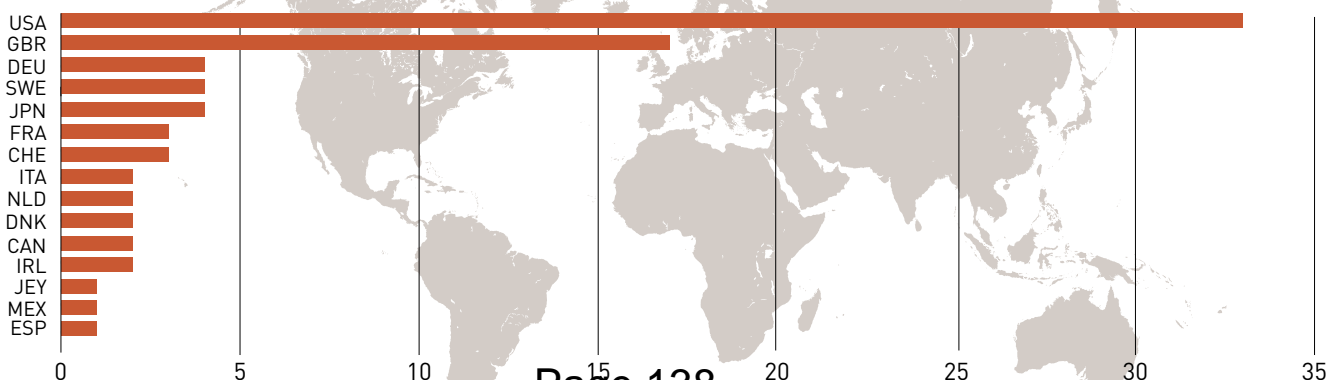


*Outcomes data is taken from 'Meetings', 'AGMs' and 'Received Correspondence' only

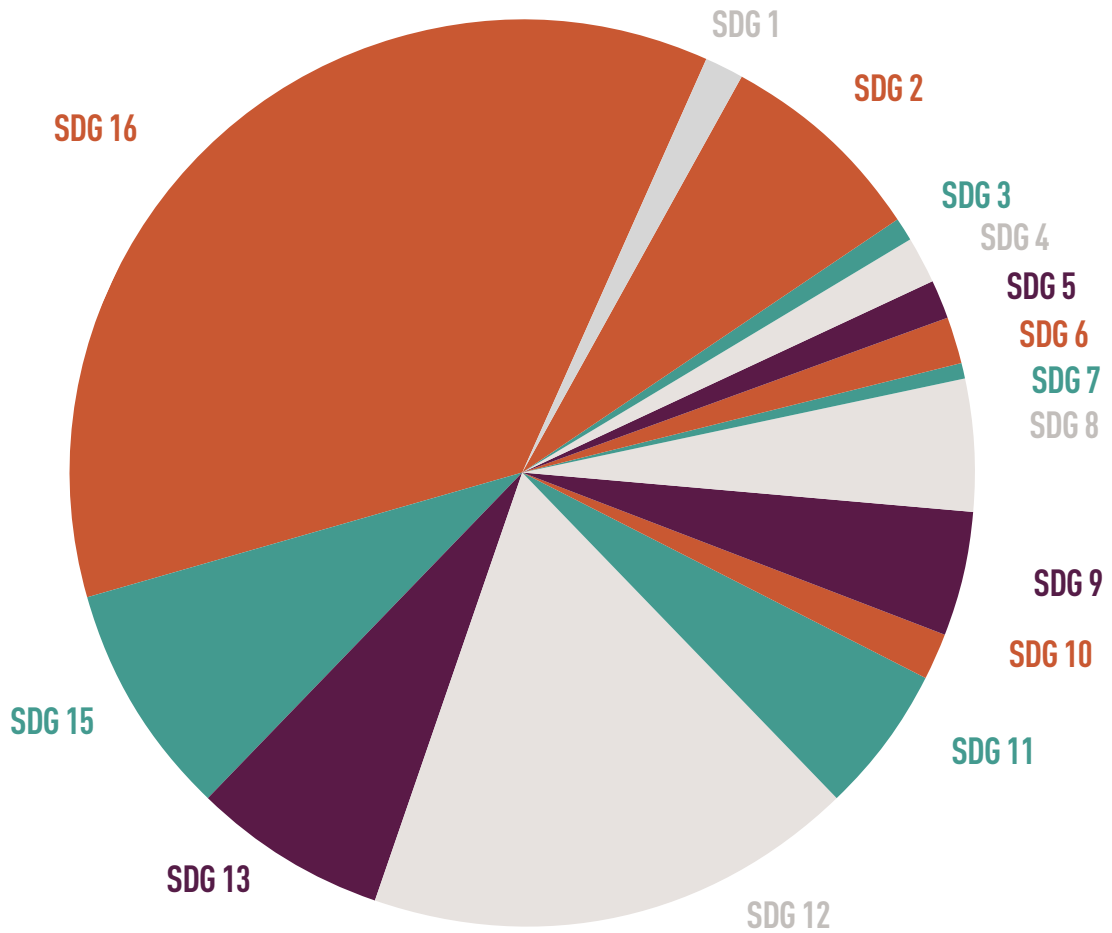
POSITION ENGAGED



COMPANY DOMICILES



ENGAGEMENT DATA



LAPFF SDG ENGAGEMENTS

SDG 1: No Poverty	2
SDG 2: Zero Hunger	10
SDG 3: Good Health and Well-Being	1
SDG 4: Quality Education	2
SDG 5: Gender Equality	2
SDG 6: Clean Water and Sanitation	2
SDG 7: Affordable and Clean Energy	1
SDG 8: Decent Work and Economic Growth	6
SDG 9: Industry, Innovation, and Infrastructure	6
SDG 10: Reduced Inequalities	2
SDG 11: Sustainable Cities and Communities	7
SDG12: Responsible Production and Consumption	23
SDG 13: Climate Action	9
SDG 14: Life Below Water	0
SDG 15: Life on Land	11
SDG 16: Peace, Justice, and Strong Institutions	47
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	0

LOCAL AUTHORITY PENSION FUND FORUM MEMBERS

Avon Pension Fund	Hackney Pension Fund	Shropshire Pension Fund
Barking and Dagenham Pension Fund	Hammersmith and Fulham Pension Fund	Somerset Pension Fund
Barnet Pension Fund	Haringey Pension Fund	South Yorkshire Pension Authority
Bedfordshire Pension Fund	Harrow Pension Fund	Southwark Pension Fund
Berkshire Pension Fund	Havering Pension Fund	Staffordshire Pension Fund
Bexley (London Borough of)	Hertfordshire Pension Fund	Strathclyde Pension Fund
Brent (London Borough of)	Hillingdon Pension Fund	Suffolk Pension Fund
Cambridgeshire Pension Fund	Hounslow Pension Fund	Surrey Pension Fund
Camden Pension Fund	Isle of Wight Pension Fund	Sutton Pension Fund
Cardiff & Glamorgan Pension Fund	Islington Pension Fund	Swansea Pension Fund
Cheshire Pension Fund	Kensington and Chelsea (Royal Borough of)	Teesside Pension Fund
City of London Corporation Pension Fund	Kent Pension Fund	Tower Hamlets Pension Fund
Clwyd Pension Fund (Flintshire CC)	Kingston upon Thames Pension Fund	Tyne and Wear Pension Fund
Cornwall Pension Fund	Lambeth Pension Fund	Waltham Forest Pension Fund
Croydon Pension Fund	Lancashire County Pension Fund	Wandsworth Borough Council Pension Fund
Cumbria Pension Fund	Leicestershire Pension Fund	Warwickshire Pension Fund
Derbyshire Pension Fund	Lewisham Pension Fund	West Midlands Pension Fund
Devon Pension Fund	Lincolnshire Pension Fund	West Yorkshire Pension Fund
Dorset Pension Fund	London Pension Fund Authority	Westminster Pension Fund
Durham Pension Fund	Lothian Pension Fund	Wiltshire Pension Fund
Dyfed Pension Fund	Merseyside Pension Fund	Worcestershire Pension Fund
Ealing Pension Fund	Merton Pension Fund	
East Riding Pension Fund	Newham Pension Fund	Pool Company Members
East Sussex Pension Fund	Norfolk Pension Fund	ACCESS Pool
Enfield Pension Fund	North East Scotland Pension Fund	Border to Coast Pensions Partnership
Environment Agency Pension Fund	North Yorkshire Pension Fund	LGPS Central
Essex Pension Fund	Northamptonshire Pension Fund	Local Pensions Partnership
Falkirk Pension Fund	Nottinghamshire Pension Fund	London CIV
Gloucestershire Pension Fund	Oxfordshire Pension Fund	Northern LGPS
Greater Gwent Pension Fund	Powys Pension Fund	Wales Pension Partnership
Greater Manchester Pension Fund	Redbridge Pension Fund	
Greenwich Pension Fund	Rhondda Cynon Taf Pension Fund	
Gwynedd Pension Fund	Scottish Borders Pension Fund	



Ministry of Housing,
Communities &
Local Government

Alison McGovern MP

*Minister of State for Local Government and
Homelessness*

2 Marsham Street
London
SW1P 4DF

Our reference: MC2025/28652

Cllr Roger Phillips
Local Government Pension Scheme
Advisory Board
18 Smith Square
London
SW1P 3HZ

12 May 2026

Dear Cllr Phillips,

Thank you for your letter of 13 October regarding the Local Government Pension Scheme Investments in Conflict Zones. Following my response of 18 December and our meeting on 23 January, I wanted to follow up on this matter.

The Local Government Pension Scheme, as a public sector scheme, is rightly subject to particularly high expectations on responsible investment, and must maintain highest standards in managing financial risk, while retaining local control and displaying transparency and accountability in investment decisions.

I recognise that investments linked to conflict zones are a high profile and challenging issue for administering authorities, particularly given the pressures applied by some campaign groups. I would like to thank the Scheme Advisory Board for the support it has provided to authorities in managing these pressures. I hope this letter offers further clarity on the Government's position.

The Government's position is clear: decisions on boycotts, divestment and sanctions are matters of UK foreign policy and are for central government, not local authorities. It is therefore not appropriate for local authorities to adopt investment policies that go beyond or differ from UK Government sanctions or foreign policy positions.

This does not prevent authorities from setting or changing investment strategies for other reasons, particularly where required to meet their fiduciary duties to scheme members. Authorities must continue to act in line with the law and relevant guidance.

The Government will continue to keep the situation under review and will consider whether further guidance is needed as circumstances evolve.

Thank you again for writing on this important matter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alison', written in a cursive style.

ALISON MCGOVERN MP

Minister of State for Local Government and Homelessness

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