

Cllr Johar Khan

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24 March 2026

Dear Councillor Khan,

RE: Your letter dated 13 February 2026

Thank you for your reply to my letter dated 24 November 2025. I acknowledge that this was in response to your original letter regarding our work on responsible investment (dated 17 November 2025). I also appreciate the support you express for London CIV's commitment to ensuring that our responsible investment proposals are consistent with fiduciary and regulatory duties.

LGPS roles and responsibilities under the Government's Fit for the Future reforms have evolved at considerable pace over the last year, particularly in relation to investment and responsible investment strategy decision-making, and I would also like to thank you, your committee, and officers for your help and support on this matter.

In that time, while preparing for the transition of c.£20bn of assets from 32 (soon to be 33) Partner Funds to the pool and building out government-required investment advice and implementation capabilities ahead of the March 31 2026 deadline, we have also ensured that the development of enhanced responsible investment tools and support for Partner Funds has taken equal priority. This reflects the importance both London CIV and Partner Funds place on responsible investment.

RI Matrix progress

As referenced in my response to your previous letter, last year we began work on the establishment of a Responsible Investment (RI) Matrix as a collective and I thank you for your input to this process.

The Matrix is intended to support Partner Funds in implementing their own responsible investment policies through the pool by providing a clear framework of available options. This will enable individual Partner Funds to select approaches that are most closely aligned with their individual policies and priorities.

In relation to the arms trade, Pillar 3 of the RI Matrix applies a 5% revenue threshold to conventional weapons, using definitions aligned to the [S&P Global's Sustainable1 Business Involvement Screens](#). This approach ensures consistency across asset classes while maintaining a high level of integrity in the exclusions, providing a strong and credible framework for screening exposure to the arms sector.

With regard to companies linked to human rights abuses, ongoing screening will be informed by the [MSCI Controversies and Global Norms Methodology](#), which is consistent with London CIV's existing approach.

Next steps

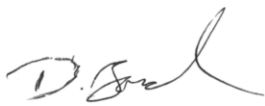
Work is already underway to implement the RI Matrix, namely in building solutions to meet partner fund requirements within pillars. Our initial focus has been on the development of an alternative to the LCIV PEPPA Fund, that would offer the same proposition, whilst meeting the requirements of Pillar 3. On 26 January, London CIV shared its finalised proposal, which was followed by an online discussion with Partner Funds on 28 January.

At this session, Partner Funds were also invited to indicate whether they would support this approach on a wider London CIV fund basis. Going forward, once sufficient support has been agreed in principle, we are ready to begin implementing Partner Funds' respective RI investment choices, according to appropriate prioritisation.

As you are aware, at the Sustainability Working Group (SWG) held on 12th March, there was a request for London CIV to consider broadening the scope of certain aspects of the RI Matrix. In addition, we were informed by a senior officer during the meeting, of Kings Council opinion received by one borough, regarding the risks to fiduciary responsibility associated with a broad divestment approach. As agreed at the SWG, London CIV will review these two matters, assess their impact on the Matrix and individual LCIV funds, and seek Kings Council opinion to ensure clarity for all involved as we proceed.

Again, I'd like to record my thanks for Waltham Forest's crucial work in helping London CIV build out this important RI function for Partner Funds. We are at your disposal should you require further information or support.

Yours sincerely,



Dean Bowden
CEO, London CIV