

## **Appendix 1: Council substantive response to Friends of the Earth Query**

Westminster Pension Fund Committee carefully reviewed its approach towards environmental, social and corporate governance issues in March 2017 when it approved the Investment Strategy Statement for 2017/18. It also undertakes this review each year and in doing so considers all relevant factors when coming to an agreed strategy.

As well as considering these issues as you may be aware in setting the Investment Strategy, the Pension Fund Committee has a primary fiduciary responsibility to ensure that it achieves the best return on its investments for the fund's membership and for the local taxpayer.

The Pension Fund Committee has delegated day to day social, environmental and ethical policy to investment managers but within a framework of the Governance Strategy, as set out in the Investment Strategy Statement. Furthermore the Pension Fund supports standards of best practice by companies both in the disclosure and management of corporate social responsibility issues and in addition we are looking to joining the Local Authority Pension Fund Forum (LAPFF) which is focussed on good governance, environmental and social risk including carbon risk.

Westminster currently has 65% of its funds managed through the London Collective Investment Vehicle (LCIV) and in connection with this we have joined a working party with other London Councils to divest from fossil fuels to open up alternative pooled investments. Currently however there are no carbon-free funds available through the LCIV to bring on board carbon-free options that the Fund can invest in.

The Investment Strategy is subject to review next year and I am sure that this will be a key issue for the Pension Fund Committee to take into account in its review.