



City of Westminster

# Committee Report

<b>Decision Maker:</b>	<b>PENSION FUND COMMITTEE</b>
<b>Date:</b>	<b>23 January 2020</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Pension Fund's Proposed Responsible Investment Policy and Update to the Environmental, Social and Governance (ESG) Policy</b>
<b>Wards Affected:</b>	<b>None</b>
<b>Policy Context:</b>	<b>Effective control over Council Activities</b>
<b>Financial Summary:</b>	<b>There are no immediate financial implications arising from this report.</b>
<b>Report of:</b>	<b>Phil Triggs</b> <i>Tri-Borough Director of Treasury and Pensions</i> <a href="mailto:ptriggs@westminster.gov.uk">ptriggs@westminster.gov.uk</a> <b>020 7641 4136</b>

## 1 Executive Summary

1.1 This paper provides the Pensions Fund Committee with the following:

- A newly proposed initial draft of the Pension Fund's Responsible Investment Policy.
- A suggested update of the Pension Fund's Environmental, Social and Governance (ESG) Policy. This suggested section is currently included (necessary by Regulation) as a separate section within the Pension Fund's Investment Strategy Statement.

## 2 Recommendation

1.2 The Committee is requested to note and comment on the report with a view to enabling officers to formalise and finalise the ESG related policies and statements.

### **3 Reasons for Decision**

- 3.1 The update to the ESG Policy is to be included as part of the update to the Investment Strategy Statement, a full redraft of which has been brought to the Committee.
- 3.2 The Responsible Investment Statement will be a stand-alone policy document which aims to make clear the Pension Fund's investment values and will be subject to regular ongoing review.

### **4 Background**

- 4.1 The updated ESG policy can be found within appendix 1 as well as section 6 of the draft Investment Strategy Statement (ISS). The policy takes in to consideration the Fund's approach to ESG factors, including investment principles and policy implementation.
- 4.2 With regard to responsible investment, it is proposed that the Committee approve its own Responsible Investment policy document, set out in appendix 2. The purpose of this policy document is to lay out the fund's approach to how social, environmental and corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments.
- 4.3 These policies have been prepared with reference to the Local Government Scheme Advisory Board (SAB) guidance, Responsible Investment in the Local Government Pension Scheme.

**If you have any questions about this report, or wish to inspect one of the background papers, please contact the report author:**

**Billie Emery [bemery@westminster.gov.uk](mailto:bemery@westminster.gov.uk)**

**BACKGROUND PAPERS:** None

**APPENDICES:**

Appendix 1 Environmental, Social and Governance Policy  
Appendix 2 Responsible Investment Policy