



City of Westminster

# Pension Board

<b>Date:</b>	<b>6 July 2023</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Responsible Investment Statement 2023</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> <b><i>Tri-Borough Director of Treasury and Pensions</i></b> <a href="mailto:pdriggs@westminster.gov.uk">pdriggs@westminster.gov.uk</a> <b>020 7641 4136</b>

## 1 Executive Summary

- 1.1 In late 2019, the Local Government Pension Scheme (LGPS) Scheme Advisory Board (SAB) issued draft guidance on Responsible Investment in the LGPS. This guidance outlined the duties of investment decision makers in LGPS administering authorities.
- 1.2 This paper introduces the updated 2023 Responsible Investment Statement for the Westminster Pension Fund, which is attached as Appendix 1 to this paper.

## 2 Recommendation

- 2.1 The Pension Board is requested to:
  - Note and comment on the Responsible Investment Statement for 2023.

### 3 Background

- 3.1 The purpose of the Responsible Investment Statement is to make clear the Pension Fund's approach to investing responsibly. This includes the integration of environmental, social and governance (ESG) factors as part of the Pension Fund's investment strategy.
- 3.2 The aim of the Responsible Investment Statement is to demonstrate to scheme members the direction in which the Pension Fund is moving in terms of responsible investment, decarbonisation/climate change and other ESG related issues. The Pension Fund is pleased to report that as at February 2023 the Fund is now a signatory to the Financial Reporting Council's UK Stewardship Code, an accolade held by only a handful of LGPS Funds.
- 3.3 The statement covers in detail topics such as:
- **Investment journey:** since 2019 the Fund has made a number of conscious investment decisions to improve the ESG impact of the Fund's investments. This includes transitioning all equities into ESG-tilted mandates, investment within renewable infrastructure and commitments to affordable housing.
  - **Carbon journey:** over the last three years, the Pension Fund has taken significant steps to reduce its carbon footprint. Since June 2019, the Fund's CO2 emissions have fallen by circa 75% to December 2022.
  - **United Nations (UN) Sustainable Development Goals (SDGs):** as adopted by UN members during 2016, the SDGs are goals that call for urgent action by all developed countries. The RI Statement sets out how the Pension Fund is helping to work towards achieving these goals through its investment assets.
  - **Voting and engagement:** collaboration with key stakeholders in the investment community will be key in influencing companies to run their businesses more sustainably.
- 3.4 Several investment cases study examples have also been included in the RI statement to demonstrate how the Pension Fund has been implementing the policy.
- 3.5 The RI Statement was scheduled to be approved by the Pension Fund Committee on 29 June 2023.

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

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**BACKGROUND PAPERS:**

None.

**APPENDICES:**

Appendix 1: Responsible Investment Statement 2023