

CLWYD PENSION FUND COMMITTEE

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| Date of Meeting | Wednesday, 4 September 2019 |
| Report Subject | Responsible Investment |
| Report Author | Clwyd Pension Fund Manager |

EXECUTIVE SUMMARY

As part of the CPF's Business Plan it has been agreed to review the Fund's Responsible Investment and Sustainability policies in conjunction with the review of the Fund's Investment Strategy. It is proposed to present the refreshed/revised policies to the Committee in November, and this paper and discussion/presentation at the Committee will help inform this process. Committee members are invited to express views and comment on the progress made to date.

In addition to the Fund's own Responsible Investment policies, the Wales Pension Partnership has been developing a specific policy for the Pool. This draft policy has been reviewed by Officers and Advisers and the Committee are invited to add any further comments.

RECOMMENDATIONS

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| 1 | To express views on the Fund's RI beliefs, to help develop the Fund's policies. |
| 2 | To provide comments on the Wales Pension Partnership RI Policy, subject to any changes/comments/views that the Committee wish to see in an updated document. |

REPORT DETAILS

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| 1.00 | RESPONSIBLE INVESTMENT |
| 1.01 | <p>CPF Responsible Investment Policies</p> <p>At the last two meetings the Committee have had training sessions on the importance of Responsible Investing (RI) and the integration of Environmental, Social and Governance (ESG) factors within the Fund's investment strategy.</p> <p>After the meeting in June the Committee were issued, by email, a survey to establish the ESG beliefs of the Fund. The intention being that these beliefs could then be reflected within the Fund's revised RI and Sustainability policies.</p> <p>At the forthcoming meeting the views that have been expressed will be interpreted by the Fund's Investment Consultant, and there will be an opportunity for further views to be expressed by members of the Committee. This will then be developed by the Officers and Advisers to revise the fund RI policies for presentation to the Committee in November.</p> |
| 1.02 | <p>Wales Pension Partnership – Draft Responsible Investment Policy</p> <p>The Wales Pension Partnership has developed a draft RI policy (attached at Appendix 1) which was circulated to the Committee via email in July. Officers and Advisers have had the opportunity to comment and ask questions which are attached at Appendix 2. This sets out these questions and responses from the WPP. Officers and Advisers are generally accepting of the responses from WPP and we are pleased that, in a number of areas, the comments have been well received by the WPP Advisor, Hymans Robertson.</p> <p>The aim of the WPP Policy is to be overarching and enable each of the 8 funds to implement their own RI Policy which remains the responsibility of each fund.</p> <p>The Committee are invited to ask questions and comment upon this draft policy.</p> |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | None directly as a result of this report. |

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| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | None directly as a result of this report. |

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| 4.00 | RISK MANAGEMENT |
| 4.01 | It is now commonly accepted that ESG risks and the consideration of such should be embedded with consideration of any investment. The CPF has an RI policy, and it is appropriate to review and refresh this on a regular basis. It is also important to ensure that through the pooling of investment, these policies are properly reflected. |

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| 5.00 | APPENDICES |
| 5.01 | Appendix 1 – WPP Responsible Investment Policy Appendix 2 – WPP Draft RI Policy Q&A. |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | <p>Presentations to Committee Training Day on 20 March 2019, and Committee Meeting on 12 June 2019.</p> <p>Contact Officer: Philip Latham, Clwyd Pension Fund Manager Telephone: 01352 702264 E-mail: philip.latham@flintshire.gov.uk</p> |