



City of Westminster

Committee Report

Decision Maker:	PENSION FUND COMMITTEE
Date:	29 October 2020
Classification:	General Release
Title:	ShareAction Healthy Markets Coalition
Wards Affected:	None
Policy Context:	Effective control over Council Activities
Financial Summary:	There are no immediate financial implications arising from this report.
Report of:	Phil Triggs <i>Tri-Borough Director of Treasury and Pensions</i> ptriggs@westminster.gov.uk 020 7641 4136

1 Executive Summary

- 1.1 This paper provides a brief overview of work undertaken by ShareAction on their Healthy Markets Initiative, the aim of which is to make retailers and manufacturers accountable for their role and impact on people's diets.

2 Recommendations

- 2.1 The Committee is requested to:
 1. Note and comment on the attached ShareAction Healthy Markets summary.
 2. Delegate authority to the Tri-Borough Director of Treasury and Pensions, in consultant with the Chairman, to write a letter to the Fund's equity managers regarding the Healthy Markets Initiative.

3 Background

- 3.1 ShareAction is a registered charity who promotes responsible investment, working with investors to help influence how companies operate their business on a range of Environmental, Social and Governance (ESG) factors. This includes areas such as climate change, gender diversity, living wages, decarbonisation, biomass and healthy markets.
- 3.2 Most recently, ShareAction has been working on a Healthy Markets coalition group. The Healthy Market Initiative aims to make food retailers and manufactures take on accountability for their role and impact on people's diets amid growing concerns surrounding increasing levels of obesity. This can include interventions such as education, increased reporting, packing and labelling, pricing/offers and the development of nutrition strategies.
- 3.3 Healthy eating and obesity is an urgent issue and something that companies should be acting on, particularly during the current global pandemic. A study of NHS electronic health records has shown that the risk of dying from COVID-19 is 33% higher amongst people who are obese. Given the seriousness of this issue, it is a critical point for investors and companies to ensure they are able to manage the associated risks and opportunities.
- 3.4 As per the most recent Office for National Statistics (ONS) statistics on obesity, physical activity and diet published in 2020, 20% of Year 6 children were classed as obese and 67% of men and 60% of women were overweight. Statistics also show that being obese as a child greatly increases the risk of being obese as an adult, with an estimated cost to the NHS of £6.1bn and £27bn in reduced annual economic growth costs.
- 3.5 To date, the ShareAction initiative has focused on engaging with the top ten food retailers (see Appendix 1 for target retailers) in the UK, pushing for public commitments to improve performance. During 2020, ShareAction attended the AGMs of 15 UK based and international food and drinks companies. This was supported by members of the investor coalition, during which ShareAction put questions to the company boards and facilitated investor conversations.
- 3.6 During September 2020, ShareAction sent letters to the target retailers asking for commitments to sugar and calorie reduction targets, front-of-pack labelling and supporting next steps. These letters were signed by members of the Healthy Markets coalition, representing over \$1 trillion in assets under management. ShareAction has advised that they have already received responses from two of the retailers.

4 Next Steps

- 4.1 ShareAction has expressed interest in working with asset owners/managers, including the Westminster Pension Fund, to assist with the engagement process as part of the Healthy Markets Initiative. Within the current Westminster Pension Fund equity mandates, there was exposure to the target retailers and manufacturers of circa 1.9% of the total fund value as at 31 March 2020.

- 4.2 The Committee is requested to delegate authority to the Tri-Borough Director of Treasury and Pensions, in consultant with the Chairman, to write a letter to our equity managers regarding the ShareAction Healthy Markets initiative, on behalf of the Committee.

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: ShareAction Healthy Markets Initiative