



City of Westminster

Pension Board

Date:	21 July 2021
Classification:	General Release
Title:	Responsible Investment Statement
Wards Affected:	None
Policy Context:	Effective control over council activities
Financial Summary:	There are no immediate financial implications arising from this report.
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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- 1.1 In late 2019, the Local Government Pension Scheme (LGPS) Scheme Advisory Board (SAB) issued draft guidance on Responsible Investment in the LGPS.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 presents the final Responsible Investment Statement for the Westminster Pension Fund, which is attached as Appendix 1.

2 Recommendation

- 2.1 The Local Pension Board is requested to note the Responsible Investment Statement.

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.
- 3.3 The statement covers in detail topics such as:
- **The investment horizon of the fund:** this highlights the Fund's potential investment priorities over the long term, including socially beneficial housing, renewable infrastructure and green bonds.
 - **Carbon journey:** over the last 24 months, the Pension Fund has taken significant steps to reduce its carbon footprint by transitioning equities into ESG focused funds and diversifying into renewable infrastructure. Since June 2019, the Fund's average carbon to value invested has fallen by circa 60%.
 - **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 Responsible Investment statement to demonstrate how the Pension Fund has been implementing the policy.
- 3.5 Following the Pension Fund Committee on 24 June 2021, the statement has been slightly revised. The Committee approved, pending these changes, the Responsible Investment statement for publishing on the Council's website. This statement will be subject to regular, ongoing review.

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