



City of Westminster

# Committee Report

<b>Decision Maker:</b>	<b>PENSION FUND COMMITTEE</b>
<b>Date:</b>	<b>10 March 2022</b>
<b>Classification:</b>	<b>Public</b>
<b>Title:</b>	<b>Responsible Investment Statement 2022</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:ptriggs@westminster.gov.uk">ptriggs@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- 1.1 In late 2019, the Local Government Pension Scheme (LGPS) Scheme Advisory Board (SAB) issued draft guidance on Responsible Investment in the LGPS.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 2022 Responsible Investment Statement for the Westminster Pension Fund, which is attached as Appendix 1 to this paper.

## 2 Recommendation

- 2.1 The Pension Fund Committee is requested to:
  - Note and comment on the Responsible Investment (RI) Statement;
  - Delegate authority to the Tri-Borough Director of Treasury and Pensions to publish the final RI Statement on the Council's website.

### 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. This includes the commitment to affordable and social supported housing, renewable infrastructure and possible consideration of green bonds.
  - **Carbon journey:** over the last two and half years, 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 43%.
  - **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 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:**

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

**BACKGROUND PAPERS:** None

**APPENDICES:**

Appendix 1: Responsible Investment Statement 2022