

CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board
11th September 2019

REPORT BY: Board Secretary
SUBJECT: Responsible Investment

REPORT FOR: Information

1. Introduction

- 1.1 This report has been produced to provide Board with an update on the development of a Responsible Investment policy for the Powys Pension Fund.
- 1.2 Regulations require pension funds to consider their approach on responsible investing, with reference to it required within the Investment Strategy Statement, although good practice would see that a specific policy on responsible investment is also developed.

2. Responsible Investment

- 2.1 Board may be aware that work has been ongoing for some time with regards to the development of a responsible investment (RI) policy for the Powys Fund. This started in earnest towards the end of 2018, when the Pensions and Investment Committee were issued with a questionnaire on responsible investment and environmental, social and governance (ESG) issues.
- 2.2 This was done to establish initial views and beliefs of the committee with regards to the above matters. The results of the questionnaire were discussed at the Committee meeting on the 13th of December 2018 and a training plan established.
- 2.3 Discussions and evidence gathering exercises continued and, following the Committee meeting in March 2019, several training sessions have been held on RI and ESG, with views on divestment from fossil fuels, engagement, renewable energy, potential strategies and existing case studies discussed.
- 2.4 Following this period of training, the initial questionnaire has been re-issued to the Committee to establish whether any beliefs and opinions of the Committee have changed following the training. The results of this are still being gathered.
- 2.5 Alongside the work being carried out at the local Fund level, the Wales Pension Partnership has also been developing an RI policy at the pool level, with a view to it being an over-arching document with enough flexibility to allow the participating Funds to implement their own policy.

3. Next Steps

- 3.1 Once the results of the latest questionnaire have been collated, work will continue with the Fund investment advisers with a view to developing an RI policy that best reflects the

beliefs of the Fund, with consideration towards to the fiduciary responsibility that is placed on it, as soon as possible.

4. Recommendation

4.1 Board to note the contents of this report.