

## **RESPONSIBLE INVESTMENT POLICY**

### **Purpose of the Report**

1. The purpose of this report is to present an updated Responsible Investment Policy for the Fund, for the Committee's review and approval.

### **Key Considerations for Committee**

#### ***Background***

2. A Responsible Investment Policy is not a statutory document, and historically this information has been contained within the Fund's Investment Strategy Statement (ISS). However, it is becoming increasingly standard for Funds to present the relevant information into a separate document, which is to be considered as an integral part of the ISS, in order to improve transparency. The Committee first approved a Responsible Investment Policy in September 2021. The Responsible Investment Policy states that it will be reviewed annually, and this is the second such review. An annual review is necessary as this area is continuously undergoing a lot of change and development.

#### ***Highlights of changes from the Responsible Investment Policy 2022***

3. The following updates and additions have been made to the 2022 policy:
  - Page 1 – updated actions and developments.
  - Page 6 – update to the donut chart to reflect the new Strategic Asset Allocation.
  - Page 7 – minor addition to refer to the Fund's membership of Pensions for Purpose.
  - Page 11 – addition of two new climate commitments, around property and engagement.
  - Page 13 – new section containing the statement and supporting information on divestment which was agreed by the Committee in March 2023.
  - Page 14-15 – new section on biodiversity.
  - Page 16 – new section on equality, diversity and inclusion, which was reviewed by the Local Pension Board in their August 2023 meeting, and which they have recommended for inclusion.
  - Page 19 – addition of Pensions for Purpose to the list of wider initiatives.
  - Page 21 – table updated to include new publications on affordable housing and stewardship.
4. As was done in 2022, the Responsible Investment Policy will be graphically designed prior to publication. The designed version will be circulated to Committee members once available, and published via the Fund's website.

### **Environmental Impacts of the Proposals**

5. The Responsible Investment Policy includes specific plans and targets to address climate change risk in the investment portfolios.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

6. There are no known implications at this time.

### **Proposals**

7. The Committee is asked to approve the Responsible Investment Policy 2023.

Report Author: Jennifer Devine (Head of Wiltshire Pension Fund)

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Unpublished documents relied upon in the production of this report: NONE

### **Appendices:**

Appendix 1 – Draft Responsible Investment Policy 2023