

Wiltshire Pension Fund Scheme Membership Responsible Investment Survey Results March 2021

Introduction

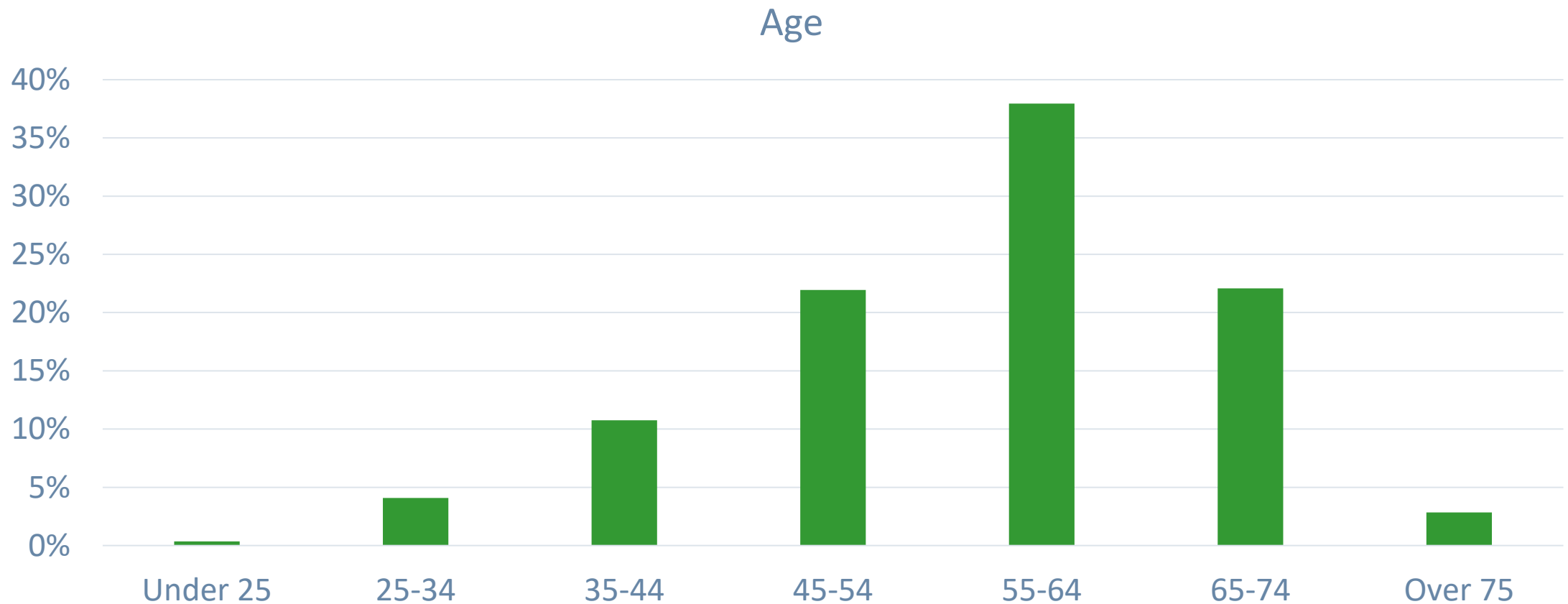
- In March 2021, Wiltshire Pension Fund conducted a survey of the scheme membership on responsible investment issues.
- This survey was launched for two main reasons:
 1. Engagement with the scheme membership, to raise awareness and to start a dialogue. Although members' benefits are guaranteed, and therefore unaffected by investment returns, they may still have opinions on how the investments are managed;
 2. So that the results could be considered by the Pension Fund Committee alongside other important information when deciding the direction of travel for the Fund, in the context of determining the best approach to protect the Fund's investments from climate change risk, in order to safeguard the investments and secure the investment returns into the future.

Who was surveyed and who responded

Total responses: 2,251

	Total number	Contacted	% Contacted	Responded	% of those contacted who responded
Active members	23,143	23,143	100%	1,095	4.7%
Deferred members	40,315	10,040	25%	413	4.1%
Pensioner members	19,015	5,500	29%	743	13.5%

Demographic Analysis – age profile



Demographic Analysis – membership status



How did we encourage responses?

- The survey was publicised via the following methods:
 - Emailing all active and deferred members who have signed up to member self-service;
 - Emailing all pensioners who have signed up to e-payslips;
 - Using Wiltshire internal comms to encourage all staff to complete the survey, including a dedicated all-staff email sent out on behalf of Andy Brown as Treasurer to the Pension Fund;
 - Emailing all HR contacts at every employer organisation to ask them to make staff aware of the survey and encourage them to complete it.

What questions were asked?

1. Name (will be kept confidential – just needed to verify membership of the Fund)
2. Age: under 25, 25-34, 35-44, 45-54, 55-64, 65-74, 75+
3. Membership status: Active, Deferred, Pensioner
4. What level of interest do you have in how the Pension Fund invests the money held to pay the pensions? 1-10 (not interested at all – very interested)
5. What level of understanding do you have of responsible investment? good understanding, partial understanding, no understanding
6. How important do you think it is for the Fund to take account of ESG (environmental, social and governance) issues when making investment decisions? 1-10 (not important at all – very important)
7. Do you believe that ESG (environmental, social and governance) issues present a financial risk to the Pension Fund's investments? Yes, No, Maybe, Don't know
8. Do you believe that climate change in particular presents a financial risk to the Pension Fund's investments? Yes, No, Maybe, Don't know

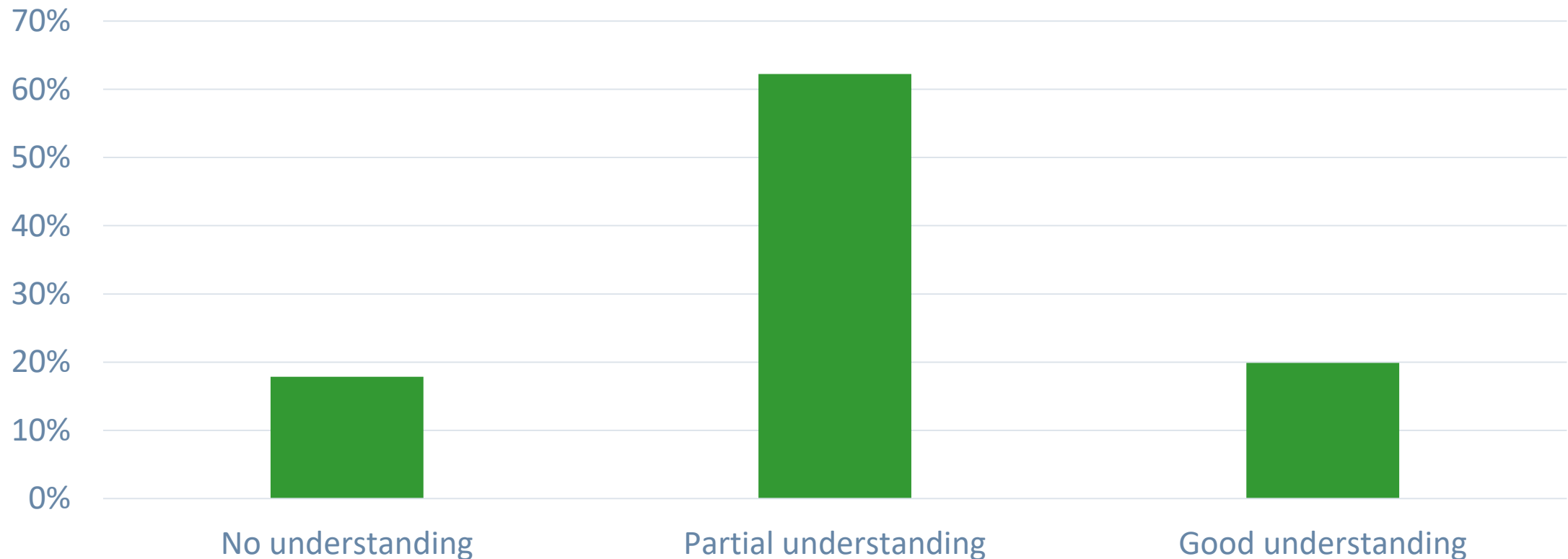
What questions were asked? Cont'd



9. Is it important to you for Wiltshire Pension Fund to invest in sustainable and/or low carbon assets? Yes, No, Maybe, Don't know
10. In your opinion, should the Wiltshire Pension Fund prioritise investment returns, ESG (environmental, social and governance) issues, or both? Prioritise investment returns first, prioritise ESG issues first, prioritise investment returns and ESG issues equally
11. How important is it to you that Wiltshire Pension Fund seeks to influence the behaviour of the wider financial community to bring about better environmental and social outcomes? 1-10 (not important at all – very important)
12. How important is it to you that Wiltshire Pension Fund seeks to influence the behaviour of the individual companies in which it invests, to bring about better environmental and social outcomes? 1-10 (not important at all – very important)
13. Have you seen the Wiltshire Pension Fund Annual Report 2019/20, and the section on climate risk? Yes, No, Don't know
14. Did you attend the responsible investment webinar at the annual member conference in November 2020? Yes, No, Don't know
15. Would you be interested in learning more about Wiltshire Pension Fund's approach to responsible investment? Yes, No, Don't know

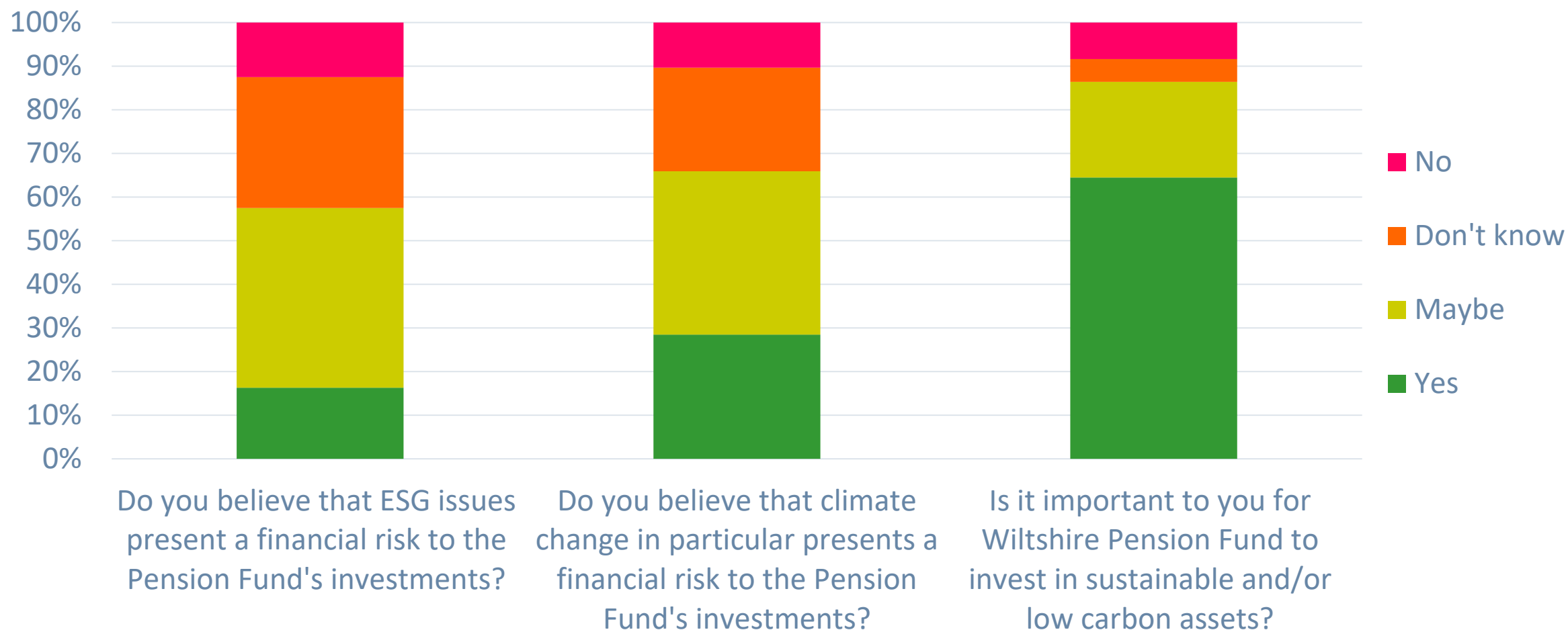
Understanding of Responsible Investment

What level of understanding do you have of responsible investment?



Views on ESG / climate risk / sustainable assets

Views on ESG / climate risk / sustainable assets



Views on ESG / climate risk / sustainable assets

Q: Do you believe that ESG issues present a financial risk to the Pension Fund's investments?

A: Yes/maybe **57%** No/don't know **43%**

Q: Do you believe that climate change in particular presents a financial risk to the Pension Fund's investments?

A: Yes/maybe **66%** No/don't know **34%**

Q: Is it important to you for Wiltshire Pension Fund to invest in sustainable and/or low carbon assets?

A: Yes/maybe **86%** No/don't know **14%**

Views on ESG / climate risk / sustainable assets

Members clearly believe that climate change is or could be a risk to the investments. It is also important to them that the Fund invests in sustainable and/or low carbon assets – this is more important to them than how strongly they believe ESG issues or climate change could present a financial risk.

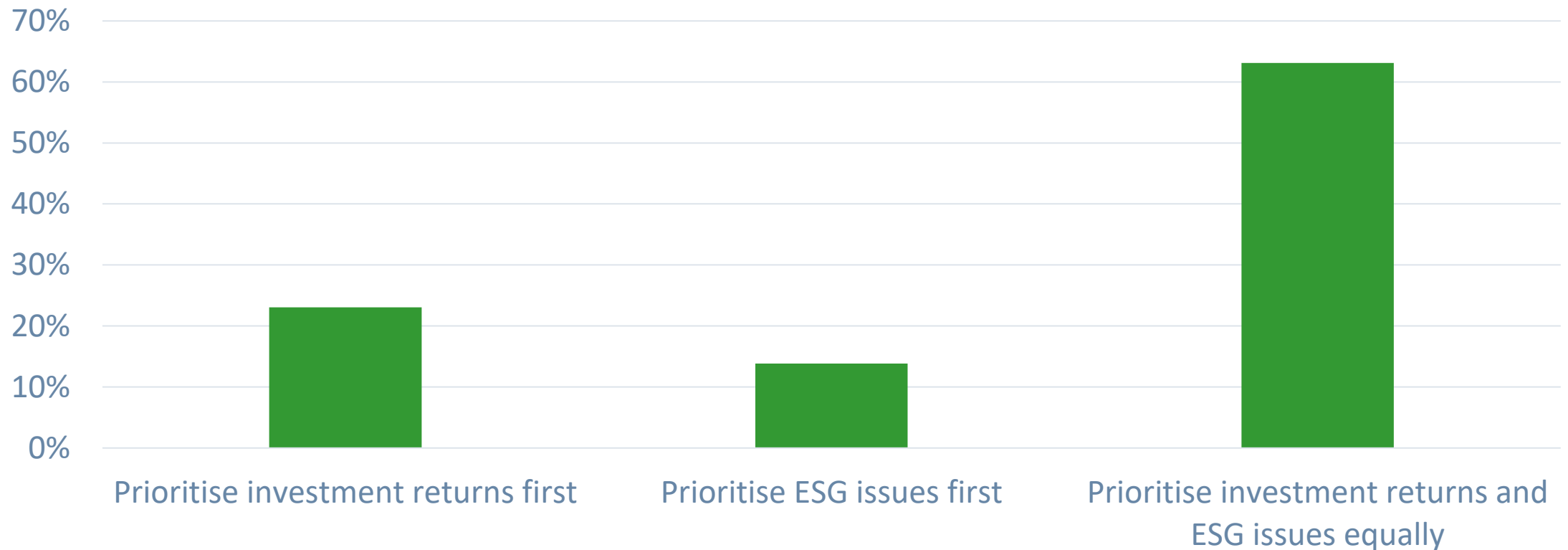
Response:

The Committee is currently considering a specific allocation to sustainable equities. If this is approved, it should be highlighted to the membership (via the website, annual conference etc).

The Committee is considering amending the Investment Strategy Statement to include a net-zero target. If this is approved, it should also be publicised, via the same channels and also via a press release.

Priorities

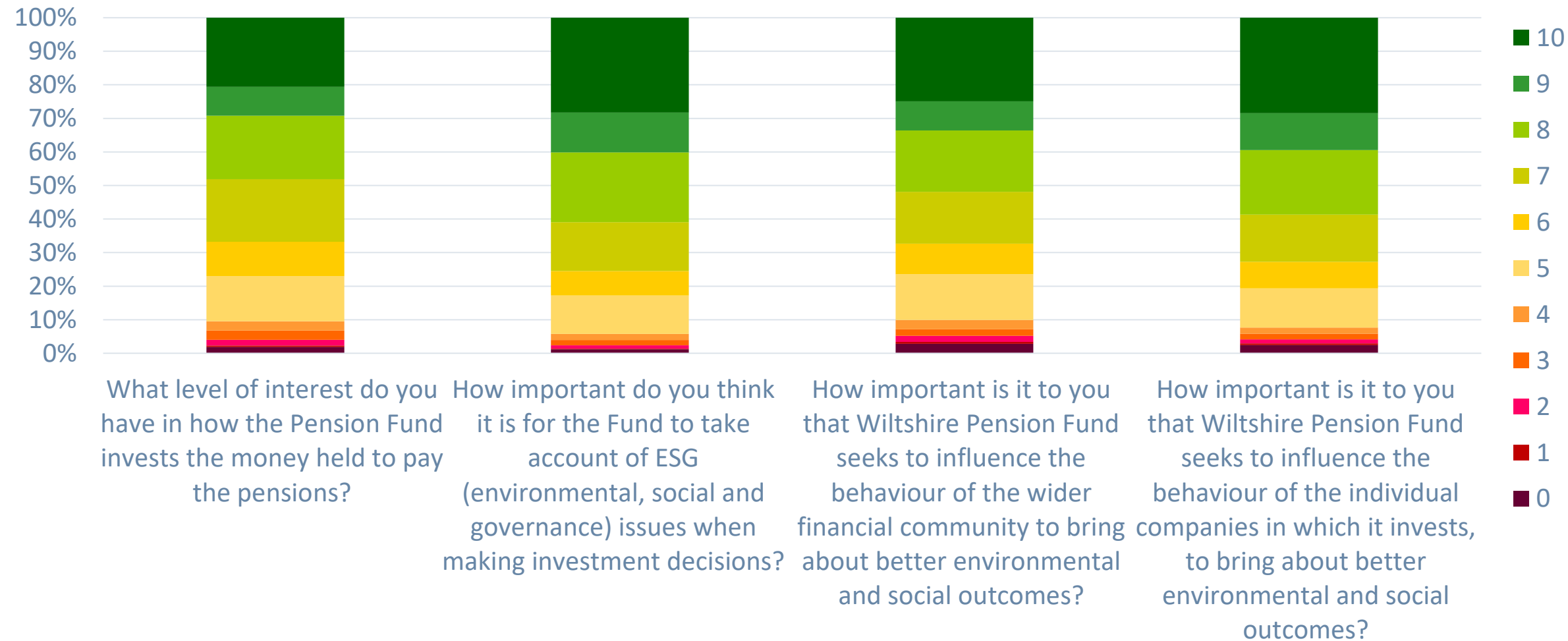
In your opinion, should the Wiltshire Pension Fund prioritise investment returns, ESG issues, or both?



Interest in investments / ESG integration / wider engagement



Interest, ESG integration, wider engagement



Interest in investments / ESG integration / wider engagement



Possible answers: 1-10 (1 = not interested at all/not important at all, 10 = very interested/very important)

Q: What level of interest do you have in how the Pension Fund invests the money held to pay the pensions?

A: **7.2**

Q: How important do you think it is for the Fund to take account of ESG (environmental, social and governance) issues when making investment decisions?

A: **7.7**

Q: How important is it to you that Wiltshire Pension Fund seeks to influence the behaviour of the wider financial community to bring about better environmental and social outcomes?

A: **7.3**

Q: How important is it to you that Wiltshire Pension Fund seeks to influence the behaviour of the individual companies in which it invests, to bring about better environmental and social outcomes?

A: **7.6**

Interest in investments / ESG integration / wider engagement



Members are interested in how the Fund's investments are managed.

57% of members answered “yes” or “maybe” that ESG issues represent a financial risk to the Pension Fund. Members answered on average **7.7** (i.e. “important”) when asked how important it is for the Fund to take account of ESG issues when making investment decisions. And a majority of members (**63%**) felt that the Fund should prioritise ESG and investment returns equally. This indicates that members want us to earn strong investment returns, from investing responsibly and in a sustainable way.

Members also value our impact on the wider financial community and on the companies in which we invest.

Interest in investments / ESG integration / wider engagement



Response

We will continue to develop our approach to engaging with the membership, and will use the website as a key tool in making more information on the investments available.

We will continue to publish the voting and engagement reports online, so the members can see the results of the engagement activities conducted on our behalf, and we will look to improve the information we put online in this topic area.

Member Engagement

Member engagement



Member Engagement



Members have not seen much information which we have put out already, although **13%** have seen the annual report. However, members are keen to know more – **56%** wanted more information.

Response

At the member conference in the autumn of 2021, we can look at ways to publicise this more widely, and try to encourage more attendance.

We will also try to publicise the annual report more widely, as it is a key document. We will review the content of the annual report, to ensure it is not just a statutory document, but also contains additional information which is of interest to stakeholders. We began this last year, and can look to do more.

We will use the new website as a way to put out more information.

If we make significant investment decisions we will put out a press release (as we did when we invested in low carbon passive equities).

We will develop a specific responsible investment policy to pull together key information, which will be a good engagement tool.

We will investigate other ideas for engagement, and develop our approach further.

Other comments and feedback

- Members were invited to submit other comments at the end of the survey. These have been broadly classified by theme, as well as analysed as to which membership group the comments came from.
- Just under half the comments submitted (**49%**) were in support of integrating ESG issues and investing sustainably.
- Some **12%** of comments were along the theme of how the Fund should prioritise investment returns, including several who were under the impression that the investment returns would impact their pension. Securing the investment returns into the future is the Fund's top priority, and this is the reason why factors like climate change are being considered. The pension benefits paid out are set by law and so remain unaffected by the investment returns. Therefore we need to ensure we communicate this better to the membership, and will do this via the annual report as a first step.

Other comments and feedback

- Some **12%** of comments requested more information, or made suggestions for the format of the information or method of delivery. This is supported by the **56%** of respondents who answered that they would like to know more about the Pension Fund's approach to responsible investment, and the average score of **7.2** ("interested") to the question "what level of interest do you have in the Pension Fund invests the money held to pay the pensions?".
- The pensioner group were the most vocal, with **17%** of all respondents adding a comment.

Other comments and feedback

Theme of comment	No. of comments	% of total comments
Supportive of integrating ESG issues into investment decisions	144	49%
Stating that returns must be prioritised over anything else	35	12%
Thanking Wiltshire Pension Fund for engaging	33	11%
Requesting more info, or suggestions for the format the info could take	36	12%
Other	43	15%

Other comments and feedback

Membership category	No. of comments	% of membership category who commented
Active	113	10%
Deferred	53	13%
Pensioner	125	17%

Thank you to all scheme members for participating in the survey, we appreciate your engagement and feedback