

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 first 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 2021

3. The following updates and additions have been made to the 2022 policy:
 - Page 1 – updated actions and developments.
 - Page 2-3 – addition of a section to map what the policy is addressing to the Fund's vision, strategic vision goals, and values.
 - Page 6 – slight update to the donut chart to split out long lease property and operational renewables within secured income.
 - Page 7-8 – addition of some information to explain that the Fund does invest with impact, but not at the sacrifice of any financial return, and the addition of the statement agreed by Committee on the Sustainable Development Goals.
 - Page 9 – addition of a note on the baseline being updated from 2020 to 2019.
 - Page 10 – stats on the revised baseline.
 - Page 11 – addition of a new climate commitment "We commit to expanding target setting to cover climate solutions, transition alignment and stewardship during 2023", and updated information on monitoring progress.
 - Page 11-12 – new information on asset classes other than listed equities.
 - Page 13-15 – new section setting out an engagement policy.
 - Page 21-23 – an updated glossary
4. As was done in 2021, 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 2022.

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Unpublished documents relied upon in the production of this report: NONE

Appendices:

Appendix 1 – Draft Responsible Investment Policy 2022