

## WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE  
14 September 2023

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### **RESPONSIBLE INVESTMENT UPDATE REPORT**

#### **Purpose of the Report**

1. The purpose of this report is to update members on responsible investment issues.

#### **Key Considerations for Committee**

#### **Progress against recent decisions and the actions in the Responsible Investment Plan 2023/24**

2. The road map from the Responsible Investment Plan 2023/24 is shown on the following page. Progress against the year is as follows:

Action	Work due	Progress status	Comments
Finalise the divestment statement	Q2 23	Complete	Complete – approved by Committee and included in the RI Policy 2023
Begin work to implement the renewable infra and climate solutions portfolio	Q2 23	In progress	In progress
Publish the stewardship report and mini-magazine	Q2 23	Complete	Complete - <a href="#">Summary - Wiltshire Pension Fund</a>
Publish the affordable housing impact report	Q2 23	Complete	Complete - <a href="#">Affordable Housing Impact Report 2023 - Wiltshire Pension Fund</a>
Research and publish the cement case study	Q2 23	Complete	Complete – included in the Climate Report and online shortly
Set net zero targets relating to climate solutions, transition alignment and stewardship	Q3 23	Complete	Complete – pragmatic approach taken and included in the RI Policy 2023
Set net zero targets related to property and infrastructure	Q3 23	Complete	Complete – included in the RI Policy 2023
Review and update the RI policy	Q3 23	Complete	Complete – elsewhere on this agenda
Publish an expanded Climate Report (including TCFD reporting)	Q3 23	Complete	Complete – elsewhere on this agenda
Conduct an engagement activity with the scheme's younger members	Q3 23	In progress	In progress
Progress the approach to net zero with the Fund's listed infrastructure manager	Q4 23	Work started	Work started
Investigate carbon offsets (as both an investment opportunity and as something used by our holdings)	Q4 23	Not started	Not started
Progress the water engagement via Brunel	Q4 23	Not started	Not started
Report on progress and developments against the theme of biodiversity	Q1 24	First stage done	First stage done by including a section in the RI Policy 2023
Launch a holdings transparency tool via the Fund's website	Q1 24	Not started	Not started
Use established industry tools to investigate the theme of health in our portfolios	Q1 24	Not started	Not started

## Responsible Investment Road Map

### Q2 2023 -

**Investments and strategy:** Finalise the statement around divestment, begin work to implement the renewable infra and climate solutions allocation.

**Reporting and disclosure:** Publish the Stewardship report and mini-magazine, and the affordable housing impact report.

**Training and engagement:** Research and write up case study on cement holdings.

### Q3 2023 -

**Investments and strategy:** Set net zero targets related to climate solutions, transition alignment and stewardship, and property and infrastructure. Review and update the Responsible Investment Policy.

**Reporting and disclosure:** Publish an expanded Climate Report (including TCFD reporting), including information on our own operational emissions, and fossil fuel holdings.

**Training and engagement:** Conduct an engagement activity with the scheme membership, focussing on those in a younger age bracket, to promote pension saving and knowledge of how the Fund is invested.

### Q4 2023 -

**Investments and strategy:** Progress the approach to net zero with the Fund's listed infrastructure manager.

**Training and engagement:** Investigate carbon offsets (as both an investment opportunity and as something used by our holdings), progress the water engagement via Brunel.

### Q1 2024 -

**Investments and strategy:** Report on progress and developments against the theme of biodiversity.

**Reporting and disclosure:** Launch a holdings transparency tool via the Fund's website.

**Training and engagement:** Use established industry tools to investigate the theme of health in our portfolios.

### 3. **More detail on selected actions (and other issues) is provided below:**

- Progress has been made on a specific allocation to renewable infrastructure and climate solutions of 7%. Implementation options are currently being explored with Mercer and with a group of Brunel clients (outside the pool).
- Mercer are also reviewing the affordable housing fund market and will be advising on the remaining £30m to allocate against the allocation of 5%, with work beginning in September 2023.
- The [Stewardship Report 2023](#) was submitted to the Financial Reporting Council (FRC) on 9 May 2023. This will be reviewed to secure renewed signatory status against the 2020 Code. A mini magazine highlights report has also been published, providing examples of the work we do to bring the topic to life.
- The [Affordable Housing Impact Report 2023](#) was published on 25 April 2023. This report, the first of its kind, is aimed at providing stakeholders with impact measures for this allocation. The metrics included in the report demonstrate that the portfolio is delivering against its social impact objectives. Financial performance is considered elsewhere.
- Further reporting developments for 2023 include voting highlights. A summary for Q2 2023, which encompasses voting season (and was therefore a busy quarter) is attached as Appendix 1.
- The Local Pension Board discussed the topic of Equality, Diversity and Inclusion at their August 2023 meeting, and have supported a recommendation to hold a joint training session for Board and Committee members on this topic. The LPB paper is attached as Appendix 2.

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

4. This report includes information on actions and policies which directly deal with addressing climate change risk.

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

5. There are no known implications at this time.

### **Proposals**

6. The Committee is asked to
  - use this report as a basis for monitoring the progress that is being made towards implementing responsible investment policy;
  - note the progress made against the Responsible Investment Plan 2023/24 actions and discuss whether any additional actions are needed at the current time;
  - approve that a joint training session on equality, diversity and inclusion is arranged for the Local Pension Board and Committee.

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

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

**Appendix 1** – Voting summary Q2 2023

**Appendix 2** – LPB paper on equality, diversity and inclusion