

PE51. Environmental, Social and Governance (ESG) Policy Review

The Committee and Board considered a report by the Director of Corporate and Housing Services providing an update on the Environmental, Social and Governance (ESG) Policy Review.

The areas covered within the report included the following:-

- The legal considerations surrounding Environmental, Social and Governance (ESG) policy;
- The Fund's existing ESG policy;
- The Scheme rules requiring Funds to maintain a Statement of Investment Principles (a "SIP") stating how ESG considerations would be taken into account in the investment process;
- The Fund's current approach to ESG as set out in the SIP having placed a particular emphasis on corporate environmental policy, human rights and employment standards including Executive pay;
- The considerations on the development of the Fund's approach to ESG;
- The legal purpose of the Fund being to provide benefits for members and minimise costs for employers and not be in pursuit of any purely ethical aim;
- The decisions at the meeting on 8 December 2016;
- The further discussions at the seminar on 10 March 2017; and
- The progress in the review of the Statement of Beliefs.

Decision

The Committee and Board noted the report.

The Committee agreed:-

- (1) the adoption of the additional belief statements as set out in paragraph 4.2 of the report;**
- (2) that a carbon footprinting exercise be carried out by Trucost as set out in paragraph 4.6 of the report; and**
- (3) that the Statement of Investment Principles be updated in line with the decisions at this meeting and in December 2016.**