

Report for: Pensions Committee and Board – 2 December 2024

Item number:

Title: Responsible Investment Update

Report authorised by: Josephine Lyseight, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury
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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1. This report updates the Pensions Committee and Board on the Fund's ongoing Responsible Investment development and implementation work. It also provides an update on the Local Authority Pension Fund Forum's (LAPFF) engagement and voting activities conducted on behalf of the Fund.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

- 3.1. The Pensions Committee and Board is requested to note the content of this report.

4. Reason for Decision

- 4.1. Not applicable

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. A key outcome of most recent investment strategy review was for the Pensions Committee and Board (PCB) to develop a standalone Responsible Investment (RI) Policy. This policy aims to establish the Pension Fund's approach to integrating Environmental, Social and Governance (ESG) considerations into the investment process.

- 6.2. The following outcomes have been identified for this work

- To establish the Fund's responsible investment beliefs
- To develop a framework and approach to addressing ESG issues across asset classes
- To ensure that the RI policy is implementable and practical, considering regulations and the impact on stakeholders
- To develop a governance framework for holding appointed investment managers accountable based on set ESG criteria and objectives

6.3. Table 1 shows the progress of this development programme's implementation.

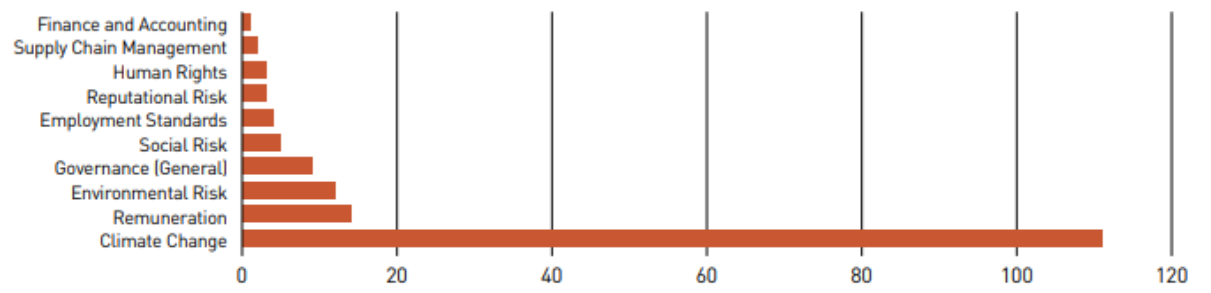
Table 1: Responsible Investment Policy Development Timeline

Activity	Description	Key Dates	Progress Update
Introductory session	An outline of the project plan and expected outcomes	July 2024	Completed
Workshop 1 – Educational Session on ESG	An introduction to ESG including a responsible investment beliefs questionnaire	September 2024	Completed
Workshop 2 – Outcomes of Questionnaire	A session on the outcomes of the beliefs questionnaire to agree RI priorities for the fund.	October 2024	Completed
Workshop 3 – Fund “Health Check” Session	A session to assess the RI credentials of the current portfolio including advice on suggested ESG KPIs and engagement framework.	January 2025	In progress
Drafting of RI Policy	Officers, with the support of advisors to draft RI policy based on output from workshops	February 2025	Initial stages of development
Approval of RI Policy	PCB to approve RI policy including an action plan to achieve the identified goals and targets	March 2025	Initial stages of development

Local Authority Pension Fund Forum (LAPFF) Voting Alerts

- 6.4. Haringey Pension Fund (the Fund) is a member of the Local Authority Pension Fund Forum (LAPFF), a shareholder engagement group that regularly engages with companies to encourage best practice and effect positive change. LAPFF engages directly with senior management and company boards to ensure they have the right policies in place to create value responsibly.
- 6.5. During the quarter, LAPFF issued over 2 voting alerts one related to climate change and another related to human rights primarily related. Details of these voting alerts are issued to all LAPFF members and are available upon request.

ENGAGEMENT TOPICS



7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Carbon and Climate Change

8.1. Haringey Pension Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on environmental, social and governance (ESG) issues.

8.2. As part of the planned investment strategy review, the Pensions Committee and Board will assess the Pension Fund's responsible investment goals and criteria for investment selection. This includes an approach to managing and monitoring risks related to climate change.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

9.1. There are no financial implications arising from this report.

Assistant Director for Legal and Governance [Patrick Uzice, Principal Lawyer]

9.2. The Assistant Director for Legal and Governance (Monitoring Officer) has been consulted on the content of this report. It is a statutory requirement for the Pension Fund to have an Investment Strategy formulated in accordance with the guidance issued by the Secretary of State. Regulations 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 sets out what should be contained in the Investment Strategy. Legal advice will need to be obtained following the review to ensure that the Responsible Investment policy complies with statutory requirements.

Equalities

9.3. Not applicable.

10. Use of Appendices

10.1. None.

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.