

Warwickshire Local Pension Board

Policy updates

20 July 2021

Recommendation

1. That the Local Pension Board (LPB) notes and comments on the report.

1. Executive Summary

- 1.1 This paper sets out the policies reviewed and agreed upon by the Pension Fund Investment Sub-Committee. It also highlights key changes.
- 1.2 This report covers the:
 - Responsible Investment Policy
 - Climate Risk Policy
 - Stewardship and Voting Policy
- 1.3 The Responsible Investment Policy, Climate Risk Policy and Stewardship and Voting Policy set out how the Fund includes various risks in the investment strategy and how it conducts the stewardship of pension fund assets.
- 1.4 There was one material change to the Stewardship and Voting Policy as the Fund no longer has any segregated mandates with investment managers. A segregated mandate is where the Fund wholly and singularly owns the stocks and therefore has direct voting rights. A pooled (or non-segregated) mandate is where shares are held in pooled vehicles where the Fund owns units in the pooled fund and does not directly and singularly own any individual shares. The Fund therefore has ceased its contract with an external proxy voting agency as that service (direct voting) is no longer necessary.
- 1.5 There were no material changes to the Responsible Investment Policy or Climate Risk Policy.

2. Financial Implications

- 2.1 None

3. Environmental Implications

- 3.1 These policies cover the Fund's approach to environmental issues, though do not in themselves force any changes to the current approach.

4. Timescales associated with the decision and next steps

- 4.1 Annual review – next review is due in June 2022. May be reviewed sooner if material changes are proposed.

Appendices

1. Appendix 1 – Responsible Investment Policy
2. Appendix 2 – Climate Risk Policy
3. Appendix 3 – Stewardship and Voting Policy

Background Papers

1. None

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The report was circulated to the following members prior to publication:

Local Member(s): N/a

Other members: N/a