

## London Borough of Hammersmith & Fulham

**Report to:** Pensions Sub-Committee

**Date:** 29/09/2020

**Subject:** Responsible Investment Policy Draft

**Report of:** Phil Triggs, Director of Treasury and Pensions  
Matt Hopson, Strategic Investment Manager  
Tim Mpofo, Pension Fund Manager

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### Summary

- 1.1 At the Pensions Sub Committee held on 11 February 2020, officers presented a draft version of the Pension Fund's Responsible Investment Statement. This was in line with the issued draft guidance on Responsible Investment which was introduced by the LGPS Scheme Advisory Board (SAB) in late 2019.
- 1.2 The Sub Committee was invited to provide initial comment on the document with the view to formalising a statement at a future meeting. The feedback received from the members was incorporated into the updated Responsible Investment Statement, introduced by this paper. This is attached as Appendix 1 to this paper.

### Recommendations

1. The Sub-Committee is requested to comment and approve the updated Responsible Investment Statement.

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**Wards Affected:** None

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### LBHF Priorities

Please state how the outcome will contribute to our priorities

| <b>Our Priorities</b>  | <b>Summary of how this report aligns to the LBHF priorities</b>  |
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| <ul style="list-style-type: none"><li>• Building shared prosperity</li></ul> | Being a responsible investor means that, as part of the Pension Fund's fiduciary responsibility, its investments should be able to assist in making a positive contribution to the long-term sustainability of the global environment, enabling the Pension Fund to enhance its investment return. |

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**Financial Impact**

The financial implications of the introduction of this statement will be continually monitored to ensure that scheme members' future pensions are safeguarded.

**Legal Implications**

*None*

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Verified by Phil Triggs

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**Background Papers Used in Preparing This Report**

*None*

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## DETAILED ANALYSIS

### 1. Responsible Investment Statement

- 1.1. The purpose of the Responsible Investment (RI) Statement is to make clear the pension fund's approach to investing responsibly. This includes the integration of environmental, social and governance factors as part of the pension fund's investment strategy.
- 1.2. The introduction reiterates the pension fund's commitment to have the its investment portfolio net zero in carbon emissions by the year 2030.
- 1.3. The key priorities over the coming years are outlined as follows:
  - **Investing towards a sustainable future** – this highlights the pension fund's long-term goal of investing sustainably through low carbon and renewable investments, whilst further exploring responsible investment opportunities across all asset classes.
  - **Measuring the impact of investments** – an important part of ensuring the pension fund is on track to achieve its goals is through the measurement of impact across the investment portfolio. This section highlights the steps the pension fund has already made and will look to build up on going forward.
  - **Wider engagement with the investment community** – collaboration with key stakeholders in the investment community will be key in accessing new investment opportunities and influencing companies to run their businesses more sustainably.
- 1.4. Several investment cases study examples have also been included in the RI statement to demonstrate how the pension fund has been implementing the policy.

### 2. Reasons for Decision

- 2.1. Reasons are set out in the main body of the report.

### 3. Equality Implications

- 3.1. None

### 4. Risk Management Implications

- 4.1. None

### 5. Other Implications

5.1. None

**6. Consultation**

6.1. None

**List of Appendices:**

**Appendix 1: Responsible Investment Statement, Hammersmith and Fulham Pension Fund 2020**