



Pensions Committee

24 June 2015

Report Title	Responsible Investment Framework	
Originating service	Pension Services	
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Recommendations for approval:

The Committee is asked to approve:

1. The Fund's new Responsible Investment Framework, which replaces the current Socially Responsible Investment Statement.

Recommendations for noting:

1. That the Fund's Statement of Investment Principles has been amended throughout the year to reflect Committee's decisions.
2. That the Corporate Governance and Socially Responsible Investment section of the Fund's Statement of Investment Principles will be replaced by key elements of Responsible Investment Framework.

1.0 Purpose

1.1 To request that the Pensions Committee approves the Responsible Investment Framework, which will replace the Socially Responsible Investment Statement.

2.0 Background

2.1 The Fund has a longstanding policy of supporting good corporate governance in the companies in which it invests, and challenging companies who do not meet the standards set by their peers or reasonable expectations as measured by best practice. The Fund's approach is part of its overall investment management arrangements and its active responsible investment policy. There are two main areas of responsible investment that we focus on: **voting globally** and **engagement through partnerships**.

3.0 Responsible Investment Framework

3.1 With the recruitment of a dedicated Responsible Investment Officer, the Fund has made a commitment to advance its responsible investment approach. To that end, a new Responsible Investment Framework is proposed in place of the Socially Responsible Investment Statement to better reflect evolving market practices in this area, notably:

- A clear set of responsible investment beliefs and guiding principles
- Responsible investment expectations of the Fund, companies and fund managers
- How responsible investment is implemented

Further to decisions at Committee and in light of the responsible investment framework, the Statement of Investment Principles has also been updated to reflect these changes. The Statement of Investment Principles and Responsible Investment Framework has been provided in the annual report

4.0 Financial implications

4.1 The promotion of good corporate governance amongst companies in which the Fund invests is complementary to the Fund's objective of maximising financial returns, as it is widely believed that good corporate governance improves shareholder value in the long term.

5.0 Legal implications

5.1 This report has no legal implications.

6.0 Equalities implications

6.1 This report has no implications for the Council's equal opportunities.

7.0 Environmental implications

7.1 Environmental implications are addressed through the Fund's corporate governance policy.

8.0 Human resources implications

8.1 This report contains no direct implications for the Authority's Human Resources Policies.

9.0 Corporate landlord implications

9.1 The report contains no direct corporate landlord implications.

10.0 Background papers

- Socially Responsible Investment Statement 2014
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