



## PENSIONS COMMITTEE

20 SEPTEMBER 2016

**Subject Heading:**

**RESPONSIBLE INVESTMENT:  
MANAGER REVIEW**

**CMT Lead:**

**Andrew Blake Herbert**

**Report Author and contact details:**

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**Policy context:**

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Responsible investment issues as set out  
in the Statement of investment Principles

**Financial summary:**

No financial implications

### The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for  
People will be safe, in their homes and in the community  
Residents will be proud to live in Havering

### SUMMARY

The attached report, produced by the Fund's Investment Advisor (Hymans), presents a summary on the responsible investment activities, of the Fund's investment managers in support of the Committee's ongoing monitoring requirement as set out in the Statement of Investment Principles (SIP).

**RECOMMENDATIONS**

That the committee:

Note the summary review of fund manager voting and engagement activity in the attached Appendix.

**REPORT DETAIL**

1. **Background**

1. The attached report, produced by the Fund's Investment Advisor (Hymans), presents a summary on the responsible investment activities, of the Fund's investment managers in support of the Committee's ongoing monitoring requirement as set out in the Statement of Investment Principles (SIP).
2. The Fund's current policy with regard to the responsible investments are as follows:

a) **Social, Environmental and Ethical Considerations**

The Pensions Committee has carefully considered socially responsible investment in the context of its legal and fiduciary duties and obligations. In view of the objectives set out in this statement, the Pensions Committee takes the view that, non-financial factors should not drive the investment process to the detriment of the financial return of the fund.

Whilst at this time the Pensions Committee has determined not to place any restrictions on Investment Managers for ethical, social and environmental reasons the Pensions Committee considers it appropriate for the Investment Managers to take such factors into account when considering particular investments.

The Pensions Committee also believes that it does not have the relevant expertise to make frequent assessment of the financial impact of companies' activities. To that extent, the Pensions Committee has a policy of non-interference and the Investment Managers have full discretion over day to day decision making

3. As the engagement and voting activity is largely delegated to the Fund's investment managers Hymans were asked to carry out a review of the activity undertaken by the managers. The review focused on the process and the periods covered were based using the latest published information

## **IMPLICATIONS AND RISKS**

### **Financial implications and risks:**

Incorporated within the background of the report but would highlight the Pensions Committee view that, non-financial factors should not drive the investment process to the detriment of the financial return of the Fund and Investment Managers have been given full discretion over day to day decision making.

### **Legal implications and risks:**

None arise from this report.

### **Human Resources implications and risks:**

None arise from this report.

### **Equalities implications and risks:**

There are no equality implications or risks as a result of this report.

## **BACKGROUND PAPERS**

### **Background Papers List**

As per the attached Appendix