

**Isle of Wight Council Pension Fund
Responsible Investment working group**

**2 November 2021 9am
MS Teams**

Attendees:

Cllr Claire Critchison - Chair (CC)
Cllr Richard Quigley (RQ)
Cllr Vanessa Churchman (VC)
Cllr Julie Jones-Evans (JJE)
Mr Steve Milford (SM)

Also in attendance: Cllr Chris Jarman (CJ)

Apologies:

Cllr Jonathan Bacon

Support: Jo Thistlewood, Technical Finance Manager (JMT)

Agenda

1. To confirm acceptance to meeting being recorded

All members agreed to recording.

2. Notes from 28 September 2021 meeting

To confirm the notes taken from the first meeting of the working group on 28 September 2021, and consider any matters arising.

Members agreed the notes of the previous meeting and confirmed the recommendation of group's terms of reference to pension fund committee on 24 November 2021.

3. LAPFF membership

To consider the briefing session from LAPFF delivered on 29 October 2021. To determine recommendation on membership for Pension Fund Committee.

Discussion around the benefits of membership, and whether the cost could be used for better benefit of the fund as a whole.

Consideration of the wider agenda, and the need to be more transparent about the fund's responsibilities as a large corporate investor, demonstrating engagement or active investment decisions in terms of stocks etc.

Could do it ourselves, linking into our current policy of delegating ESG/RI activities to fund managers in accordance with their own policies? Or we could be part of a larger group, benefiting from their larger influence.

From the LAPFF Quarterly Engagement Report for September 2021, IWCPF is invested in 14 of the 82 companies with which LAPFF engaged in the quarter. This would be a good start in saying we are benefiting from engagement.

AGREED to recommend to Committee that the fund joins LAPFF for an initial 12 month period. ESG/RI group to monitor reports.

4. Current RI beliefs

To review the fund's current RI beliefs to confirm still relevant. To determine recommendation for adoption for Pension Fund Committee.

Discussion around statement that equal weight given to financial and non-financial considerations in investment decisions, and whether that would hamper decision making.

Acknowledgement that “sustainable” investments will never give the same levels of return as traditional oil and gas, but that as part of a balanced portfolio, some of the financial return can be given up in favour of wider ESG considerations.

Discussion around engagement vs disinvestment, and proactive investment in certain areas. Longer term investors so need to take longer term view – engagement first, then consider disinvestment if engagement doesn’t work?

Different types of investment – farmland for carbon capture, re-wilding, on-island.

Consideration that oil and gas companies are the biggest researchers into sustainable energy- or is this “greenwashing” – engagement with the big companies to challenge their green capabilities, and voting to demonstrate opinion.

ACTION: further consideration of current objectives. JMT to circulate some proposals, for consideration outside of meeting cycle.

No recommendation for changes to November committee, but hopefully something to February.

5. Future work

To discuss and agree future work for this group, including dates for future meetings.

- *ACCESS ESG/RI guidelines – to consider receiving presentation from Minerva in advance of pension committee meeting on 16 February 2022*

ACTION: book Minerva to deliver briefing session to this group and wider committee at end January/beginning for February.

Next meeting will be the Minerva presentation, with a view to briefing to committee in February in advance of March ACCESS Joint Committee meeting.

Post meeting note: development session arranged for Wednesday 26 January 2pm.