

MEETING	PENSIONS COMMITTEE
DATE	28 MEDI 2012
TITLE	ASH WALES
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1. INTRODUCTION

- 1.1** The Chief Executive of Gwynedd Council received an e-mail from Mark Isherwood AM in June regarding a report by ASH Wales on investments by pension funds in North Wales in the tobacco industry. A copy was also received from Councillor Margaret Lyon on behalf of the Chief Executive of Conwy County Borough Council. See Appendix A for the contents of the Mr Isherwood's e-mail.

2. POLISI CRONFA BENSIWN GWYNEDD

- 2.1** The fund has a Statement of Investment Principles which sets the framework for the fund's investments. The revised Statement for adoption is included as an item on this agenda.

- 2.2** The Statement includes social, environmental and ethical matters in paragraph 6. This outlines the responsibilities of the pension fund as follows:

With regard to socially responsible investment, the Committee is mindful of legal principles which are based on decisions in the courts and which apply to all pension schemes. In particular the administering authorities are not entitled to subordinate the interests of members to social, environmental and ethical demands. The financial performance of the Fund consistent with proper diversification and prudence, is paramount.

- 2.3** It is difficult to choose a specific area that the fund will not invest in as there is a requirement to conform with the principle in paragraph 2.2 and everyone will have their own view of acceptable and unacceptable areas.

3. RECOMMENDATION

- 3.1** The Committee is asked to agree on a response to Mark Isherwood AM.

APPENDIX A

CYNNWYS NEGES E-BOST GAN MARK ISHERWOOD AC

CONTENT OF THE E-MAIL MESSAGE FROM MARK ISHERWOOD AM

Dear Mr. Thomas,

I have been contacted by ASH Wales, please see the attached press release and ASH Wales report.

As you will note from the tables in the report a significant investment in the tobacco industry is being made by the Clwyd and Gwynedd Pension funds in Flintshire.

This story was also featured in the Western Mail, please follow the link below:

<http://www.walesonline.co.uk/news/wales-news/2012/05/30/anger-over-welsh-councils-116m-investment-in-tobacco-industry-91466-31079412/>

I would therefore be grateful if you could give this your consideration and provide a response accordingly.

Yours sincerely,

Mark