

MEETING: **PENSION BOARD**

DATE: **12 JULY 2021**

TITLE: **RESPONSIBLE INVESTING**

PURPOSE: **Updating Gwynedd Pension Fund's Responsible Investment Statement**

AUTHOR: **DELYTH JONES-THOMAS, INVESTMENT MANAGER**

1. INTRODUCTION

1.1 The purpose of this report is to present the Fund's revised Responsible Investment statement. This statement has been approved by the Pensions Committee in its meeting on 24th June.

2. STATEMENT FROM THE FUND

2.1 Gwynedd Pension Fund has been working for some time now to ensure that our advisors and asset managers look to invest in sustainable assets. In February 2021, with importance of the field increasing, a Responsible Investment Statement was presented, which provided the Fund's position on fossil fuel disinvestment.

3. DEVELOPMENTS

3.1 There have been a number of developments since February therefore we have updated the statement with the changes highlighted in yellow in Appendix 1 and these are explained further below:

- Global Growth Fund (17% of the Gwynedd Fund) – it was reported in February that Baillie Gifford had developed a fund that disinvests from fossil fuel extractors and fossil fuel service providers (Pensions Committee decision, 21 January 2021) and now Pzena has decided to sell its holding in a company that contributed to 35% (as at 31 December 2020) of the carbon emissions of this particular fund.
- Global Opportunities Fund (17% of the Gwynedd Fund) –the decarbonisation overlay from Russell Investments that reduces the carbon footprint of this fund by 25% is now operational.
- Russell Investments (Wales Pension Partnership Investment Management Solution Provider) – have stated that they will achieve a standard of net-zero carbon emissions in their investment portfolios globally by 2050.
- GRESB ESG Benchmark – it was announced in February that USB was ranked number 1 in its peer group for its GRESB ESG score in 2020, but since then we have confirmed that Black Rock is ranked number 2.

4. RECOMMENDATION

The Board is asked to approve the statement and for the Chair to sign the declaration.