



# Responsible Investment Statement

City of Westminster Pension Fund • 2024



# Table of Contents



<b>Introduction</b> .....	3
<b>Key Facts</b> .....	4
<b>Investment Beliefs</b> .....	5
<b>Investment Journey</b> .....	6
<b>Carbon Emissions</b> .....	7
<b>Stewardship Code</b> .....	8
<b>Renewables Impact Modelling</b> .....	9
<b>United Nations Sustainable Development Goals (UN SDGs)</b> .....	10
<b>Nature Positivity &amp; Nature Restoration</b> .....	12
<b>ESG Case Studies</b> .....	13
Rayner Case Study .....	13
Toyota Case Study .....	14
Thermo Fisher Scientific Case Study .....	14
<b>Voting &amp; Engagement</b> .....	15
Informa Case Study .....	15
Abrdn Long Lease Property Fund Site Visit .....	16
Engagement Activity .....	17
Voting Activity .....	18
<b>Connected Organisations</b> .....	19
Local Authority Pension Fund Forum .....	19

Pensions and Lifetime Savings Association .....	20
ShareAction .....	20



# Introduction



## Welcome to the City of Westminster Pension Fund's 2024 Responsible Investment Statement.

Responsible Investment is defined by the United Nation's 'Principles for Responsible Investment' as an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into the investment decision making process. This is beneficial for the Pension Fund as it helps us to better manage risks, generates more sustainable returns in the long term, diversifies from mainstream asset classes and supports the Council's target for net-zero emissions by 2030.

ESG refers to the three central factors, Environment, Social and Corporate Governance, in measuring the sustainability and societal impact of an investment. There are a wide range of ESG issues, with none greater currently than climate change and carbon reduction. The Pension Fund recognises climate change as the biggest threat to global sustainability alongside its administering authority employer, Westminster City Council.

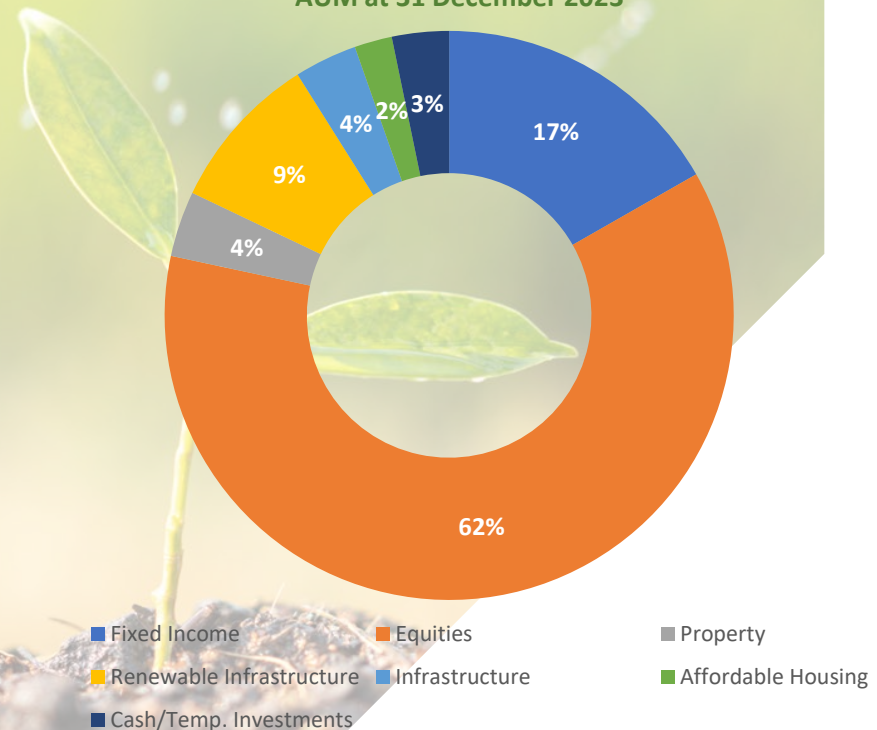
The Westminster Pension Fund is part of the national Local Government Pension Scheme (LGPS), administered by Westminster City Council. It is a contributory defined benefit pension scheme established under statute, which provides for the payment of benefits to employees and former employees of the Westminster City Council and the admitted and scheduled bodies in the Fund.

The Fund is financed by contributions from employees, the Council, the admitted and scheduled bodies and returns from the Fund's investments. Contribution rates for employees and employers are set by the Fund's actuary at the actuarial valuation which is carried out every three years.

The most recent revaluation was carried out on 31 March 2022, with the Pension Fund's funding level increasing to 128% from 99% in 2019. The main drivers for this improvement were the strong investment returns and significant additional deficit recovery payments received from the Council.

As at 31 December 2023, the market value of the Pension Fund was £1.907bn. The Fund invests in a diverse range of assets including; equities, property, infrastructure, affordable housing, fixed income and absolute return. The Fund's assets are managed by individual fund managers who specialise in that asset class.

AUM at 31 December 2023



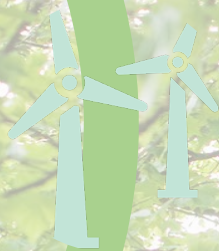
# Key Facts



**£1.9bn**



**55%**  
ESG-tilted equities



**11%**  
Renewable Energy



**5%**  
Affordable Housing

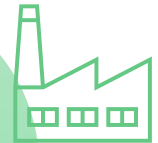


**93%**  
affordable homes



**£60m**  
solar power assets

**71%**  
ESG-tilted investments



**59%**  
carbon reduction



**£10m**  
windfarm assets



**1,295**  
new homes built



# Investment Beliefs



Governing all investment decisions are the Committee's core investment beliefs, which have been established based on the views of the members. The Fund's investment beliefs are high-level statements which direct our investment decisions. A summary of the beliefs can be found below, with a more detailed statement available within the Investment Strategy Statement.

## Investment Governance

- The Fund has access to skills and resources to manage the Fund.
- Investment consultants and officers are a source of expertise to inform and assist the Committee's decisions.
- The ultimate aim of the Fund's investments is to pay pension liabilities when they become due.
- The Fund is continuously improving its governance structure through bespoke training, but acknowledges that it is not possible to achieve optimum market timing.

## Long Term Approach

- The strength of the employers' covenant allows the Fund to take a longer term view of investment strategy than most investors.
- The most important aspect of risk is not the volatility of returns, but the risk of absolute loss over the medium and long term.
- Illiquidity and volatility are shorter term risks which offer potential sources of additional compensation to the long term investor.
- Over the long term, equities are expected to outperform other liquid assets, particularly government bonds and cash.

## Environmental, Social and Governance (ESG) factors

- ESG factors can be financially material and may influence the risk and return characteristics of the Fund's investments.
- Well governed companies that manage their business in a responsible manner are less vulnerable to downside risk.
- Asset managers should exercise the voting rights.
- Environmental considerations should reflect a growing urgency required in its decision-making processes.
- If an investment manager fails to adequately consider ESG issues, the Committee is prepared to disinvest assets from that manager.

## Asset Allocation

- Allocations to asset classes other than equities and government bonds offer the Fund other forms of risk premia.
- Diversification across asset classes and asset types that have low correlation with each other will tend to reduce the volatility of the overall Fund return.
- Allocations to bonds and alternatives are made to achieve additional diversification. As the funding level improves, the Committee may look to certain lower risk strategies to mitigate liability risks.

## Management Strategies

- A well-balanced portfolio has an appropriate mix of passive and active investments.
- Passive style management provides low cost exposure to equities and bonds, and is especially attractive in efficient markets.
- Active management will typically incur higher investment management fees but can provide additional return.
- Active management performance should be monitored over multi-year rolling cycles.
- Employing a range of management styles can reduce the volatility.

# Investment Journey



The City of Westminster Pension Fund is committed to investing responsibly and incorporating environmental, social and governance (ESG) factors into the investment process. Since 2019, the Fund has made a number of conscious investment decisions to reduce the carbon impact of the Pension Fund, as well as, creating a positive impact for communities across the UK.

## September 2019

Westminster City Council declared a climate emergency and Pension Fund starts capturing carbon emissions data for the Fund's equity managers.

## November 2020

Transitioned into Global Quality Equity Fund, which seeks to provide a high-quality global portfolio of companies, however, excludes tobacco, alcohol, gambling, weapons, fossil fuels, and gas or electrical utilities.

## November 2020

Transitioned into the LGIM Future World Equity Fund, whereby an Environmental, Social and Governance screening of companies takes place to remove those companies which do not meet the required ESG criteria.

## December 2020

£110m committed to renewable infrastructure, selecting Macquarie and Quinbrook to manager, with assets targeted to solar power, windfarms, and supporting infrastructure such as battery storage and connection assets.

## December 2021

£90m committed to affordable housing, selecting Man Group to manage £45m, with a long term goal of providing 13,000 new homes that cost no more than 35% of a households gross income.

## December 2022

Baillie Gifford Global Equity transitioned into Paris Aligned fund, which screens out companies with exposure to the fossil fuels industry, and those that will not play a role in the future transition to a low carbon environment.

## February 2023

The Pension Fund was successful in its application to become a signatory to the UK Stewardship Code 2020, amongst only a handful of LGPS Funds to achieve this status.

## June 2023

A further £90m committed to the Quinbrook Renewables Impact Fund, with funds to be transitioned from the active global equity managers.

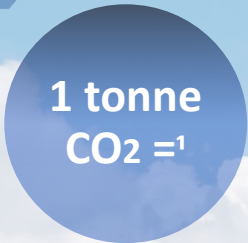
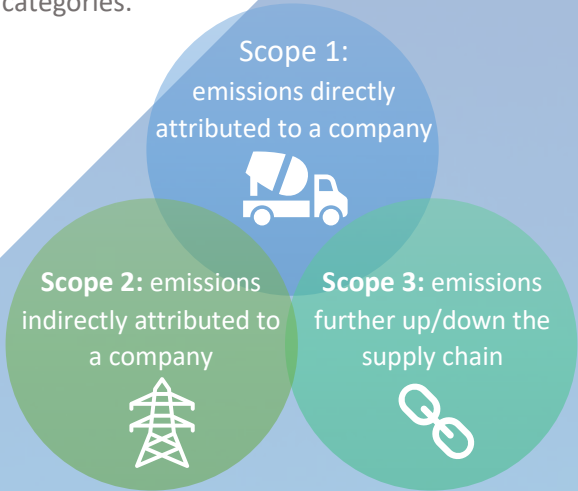
## June 2023

The London CIV were selected to manage the remaining allocation to affordable housing, including a focus on specialist and transitional supported housing.

# Carbon Emissions



The Greenhouse Gas (GHG) emissions of the Pension Fund are reported in tonnes of CO<sub>2</sub> (tCO<sub>2</sub>e). Carbon emissions can be broken down into three reporting categories.



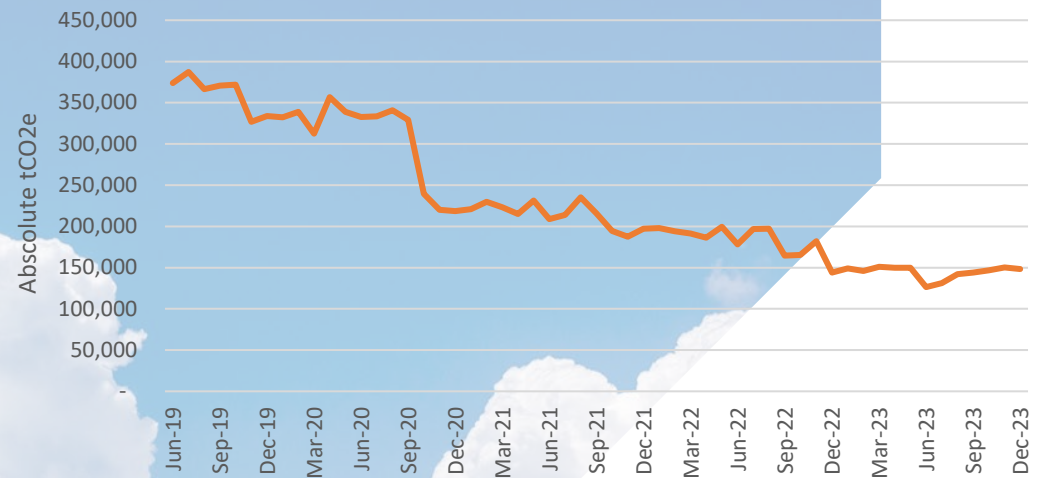
**1 tonne CO<sub>2</sub> = 1**



The following chart plots the absolute tonnes of CO<sub>2</sub> emissions of the Pension Fund from 30 June 2019 to 31 December 2023. It is estimated that the Fund has reduced its CO<sub>2</sub> emissions by circa 59% over this period.

Where possible the Fund reports on scope 1, 2 and 3 emissions, however as this data can be difficult to collect, this may vary amongst the Fund's asset classes and managers.

**Weighted Average Carbon Emissions**



Please note the London CIV UK Housing Fund and Man Group Community Housing Fund carbon emissions are not included within this graph. As data becomes available, this will be incorporated into the analysis.



The Stewardship Code is a set of principles released in 2010 and updated in 2020 by the Financial Reporting Council, directed at institutional investors who hold voting rights in United Kingdom companies. Its principal aim is to make shareholders, who manage other people's money, be active and engage in corporate governance in the interests of their beneficiaries.

The UK Stewardship Code 2020 sets high stewardship standards for asset owners and asset managers, and for service providers that support them. The Code applies to pension funds and adopts the same "comply or explain" approach used in the UK Corporate Governance Code. This means that it does not require compliance with principles but, if fund managers and institutional investors do not comply with any of the principles set out, they must explain why they have not done so.

To become a signatory of the Code, applicants must submit a Stewardship Report to the FRC demonstrating how the principles of the Code have been applied during the previous 12 months. The FRC reviews applications to assess whether they meet its expected reporting standards, and successful organisations are listed as a signatory to the Code. Once accepted onto the signatories list, organisations must reapply annually.



## Westminster City Council Pension Fund Stewardship Report 2023

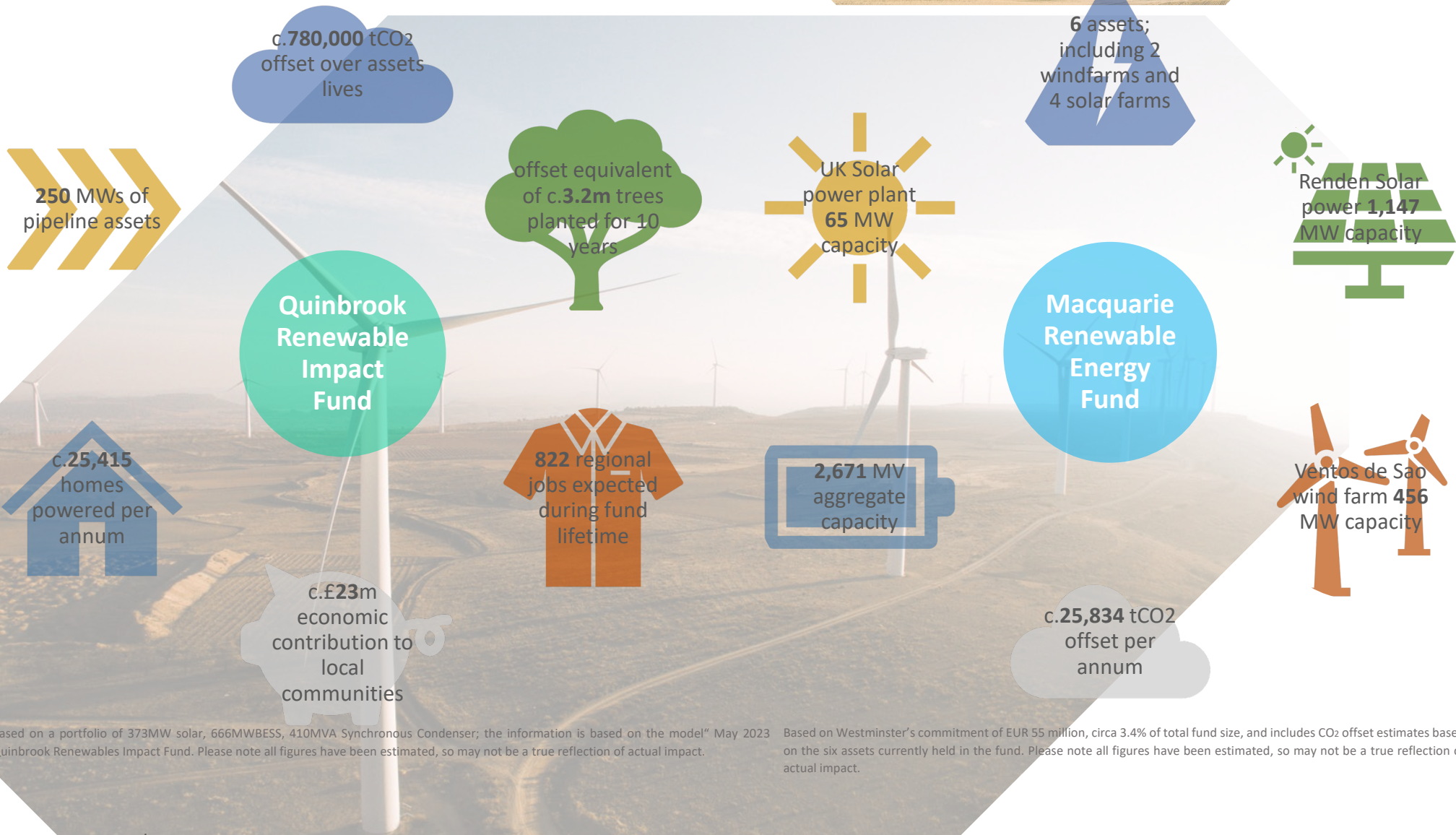
The City of Westminster Pension Fund was accepted as a signatory to the UK Stewardship Code during February 2023. The Stewardship Report for 2023 can be located on the Pension Fund [webpage](#).

As detailed in the report, the Pension Fund made great strides during the year in relation to responsible investment and stewardship of the Fund's assets. As at 30 September 2022, the Fund had c.£58m invested within renewable infrastructure with a further c.£52m to be drawn. Assets are targeted to solar power, onshore and offshore wind, alongside supporting infrastructure such as battery storage and connection assets.

In addition, the Fund commissioned a review of its property mandates with a view to investing within social supported and affordable housing. The Pension Fund made commitments to both affordable housing and socially supported housing totalling 5% of the Fund. The allocation has a long-term goal of providing 13,000 new homes that cost no more than 35% of an average household's gross income and across sectors.



# Renewables Impact Modelling



Based on a portfolio of 373MW solar, 666MWBESS, 410MVA Synchronous Condenser; the information is based on the model<sup>14</sup> May 2023 Quinbrook Renewables Impact Fund. Please note all figures have been estimated, so may not be a true reflection of actual impact.

Based on Westminster's commitment of EUR 55 million, circa 3.4% of total fund size, and includes CO<sub>2</sub> offset estimates based on the six assets currently held in the fund. Please note all figures have been estimated, so may not be a true reflection of actual impact.

# United Nations Sustainable Development Goals



During 2016, all United Nations (UN) members adopted the 2030 Agenda for Sustainable Development, at the heart of this was the 17 Sustainable Development Goals (SDGs). These goals call for urgent action by all developed and developing countries, for ending poverty, global hunger, improving health and education, reducing inequality, tackling climate change and promoting global economic growth.<sup>1</sup>

The UN's 17 Sustainable Development Goals are set out below:

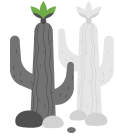
## SUSTAINABLE DEVELOPMENT GOALS



The City of Westminster Pension Fund's asset managers meet a number of the SDGs as set out by the United Nations. The chart below highlights the goals which the funds asset managers have been most successful in addressing. These include significant work towards addressing the gender pay gap, reducing deaths and illness from air pollution, developing reliable renewable infrastructure, efficient use of natural resources and improving impact on climate change mitigation.



# SDG Case Studies



## Macquarie Renewable Infrastructure

**Goal 3:** Reducing deaths and illnesses from air pollution, by avoiding harmful air pollutants due to renewable energy generation.

**Goals 7 & 9:** Increase sustainability of renewable energy, whilst developing quality and resilient infrastructure, with 2,671 MW of renewable energy generation to local grids.

**Goal 12:** Achieve sustainable management and efficient use of natural resources, by avoiding 942kt of oil consumption annually.

**Goal 13:** Improve human and institutional capacity on climate change mitigation by raising awareness on climate change, with a forecast to avoid 2,121 kt CO2 greenhouse gas emissions annually.



## Man Group Community Housing

**Goals 1 & 10:** Increasing the number of quality and environmentally sustainable homes to meet affordable housing needs including shared ownership and rented at a % of local median income.

**Goal 3:** Increasing the percentage of homes that meet the Decent Home standards, Building for Life 12 accreditation and Nationally Described Space Standard (NDSS).

**Goals 7 & 11 & 13:** The portfolio provides environmentally sustainable homes with valid energy performance certificates, including the use of solar panels, electric charging points and a reduction in CO2 emissions against the Target Emission Rate.



## Quinbrook Renewable Impact Fund

**Goals 1 & 10:** No poverty and reduced inequalities through fair work and diligence in human rights and processes against modern slavery.

**Goal 3:** Better environmental justice to avoid pollution and fossil fuel emissions for communities.

**Goal 4:** Supporting schools and universities in the adoption of renewable energy and support improved education.

**Goal 5:** Supporting gender equality through fair and non-discriminatory hiring and engagement policies.

**Goal 7:** Providing renewable energy, in particular in community settings and disadvantaged areas.

**Goal 8:** Providing jobs in rural areas where assets are located and training in areas of job displacement.

**Goal 9:** Investing and partnering with business that are driving new energy innovation and infrastructure.

**Goals 11 & 12:** Building assets to support sustainable cities and communities and enabling a fairer transition to sustainable energy sources.

**Goal 13:** Creating new assets through project development and construction that help to avoid emissions and tackle climate change.

**Goal 15:** Initiates such as support of wildlife pollination programs and tortoise rehabilitation programs.

**Goal 16:** Strong institutions through improved governance and alignment with the United Nations Compact.



# Nature Positivity & Restoration



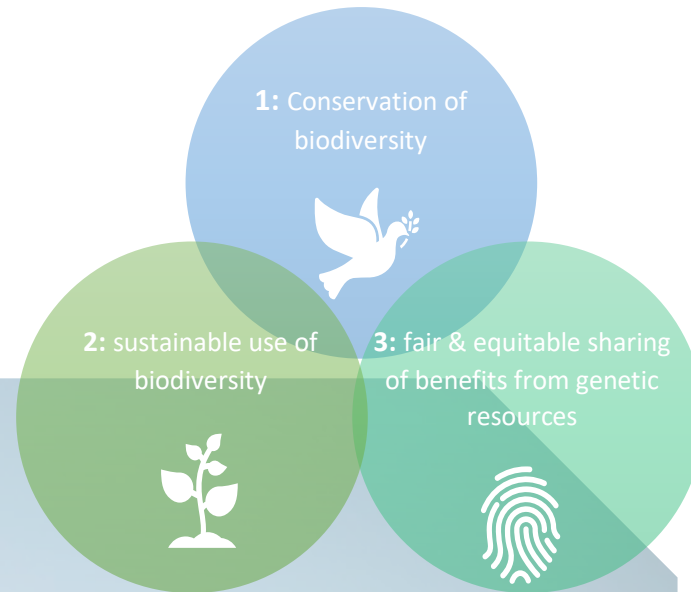
Nature Positivity and restoration is the regeneration of the natural world, species and ecosystems, with a goal of halting further destruction of nature. The United Nations Convention on Biodiversity international treaty sets out three goals<sup>1</sup>. Under the Convention, governments are working towards a target of a nature positive world by 2030 and a recovery of nature by 2050<sup>2</sup>.

## Pantheon Global Infrastructure Fund

Within the Pantheon Global Infrastructure Fund, the Pension Fund has exposure to Viridor, a British recycling renewable energy and waste management company, as part of a co-investment deal. Viridor operates across the UK, providing waste collection, recycling and energy recovery services to businesses and local authorities.

Viridor focuses on transforming waste into resources, such as renewable energy through various technologies like anaerobic digestion and energy-from-waste facilities. The company aims to minimize waste sent to landfills and contribute to restoration of the natural world and promote biodiversity, actively closing a number of landfill sites across the UK.

Viridor holds eight biodiversity benchmark certificates for closed and restored landfill sites, with site management to create habitats, invasive species control and species monitoring surveys. Biodiversity baseline studies have been carried out to assess the potential of the sites to support key habitats and species in need of protection. With the study reflecting a range of habitats with high biodiversity value, with the possibility of development of habitats for rare species<sup>3</sup>.



## LGIM Deforestation Commitment

Legal & General Investment Management have signed the COP 26 Commitment on Eliminating Agricultural Commodity Driven Deforestation from Investment Portfolios. As a signatory, LGIM commits towards tackling commodity driven deforestation in its investment portfolio by 2025. This includes working towards the following milestones:

**2022:** Assess exposure to deforestation risk, establish investment policies addressing exposures and deepen engagement with highest risk holdings.

**2023:** Disclose deforestation risk and mitigation activities in portfolios, including due diligence and engagement.

**2024:** Publicly disclose progress on milestones to eliminate forest risk agricultural commodity-driven deforestation in the underlying holdings.

Sources: 1: <https://www.cbd.int/undb/media/factsheets/undb-factsheets-en-web.pdf> 2: <https://www.cisl.cam.ac.uk/resources/nature-positive#:~:text=A%20global%20goal%20for%20nature&text=Under%20the%20UN%20Convention%20on,may%20fully%20recover%20by%202050> 3: <https://getnaturepositive.com/gnp-case-studies/viridor-tatchells-landfill-site/>

# ESG Case Studies



Environmental



Social



Governance

Environmental, Social and Governance factors are key indicators in measuring the sustainability and suitability of an investment. There is growing research which suggests, when integrated into business decisions and portfolio construction, these can offer stability in future returns.

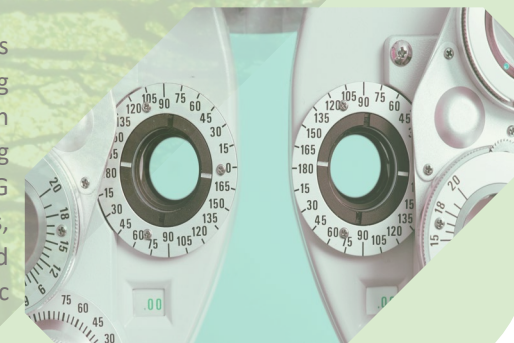
The Fund expects managers to integrate ESG factors into investment analysis and decision making. Monitoring these effectively can assist with resolving issues at early stages through effective engagement with companies and board members. The Fund expects asset managers where possible to engage and collaborate with other institutional investors, as permitted by relevant legal codes to ensure the greatest impact.

The measurement of ESG performance is still developing and benefitting from significant improvements. There are several performance benchmarks and disclosure frameworks that exist to measure the different aspects of available ESG data which include carbon emissions and a variety of social impact scores.

## Rayner: *case study*

Rayner is a global ophthalmology business held within the CVC Credit Private Debt fund, the company specialises in ophthalmic medical products, including intraocular lenses and eye drops.

During 2022, CVC negotiated an ESG margin ratchet with Rayner’s lenders to create a financial incentive for demonstrating material progress on ESG topics. Therefore, if there was an improvement in the company’s ESG score, this would result in a reduction in the interest rate payable. This incentive resulted in a significant improvement in the company’s ESG score, with Rayner receiving a silver EcoVadis medal and triggering a saving on their rate. The company is committed to prioritising sustainability, through supply chains, improving energy efficiencies, GHG emission reductions, efficient water usage and reduction in plastic packaging.



Source: CVC Credit Private Debt Fund

## Toyota: *case study*

The Pension Fund holds the Toyota Motor Corporation within its Legal and General Future World Equity portfolio. LGIM have identified key issues around capital allocation decisions, and board independence, diversity and effectiveness.

During engagements, LGIM have raised the issue of climate change, board composition, cross shareholdings, lack of supervisory functions at board level, climate transition strategy and public policy engagements.

Following engagements on climate impact and alignment with 1.5C, Toyota have produced a climate public policy. Whilst this increased transparency is welcomed, LGIM will continue to engage in this area.

In addition, LGIM have had positive discussions with the outside directors on how they can add value and quality to the board. Going forward LGIM plan to continue engagement on corporate governance issues and push for better practices for governance and climate strategy.



Source: LGIM Active Ownership Report 2022

## Thermo Fisher Scientific: *case study*

During the year, the London CIV's stewardship provider, Hermes EOS, engaged with Thermo Fisher Scientific. The company is held within our Baillie Gifford equity fund and is a supplier of medical equipment, instruments, consumables and software using in clinical laboratories.

Thermo Fisher has faced criticism over alleged human rights abuses by selling equipment used for genetic surveillance of a minority group in Xinjiang, China. EOS informed that the company had ceased sales of the medical instrument in that region, however urged the company to establish a policy on human rights and to conduct a human rights impact assessment on the use of genetic sequencing equipment. Though the company did not directly address the specific human rights issues, Thermo did disclose a human rights policy that covered employment, child labour and freedom of association. As well as this, the company produced a statement on modern slavery and human trafficking addressing supply chain due diligence, conflict minerals, and risk assessment and management.

EOS have also suggested that the company increase public disclosures on ongoing use of equipment and map out supply chain links to the Xinjiang region. Hermes EOS will continue to engage with the company on enhancing its human rights policy, improving disclosures and appointment of external human rights expertise on the board.

Source: London CIV Stewardship Outcomes Report 2022

# Voting & Engagement



The Committee has delegated the Fund's voting rights to the investment managers, who are required, where practical, to make considered use of voting in the interests of the Fund. The Committee expects the investment managers to vote in the best interests of the Fund. In addition, the Fund expects its investment managers to work collaboratively with others if this will lead to greater influence and deliver improved outcomes for shareholders and more broadly.

The Fund will continue to collaborate with the London CIV on maintaining a shared voting policy for the equity managers on the London CIV platform and actively seek to align these policies with manager insights. Lobbying with other London CIV clients will give the Pension Fund greater control and impact over our voting choices and a centralised process will ensure our voting remains consistent and has the greatest impact.

The Pension Fund views engagement with companies as an essential activity and encourages companies to take positive action towards reversing climate change. The Westminster Pension Fund is a responsible owner of companies and cannot exert that positive influence if it has completely divested from all carbon intensive producing companies. The Pension Fund will continue to encourage positive change whilst officers will continue to engage with the investment managers on an ongoing basis to monitor overall investment performance, including carbon and other ESG considerations.

## Voting: *Informa case study*

The Pension Fund holds Informa within its Legal and General Future World Equity portfolio. Informa is a leading international events, digital services and academic knowledge group.

Over many years LGIM have noted concerns about the company's remuneration practices. During 2022, LGIM voted against a number of resolutions in relation to director re-elections and remuneration policies. Informa's three prior remuneration policy votes each received high levels of dissent, with 60% votes cast against the 2021 remuneration report. At the same meeting the Remuneration Chair also closely avoided being unseated. Despite the significant shareholder dissent and the failed 2021 remuneration report, the company implemented pay wards and continued to make changes to the long term performance measures.

Since 2021, the Remuneration Chair has stepped down, however still continues to sit on the committee but with new committee members and a plan for a new remuneration policy. Although a positive change, the company's current requirements under the policy do not meet LGIM's minimum standards.



Source: LGIM Voting Intentions 2022

## Abrdn Long Lease Site Visit



During October 2023, the Pension Fund officers conducted a site visit of the Abrdn Long Lease Property fund, with assets focused on the commercial sectors including leisure, offices, recreation, warehouse distribution, supermarkets and healthcare. The visit was designed to provide an in-person experience of the types of assets within the portfolio, as well as gaining a better sense of the positive impact of the portfolio. The visit included locations across London including hotels, an office, a cancer hospital and a purpose-built pathology centre.



## Friars Bridge Court Site

The Friars Bridge Court site is a medical facility in the process of being repurposed to provide centralised pathology services for Guy's and St Thomas' and Kings College Hospital NHS Foundation Trusts. This will release existing hospital laboratory floorspace allowing the partner Trusts to repurpose this space for other clinical or NHS services. Environmental considerations have been integral to the construction process – 83% of the previous fit has been recycled, the EPC rating is scheduled to improve from the present “B” to an “A” rating, and the BREAAAM score is likely to be “Outstanding”.

While two NHS Trusts will initially benefit from the shared pathology services, it is projected that many other hospitals, GP practices, community services, clinics and other healthcare organisations will take advantage of the industry leading expertise. The facility is expected to be the largest pathology testing site in Europe.

## Bloomsbury Way Site

The Bloomsbury site is a flexible office space located within Holborn, London. A multi-million pound refurbishment of the site took place during late 2023, to improve the EPR rating to a minimum B rating. In addition, this included integration of ESG considerations, incorporating 100% renewable electricity, recycling, smart thermostats and occupancy sensors to reduce energy consumption.





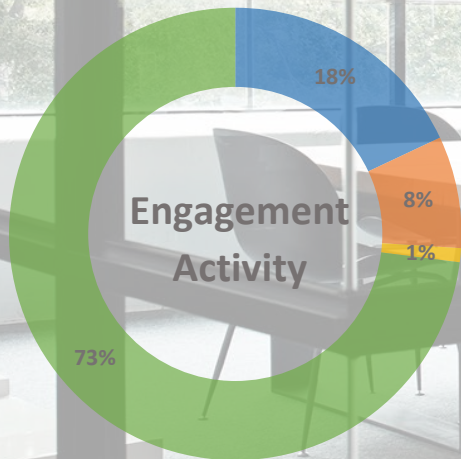
# Engagement Activity



## London CIV

Source: Abrdn Long Lease Property Fund

### Engagements by Theme



- Climate Change
- Diversity
- Tax
- Other

## Legal & General

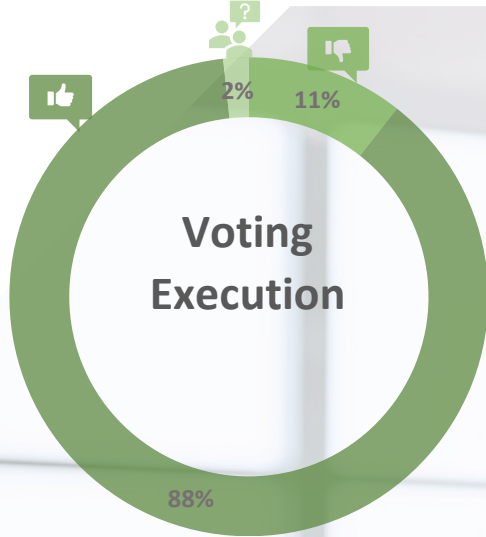
### Engagements by Theme



# Voting Activity

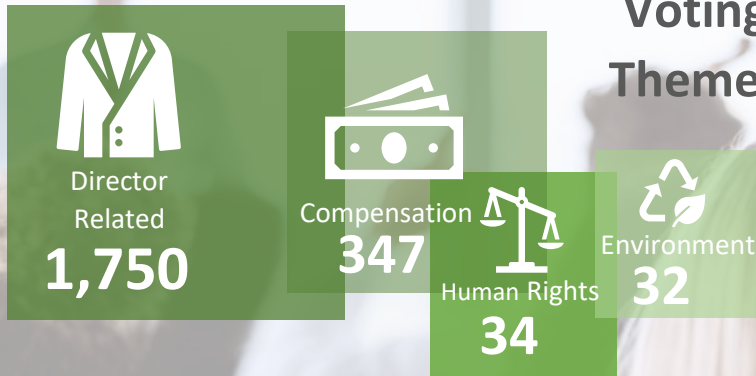


## London CIV

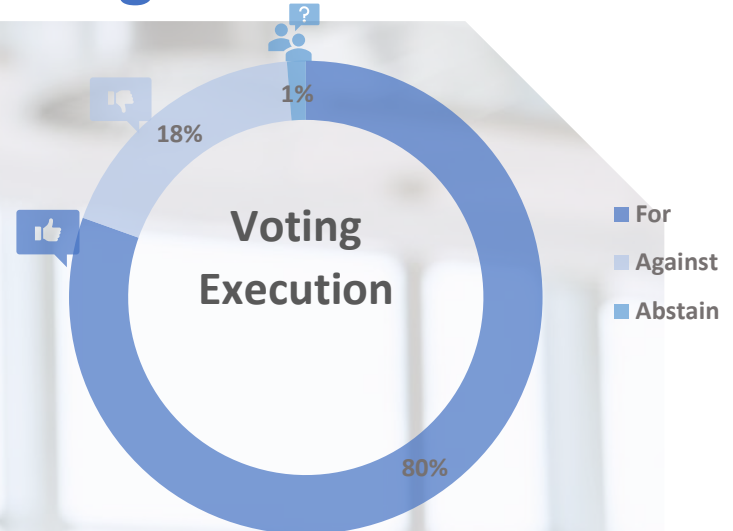


- Against
- For
- Other

## Voting Themes

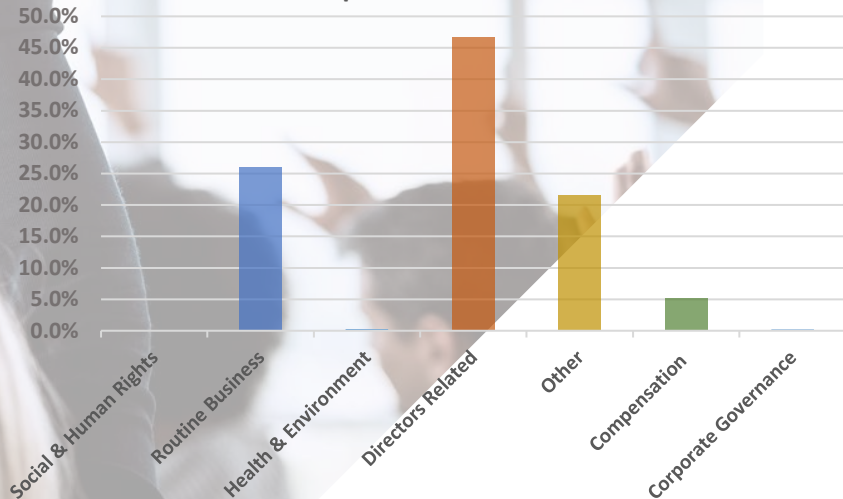


## Legal & General



- For
- Against
- Abstain

## Proposals Breakdown



## Connected Organisations



The Pension Fund recognises that significant value can be achieved through collaboration with other stakeholders. The Pension Fund works closely with its LGPS pool company, other LGPS funds and member groups such as the Local Authority Pension Fund Forum (LAPFF), Pensions and Lifetime Savings Association (PLSA) and ShareAction to ensure corporate interests are aligned with the Pension Fund's values.

The Pension Fund actively contributes to the engagement efforts of pressure groups, such as the Local Authority Pension Fund Forum (LAPFF) and requires investment managers to vote in accordance with the LAPFF's governance policies. In exceptional cases, investment managers will be required to explain their reason for not doing so, preferably in advance of the AGM.

### Local Authority Pension Fund Forum

The Local Authority Pension Fund Forum are a collection of 84 local authority pension funds and 7 asset pool companies, with assets under management of over £350bn, promoting the highest standard of governance with the aim of protecting the long-term value of pension funds. The LAPFF engage directly with companies, on behalf of all asset owners and pension fund trustee members, on issues such as executive pay, reliable accounting and a transition to a net carbon zero economy.

### LAPFF Case Study

The LAPFF produce quarterly engagement reports, covering all ESG related issues from climate change, governance, human rights and cyber security.

Over the quarter to 30 June 2023, the LAPFF engaged with 84 companies, including BP, Apple and the Rio Tinto. Following concerns around Shell's climate transition strategy under the previous CEO, LAPFF sought a meeting with the new CEO. Instead, Shell offered a meeting with the Chair, Sir Andrew Mackenzie. Although a challenging discussion initially, there was open conversation about the challenges of decarbonisation.

Given Sir Andrew is a new appointment, LAPFF recommended voting for his re-election and against the NEDs appointed prior to him. LAPFF noted at the AGM that Sir Andrew indicated that Shell would present a new Climate Transition Plan by 2024. Of particular interest is the extent of disclaimers in the Transition Plan itself and in the Annual Report's reference to the Transition Plan, which LAPFF believe is not reliable enough.



Source: LAPFF Quarterly Engagement Report 30 June 2023

## Pensions and Lifetime Savings Association

The City of Westminster Pension Fund is a member of the PLSA, who aim to raise industry standards, share best practice and support members. The PLSA works across a range of stakeholders including governments, regulators and parliament to help the implementation of sustainable policies and regulation. They represent pension schemes providing retirement income to more than 30m savers, with assets under management totalling £1.3tn, including those in the public and private sectors.

The PLSA provide an important source for training, support and guidance on regulations and pension support services.

### PLSA Case Study

During October 2023, the PLSA published a report looking at improving pensions adequacy, proposing 5 steps.

Whilst auto-enrolment has been successful in encouraging millions more to save for retirement, those enrolled are not saving enough. Therefore, the government has introduced reforms to the auto-enrolment scheme to target this shortfall, with more action needed.

Therefore, PLSA have proposed 5 steps for better pensions:

1. Set new goals for the pensions framework;
2. Maintain the triple lock on state pensions;
3. Increase contribution levels;
4. Additional help for the under pensioned groups;
5. Engagement with people on better pension outcomes.



Source: PLSA Five Steps to Better Pensions: Final Report

# ShareAction»

## ShareAction

ShareAction is a registered charity who promotes responsible investment, working with investors to help influence how companies operate their business on a range of Environmental, Social and Governance (ESG) factors. This includes areas such as climate change, gender diversity, living wages, decarbonisation, biomass and healthy markets.

### Healthy Markets Case Study

Since 2019, ShareAction has been working on a Healthy Markets coalition group. The Healthy Market Initiative aims to make food retailers and manufacturers take accountability for their role and impact on people's diets. The City of Westminster is a member of the Healthy Markets coalition and along with 50 other members, represents over \$8 trillion in assets under management.

During 2023, officers had the opportunity to attend meetings and ask questions with a number of large retailers and manufacturers, including Tesco, Unilever, Nestle and Coca-Cola.

Alongside this, the Fund co-signed a number of letters to companies asking for disclosures on healthiness of products, and further transparency, including; the proportion of healthy sales, nutrient profiling and commitment to targets.

