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AT A MEETING of the Hampshire Pension Fund Responsible Investment Sub-Committee of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on Friday, 6th March, 2020

Chairman:

* Councillor Mark Kemp-Gee

Vice-Chairman:

* Councillor Peter Latham

Elected Members of the Administering Authority (Councillors):

* Jonathan Glen

*Bruce Tennent

Employer Representative:

*Councillor Stephen Barnes-Andrews (Southampton City Council

Scheme Member Representative (Co-opted Member):

*Dr Clifford Allen (pensioner representative)

Also present with the agreement of the Chairman: Councillor Alan Dowden

BROADCASTING ANNOUNCEMENT

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

15. APOLOGIES FOR ABSENCE

The Director of Corporate Resources, Carolyn Williamson, sent her apologies.

16. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore, Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

17. CONFIRMATION OF MINUTES

The minutes of the Responsible Investment Sub-Committee held on 3 September 2019 were confirmed.

18. DEPUTATIONS

No deputations were received.

19. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman reminded members that the Panel and Board had agreed to review the appointments to the sub-committee after its first year of operation.

20. **RESPONSIBLE INVESTMENT POLICY REVIEW**

The Responsible Investment Sub-Committee considered the report from the Director of Corporate Resources (Item 6 in the Minute book) proposing changes to the Pension fund's Responsible Investment policy. The changes had been made following a review of the policy by specialist RI consultants from MJ Hudson Spring, who had also delivered training to the Pension Fund Panel and Board in January 2020.

MJ Hudson Spring had also suggested a 'roadmap' of activity for the Pension Fund to further improve and develop the Fund's approach to RI, starting with greater transparency of the Fund's investment managers' RI capabilities and the ESG risks in the fund's holdings, which can be incorporated into future RI reporting. It was recommended that MJ Hudson Spring are commissioned to conduct a baseline RI assessment of the Fund's investment managers and a small sample of the Fund's alternative investments for an approximate cost of £20,000.

RESOLVED:

- a) That the updates to the RI policy based on feedback from MJ Hudson Spring are approved and recommended to the Pension Fund Panel and Board.
- b) That the sub-committee note the suggested RI roadmap for Hampshire from MJ Hudson Spring and approve and recommend to the Pension Fund Panel and Board the proposal for the baseline RI assessment of the Fund's investment managers.

21. **SHAREHOLDER VOTING HIGHLIGHT REPORT**

The RI Sub-Committee received and noted the report from the Director of Corporate Resources (Item 7 in the Minute Book) providing a summary of how the Pension Fund's investment managers have voted on behalf of the Fund for the equities that they are invested in. The analysis showed that the majority of votes cast against companies' management were for the following reasons:

- Nominees for company directors being not sufficiently independent,
- Remuneration policies where the level of pay was felt to be excessive, and
- The appointment of auditors where the incumbent audit firm has been in place too long or the disclosure of non-audit fees to the company was not clear.

22. **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED:

That the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or

the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 3 and 4 of Part1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

23. **CONFIRMATION OF EXEMPT MINUTES**

The exempt minutes of the RT Sub-Committee held on 3 September 2019 were confirmed.

24. **RESPONSIBLE INVESTMENT ANNUAL REPORT**

The Panel and Board considered the exempt appendix from the Director of Corporate Resources (Item 10 in the Minute Book) reporting on the Pension Fund's RI activities. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

Chairman,

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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