

Hampshire Pension Fund Responsible Investment Sub-Committee - Terms of Reference

Introduction

Hampshire Pension Fund Panel and Board has created a Responsible Investment sub-committee to further consider how Environmental Social and Governance (ESG) factors are taken into account in investment decisions and the views of scheme members and employers on this topic.

Composition

The sub-committee will be made up of the following full members of the Pension Fund Panel and Board:

- 4 County Councillors of the Pension Fund Panel and Board (to be appointed according to the proportionality of the County Council)
- 2 Co-opted members of the Pension Fund Panel and Board (1 Scheme Member representative, 1 Employer representative)

Substitutes members should be appointed where possible, for continuity substitute members are drawn from the previous year's members of the RI Sub-Committee that have rotated off.

Notwithstanding that any Member, or member of the public may observe sub-committee meeting, except where a resolution has been passed to exclude the press or public, substitute members should only attend the RI sub-committee when required to substitute for a Member who is absent.

At its first meeting following the County Council's Annual General Meeting (AGM) each year, the Pension Fund Panel and Board will review the membership of the sub-committee following the principle that appointments will rotate annually where practical and taking proportionality requirements into account.

The sub-committee will annually appoint a Chairman and Vice-Chairman from amongst its membership at its first meeting following the County Council's AGM.

Role of the sub-committee

The sub-committee shall make recommendations to the Pension Fund Panel and Board on Responsible Investment issues having completed the following activities:

- a. to regularly review the Pension Fund's Responsible Investment Policy (contained in its Investment Strategy Statement), and practices relating to it, to ensure that ESG issues are adequately reflected;
- b. to provide a forum for considering representations to change this Policy and/or the Pension Fund's responsible investment practices relating;
- c. to receive any relevant training on ESG issues;

- d. to engage in responsible stewardship with its investment managers and to provide a forum for the review and monitoring of investments in the context of the Policy;
- e. to review investment managers' company engagement and voting decisions and when necessary engage directly and indirectly with investment managers (and where possible directly with companies the Pension Fund) to make representations concerning ESG as appropriate;
- f. to engage directly and indirectly with scheme members and employers to hear representations concerning ESG as appropriate.
- g. to report annually on the Pension Fund's Responsible Investment to demonstrate progress to the Pension Fund's stakeholders.

The sub-committee may receive advice or ask to meet with the Pension Fund's investment managers.

Meetings

The sub-committee will meet at least twice a year at the County Council offices in Winchester.

Quorum

The quorum of the sub-Committee shall be three members of the sub-committee, of which at least two must be County Councillors.

Publication of information

The sub-committee's agenda, papers and minutes will be published on the County Council's website in accordance with the County Council Constitution.