



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 19 JULY 2023

SUBJECT

ANNUAL POLICY REVIEWS

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the updated:

- **Climate Risk Policy**
- **Voting Policy (*Stewardship Policy*)**

To note the RI and Climate Risk Annual progress update

REASONS:

The current Climate Risk Policy was approved by the JGC in July 2020 and the Voting Policy in December 2020, both policies were last reviewed in July 2022. An annual review of these policies has taken place and the updated policies require approval by the JGC.

Also, Hymans have undertaken a review of the work completed in line with the commitments set out in the RI Policy and Climate Risk Policy. They have also provided an assessment of the progress the WPP has made during the 12 months to 31 March 2023 and the proposed areas for future focus.

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EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE
DATE 19 JULY 2023

ANNUAL POLICY REVIEWS

BRIEF SUMMARY OF PURPOSE OF REPORT

The Wales Pension Partnership (WPP) has approved several policies / plans which are to be reviewed on an annual basis. This quarter, the OWG have undertaken an annual review of the:

- Climate Risk Policy
- Voting Policy (*Stewardship Policy*)

The Climate Risk Policy sets out WPP's approach to addressing the requirements of the Constituent Authorities with regard to climate related risks and the monitoring of these risks. The OWG has undertaken an annual review of this policy and amended it to be in keeping with the goals of the Paris agreement (point 28).

In December 2020, the JGC approved for the WPP to adopt Robeco's Voting Policy. This policy has been reviewed by the RI sub-group and it is proposed that WPP continues to adopt Robeco's House Voting Policy. Robeco reviews and updates their Voting Policy on a periodic basis to ensure that it represents prevailing best practice and the OWG believes that the principles embedded in the Robeco House Voting Policy appropriately reflect the objectives of the WPP. In July 2022, a short "WPP specific" voting policy was developed, setting out the WPP's policy on proxy voting. This policy has now been updated as an overall Stewardship Policy to better reflect WPP's stewardship (voting and engagement) aims and practices, including the development of an escalation policy, when enhanced engagement has failed.

Hymans have also provided an assessment of the progress the WPP has made during the 12 months to 31 March 2023 in relation to Responsible Investment and Climate Risk, highlighting some of the key areas. This report also details some areas where work had not progressed over the year and potential areas for activity/improvement over 2023/24.

If approved, these policies will be updated on the WPP website.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

Policy, Crime & Disorder and Equalities YES	Legal NONE	Finance NONE	Risk Management Issues NONE	Staffing Implications NONE
Policy The Climate Risk Policy and Voting Policy are formal documents of the Wales Pension Partnership.				

CONSULTATIONS

Details of any consultations undertaken are to be included here

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
THESE ARE DETAILED BELOW**

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK