



WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

DATE 8 JULY 2022

SUBJECT

ANNUAL POLICY REVIEWS

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

To approve the updated:

- Voting Policy
- Conflict of Interest Policy
- Risk Policy
- Climate Risk Policy

To note the RI and Climate Risk Annual progress update

REASONS:

The current Voting Policy was approved by the JGC in December 2020 and the Conflict of Interest Policy, Risk Policy and Climate Risk Policy were initially approved by the JGC in July 2020 and reviewed in July 2021. 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 undertaken in line with the commitments set out in the RI Policy and Climate Risk Policy and have provided a report providing an assessment of the progress the WPP has made during the 12 months to 31 March 2022 and the proposed areas for future focus.

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EXECUTIVE SUMMARY
JOINT GOVERNANCE COMMITTEE
DATE 8 JULY 2022

ANNUAL POLICY REVIEWS

BRIEF SUMMARY OF PURPOSE OF REPORT

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

- Voting Policy,
- Conflict of Interest Policy,
- Risk Policy, and
- Climate Risk Policy.

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 the OWG 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. A short "WPP specific" voting policy has been developed that sets out WPP's policy on proxy voting in respect of all assets invested within the WPP sub-funds. This policy also includes a link to Robeco's House Voting Policy.

The Conflict of Interest Policy outlines how conflicts are identified, managed and monitored. The policy has been reviewed by the OWG and amended to reflect MHCLG's change of name from the Ministry of Housing, Communities and Local Government (MHCLG) to Department of Levelling Up, Housing and Communities (DLUHC). The frequency of its formal review has also been amended to triennial, the policy wording (point 12) has been amended accordingly.

The Risk Policy outlines the WPP's beliefs and objectives in relation to risk, it details its strategy in relation to how risks are identified, managed and monitored. The OWG have undertaken an annual review of this policy. As with the Conflict of Interest Policy, this policy has been amended to reflect MHCLG's change of name and also the frequency of its formal review has been amended to triennial, the policy wording (point 9) has been amended accordingly.

The Climate Risk Policy sets out WPP's approach to addressing the requirements of the Constituent Authorities in regard to climate related risks and the monitoring of these risks. The OWG have undertaken an annual review of this policy and amended the policy to reflect the launch of the Fixed Income sub funds. The policy has also been amended to signal WPP's commitment to report in line with TCFD requirements and to support Constituent Authorities with their own TCFD reporting (point 33).

Hymans have also provided an update report providing an assessment of the progress the WPP has made during the 12 months to 31 March 2022 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 2022/23.

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

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

Policy, Crime & Disorder and Equalities YES	Legal NONE	Finance NONE	Risk Management Issues NONE	Staffing Implications NONE
Policy The Voting Policy, Conflict of Interest Policy, Risk Policy and Climate Risk Policy are all 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