



**ShareAction/ UNISON Analysis of the Investment Strategy Statements of the LGPS Administration Authorities**

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## **1. UNISON's role in the Local Government Pension Scheme (LGPS)**

UNISON hold the vice chair position of the Scheme Advisory Board (SAB), which is comprised of six trade union and six employer representatives. The SAB serves as both a regulator of the Local Government Pension Scheme (LGPS) and acts as an advisor to the Secretary of State for Housing, Communities and Local Government.

UNISON have a trained and supported network of over 120 representatives who sit as observers on council pension committees, as quasi-trustees on the Environment Agency LGPS fund and finally local pension boards. Over 700,000 members of UNISON are members of the LGPS and we have established a consultation and decision making body which has integrated the work of the SAB into our democratic structures.

The 89 LGPS investment funds hold over £280bn worth of assets dedicated to the payment of pension benefits to members of the scheme. How this money is invested and how such issues as climate change are addressed will have a material impact on the ability of the system to support pension payments into the future.

In 2016 the government required the LGPS funds to create Investment Strategy Statements by April 2017. In 2018 we commissioned ShareAction to carry out a review of the Investment Strategy Statements and we believe that this work is the first attempt by any organisation to review them.

## **2. Modern Fiduciary Duty**

UNISON believes that modern fiduciary duty requires that pension fund investments are made in the interests of scheme members, that the financial obligation is not to maximize returns but to ensure there is enough resources to meet the pension benefit obligation.

Therefore councillors and officers, who make, develop and influence these investment decisions should consult scheme members when drawing up policies on such issues as, climate change, executive pay or labour rights issues in the supply chain.

The Law Commission's ground breaking review of fiduciary duty stated, that the principle duty is to pay pensions and that when taking non-financial matters into consideration, decision makers should not preference their own views. Rather, they should consult scheme members and not disinvest from say tobacco companies unless members of the scheme support such a decision.

In Trust based pension schemes under new investment regulations, which came into law on January 2019, trustees are required to have updated their statement of investment principles (SIP) by October 2019 with a policy on how they take account of financially material ESG considerations, including specifically climate change, "over the appropriate time horizon of the investments".

They also need to outline policies in relation to engagement with investee companies and the exercise of voting rights. This process of consultation is to protect them from accusations that they have made these decisions with their own interests above those of scheme members.

From 2020 trustees of "relevant schemes" will also have to produce an implementation report setting out how they acted on the principles set out in the SIP the previous year.

We would argue that a process of consultation for LGPS funds and Trustees would protect them from accusations that they have made these decisions with their own interests above those of scheme members.

### **3. Introduction**

The LGPS is a pension scheme operating in each jurisdiction of England, Wales, Northern Ireland and Scotland. This Report concentrates on the governance system of England and Wales. This paper reviews the Investment Strategy Statements (ISS) coverage of environmental, social and governance issues within the administering authorities of the Local Government Pension Scheme (LGPS), England and Wales.

The LGPS has more than five million members – contributors, ‘deferred members’ and pensioners and is made of individual funds with assets estimated at £280bn. It has members in local government, education from primary to higher, police staff, the voluntary sector, environment agencies and private contractors.

The LGPS is a statutory public service scheme, so the scheme’s benefits and terms are set out in regulations passed through parliament. The scheme is administered locally through 88 pension funds, known as administration authorities

The Local Government Pension Scheme (Management and Investment of Funds) Regulations [http://www.legislation.gov.uk/ukxi/2016/946/pdfs/ukxi\\_20160946\\_en.pdf](http://www.legislation.gov.uk/ukxi/2016/946/pdfs/ukxi_20160946_en.pdf) came into force on 1 November 2016 and introduced a number of key changes which affect the governance and investment strategy of LGPS administration authorities.

On the introduction of this regulation, each LGPS administering authority was required to produce an Investment Strategy Statement (ISS). This ISS should set out, amongst other issues, their commitment to investment pooling, and the following key changes:

- the authority’s policy on how social, environmental and governance (ESG) considerations are taken into account in the selection, non-selection, retention and realisation of investments; and
- the authority’s policy on the exercise of the rights (including voting rights) attaching to investments.

UNISON and ShareAction welcomed these developments as they provided the basis for improved fiduciary duty and are broadly in line with the recommendations of the Law Commission’s recent review (<https://www.lawcom.gov.uk/project/fiduciary-duties-of-investment-intermediaries/>). However, what was clearly lacking was an obligation on the LGPS to consult their scheme members, as recommended by the Law Commission.

Indeed the LGPS funds were advised by government to only consult interested parties. As a result, UNISON was concerned that these funds would not adopt the Law Commission’s recommendation around consulting members throughout this process.

Our report summarises the findings of a joint piece of research by UNISON and ShareAction which reviewed the Investment Strategy Statements of the 88 LGPS funds in England and Wales in order to measure the progress made so far.

### **4. Executive Summary**

The LGPS administrative authorities are, in the main, controlled by a Local Authority, with Councilors sitting on pension committees as the strategic decision makers. There are fund boards with scheme member and employer representatives whose legal duty is to assist the administration authority.

Each administration authority has a 'pension fund' from which only pension benefit payments and administration costs relating to the funds can be paid. There is, moreover, a silence in regulation with regard to whether a specific 'fiduciary duty' exists in relation to the pension fund and if so to whom such a duty applies.

The interpretation of the fiduciary duties of decision makers are often confused, for example are the councilors looking after the best interests of council tax payers or of scheme members? This contrasts with the clear duty of trustees in the private sector to comply with statute, follow scheme rules and acting in the best interests of scheme beneficiaries.

This is clearly expressed in the ISS statement of the following authority; "The authority has been advised that its primary responsibility is to secure the best returns for the fund in the interests of its council taxpayers and its members. The Council has decided to take no action at this time in developing an ethical investment policy"

Scheme members of the LGPS have no representative governance role in the investment decision making of the LGPS but are becoming increasingly concerned that their pension contributions are not being used to good effect in respect of reversing climate change or the rights of workers in the companies in which their fund holds shares.

In fact there is no duty or indeed no statutory guidance that suggests they should be consulted; instead the government recommends that there should be consultation with 'interested parties'. The analysis contained in this report aims to take stock of the LGPS' practice in the area of responsible investment and in particular, climate change.

We know that there has been very little consultation between LGPS administration authorities and scheme members over the content of their Investment Strategy Statements. Climate change, executive pay, workers' rights are among a range of social and environmental issues that UNISON members increasingly see as important factors that should be incorporated in how their savings are managed.

Climate change, in particular is a real threat to the stability of the economy, society and our savings - posing short and long-term risks. These threats are now increasingly recognised by asset owners, pension decision makers and regulators and require managing like many other risks and challenges in line with fiduciary duties.

We are now over a year on from the legal requirement for the LGPS funds to report on their response to issues such as climate change. The last 12 months has also seen approaches to responsible investment really climb up the political and investment community's agenda.

In 2017 UNISON's national delegate conference passed a 'divest from carbon' motion which commits the union to support campaigns to ensure that LGPS pension funds take climate change seriously. These developments make 2019 an important time to take stock of the LGPS' position.

## **5. Key Findings**

With the exception of a small number of leaders in the field, such as the Environment Agency Pension Fund and Avon Pension Fund, most of the LGPS funds are still developing approaches to how to integrate issues such as climate change or workers' rights into their public investment policies, some have done nothing to produce policy on Environment, Social and Governance (ESG) policies.

The new regulations have led to some changes to how LGPS funds now include ESG issues. Changes such as:

- Climate change has been recognised as a material risk by 29 (32%) funds
- 10 (11%) funds referenced reducing exposure to fossil fuel investments in response to the risk associated with climate change
- 19 (21%) funds specifically outlined approaches to investing in low carbon alternatives
- Only 3 funds (2%) had progressed disclosure across the key ESG issues
- 10 funds (11%) had disclosed policy in one area of ESG
- 23 funds (26%) had started to take some steps towards disclosure
- 49 funds over (50%) had limited disclosure of information
- 5% had no ESG disclosure at all
- Many of these funds have introduced short 'template like' policies, possibly indicating a lack of proper ownership of their approach to responsible investment.
- The research shows that only a small number of funds have specific policies and a large majority does not publish their AGM voting records.

Proxy voting is the only real evidence members have of these funds and their councilors acting on their behalf on issues such as runaway executive pay. Members cannot see how their votes are being used something that UNISON believes needs to change.

## **6. Recommendations**

This report highlights the need for further clear action. We would suggest a number of new measures by the Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG) to:

- Reissue strengthened guidance to funds on the requirement to consider and include ESG issues in the investment management of the LGPS funds with immediate effect
- Require the redrafted ISS to be put to scheme members for consultation
- Monitor the implementation of reissued guidance with a further review of practice in one year's time
- Include a requirement to explain why voting of company shares has been given to fund managers
- Include a requirement to produce an ESG engagement policy and set out what engagements with companies have taken place and their success
- Include a requirement to produce a voting policy, consult scheme members on it and ensure that it is to be implemented by fund managers or by a proxy voting agency
- That the voting records of the fund and their fund managers are published on their website for review
- Support funds and their decision makers to share learning and develop best practice guides

## **7. Investment Pooling**

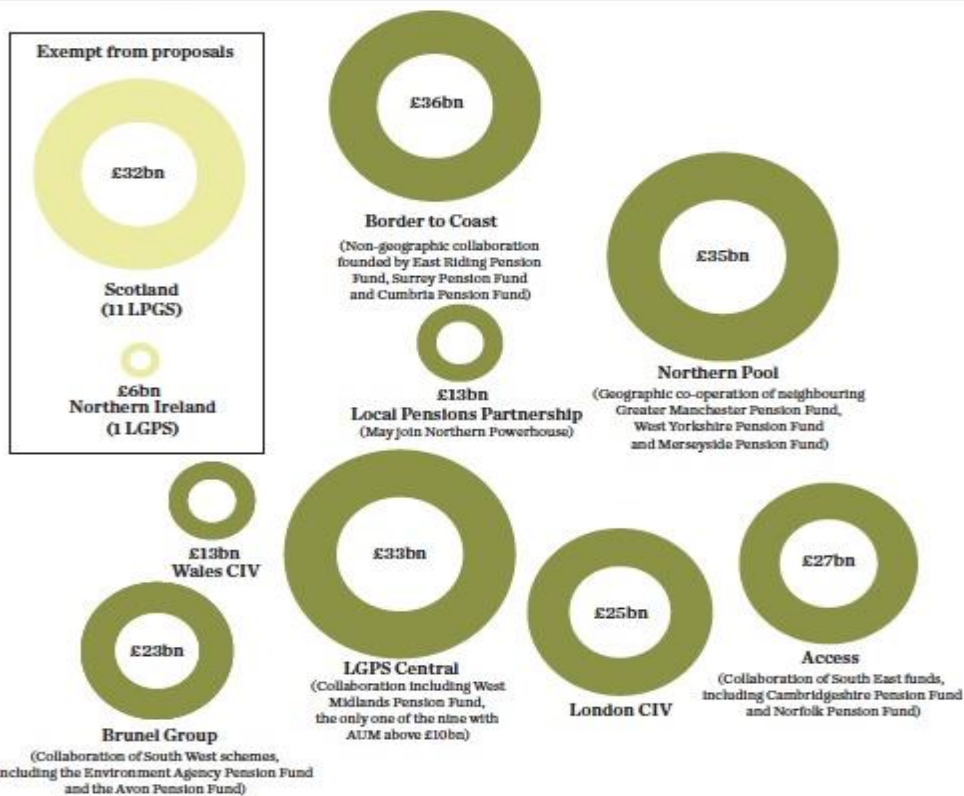
In recent years, a process of pooling the assets of the UK's 89 LGPS funds has also taken place with the aim of reducing costs through the sharing of resources and economies of scale. The 89 funds have been arranged into six regulated fund management entities which will eventually run almost all of the LGPS assets, leaving individual funds to decide asset allocation and focus on other areas of pension scheme administration.

As these new entities develop, we are also seeing different approaches to responsible investment governance and best practice develop such as collective voting and engagement policies. UNISON has been striving against resistance to obtain seats on these pools, so far we have places on Borders to Coast, Central and Brunel.

### The eight proposed LGPS investment pools (£bn)

Name of pool	Funds	Assets (£bn)
London CIV	Established for the 33 LGPS funds administered by London's 32 boroughs and the City of London Corporation	25
Northern	West Yorkshire, Greater Manchester and Merseyside	35
Central	Cheshire, Leicestershire, Shropshire, Staffordshire, West Midlands, Derbyshire, Nottinghamshire, Worcestershire and the West Midlands Integrated Transport Authority	34
Brunel	Avon, Cornwall, Devon, Dorset, Gloucester, Somerset and Wiltshire, Oxfordshire, Buckinghamshire and the Environment Agency Pension Fund	23
ACCESS	Northamptonshire, Cambridgeshire, East Sussex, Essex, Norfolk, Isle of Wight, Hampshire, Kent, Hertfordshire, West Sussex and Suffolk	34
Wales	Carmarthenshire, Cardiff, Flintshire, Gwynedd, Powys, Rhondda Cynon Taff, Swansea, and Torfaen	13
Border to Coast	Cumbria, East Riding, Surrey, Warwickshire, Lincolnshire, North Yorkshire, South Yorkshire, South Yorkshire Passenger Transport Pension Fund, Tyne & Wear, Durham, Bedfordshire, Northumberland and Teesside	36
LPP	Lancashire, Berkshire and the London Pension Fund Authority	13

### Fig 1. The emerging structure of the Local Government Pension Scheme



Source: IPE

## 8. Main Research Findings

The table below shows how LGPS funds rank overall. It is clear from our research that, with the exception of a small number of leaders (notably the Environment Agency, Avon and South Yorkshire) most of the LGPS funds are still developing approaches on to how to integrate issues such as climate change or workers' rights into their public investment policies.

In the action being taken category and closely following the two leaders are (Hackney; Haringey; Camden; Islington; Southwark; London Pension Fund; South Yorkshire; Cheshire; Waltham Forest). Appendix 2 provides a full list of fund rankings.

Now that asset pooling has started each LGPS fund allocation to a pool is outlined in Appendix 2.

**Table 1: Overall rankings of LGPS funds**

Ranking	Factors	Score	Number	%
A	Progressing across all areas	>12-18	3	3
B	Action being taken in at least one area	>8-12	8	9
C	Starting to take action	>4-8	23	26
D	Limited disclosure	>0-4	49	55
E	No disclosure	0	5	5

(South Yorkshire Transport Pension Fund were excluded from the rankings)

## 9. Investment Strategy Statements - what is working well?

The review highlighted a number of steps selected funds have taken which we believe could be considered by other fund decision makers and shared across as good practice.

### **Recognising climate change as a key risk**

29 funds referenced climate change and/or communicated an understanding of its importance as a material investment risk

### **Considering divestment from carbon intensive industries**

10 funds referenced reducing exposure to fossil fuel investments in response to climate risk

### **Investing in low carbon alternatives**

19 funds referenced low carbon investments as a positive investment strategy to respond to climate risk

### **Climate change best practice – what specifically do the best performing do?**

Recognising climate change as a key risk, considering divestment from carbon intensive industries and investing in low carbon alternatives were all highlighted as things that are working well across the LGPS. But what specifically do the best performing do?

Best in class the Environment Agency Pension Fund identifies clear investment beliefs regarding climate risk, seeing climate change as a systemic risk to the environmental, societal and financial stability of every economy and country on the planet, with the potential to affect their members, employers and all holdings in the portfolio. The fund references both their responsible investment policy and their climate change policy in their Investment Strategy Statement and both policies provide further detail on how they take climate related financial risks into account as they invest.

The fund has set themselves a clear objective to ensure their investment portfolio and processes are compatible with keeping global average temperature increases below 2°C relative to pre-industrial levels, in-line with international government agreements. They have set three targets: (<https://www.eapf.org.uk/climate-change-carousel>)

- Invest 15% of the fund in low carbon, energy efficient and other climate mitigation opportunities.
- Decarbonise the equity portfolio, reducing our exposure to “future emissions”\* by 90 per cent for coal and 50 per cent for oil and gas by 2020 compared to the exposure in our underlying benchmark as at 31 March 2015.
- Support progress towards an orderly transition to a low carbon economy through actively working with asset owners, fund managers, companies, academia, policy makers and others in the investment industry.

Another leading fund, Avon, identifies climate change as a potential long-term risk to the fund’s assets and the fund monitors its carbon exposure annually to inform strategic decisions relating to climate change. As a result of such analysis, the fund’s equity allocation (managed passively) has been invested in a Global Low Carbon Equity Index Fund.

This Low Carbon fund does not exclude investments in carbon intensive stocks but significantly reduces the carbon exposure (by around 2/3rds) in a risk adjusted way through stock selection so that over the long term the return from this portfolio should be similar to the mainstream index.

In addition, the Avon pension fund also has a standalone responsible investment policy, which sets out their changes to investment mandates, climate change analysis, engagement priorities and voting analysis (<https://www.avonpensionfund.org.uk/sites/default/files/ISS-20171208.pdf>)

## **10. Investment Strategy Statements - what is not working well?**

The research shows that over 60% of LGPS funds have been rated have having limited or no disclosure on ESG matters. Compared to their peers, these funds would seem to have a low level of understanding with regards to responsible investment. This category has often created short ‘template like’ policies, possibly indicating a lack of proper ownership of their approach to responsible investment.

This is clearly unacceptable for members of the scheme; action must be taken by the government and the scheme advisory board to lift this substantial group out of this poor practice.

## **11. Voting policy and practice for company AGMs**



Voting at Annual General Meetings (AGMs) is one of the key pieces of evidence that demonstrates that funds are acting on behalf of scheme members. It is therefore crucial these records are publicised to evidence how LGPS are acting on their strategy.

Our results recorded the percentage of funds indicating in the ISS that they have a bespoke voting policy rather than defaulting to asset managers and those that publish voting records.

However, it now appears that a significant majority of funds hand over the voting rights to asset managers, referenced here by this common statement in an ISS from a particular authority. “The authority therefore does not impose any obligation on the investment managers to take account of such considerations (ethical investment) in making investments other than to require that investments are not made contrary to UK foreign policy or UK defence policy”

**Table 2: Company AGM voting policy**

	<b>Percentage</b>
Funds who have introduced a bespoke voting policy	18%
Funds publishing voting records of asset managers	29%

The research shows that voting records from the large majority of LGPS funds are not available to scheme members or civil society.

All shareholders, including the LGPS, have the right vote at Annual General Meetings. These votes cover a range of issues from how management should be rewarded and who should sit on the board. Increasingly they also cover how environmental, social and governance issues are dealt with at the company. These votes are recorded publicly and often show how institutional shareholders missed key issues.

**Table 3: LGPS funds with a voting policy and a published voting record**

<b>Fund</b>	<b>Voting Policy</b>	<b>Voting record published</b>
Barking and Dagenham	No	Yes
Bedfordshire	Yes	Yes
Camden	Yes	Yes
Cheshire		Yes
Cornwall		Yes
Dorset		Yes
Ealing	Yes	No
Environment Agency	Yes	Yes
Hackney		Yes
Hammersmith and Fulham		Yes
Haringey		Yes
Harrow		Yes
Havering		Yes
Hounslow	Yes	Yes

Islington		
Lambeth	Yes	Yes
Lancashire	Yes	
Leicestershire		Yes
Lewisham		Yes
Lincolnshire	Yes	
London Pension Fund Authority	Yes	Yes
Merseyside	Yes	Yes
Newham		Yes
Norfolk	Yes	
North Yorkshire	Yes	
Nottinghamshire		Yes
South Yorkshire	Yes	Yes
Staffordshire		Yes
Suffolk	Yes	
Surrey	Yes	
Tower Hamlets		Yes
Waltham Forest		Yes
Warwickshire	Yes	
West Yorkshire	Yes	Yes
Westminster	Yes	
Wiltshire		Yes

## 12. Carillion case study

The Carillion case we believe outlines an example of a failure or lack of stewardship by large fund managers and asset owners. UNISON believes this reinforces the need for each LGPS fund to have its bespoke voting policy rather than letting asset managers a free rein.

In 2017, Carillion collapsed due to poor management and too much debt. Like all quoted businesses, institutional shareholders had the chance to vote on a series of issues at the annual general meeting. Though votes at Carillion's 2017 Annual General Meeting might not have changed the final outcome, institutional investors had the opportunity to raise questions about how the accounts were constructed and executive's pay package were structured. These opportunities were missed, and contributed to material capital losses to shareholders.

2017 AGM vote was before the first significant profits warning, so despite the red flags raised by some, there was little shareholder disquiet at the AGM. Although highlighting issues in hindsight is easy and sometimes misleading, there were a number of signs that things were not all as they seemed at Carillion and these should have alerted corporate governance teams.

The company's auditors (KPMG) had been in place since 1999. This is in clear transgression of corporate governance best practice which states that auditors should be re-rendered after 10 years. This was overlooked by the 97% of shareholders who voted to reappoint the auditor team that signed off the accounts. This team is now subject to FRC investigation.

Carillion investors also overwhelmingly approved the binding vote to approve the directors' remuneration policy despite weak claw back provisions (provisions to enable the company reclaim pay in retrospect). Again something that is not good corporate governance practice.

In previous ShareAction research (<https://shareaction.org/wp-content/uploads/2018/05/CRIN-ProxyVotingReport2018.pdf>) we reviewed the voting practice of a number of large fund managers. This showed that, where Carillion was held by these fund managers, the majority (including those commonly used by LGPS) supported management on the key resolutions relating to the re-appointment of the auditors and board remuneration.

These managers missed the key signs highlighting governance failures at Carillion plc - signs that could have averted significant material losses for pension savers.

Where publicly available, we have also recorded the proxy voting decisions of a couple of LGPS funds. Where information was available it was encouraging to see that West Yorkshire Pension Fund and Wiltshire Pension Fund voted against both resolutions and Merseyside Pension fund voted against auditor re-election. We understand these pension funds are advised by PIRC <http://www.pirc.co.uk/>

### **13 Concluding Remarks**

This report shows that, despite regulatory changes and increasing concern amongst members of LGPS funds, few funds are taking proactive steps on ESG issues on behalf of their members. This report also shows that some funds have introduced innovative approaches that can be easily replicated by others.

The recent UN Intergovernmental Panel on Climate Change report <https://www.ipcc.ch/sr15/> states we now have less than 12 years to prevent the most severe impacts of climate change. Inequality between executive and average pay is now a front page news issue.

Recent press coverage and subsequent consumer changes on plastics bags and straws and the rise of these and other issues show that pension fund decision makers and asset managers now need to start to consider how these issues might impact on the management of our savings.

The government, LGPS committees and UNISON activists need to take action. This report concludes that, without industry action, we believe the SAB should encourage changes through some of the recommendations outlined above.

Ultimately the LGPS fiduciary duty must change to ensure the funds invest in the best interests of scheme members and that there is a legal obligation to consult scheme members. The government has resisted the requirement to implement the EU Institutions for Occupational Retirement Provision (IORP) Directives into the LGPS; UNISON believes this is their legal duty.

Once the LGPS investment regulations require that the assets of the funds must be invested this way and there is an obligation to consult scheme members on non-financial investment issues only then will we see the LGPS funds effectively develop their Investment Strategy Statements into practical action.



## Appendix 1 Research Methodology

ISS statement review and ranking - ShareAction's review of the ISS was undertaken between July and September 2018. During this period we reviewed the Investment Strategy Statements from LGPS funds plus the Scottish funds' statements. These documents are publicly available and were sourced throughout the internet.

These statements were assessed qualitatively on 5 key areas:

### Governance

Has the fund trained its decision makers?

Has the fund sought advice on ESG?

Has the fund worked with its fund managers on ESG issues?

### Strategy

Does the fund take ESG and Climate Risk into account as it sets its investment strategy?

Does the fund engage with companies to promote better practice?

### Risk management

Does the fund properly consider climate change as a strategic investment risk?

Does the fund consider divestment from key contributors to global warming?

### Metrics and targets

How does the fund monitor progress and know what's really going on?

### Voting

Does the fund use its power at company's Annual General Meeting to make a difference to company behaviour?

Each area was broken down into series of questions or tick boxes which are included in the appendix 1. This methodology was based around previous work ShareAction has completed including:

Global pension funds survey (The Asset Owners' Disclosure Project survey - <https://aodproject.net/changing-climate/>); and

A checklist for UK Pension Trustees (<http://uksif.org/wp-content/uploads/2018/04/TrusteeChecklist-ClimateRisk.pdf>)

Each ISS was scored against these metrics depending on the contents of the publicly available ISS or other similar public documents. ShareAction also compiled a private short written summary of each fund's policy.

These scores were then combined to construct a ranking of the LGPS's response to climate change and its implications based on the contents of these statements.

Table 1: Ranking categories

Category	Factors	Score
A	Progressing across all areas	>12-18
B	Action being taken in at least one area	>8-12
C	Starting to take action	>4-8
D	Limited disclosure	>0-4
E	No disclosure	0

ISS statements are often technical documents. This has meant the analysis is qualitative and subject to our interpretation.

Scoring checklist

Governance	Score /5
Knowledge –RI training for trustees (1)	
Knowledge – Advice from advisors on ESG and/or climate change (1)	
Climate risk stated as financial risk (1)	
Oversight of asset managers and/or pool on ESG (1)	
Understanding of the law commission’s financial vs non-financial factors	
Strategy	Score /4
Climate risk management - E.g. Scenario analysis, carbon foot printing, stranded assets (1)	
Collaborations - E.g. LAPFF, CDP, Climate Action 100+, IIGCC (1)	
Reference to voting decision or supporting resolutions (1)	

Reference to engagement with companies (1/2 point if engagement is through LAPFF)	
Risk Management	Score /4
Integrating ESG (1/2 point if it is only an expectation of asset managers)	
Allocating low carbon (1)	
Reducing coal/tar sands holdings (1)	
Reducing oil/gas holdings (1)	
Metrics and Targets	Score /2
Low carbon asset allocation target (1)	
Time frame for engagement and/or divestment (1)	
Voting	Score /2
The Authority has published its own bespoke UK voting policy (1) Voting records are published (1)	
Bonus point for reference to member engagement	Score /1
Is pools RI policy directed to for further information? (No score)	Yes/No
Total	Score /18

## Appendix 2 – Research results table by asset pool

(Northern Ireland and South Yorkshire Transport Pension Fund were excluded from the rankings)

Authority	Pool	Score
Barking and Dagenham	London CIV	8
Barnet	London CIV	2.5
Bexley	London CIV	1
Brent	London CIV	1
Bromley	London CIV	0
Camden	London CIV	9
City of London	London CIV	4
Croydon	London CIV	5
Ealing	London CIV	3.5
Enfield	London CIV	3
Greenwich	London CIV	4
Hackney	London CIV	10
Hammersmith and Fulham	London CIV	6
Haringey	London CIV	9.5
Harrow	London CIV	3
Havering	London CIV	3
Hillingdon	London CIV	2
Hounslow	London CIV	6
Islington	London CIV	10
Kensington and Chelsea	London CIV	0
Kingston upon Thames	London CIV	3
Lambeth	London CIV	6
Lewisham	London CIV	7



Merton	London CIV	1
Newham	London CIV	6
Redbridge	London CIV	4
Southwark	London CIV	10
Sutton	London CIV	4
Tower Hamlets	London CIV	7
Waltham Forest	London CIV	9
Wandsworth	London CIV	2.5
Westminster	London CIV	3
West Yorkshire	Northern	6.5
Greater Manchester	Northern	7.5
Merseyside	Northern	6
Cheshire	Central	9
Leicestershire	Central	6
Shropshire	Central	2
Staffordshire	Central	6.5
West Midlands	Central	8
Derbyshire	Central	3.5
Nottinghamshire	Central	4.5
Worcestershire	Central	3
West Midlands Integrated Transport Authority	Brunel	3
Avon	Brunel	12.5
Cornwall	Brunel	4
Devon	Brunel	4.5
Dorset	Brunel	2

Gloucestershire	Brunel	1
Wiltshire	Brunel	7
Somerset	Brunel	2
Oxfordshire	Brunel	3.5
Buckinghamshire	Brunel	0
Environment Agency Pension Fund	Brunel	17
Northamptonshire	Access	3
Cambridgeshire	Access	3
East Sussex	Access	2
Essex	Access	2.5
Norfolk	Access	5
Hampshire	Access	1
Kent	Access	3
Hertfordshire	Access	2
West Sussex	Access	1
Isle of Wight	Access	0
Suffolk	Access	3
Carmarthenshire (Dyfed Pension Fund)	Wales Pension Partnership	1
Cardiff	Wales Pension Partnership	2
Flintshire (Clywd Pension Fund)	Wales Pension Partnership	5
Gwynedd	Wales Pension Partnership	1
Powys	Wales Pension Partnership	1
Rhondda Cynon Taff	Wales Pension Partnership	0
Swansea	Wales Pension Partnership	1
Torfaen	Wales Pension Partnership	2

Cumbria	Border to Coast	2.5
East Riding	Border to Coast	6.5
Surrey	Border to Coast	3.5
Warwickshire	Border to Coast	3
Lincolnshire	Border to Coast	6
North Yorkshire	Border to Coast	2
South Yorkshire	Border to Coast	12
Tyne & Wear	Border to Coast	2
Durham	Border to Coast	3
Bedfordshire	Border to Coast	4.5
Northumberland	Border to Coast	2
Teesside	Border to Coast	3
Lancashire	Local Pensions Partnership	5
Berkshire	Local Pensions Partnership	1
London Pension Fund Authority	Local Pensions Partnership	10

### Appendix 3 Research scores alphabetically by fund

Authority	Score
Avon	12.5
Barking and Dagenham	8
Barnet	2.5
Bedfordshire	4.5
Berkshire	1
Bexley	1
Brent	1
Bromley	0
Buckinghamshire	0
Cambridgeshire	3
Camden	9

Cardiff	2
Carmarthenshire (Dyfed Pension Fund)	1
Cheshire	9
City of London	4
Cornwall	4
Croydon	5
Cumbria	2.5
Derbyshire	3.5
Devon	4.5
Dorset	2
Dumfries and Galloway	0
Durham	3
Ealing	3.5
East Riding	6.5
East Sussex	2
Enfield	3
Environment Agency Pension Fund	17
Essex	2.5
Falkirk	10.5
Fife	0
Flintshire (Clywd Pension Fund)	5
Gloucestershire	1
Greater Manchester	7.5
Greenwich	4
Gwynedd	1
Hackney	10
Hammersmith and Fulham	6
Hampshire	1
Haringey	9.5
Harrow	3
Havering	3
Hertfordshire	2
Highland Council Pension Fund	0
Hillingdon	2
Hounslow	6
Isle of Wight	0
Islington	10
Kensington and Chelsea	0
Kent	3
Kingston upon Thames	3
Lambeth	6
Lancashire	5

Leicestershire	6
Lewisham	7
Lincolnshire	6
London Pension Fund Authority	10
Lothian Pension Fund	10
Merseyside	6
Merton	1
Newham	6
Norfolk	5
North East Scotland Pension Fund	6.5
North Yorkshire	2
Northamptonshire	3
Northumberland	2
Nottinghamshire	4.5
Orkney	0
Oxfordshire	3.5
Powys	1
Redbridge	4
Rhondda Cynon Taff	0
Scottish Borders	0
Shetland Island council	0
Shropshire	2
Somerset	2
South Yorkshire	12
Southwark	10
Staffordshire	6.5
Strathclyde	9
Suffolk	3
Surrey	3.5
Sutton	4
Swansea	1
Tayside Supperannuation Fund	2.5
Teesside	3
Torfaen	2
Tower Hamlets	7
Tyne & Wear	2
Waltham Forest	9
Wandsworth	2.5
Warwickshire	3
West Midlands	8
West Midlands Integrated Transport Authority	3
West Sussex	1

West Yorkshire	6.5
Westminster	3
Wiltshire	7
Worcestershire	3

### **Disclaimer**

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### About UNISON

UNISON is the UK's largest trade union, serving around 1.3 million members, and Europe's largest public service union. It represents full-time and part-time staff who provide public services employed in both the public and private sectors.

### About ShareAction

ShareAction (Fairshare Educational Foundation)

Is a registered charity that promotes responsible investment practices by pension providers and fund managers. ShareAction believes that responsible investment helps to safeguard investments as well as securing environmental and social benefits.

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The opinions expressed in this publication are based on the documents specified. We encourage readers to read those documents. Online links accessed between July and September 2018.

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