

Pension Fund & Treasury
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Penrhyn Road
Kingston-upon-Thames
Surrey
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Ms Jane Firth
South Yorkshire Pension Fund Authority
18 Regent Street
Barnsley
S70 2HG

16 October 2017

Dear Jane

Local Pension Board Report on Environmental, Social and Governance (ESG) Compliance

The Chairmen of the Pension Fund Committee and the Local Pension Board have asked me to write to the Border to Coast Pensions Partnership (BCPP) on matters concerning ESG compliance.

On the 2 June 2017, the Surrey Pension Fund Committee reviewed a report on Environmental, Social and Governance (ESG) compliance. This had been commissioned from the Surrey Local Pension Board who, in turn, had reviewed the Fund's approach to ESG matters. We have attached this report for reference.

Following a review of the report's findings, the Pension Fund Committee resolved that it should support the following expectations with the BCPP asset pool:

- Portfolio level monitoring of ESG metrics and carbon foot printing should be developed as part of the pooling arrangements.
- The pool should use its scale and influence to develop a consistent responsible investment approach.
- The pool should appoint investment managers with clear ESG policies in place.
- The pool should retain specialist expertise in respect of responsible investment.
- The pool should make arrangements to develop a specific, low carbon passive investment vehicle.

Surrey Pension Fund has been provided with a copy of the proposed Border to Coast Pensions Partnership (BCPP) Responsible Investment Policy and the Pension Fund Committee and Board are satisfied that this addresses much of Surrey's expectations.

However, we would request a response from the BCPP on our final point above, namely:



- That the pooled fund should make arrangements to develop a specific low carbon passive investment vehicle.

We would also welcome a further dialogue about how we can work collaboratively across the pool to ensure that ESG considerations remain an area of focus for all partners.

Yours sincerely



Phil Triggs
Head of Pensions
Surrey Pension Fund