

Investment Committee

Hybrid Meeting – 3 March 2025

Item 8 – Paper D

Update from Responsible Investment Advisory Group (RIAG)

Report from last meeting on 3 February 2025

1. The group discussed the [Climate Risk Reporting Principles](#) which had been published on the Board's website alongside [the Funding Strategy Statement \(FSS\) guidance](#). The principles are designed to assist funds when addressing climate change as a funding risk in the FSS. The principles had been jointly created by the four main fund actuarial firms; Mercer, Barnett Waddingham, Aon and Hymans Robertson. During the meeting, Michelle Doman (MD) from Mercer gave an overview of the creation of the principles and that the reporting principles had been published separately from the FSS guidance so that they can be updated as the area evolves.
2. MD explained that the fund actuaries started putting together these principles before the 2022 fund valuations in order to establish a degree of consistency and without stifling innovation. These original principles were reviewed and evolved in line with the completion of the recent FSS guidance.
3. The group were notified that following on from the last meeting the Board has now obtained [updated counsel advice on fiduciary duty](#) in the context of the Local Government Pension Scheme (LGPS) from Nigel Giffin KC. The advice expands on the [2014 advice](#) received. The group were asked for their views on the advice and were informed that the Board would explore seeking further advice. The group generally welcomed the advice but commented that the length and complexity of the document might mean that it isn't widely accessible.
4. The secretariat confirmed that the Board had submitted its response to the [Fit for the future consultation](#) and invited them to comment on the proposals and specifically how they would impact responsible investment issues. A key question arising from the proposals is how pools will manage the varying responsible investment and net zero targets of the individual funds. The group questioned whether the funds would have the ability to move pools if another pool was offering more suitable or desirable products, as some felt there was a need for a competitive marketplace.
5. An update from the Ministry of Housing, Communities and Local Government informed the group that 216 responses to the Fit for the

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Future consultation had been received, they were being reviewed and a response would be published in due course.

6. The group agreed an update to the RIAG's Terms of Reference to align the term length that the RIAG Chair can serve, to be the same length as a group member. This update means both the RIAG Chair and members can serve for 4 years, with a possible renomination for an additional 4 years.
7. The date of the next meeting was confirmed as 9 June 2025 at 2pm.
