

Socially Responsible Investment (Extract from WYPF Statement of Investment Principles)

- 1 Investment decisions are taken based on financial and commercial considerations so as to yield the best return by way of income and capital appreciation. If it is shown that particular types of social, environmental and ethical investment can produce at least comparable returns, then the Fund will invest in such companies as part of the normal investment process.
- 2 The voting policy of the West Yorkshire Pension Fund is viewed as a fundamental contribution towards socially responsible investment. The Fund is committed to ensuring that the companies in which it has a shareholding adopt sound principles of corporate responsibility, particularly in relation to environmental and employment standards. The Fund will utilise its shareholding wherever possible, through the voting policy and engagement, to exert influence on those companies falling short of acceptable standards.
- 3 The WYPF is a member of the Local Authority Pension Fund Forum (LAPFF), a special interest group of the Local Government Association, which comprises over 60 local authority pension funds with combined assets of £150 billion. The Forum exists to promote the investment interests of local authority pension funds, and in particular to maximise their influence as shareholders to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they invest.
- 4 The WYPF is also a member of the Institutional Investors Group on Climate Change (IIGCC). The IIGCC seeks to promote a better understanding of the implications of climate change amongst its members and other institutional investors, and to encourage companies and markets in which its members invest to address any material risks and opportunities to their businesses associated with climate change and a shift to a lower carbon economy.
- 5 The WYPF first became a signatory to the Carbon Disclosure Project (CDP) in 2007. The CDP seeks information from over 2,750 companies world-wide on their Greenhouse Gas Emissions.