



BRUNEL

Pension Partnership



Responsible Investment Policy Statement

Approved by the Board of Brunel Pension Partnership Ltd.

Last updated 1 July 2020

Who we are

Brunel Pension Partnership Limited (Brunel) is one of eight national Local Government Pension Scheme (LGPS) Pools, bringing together circa £30 billion investments of ten likeminded pension funds: Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire.

We would like to acknowledge the significant support and contribution of our Clients to our work on Responsible Investment and stewardship underpinning our mutual commitment to investing for a world worth living in.

- We believe in making long-term sustainable investments supported by robust and transparent processes
- We are here to protect the interests of our Clients and their beneficiaries
- In collaboration with all our stakeholders we are forging better futures by investing for a world worth living in



Brunel is authorised and regulated by the Financial Conduct authority as a full-service MiFID firm. We use the name 'Brunel' to refer to the FCA- authorised and regulated company.

We aim to deliver stronger investment returns over the long term, protecting our Clients' interests through contributing to a more sustainable and resilient financial system, which supports sustainable economic growth and a thriving society.

Brunel Pension Partnership Investment Principles

- Long-term investors
- Responsible investors
- Best practice governance
- Decisions informed through experts and knowledgeable officers and committees
- Evidence and research at the heart of investments
- Leadership and innovation
- Right risk for right return
- Full risk evaluation
- Responsible stewardship
- Cost effective solutions
- Transparent and accountable
- Collaboration

The complete wording for these principles is available on our website: www.brunelpensionpartnership.org

Brunel Pension Partnership has been an advocate for investor and policy action on Responsible Investment issues since we were established in 2017.

Brunel is a signatory of the UN-backed Principles for Responsible Investment (PRI) and aligns its practices and processes to their six principles and definition of Responsible Investment¹.

As responsible investors, we recognise that every company or asset we invest in operates interdependently with the economy, civil society and the physical environment. Considering whether these interdependencies create financially material risks or opportunities for the investments is a core part of Responsible Investment.

It is important to emphasise that Brunel's purpose of doing this is to better manage risk and generate sustainable, long-term returns. All actions are predicated on fulfilling our core legal obligations – our 'fiduciary duty' – to the Client Funds and their beneficiaries.

We adhere to the highest standards of business ethics and integrity but we are not an ethical investor², as the term is usually used. We expect appointed managers to weigh up Environmental, Social and Governance (ESG) risks and opportunities as part of their wider evaluation of investment risk and return objectives as opposed to treating them as a stand-alone concern.

The purpose of this policy is therefore to:

- Provide clarity on how Brunel will deliver on some of its investment principles for all stakeholders, most particularly the nearly 700,000 beneficiaries of Brunel Pension Partnership Funds
- Support our clients ability to articulate how they will fulfil their specific Investment Strategy Statement disclosure requirements¹
- Provide a framework under which we will publish supporting guidelines, position statements and an annual engagement plan, proxy voting policy and voting records. We report progress in an Annual Responsible Investment and Stewardship Outcomes Report
- Fulfil our obligations in relation to regulatory standards and best practice

¹ MHCLG (formerly DCLG) guidance for administering authorities in the formulation, publication and maintenance of their investment strategy statement, as required by regulation 7 of the LGPS Investment Regulations 2016 (July 2017).

² Ethical investment is an investment approach determined by an investor's specific views, usually based on a set of values. These values can take precedence over financial considerations.

Our approach to Responsible Investment: Seven priorities

Responsible investment is central to how we fulfil our fiduciary duty. As responsible investors, we recognise that every company or asset we invest in operates interdependently with the economy, civil society and the physical environment.

The scope includes all our own operations (buildings, travel, people, and so on), as well as portfolio implementation and responsible stewardship. This ensures our own practices align with our expectation of the companies and assets in which we invest. This enables everyone to contribute to forging better futures by investing for a world worth living in.

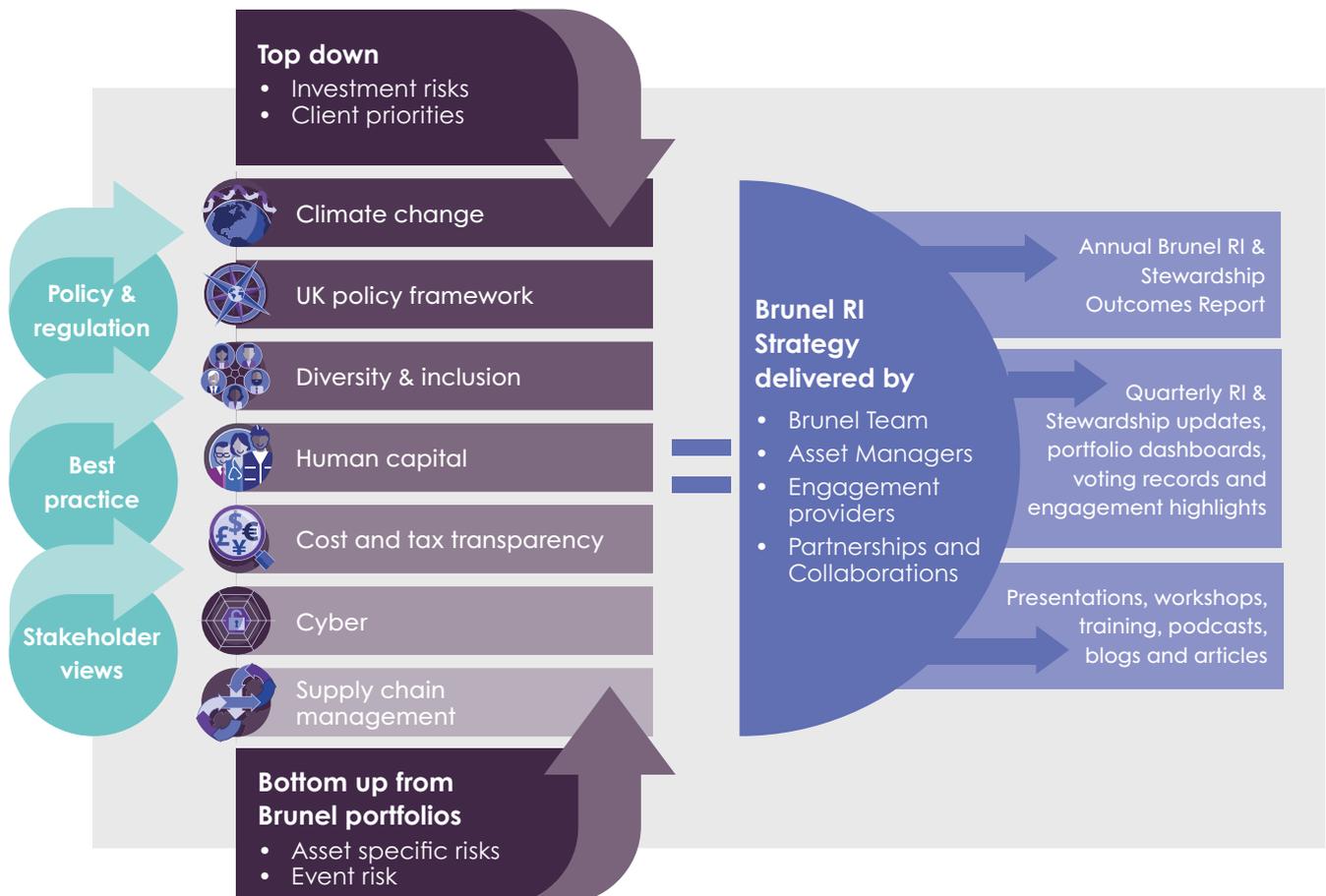
We have a comprehensive suite of policies covering operational aspects of our business. These include policies ranging from manager monitoring, tax and securities lending to those relating to human resources and procurement of goods and services. Our commitment to be a responsible investor is fully integrated and consistent across all these areas.

Responsibility for managing specific ESG risks, including climate risk, as they affect Brunel and our Clients, are explicitly incorporated into the role specifications of our Board, executives and other key personnel.

Our manager selection process is central to the effective implementation of our Responsible Investment, Stewardship and Climate policies. Our managers must be able to clearly demonstrate how ESG is embedded into their investment process. We also examine a manager’s organisational culture and approach to teams, challenge and risks.

Our Responsible Investment and stewardship priorities

We have identified seven priority themes which are informed by our investment beliefs, our Clients’ policies and priorities together with stakeholder views, regulatory and statutory guidance and are aligned with best practice. Our seven priority themes as part of an integrated Responsible Investment process are illustrated in the diagram below. Brief information on our seven priority themes is covered in the following pages. For more detailed information, please refer to our [Responsible Investment and Stewardship Outcomes Report](#).



Climate Change



Using our strengths and our position in the market to systematically change the investment industry so that it is fit for purpose for a world where temperature rise needs to be kept to well below 2°C compared to pre-industrial levels.

Climate change presents a systemic and material risk to the ecological, societal and financial stability of every economy and country on the planet, and therefore will impact our Clients, their beneficiaries and all portfolios.

We have published a comprehensive climate change policy, a **“Five Point Plan to build a zero-carbon future”**.

Brunel is a member of the Institutional Investors Group on Climate Change (IIGCC) and the PRI. We support the Transition Pathway Initiative (TPI) and are a signatory of the Task Force on Climate-related Financial Disclosure (TCFD). We publish quarterly fossil fuel exposure and carbon intensity metrics for every listed equity portfolio, with additional carbon metrics published at least annually.

Our analysis of the investment market and of the investment system, and of our role within that market and that system, has led us to identify five areas where we believe there is a critical need for action and where we believe we can make a significant difference. These are:

Policy Advocacy

We want policy makers to establish comprehensive and robust climate change policy frameworks that deliver significant reductions in greenhouse gas emissions, accelerate progress towards the low carbon economy, and enable effective adaptation to the unavoidable impacts of climate change.

Product Governance

We want to increase the number and range of products available to our Clients and the wider investment market that deliver substantial climate change benefits.

Persuasion

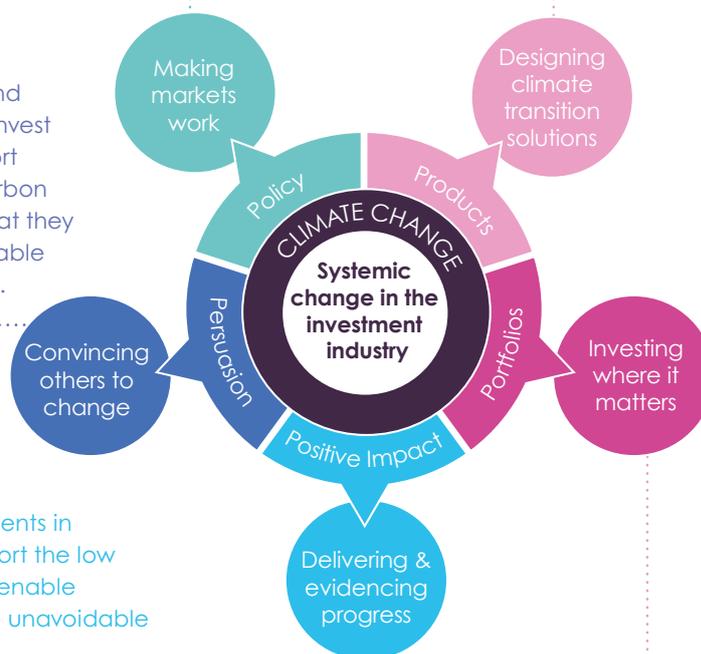
We want the companies and other entities in which we invest and contract with to support the transition to the low carbon economy, and to ensure that they are resilient to the unavoidable impacts of climate change.

Positive Impact

We want to enable investments in activities that directly support the low carbon transition and that enable effective adaptation to the unavoidable impacts of climate change.

Portfolio Management

We want our investment portfolios to be resilient under a range of climate change scenarios (both mitigation and adaptation). We want to adopt best practices on climate risk management and to work with our managers to further improve and develop our processes.



Our approach to climate change means:

- We expect companies and fund managers to effectively identify and manage the financially material physical, adaptation and mitigation risks and opportunities arising from climate change as it relates to entire business models

We have an expectation that companies:

- should put in place specific policies and actions, both in their own operations and across its supply chain, to mitigate the risks of transition to a low carbon economy and to contribute to limiting climate change to below 2°C
- should disclose climate related risks and actions to mitigate these in line with latest best practice guidelines, such as those of the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD)
- should include an assessment and scenario analysis of possible future climate change risks in addition to those that have already emerged

As part of our manager selection and ongoing monitoring we use data from the Transition Pathway Initiative (TPI) and carbon foot printing. Both these tools inform our portfolio construction and design.

Our approach to disinvestment

Brunel does not consider a top-down approach to disinvestment to be an appropriate strategy for its Clients. After much careful thought when developing our strategy, we chose not to define blanket exclusions. We need to drive change in the way investment managers work. Simply stating exclusions or requiring divestment from sectors will not compel investment managers to develop their capacity on climate change or to drive change in the companies in which they are invested.

However, while we will not instruct managers to exclude certain stocks, this does not mean we do not expect managers to have portfolios with materially reduced climate exposures and to be able to justify any climate controversial holding. We are seeking to invest in companies who are on a pathway to alignment the objectives of Paris and in due course will consider selective disinvestment from companies who we believe are not adapting their business models to the transition. In late 2022, we will conduct a full stocktake of this policy. This stocktake will provide us and our Clients with the opportunity to reflect on our progress and to ramp up our ambitions. It will also, ahead of our Clients' triennial valuation and investment reviews, help us prepare for what we see as the tightening of regulation and escalation of government action on climate change.

Tax and Cost Transparency



We seek to promote fair and transparent tax and cost systems as a way for corporations to contribute to the economies in which they operate and asset managers to demonstrate value for money.

We believe openness on investment costs and tax is a key step to building understanding and trust.

Our approach to tax transparency means we expect companies to:

- Comply with all tax laws and regulations in all countries of operation
- Recognise the importance of taxation to the funding of good public services on which they and their stakeholders rely, and to commit to paying their fair contribution
- Ensure that their tax policies and practices do not damage their social licence to operate in all jurisdictions in which they have a presence
- Disclose the taxes paid by or collected by them in each country
- Provide country-by-country reporting to demonstrate that taxes are paid where economic value is generated
- Have an approach to tax policy that is sustainable and transparent

And we expect asset managers to:

- Be compliant with LGPS/FCA Cost Transparency Initiative (CTI) for listed market managers
- Support our cost transparency objectives in all asset classes

We have developed a full position statement on tax which is available [here](#).

Cost transparency

Brunel is a signatory of the LGPS Code of Transparency and requires all appropriate managers to be signatories. We approach cost transparency in a number of ways:

- We expect all our managers to have appropriate fee structures that align with client interest
- Our private markets team actively engage with General Partners to promote fair and transparent fee structures
- We provide cost transparency reports to all our Clients
- We monitor portfolio turnover as part of the monitoring we undertake of our external asset managers

Diversity and Inclusion



We seek to promote fair, diverse and inclusive business environments and practices across the companies in which we invest, as well as across our own operations.

In the UK we advocate for continued development and endorse recommendations made in the Business, Energy and Industrial Strategy Committee report on gender pay gap reporting. We work closely with the 30% Club and Diversity Project to promote diversity on Boards and within the talent pipeline

- We expect UK companies to already have achieved a minimum of 30% female representation on Boards and 25% on their executive teams. If companies are not yet at these levels, we expect there to be a clear, credible plan to achieve them
- Within our own investment portfolios, we have established a baseline for monitoring and reporting the percentage of women on Boards.
- We encourage UK companies with below 250 employees to consider gender pay gap disclosure where practical. In the UK, we vote against the financial statements and statutory reports of qualifying companies (250 or more UK employees) that fail to disclose their gender pay gap
- We encourage our appointed managers to address and be transparent on gender pay gap and diversity statistics on an annual basis
- We vote against the financial statements and statutory reports of companies that provide inadequate disclosure on diversity and may escalate this to withdraw support for the chair's re-election
- We expect UK companies to disclose how they promote and encourage diversity and consider voting against the re-election of the chair of the nomination committee of businesses that are not on track to achieve the recommendations of the Parker review³

Within our own business we aim to promote diversity and inclusion at the highest level.

Brunel has fewer than 250 employees and is not required to disclose our gender pay gap. However, we voluntarily discloses its gender pay gap data. In addition, we seek to continue to improve our own approach to diversity and inclusion in line with best practice.



Human Capital



We seek to promote strong HR and sustainable remuneration policy frameworks across the companies in which we invest, as well as within our own operations.

Our approach to human capital means:

- Within our investments we engage with companies on their approach to human capital management
- We expect all companies to have Board-level oversight of strategies relating to employee development and contribute to a positively engaged, committed and talented workforce. In addition, we expect companies to provide contextual information and disclose key performance indicators on an annual basis
- We expect all companies to comply with internationally recognised human rights principles such as the United Nations Guiding Principles on Business Human Rights (UNGPs)
- We also expect companies to have robust controls and governance around modern human slavery, including meeting the Modern Slavery Act in the UK

UK Policy Advocacy



We are committed to responsible stewardship and believe that through responsible, active ownership we can contribute to the care, and ultimately long-term success, of all the assets within our remit.

We support and apply the UK Stewardship Code 2020 definition of stewardship:

Stewardship is the responsible allocation, management and oversight of capital to create long-term value for Clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

We are global investors and apply our principles of good stewardship globally, whilst recognising the need for local market considerations in its application.

As a UK-based investor our key reference points are the UK Stewardship Code 2020 and UK Corporate Governance Code and guidance produced by UK industry bodies, for example, the British Venture Capital Association (BVCA – private equity) RI toolkit.

We are committed to supporting policy makers, regulators and industry bodies in the development and promotion of the codes and supporting guidance.

We publicly disclose all our consultation responses on our website.

We also support the policy makers in other countries where practicable, but generally will contribute to a collaborative consultation submission.

Cyber



We seek to promote corporate awareness and action on cyber security, the responsible use of personal data and use of artificial intelligence in order to both protect commercial risks and reputational damage.

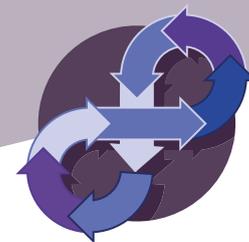
‘Cyber’ refers to an array of issues that include data privacy, data security and ‘big data’, including artificial intelligence and the associated human rights issues.

Given the significant financial consequences of poor cybersecurity, and the growing threat it presents as well as increase in regulation worldwide, our approach to Cyber means:

- We believe it is imperative that companies are fully aware and take appropriate action on cyber security issues. Moreover, the rise of Artificial Intelligence (AI) raises further risks from both a moral perspective and from criminals using AI as part of security threats. What actions have we taken?

- Brunel uses several data sources to review cyber security within its portfolio
- We will support certain investor statements on corporate accountability for digital rights
- As well as cyber security issues, we have also engaged with social media companies about the distribution of objectionable content
- When we appoint managers, we integrate cyber security issues into the selection process, forming a part of the rigorous due diligence undertaken to assess how the manager is handling cyber security directly, both initially and on an ongoing basis
- Within our own operations we have achieved the Cyber Essentials badge. This is a government-backed, industry supported scheme to help ensure we have met the basic levels of controls needed to protect against online threats

Supply Chain



We seek to focus on specific companies and sectors where the effective management of suppliers is a principal business risk. The complex and extensive nature of supply chains in a globalised world presents many sustainability and socioeconomic risks.

Our approach to responsible supply chain management means:

- Our engagement work relating to supply chains spans a range of issues such as tailings dams, plastics pollution, palm oil, animal welfare, responsible sourcing and supply chain transparency

- We have analysed our active equity portfolios across a number of important supply chain activities such as:
 - Supply chain management
 - Life cycle of products and services
 - Materials sourcing
 - Product packaging
- We will increase the amount of monitoring and analysis using available data

Our Responsible Investment and Stewardship Outcomes Report provides comprehensive detail and case studies on supply chain manager.

We have built our responsible Investment approach on three pillars: to integrate sustainability criteria into our operations and investment activities; to collaborate with others across the industry and support effective policymaking; and to be transparent in our activities.

Responsible Investment Overview of ESG in action at Brunel

	 To Integrate	 To Collaborate	 To be Transparent
Own Operations	<ul style="list-style-type: none"> • Board commitment • In all we do • Staff objectives 	<ul style="list-style-type: none"> • Contributing to local and global community initiatives • Diversity and inclusion ambassadors 	<ul style="list-style-type: none"> • Best practice own reporting including climate change, diversity and tax
Portfolio implementation	<ul style="list-style-type: none"> • All asset classes globally • Fully integrate into managers selection • Low carbon and sustainability portfolio options 	<ul style="list-style-type: none"> • Innovating investment solutions • Cross pool collaboration • ESG risk metrics and tools 	<ul style="list-style-type: none"> • Impact reporting • Positive case studies • Carbon and sustainability metrics
Responsible Stewardship	<ul style="list-style-type: none"> • Single voice • Active engagement 	<ul style="list-style-type: none"> • Annual engagement plan • See Partnerships and Affiliations 	<ul style="list-style-type: none"> • Proxy voting Policy and records • Pre-declaration on selective votes

To integrate



Manager selection

Our manager selection process is central to the effective implementation of our Responsible Investment, Stewardship and Climate policies. Our managers must be able to clearly demonstrate how ESG is embedded into their investment process. We also examine a manager’s organisational culture and approach to teams, challenge and risks.



Risk and transparency

Our investment principles provide the framework of our evaluation of risks. We seek to stimulate market-wide improvements in ESG risk analysis and commit to continue to innovate, adapt and improve to ensure we have robust, independent and effective data to work collegiately with our external asset managers on the management of the whole spectrum of investment risks.

We are members of the **Sustainability Accounting Standards Board Alliance (SASB)** and Investor Advisory Group as part of our work to promote better quality reporting on material ESG risks. We are also vocal supporters of the adoption of the **Taskforce for Climate-related Finance Disclosure (TCFD)**.

Integrating Responsible Investment into our Manager Selection

Integrating Responsible Investment into manager selection is a core part of our work. Mandate design and a risk appraisal process prior to launching a search for a manager is therefore critical in ensuring that we focus on the right things.

The asset class, geography and risk objectives will have a bearing on which Responsible Investment and ESG risks will be most relevant to focus on when making an appointment, thus our manager selection criteria are determined for each search.

We have a track record of action evidenced by work such as Brunel Asset Management Accord designed to capture not only our expectations of managers, but also the spirit of what they can expect from us. The accord supports long-term sustainable finance and specially calls on managers work collaboratively with Brunel on thought leadership and integration of ESG issues.

The examples below show some of the key issues we address when we appoint managers.

More information about the selection and monitoring of managers is on our [website](#)

Philosophy	Policies	People
Board-level leadership	Commitment	Diversity and Inclusion
Corporate culture	Policy framework	Human Capital
Investment	Pricing and transparency	Numbers & retention
Processes	Participation	Partnership
Investment	Thought-leadership	In it together
Reporting	Innovation	Culture fit
Stewardship	Contribution to investment industry	

Responsible Stewardship at Brunel

Stewardship is the responsible allocation and management of capital across the institutional investment community to create sustainable value for beneficiaries, the economy and society.⁴

We believe in being a good steward in all asset classes. For example, stewardship opportunities in private markets can be particularly effective as capital (and by extension influence) is concentrated, providing opportunities to support management in embedding robust governance and working practices.

Our Stewardship Policy sets out our overall approach and will build over time to articulate specific detail for each asset class. The document contains details of our engagement and voting position on a wide range of issues, including;

- Sustainability, Climate Change and Sustainable Development Goals (SDGs)
- Human and Natural Capital
- Company Boards
 - Conduct and Culture
 - Board Composition and Effectiveness
- Executive Remuneration
- Audit
- Protection of Shareholder and Bondholder Rights (including dual share class and share buy-backs)

Federated Hermes EOS is our appointed engagement and voting services provider.

Engagement

Being an active, responsible owner is essential to our ability to identify risks and opportunities in its investment portfolios. We set engagement objectives linked to our seven priority themes (see page 6). Engagement objectives are identified in three ways. (Firstly, top down, looking at Brunel's holdings to identify thematic areas of risk and opportunity. Secondly, bottom up, reviewing exposure to individual companies and to specific ESG risks and opportunities. Thirdly, reactively to event risks, for example, after a specific, usually significant, incident). Engagement updates relating to both Brunel and its appointed asset managers' activities are published quarterly. Summary information will be publicly available.

We are strong supporters of the UK Corporate Governance Code and application of the Companies Act S172 (Duty to promote the success of the company). Indeed, S172 shapes our engagement with companies and we believe corporate behaviour in line with the spirit of the Act more broadly is essential to our objective of contributing to a more sustainable and resilient financial system, which supports sustainable economic growth and a thriving society.

We encourage companies either to comply with such codes or to fully explain their reasons for non-compliance. However, we are also cognisant that good governance cannot be guaranteed solely by adherence to the provisions of best practice governance codes.

Therefore, we urge companies to consider carefully how best to apply the principles and the spirit of such codes to their own circumstances and to clearly communicate to investors the rationale behind their chosen approach.

⁴ Source FRC, Stewardship Code Consultation, 2019.

Voting

As part of owning publicly listed companies we, on behalf of our Clients, will have the opportunity to vote at company meetings (AGM/ EGMs⁵). We have a single voting policy for all assets managed by us in segregated accounts, which is explained in our Stewardship Policy.

While we have centralised our voting activity in order to have one consistent voice, our voting process activity involves our underlying asset managers and encourages them to share their insights into the companies they hold. We will actively seek, where aligned with our own policy, to support our asset manager in the escalation of their own engagement and voting activity.

Implementation is supported by the appointment of an engagement and voting service provider. Assets will continue to operate under the current arrangements determined by Brunel Client Funds until they are transitioned into the new portfolios.

The implementation of Brunel's voting policy, published in our Stewardship Policy, is supported by Federated Hermes. Our policy guides their voting recommendation alongside other country and region-specific guidelines. Voting decisions are informed by investment considerations, consultation with portfolio managers, clients, other institutional investors, and our engagement with companies.

From time to time we may choose to "pre-declare" or publicly announce our voting intentions for resolutions.

We will normally do this as part of an escalation of engagement or as part of a wider collaborative engagement.

Class actions

Where we hold securities that are subject to a law suit (individual or class action), Brunel will decide, considering the merits and complexities of such action, to participate in such litigation on a case by case basis.

Securities lending

Brunel has developed a stock lending policy which embeds our commitment to be a responsible investor. Specifically, where there is a perceived trade-off between the economic benefit of stock lending, and Brunel's ability to discharge its obligations as a responsible long-term investor, the latter will have precedence.

Conflicts of Interests

The Financial Conduct Authority requires us to maintain and operate effective organisational arrangements to ensure all reasonable steps are taken to prevent conflicts of interest from adversely affecting the interests of Clients, as well as the Clients' members and their Administering Authorities.

Our Conflict of Interest policy describes the circumstances that could give rise to a conflict of interest and the principles to be followed in order to identify, avoid, manage or in the event the other routes are not possible, to disclose clearly to our Clients.

Conflict of Interest management is embedded in a number of Brunel policies and processes.

Brunel places our Clients' interests ahead of our own.

More details on our approach are available on our website.

Thought leadership, skills and knowledge

We aspire to be thought leaders and to actively contribute to the positive development of the wider investment industry. A programme of personal and professional development, workshops and training across our Board, team and Clients ensures that "decisions are informed through experts and knowledgeable officer and committees."⁷

We are committed to having a strong, central core of expertise that has the breadth and depth of knowledge to manage assets and provide scrutiny of the skills and knowledge of our appointed asset managers and specialist service providers. Our website provides overviews of the whole team, summarising their skills and knowledge.⁶

- 5 AGM – Annual General Meeting. EGM – Extraordinary General Meetings.
- 6 Ethical investment is an investment approach determined by an investor's specific views, usually based on a set of values. These values can take precedence over financial considerations.
- 7 See investment principles on skills and knowledge.

To be transparent



Reporting

We demand high standards of transparency from the companies and organisations we work with and therefore place high priority on being transparent ourselves, providing high standards of reporting and communication.



We publish an annual engagement plan, voting records and updates on engagement activity. Quarterly summary engagement reports are made publicly available on our website. Further insights are published on Federated Hermes website, these cover many of Brunel's thematic priorities.

We publish an annual Responsible Investment and Stewardship Outcomes Report which is designed to meet the FRC's 2020 Sustainability Code. We also produce an annual PRI transparency report.

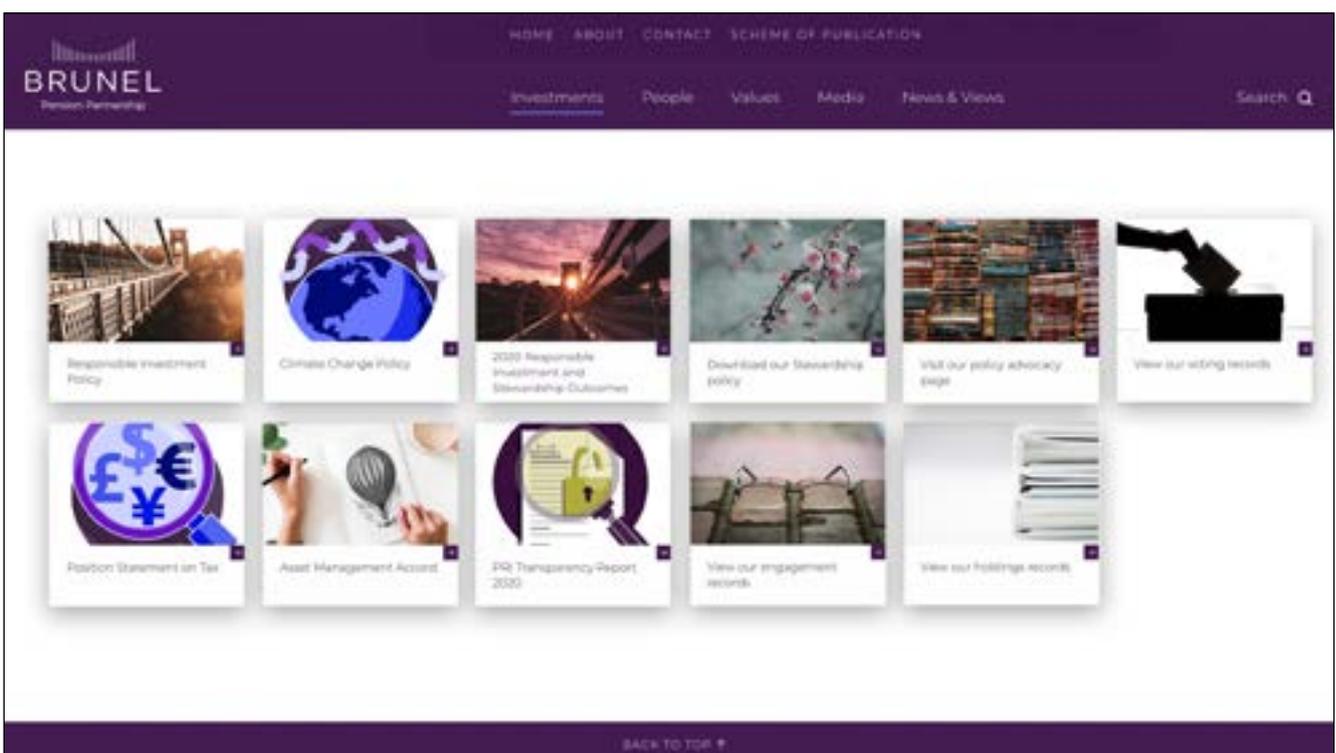
Brunel is a member of the Institutional Investors Group on Climate Change (IIGCC), PRI and a supporter of the Transition Pathway Initiative (TPI) which will support our ability to apply best practice due diligence and engage with the companies in which we invest. Brunel advocates

strongly for improved transparency and will disclose in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), including the publication of annual carbon footprints and fossil fuel exposure.

We report on a variety of carbon metrics, including the carbon intensity, energy mix and disclosure rates for each of the Brunel Portfolios, portfolio by portfolio and client by client. Further detail is provided to Client partner funds.

We are committed to reporting on the positive impacts of the investments we make. The Sustainable Development Goals (SDGs) provide a useful framework to translate the positive outcomes of the investments we make to real world issues. We encourage companies to evaluate their fitness for the future, through benchmarks such as Future Fit.

Our website is the primary route for additional information and further insights to our approach into Responsible Investment and the risk management of ESG factors.



Governance and Accountability

Brunel believes in the importance of regular and in-depth shareholder and stakeholder engagement. Our responsible investment strategy and policy have been developed in conjunction with key stakeholders, including the Brunel Oversight Board, Brunel Client Group and Client RI Working Group

The Brunel Board approves and is collectively accountable for Brunel’s Responsible Investment Strategy and Policy, but operational accountability on a day to day basis is held by the Chief Responsible Investment Officer. The Chief Executive Officer is responsible for ensuring effective implementation across the whole organisation, ensuring Brunel’s own operations meet or exceed best practice standards.

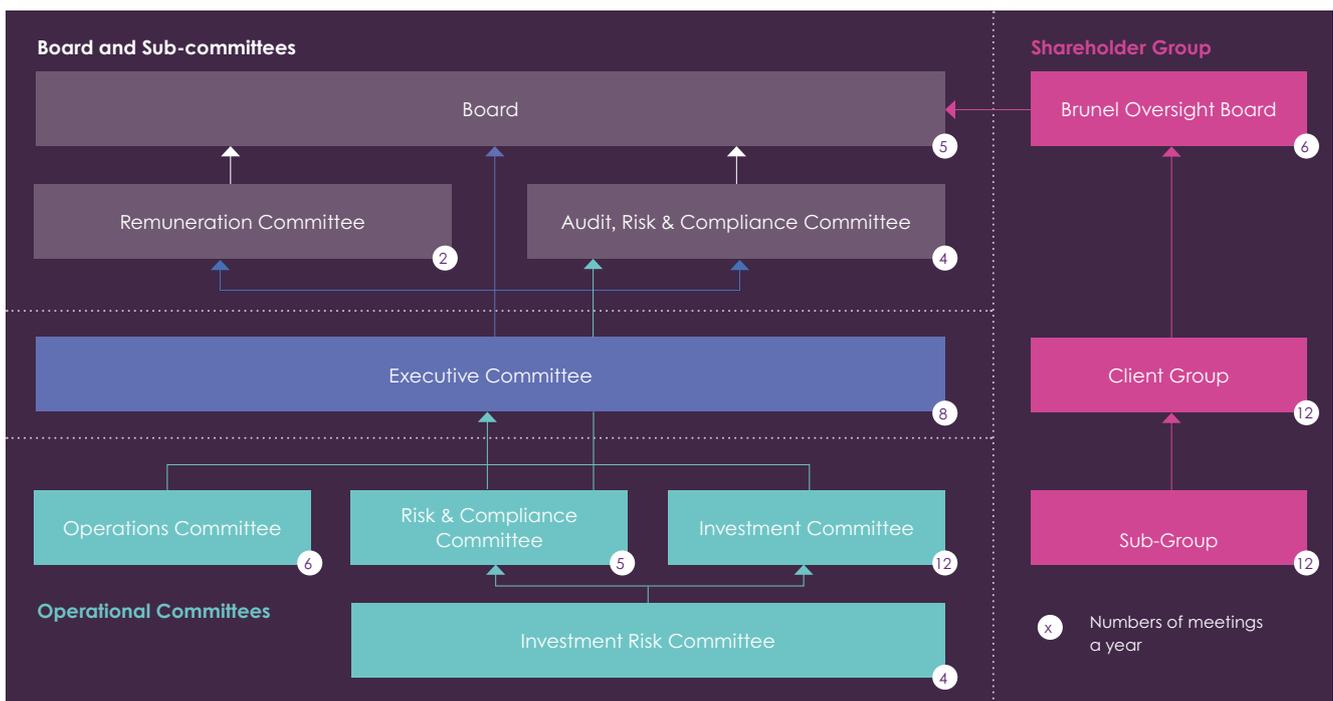
The Chief Investment Officer is responsible for ensuring the integration into the portfolio construction, implementation and overall investment decision making. All members of the investment team have explicit responsibility for the implementation of responsible investment within their respective roles. Whilst the strategy and policy are designed for the long term (5+ years), they are reviewed annually.

The Board regularly scrutinise Brunel’s Responsible Investment strategy which is overseen operationally by the Executive Committee. Brunel’s Client Group is made up of Client Fund Officers, this group provides oversight through monthly Responsible Investment updates, providing input on their committee and beneficiaries emerging needs and concerns. In addition, the Responsible Investment Subgroup meets monthly and acts as a forum for further discussions on Responsible Investment topics. Workshops are conducted where a deeper awareness or education on a particular topic is useful.

Progress and compliance is monitored by all the groups outlined above. Any significant breaches will be reported to Audit, Risk and Compliance Committee. Severe breaches can lead to disciplinary action or termination of contracts (where the breach is committed by an asset manager or other service provider).

Further detail on our governance structure can be found in our Annual Report and Financial Statements.

Our governance structure



To Collaborate



Our partnerships and affiliations

We believe effective collaboration, affiliations and partnerships can amplify our responsible investment activities and support our commitments to our clients our colleagues and our society.

Partnerships and affiliations	
<u>30% Club</u>	Aims to develop a diverse pool of talent for all businesses through the efforts of its Chair and CEO members who are committed to better gender balance at all levels of their organisations.
<u>A4S – Accounting for Sustainability</u>	The Prince's Accounting for Sustainability Project was established by HRH The Prince of Wales in 2004 to promote improvements in reporting and transparency.
<u>The Business Benchmark on Farm Animal Welfare (BBFAW)</u>	The Business Benchmark on Farm Animal Welfare (BBFAW) is the leading global measure of farm animal welfare management, policy commitment, performance and disclosure in food companies.
<u>British Private Equity & Venture Capital Association (BVCA)</u>	Industry body and public policy advocate for the private equity and venture capital industry in the UK.
<u>Climate Action 100+</u>	Climate Action 100+ is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. The companies include 100 'systemically important emitters', accounting for two-thirds of annual global industrial emissions, alongside more than 60 others with significant opportunity to drive the clean energy transition.
<u>The Diversity Project</u>	A group of leaders in the investment and savings profession who are working to accelerate progress towards an inclusive culture within our industry.
<u>The Ellen McArthur Foundation</u>	The Ellen MacArthur Foundation works with business, government and academia to build a framework for an economy that is restorative and regenerative by design.
<u>FAIRR</u>	The FAIRR Initiative is a collaborative investor network that raises awareness of the material ESG risks and opportunities caused by intensive animal production.
<u>Future-Fit Business Benchmark</u>	Not-for-profit organisation with the aim of encouraging and equipping business leaders and investors to take action in response to today's biggest societal challenges, from climate change to inequality.
<u>The Green Finance Institute</u>	Established in 2019, the Green Finance Institute is an independent, commercially focused organisation, supported by seed funding from HM Treasury, the Department for Business, Energy and Industrial Strategy and the City of London Corporation.
<u>Institutional Investor Group on Climate Change (IIGCC)</u>	A forum for collaboration by institutional investors on the investor implications of climate change.
<u>Local Authority Pension Fund Forum (LAPFF)</u>	The UK's largest collaborative forum for collective engagement, covering £200bn in collective assets under management.
<u>Pensions for Purpose</u>	Collaborative initiative of impact managers, pension funds, social enterprises and others involved or interested in impact investment.

Partnerships and affiliations

<u>Sustainable Accounting Standards Board (SASB) Alliance Member</u>	SASB standards focus on financially material issues with a mission to help businesses around the world report on the sustainability topics that matter most to their investors.
<u>ShareAction</u>	Charity that promotes Responsible Investment and gives savers a voice in the investment system.
<u>The Transition Pathway Initiative</u>	Co-founded in 2016 by the Environment Agency Pension Fund and the Church of England National Investing Bodies. The initiative assesses how companies are preparing for the transition to a low-carbon economy and will form the basis for engagement with companies.
<u>Principles for Responsible Investment</u>	United Nations-supported and investor-led global coalition promoting the incorporation of environmental, social and governance factors. Brunel was the first LGPS Pool to join.
<u>The TCFD (The Task Force on Climate-related Financial Disclosures)</u>	Voluntary, consistent climate-related financial risk disclosure framework for use by companies in providing information to investors, lenders, insurers, and other stakeholders. Brunel has been a signatory since 2017.
<u>UKSIF (The UK Sustainable Investment and Finance Association)</u>	Membership organisation for those in the finance industry committed to growing sustainable and responsible finance in the UK.

Getting in touch with the team

If you have any questions or comments about this report please email Faith Ward, Chief Responsible Investment Officer at RI.Brunel@brunelpp.org.

Please visit our website to read our latest reports, news and insights and other materials to keep you up to date.

For general fund manager enquiries, meeting requests and other materials (updates, newsletters, brochures and so on), please contact us on investments.brunel@brunelpp.org

This content is produced by Brunel Pension Partnership Limited. It is for the exclusive use of the recipient and is neither directed to, nor intended for distribution or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or jurisdiction where distribution, publication, availability or use of this document would be contrary to law or regulation.

This content is provided for information purposes only and is Brunel's current view, which may be subject to change. This document does not constitute an offer or a recommendation to buy, or sell securities or financial instruments, it is designed for the use of professional investors and their advisers. It is also not intended to be a substitute for professional financial advice, specific advice should be taken when dealing with specific situations.

Authorised and regulated by the Financial Conduct Authority No. 790168