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AT A MEETING of the Hampshire Pension Fund Panel and Board of
HAMPSHIRE COUNTY COUNCIL held in the Mitchell Room on Tuesday, 28th
September, 2021

PRESENT

Chairman:
Councillor M. Kemp-Gee

Vice-Chairman:
* Councillor T. Thacker

Elected members of the Administering Authority (Councillors):

A. Dowden	* J. Glen
* D. Hiscock	A. Joy
P. Latham	* D. Mellor
* R. Mocatta	* T. Davies
* D. Drew	

Employer Representatives (Co-opted members):

* Councillor R. Harwood (Southampton City Council)
Councillor P. Taylor (District Councils - Rushmoor Borough Council)
Dr L Bartle (University of Portsmouth)
Councillor C. Corkery (Portsmouth City Council)

Scheme Member Representatives (Co-opted members):

* Dr C. Allen (pensioners' representative)
* Mr N. Wood (scheme members representative)
* Ms L. Gowland (deferred members' representative)
Mrs S. Manchester (substitute scheme member representative)

Independent Adviser:

* C. Dobson

*present

BROADCASTING ANNOUNCEMENT

The Chairman asked for the broadcast of the meeting to begin. Those remaining at the meeting were consenting to being filmed and recorded

19. APOLOGIES FOR ABSENCE

Councillors Kemp-Gee, Joy, Latham, Dowden, Taylor, Corkery and Dr Bartle sent their apologies.

20. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3 Paragraph 1.5 of the County Council's

Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Personal interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 4 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

21. CONFIRMATION OF MINUTES (NON-EXEMPT)

The minutes of the previous meeting held on 27 July 2021 were confirmed.

22. DEPUTATIONS

In accordance with Standing Order 12, the Panel and Board received a deputation from Ms Kerrie Sinclair representing the Dirty Money campaign, a group of Hampshire Pension Fund members, industry experts and environmental campaigners. The group is urging that the Pension Fund and Access Pool assets fund climate repair, not climate damage.

Ms Sinclair said that we need all those with their hands on the levers of financial and political power to step up and we need sustainable capitalism. She quoted the economist Nicholas Stern, who has said if we're to have a chance of controlling it [Climate Change], and to stop it from spiralling away, we need net zero by 2050 (or sooner) to hold at a 1.5C [temperature increase].

Ms Sinclair asserted that investment must flow to companies supplying the goods and services, innovation and impetus, to build the sustainable global economy, not flow to those still locking us in to using oil, coal or gas for which there are no zero-emissions adaptations.

Ms Sinclair highlighted the best practice of asset owners such as Allianz and Aviva Investors, who are members of the Net-Zero Asset Owner Alliance who have set 1.5C-aligned, near-term, portfolio-wide decarbonisation targets including Scopes 1, 2 and 3. Similarly the Wiltshire Pension Fund has added the belief to its Investment Strategy Statement (ISS) 'to protect the Fund's investments into the future, the Fund supports a global warming scenario of 2C or lower and states an ambition to achieve net-zero emissions across all investment portfolios by 2050'. Wiltshire consulted with its employers who supported this belief.

The Dirty Money Campaign asking the Hampshire Pension Fund to revise its the ISS to embed the net-zero by 2050-or-sooner portfolio-wide decarbonisation, to specify the commitment to investing in line with guarding 1.5C, and to conduct a consultation. Ms Sinclair pointed to the Pension Fund having received about 100 emails regarding aligning the portfolio to guard the 1.5C limit, which should not be compared to the total membership of more than 183,000 as she suggested most people are trying to survive, particularly amid this deadly pandemic, and don't know what's at stake and what's required.

Ms Sinclair criticised the Pension Fund's Global Custodian who's CEO has said 'we need fossil fuels for decades to come'. Ms Sinclair urged the Pension Fund to fire JP Morgan replace them with the Brunel Pool.

Ms Sinclair finished by stating that Private investors can't do this alone and governments still aren't doing enough and that the Dirty Money campaign calls on the Hampshire Pension Fund to:

1. Produce a position statement on managing its portfolios to align with the Paris agreement of limiting our temperature increase to 1.5C.
2. Create a strategy and timetable for achieving this alignment
3. Report, consult and be advised by its members on its investment principles and how they are achieved
4. Call on members of the ACCESS Pool to become members of a 1.5 degrees Celsius-focused asset owner alliance or initiative such as the Net-Zero Asset Owner Alliance or the IIGCC's Net-Zero Investment Framework. This is the action taken in recent weeks by the Wiltshire Pension Fund committee and other funds in its pool.

23. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Cllr Harwood and Rob Carr to his first meeting as Director of Corporate Operations.

The Chairman confirmed for the Members that the Pension Fund had successfully been accepted as a signatory of the revised 2020 Stewardship Code. As one of only six LGPS funds and three pools accepted as signatories, this reflected well on Hampshire.

The Chairman asked Cllr Mellor to feedback to the committee on the Local Government Chronicle (LGC) conference he recently attended with Cllr Kemp-Gee. Cllr Mellor noted that the main focus of the event were the topics of investment pooling and Environmental, Social and Governance (ESG) investment issues.

24. MINUTES OF THE RESPONSIBLE INVESTMENT SUB-COMMITTEE - 7 SEPTEMBER 2021

The minutes of the RI Sub-committee held on 7 September 2021 were noted.

25. TRAINING REPORT

The Panel and Board considered a report of the Director of Corporate Operations (item 7 in the Minute Book) setting out the proposed training arrangements for members of the Pension Fund Panel and Board in 2021/22. In particular members noted the importance of training for Panel and Board members in their role in the governance of the Pension Fund and their regulatory responsibilities as Pension Committee and Board members. The Director

presented a draft training plan which had been produced following the analysis of the committee members' completed Training Needs Analyses.

The Director recommended Hampshire subscribes to the Hymans Robertson LGPS Online Learning Academy training modules at a cost of £5,000 per year. The Learning Academy will provide Panel and Board members and senior officers six modules designed to cover the requirements of the Scheme Advisory Board's (SAB) Good Governance review which Hymans undertook for the SAB. Officers and the Chairman have had a demonstration of the training from West Sussex Pension Fund, who have already commissioned it. A training session will be included in the training programme to demonstrate the LGPS Online Learning Academy to Members and answer any questions.

RESOLVED:

- (a) The Panel and Board agreed to the subscribe to the Hymans Robertson LGPS Online Learning Academy at a cost of £5,000 per annum and in doing so also agree that all Panel and Board members will complete this essential training.
- (b) That the Training Policy and Plan for 2020/21 were approved.
- (c) That the proposed training arrangements and remainder of the report were noted.

26. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

27. CONFIRMATION OF THE EXEMPT MINUTES OF 27 JULY 2021

The exempt minutes of the Pension Fund Panel and Board held on 27 July 2021 were confirmed.

28. EXEMPT MINUTES OF THE RESPONSIBLE INVESTMENT SUB-COMMITTEE ON 7 SEPTEMBER 2021

The exempt minutes of the RI Sub-committee held on 7 September 2021 were noted.

29. ACCESS DRAFT RESPONSIBLE INVESTMENT GUIDELINES

The Panel and Board considered the exempt appendix from the Director of Corporate Operations (Item 11 in the Minute Book) to allow the Members to

consider the draft ACCESS RI guidelines. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

30. **ACTUARY CONTRACT**

The Panel and Board considered the exempt appendix from the Director of Corporate Operations (Item 12 in the Minute Book) proposing an extension to the Pension Fund's actuary's contract. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

31. **INVESTMENTS - UBS FACTOR INVESTING PORTFOLIO - OPTIONS FOR CARBON REDUCTION**

The Panel and Board considered the exempt appendix from the Director of Corporate Operations (Item 13 in the Minute Book) on options for reducing the carbon footprint of the investments in the UBS passive factor portfolios. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

32. **INVESTMENT - PROPERTY INVESTMENT PORTFOLIO**

The Panel and Board considered an exempt report from the Director of Corporate Operations (Item 14 in the Minute Book) updating the Panel and Board on its UK property portfolio. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

33. **INVESTMENTS - ALTERNATIVE INVESTMENTS PORTFOLIO**

The Panel and Board received a report from the Director of Corporate Operations (Item 15 in the Minute Book) updating the Panel and Board on the Fund's alternative investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

34. **INVESTMENT - INVESTMENT UPDATE**

The Panel and Board received and a report from the Director of Corporate Operations (Item 16 in the Minute Book) updating the Panel and Board on the Fund's investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

Chairman,

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