

## **Impact Investing Principles for Pensions – Annual Statement of Recommitment**

Adopting the Impact Investing Principles for Pensions requires that SYPA commit on an annual basis to:

1. seek investment advice on an impact investing approach for our pension fund;
2. review environmental, social and governance impacts across our investment portfolio; and
3. consider available impact investment strategies.

The Authority undertakes to continue to follow these principles and in the last 12 months has undertaken the following activity:

### ***Advice on an Impact Investing approach for our Pension Fund***

The Authority does not retain an investment consultant but uses independent advisers to assist it in shaping and delivering its investment strategy. The advisers have been instrumental in supporting the following during the year:

- The initial adoption of the Impact Investing Principles
- The identification of need to understand the Fund's impact more generally as part of gathering data to support the achievement of the Net Zero goal
- The development of a responsible investment beliefs statement to amplify what SYPA means by responsible investment, which encompasses understanding the impact of our investments.

### ***Review of environmental, social and governance impacts across our investment portfolio***

The Authority has commissioned and published work by Minerva to begin to develop an understanding of the environmental, social and governance impacts, of the whole portfolio using the UN Sustainable Development Goals as a framework for analysis. The intention is to develop this work further and to produce an annual impact report as part of the Authority's accountability framework.

### ***Consider available impact investment strategies***

In relation to the element of the portfolio intentionally held to achieve an impact as well as a return the Authority has during 2021/22:

- Continued to develop out its portfolio of local development loans with a further 4 loans being agreed with a value of £30.7m and the development of a pipeline of further transactions of £62m
- Committed funds to continuation investments with 2 Fund Managers in the impact space.
- Is undertaking initial due diligence on 4 further funds with a view to commitments to one or more before the end of financial year.
- Agreed as part of the scheduled review of the Investment Strategy that any future strategic asset allocation should carve out a specific allocation for impact funds and the local development allocation.