

The participating Authorities have an overriding fiduciary and public law duty to act in the best long-term interests of their LGPS stakeholders, including scheme members and employers, to achieve the best possible financial returns, with an appropriate level of risk.

The participating Authorities recognise that environmental, social and governance issues can impact on financial performance and expect their investment managers to take these factors into consideration in the selection, retention and realisation of investments. In this context, participating authorities do not seek to impose their particular views by restricting their investment managers' choice of investments by reference to social, environmental or ethical criteria - except where restrictions have been put in place by Government.

Each of the participating Authorities are long-term investors and believe that active engagement with company management promotes good corporate governance principles which will protect and enhance shareholder value.