



Responsible Investment Member survey 2023

In October 2023 a survey was sent to all members of the Oxfordshire Pension Fund Scheme where an email address is held by Pension Services. The survey was also cascaded through employers and via newsletters. The survey was open for several weeks, with the deadline for responses being the 8th November 2023.

The aim was to collect feedback from members on their views about Responsible Investment with an emphasis on understanding what member priorities are in this area.

There was an excellent response, with 4,026 people filling out the survey. This is nearly 6% of the total pension fund membership and 14% of those where an email was held.

Below is a breakdown by type of membership for both survey respondents and the total membership:

Type of member	% of survey respondents	% of total membership
Contributing employee	27.64%	31.26%
Pensioner	47.41%	23.89%
Deferred member (no longer paying contributions)	23.71%	44.85%
None of the above	1.23%	N/A

Interestingly nearly half of the respondents are already taking their pensions, with around a quarter being employees currently making contributions to the scheme. The high response rate from pensioners could be down to the fact that this group is more engaged with communications from Pension Services.

In terms of gender, significantly more women (64%) filled out the survey than men (33%). This is not surprising given that the breakdown of the overall membership is 75.5% women and 24.5% men. Around 3% of members preferred not to state their gender and 0.2% identified their gender as other.

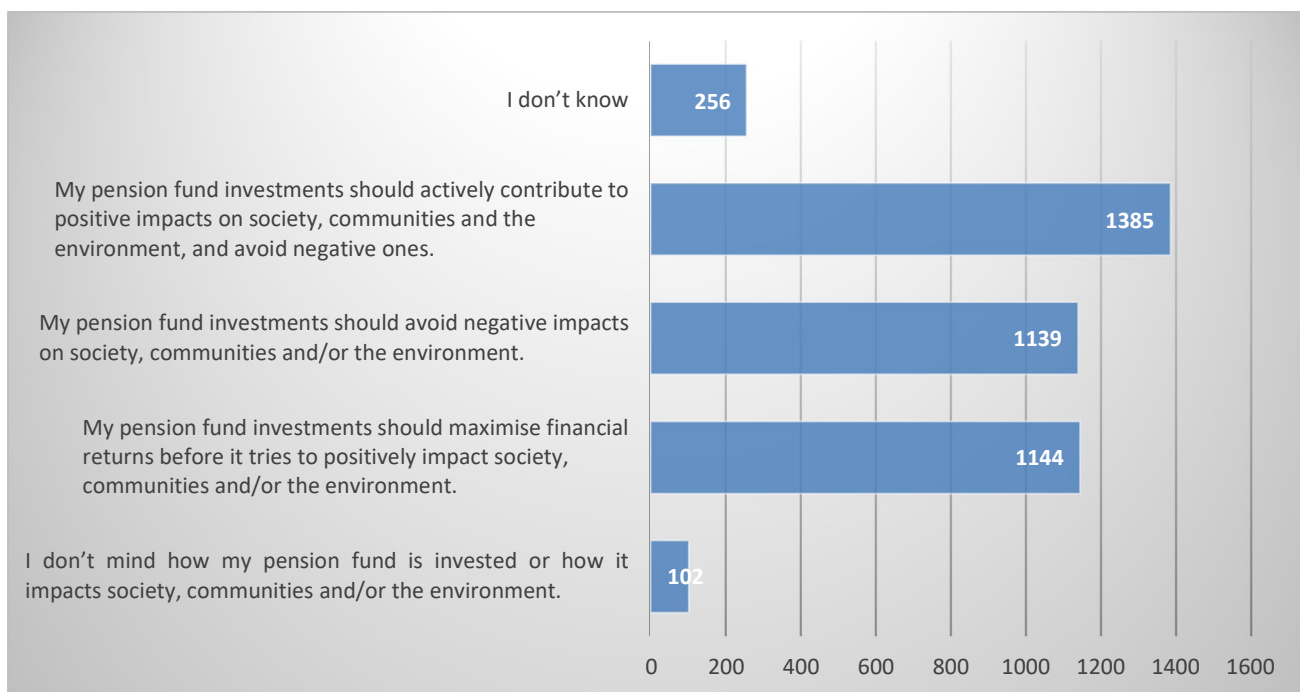
There was also an age-related bias, with older members more likely to fill out the survey than younger members. As the following table shows, those aged 55+ made up nearly three quarters of respondents, whilst only making up half of the total membership. Those under the age of 45 were particularly underrepresented, making up around 10% of respondents, despite representing over 30% of the membership.

Age	% of survey respondents	% of total membership
Under 16	-	-
16-29	1%	7%
30-44	9%	24%
45-54	14%	21%
55-65	33%	26%
Over 65	42%	22%

Attitudes to responsible investment

Responses to the survey show that there is a positive attitude towards responsible investment amongst the majority of participants. In response to the question asking people which statement fitted their views about responsible investment, nearly two thirds said that pension fund investments should either avoid negative impacts on society or should actively contribute to positive impact. Around a third of people agreed with the statement that pension fund investments should maximise financial returns before trying to positively impact society, communities and/or the environment. Interestingly less than 3% of people agreed with the statement that they did not mind how their pension fund is invested or what impacts those investments have.

Chart 1 – Which statement fits your views of Responsible Investment?



The fund's current climate change policy states that the fund believes that engagement is a key tool in pursuing the achievement of its climate change commitments, as it provides a route to deliver real change. The fund believes that engagement and selective divestment with clear public explanation of the escalation process is a more effective approach than divestment on its own.

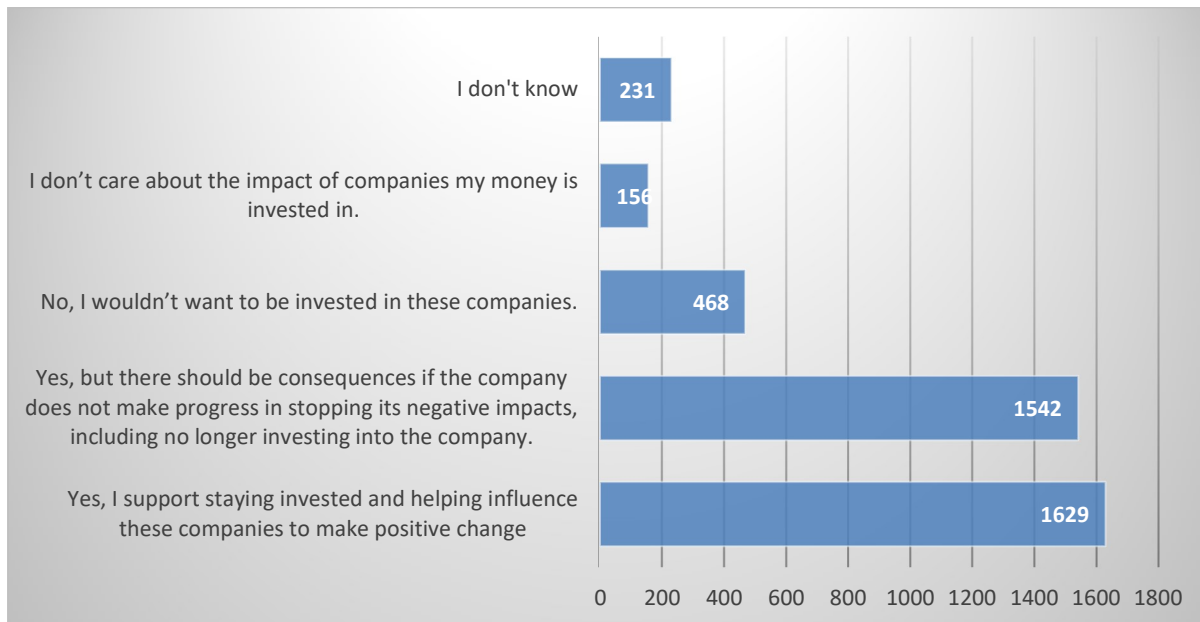
When asked about the best approaches to engaging with the companies that the fund invests into, there is a good alignment between the views of the members taking the survey and the current approach being taken by the fund.

Survey participants were asked what actions should be taken where a company was found to have a negative impact. Around 40% of respondents said that the fund should remain invested and try to influence the company to make a positive change.

Another 40% said that the fund should initially stay invested but there should be consequences if the company does not make progress in stopping its negative impacts, including no longer investing into the company.

Approximately 12% of people said that they would want to divest immediately from the company and less than 4% said that they did not care if an investment had negative impacts.

Chart 2 – What is your preferred approach for engaging companies with negative impacts?



The survey also asked which about which type of approach by the fund would deliver the greatest impact. The three options given were:

- investing into companies that are trying to deliver a sustainable future and actively address environmental, social and governance issues;
- trying to influence the behaviour of the companies the fund invest in, to positively impact society, communities and/or the environment;
- working with others, such as governments, to encourage companies to positively impact society, communities and/or the environment.

Over half of respondents said investing into companies that are trying to deliver a sustainable future and actively address environmental, social and governance issues is the best approach. This fits well with the fund's approach of looking to invest into companies that are driving the energy transition to a low carbon economy. This is not just through investing in shares in public companies but across a range of different asset classes such as infrastructure, property, and private equity.

Priority issues

One of the main aims of the survey was to identify which Responsible Investment themes and issues are the highest priority for the fund's members. This information will then be used to feed into the development of a Responsible Investment policy for the fund.



Respondents were first asked to rank the three themes of:

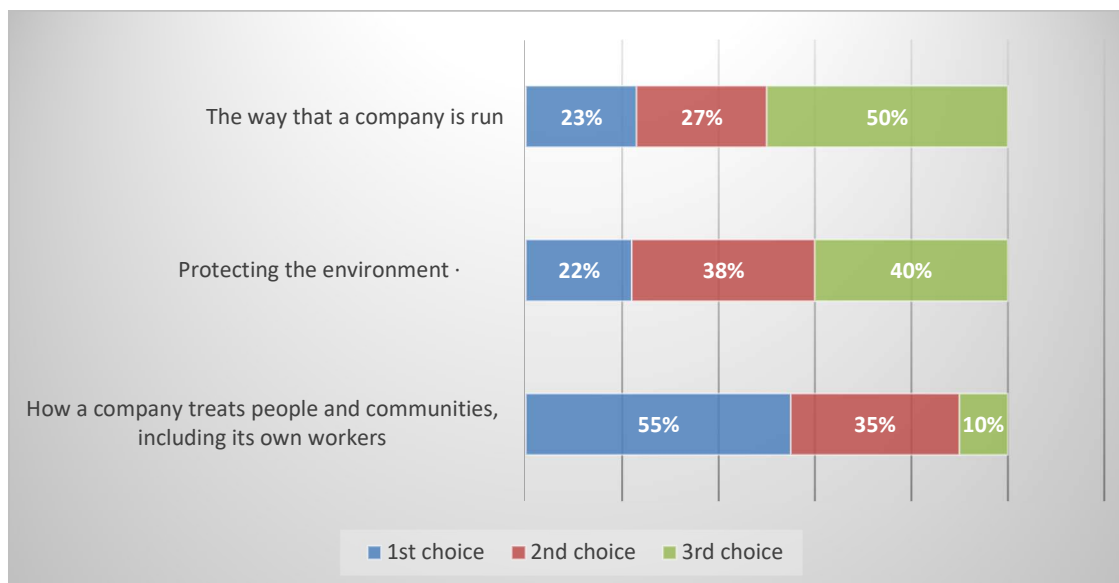
- Protecting the environment
- How a company treats people and communities, including its own workers
- The way a company is run

There were then a series of follow-up questions asking participants what their priority issues within each of those three themes are.

The clear priority theme was how a company treats people and communities, including its own workers, with over half of members identifying this as the highest priority. There was an equal split of about a quarter each between the other two themes. However, when second choices were considered, protecting the environment came out as the second priority, with how a company is run being the lowest priority.

Given the strong focus on climate change as an issue for the fund it is perhaps slightly surprising that protecting the environment was not a higher priority for more of the members. However, the broad nature of the issue of how a company treats people may be a factor in this.

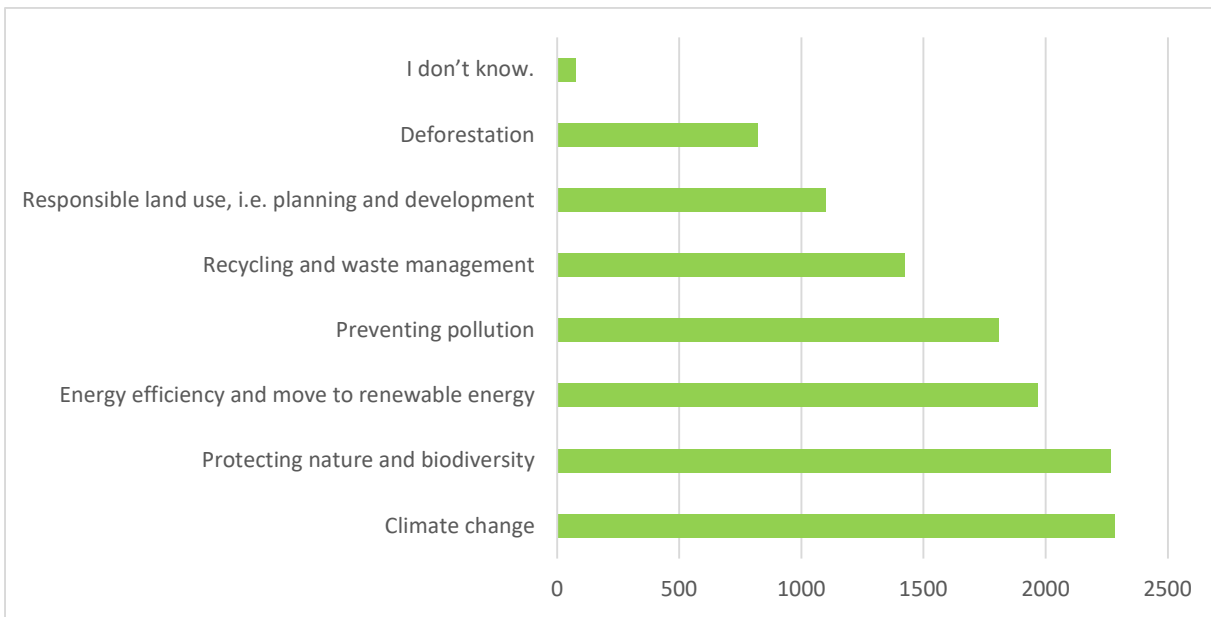
Chart 3 – Ranking Environmental, Social and Governance themes



It is worth noting that there is a slight skew to the data as respondents older than 55 tended to be more likely to prioritise Governance, whilst those aged 54 or less were more likely to prioritise the Environment. Given the overrepresentation of the over 55s amongst the member survey respondents compared to the full membership this has skewed results in favour of making Governance a priority compared to Environment.

The next set of questions then delved into more detail about which issues related to the Environment, Social and Governance themes are most important. The survey asked people to identify which three issues from a list for each theme are their highest priority.

Chart 4 – Prioritisation of Environmental issues



It is unsurprising that climate change is identified as the highest Environmental priority, given the magnitude of the problem and the focus that this issue already has in the media. Interestingly protecting nature and biodiversity was a very close second. In fact, if protecting nature and biodiversity is added to deforestation, and there is an argument that they should be identified as the same issue, then this becomes the highest priority Environmental issue. Energy efficiency and renewable energy is in third, with preventing pollution closely behind.

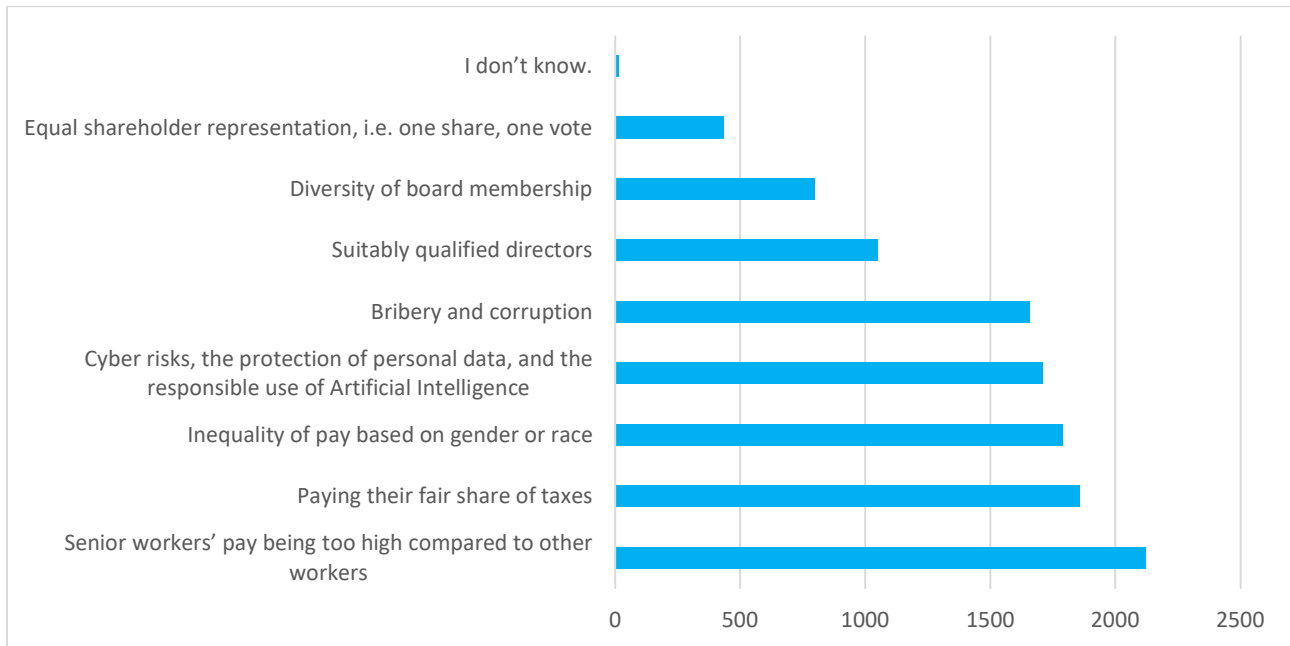
Chart 5 – Prioritisation of Social issues





The clear priority amongst social issues is the protection of human rights, with more workplace specific issues around workers' pay and health and safety also in the top three.

Chart 6 – Prioritisation of Governance issues



Worker pay is also high up the agenda of Governance issues, with excessive executive pay being identified as the highest priority issue and pay inequality based on gender or race being the third priority. A company paying its fair share of taxes makes up the top three issues. Just outside of the top three is the issue of cyber risks, protection of personal data and the responsible use of AI.

Website

Those taking the survey were also asked whether they had visited the dedicated [Pension Fund Investments](#) webpage. Of the 4026 respondents 745 (19%) had visited the website.

Those that had visited the site were then asked to give it a mark out of five, and whether they had any additional comments. The overall average score came out at 3.7 out of 5. There were comments that felt the webpage was a useful source of information about the fund but also a significant number that felt the information could be presented in a more user-friendly way, particularly the data on which companies are in each of the equity portfolios.



Comments

At the end of the survey people were asked if they had any further comments, with 532 people leaving some form of comment. Below is a word map of the most common words or phrases in those comments:



There were several comments in favour of divestment, particularly from fossil fuels, as well as a number of comments saying that responsible investment was the wrong approach for the fund to take. However, when we look at the responses around what approach the fund should take where a company has negative impacts we can see that both these views represent the minority of respondents, with 12% of people saying that they want to divest immediately from such a company and less than 4% saying that they did not care if an investment had negative impacts.

A good number of respondents also fed back that they were pleased to have had the opportunity to provide feedback through a survey.

The information from this survey will now form part of the context for the development of a responsible Investment policy, which will identify a set of priority issues for the fund to focus on.