

PENSIONS INVESTMENT SUB-COMMITTEE

28TH JULY 2020

QUESTIONS FROM MEMBERS OF THE PUBLIC FOR WRITTEN REPLY

(1) From Gill Slater

(7) Pension Fund Annual Report 2019/20

ISS (e) outlines the approach to ESG considerations. DWP (PCRIG) have produced a draft guide for trustees of occupational pensions schemes on the risks and opportunities associated with climate change (welcomed by the Pensions Regulator, March 2020). When will the committee revisit its processes in line with the guide to embed climate-risk considerations into governance, risk management and strategy?

(2) From Sheila Grace

(7) Pension Fund Annual Report 2019/20 & (9) Pension Fund Risk Register

Whilst scientific evidence connects fossil fuels with climate change, the report and register omit any reference to climate change / fossil fuels. With the government being advised to take active steps to prepare for an increase of 4 degrees, does the committee understand what a 4 degree increase will mean for humanity and does it consider its pensions investments have any role to play in reducing these impacts?

(3) From Sheila Grace

(7) Pension Fund Annual Report 2019/20

It is stated that the fund has appointed asset managers who explicitly consider ESG issues in their research (page 98). But the report does not include how asset managers invest or divest from funds with material ESG issues. Investments in environmentally harmful funds which include fossil fuels and factory farming are proving to be a greater risk as well as impacting negatively on climate and biodiversity. How is this compatible with the Fund's fiduciary responsibility?