

Amendment by Councillor Burgess

Pensions Committee

5 December 2023

Item 6.4 Stewardship

Adds;

1.3 Notes the following;

1.3.1 Regarding section 2.4 of the LPF officers report - *'This paper expands on the fund's approach to engagement rather than indiscriminate divestment, an approach that has been reviewed regularly by the Pensions Committee and officers, who have always agreed that engagement is more responsible and potentially impactful'* – that this has not been and is not the unanimous view of the Pensions committee;

1.3.2 Regarding section 2.5 of the LPF officers report - *'Several times in the past, the Pensions Committee has considered the rationale for and against divestment/ inclusion and always concluded that exclusion of a whole sector would constrain the fund and potentially be a breach of the fiduciary duty owed to the members and employers, who fund the scheme. When it comes to investing or not investing in shares, they have supported analysis of financial returns on a case-by-case basis'* - that this has not been and is not the unanimous view of the Pensions committee;

1.4 Amends the SRIP at page 7, "Deny debt, engage equity" as below;

While the trading of equities (shares) doesn't [may not in itself] affect the capital position of a company, subscribing to new bonds and new equity does provide companies with funding. Within our equity portfolio we engage with our holdings, and that engagement includes using the tools and strategies we have at our disposal to influence companies to commit to align with the goals of the Paris agreement. In our debt portfolios we aim to deny funding to those non-aligned companies. ~~We expect this approach to be more effective means of achieving necessary change – a real reduction in greenhouse gas emissions – than divestment.~~ Where material risks remain following engagement activity we retain the ability to divest.

Moved by: Councillor Steve Burgess

Seconded by: