

Amendment by Councillor Burgess

Pensions Committee

5 December 2024

Item 6.1: Statement of Responsible Investment

Principles

Committee;

1. Notes that the Climate Change policy in the current LPF Statement of Responsible Investment Principles (SRIP) as revised and approved by committee in December 2023 states:

*‘Our ambition is that by 2025, **all our holdings** that are covered by TPI will have achieved the **highest** management quality assessment score’*

2. However, notes that the proposed Climate Change Policy replaces the existing policy with:

*Our **ambition** is that over the next 5 years (i.e. by end 2029) we will **increase the percentage** of our financed emissions in high impact material sectors that are ‘aligning’ or ‘aligned to a net zero pathway’, or ‘achieving net zero’*

And

*‘a presumption against **additional investment** in laggard oil & gas companies’
‘we consider a Management Quality assessment at **<4** to indicate a laggard oil & gas company’*

3. Therefore, is concerned that the proposed Climate Change policy is weaker than that in the existing SRIP, as it allows continuing investment all fossil fuel holdings that do not achieve the highest Transition Pathway Initiative (TPI) management quality score (which is 5), and instead only makes a presumption against additional investment in fossil fuel companies with a management score of 3;
4. Therefore, agrees to retain the current climate change policy in the existing SRIP, as it applies to holdings in fossil fuel companies;

Requests that approval of the Climate Change Policy is continued to allow the existing SRIP policy to be incorporated the new policy and represented to committee;

Requests that the proposed 'Climate Action Plan' is brought forward setting out how existing policy can be implemented.

Moved by: Councillor Steve Burgess