

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**CLIMATE STEWARDSHIP PLAN UPDATE AND ENGAGEMENT REPORT****Purpose of the Report**

1. To provide an updated Climate Stewardship Plan for 24/25 and to report on engagement undertaken as part of the 22/23 Climate Stewardship Plan.

Information

2. The Climate Stewardship Plan was adopted by Nottinghamshire Pension Fund in April 2021 following the first Climate Risk Report. This Plan has been updated following the most recent Climate Risk Report to reflect the findings of that report and refresh the wording for the current situation. The 24/25 Climate Stewardship Plan is attached as Appendix A to this report.
3. The Climate Stewardship Plan identifies the areas in which stewardship techniques can be leveraged to further understand and manage climate-related risks within the Fund. The Climate Stewardship Plan aligns with and is supportive of the Task Force on Climate-related Financial Disclosures (TCFD), and relates to the third pillar – Risk Management.
4. The Climate Stewardship Plan focusses on engagements with a number of specific companies and on the monitoring of the investment process of the principal investment managers identified through the Climate Risk analysis.
5. The Engagement Update report in Appendix B provides details of LGPS Central's engagement rationale, objectives and strategy for the companies identified.
6. The Climate Stewardship Plan sets stewardship objectives over several years, and the Fund will report on progress annually. During the annual refresh of the Carbon Risk Metrics, the focus list of investee companies and Fund Managers will be reviewed and amended if required.
7. The Climate Stewardship Plan focuses specifically on climate change and complements ongoing stewardship activities on other environmental, social and governance factors.

Other work

8. The Pension Fund will continue to monitor and manage all financially material risks to which it is exposed.

Other Options Considered

9. The Pension Fund is not required to publish Climate Stewardship Plan. However the fund committed to publish one as part of the Climate Action Plan.

Reason/s for Recommendation/s

9. The Climate Stewardship Plan is part of the Fund's approach to addressing the risks and opportunities related to climate change.

Statutory and Policy Implications

10. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

11. There are no direct financial implications arising as a result of publishing this report.

RECOMMENDATION/S

- 1) That members note the Climate Stewardship Plan 2024/25 and the engagement undertaken as part of the Climate Stewardship Plan.

Nigel Stevenson

Service Director for Finance, Infrastructure & Improvement and Section 151 Officer

For any enquiries about this report please contact: Tamsin Rabbitts

Constitutional Comments (KK 18/03/2024)

12. The proposal in this report is within the remit of the Nottinghamshire Pension Fund Committee.

Financial Comments (TMR 18/03/2024)

13. The financial implications are set out in paragraph 11.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All