Nottinghamshire County Council

Nottinghamshire Pension Fund Committee

Thursday, 18 April 2024 at 10:30

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

1	Minutes of the last meeting held on 7 March 2024	3 - 8
2	Apologies for Absence	
3	Declarations of Interests by Members and Officers:- (see note below)	
4	Review of progress on the Climate Action Plan	9 - 16
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Notes

(1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.

(2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

(3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Jo Toomey (Tel. 0115 977 4506) or a colleague in Democratic Services prior to the meeting.

(4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.

(5) This agenda and its associated reports are available to view online via an online calendar - http://www.nottinghamshire.gov.uk/dms/Meetings.aspx

Nottinghamshire County Council

minutes

Meeting	NOTTINGHAMSHIRE PENSION FUND COMMITTEE
Date	Thursday 7 March 2024 at 10.30 am

membership

COUNCILLORS

Eric Kerry (Chairman)
Mrs Sue Saddington (Vice Chairman)

Richard Butler
John Clarke MBE
Bethan Eddy
Stephen Garner - **Apologies**
Roger Jackson
Sheila Place - **Apologies**
Francis Purdue-Horan
Tom Smith
Lee Waters

SUBSTITUTE MEMBERS

Councillor Jim Creamer for Councillor Sheila Place

NON-VOTING MEMBERS:

Nottingham City Council

Councillor Graham Chapman
Councillor Zafran Khan
Councillor AJ Matsiko

District / Borough Council Representatives

Councillor Davinder Virdi, Rushcliffe Borough Council - **Absent**
Councillor Dan Henderson, Bassetlaw District Council - **Absent**

Trades Union

Yvonne Davidson - **Apologies**
Vacancy

Scheduled Bodies

Sue Reader - **Apologies**

Pensioners' Representatives

Vacancy x 2

Independent Adviser

William Bourne

Officers in Attendance

Ciaran Guilfoyle	(Chief Executive's Department)
Tamsin Rabbitts	(Chief Executive's Department)
Nigel Stevenson	(Chief Executive's Department)
Sarah Stevenson	(Chief Executive's Department)
Jo Toomey	(Chief Executive's Department)

1. MINUTES OF THE LAST MEETING HELD ON 14 DECEMBER 2023

The minutes of the last meeting held on 14 December 2023 were confirmed as a correct record.

2. TO NOTE THE REPLACEMENT OF COUNCILLOR ANDRE CAMILLERI WITH COUNCILLOR RICHARD BUTLER

Members noted the replacement of Councillor André Camilleri with Councillor Richard Butler.

The Chairman thanked Councillor Camilleri for the work he had done both as a member of the committee and as its former vice-chairman.

3. APOLOGIES FOR ABSENCE

- Councillor Sheila Place (other reasons)
- Councillor Stephen Garner (sickness/medical)
- Yvonne Davidson (Trade Union representative)
- Sue Reader (Scheduled bodies representative)

4. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None were disclosed.

5. WORKING PARTY

The Senior Accountant (Pensions and Treasury Management) presented the report which updated Committee about key issues and recommendations arising from a working group meeting held on 11 January 2024.

During discussions:

- One member commented about the Fund's holdings in tobacco stock in the context of ambitions for Nottinghamshire to become smoke free
- Members asked about the Fund's ability to positively engage with and influence companies when fund managers had lent stock

- The committee was assured that changes to the age at which people retire had been taken into account as part of the Fund's revaluation and there was sufficient liquidity to meet pensioner demand

RESOLVED 2024/001

1. That the out performance target be reduced to 0.8% as part of the gradual process of de-risking the Fund as it becomes more mature.

2. That the allocation to Growth be reduced by 3% through a 1% reduction in each of Developed Markets, Emerging Markets and Private Equity.

3. That the allocation to Income be increased by 1% and the income category subclass allocations be amended as set out in Table 1 in the report.

4. That the allocation to Liquidity be increased by 2%.

5. That the Inflation category subclass allocations be amended as shown in Table 2 in the report.

6. TREASURY MANAGEMENT STRATEGY 2024/25

The Investments Officer presented the report on the Pension Fund Treasury Management Strategy Statement for 2024/25.

RESOLVED 2024/002

That the Treasury Management Strategy Statement for 2024/25 be approved as set out in the report.

7. CONFERENCES AND TRAINING

The Senior Accountant (Pensions and Treasury Management) introduced the report which presented the committee training plan for 2024/25 and asked for approval of Member attendance at conferences and training in 2024/25.

RESOLVED 2024/003

1. That the training plan attached at Appendix A to the report be approved.

2. That attendance at conferences and training as set out in the report be approved.

8. LOCAL AUTHORITY PENSION FUND FORUM ANNUAL CONFERENCE 2023

The Senior Accountant (Pensions and Treasury Management) presented the report which highlighted key topics discussed at the Local Authority Pension Fund Forum Conference held between 6 to 8 December 2023.

RESOLVED 2024/004

1. That the Pension Fund Committee members should continue to attend appropriate conferences to enable members to be kept up to date with the main national topics relating to investments.

2. That no further actions are required in relation to this report and that its contents are noted.

9. INDEPENDENT ADVISER'S REPORT

William Bourne, the Independent Adviser to the committee, presented his report.

During discussions, Members:

- Asked about the possibility of deflation and any associated risks that might present to the Fund
- Noted the position of the US market and sought to understand how it might be affected by the outcome of the 2024 presidential election

RESOLVED 2024/005

That the contents of the report be noted.

10. WORK PROGRAMME

Members noted that there was an additional item to be added to the work programme for the meeting on 18 April 2024: impacts of the implementation of the new Code of Practice.

RESOLVED 2024/006

That the work programme be agreed with the addition of a holding item on the committee's composition and voting rights pending the Government's response to the Scheme Advisory Board's good governance review.

11. PENSION ADMINISTRATION SYSTEM

The Group Manager, Business Services Centre presented the report on the alignment of the main Civica Universal Pension Manager (UPM) contract and the contract for the UPM system migration to a cloud hosting environment into an LGPS Enhanced Solution contract.

RESOLVED 2024/007

That the alignment of the two contracts into an LGPS Enhanced Solution contract with Civica be approved for a period of 7 years from 1 April 2024 to 31 March 2031.

12. FUND VALUATION AND PERFORMANCE

The Senior Accountant, Pensions and Treasury Management presented the Fund Valuation and Performance report, which covered the period up to 31 December 2023.

During discussion of the report a member asked whether it would be possible in future versions to include details of stock lending to help the committee understand whether further consideration was required around the practice.

RESOLVED 2024/008

That the contents of the report be noted.

13. EXCLUSION OF THE PUBLIC

RESOLVED 2024/009

That the public be excluded for the remainder of the meeting on the grounds that the discussions were likely to involve disclosure of exempt information described in schedule 12A of the Local Government Act 1972 and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

14. PENSIONS ADMINISTRATION SYSTEM – EXEMPT APPENDIX

RESOLVED 2024/010

Members noted the contents of the exempt appendix to the Pensions Administration System report.

15. FUND VALUATION AND PERFORMANCE – EXEMPT APPENDIX

RESOLVED 2024/011

Members noted the contents of the exempt appendix to the Fund valuation and performance report.

16. FUND MANAGERS' PRESENTATIONS

16a Abrdn

Jon Holguin, James McClean and Caroline Casson provided an update to the committee on the recent activity of Abrdn.

16b Schroders

Olivia Docker, Rory Bateman, Andy Simpson and Sue Nofke provided an update to the committee on the recent activity of Schroders.

12:59 – Councillor Waters left the meeting and did not return
13:08 – Councillor Saddington left the meeting and did not return
13:30 – Councillor Creamer left the meeting and did not return

The Chairman concluded by thanking Mr Simpson for the work he had undertaken on behalf of the fund and wished him the best in his retirement.

The meeting concluded at 13:35.

CHAIR

Nottinghamshire County Council

Report to Pension Fund Committee

18 April 2024

Agenda Item: 4

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT

CLIMATE ACTION PLAN REPORT

Purpose of the Report

1. To review progress against the Climate Action Plan.

Information

2. The first Climate Risk Report was reported to the Nottinghamshire County Council Pension Fund in October 2020, with a number of recommendations which became the Fund's Climate Action Plan. Since then the Plan has been reviewed and updated on receipt of the annual Climate Risk Reports and the Committee has reviewed progress on a six monthly basis.

3. The following table shows the progress which has been made against the Climate Action Plan since its last update and whether it is in accordance with the original plan.

Ref	Category	Action	Timing	Notes	Progress since December 23	In line with original plan?
	Governance					
1	Governance	Publish a TCFD (Taskforce for Climate-related Financial Disclosure) Report. This will incorporate the key elements of the Climate Risk Report.	Oct-Dec each year	LGPS Central to provide support	Published at the December 23 PFC (Pension Fund Committee) meeting.	Yes
2	Policies	Maintain a Climate Strategy consistent with the TCFD recommendations and including a Climate Stewardship Plan, monitored regularly by the Nottinghamshire Pension Fund Committee	The strategy will be reviewed later this year alongside other strategies	LGPS Central to provide support	The Climate Stewardship Plan monitoring update will be reported to today's meeting.	Yes
3	Governance	Schedule agenda time at Nottinghamshire Pension Fund Committee meetings at least annually for discussion of progress on climate strategy Report 6 monthly on progress for the first two years of the Action Plan.	An annual review will take place to coincide with the annual update of metrics		This is the 6 monthly review.	Yes
4	Governance	Schedule one training session on general Responsible Investment matters and one climate-specific training session per year	Jan & summer working parties	LGPS Central to provide training	LGPS Central provided a training session on "Investing during a time of climate change" at the January Working Party.	Yes
5	Reporting	In the Annual Report include a summary of the Climate Risk Report in a manner consistent with the TCFD Recommendations and a summary of the Fund's annual voting activities.	Annually	LGPS Central to provide support with this	The voting summary has been included in the Annual report for 23/24. The latest available TCFD report will be included.	Yes

Ref	Category	Action	Timing	Notes	Progress since October	In line with original plan?
	Strategy					
6	Asset Allocation	The Fund should attempt to take a view on the likelihood of different climate scenarios, drawing on its suppliers and advisers.	Ongoing	With the support of LGPS Central and our Independent Adviser	Considered in the January working party meeting.	Yes
7	Asset Allocation	Monitor fund managers, discussing with equity managers the influence of climate factors on their sector positioning and with real assets managers their physical risk resilience & GRESB participation. Use IIGCC (The Institutional Investors Group on Climate Change)'s "Addressing climate risks and opportunities in the investment process"	Ongoing – will form part of the annual stewardship plan	With the support of LGPS Central and investment managers	Engagement is a regular topic at PFC. LGPS Central are reporting on the Stewardship Plan as part of the Climate Risk reporting at today's meeting.	Yes
8	Asset Allocation	Explore the potential for additional allocations to Global Sustainable Equities and Infrastructure if evidence suggests there could be asymmetrical return profiles (i.e. with expected relative upside in a 2°C scenario and no meaningful relative downside)	Considered as part of the annual review of asset allocation		A 5% allocation to sustainable equities was agreed at the March 22 PFC and invested in May 22 when the new LGPS Central Sustainable Equity Fund was launched. Performance is being monitored.	Yes

Ref	Category	Action	Timing	Notes	Progress since October	In line with original plan?
	Strategy					
9	Asset Allocation	Explore potential investments in sustainable private equity, green bonds and low-carbon passive equities.	Ongoing	Longer term consideration Take into account in review of asset allocation	These investment options continue to be considered and where appropriate some are included within the existing LGPS Central funds.	Yes
10	Policy Engagement	Continued public support for the Paris Agreement and join collaborations of like-minded institutional investors to collectively lobby for Paris-aligned climate policies via LGPS Central	Ongoing	With the support of LGPS Central Part of stewardship plan	The Fund's Climate Strategy explicitly gives "strong support" to the Paris Agreement. The Climate Stewardship Plan draws on the Climate Action 100+ benchmark, which is a collective effort to monitor company progress on implementing Paris-aligned climate policies. LGPS Central have continued to join collaborations for lobbying purposes.	Yes
11	Strategy	Explore the potential options to monitor and manage climate risk in alternative asset classes	Ongoing	With the support of LGPS Central	LGPS Central are exploring this.	Yes

Ref	Category	Action	Timing	Notes	Progress since October	In line with original plan?
	Risk Management					
12	Company Stewardship	Create and maintain an annual stewardship plan	April 24	With the support of LGPS Central	Plan and engagement update is being discussed at today's meeting.	Yes
13	Company Stewardship	Through LGPS Central, engage corporate bond managers on their approach to assessing climate risk within their portfolio in the absence of reported greenhouse gases emissions data	Ongoing – will form part of the annual stewardship plan	With the support of LGPS Central	LGPS Central have engaged with corporate bond managers on a regular basis.	Yes
14	Company Stewardship	Prioritise the most material/ strategic real assets investment manager exposure for dialogue on climate risk. Consider using the recent IIGCC guide for this endeavour.	Ongoing – will form part of the annual stewardship plan	With the support of LGPS Central	LGPS Central are engaging on the Fund's behalf on a regular basis.	Yes
15	Company Stewardship	Continue to engage the companies highlighted in the Climate Stewardship Plan through selected stewardship partners	Ongoing – will form part of the annual stewardship plan	With the support of LGPS Central	Plan and engagement update is being provided to today's meeting. Schroders challenged on their engagement and strategy at the March 24 PFC.	Yes
16	Company Stewardship	Report progress on the Climate Stewardship Plan to the Nottinghamshire Pension Fund Committee on an annual basis.	Ongoing	With the support of LGPS Central	Plan and engagement update provided to today's meeting.	Yes
17	Company Stewardship	Ensure that the Fund's voting behaviour supports and enhances engagements highlighted in the Climate Stewardship Plan.	Ongoing – will form part of the annual stewardship plan	With the support of LGPS Central and Hermes EOS	Voting reports delivered on a regular basis to PFC. Integrated strategy delivered by Hermes EOS.	Yes

Ref	Category	Action	Timing	Notes	Progress since October	In line with original plan?
	Metrics and Targets					
18	Metrics	Repeat Carbon Risk Metrics analysis annually	Autumn 24			Yes
19	Metrics	Repeat Climate Scenario Analysis every 2-3 years	Delivered in Dec 22 PFC. Next report due alongside the next Triennial Valuation		LGPS Central are monitoring developments in this evolving area to inform the provision of the next Climate Scenario Analysis .	Yes
20	Metrics	Report annually on progress on climate risk using the TCFD framework	Autumn 24			Yes
21	Metrics	• Continue to monitor manager engagement progress with key carbon intensive and fossil fuel holdings • Continue to monitor manager approaches to managing climate risk within the portfolios • Continue to monitor manager performance on carbon risk metrics relative to the benchmark	Ongoing	With the support of LGPS Central and investment managers	Schroders challenged on their engagement and strategy at the March 24 PFC.	Yes

Other work

4. The items on the Climate Action Plan are just part of the work the Pension Fund is doing to mitigate the financial risk of climate change.

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

Other Options Considered

6. None. This progress report was requested by the Nottinghamshire County Council Pension Fund Committee.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

8. 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

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

RECOMMENDATION/S

1) That members
   - Endorse the work that has been undertaken and note the progress made against the Climate Action Plan and
   - consider whether there are any actions they require in relation to the progress on the Nottinghamshire County Council Pension Fund Climate Action 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)

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

Financial Comments (TMR 18/03/2024)

11. The financial implications are set out in paragraph 9.

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

Nottinghamshire County Council

Report to Pension Fund Committee

18 April 2024

Agenda Item: 5

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 specificially 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

Nottinghamshire County Council Pension Fund Climate Stewardship Plan

1. Introduction

This report is the annual update to the Fund's Climate Stewardship Plan first published in March 2021. The Climate Stewardship Plan identifies specific investee companies and portfolio managers 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.

The Climate Stewardship Plan focuses specificially on climate change and complements ongoing stewardship activities on other environmental, social and governance factors.

2. Scope

The Fund's 2023 Climate Risk Report included a bottom-up Carbon Risk Metrics analysis of its equity and fixed income portfolios. Carbon Risk Metrics included: weighted average carbon intensity, financed emissions, exposure to fossil fuel reserves and clean technology. Alongside these metrics, the 2023 Climate Risk Report has included additional metrics such as data quality and Paris Alignement[1]. The companies recommended for engagement were identified based on the following factors:

- Perceived level of climate risk, considering carbon risk metrics
- Weight of the company in the Fund
- Ability to leverage investor partnerships

The fund managers recommended for engagement were identified based on the following factors:

- Perceived level of climate risk, considering carbon risk metrics and climate scenario analysis
- Size (by AUM) of the portfolio
- Whether the mandate is expected to be long-term

3. Climate Stewardship Plan

The Fund will continue to monitor engagements with a focussed list of investee companies across materials, energy and mining sectors that face a high level of climate risk and are of particular significance to the Fund's portfolio. All of these companies are captured by the Climate Action

[1] Please find definitions for Carbon Risk metrics included on pages 46-50 of Nottinghamshire Penison Fund 2023 Climate Risk Management Report.

100+ (CA100+) engagement project[2], in which our pooling company LGPS Central is an active participant.

In leveraging this investor partnership the Fund is able to engage and monitor progress for the focus list companies against the CA100+ Net Zero Benchmark Framework. All companies have been asked to set a a 2050 net zero emissions ambition and to provide verifiable evidence of how that will be achieved in the short, medium and long term. Each company is assessed against eight key Framework indicators and the results are made publicly available by CA100+. Company response and engagement progress will feed into voting decisions undertaken by the Fund. LGPS Central will provide an annual update on engagements on the investee companies listed in the Fund's Climate Stewardship Plan. The Fund will continue to engage investee companies on all elements of the CA100+ Framework but with particular emphasis on:

Company	Sector	Issue/Objective
BHP	Materials	• For BHP to establish clear short-, medium- and long-term Green House Gas (GHG) reduction targets that cover all material scope 1, 2 and 3 GHG emissions and are aligned with a 1.5°C warming trajectory
BP	Energy	• Achievement of the high-level objectives of the CA100+ initiative • To duly account for climate risks in financial reporting
CRH	Materials	• Improved disclosure around its membership and involvement in trade associations engaged in climate issues • More robust reporting of Scope 1, 2 and 3 emissions • Increased development of activities focusing on low-carbon cement solutions
ExxonMobil	Energy	• Achievement of the high-level objectives of the CA100+ initiative including attainment of the specific indicators in the CA100+ Benchmark Framework
Glencore	Materials	• Achievement of the high-level objectives of the CA100+ initiative including attainment of the specific indicators in the CA100+ benchmark
Rio Tinto	Diversified Mining	• Achievement of the high-level objectives of the CA100+ initiative
Shell	Energy	• To set and publish targets that are aligned with the goal of the Paris Agreement • To fully reflect its net-zero ambition in its operational plans and budgets • To set a transparent strategy for achieving net-zero emissions by 2050

[2] Climate Action 100+ (CA100+) was initiated in December 2017 and is supported by more than 700 investors with 68 trillion USD in AUM. The project builds on a relatively simple but powerful logic: Engage and influence the highest emitters (80% of global industrial emissions) and you influence whole sectors, markets and the global economy with a view to assisting an orderly transition to a low-carbon economy.

TotalEnergies	Energy	• Achievement of the high-level objectives of the CA100+ initiative including attainment of the specific indicators in the CA100+ Benchmark Framework
Anglo-American	Materials	• Achievement of the high-level objectives of the CA100+ initiative.

The Fund will continue to monitor identified investment managers to ensure climate-related risk is fully integrated into their investment process. The Fund will engage its managers on the following issues:

Asset Class	Topic
Equities	• The influence of climate factors on sector positioning • Stewardship activities with companies identified in Climate Risk Report
Fixed Income	• Approach to assessing climate risk in the absence of reported GHG emissions data • Engagement with the most intensive carbon issuers • Extent of investment in green bonds
Real Assets	• Physical risk resilience • GRESB participation

4. Timeline

The Climate Stewardship Plan sets stewardship objectives over several years, and the Fund will report on progress annually through its public facing Climate Risk Report, with this being the first update. 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.

LGPS Central Limited

Nottinghamshire Pension Fund

Climate Stewardship Plan 2023 Engagement Update

MARCH 2024

PREPARED BY LGPS CENTRAL

Climate Stewardship Plan Scope

Based on the findings of its previous Climate Risk Reports the Fund has developed a Climate Stewardship Plan (CSP). The CSP identifies the areas in which stewardship techniques can be leveraged to further understand and manage climate-related risks within the Fund.

The CSP identifies a focus list of nine companies for prioritised engagement. Reflecting the externally managed nature of NPF, the Fund's portfolio managers and suppliers are engaging with these companies on behalf of the Fund.

We have reviewed the progress made by CSP companies following engagement and have also reviewed their scope 1, 2 and 3 emissions, as well as other metrics included within the Climate Risk Management Report. This includes LCT (Low Carbon Transition), ITR (Implied Temperature Rise) and SBT (Science-based Target) metrics which were new additions to the Climate Risk Management Report as of 2023. These metrics have been used to determine if portfolio companies are considered aligning/ aligned to the Paris Agreement as per LGPS Central's Paris Alignment Metric, as defined below.

Considering our review of the progress made by the CSP companies, we have included next steps for each company. These next steps include actions we believe the company should pursue regarding their current climate disclosures and considerations.

PARIS ALIGNMENT METRIC

A company will be considered at least Aligning to Paris Agreement by LGPS Central if:

The Company score above Median in Low Carbon Transition score

\+ and it meets one of the following criteria: +

The Company has a science-based target

or

The Company has an implied temperature rise rating of 2.0°C or lower

Low Carbon Transition Score

Score from 0 (worst) to 10 (best) measuring companies' exposure to and management of risks and opportunities related to the low carbon transition. Source of rating: MSCI. Score of more than 5 (median) required to be considered at least Aligning.

\+ and +

Science-Based Target

Issuer commits to a medium- and long-term net zero target that are considered science-based; i.e. in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement.

or

Implied Temperature Rise

Implied temperature rise (in the year 2100 or later) if the whole economy had the same over-/undershoot level of greenhouse gas emissions to the issuer.

Below 2°C is required to be considered at least Aligning.

Prepared By LGPS Central Limited.

COMPANIES INCLUDED IN THE CLIMATE STEWARDSHIP PLAN

TABLE 1: COMPANIES INCLUDED IN THE CLIMATE STEWARDSHIP PLAN

Company	Sector	Equity Investment Portfolio	LCT	ITR	SBT
Anglo American	Materials	– LGIM UK Equity Index – Schroders UK Direct Holdings – LGPS Central EMEAMMF: UBS	5.8	5.5	No
BHP	Materials	– LGIM Asia-Pacific Ex-Japan Developed Equity Index – Schroders Institutional Pacific – LGPS Central Global Ex-UK Fund – LGPS Central GEAMMF: Schroders	4	5.8	No
BP	Energy	– Schroders UK Direct Holdings – LGIM UK Equity Index	2.8	2.4	No
CRH	Materials	– LGIM UK Equity Index – LGPS Central GEAMMF: Union	4.9	1.8	Yes
ExxonMobil	Energy	– LGIM North America Equity Index – LGPS Central Global Ex-UK Fund	2.5	2.9	No
Glencore	Materials	– LGIM UK Equity Index – GEAMMF: Harris – Schroders UK Direct Holdings	4.3	1.9	No
Rio Tinto	Diversified Mining	– LGIM UK Equity Index – Schroders Institutional Pacific – LGIM Asia-Pacific Ex-Japan Developed Equity – LGPS Central Global Ex-UK Fund – Schroders UK Direct Holdings	5.5	5.9	No
Shell	Energy	– Schroders UK Direct Holdings – LGIM UK Equity Index – LGPS Central GEAMMF: Schroders	2.9	2.5	No
TotalEnergies	Energy	– LGIM Europe (Ex-UK) Equity Index – LGPS Central UK Passive Equities	4.3	1.7	No

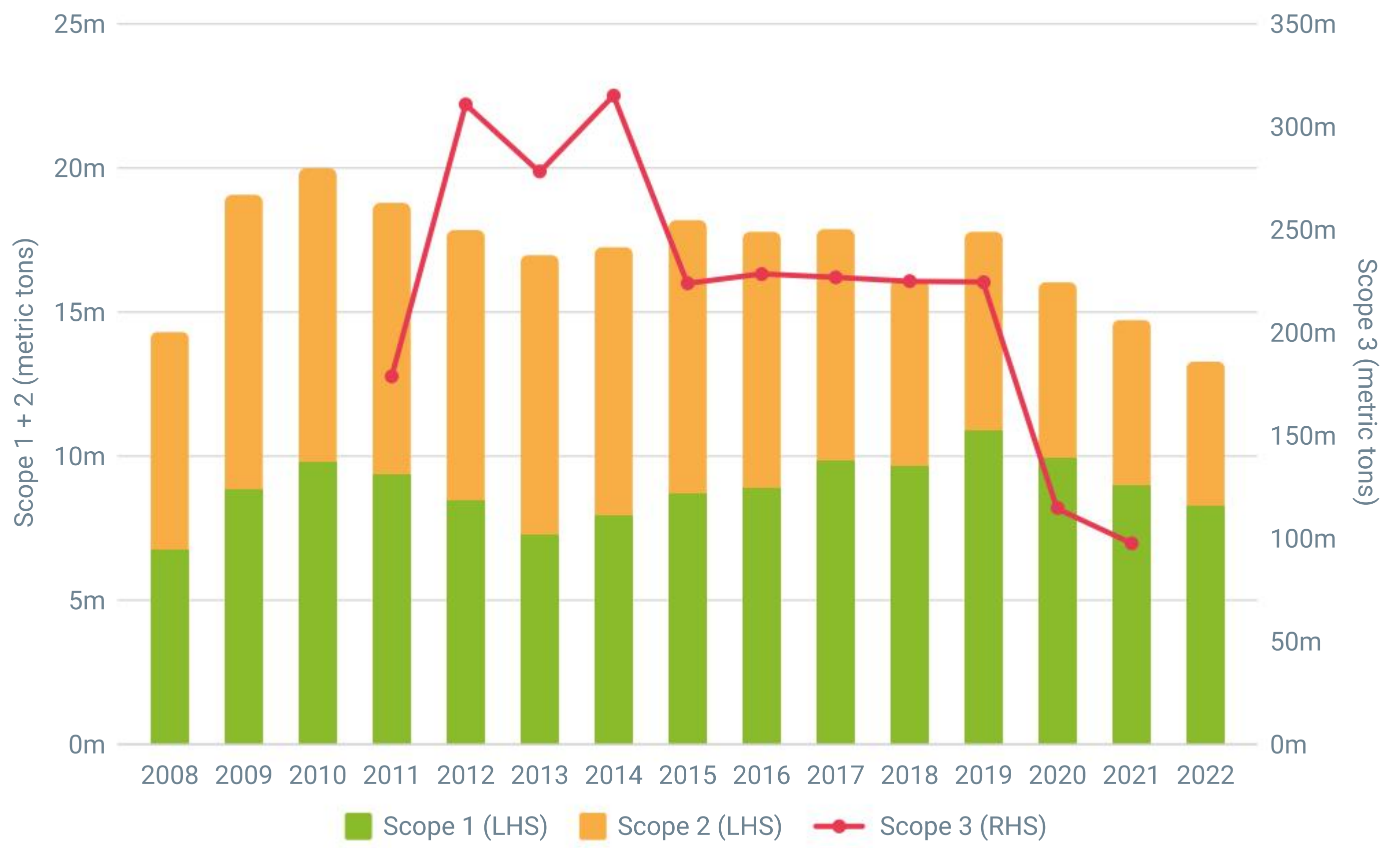
Prepared By LGPS Central Limited.

COMPANY
Anglo American plc

GEOGRAPHY
United Kingdom

SECTOR
Materials

EMISSIONS



COMPANY CONTEXT

Anglo American Plc is a British mining company, engaging in the exploration and mining of precious base metals and ferrous metals copper including platinum group metals, iron ore, nickel and manganese. Although the company has transitioned away from thermal coal, its carbon footprint, especially its Scope 3 emissions, remains substantial.

ENGAGEMENT RATIONALE

The company is one of the largest contributors to the Fund's financed emissions and weighted average carbon intensity. Accounting for 2.4% and 2.7% of NPF's equity holdings' financed emissions and weighted average carbon intensity, respectively, with a portfolio weight of 0.7%. The company is currently not considered aligning/aligned to the Paris Agreement, as measured by LGPS Central.

ENGAGEMENT OBJECTIVES

1) Achievement of the high-level objectives of the CA100+ initiative.

ENGAGEMENT STRATEGY

CA100+ collaborative engagement with EOS as co-lead and direct engagement by LGIM and Schroders.

Prepared By LGPS Central Limited.

AngloAmerican

COMPANY PROGRESS

Anglo American recorded a 11% compound annual growth rate reduction in its operational carbon emissions intensity, working towards its target of achieving carbon neutrality by 2040. The company's emissions intensity as of 2022 remained significantly lower than that of industry peers. The company has also implemented an interim target of reducing scope 1 and 2 emissions by 30% by 2030, against a baseline of 2016. Based on the data available to us, the company has reduced scope 1 and 2 emissions by approximately 25% as of 2016. Alongside scope 1 and 2 reduction ambitions, the company has targeted a 50% reduction of scope 3 emissions by 2040.

While the company has an LCT above 5, in terms of the forward-looking metrics, neither ITR nor SBT satisfy the respective thresholds for the company to be considered aligning/aligned to the Paris Agreement by LGPS Central.

NEXT STEPS

- Set targets for scopes 1, 2 and 3 emissions, preferably with a date no more than 5 years away.
- Develop and disclose the company's plan to the measurement and abatement of methane emissions from its coal operations.
- Alignment of a scope 3 ambition to a 1.5° pathway for coal production in relation to steelmaking.

ENGAGEMENT CASE STUDY

OBJECTIVE

Set scope 3 greenhouse-gas targets aligned to the Paris Goals and 1.5C.

THEME

Climate Change

ENGAGEMENT

Anglo American has set a Scope 3 emissions reduction target of 50% by 2040. However, this does not appear sufficiently ambitious to achieve 1.5C. We therefore wish to see increased ambition, ideally together with short-, and medium-term targets, to ensure the firm is managing its climate-related risks effectively. As part of CA100+, EOS co-wrote to the Chair to raise concerns over the company's climate change plans. During a meeting with the Climate Change Lead, the company acknowledged that its ambition for Scope 3 emissions could be expressed as 80% by 2040, rather than 50%, once taking account of the actions made by its customers. The company acknowledges the challenge with setting Scope 3 emission targets (i.e. it is generally not within the full control of the company), but also the importance of setting such targets and explaining the dependencies.

In addition to the engagement conducted by our Stewardship Provider, EOS, LGPSC sent a letter to the company requesting they set 1.5C Science-Based emission reduction targets through the CDP Science-Based Targets Campaign'.

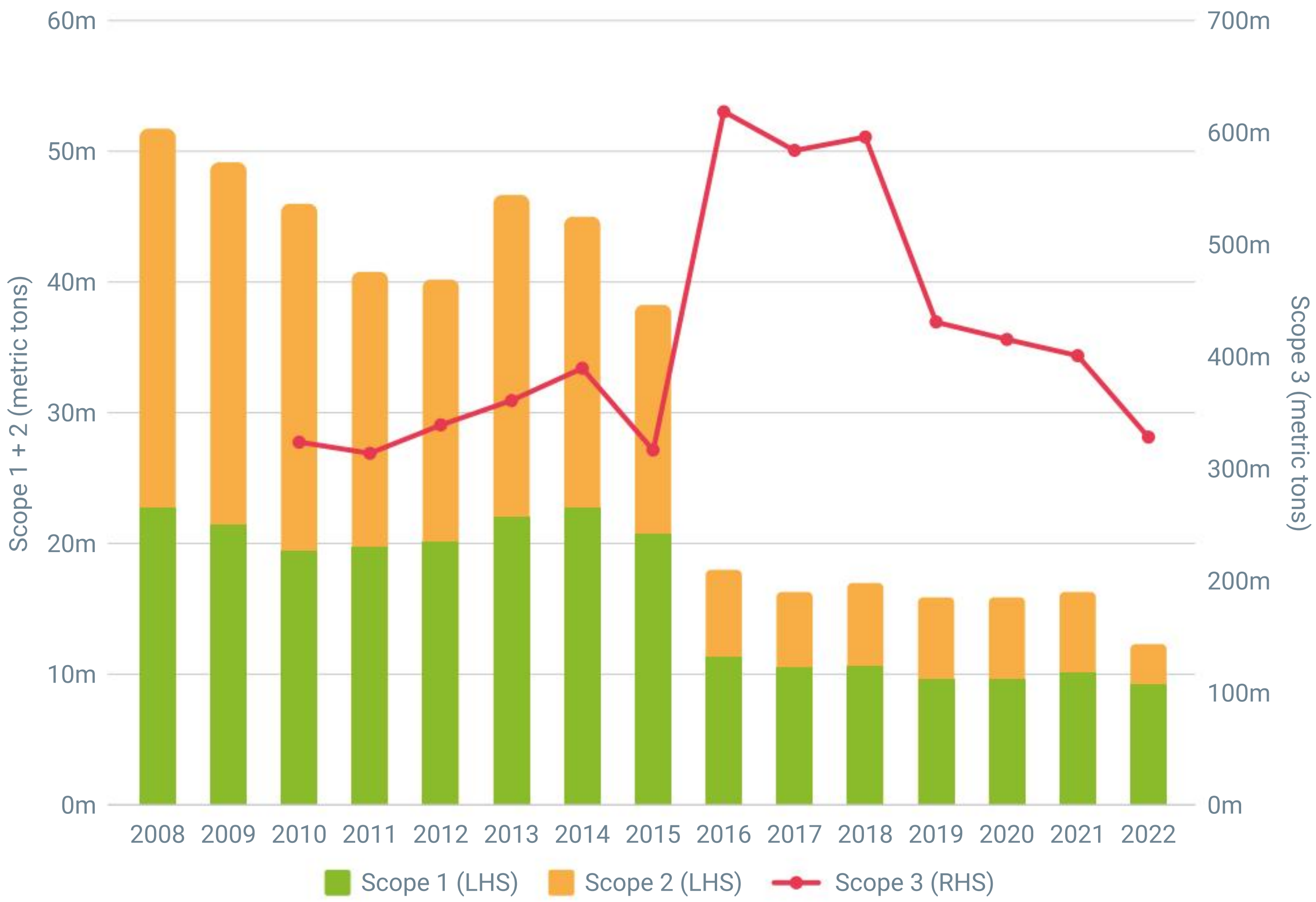
OUTCOMES

Further details are being provided by the company on levers to decarbonise their Scope 3 emissions, for example, through advocacy, product tailoring, and technological development at both the customer and industry level. Engagement will continue to focus on this area with the aim for the firm to strengthen its Scope 3 targets. We also look forward to receiving a response from the company regarding the Science-based target letter.

BHP

COMPANY	GEOGRAPHY	SECTOR
BHP	Australia	Materials

EMISSIONS



COMPANY CONTEXT

BHP is an Australian mining and metals company engaging in the exploration, development, production and processing of iron ore, metallurgical coal, and copper. In September 2020 the company announced its Net Zero by 2050 target. The company also plays an important role in the production of transition minerals.

ENGAGEMENT RATIONALE

BHP is one of the top contributors of portfolio financed emissions and weighted average carbon intensity within several of the Fund's portfolios. Due to its products, its carbon footprint, especially scope 3, is significantly high. The company currently performs poorly in terms of current climate risk management, as measured by LCT, as well as forward looking metrics, including ITR and SBT.

ENGAGEMENT OBJECTIVES

1) For BHP to establish clear short-, medium- and long-term GHG reduction targets that cover all material scope 1, 2 and 3 GHG emissions and are aligned with a 1.5°C warming trajectory.

BHP

ENGAGEMENT STRATEGY

- Direct Engagement by LGPS Central via the CA100+.

COMPANY PROGRESS

BHP's is targeting a 30% reduction in operational financed emissions by 2030, against a baseline of 2020, to support a goal of net zero operational emissions by 2050. The company's scope 1 and 2 emissions have reduced by approximately 22.6% from 2020, as determined with the data available to us. The company's operational emissions intensity has also experienced a decrease of approximately 20% compounded annually between 2020 to 2022. Despite these positive signs the company remains exposed to downstream climate transition risks due to the company's exposure to iron ore which is used in steel production.

NEXT STEPS

- More robust, time-bound scope 3 commitments. The company's current goal of net zero scope 3 emissions is dependent on several uncertainties, such as innovations in steelmaking which are unknown and ongoing, and given that scope 3 emissions account for a significant proportion of BHP's total emissions, we would welcome more material targets.
- Assure investors that the Plan is fully aligned with a 1.5°C scenario. Currently, the CA100+ benchmark assessment does not recognise BHP's short-, medium-, and long-term targets as aligned to the goals of the Paris Agreement.
- Reduce reliance on technological advances that are yet to be realised such as carbon capture and storage. The scale of CCUS utilisation in the current plan is not defined.

BHP

ENGAGEMENT CASE STUDY

OBJECTIVE

Develop a Scope 3 carbon emissions reduction programme with measurable targets.

THEME

Climate Change

ENGAGEMENT

As part of the collaborative engagement initiative, CA100+, EOS raised concerns with BHP about the need to develop a framework of collaboration with clients and set targets for Scope 3 carbon emissions. Extensive engagement in 2020 included calls with the head of sustainability to discuss the draft plan to set a medium-term target for carbon emissions reduction in line with the Science Based Targets Initiative. A subsequent call with the Head of Sustainability focused on investor feedback on the development of its framework for Scope 3 carbon emissions reduction. The company highlighted the complexities due to being a diversified miner. The company also explained that initially, its Scope 3 goal will be near term, as part of a learning curve. Discussions also centred around strengthening the link between progress against Scope 3 emission reduction targets and the remuneration scorecard.

OUTCOMES

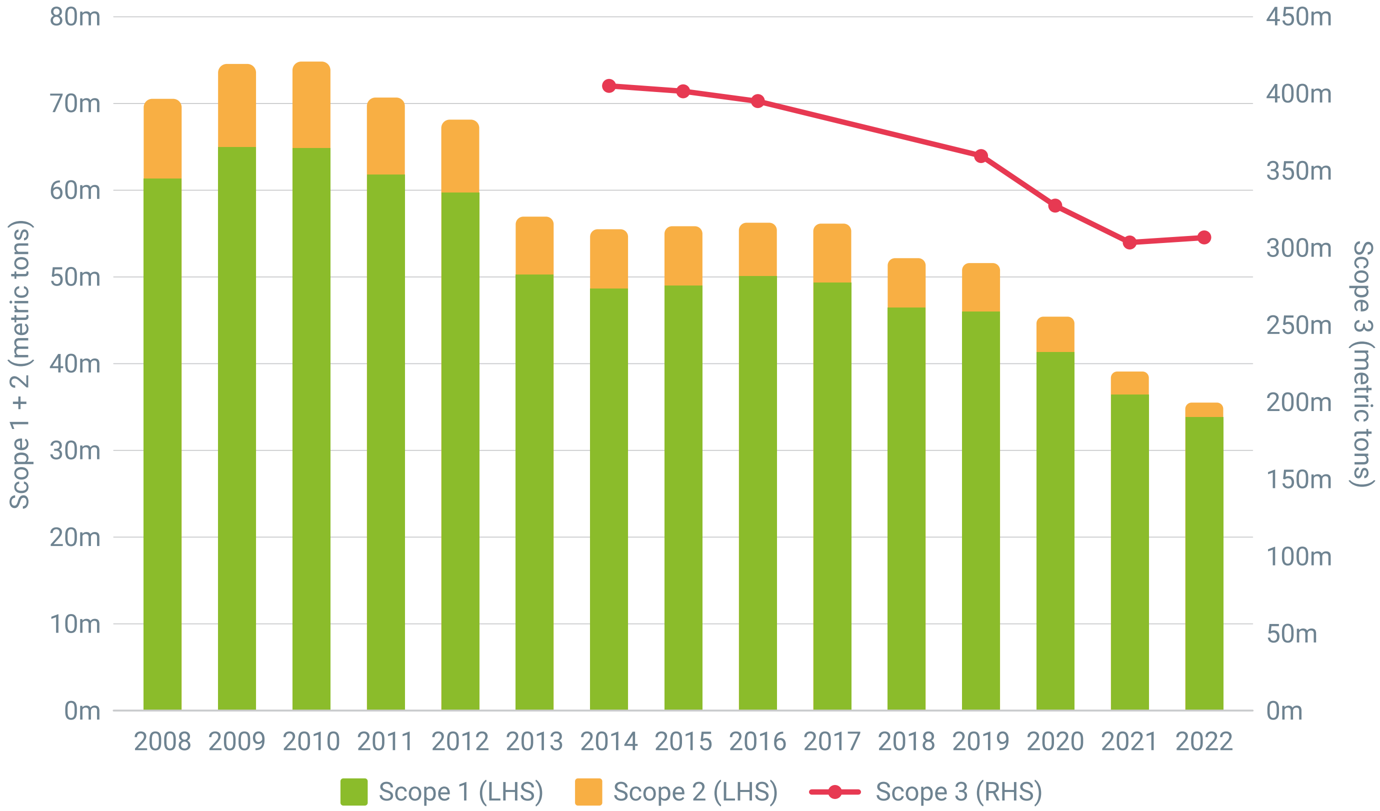
Since engagement commenced with BHP on its Scope 3 emissions reduction programme, progress has been made on the following:

- The company reiterated its commitment for scope 3 by 2050 for operational greenhouse gas emissions of direct suppliers and shipping of its products.
- Medium-term goals have been defined to support industry to develop technologies and pathways capable of 30% emissions intensity reduction in integrated steelmaking with widespread adoption expected post 2030.
- Support 40% emissions intensity reduction of BHP-chartered shipping of BHP products.
- Developed a strategy for Scope 3 emissions and monitoring progress.
- Commercial teams are finding opportunities to work with customers on emissions reductions. The company provided detailed case studies on 8 customer partnerships which account for 33% of revenue.

BHP is keen to understand how it can improve its work on Scope 3. The investor group asked for evidence of success that goes beyond case studies and demonstrates the extent of the progress towards achieving its climate goals.

COMPANY	GEOGRAPHY	SECTOR
BP	United Kingdom	Energy

EMISSIONS



COMPANY CONTEXT

BP Plc is a British integrated oil and gas company, operating both upstream and downstream segments. Upstream segments include oil and natural gas exploration, transportation, storage, processing and marketing. While downstream segments include manufacturing, transporting, and petrochemical products and related services to wholesale and retail customers.

The company caused controversy in February 2023 when it scaled back its transition commitments. Its previous target to reduce oil and gas production by 40% by 2030, which was often highlighted as an example of best practice in the sector, was scaled back to 25%. It also scaled back its commitment to reduce its upstream Scope 3 emissions by 35-40% by 2030 to 20-30% by the same year.

ENGAGEMENT RATIONALE

BP Plc is the 3rd top contributor to NPF's equity portfolio's financed emissions, contributing 4.0%, with a portfolio weight of 1.0%. The company is also a large driver of the portfolio's exposure to fossil fuels, as measured in both absolute terms and when apportioned by revenue.

ENGAGEMENT OBJECTIVES

- Achievement of the high-level objectives of the CA100+ initiative including attainment of the specific indicators in the CA100+ Benchmark Framework.
- To duly account for climate risks in financial reporting.

Prepared By LGPS Central Limited.

bp

ENGAGEMENT STRATEGY

1) Collaborative engagement through Climate Action 100+ with EOS as co-lead. Use of voting to support ongoing engagement objectives.
2) Collaborative engagement through NEST.

COMPANY PROGRESS

During 2023, BP Plc reduced the ambition of their 2030 scope 3 from 35-40% reduction to 20-30%, while also scaling back their target to reduce oil and gas production by 40% by 2030, to a 25% reduction by the same date. These target scale-backs came alongside the company's confirmation of plans to increase its investment in oil and gas until at least 2030. However, the company still aims to be net zero in all scopes (1, 2 and 3) by 2050. The company has also spent $4.9 billion on low emission segments, accounting for approximately 30% of total CapEx, including investments in renewable energy and hydrogen projects.

The company's scope 1 and 2 emissions have reduced by approximately 31% from their baseline of 2019, as measured by the data available to LGPS Central.

NEXT STEPS

- Addressing downward revisions of climate-related targets/commitment of no further downward revisions.
- Additional clarity regarding the production outlook beyond 2030 and avoiding any additional oil and gas projects with long lead times.
- Improved GHG intensity emissions reduction trajectory on products sold, as -15-20% by 2030 does not appear to be Paris aligned.
- Publish absolute emissions projections for downstream business.

ENGAGEMENT CASE STUDY

OBJECTIVE

Align CapEx with climate targets.

THEME

Climate Change

ENGAGEMENT

BP pared back its industry-leading commitment to cut its oil and gas output by 40% by 2030, compared with 2019 levels. Following the revision of BP's climate targets, LGPSC co-signed a letter in Q1 2023 and attended a follow up call with the company voicing our concerns with the rollback of its climate targets. We escalated our concerns by publicising our intention to vote against the chair of BP due to the revision of climate targets in articles published by the Financial Times, Responsible Investor, and ESG Investor.

OUTCOMES

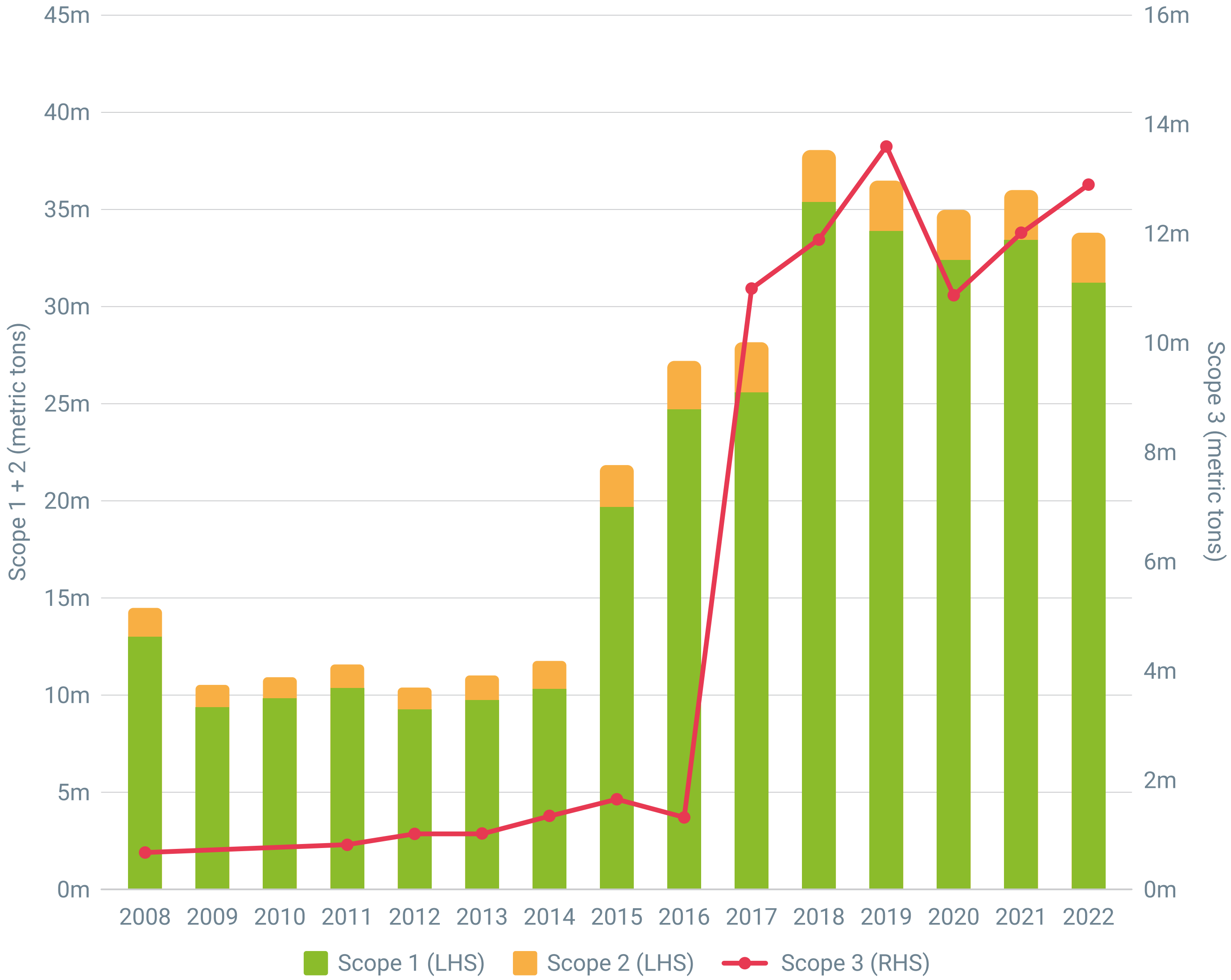
LGPSC attended a call alongside other investors to discuss the company's CapEx alignment with net zero and low carbon energy solutions. BP provided a summary of recent and planned future capital spending across strategic themes with approximately $8.5bn p.a. allocated to resilient hydrocarbons as well as refining and bioenergy. In 2022, group CapEx was $16.3bn, of which $4.9bn was attributed to low carbon energy solutions. The investor group has sent an email in request for further clarification on how these elements are aligned with BP's 2030 target and longer-term aim of net zero.

COMPANY
CRH

GEOGRAPHY
Ireland

SECTOR
Materials

EMISSIONS



COMPANY CONTEXT

CRH is a global manufacturer and distributer of building materials and products used within the construction industry. Products primarily include concrete, asphalt, agricultural and chemical lime. Products sold by CRH are ultimately required for services such as major public roads and infrastructure projects, and commercial and residential buildings.

ENGAGEMENT RATIONALE

CRH is the 5th largest contributor to NPF's equity portfolio's financed emissions and 10th largest contribute to the portfolio's weighted average carbon intensity, contributing 2.4% and 1.6% respectively, despite a portfolio weight of 0.2%. The company's scope 1 and 2 emissions more than doubled over a 10-year period (2012 to 2022) driven by M&A activities.

CRH

ENGAGEMENT OBJECTIVES

- Improved disclosure around its membership and involvement in trade associations engaged in climate issues.
- More robust reporting of Scope 1, 2 and 3 emissions.
- Increased development of activities focusing on low-carbon cement solutions.
- Paris-aligned financial accounting.

ENGAGEMENT STRATEGY

Collaborative engagement by the CA100+ focus group. Ongoing investor engagement on Paris-aligned financial accounting. Use of voting to support ongoing engagement objectives.

COMPANY PROGRESS

Executive pay practices appear generally well aligned with the interest of shareholders in terms of sustainability concerns. The company also leads peers in terms of implementing programs to reduce carbon emissions in cement production. The company has established a 2030 emissions target which has been validated by the SBTi. The target refers to a 30% reduction in absolute emissions by 2030 from a base year of 2021. The company has so far reduced scope 1 and 2 emissions by 6.1% (from 2021 to 2022) as measured by the data available to LGPS Central.

The company has achieved an ITR below 2°C, and as mentioned above, has implemented a SBT, crossing both thresholds required by the forward looking metrics to be considered Paris aligning/aligned. Unfortunately, the company's current management of climate risks, as measured by LCT is marginally below the threshold. A requirement for the company to be considered Paris aligning/aligned by LGPS Central.

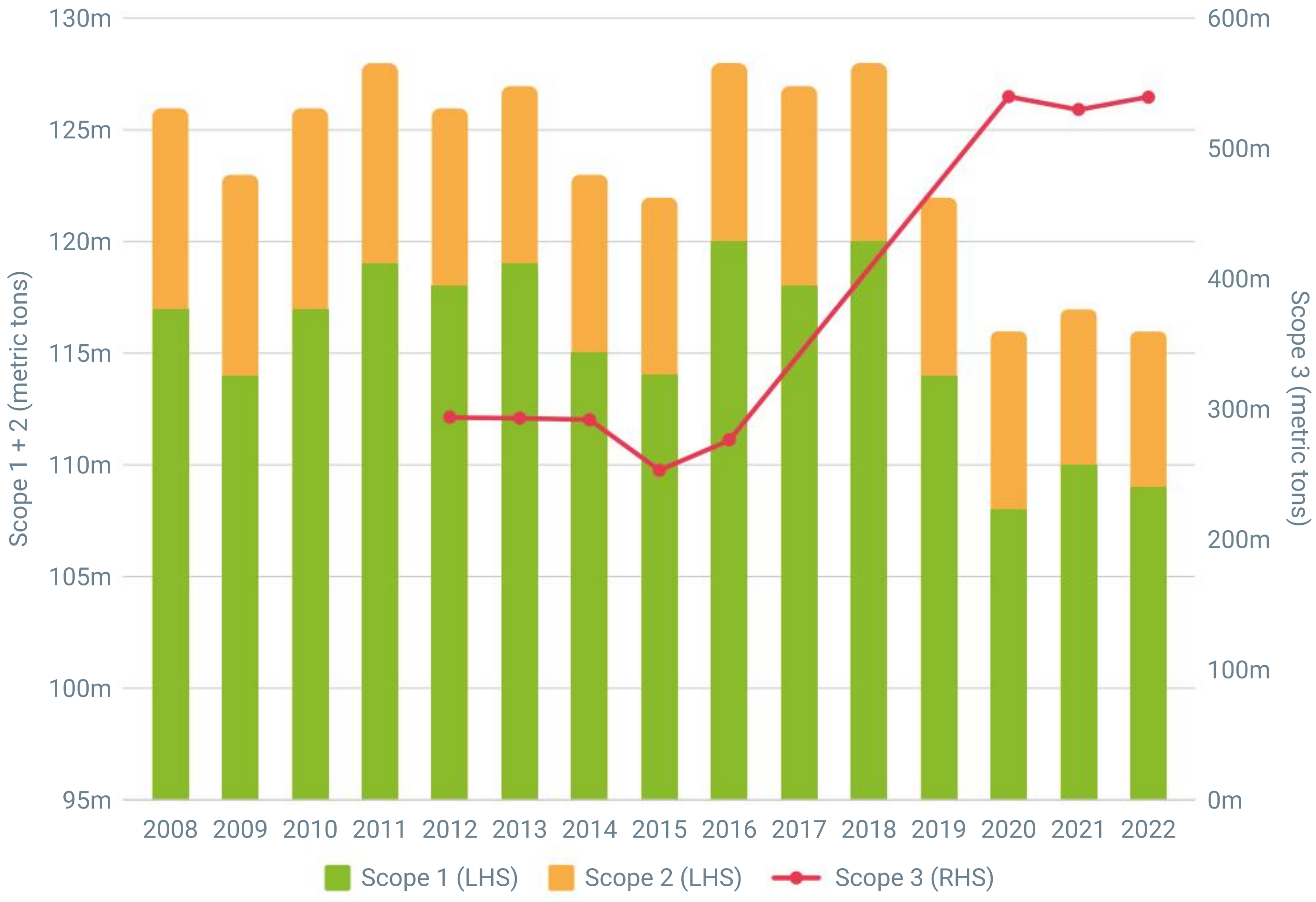
NEXT STEPS

- Climate-aligned accounting and audit: the company has thus far not responded to investor expectations regarding how material climate risks are considered in its accounts, how its own climate targets have been incorporated into the assessment of assets, liabilities and profitability, or what a 1.5° pathway might mean for CRH's financial position. EOS will continue to engage on this topic.

ExxonMobil

COMPANY	GEOGRAPHY	SECTOR
ExxonMobil	North America	Energy

EMISSIONS



COMPANY CONTEXT

ExxonMobil is a US oil and gas company that engages in exploration, development and distribution of oil and gas. The company produces crude oil and natural gas, trades petroleum products and offers petrochemicals.

The company has lagged international majors, such as Shell, in aligning efforts to transition its operations toward cleaner energy alternatives. During 2023 an activist hedge fund, Engine No.1, successfully replaced three of ExxonMobil's Board members, following concerns the company was failing to implement a viable climate change strategy. The independent board members received unlikely support from ExxonMobil's largest shareholders: BlackRock, Vanguard and State Street.

ENGAGEMENT RATIONALE

ExxonMobil is a material contributor to the fossil fuel exposure and financed emissions within the LGIM North America equities portfolio. The company also does not meet any of the criteria required to be considered aligning/aligned to the Paris agreement by LGPS Central.

ENGAGEMENT OBJECTIVES

- Achievement of the high-level objectives of the CA100+ initiative including attainment of the specific indicators in the CA100+ Benchmark Framework.

ExxonMobil

ENGAGEMENT STRATEGY

1) Collaborative engagement via the CA100+ initiative.
2) Direct engagement by Hermes EOS.

COMPANY PROGRESS

The company continues to lag peers in terms of mitigating risks related to carbon intensity and emissions, despite announcing an emissions intensity reduction target in 2022, for 2030, alongside lower emissions initiatives by 2027. ExxonMobil has implemented targets to reduce absolute scope 1 and 2 emissions by 20%, by 2030, against a 2016 baseline, with an ambition to have net zero operational emissions by 2050. Currently the company has reduced scope 1 and 2 emissions by 9.4% based on the data available to LGPS Central. ExxonMobil currently has no targets regarding scope 3 emissions.

ExxonMobil has increased planned investment into areas such as carbon capture and storage, hydrogen, and biofuels. However, the company's offshore developments somewhat mitigate the impacts of these investments into clean technologies.

NEXT STEPS

- Expansion of climate targets to include scope 3 emissions and non-operated assets. This could be through scope 3 intensity targets.
- Inclusion of climate-related risks in critical audit matters.
- While engagement has improved EOS still reports a lack of transparency on reporting and there is a lack of disclosure relative to other oil and gas firms.
- EOS highlights an importance of methane reduction as well as greater disclosure of this.
- The company's intensity-based emissions reduction target does not seem to align with Paris Agreement.

ENGAGEMENT CASE STUDY

OBJECTIVE

Disclosure on how the auditor considers climate change risks and opportunities.

THEME

Climate Change

ENGAGEMENT

In 2021 EOS have engaged with ExxonMobil requesting the company ensure the auditor discloses how it considers climate risks and opportunities in the report to the audit committee for the annual meeting. EOS recommended supporting the ratification of the auditor however outlined that much better disclosure of climate-related matters should be included in the audit committee report in the future.

Following the 2023 AGM, LGPSC wrote to the company outlining our rational for dissenting from management recommendation. We voted against management recommendation to re-elect the Chair of the Environment, Safety and Public Policy Committee due to the mismanagement of climate-related risks. We supported several climate-related shareholder resolutions including, requesting the company to adopt a Scope 3 medium term emissions reduction target, report on Asset Retirement Obligations under the IEA NZE scenario, and report on methane emissions.

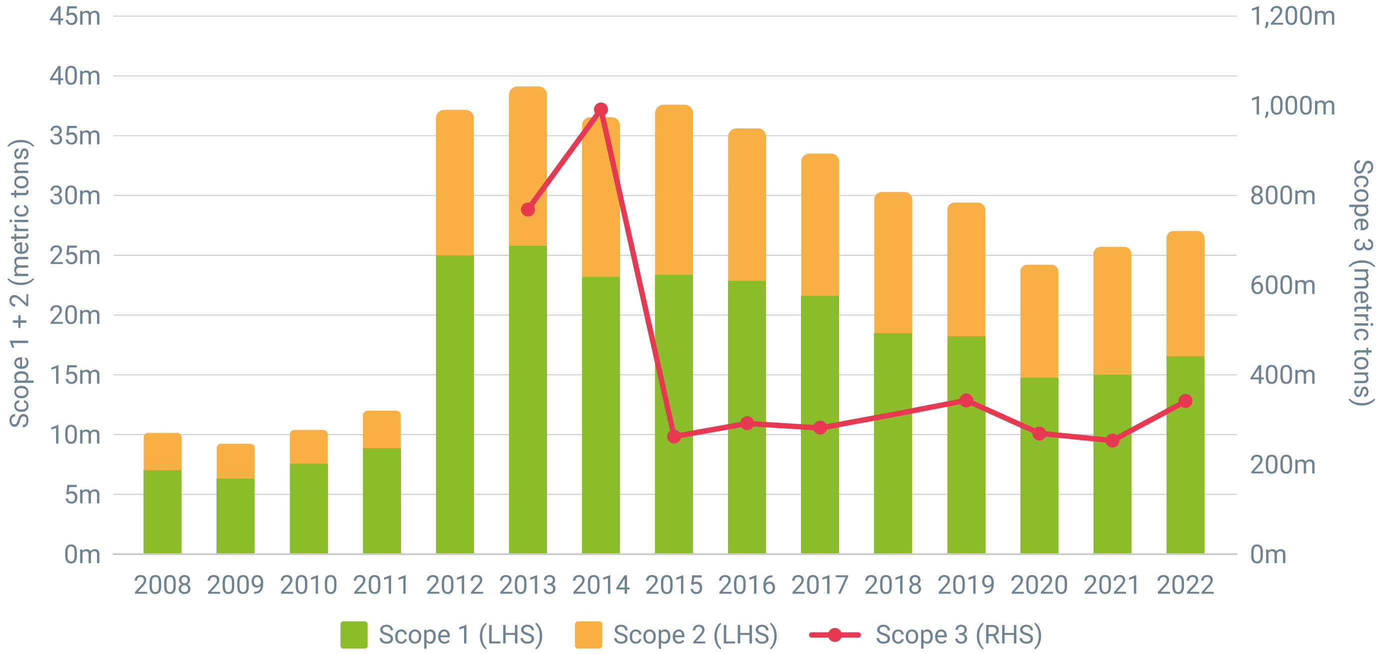
OUTCOMES

Ahead of the 2023 annual meeting, climate change remained omitted from critical audit matters and the auditor did not disclose how it considers climate change risks in its report to the audit committee. This outcome is disappointing and warrants further engagement. Furthermore, the company has used the same auditor since 1934 and should consider auditor rotation to ensure maximum quality and independence.

GLENCORE

COMPANY	GEOGRAPHY	SECTOR
Glencore	Switzerland	Mining

EMISSIONS



COMPANY CONTEXT

Glencore is a Swiss mining company that engages in the production, processing and marketing of metals, minerals, energy products and agricultural products. The firm serves the automotive, steel, power generation, battery manufacturing, and oil sectors.

ENGAGEMENT RATIONALE

Glencore is one of the largest contributors to financed emissions in several of NPF's equity portfolios and is a driving factor in NPF's exposure to thermal coal. The company was also one of the top three worst contributors to financed emission on a year-on-year basis in NPF's equity portfolio.

ENGAGEMENT OBJECTIVES

Achievement of the high-level objectives of the CA100+ initiative including attainment of the specific indicators in the CA100+ Benchmark Framework.

ENGAGEMENT STRATEGY

Engagement by LGPSC as co-lead for the CA100+ Glencore Focus group. Voting is used to actively support ongoing engagement and to voice concerns and/or escalate the engagement as needed.

COMPANY PROGRESS

Glencore has committed to a climate transition plan and targets to reduce coal assets and scope 1, 2 and 3 emissions by 50% by 2035, compared to a 2019 baseline. Of which, we have observed an approximate 8% decrease in scope 1 and 2 emissions, as measured by the data available to LGPS Central.

While the company has achieved an ITR below 2°C, the company does not have an LCT which meets the required threshold for LGPS Central's Paris Alignment Metric, nor does it have an SBT.

GLENCORE

NEXT STEPS

- The impact from Glencore's acquisition of Teck's steelmaking business is yet to be observed and will likely impact the company's approach and progress to decarbonisation.
- As co-lead of CA100+ engagement with Glencore, LGPS Central will pursue dialogue with the CEO, but also seeking dialogue with the Board Chair and Chair of Audit Committee, on:
  - More ambitious short-term targets.
  - A specific 2030 target, to ensure full transparency on the trajectory of decarbonisation relative to IEA/IPCC's 1.5C for coal.
  - Net zero accounting, with dialogue based around the findings of Carbon Tracker (previously shared with Glencore).
  - Climate policy lobbying, with emphasis on Glencore actively advocating for a policy environment in key markets (including Australia) which will be conducive to the green shift and supportive of the pivot that Glencore is seeking.

ENGAGEMENT CASE STUDY

THEME

Climate Change

OBJECTIVE

LGPS Central expects companies to set clear, reasonable, and measurable climate action targets aligned with the Paris Agreement. We also compare those targets with the company's industry peers, as well as Paris-aligned sector pathways, and engage with the company in case of any major deviations.

ENGAGEMENT

We engaged with the Head of Sustainable Development at Glencore in March 2023 requesting to see a comparison between Glencore's short/medium term decarbonisation. LGPS Central co-signed a letter outlining our "red flags" and the assurances we needed regarding the Company's climate transition efforts in advance of the 2023 AGM. In March 2023, a 1:1 meeting between LGPS Central and the Head of Sustainable Development was scheduled. We expressed a desire for Glencore to disclose short and medium-term decarbonisation targets and to set a specific 2030 target.

Following some turnover within the CA100 group we wrote to the company in October 2023 to reconnect with the firm and set out several elements of its draft Climate Transition Plan the investor group would like to discuss in advance of the 2024 AGM.

In addition to the engagement conducted via CA100+, we also sent a letter to the company requesting they set 1.5C Science-Based emission reduction targets through the CDP Science-Based Targets Campaign.

OUTCOME

We are continuing to build bilateral dialogue with the Company to encourage them to present a strong revised climate transition plan in 2024 that addresses our concerns. We also look forward to the firm's response regarding the Science-based targets letter.

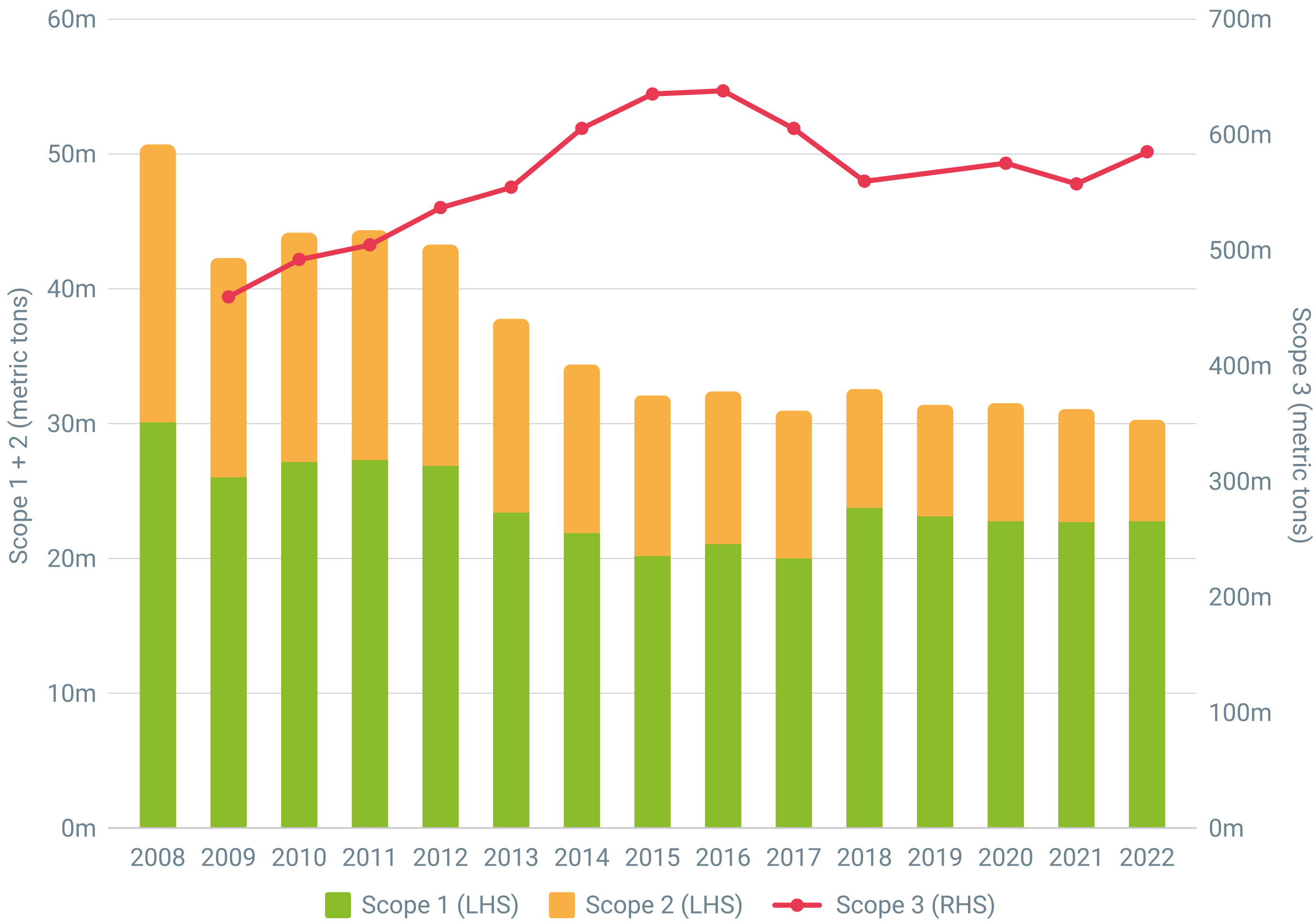
RioTinto

COMPANY
Rio Tinto

GEOGRAPHY
Australia

SECTOR
Materials

EMISSIONS



COMPANY CONTEXT

Rio Tinto is an Anglo-Australian multinational diversified mining company involved in the exploration, mining and processing of iron ore, aluminium, copper, diamonds, energy and minerals.

ENGAGEMENT OBJECTIVES

- Achievement of the high-level objectives of the CA100+ initiative including attainment of the specific indicators in the CA100+ Benchmark Framework.
- Set a Net Zero target that includes emissions reduction targets for Scope 3 emissions.

ENGAGEMENT RATIONALE

Rio Tinto contributes 2.0% and 2.4% of NPF's equity financed emissions and weighted average carbon intensity respectively, despite accounting for 0.4% of NPF's equity portfolio. The company has also received an ITR above 2°C and has not implemented an SBT.

ENGAGEMENT STRATEGY

- Engagement by LGPS Central as part of the CA100+ focus group.

Rio Tinto

COMPANY PROGRESS

The company has no exposure to coal following the sale of its remaining coal assets in 2018. Following investor engagement, in 2022 the company announced new climate targets: to reduce their Scope 1 & 2 emissions by 15% by 2025 and 50% by 2030 relative to a 2018 baseline. These targets are consistent with the IPCC pathways to 1.5°C. The company has yet to announce Scope 3 emissions targets despite investor pressure. With the data available to LGPS Central, the company has undergone an approximate 7% decrease in scope 1 and 2 emissions from 2018.

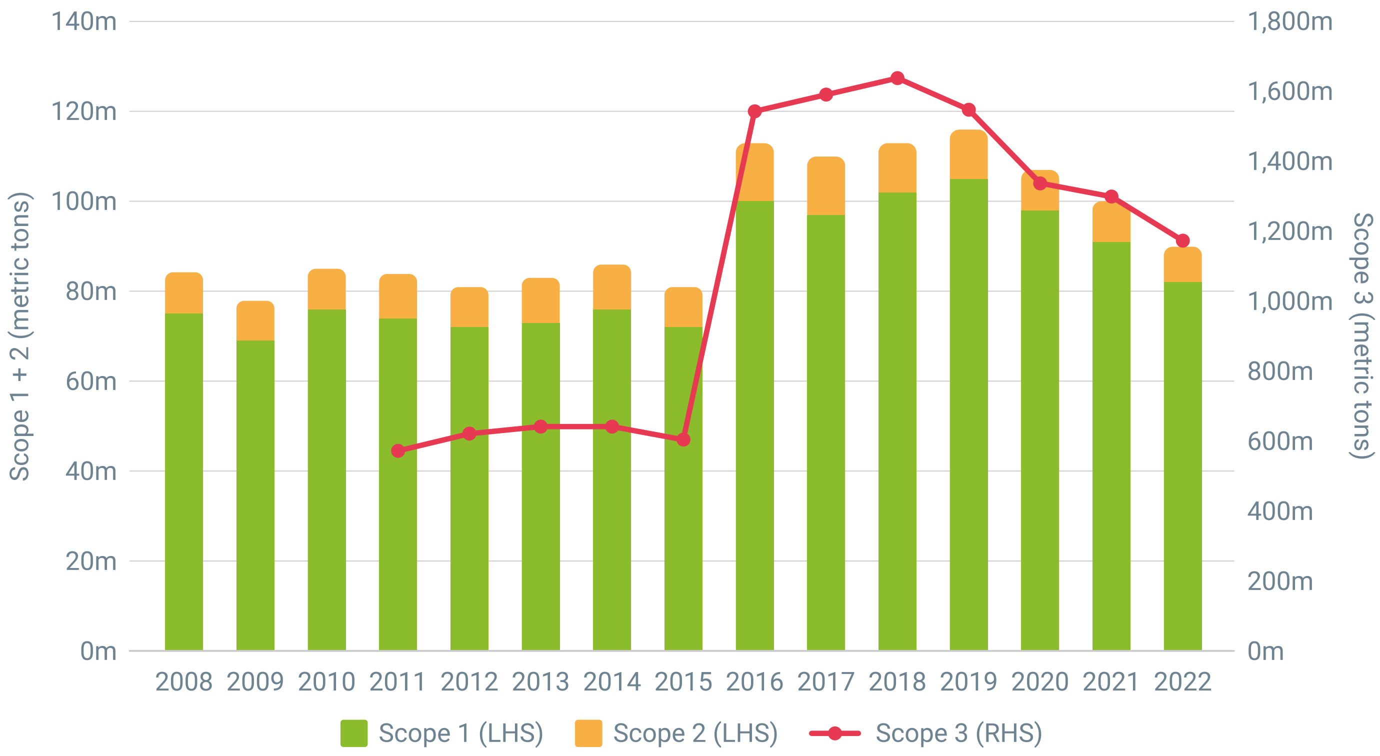
NEXT STEPS

Engagement will focus on encouraging the company to:

- Set robust, time-bound scope 3 emissions reductions target.
- Exit any industry associations with climate lobbying practices that are misaligned with the Paris Agreement.
- Provide a definition of the extent that the company will rely on carbon capture and storage within its decarbonisation strategy.

COMPANY	GEOGRAPHY	SECTOR
Shell	United Kingdom	Energy

EMISSIONS



COMPANY CONTEXT

Shell is a multinational oil and gas company. The firm, through its subsidiaries, explores, produces, and refines petroleum; produces fuels, chemicals, and lubricants; and owns and operates gasoline filling stations worldwide.

In May 2021, the Dutch court ordered Shell to cut carbon emissions from its oil and gas products by 45% by 2030. Shell is currently appealing against the Dutch court order.

In early 2023, Shell's Board of Directors were also sued due to their alleged mismanagement of climate risk as part of their fiduciary duties. Environmental lawyers ClientEarth asked the high court to order Shell's board to adopt a strategy to manage climate risk in line with its duties under the Companies Act. LGPS Central provided evidence of the engagement undertaken with the company to the High court, as ClientEarth's claims were aligned with our expectations as an investor. However, ClientEarth lost this case.

ENGAGEMENT RATIONALE

Shell is the greatest contributor to NPF's equity portfolio's financed emissions and weighted average carbon intensity. The company accounts for 18.7% and 7.3% of financed emissions and weighted average carbon intensity, despite accounting for 2.0% of the portfolio. Shell is also a driving factor in NPF's exposure to fossil fuels and potentially poses the greatest stranded asset risk in NPF's equity portfolio. The company currently does not meet any of the required thresholds to be considered as aligning/aligned to the Paris agreement by LGPS Central.

Prepared By LGPS Central Limited.

ENGAGEMENT OBJECTIVES

1) To set and publish targets that are aligned with the goal of the Paris agreement.
2) To fully reflect its net zero ambition in its operational plans and budgets.
3) To set a transparent strategy on achieving net zero emissions by 2050; including valid assumptions for short, medium and long term targets.

ENGAGEMENT STRATEGY

Collaborative engagement by the CA100+ focus group and through the Paris-aligned financial accounting investor initiative. Use of voting to support ongoing engagement objectives. Direct engagement by LGPS Central, including letter exchanges and dialogues.

COMPANY PROGRESS

In 2017, Shell announced a Net Carbon Footprint ambition covering both direct and indirect emissions. In April 2020, following engagement with industry stakeholders, Shell announced its ambition to reduce scope 1 and 2 emissions to net zero by 2050 or sooner, and to reduce scope 3 emissions by 65% by 2050 (and 30% by 2035). For the remaining 35%, Shell aims to help its customers decarbonise through Carbon Capture and Storage (CCS) and other offsetting mechanisms. However, during March 2024 Shell removed their 2035 carbon intensity target due to uncertainty around the pace of change in the energy transition. Shell is planning to keep oil production flat while growing their gas business by 30% by 2030. This effectively contradicts the IEA's recommendation that no new oil and gas investment is needed on a 1.5C pathway. Prior to this a Dutch court ruled that Shell's original climate targets were not ambitious enough and instructed the company to cut absolute emissions by 45% by 2030. Shell has appealed against the ruling.

During 2021 Shell completed the sale of shale assets and completed the acquisition of the renewable energy platform, Spring Energy in 2022. $4.3 billion of the company's CapEx was in low-carbon technologies.

From 2016, Shell's scope 1 and 2 emissions reduced by approximately 20%, based on the data available to LGPS Central.

NEXT STEPS

Key issues that CA100+ engagers will focus on ahead:

- Intensity emissions reduction targets must be complemented by absolute emissions reduction targets, across all scopes.
- Aligning CapEx with their NZ ambition.
- Demand-side: investors will work with sectors on the demand side, alongside Shell's engagement with its customers, to influence a 1.5°C aligned transition.
- Resolution of climate-related litigation.
- Disclose Shell's approach to support customer decarbonisation.

ENGAGEMENT CASE STUDY

THEME

Climate Change

OBJECTIVE

We expect companies to set clear, reasonable, and measurable climate action targets aligned with the Paris Agreement. We also compare those targets with the company's industry peers, as well as Paris-aligned sector pathways, and engage with the company in case of any major deviations.

ENGAGEMENT

Following Shell's 2023 AGM we wrote to the Chair outlining our rationale for those resolutions where we dissented from management. We voted against the election of the CEO and re-election of the Chairs of Remuneration Committee, Audit Committee, Safety, Environment and Sustainability Committee, and Nomination Committee due to the mismanagement of climate-related risks. We voted against the Shell Energy Transition Progress due to concerns over the lack of an absolute Scope 3 target and the heavy reliance on carbon capture and storage and carbon offsets in the transition plan. We also supported a shareholder resolution requesting the company align its existing 2030 reduction target covering the greenhouse gas emissions of the use of its energy products with the goal of the Paris Agreement.

Following our letter to the Chair, we engaged with the VP ESG Investor Relations and Senior Investor Relations Officer in December 2023. We discussed various elements of the Climate Transition Plan including, carbon capture, CapEx on renewable energy solutions, Scope 3 emissions, and oil production.

OUTCOME

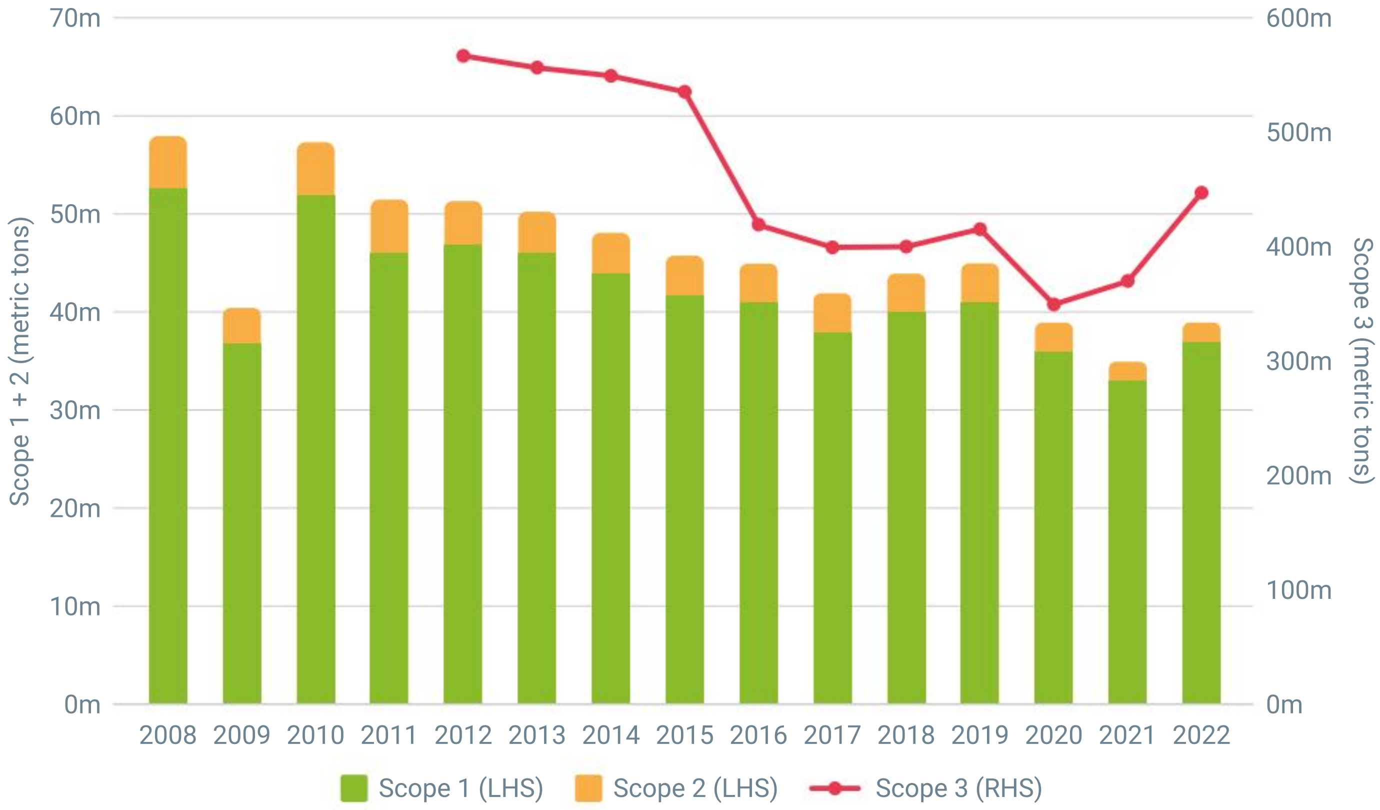
We very much appreciate Shell's desire to have a meaningful and open dialogue with its shareholders, and it is clear that Shell is a sector leader in the climate transition. Overall emission reduction targets remain under discussion. We expect upcoming targets to likely focus on oil production. We also requested to provide feedback on the draft transition update in advance of the 2024 AGM.

Prepared By LGPS Central Limited.

TotalEnergies

COMPANY	GEOGRAPHY	SECTOR
TotalEnergies	Europe	Energy

EMISSIONS



COMPANY CONTEXT

TotalEnergies a French integrated energy/oil and gas company produces and markets fuels, natural gas and low-carbon electricity. It engages in the exploration and production of oil and gas, refining, petrochemicals and the distribution of energy in various forms to the end customer.

ENGAGEMENT RATIONALE

TotalEnergies is a material contributor to financed emissions, weighted average carbon intensity and the fossil fuel exposure of the LGIM Europe portfolio. The company accounts for 4.8% of financed emissions and 2.7% of weighted average carbon intensity within the this portfolio. The company has also not set an SBT.

ENGAGEMENT OBJECTIVES

- Achievement of the high-level CA100+ Net Zero Benchmark Objectives.

ENGAGEMENT STRATEGY

- Engagement by CA100+, with Hermes EOS as the co-lead.

Prepared By LGPS Central Limited.

TotalEnergies

COMPANY PROGRESS

TotalEnergies has implemented a target to reduce scope 1 and 2 emissions by 30% and 40% by 2025 and 2030 respectively, against a baseline of 2015, to support their ambition of net zero by 2050. From the data available to LGPS Central, the company has achieved a reduction of approximately 15% (from 2015 to 2022). This year, the company has also accelerated their target for scope 3 emissions reductions, bringing forward their target of a 30% reduction to 2025, from 2030, with a new target of a 40% reduction by 2030. While the company is not considered to be aligning/aligned to the Paris Agreement by LGPS Central, we do note an ITR below 2°C. We also note, the company invested $4 billion dollars into low-carbon energies during 2022, with the aim to increase this figure to $5 billion during 2023. In the coming years, investments in low-carbon energies will represent approximately 1/3 of investments. However, new oil and gas investments are expected to represent approximately 30%.

NEXT STEPS

- While emissions targets have been put in place, these targets do not focus on upstream business.
- Progress has been made through implementing short- and medium-term targets to support net zero emissions by 2050, but current targets are not aligned with a 1.5-degrees pathway.
- Monitor progress of TotalEnergies' carbon emissions reduction and escalate as necessary.

Glossary

Carbon Risk Metric	Unit	Definition	Use Case	Limitations
Scope 1 Emissions	tCO2e (Tons of CO2 equivalent)	These are the Greenhouse Gas (GHG) emissions that company is responsible for through its generation of energy.	The emissions generate through the company's direct operations, such as fuel combustion, company vehicles, etc.	These metrics must be considered together to gain a full understanding of a company's carbon profile. They do not consider a company's size and they do not capture the impact of the company's business model on the climate. Scope 3 emissions can also be counted multiple times by companies at different stages of the same supply chain.
Scope 2 Emissions	tCO2e	GHG emissions that a company causes indirectly through its operations via the consumption of purchased energy.	The emissions generated through the energy purchased by the company during its operations, such as energy consumption used to heat buildings.	
Scope 3 Emissions	tCO2e	All indirect GHG emissions resulting from the company's wider business practice.	Capturing emissions up and down the company's supply chain, including the emissions produced by customers' consumption of its products.	
Financed Emissions	tCO2e	This figure represents the amount of emissions attributed to the investor based on the proportion of the company that the investor owns.	Measures the absolute tonnes of (scope 1 and 2) CO_2 emissions for which an investor is responsible.	Limited usefulness for benchmarking and comparison to other portfolios due to the link to portfolio size (benchmarks are assumed to have equal AUM to the respective portfolio to overcome this challenge).
Normalised Financed Emissions	tCO2e/£m Invested	Financed Emissions are apportioned by the portfolio's AUM as to provide a measure of carbon intensity.	This measure converts the absolute measure of Financed Emissions into a relative measure of carbon intensity, creating greater ease when benchmarking and comparing to other portfolios.	This measure will complement Financed Emissions, as alone it cannot provide an absolute measure of portfolio emissions.
Weighted Average Carbon Intensity	tCO2e/$m revenue	Is calculated by working out the carbon intensity (Scope 1+2 emissions / $m revenue) for each portfolio company and calculating the weighted average by portfolio weight.	A proxy for carbon price risk. Were a global carbon price to be introduced in the form of a carbon tax, this would (ceteris paribus) be more financially detrimental to carbon intensive companies than to carbon efficient companies.	This metric includes scope 1 and 2 emissions but not scope 3 emissions. This means that for some companies the assessment of their carbon footprint could be considered an 'understatement'.

Carbon Risk Metric	Unit	Definition	Use Case	Limitations
Exposure to Fossil Fuel Reserves	%	The weight of a portfolio invested in companies that (i) own fossil fuel reserves (ii) thermal coal reserves (iii) utilities deriving more than 30% of their energy mix from coal power.	A higher exposure to fossil fuel reserves is an indicator of higher exposure to stranded asset risk.	It does not consider the amount of revenue a company generates from fossil fuel activities. Consequently, diversified businesses (e.g. those that own a range of underlying companies, one of which owns reserves) would be included when calculating this metric. In reality, these companies may not bear as much stranded asset risk as companies that do generate a high proportion of revenue from fossil fuels.
Exposure to Fossil Fuel Reserves by Revenue	%	This identifies the maximum percentage of revenue either reported or estimated derived from conventional oil and gas, unconventional oil and gas, as well as thermal coal. These values by companies are summed and weighted by the portfolio weights to produce a weighted exposure.	This has been included to overcome the limitations of the metric of Exposure to Fossil Fuel Reserves, which includes all companies which have any exposure regardless of how small.	This measurement uses maximised estimates where reported values are not available. Therefore, there is a potential to overestimate exposure.
Exposure to Clean Technology	%	The weight of a portfolio invested in companies whose products and services include clean technology (Alternative Energy, Energy Efficiency, Green Buildings, Pollution Prevention, and Sustainable Water). The final figure comes from the percentage of each company's revenue derived from clean technology.	Provides an assessment of climate-related opportunities so that an organisation can review its preparedness for anticipated shifts in demand.	While MSCI has been used for this report due to its wide range of listed companies and data points, there is no universal standard or definitive list of green revenues. This is due to the inherent difficulty in compiling a complete and exhaustive list of technologies relevant for a lower-carbon economy.

Carbon Risk Metric	Unit	Definition	Use Case	Limitations
Exposure to Clean Technology by Revenue	%	This identifies the maximum percentage of revenue, either reported or estimated, derived from companies involved in clean technology (see above).	Allows for a comparison of company's exposure to clean technology, adjusted according to a proportion of that company's size.	This measurement uses maximised estimates where reported values are not available. Therefore, there is potential to overestimate exposure.
Engagement	%	Is calculated by the proportion of financed emissions which are under an engagement program either directly, in partnership and/or through stewardship provider.	This allows us to understand how much of the portfolio's financed emissions are under engagement programs.	This figure does not demonstrate the degree of progress made with the portfolio company as a result of the engagement. This will also include engagement on issues outside of environmental topics.
Data Quality	Numerical (1-5)	This metric is represented as a score between 1 and 5, with 1 representing the highest quality of reported emissions. A score of 1 would represent independently verified emissions data, whereas a higher score may represent estimated emissions based on sector averages.	Understanding data quality provides an insight into the accuracy of other climate metrics.	Simple quantification of the quality of data, does not provide in-depth understanding of data availability/reliability.
Low Carbon Transition	Numerical (1-10)	Low Carbon Transition scores are assigned from 1 to 10. For this metric the proportion of financed emissions associated with a portfolio with a manager score above 5 is aggregated.	This views how well a company manages risk and opportunities related to the low carbon transition. Apportioning by financed emissions places a greater weight on companies where emissions are more substantial.	While this considers the ability of a company's management to incorporate low carbon transition risks and opportunities, it is not an overall indicator of the company's low carbon transition performance.

Carbon Risk Metric	Unit	Definition	Use Case	Limitations
Implied Temperature Rise (ITR)	%	This introduces the concept of a carbon budget, how much the world can emit such that global temperatures do not exceed 2 degrees Celsius. Implied temperature rise considers if the entire economy had the same over/undershoot of (scope 1, 2 and 3) their respective carbon budgets as the respective portfolio company, what would be the temperature rise during 2100 from preindustrial levels. The portfolio's Implied Temperature Rise aggregates the portion of financed emissions associated with portfolio companies with an Implied Temperature Rise of 2 degrees Celsius or less.	Implied temperature rise is an intuitive, forward-looking metric, expressed in degrees Celsius, designed to show the temperature alignment of companies, portfolios and funds with global temperature goals.	Implied temperature rise is heavily reliant on the model's parameters and assumptions.
Science-Based Targets	%	This is calculated as the proportion of financed emissions which are accounted for by a portfolio company with science-based climate target.	Provides an insight into the proportion of companies which have implemented science-based targets. Apportioning by financed emissions places a greater weight on companies where emissions are more substantial.	This metric only measures the proportion of companies with official science-based targets which have been verified by an independent body. A company with robust and ambitious targets which have not been verified may be omitted.
Paris Alignment	%	This metric is constructed in-house. A company is considered to be aligned if they have a Low Carbon Transition score greater than 5, as well as either an ITR of 2 degrees Celsius or lower, or a science-based target.	This figure is designed to provide an insight into the overall Paris alignment of the portfolio. Apportioning by financed emissions places a greater weight on companies where emissions are more substantial.	The limitations of the figure will be carried over from the limitations of the underlying metrics. There is currently no consensus opinion on what it means for a company to be aligned.

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LGPS Central Limited

Nottinghamshire County Council

Report to Nottinghamshire Pension Fund Committee

Agenda Item: 6

REPORT OF SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE AND EMPLOYEES

LGPS GOVERNANCE CONFERENCE 18 – 19 JANUARY 2024

Purpose of the Report

1. To report on the LGPS Governance Conference 2024.

Information and Advice

2. The Annual LGPS Governance Conference took place on the 18 and 19 January 2024. The Conference was opened by Joanne Donnelly, Head of Pensions at the Local Government Association (LGA). Joanne welcomed all delegates to the conference and trailed the range of interesting speakers on a variety of important topics relevant to LGPS practitioners.

3. This year the conference was attended by Pension Board Chair, Thulani Molife, with Jonathan Clewes Pension Administration Manager.

4. The following are the main highlights of the presentations given at the conference and represent the views of the presenters.

Day 1 – Keynote address – Pensions Ombudsman Dominic Harris.

5. Dominic, formerly a pension lawyer, became the Pensions Ombudsman (TPO) a year ago and set out his priorities for the next four years, against a backdrop of increasing cases and resource challenges. Working efficiently, early resolution and creating a Pensions Dishonesty Unit will feature in the TPO's plans.

6. A Cyber-attack in June affected their ability to process complaint cases, and they are still getting back to full capability. Pensions transfers, overpayments and misinformation continue to be the key complaint topics with ill-health complaints particularly relevant in the LGPS.

7. Dominic covered recent determinations, highlighting that a pragmatic approach would be taken by him in decisions e.g., in relation to topics such as divergences between legislation and Department of Work and Pensions (DWP) guidance in relation to pensions transfers.

8. The Court of appeal recently found that TPO is not a competent court for the purposes of schemes recovering from overpayments from members. Schemes will need to go to County

Courts to recoup overpayments if a scheme member disputes recovery. There were some examples which demonstrated how cases would be dealt with.

9. He also covered other cases with lessons for funds spotting fraudsters.

Scheme Advisory Board (SAB) update – Cllr Roger Phillips, SAB (England and Wales) Cllr Nathan Yeowell, Local Government Pension Committee (LGPC) Chair.

10. Prior to this session, a video address was shown from Simon Hoare MP. The Minister apologised for not attending and confirmed that Pensions is a key focus in local government. He is committed to:

    - Knowledge and Training in the LGPS
    - Stronger policies on how decisions are made, and conflicts of interest managed; and
    - Focus on investment governance and giving serious thought to the prudence of retaining as many funds as possible.

11. The Minister expressed optimism about what the LGPS and Government can achieve going forward.

    - The minister set out his key priorities; chief amongst these was the need for the LGPS to manage risk and seize opportunities given significant geopolitical shocks on the horizon. Being vigilant on this will help ensure the LGPS remains sustainable and healthy going forward.
    - The minister finished his address by highlighting the work done by the SAB to improve the governance and administration of the LGPS and commented on the excellent value he places on the support of SAB in conducting his role.

12. Cllr Yeowell provided more information on the LGPC, explaining how it represents the sector by responding to consultations, and working with bodies such as the TPO, the Pensions Regulator (TPR) and the Department for Levelling up, Housing and Communities (DLUHC). He emphasised the communications and technical expertise available to funds and employers together with ongoing engagement with the pensions management institute to create national LGPS qualifications. Other priorities include implementing McCloud, getting ready for dashboards, and implementing changes to the tax regime.

13. Councillor Phillips described how SAB works with government. He discussed his meeting with the Minister; given fund considerations over the last 10 years, a natural reduction of numbers to increase efficiency did not seem unlikely. Responsible investment will remain a key issue and he impressed the need for Task Force on Climate related Financial Disclosures (TCFD) legislation for the LGPS on the Minister. On pooling, he urged funds to take on leadership, and reiterated that funds should act in the meantime to benefit from improved governance.

The employer landscape – panel session

Lisa Clarkson, LGA; Andrew Dobbie, Unison; Debbie Sharp, South Yorkshire Pensions Authority; Jennie Mulrooney, Education & Skills Funding Agency.

14. Lisa discussed the huge growth in employee volumes, driven by academisation and outsourcings.

15. Debbie discussed the challenges of obtaining timely information when academisation is happening and that, at all stages, getting the right data is key.

16. Jennie provided an overview of the Education and Skills Funding Agency (ESFA) work, with reference to the LGPS academies guarantee and the powers to investigate and act where employers may not be meeting their regulatory requirements. It was mentioned about challenges around employers understanding their role and that LGPS funds were not created for multi-Fund employers.

17. Andrew provided the union perspective. All scheme members should receive the same quality and accessibility of their rights and entitlements, and outsourcing should not be an impediment to that.

18. All the panel recognised challenges with outsourcing, the Regulations and impact on administration teams.

Legal Update – how to keep on the right side of the law.
Kirsty Mclean, Squire Patton Boggs.

19. Kirsty acknowledged the TPR's General Code of Practice and flagged the reference to the knowledge and understanding requirements being directly applicable to Local Pension Board members. DLUHC are expected to replicate these for Pension Committee members. Funds should complete a 'gap analysis' on the code and create plans to comply.

20. To prepare for Pensions Dashboards, funds should consider the national LGPS Technical Group draft guidance published in Nov 2023.

21. On Transfer Regulations, she recommended that funds follow the Regulations as written but welcomed the pragmatic approach that TPO has taken.

22. On data protection and cyber risk, she referenced the updated TPR guidance issued in December 2003 and the ICO's recent £1.7m fine for poor privacy notices.

Responsible investment – Panel Session

23. The panel discussed measuring and reporting on climate and nature risk. Although legislation was still awaited, it is possible to conduct climate risk reporting. TCFD is a great tool to do this.

24. Pools are a centre of expertise in this and can share their experience with their partner funds and between pools. Border to Coast produced its first climate risk report in 2019/20.

25. The Environment Agency has been conducting climate reporting for several years. Members want to know if the Fund's net zero target is being met.

26. Measuring nature loss and biodiversity is still new on most agendas, but its significance is increasing. Consideration of nature and biodiversity is a continuation of the climate journey.

Day 2 – Welcome from the Chair.

DLUHC Update

Con Hargrave, Department for Levelling Up, Housing & Communities

27. DLUHC's role is to set the rules and regulations for the LGPS in England and Wales. Con mentioned that Simon Hoare, the new Minister, is a former councillor with finance experience.

28. Its role is one of stewardship and policy reform, and a mix of the apolitical and political. Their LGPS team is small – he acknowledged that this, combined with the scheme's complexity and multitude of stakeholders within government, can cause delays.

29. DLUHC's priorities include proposals in relation to investment issues in the LGPS, with many consultation responses received and considered. The responses highlighted the controversy around government interference in asset allocation matters. Con reiterated that the government is clear that this is an ambition for funds rather than a requirement upon funds.

30. Work is ongoing towards a TCFD consultation and on an anticipated consultation on LGPS governance, following SAB's Good Governance Project. Statutory guidance and technical regulations are expected in relation to the McCloud regulations, with a key message around ensuring that administration functions are adequately resourced.

31. Finally, the 2020 cost control process will conclude shortly, with reforms including an 'expanded corridor' and an 'economic check'. The 2022 'section 13 valuation' report is due to be published in summer/autumn this year with engagement starting now to ensure there are no surprises.

The Risk of de-risking – Panel Session.

Steve Lee, Ninety-One; Tony English, Mercer; Melanie Durrant, Barnett Waddingham; George Graham, South Yorkshire Pensions Authority

32. Mel discussed what de-risking is, the ways in which it can be achieved and how all stakeholders, including employers, could be engaged.

33. Tony discussed the more complex ways in which de-risking can be achieved and the benefits of looking at the valuation and investment strategy review in tandem.

34. George explained that the role of the Committee is to set the fund's risk appetite. It reflects the culture of the fund; the role of officers and advisers is to translate this into a strategy.

35. The panel all discussed the need for training on these topics to allow Committee members to make good decisions especially if meetings only take place four times a year.

Cyber security

Representative from the National Cyber Security Centre

36. Closed session.

Improving and measuring your knowledge & skills – Interactive session

Becky Clough, LGA

37. Becky began by running through the work that the SAB's Compliance and Reporting Committee (CRC) do to support committee and board members.

38. CRC's surveys show that 22% of newly appointed committee members have little or no knowledge of the LGPS at appointment, suggesting they face a steep learning curve.

39. Delegates were then split into groups and asked to consider a range of questions about the issues they face and the support they would like from CRC.

Investment outlook

Atul Shinh, Ninety-One

40. Atul began by reflecting on some of the more common economic predictions being made this time last year. None of them happened.

41. Atul took delegates through some of the forces that will shape global economics this year including geopolitics, the biggest year for democracy in history, climate change and AI.

42. In conclusion "Winter is coming but spring will follow."

Closing remarks from the chair

43. The chair summarised the morning's messages, thanked the organisers for their work and looked forward to next year's event.

Statutory and Policy Implications

44. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability, and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

1. That the Nottinghamshire Pension Fund Committee notes the contents of the report.

Marjorie Toward
Service Director – Customers, Governance and Employees

For any enquiries about this report please contact:

Jonathan Clewes, Pensions Manager on 01159773434 or jon.clewes@nottscc.gov.uk

Constitutional Comments (KK04/04/2024)

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

Financial Comments (TMR04/04/2024)

46. There are no financial implications arising from this report.

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.

Nottinghamshire County Council

Report to Pension Fund Committee

18 April 2024

Agenda Item: 7

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT

PROXY VOTING

Purpose of the Report

1. The Fund is committed to supporting best practice in corporate governance and has adopted the *UK Stewardship Code* as recommended by the CIPFA *Principles for investment decision making and disclosure*. This report is to inform members of the voting of equity holdings in the second half of 2023 (calendar year) as part of this ongoing commitment.

Information

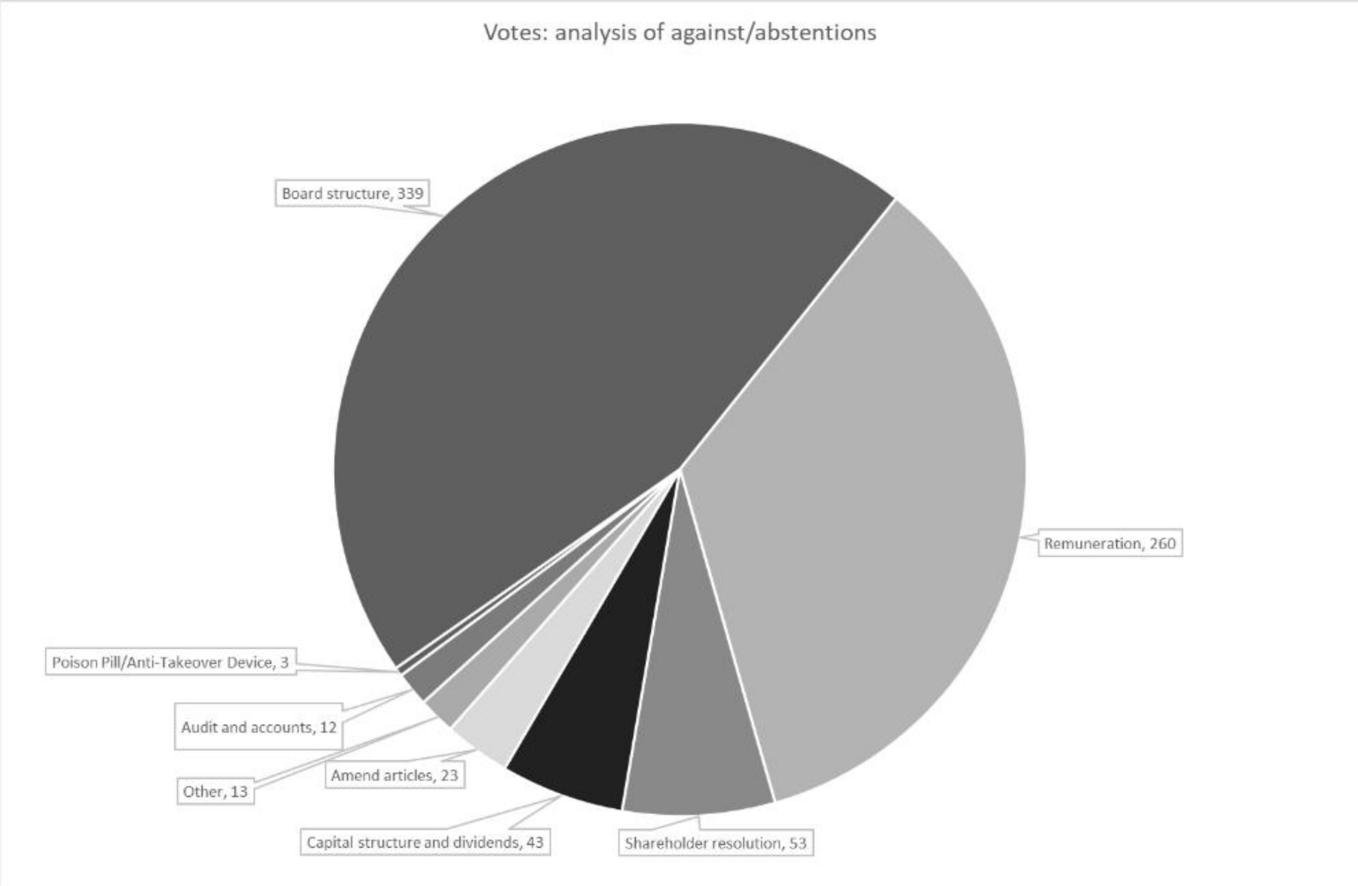
2. The *UK Stewardship Code*, issued in September 2012 by the Financial Reporting Council, and revised in 2020, highlights the responsibilities of institutional investors such as the Nottinghamshire Pension Fund. It defines stewardship as ‘the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society’. Stewardship includes, among other things, having a clear policy on voting and on the disclosure of voting activity.

3. Alongside this the CIPFA *Principles for investment decision making and disclosure* require administering authorities to include a statement of their policy on responsible investment in the Investment Strategy Statement and report periodically on the discharge of such responsibilities. The Fund’s statement on responsible investment states that ‘the Fund continues to exercise its ownership rights by adopting a policy of actively voting stock it holds’.

4. The Fund retains responsibility for voting any directly held shares (rather than delegating this to investment managers) and votes the majority of its equity holdings in the UK, Europe, US and Japan. Since 2020 voting has been undertaken by Hermes EOS in line with the voting principles of LGPS Central.

5. Over the 6 months to December 2023 Hermes EOS voted Nottinghamshire Pension Fund shares at 592 meetings (a total of 5,775 resolutions). Hermes opposed one or more resolutions at 308 meetings and voted with management by exception at 8 meetings. Hermes supported management on all resolutions at the remaining 276 meetings.

6. Hermes recommended voting against or abstaining on 746 resolutions over the half year. An analysis of the issues is shown below:



7. Most AGM votes relate to routine management items. Those relating to issues such as climate change only form a small proportion of the total votes by number, even where they represent a substantial amount of engagement time and effort. An overview of the Hermes EOS voting activity and detailed analysis of the key issues during the quarter is published on the Fund website (http://www.nottspf.org.uk/about-the-fund/investments) and with the meeting papers on the Council Diary (http://www.nottinghamshire.gov.uk/dms/Meetings.aspx).

8. Further detail on specific issues raised at company AGMs can be found in LGPS Central's quarterly *Stewardship Update*. The most recent *Update* (Jul-Sep 2023) highlights the new Taskforce on Nature-related Financial Disclosures, which encourages organisations to disclose how biodiversity is incorporated into the four key pillars: Governance; Strategy; Risk Management; and Metrics and Targets. A link to the *Update* can be found on the Nottinghamshire Pension Fund 'Approach to Responsible Investment' webpage, under 'News and Engagement': https://www.nottspf.org.uk/about-the-fund/responsible-investment/

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and

where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

10. That Nottinghamshire Pension Fund Committee notes the contents of the report.

Report Author:
Ciaran Guilfoyle
Investments Officer

For any enquiries about this report please contact Ciaran Guilfoyle

Constitutional Comments (KK 15/03/2024)

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

Financial Comments (TMR 19/03/2024)

12. There are no financial implications arising directly from this report.

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.

- Hermes EOS – Nottinghamshire Pension Fund, Voting Report, Q3 2023
- Hermes EOS – Nottinghamshire Pension Fund, Voting Report, Q4 2023
- LGPS Central – Voting Principles (March 2019)
- Financial Reporting Council, *The UK Stewardship Code*, January 2020

Nottinghamshire County Council

Report to Pension Fund Committee

18 April 2024

Agenda Item: 8

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT

LOCAL AUTHORITY PENSION FUND FORUM BUSINESS MEETING

Purpose of the Report

1. To report on the Local Authority Pension Fund Forum (LAPFF) business meetings held in October 2023 and January 2024.

Information and Advice

2. LAPFF was formed in 1990 to provide an opportunity for the UK's local authority pension funds and pools to discuss investment and shareholder engagement issues. Membership currently stands at 87 funds and 6 pools. A list of members is shown at Appendix A. It is consequently able to exert significant influence over companies in which funds are invested.

3. LAPFF exists 'to assist Administering Authorities discharge their statutory responsibilities and promote the long-term investment interests of UK local authority pension funds. In particular, it seeks to maximise their influence as investors to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they hold an interest, commensurate with statutory regulations'. It also:
   a. provides a forum for information exchange and discussion about investment issues.
   b. facilitates the commissioning of research and policy analysis of issues in a more effective manner than individual Forum members could achieve.
   c. provides a forum for consultation on shareholder initiatives.
   d. provides a forum to consider issues of common interest to all pension fund boards, committees and their supporting administrative staff, as well as to other interested parties from national, local and regional governments.

4. The October gathering (which also incorporated the AGM) included on its agenda, among other things, a report on the crisis in September 2022 which occurred when a base rate increase caused several defined-benefit pension funds to become forced sellers of bonds, which in turn threatened to crash the market. The Bank of England was then compelled to intervene.
5. The January meeting had an interesting discussion on the term 'Double Materiality', which is being used by the International Sustainability Standards Board to obfuscate the concept of materiality. This could result in companies being able to avoid disclosing certain ESG matters in their accounts.

6. The usual updates on LAPFF's engagement work from the two previous quarters were presented. The engagement stories in the report covering the quarter to September 2023 focused on the finance and insurance sector, and its impact on climate. The report to

December covered the LAPFF annual conference and further climate-related engagements.

7. Copies of the latest engagement reports are attached as background, but all LAPFF engagement reports can be found on the LAPFF website: https://lapfforum.org/publications/category/quarterly-engagement-reports/

Statutory and Policy Implications

8. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

1. That Nottinghamshire Pension Fund Committee notes the contents of the report.

Nigel Stevenson
Service Director – Finance, Infrastructure and Improvement

For any enquiries about this report please contact: Ciaran Guilfoyle

Constitutional Comments (KK 15/03/2024)

9. This is an updating information report and Nottinghamshire Pension Fund Committee is the correct body for considering that information and any further action which members may wish to take in light of that information.

Financial Comments (TMR 19/03/2024)

10. There are no direct financial implications arising from this report.

Background Papers

- LAPFF constitution
- LAPFF Quarterly Engagement Report July to September 2023
- LAPFF Quarterly Engagement Report October to December 2023

Membership of LAPFF as at January 2024

Funds

1) Avon Pension Fund
2) Barking and Dagenham (London Borough of)
3) Barnet LB
4) Bedfordshire Pension Fund
5) Bexley (London Borough of)
6) Berkshire Pension Fund
7) Brent (London Borough of)
8) Camden (London Borough of)
9) Cardiff and Vale of Glamorgan Pension Fund
10) Cambridgeshire Pension Fund
11) Cheshire Pension Fund
12) City and County of Swansea Pension Fund
13) City of London Corporation
14) Clwyd Pension Fund
15) Cornwall Pension Fund
16) Croydon LB
17) Cumbria Pension Scheme
18) Derbyshire County Council
19) Devon County Council
20) Dorset County Pension Fund
21) Durham Pension Fund
22) Dyfed Pension Fund
23) Ealing (London Borough of)
24) East Riding of Yorkshire Council
25) East Sussex Pension Fund
26) Enfield (London Borough of)
27) Environment Agency Pension Fund
28) Essex Pension Fund
29) Falkirk Council
30) Gloucestershire Pension Fund
31) Greater Gwent Fund
32) Greater Manchester Pension Fund
33) Greenwich Pension Fund
34) Gwynedd Pension Fund
35) Hackney (London Borough of)
36) Hammersmith and Fulham (London Borough of)
37) Haringey (London Borough of)
38) Harrow (London Borough of)
39) Havering LB
40) Hertfordshire
41) Hillingdon (London Borough of)
42) Hounslow (London Borough of)
43) Isle of Wight Pension Fund
44) Islington (London Borough of)
45) Kensington and Chelsea (Royal Borough of)
46) Kent Pension Fund
47) Kingston upon Thames Pension Fund
48) Lambeth (London Borough of)
49) Lancashire County Pension Fund

50) Leicestershire
51) Lewisham (London Borough of)
52) Lincolnshire County Council
53) London Pension Fund Authority
54) Lothian Pension Fund
55) Merseyside Pension Fund
56) Merton (London Borough of)
57) Newham (London Borough of)
58) Norfolk Pension Fund
59) North East Scotland Pension Fund
60) North Yorkshire County Council Pension Fund
61) Northamptonshire Pension Fund
62) Nottinghamshire County Council
63) Oxfordshire Pension Fund
64) Powys County Council Pension Fund
65) Redbridge (London Borough of)
66) Rhondda Cynon Taf
67) Scottish Borders Council Pension Fund
68) Shropshire Council
69) Somerset County Council
70) South Yorkshire Pensions Authority
71) Southwark (London Borough of)
72) Staffordshire Pension Fund
73) Strathclyde Pension Fund
74) Suffolk County Council Pension Fund
75) Surrey County Council
76) Sutton (London Borough of)
77) Teesside Pension Fund
78) Tower Hamlets (London Borough of)
79) Tyne and Wear Pension Fund
80) Waltham Forest (London Borough of)
81) Wandsworth (London Borough of)
82) Warwickshire Pension Fund
83) West Midlands Pension Fund
84) West Yorkshire Pension Fund
85) Westminster CC
86) Wiltshire Pension Fund
87) Worcestershire County Council

Pools

1) Border to Coast Pension Partnership
2) LGPS Central
3) Local Pensions Partnership
4) London CIV
5) Northern LGPS
6) Wales Pension Partnership

Nottinghamshire County Council

Report to Nottinghamshire Pension Fund Committee

Agenda Item: 9

REPORT OF SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE AND EMPLOYEES

PENSIONS REGULATOR GENERAL CODE OF PRACTICE

Purpose of the Report

1. To inform the Pension Committee of the Pension Regulators New Code of practice and to outline what actions the Pension Fund will need to consider in ensuring compliance against the code.

2. A copy of the New Code of Practice can be viewed on the Pension Regulator website using the following link TPR general (single) code of practice | The Pensions Regulator.

Background

3. The Public Service Pensions Act 2013 extended the role of The Pensions Regulator (TPR) to include public service pension schemes including the Local Government Pension Scheme (LGPS) from 1 April 2015.

4. The Pensions Regulator (TPR) now has responsibilities in relation to Governance and particularly Administration. However, the Pensions Regulator's role has not been extended to funding and investment issues within the LGPS.

5. Schedule 4 of the Public Service Pensions Act 2013 requires TPR to issue a Code of Practice or Codes of Practice in respect of certain specified matters. In response to this requirement TPR issued Code of Practice No 14 **"Governance and administration of public service pension schemes."** which came into effect from 1 April 2015. This Code of Practice is applicable both to the Nottinghamshire Pension Fund and the individual Employers within the Fund.

6. In March 2021, the TPR published a consultation on a new Code of Practice which proposed the conversion and updates of ten of the existing Codes including Code of Practice No 14. This Consultation closed in May 2021. The TPR issued an Interim Consultation response on in August 2021 and a Final Consultation response on the 10 January 2024.

7. On 10 January 2024 TPR published the General Code of Practice which came into force on 27 March 2024. The new code includes content which is both updated and new. Two issues

of note for public service schemes, including the LGPS, are the (new) modules on "Cyber Controls" and "Scams."

Information and Advice

8. The Pension Regulator (TPR) General code of practice seeks to introduce, as far as practical, comparable standards across all types of Pension Schemes and to make it easier to maintain and update these. The General code comprises five areas which are in turn broken down into fifty-one modules. The five areas are:

    - The governing body
    - Funding and investment
    - Administration
    - Communication and disclosure
    - Reporting to the Pension Regulator

9. It must be stated that not every part of the General Code applies to all pension schemes. As TPR states "*This code applies to governing bodies of occupational, personal, and public service pension schemes. Some legal obligations do not apply to all types of governing bodies or schemes.*"

10. One of the main requirements is that the scheme manager of a public service pension scheme must establish and operate internal controls which are adequate for the purpose of securing that the scheme is administered and managed.

11. There is a different applicability of the code between non-public and public service schemes, however the TPR expects high standards from all schemes. It is expected that there will be more advice and guidance across the LGPS as the New Code becomes understood on how it applies to pension funds.

Applying the General Code to the LGPS

12. Not all the General Code applies to the LGPS, and therefore the LGPS Scheme Advisory Board is studying the code to identify new requirements for funds that were not in the previous section 14 code. It is evident that clarity is required on which parts of the Code specifically apply to the LGPS and what these mean for funds and how they should be applied.

13. The LGPS Scheme Advisory Board is producing new and updated guidance to assist funds with their understanding of their responsibilities.

14. While clarity is required on the exact applicability of the General Code to the LGPS it can be said those modules which subject content are also covered in the existing Code No 14 are, overall, those within the General Code where there will clearly (continue to) be significant requirements on LGPS Funds. These include:
    - Knowledge and understanding,
    - Conflicts of interest,
    - Publishing scheme information,
    - Internal Controls,

- Record keeping,
- Data monitoring and improvement,
- Contributions (Receiving, Monitoring, Overdue),
- Benefit information statements,
- Dispute resolution procedures, and those modules (Who must report, Decision to report, how to report, Reporting payment failures) in the "Reporting to TPR:
- Whistleblowing – reporting breaches of the law" section of the General Code.

15. Therefore, it can certainly be stated that significant aspects of the new General Code do apply to the LGPS.

16. There are additional requirements on LGPS Funds arising from the new General Code, and specifically modules on Cyber security and Pension Scams and increased requirements for training for committee members.

17. The Fund will need to consider aspects of the General Code where there are principles and practices which could or in some cases should, be adopted by the LGPS.

18. The area of the Code which clearly has the least applicability to the LGPS is that covering Funding and investment. This is because TPR does not have responsibility in relation to LGPS funding and investment (which remains the responsibility of the Secretary of State whose remit includes the LGPS – at present the Secretary of State for Levelling Up, Housing and Communities) and also because from the narrative within this area it is clearly directed at non-public service pension schemes as is exemplified, for example by the legislative references utilised. However, even within this funding and investment area it will be beneficial to LGPS Funds if the Local Government Pension Scheme Advisory Board for England and Wales (SAB) provides clear guidance – for example where LGPS Funds may or should apply elements as "good practice."

What actions should the Pension Fund Take

19. Given that the SAB have stated that they will issue guidance, this may take some time, and therefore the fund should seek to assess its compliance with the relevant requirements of the Code given that the code came into force on 27 March 2024

20. Actions that the Fund could take in advance of SAB guidance:

    - To review the Code in detail to access, as far as it is able, which elements of the Code clearly apply to the LGPS and therefore apply to the Pension Fund.

    - Assess the Fund's current compliance/arrangements against the General Code.

    - Produce a plan on what changes or enhancements can be made to ensure early necessary compliance.

    - Consider elements of the General Code though not applicable to the LGPS may represent good practice for the Fund and plan to make any consequent changes or enhancements.

21. In considering the above the Fund may want to attend relevant seminars/webinars on the implications of the General Code for LGPS Funds. These may be offered by organisations including SAB and the Scheme Actuary Consultants who support the LGPS.

22. Consider any tools and/or LGPS specific training relating to the General Code which may be available from the Actuarial/Investment Advisers who support the LGPS.

23. Consider any relevant guidance when issued by SAB.

24. Report to both the Pension Committee and the Pension Board on a regular basis progress towards compliance with those parts of the Code that are determined to be applicable to the Fund, and those that are considered good practice.

Statutory and Policy Implications

25. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability, and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

It is recommended:

1. Conduct a gap analysis for the new code against the Funds existing policies and procedures.
2. Create a Plan for ensuring compliance with the New Code.

Marjorie Toward
Service Director – Customers, Governance and Employees

For any enquiries about this report please contact:

Jonathan Clewes, Pensions Manager on 01159773434 or jon.clewes@nottscc.gov.uk

Constitutional Comments (KK04/04/2024)

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

Financial Comments (TMR 04/04/2024)

27. There are no financial implications arising from this report.

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.

Nottinghamshire County Council

Report to Pension Fund Committee

18 April 2024

Agenda Item: 10

REPORT OF THE SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE AND EMPLOYEES

WORK PROGRAMME

Purpose of the Report

1. To consider the Committee's work programme.

Information

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.

3. The attached work programme has been drafted in consultation with the Chair and Vice-Chairs, and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.

Other Options Considered

4. None.

Reason/s for Recommendation/s

5. To assist the committee in preparing its work programme.

Statutory and Policy Implications

6. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required

RECOMMENDATION/S

That the Committee considers whether any amendments are required to the Work Programme.

Marjorie Toward
Customers, Governance and Employees

For any enquiries about this report please contact:
Jo Toomey, Advanced Democratic Services Officer
E-mail: jo.toomey@nottscc.gov.uk
Tel: 0115 977 4506

Constitutional Comments (HD)

7. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (NS)

8. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

Background Papers

None

Electoral Division(s) and Member(s) Affected

All

PENSION FUND COMMITTEE – WORK PROGRAMME (updated 9 April 2024)

Report Title	Summary of agenda item	Report Author
13 June 2024		
Fund valuation and performance – quarter 4	Summary of quarterly performance	Tamsin Rabbitts
Fund valuation and performance – exempt appendix	Detailed review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's report	Independent Adviser's review of performance	Independent Adviser
Managers presentations	Presentations by Fund Managers (exempt)	LGPS Central and Aegon
11 July 2024		
Proxy voting	Summary of voting activity	Ciaran Guilfoyle
Local Authority Pension Fund Forum business meeting	Report from Local Authority Pension Fund Forum business meeting	Ciaran Guilfoyle
Annual administration performance report		Jon Clewes
Pooling update	An update will be provided on pooling arrangements	LGPS Central
Treasury management outturn 2023/24	Summary of Treasury management activity for the year ended 31 March 2023	Ciaran Guilfoyle
Review of the Pension Fund Risk Register		Sarah Stevenson
Review of Pension Fund Strategies		Tamsin Rabbits / Jon Clewes
12 September 2024		
Pensions and Lifetime Savings Association (PLSA) Local Authority Conference 2023	Key themes from the conference	Nigel Stevenson
Fund valuation and performance – quarter 1	Summary of quarterly performance	Tamsin Rabbitts
Fund valuation and performance – exempt appendix	Detailed review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's report	Independent Adviser's review of performance	Independent Adviser
Managers presentations	Presentations by Fund Managers (exempt)	Schroders and Abrdn

Report Title	Summary of agenda item	Report Author
14 November 2024		
Climate risk metrics	Analysis from LGPS Central on the position as at 31 March 2024	Tamsin Rabbitts
Review of progress on the Climate Risk Action Plan	6-monthly report	Tamsin Rabbitts
Presentation of the Pension Fund accounts	Formal presentation of the Pension Fund accounts to Committee before the Annual General Meeting	Tamsin Rabbitts
Proxy Voting	Summary of voting activity	Ciaran Guilfoyle
Local Authority Pension Fund Forum business meeting	Report from the Local Authority pension Fund Forum business meeting	Ciaran Guilfoyle
Local Authority Pension Fund Investment Forum Conference	Report on the presentations attended by representatives of the Fund at the Local Authority Pension Fund Investment Forum Conference held in July 2024	
Review of the Pension Fund Risk Register		Sarah Stevenson
12 December 2024		
Fund valuation and performance – quarter 2	Summary of quarterly performance	Tamsin Rabbitts
Fund valuation and performance – exempt appendix	Detailed review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's report	Independent Adviser's review of performance	Independent Adviser
Managers presentations	Presentations by Fund Managers (exempt)	LGPS Central and LGIM
Treasury Management mid-year report 2023/24	Summary of treasury management activity to 30 September 2023	Ciaran Guilfoyle
30 January 2025 (Annual General Meeting)		
Nottinghamshire Pension Fund Annual Report	Annual report of the Nottinghamshire Pension Fund	
Actuarial issues	Barnett Waddingham LLP presentations	
Management and Financial Performance	Financial management presentation	
Investment Performance	Pensions and treasury management presentation	
Pensions administration	Presentation from the Pensions Administration Team	

Report Title	Summary of agenda item	Report Author
Questions	Responses to questions submitted in writing no less 10 working days before the meeting	
13 March 2025		
Strategic asset allocation working party report	Report on the discussions and recommendations arising from the January working party meeting on the Fund's Strategic Asset Allocation and Investment Strategy and any other issues discussed	Tamsin Rabbitts
Treasury Management Strategy 2024/25	Strategy for the forthcoming financial year	Ciaran Guilfoyle
Conferences and training report	Planned training and conferences for 2024/25	Tamsin Rabbitts
Fund valuation and performance – quarter 3	Summary of quarterly performance	Tamsin Rabbitts
Fund valuation and performance – exempt Appendix	Detailed review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's report	Independent Adviser's review of performance	Independent Adviser
Managers presentations	Presentations by Fund Managers (exempt)	Abrdn and Schroders
Report on the Local Authority Pension Fund Forum conference	Report on the presentations attended by representatives of the Fund at the Local Authority Pension Fund Forum Conference held in December 2024	
24 April 2025		
Review of progress on the Climate Risk Action plan	6-monthly report	Tamsin Rabbitts
Climate Stewardship report	Progress on the Fund's climate stewardship strategy	Tamsin Rabbitts
Review of Pension Fund Strategies		Tamsin Rabbitts / Jon Clewes
Review of the Pension Fund Risk Register		Sarah Stevenson
Proxy voting	Summary of voting activity	Ciaran Guilfoyle
Local Authority Pension Fund Forum business meeting	Report from Local Authority Pension Fund Forum business meetings	Ciaran Guilfoyle

Report Title	Summary of agenda item	Report Author
Report on the Local Government Pension Scheme Governance Conference	Report of the presentations attended by representatives of the Fund at the Local Government Pension Scheme Governance Conference held in January 2025	Jon Clewes
26 June 2025		
Fund valuation and performance – quarter 4	Summary of quarterly performance	Tamsin Rabbitts
Fund valuation and performance – exempt appendix	Detailed review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's report	Independent Adviser's review of performance	Independent Adviser
Managers presentations	Presentations by Fund Managers (exempt)	LGPS Central and Aegon
25 July 2025		
Proxy Voting	Summary of voting activity	Ciaran Guilfoyle
LAPFF Business Meeting	Report from LAPFF Business Meeting	Ciaran Guilfoyle
Annual administration performance report		Jon Clewes
Pooling update	An update will be provided on pooling arrangements	LGPS Central
Treasury management outturn 2023/24	Summary of Treasury management activity for the year ended 31 March 2023	Ciaran Guilfoyle
To be placed		
Pensions Administration – Tracing Service		Sarah Stevenson / Jon Clewes
Pension Fund Review of Cyber Security – Pension Regulator Requirement		Sarah Stevenson / Jon Clewes