



London Borough of Enfield

Report Title	Fossil Fuel exposure report as at 31 December 2023
Report to	Pension, Policy & Investment Committee (PPIC)
Date of Meeting	20 March 2024
Cabinet Member	Cllr Tim Leaver
Executive Director / Director	Fay Hammond
Report Author	Ravi Lakhani (Head of Pension Investments). Ravi.Lakhani@enfield.gov.uk
Classification	<i>Part 1 Public and Part 2 Private</i>
Reason for exemption	3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Purpose of Report

1. This report informs the Pension Policy and Investment committee (PPIC) of the Pension Fund ("Fund") exposure to fossil fuels as of 31 December 2023.

Recommendations

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| <ol style="list-style-type: none">1. PPIC are asked to note the contents of the report. |
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Background and Options

2. Aon (the Fund's investment advisors) were commissioned to analyse the exposure to fossil fuels in the Fund's investments. The attached appendices present these findings.
3. Each of the Fund's managers were asked to provide a full breakdown of the Fund's exposure to oil, gas and coal, with the intention of establishing the extent to which the Fund is invested in debt or equity of a firm which

produces, extracts, or explores for oil, gas, or coal as a material part of its business model; or, where the fund has any synthetic exposure to the same.

Main considerations for the Committee

4. The Fund's exposure to fossil fuels – as measured by investment in physical or synthetic debt or equity of a firm which produces, extracts, or explores for oil, gas, or coal as a material part of its business model – is 0.7% of Fund value, or c.£11.2m as at 31 December 2023. – This compares to the Divest Enfield press release figure as at 31 December 2020 of 2.6%, or £30.0m. It should be noted that a number of the Fund's managers have zero exposure.
5. This is a reduction from the exposure as at 31 December 2022 of 1.6% or £23m.

Preferred Option and Reasons For Preferred Option

6. The Pension Fund Regulations require that the Council establishes arrangements for monitoring the investments of the Fund. It considers the activities of the investment managers and ensures that proper advice is obtained on investment issues.
7. The PPIC will continue to monitor the Fund's fossil fuel exposure on a regular basis. Furthermore, as part of the implementation of the revised investment strategy which the Committee have recently agreed to, the Committee will have the ability to identify opportunities to integrate Environmental, Social and Governance views within future investment decisions.

Financial Implications

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

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Appendices

Appendix 1 – High Level fossil fuel exposure

Appendix 2 – Detailed fossil fuel exposure – **part 2 Confidential report exempt**