

London Borough of Enfield

PENSION POLICY AND INVESTMENT COMMITTEE

Meeting Date: 29 March 2023

Subject: Responsible Investment: Overview and next steps

Cabinet Member: Councillor Leaver

Executive Director: Fay Hammons

Purpose of Report

1. This report introduces a presentation (Appendix 1) from Aon (the Fund's investment advisors) on Responsible Investment (RI) and next steps to ensure compliance with forthcoming regulations and ensure that the Fund's objectives in respect of responsible investment are met.

Proposal(s)

2. Members are asked to note the contents of the report;
3. Agree the timelines/approach to compliance with TCFD regulations
4. Discuss and agree what the RI objectives for the fund should be.
5. Agree next steps

Reason for Proposal(s)

6. To ensure compliance with forthcoming regulations on Taskforce on Climate related Financial Disclosures (TCFD) by 2024 and alignment of Fund investments to the RI objectives of the Fund.

Relevance to the Council Plan

7. Clean & green places
8. Strong, healthy and safe communities
9. An economy that works for everyone

Background

10. The Financial Stability Board created the TCFD to improve and increase reporting of climate-related financial information. The framework is designed to help provide better information to support informed capital allocation.

11. Mandatory TCFD reporting is now required for corporate pensions schemes with more than £1bn in assets. DHLUC consulted in Q4 2022 on the mandatory introduction of TCFD reporting across England & Wales LGPS. The regulation is expected to come into place in April 2023 for the Fund to comply in 2024.

Main Considerations for the Committee

12. The workshop presentation from Aon will cover the following:

- (i) Forthcoming regulation on TCFD and a proposed project timeline to meet compliance
- (ii) What other LGPS funds are doing to meet TCFD compliance
- (iii) Training on divestment, engagement and 'greenwashing'
- (iv) A practical roadmap to prioritising priorities and achieving RI objectives

Report Author: Ravi Lakhani
Head of Pension Investments
Ravi.lakhani@enfield.gov.uk
07590370039

Date of report : 16 March 2023

Appendices

Appendix 1 – Responsible Investment: Overview and Next steps (Aon)