

## London Borough of Enfield

### PENSION POLICY AND INVESTMENT COMMITTEE

**Meeting Date: 29 March 2023**

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**Subject:** Fossil Fuel Exposure Report as of 31 December 2022

**Cabinet Member:** Councillor Leaver

**Executive Director:** Fay Hammons

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#### **Purpose of Report**

1. This report informs the Pension Policy and Investment committee (PPIC) of the Pension Fund exposure to fossil fuels as of 31 December 2022

#### **Proposal(s)**

2. The PPIC are asked to note the contents of the report and the attached appendices.

#### **Reason for Proposal(s)**

3. 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.
4. 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 and integrate Environmental, Social and Governance views within future investment decisions.

#### **Relevance to the Council Plan**

5. Clean and green spaces
6. Strong, healthy and safe communities
7. Thriving children and young people

#### **Background**

8. Aon (the Fund's investment advisors) were commissioned to analyse the exposure to fossil fuels in the Pension Fund investments. The attached appendices present these findings.
9. 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**

10. 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 1.6% of Fund value, or c.£23.0m as at 31 December 2022. – 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.

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Date of report : 16 March 2023

### **Appendices**

Appendix 1 – High Level fossil fuel exposure

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