

COUNTY COUNCIL – 27 MARCH 2018

QUESTION FROM MEMBERS OF THE PUBLIC

1. Question from Gabriel Carlyle, St. Leonards on Sea, East Sussex

Last year the Local Authority Pension Fund Forum (LAPFF) provided LAPFF members with a Climate Change Investment Policy Framework with the aim of helping to 'guide their policy approach to current and future investment risks and opportunities that result from the impacts of climate change' and provide 'LAPFF's current view of suggested best practice guidance'.

Does the East Sussex Pension Fund accept the LAPFF guidance that: (a) 'As a Local Government Pension Fund [the East Sussex Pension Fund is a] long-term [investor] with liabilities reaching beyond the year 2100'; and (b) that 'The Fund's long-term goal is for 100% of assets to be compatible with the net zero-emissions ambition by c.2050 in line with the Paris agreement. This decarbonisation goal will be regularly evaluated in line with our objective of maintaining long-term financial performance.'?

Response by Councillor Fox, on behalf of the Chair of the Pension Committee

The East Sussex Pension Fund understands that it is a long term investor with a fiduciary duty to over 70,000 members and 131 employers and manages its Investment Strategy Statement on that basis.

The Fund believes that it is important that the global economy manages the decline of existing production in line with what is necessary to achieve the Paris climate goals. The Fund has undertaken a project to understand its current exposure to climate risk by requesting a carbon footprint of the Fund is undertaken. The preliminary results show the County's Pension Fund to be in a favourable position in regard to its overall carbon footprint in terms of the Paris Agreement.

The Pension Committee has made the decision to have a significant proportion of its passively managed assets to be invested in the UBS Climate Aware fund.