

Essex Pension Fund

Statement on Responsible Investment (RI): Essex Pension Fund has committed to be Net Zero by 2050

Essex Pension Fund is dedicated to being a responsible investor and has committed to achieving Net Zero by 2050. As part of the 2022/23 Business Plan and RI Project Plan for the year, the Essex Pension Fund Investment Steering Committee (ISC) have agreed that the Fund will measure three emission based metrics:

- total greenhouse gas emissions
- carbon footprint
- weighted average carbon intensity

The targets set for these metrics to 2030 will initially concentrate on equities, credit, and real estate, and the ISC has also agreed that the Environment, Social and Governance (ESG) momentum metric be monitored as part of the wider engagement monitoring of the manager. This will also include assessing the progress of the Fund's portfolio to the transition pathway as defined by the Transition Pathways Initiative.

Over the last year the Fund have commissioned an ESG 'top down' and 'bottom up' analysis of most of the Fund's investment managers, the results of which were used as the basis of the engagement discussions that the Fund then had with its investment managers.

The Fund is keen to demonstrate its commitment to being a responsible investor, and in April it submitted its inaugural submission to the Financial Reporting Council to become a signatory to the UK Stewardship Code.

The ISC have also been reviewing each of its investment mandates to ensure that they align with the Fund's RI policy and priorities. Following this review, it was felt that the index tracking equity mandate, being a significant percentage of the Fund, could be better aligned. The Fund has been working collaboratively with its index tracking provider, UBS, to establish and launch a new global ESG fund which better aligns to the Fund's RI Policy. At the June 2022 ISC meeting, Board Members agreed to the investment guidelines of this new fund, which includes that it will track the EU climate transition benchmark. UBS are now proceeding to launch the fund on that basis.

At this meeting the Fund set out its RI Project Plan for the year, which includes establishing the baseline for the climate metrics it has previously agreed. Once this has been established, relevant climate metric targets will be then agreed later in the year. This is a stepped process as the Fund needs to understand its starting point, so that it can agree a set of meaningful, realistic and achievable targets.



Environmental



Social



Governance

lgps

Local Government
Pension Scheme