



LPF Climate Risk Report 2021

LGPS Central Limited

PRESENTED BY



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Stewardship Manager



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RI&E Analyst

26th November 2021



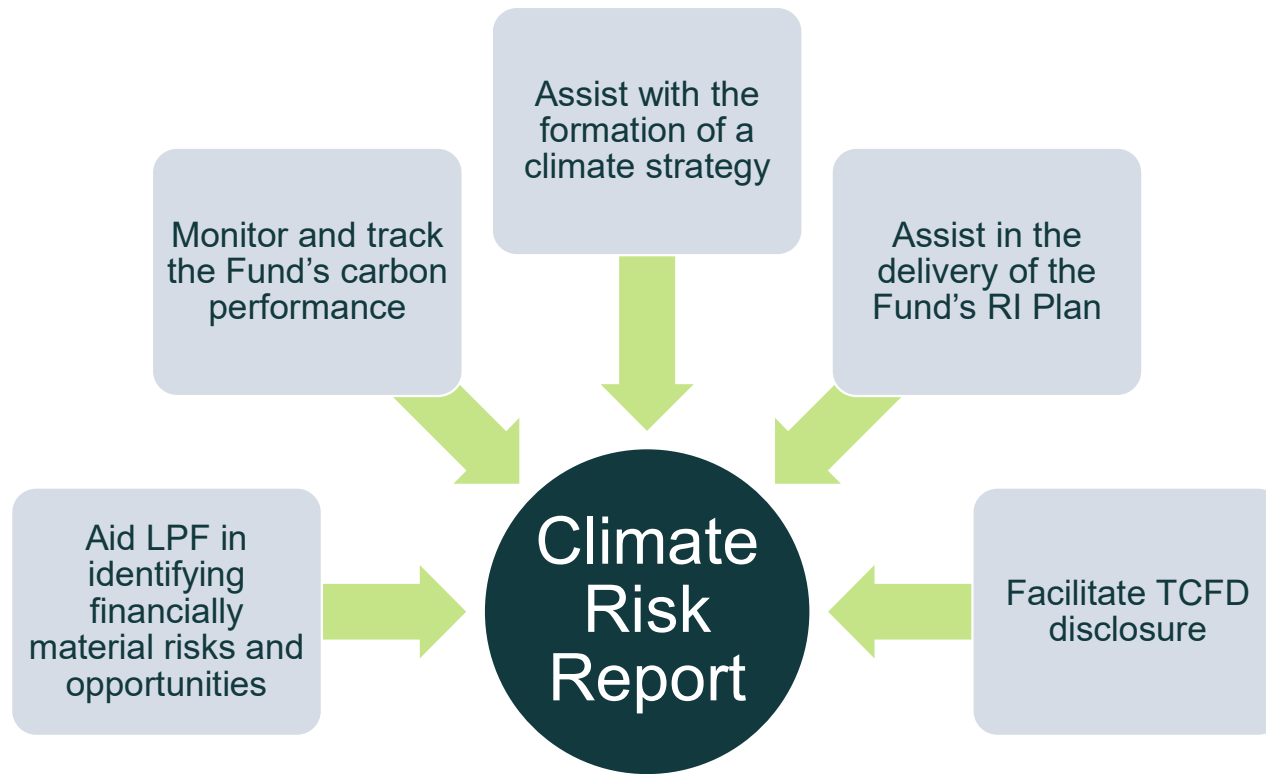
Agenda



- 1 Report Purpose
- 2 Governance
- 3 Carbon Risk Metrics
- 4 Climate Stewardship Plan



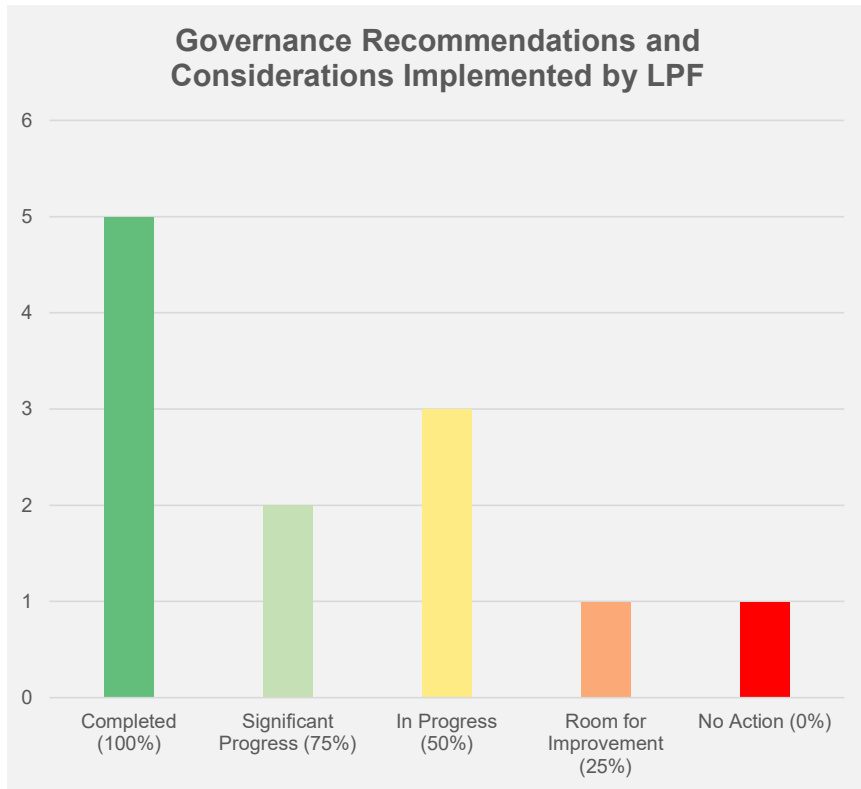
Report Purpose



Governance



2021 PROGRESS UPDATE

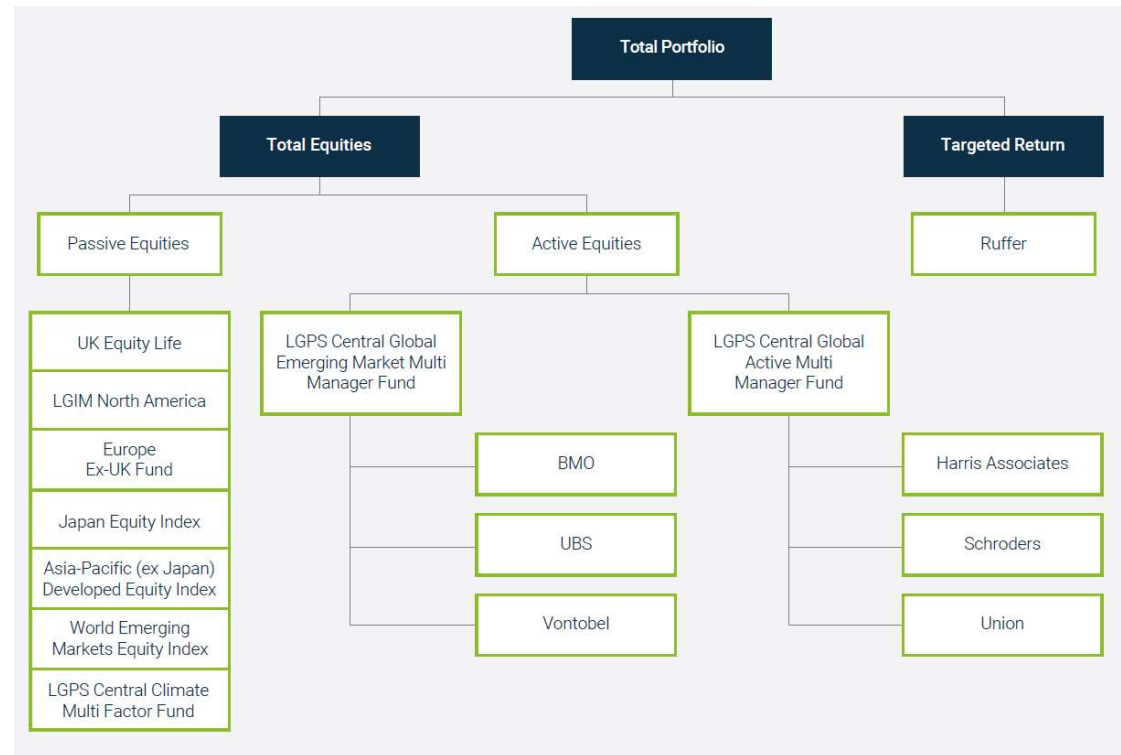


- Key Developments**
- Disclosed the Fund’s first TCFD Report
 - Implemented a 2021 RI Action Plan
 - Climate change featured as a regular item in Pensions Committee Meetings
 - Climate Change training delivered to the Pensions Committee
 - Climate Risk included in the Fund’s Risk Register
 - Annual Report updated to include a greater amount of climate disclosure

Carbon Risk Metrics (1)



- Portfolio Carbon Footprint
- Exposure to Fossil Fuel Reserves
- Exposure to Clean Technology
- Carbon Risk Management



Carbon Risk Metrics (2)












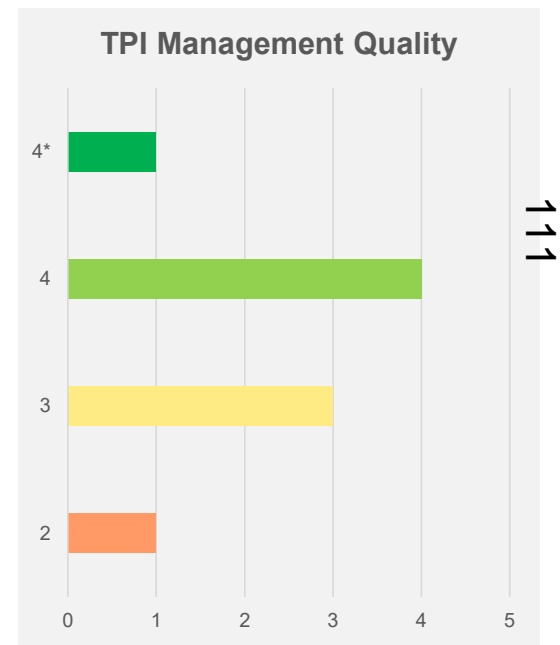
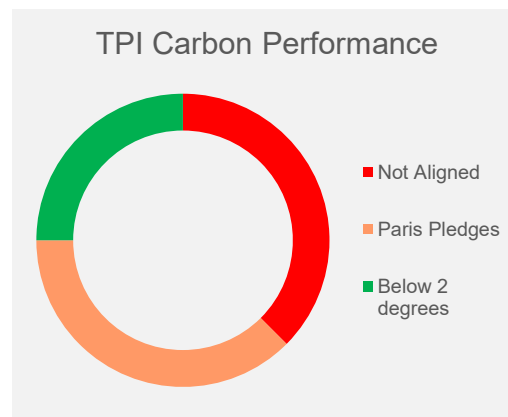
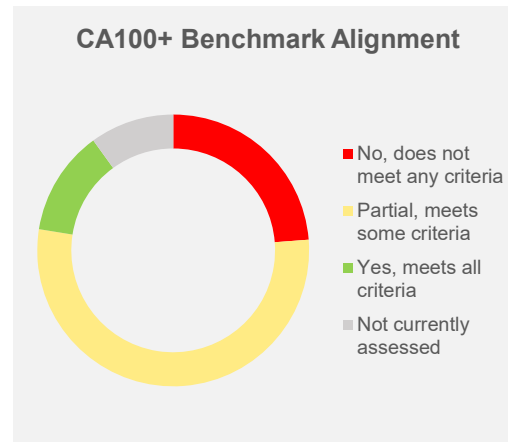
Portfolio	Portfolio Carbon Footprint (tCO ₂ e/\$m revenue)			Weight in Fossil Fuel Reserves (%)			Weight in Thermal Coal Reserves (%)			Weight in clean technology		
	2019	2021	% diff	2019	2021	% diff	2019	2021	% diff	2019	2021	% diff
Total Equities	160.2	120.21	-24.9%	8.57%	6.27%	-2.30%	2.87%	2.69%	-0.18%	34.2%	38.8%	4.66%
Total Active Equities	109.6	131.18	19.7%	6.61%	6.63%	0.01%	2.34%	2.19%	-0.15%	36.4%	36.2%	-0.16%
Total Passive Equities	178.8	115.82	-35.2%	9.30%	6.13%	-3.17%	3.06%	2.89%	-0.18%	33.4%	39.9%	6.51%

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Climate Stewardship Plan (1)



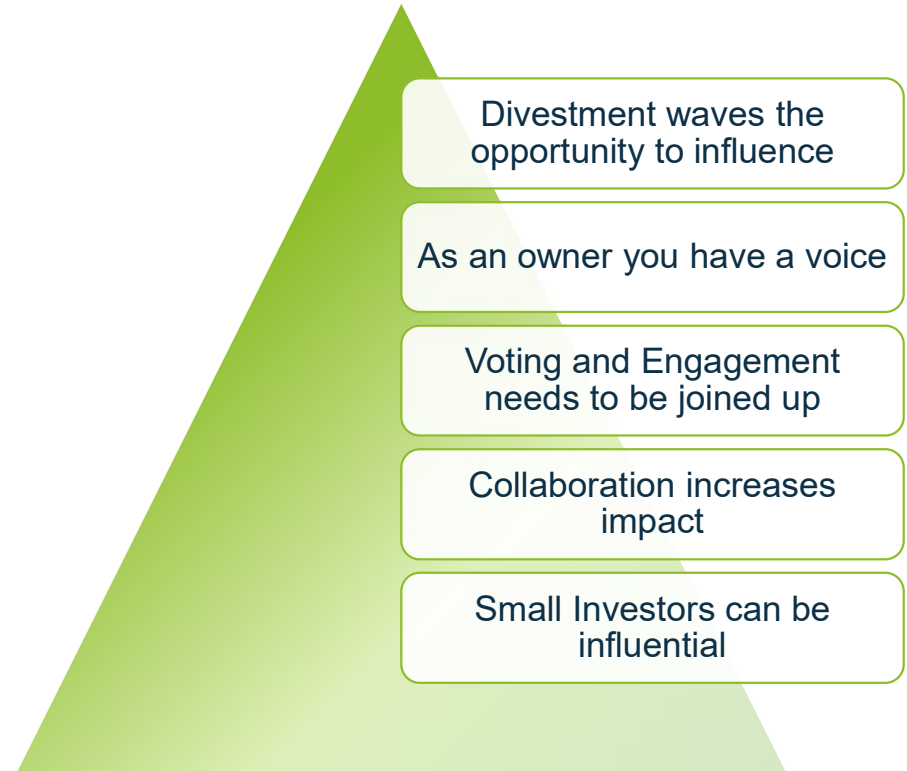
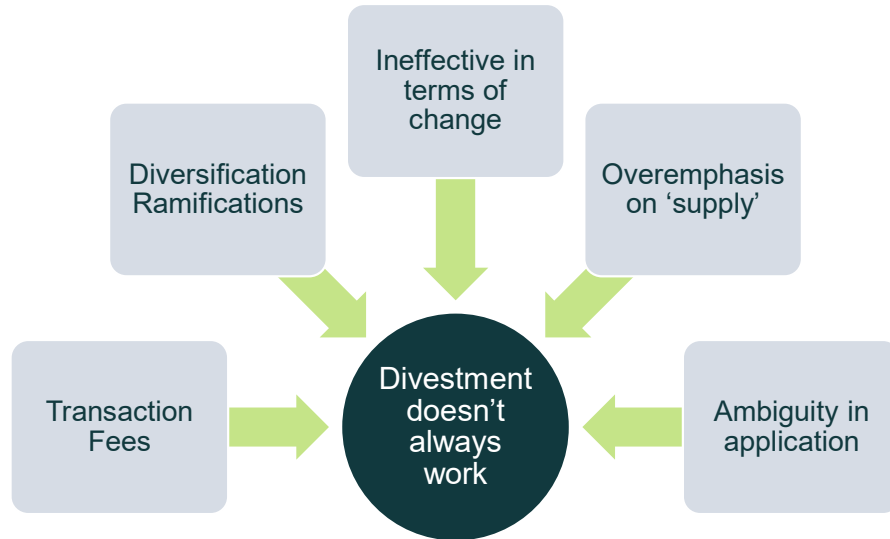
Company	Sector
	Energy
	Utilities
	Materials
	Materials
	Utilities
	Energy
	Energy
	Utilities
	Info Tech



Climate Stewardship Plan (2)



WHY WE SUPPORT ENGAGEMENT



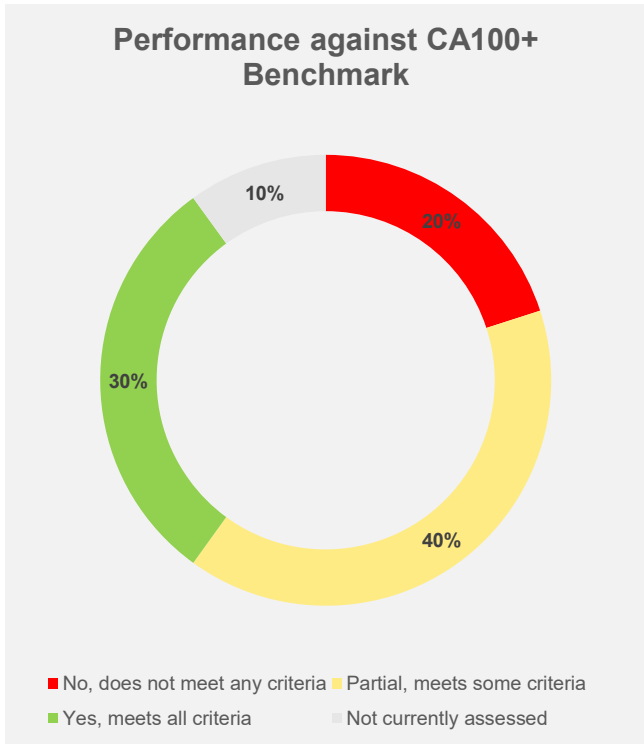
Climate Stewardship Plan (3)



GLENCORE ENGAGEMENT

TPI Management Quality	3
TPI Paris Alignment	Below 2 degrees

- LGPSC co-lead for the CA100+ Glencore Focus group
- Glencore 1 year progress:
 - Net-zero by 2050 ambition
 - Medium term target of 50% reduction by 2035
 - TCFD Disclosure
 - 2021 AGM Climate Transition plan



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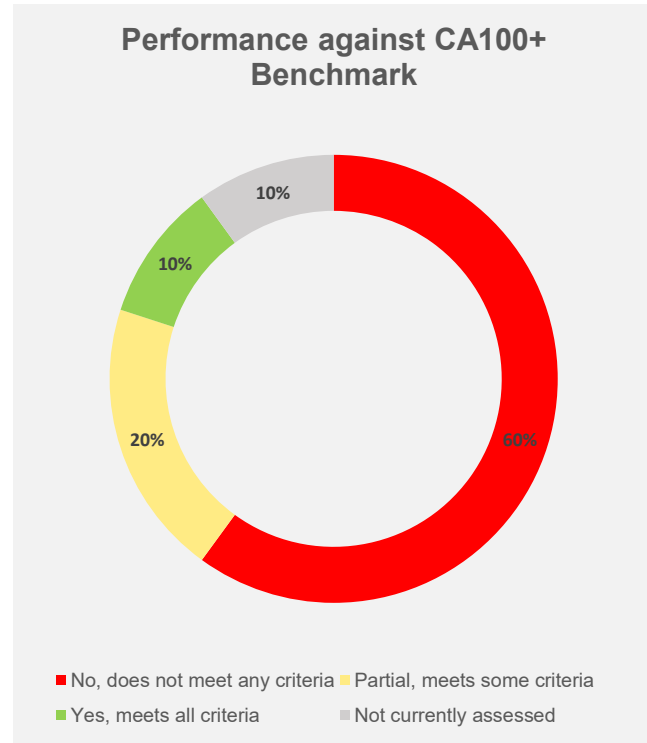
Climate Stewardship Plan (4)



NEXTERA ENGAGEMENT

TPI Management Quality	2
TPI Paris Alignment	Paris Pledges

- American electric Utility. World's largest producer of wind and solar energy
- Direct engagement by LGPS Central alongside CA100+ focus group
- One year progress:
 - Committed to an annual review of its trade association memberships and an annual disclosure update
 - Target to reduce its GHG emissions by 2025. Covers scope 1, 2 and most relevant scope 3 emissions.



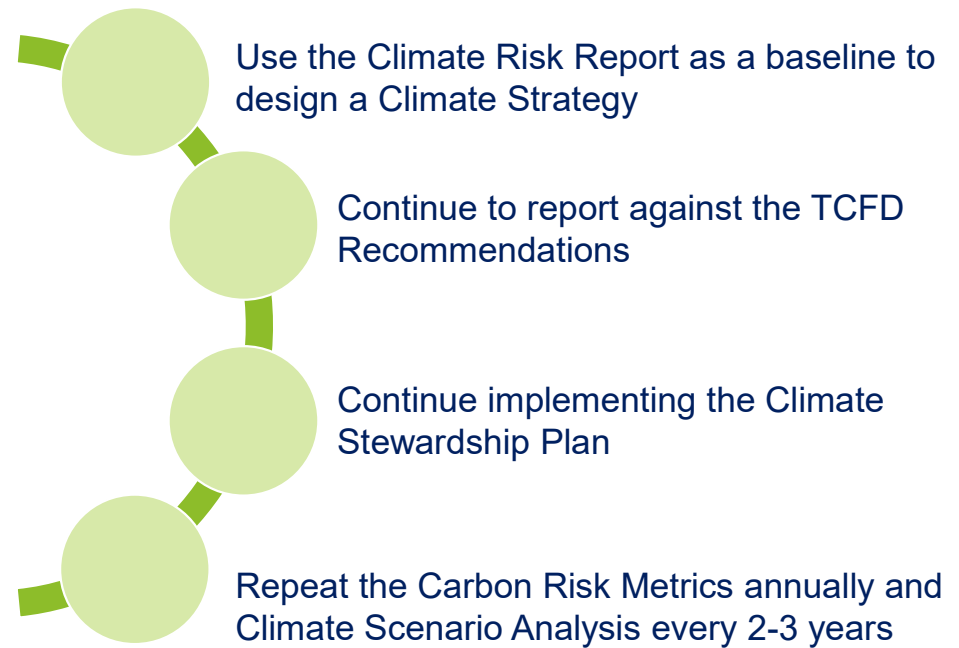
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Conclusions



The Fund already has good practice in place in terms of responsible investment and climate change

Key Recommendations for LPF



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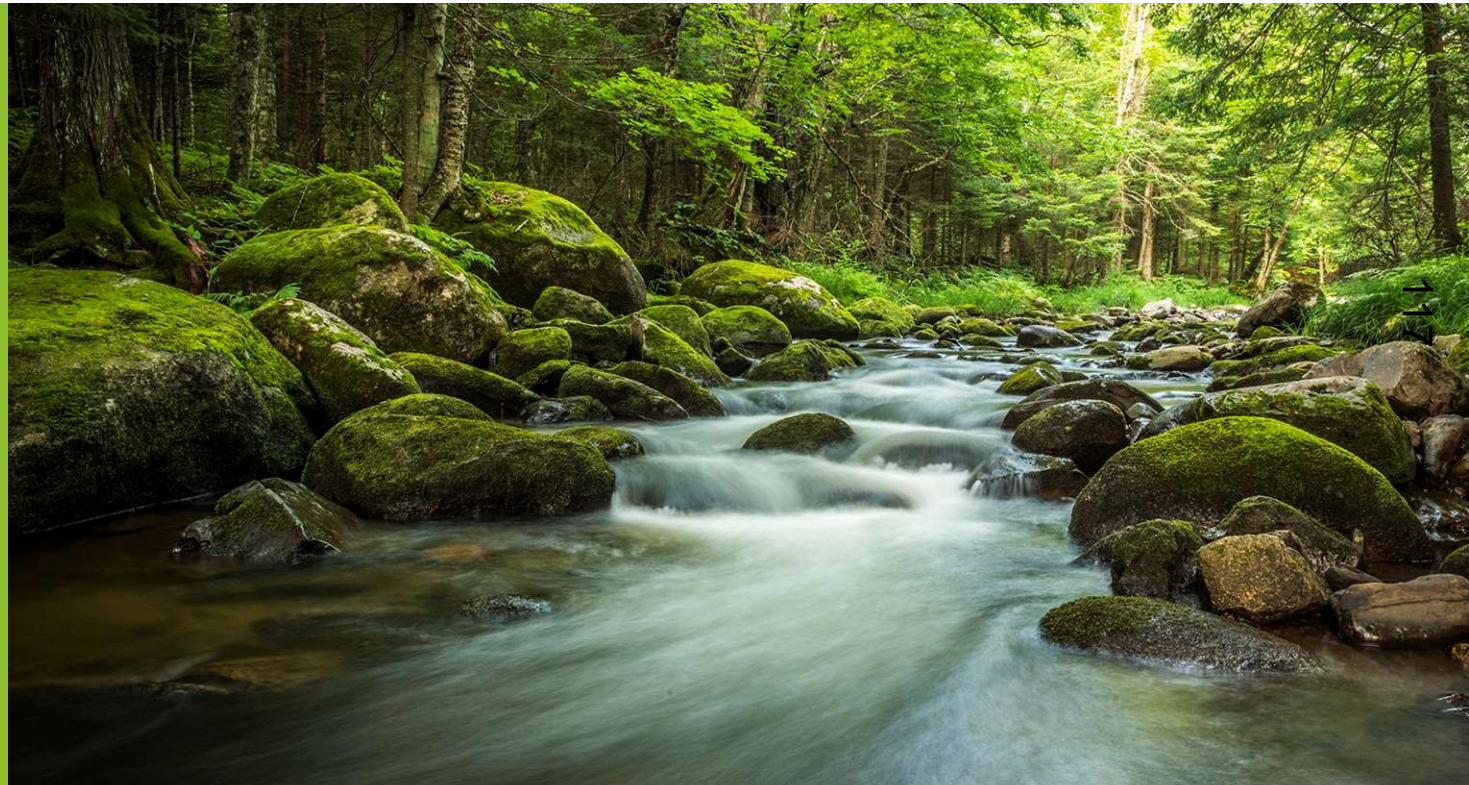
All information is prepared as of **12th November 2021**.

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