

Essex Pension Fund

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

In summary this means, the Essex Pension Fund Investment Steering Committee (ISC), as part of the 2022/23 Business Plan and RI Project Plan for the year, have agreed that the Fund will measure three emission based metrics: total greenhouse gas emissions; carbon footprint; and weighted average carbon intensity and the targets set for these metrics to 2030 will concentrate on equities, credit and real estate in the first instance. 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.

The Fund have commissioned over the last year ESG 'top down' and 'bottom up' analysis on most of the Fund's investment managers. These were used as the basis of the engagement discussions the Fund has had with its investment managers. The Fund is keen to demonstrate its commitment to being a responsible investor. To this end in April it submitted to the Financial Reporting Council its inaugural submission 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, it 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, Members agreed to the investment guidelines of this new fund which included that it will track the EU climate transition benchmark. UBS are now proceeding to launch the fund on that basis.

The Fund at this meeting set out its RI Project Plan for the year. This 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. It 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