

LGC

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# RI Integration – our approach

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## Environment Agency Pension Fund

- 40,000 members
- 2 Funds – Active £3.5bn assets, Closed £280m
- 95% of staff participation
- Asset to liability ratio: c.103%
- Need for strong, long term investment returns
- Outsourced fund management

**100% Responsibly managed**

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# It's in everything we do

- **Long term**
    - Strategic asset allocation (mega trends)
    - Investment policy & strategy
  - **Risk, research and thought leadership**
    - Portfolio construction and management
    - Fund manager selection and monitoring
    - Supporting fund manager innovation
  - **Measurement and management**
    - Carbon foot printing & fossil fuel exposure
    - Fund manger ESG risk assessment
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## It's in everything we do

- **Reporting**

- Website, newsletters, annual reports
- Task Force on Climate Disclosure

- **Collaboration**

- Contributing to industry - Fund managers & consultants
  - Policy makers, regulators, actuaries and other funds
  - **LGPS – Frameworks and supporting other LGPS funds**
  - Transition Pathway Initiative
  - UNPRI, IIGCC, LAPFF
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# No compromise

- **11.6%** over last 5 years
  - **£1.1bn** million pounds invested in sustainable companies
  - **>50%** reduction in our fund's carbon footprint since 2008
  - **33%** less carbon emitted per million pounds invested than the market average for 2017
  - **Top UK Pension fund, (2nd in the world)** in addressing climate risk for second year running
  - **500+** company engagements each year, improving companies' performance on environmental, social and governance issues
  - **3,000+** company AGMs each year where our votes have been cast
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## With more resources we would have....

- Addressed broader range of issues
    - expertise = focus on environmental issues and diversity
  - Dig deeper into all asset classes
    - fixed income, real estate & infrastructure
  - More objective analysis on ESG risk
    - Less dependant on managers own assessments
  - Stewardship
    - better at monitoring and managing voting
  - Reporting
    - Impact and the sustainable development goals
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