

## RIWP 5<sup>th</sup> September 2024

Name	Initials	Organisation
Councillor Brenda Hall (Chair)	BH	WBC
Councillor Ann Ainsworth	AA	WBC
Councillor Jo Bird	JB	WBC
Councillor Chris Carubia	CCa	WBC
Councillor Pat Cleary	PC	WBC
Councillor George Davies	GD	WBC
Councillor Brian Kenny	BK	WBC
Councillor Pat Moloney	PM	Local Pension Board
Councillor Christine Howard	CHo	Sefton
Councillor Jayne Lonergan	JL	Knowsley
Colin Hughes	CHu	WBC
Paul Lee	PL	Redington
Jill Davys	JD	Redington
Paul Watson	PWt	Independent Advisor
Rohan Worrall	RW	Independent Advisor
Peter Wallach	PWI	MPF
Adil Manzoor	AM	MPF
Allister Goulding	AG	MPF
Owen Thorne	OT	MPF
Greg Campbell	GC	MPF
Alex Abela-Stevenson	AAS	MPF
Roksana Klapkowska	RK	MPF
Emma Littler	EL	MPF
Susannah Friar	SF	MPF
Ciaran Sharp	CS	MPF
Beth Breen	BB	MPF
Dragos Serbanica	DS	MPF
Dan Proudfoot	DP	MPF
Neil Gill	NG	MPF
Joseph Hull	JH	MPF
Conor Constable	CCo	PIRC
Janice Hayward	JH	PIRC
Mona Ackholm	MA	PIRC
Alan MacDougall	AM	PIRC

### 1. Apologies

No apologies.

## **2. Report on Stewardship Activity of MPF & NLGPS Pool: PIRC**

Conor Constable and Mona Ackholm from PIRC presented. The presentation included:

- Why stewardship matters
- What we do for Merseyside through the Northern LGPS
- Company engagement case studies
- The work of the Local Authority Pension Fund Forum for its members
- 2024 Proxy season & the 'ESG backlash'

An enquiry was made into whether the Barclays case had led to any significant emissions reductions. The response was that while Barclays has begun to limit financing in areas like thermal coal and made some improvements, there is still room to progress. PIRC continues to push for further action.

It was asked if PIRC could quantify the impact of their engagement efforts and, in extreme cases, if they would recommend divestment over engagement. It was clarified that PIRC does not provide financial advice regarding divestment but strives to achieve positive outcomes on climate and social issues. As for quantifying engagement, PIRC sets specific engagement objectives over three-year timelines.

The question was raised to whether more attention should be given to debt issuers. The reply was that while PIRC primarily engages with equities, there are other initiatives focusing on debt, and the responsible investment community is increasingly turning its attention to debt issuers.

## **3. Stewardship Code: Redington**

Jill Davys and Paul Lee from Redington presented. The purpose of the session was to provide Members with a draft of MPF's Stewardship Code submission to the Financial Reporting Council in order to address any issues and elicit feedback. The presentation included:

- Stewardship Code: Recap
- Next steps
- Draft Stewardship Code: Principles

An enquiry was made on whether Redington expects any forthcoming changes to the Stewardship Code. The response was that the FRC is currently undergoing a consultation process, but there are no significant changes expected to the existing standards.

It was asked how current political and ESG issues would be incorporated into the Stewardship Code. An explanation was given that the report covers the period until the end of March 2024, but future updates could include increased focus on engagement with defence companies and human rights concerns and consideration would be given to changes to the present submission.

There was mention that the Fund has been in discussion with its asset manager State Street Global Advisers regarding plans to offer pass-through voting on their platform.

A question was raised about the government's review of pension schemes and the expectation for funds to invest more in UK companies. An update was provided on the government's proposals, including the call for evidence and the implications should funds increase their allocation to UK equities, infrastructure, and private markets.

The recommendation to Pensions Committee regarding the Stewardship Code submission was agreed upon.

#### Recommendation

That the Director of Pensions in consultation with the Chair be authorised to approve a final version of MPF's submission to the Financial Reporting Council for the October 2024 deadline.

#### **4. RI Resourcing Approach: Redington**

Jill Davys and Paul Lee from Redington presented. The purpose of the report, commissioned from Redington as part of the strategic Change Programme, was to provide assessment of the Fund's resource adequacy and capacity for shaping positive sustainability outcomes. The presentation included:

- RI resourcing needs
- MPF current RI resourcing / approach
- RI resourcing considerations to meet requirements

Emphasis was placed on the importance of having clear objectives for the Fund, as agreed by the committee, to better understand resourcing priorities. It was noted that while the committee's views have been considered, it would be beneficial to collaborate with officers to assess resourcing levels more comprehensively. Elaboration was made on the role of responsible investment within investment management, stressing the need for adequate resources to meet objectives. The RIWP emphasised the importance of conducting cost-benefit analysis, to further develop a business case clearly linking resourcing options with investment goals.