

RIWP 30th October 2024

Name	Initials	Organisation
Councillor Brenda Hall (Chair)	BH	WBC
Councillor Ann Ainsworth	AA	WBC
Councillor Helen Cameron	HC	WBC
Councillor Chris Carubia	CC	WBC
Councillor Pat Cleary	PC	WBC
Councillor Jeff Green	JG	WBC
Councillor Brian Kenny	BK	WBC
Councillor Ruth Molyneux	RM	WBC
Councillor Christine Howard	CHo	Sefton
Colin Hughes	CHu	WBC
Peter Jewell	PJ	WBC
Donna Ridland	DR	Pension Board
Paul Lee	PL	Redington
Edina Molinar	EM	Redington
Jill Davys	JD	Redington
Paul Watson	PWt	Independent Advisor
Rohan Worrall	RW	Independent Advisor
Peter Wallach	PWI	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
Ciaran Sharp	CS	MPF
Dragos Serbanica	DS	MPF
Dan Proudfoot	DP	MPF
Neil Gill	NG	MPF
Kian Gheissari	KG	SSGA
Carlo Maximilian Funk	CMF	SSGA

1. Welcome, Introduction & Apologies

Apologies
Cllr. George Davies WBC

2. SSGA Sustainable Stewardship Service - SSGA

Kian Gheissari and Carlo Maximilian Funk from SSGA presented. The purpose of the presentation was to give insight into SSGA's expanding stewardship offering and sustainable investing research capabilities. The presentation included:

- Sustainable stewardship service: overview
- Proposed timeline and milestones
- Expanding sustainable investing research

Additional context was requested to better understand SSGA, their goals, and client ambitions for those considering the service. In response, SSGA outlined their extensive assets under management (AUM) and highlighted their ambitious client targets, particularly in Europe.

A question was raised regarding the services cost structure, with the response clarifying that fees would be approximately \$15,000, though pooled funds would incur no charge.

Further clarification was sought on the opt-in process and rationale behind developing the service. SSGA confirmed that the Fund will incur no financial cost to use the service and may opt-out at any time. The service was developed in response to strong market demand and client feedback and is expected to go live in 2025.

An enquiry was made about client onboarding and progress in recruitment. SSGA confirmed that many clients have shown interest and are expected to formalise their participation very soon. In terms of recruitment, the team has so far made two hires and is actively recruiting a team head.

3. Climate Reporting (TCFD): Redington

Edina Molinar from Redington presented. The purpose of the presentation was to provide an initial training for the Fund on the Task Force on Climate-related Financial Disclosures ('TCFD') recommendations, following the Fund's approval of recent interim net zero targets and development of the Fund's reporting in line with the Stewardship Code. The presentation included:

- Understanding climate as a financial risk
- Understanding the TCFD framework
- Possible next steps for the Fund
- What are other schemes doing?

A question was raised about the effectiveness of climate scenario analysis in managing risk for the Fund. The response emphasised the value of exploring multiple outcomes, given the growing likelihood that the Paris Agreement's 1.5°C target may not be met.

A comment questioned the implications of the investment committee setting a specific climate objective, as a portfolio designed for a 3°C world would differ significantly from one aligned with a 1.5°C target. The response indicated that the modelling is intended as a tool to identify potential outcomes, nonetheless, underscoring the need for realistic belief statements and financial objectives.

There was broad support for climate scenario analysis, with multiple comments highlighting its value in prudently assessing both financial and climate risks.

4. Update on Investment in Defence Companies: MPF/Redington

Peter Wallach from MPF presented. The purpose was to provide members with an update on investment in defence companies, fiduciary duty, and guidance in relation to the LGPS. The presentation included:

- Investments in defence companies and key considerations for members
- Approaches to exclusion and levers of action
- Mechanisms for engagement
- Exercise of judgment in relation to exclusion
- Scope of policy – precedent setting
- Recent guidance and legal opinion
- Why is the Israel / Gaza conflict different to Ukraine / Russia over divestment
- Costs and performance
- Options

A question was raised about merging previously provided ESG data with financial performance metrics for a list of defence companies to assess whether current investments in these companies could be redirected elsewhere. The response confirmed that this integration of information would be feasible.

A request was also made for a brief report evaluating aerospace & defence employment across the Wirral and Merseyside area, with a focus on assessing potential impact of divestment on local employment. The responder agreed to review this request and explore potential approaches.

There was also support for organising a workshop to discuss these topics in greater detail.