Pension Fund	Policies on fossil fuels	Decision Making	Future Approach
Bedfordshire Pension Fund	• Statement regarding fossil fuels	• **Statement regarding fossil fuels** • Recognises investment implications of climate change, "significant risk factor for our pension fund investments" • Within the structure of the fund, it is not possible for beneficiaries to opt out of a particular type of investment. • Engagement with companies is the preferred strategy. This is done through the LAPFF. • Fund also a member of the IIGCC.	• Continued engagement with companies.
Cheshire Pension Fund	N/A	• ESG factors taken into account where they impact on returns. • Policy of engagement with companies to improve best practice, through membership of LAPFF.	• Continued engagement with companies, no explicit reference to fossil fuels.
Derbyshire Pension Fund	• SIP – Fund has **"an ethical/ environmental bias"**	• SIP – Proportion of the fund is allocated for investment in ethical unit trusts and other funds specialising in environmental matters. These must meet the following criteria: 1) Long term benefit to the community 2) Environmental improvements and pollution control 3) Associated with the enhancement of human health and safety 4) Conservation of energy and natural resources 5) Good relations with customers and suppliers 6) High employee welfare standards 7) Strong community involvement 8) Good equal opportunities record 9) Openness about activities 10) Support for the local economy • Fund does not disinvest as Investment Regulations require diversification. If companies do not meet the above criteria, shareholder engagement to encourage improvements.	• Continued engagement. • Screening of investments for a certain portion of the fund, as described.
Essex Pension Fund	N/A	• SIP (March 2015) – investment managers' primary consideration is financial. • Non-financial factors can be considered providing this	• Business as usual.

		is not financially detrimental to the fund, or represents a significant opportunity cost if not held. • Decisions based on a significant degree of non-financial factors are expected to be extremely rare.	
Environment Agency Pension Fund (Best Practice)	• Policy to address the impacts of climate change	• **<u>Policy to address the impacts of climate change</u>** (Oct 2015) – contains targets and principles for investment which considers the risks of climate change. • Pension funds must help the transition to a low-carbon economy; this will be a slow process. • Selective risk based divestment is appropriate but engagement is preferred.	• By 2020: • 15% of the fund in low carbon, energy efficient and carbon mitigation opportunities. (End target of 25% of fund invested in clean, sustainable companies) • Decarbonise equity portfolio, reducing exposure to coal by 90% and oil and gas by 50%, from 2015. • Active working with asset owners, fund managers, companies, academia, policy makers and others to move to a low carbon economy.
Greater Manchester Pension Fund	N/A	• Ethical investment inconsistent with legal duties. • Policy of engagement with companies, rather than divestment or a detailed ethical investment policy. • This does not stop ethical investment choices e.g. fund does not invest in South Africa	• Continued engagement.
Kent Pension Fund	• ESG policy refers to climate change risk	• Exclusion policies incompatible with fiduciary duty. • **<u>Environmental, Social and Governance Policy</u>** – investment managers expected to vote at AGMs and engage with companies, monitor climate risk through membership of the IIGCC.	• Monitor climate risk through IIGCC. • Continued engagement.
Leicestershire County Council Pension Fund	N/A	• ESG factors taken into account where it is in the long-term economic interests of the fund.	• No explicit reference to fossil fuels.
London Borough of Hackney	N/A	• Non-financial factors should not drive the investment process at the cost of return but companies who act responsibly are more likely to have long-term investment returns. Investment managers encouraged to take a positive view of companies with good ESG. • Also subject to a petition.	• Petition to be discussed at a Council meeting in January (date TBC).

London Pensions Fund Authority	N/A	• Divesting from fossil fuels is against fiduciary duty. • March 2015 – only 1% of the fund is invested directly in fossil fuels, none in coal. • Healthy pension fund needs to diversify risks across sectors, which will include fossil fuels.	• Continued engagement with companies.
South Yorkshire Pension Authority (Good Practice)	• Report on Responsible Investment Policy	• **Report on Responsible Investment Policy** - (Sept 2015) concluded that divestment should not occur on ESG reasons. • Policy of active engagement. • **No future investment in coal and tar sands.**	• Carbon footprint of the fund to be produced by an external contractor, at an expense of approx. £4000. • Fund to become a signatory to the Carbon Disclosure Project. • Engagement with pressure groups and fund members. • Divestment to be revisited after the Paris Summit and the Carbon Footprint of the fund has been completed.
West Midlands Pension Fund	N – engagement rather than exclusion	• Divestment would lose the ability for funds to engage with and influence the behaviour of companies.	• Continued engagement.