

## INVESTMENT MANAGEMENT REPORT

Report of the Director of Finance and Public Value

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

Recommendation: that the Committee be asked:

1. That the Investment Management Report be noted.
2. To note compliance with the 2022-23 Treasury Management Strategy.

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### 1. FUND VALUE AND ASSET ALLOCATION

The table below shows the Fund value and the asset allocation for the Fund compared to the target asset allocation as at 30 September 2022.

|                            | <b>Fund Value<br/>as at<br/>30.09.22</b> | <b>Target<br/>allocation<br/>2022/23</b> | <b>Fund asset<br/>allocation<br/>at 30.09.22</b> | <b>Variation<br/>from<br/>Target</b> |
|----------------------------|------------------------------------------|------------------------------------------|--------------------------------------------------|--------------------------------------|
|                            | <b>£m</b>                                | <b>%</b>                                 | <b>%</b>                                         | <b>%</b>                             |
| <b>Fixed Interest</b>      |                                          |                                          |                                                  |                                      |
| Sterling Corporate Bonds   | 271.2                                    | 7                                        | 5.4                                              |                                      |
| Multi-Asset Credit         | 595.5                                    | 12                                       | 11.9                                             |                                      |
| Cash                       | 55.8                                     | 1                                        | 1.1                                              |                                      |
|                            | <b>922.5</b>                             | <b>20</b>                                | <b>18.4</b>                                      | <b>-1.6</b>                          |
| <b>Equities</b>            |                                          |                                          |                                                  |                                      |
| Passive Equities           | 1,329.7                                  | 25                                       | 26.5                                             |                                      |
| Global High Alpha Equities | 270.1                                    | 5                                        | 5.4                                              |                                      |
| Global Smaller Companies   | 261.4                                    | 5                                        | 5.2                                              |                                      |
| Emerging Markets           | 225.8                                    | 5                                        | 4.5                                              |                                      |
| Sustainable Equities       | 482.1                                    | 10                                       | 9.6                                              |                                      |
|                            | <b>2,569.1</b>                           | <b>50</b>                                | <b>51.2</b>                                      | <b>+1.2</b>                          |
| <b>Alternatives/Other</b>  |                                          |                                          |                                                  |                                      |
| Diversifying Returns Funds | 433.8                                    | 6                                        | 8.6                                              |                                      |
| UK Property                | 420.1                                    | 8                                        | 8.4                                              |                                      |
| International Property     | 109.8                                    | 2                                        | 2.2                                              |                                      |
| Infrastructure             | 398.6                                    | 8                                        | 7.9                                              |                                      |
| Private Equity             | 38.1                                     | 3                                        | 0.7                                              |                                      |
| Private Debt               | 132.8                                    | 3                                        | 2.6                                              |                                      |
|                            | <b>1,533.2</b>                           | <b>30</b>                                | <b>30.4</b>                                      | <b>+0.4</b>                          |
| <b>Total Fund</b>          | <b>5,024.8</b>                           | <b>100</b>                               | <b>100.0</b>                                     |                                      |

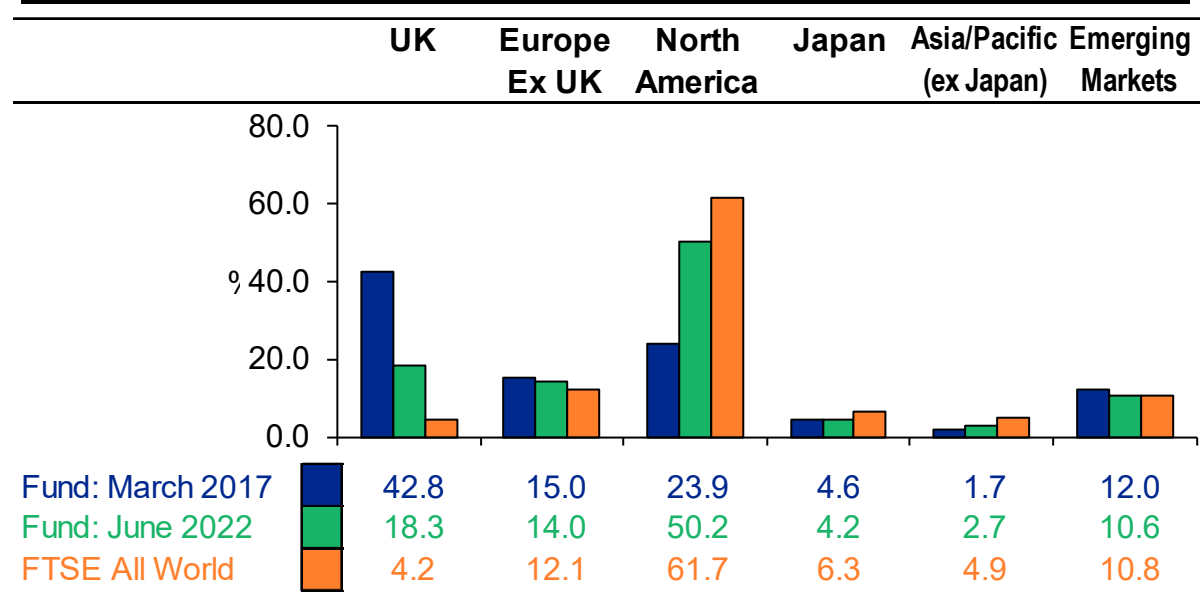
The key points with regard to the end of quarter asset allocation are summarised below:

- a) The Fund value as at 30 September 2022 stood at £5,024.8 million, a decrease of around £110 million over the quarter and £390 million since 31 March.
- b) Since the quarter end, action has been taken to rebalance, with £50 million being moved from Passive Equities to Sterling Corporate Bonds. The Sterling Corporate Bonds portfolio has gone down significantly in value as a result of the recent interest rate volatility, presenting an opportunity to add to the investment when the market is relatively cheap.
- c) Within private markets a further £36 million of the infrastructure commitment has been drawn down, plus a further £10 million of the private debt commitment and £2.5 million of the private equity commitment.
- d) Over the quarter, £50 million was redeemed from the Diversifying Returns Funds (DRF) to fund the above private markets calls, and a further £50 million has been redeemed since the quarter end to bolster the cash allocation in anticipation of further private market calls.

#### Geographical Weighting of Equity Allocation

- e) The following chart gives the geographical split of the Fund's equity allocations against the FTSE All World Index geographical weightings.

#### Geographical Split of Equity Allocation compared to the FTSE All World Index

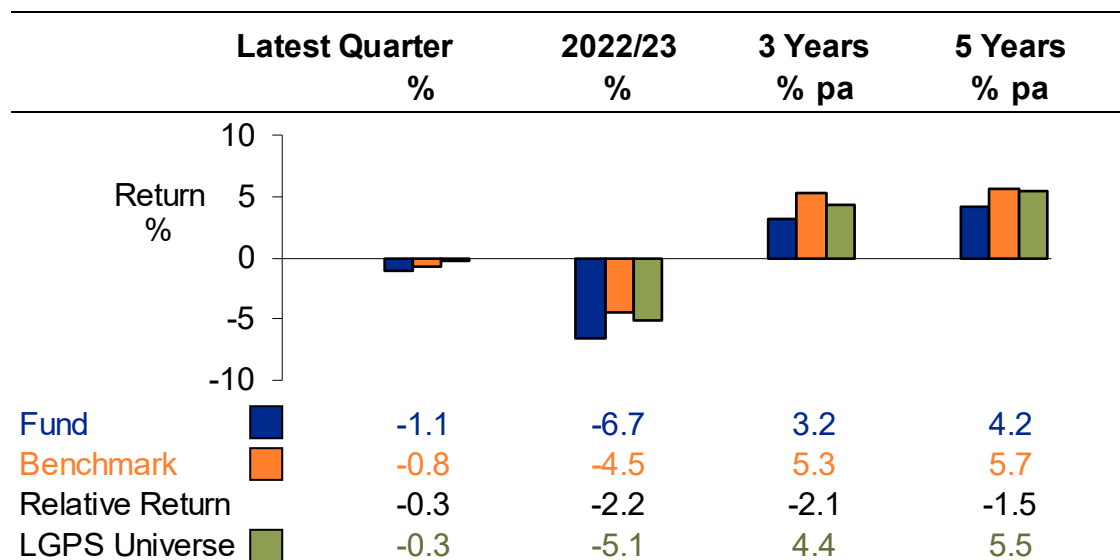


- f) Since March 2017, the overweight to UK equities and underweight to North America have been reduced, but the Fund retains an overweight to the UK via the investment in the UK Climate Transition Benchmark Tracker Fund. The Committee has agreed to retain an overweight position to the UK, on the basis that the US market has appeared expensive, whereas the UK market looks comparatively cheap.
- g) The underperformance of the UK allocation can to some extent be explained by the UK market not being favoured by global investors due to the impact of Brexit and Covid. As the UK's economic position stabilises, market analysts suggest that the UK market will catch up to some extent and perform better than the US and therefore the global market in the next few years, but this cannot be guaranteed.

## 2. FUND PERFORMANCE

The performance of the Total Fund over the last quarter, the financial year to date, and on a rolling three and five year basis is shown in the following chart.

### Longer Term Fund Performance Summary



Source for LGPS Universe: PIRC Local Authority Pension Performance Analytics

The performance statistics quoted are net of fees. The LGPS universe figures for the last quarter are based on the asset allocation of the PIRC Local Authority Universe with index returns applied. The previous periods are updated to include actual Universe returns.

The Fund suffered negative returns for the third consecutive quarter, although overall markets were only marginally negative compared to the losses of the previous two quarters. Sterling denominated bonds have performed particularly poorly as a result of interest rate increases. The index fell 5% in 7 days at the end of September, as the market reacted to the Government's mini-budget.

The Devon Fund returned -1.1% taking the return for the financial year to date to -6.7%, significantly below the strategic benchmark return of -4.5%.

The underperformance against benchmark can be partly attributed to fund benchmarks that are cash plus benchmarks, which are always going to be below target when returns are negative. Multi-asset credit and the DRF have returned -9.4% and -3.9% respectively against a benchmark of +2.6% which has contributed around 90% of the total fund under-performance.

There was also under-performance on Brunel equity portfolios, but not to the same extent as in the previous quarter. The 6 month performance reflects the bias of most of the active portfolios towards "growth" companies and those with sustainable revenues during a period when "value" companies and energy companies have performed more strongly.

A breakdown of the performance of the Total Fund for the six months (financial year to date) and three years to 30 September 2022 and the comparative Index returns are shown in the following table:

### **Performance to 30 September 2022**

| Sector                               | Financial Year To Date |            | Three Years |            | Benchmark Description                 |
|--------------------------------------|------------------------|------------|-------------|------------|---------------------------------------|
|                                      | Fund Return            | Bench mark | Fund Return | Bench mark |                                       |
|                                      | %                      | %          | %           | %          |                                       |
| <b>Fixed Interest</b>                |                        |            |             |            |                                       |
| Investment Grade Bonds               | -18.0                  | -17.0      | -8.4        | -8.7       | iBoxx Sterling Non-Gilts <sup>2</sup> |
| Multi-Asset Credit                   | -9.4                   | +2.6       | +0.1        | +3.9       | GBP SONIA +4% <sup>2</sup>            |
| Cash                                 | +2.8                   | +0.6       | +1.4        | +0.3       | GBP 7 Day LIBID                       |
| <b>Equities</b>                      |                        |            |             |            |                                       |
| Passive Equities                     | -11.9                  | -11.8      | +3.5        | +3.6       | Devon Passive Index                   |
| Global High Alpha Equities           | -8.7                   | -7.0       | +6.2        | +8.4       | FTSE World / MSCI World               |
| Global Smaller Companies             | -9.6                   | -7.2       | -           | -          | MSCI World Small Cap                  |
| Emerging Markets                     | -9.5                   | -7.4       | -1.3        | +1.6       | MSCI Emerging Markets                 |
| Sustainable Equities                 | -8.6                   | -7.1       | -           | -          | MSCI AC World                         |
| Low Volatility Equities <sup>1</sup> | -0.4                   | -8.4       | -           | -          | MSCI AC World                         |
| <b>Alternatives/Other</b>            |                        |            |             |            |                                       |
| Diversifying Returns Funds           | -3.9                   | +2.6       | +0.5        | +4.4       | GBP SONIA +4% <sup>2</sup>            |
| UK Property                          | +1.6                   | -0.9       | +8.3        | +8.5       | MSCI Property Indices <sup>2</sup>    |
| International Property               | +9.9                   | +20.8      |             |            |                                       |
| Infrastructure                       | +9.1                   | +7.8       | +6.8        | +9.0       | CPI + 4% *                            |
| Private Equity                       | +13.2                  | -7.1       | -           | -          | MSCI AC World                         |
| Private Debt                         | +11.3                  | +7.8       | +9.5        | +9.0       | CPI + 4% *                            |

|                   |             |             |             |             |                            |
|-------------------|-------------|-------------|-------------|-------------|----------------------------|
| <b>Total Fund</b> | <b>-6.7</b> | <b>-4.5</b> | <b>+3.2</b> | <b>+5.3</b> | <b>Devon Bespoke Index</b> |
|-------------------|-------------|-------------|-------------|-------------|----------------------------|

1. Performance to redemption in June 2022.

2. the benchmark shown is the current benchmark, but the benchmark return will also incorporate the benchmarks applicable for the earlier part of the 3 year period where the benchmark has changed as a result of transition to Brunel.

- a) Investment Grade bonds have delivered a significant negative return over the year to date, as interest rate rises reduced the value of the bonds held.
- b) Multi-Asset Credit represents the riskier end of the listed fixed income market. The benchmark is a cash plus benchmark, so will always be positive, and in a period of negative returns will always be difficult to achieve. Comparisons with the wider multi-asset credit market show that performance of the Brunel portfolio has been marginally below with what would be expected in the prevailing market conditions.
- c) Equities recovered well during July and August, only to fall again during September. In general, equity markets fell over the quarter, but where portfolios remained unhedged the fall in the value of Sterling resulted in small positive returns. Nevertheless, returns have remained negative for the

financial year to date. Passive equities have fallen by more than the actively managed equity portfolios, largely due to the currency hedging in place detracting from performance over the period. The active portfolios are unhedged.

- d) There has been a negative return on the Brunel Diversifying Returns Fund but given that equities and bonds were both significantly down over the 6 month period a return of -3.9% is a creditable performance.
- e) Infrastructure and Private Debt returns were positive and ahead of benchmark over the quarter and the 6 month period. This reflects the good performance of the majority of the businesses involved, but also the enhanced value of overseas businesses in Sterling terms resulting from the fall in the value of the pound. This demonstrates the lower volatility associated with private markets, where valuations are much more closely related to the performance of the underlying businesses than market sentiment.
- f) The following table shows the impact of each asset class on the total fund valuation and investment return over the 6 month of the financial year to date. The table shows the movements between asset classes, reflecting the changes in strategic asset allocation in the quarter to June and private markets calls during the year to date. It then shows the impact of investment returns on the value of each asset class and its contribution to the total fund investment return

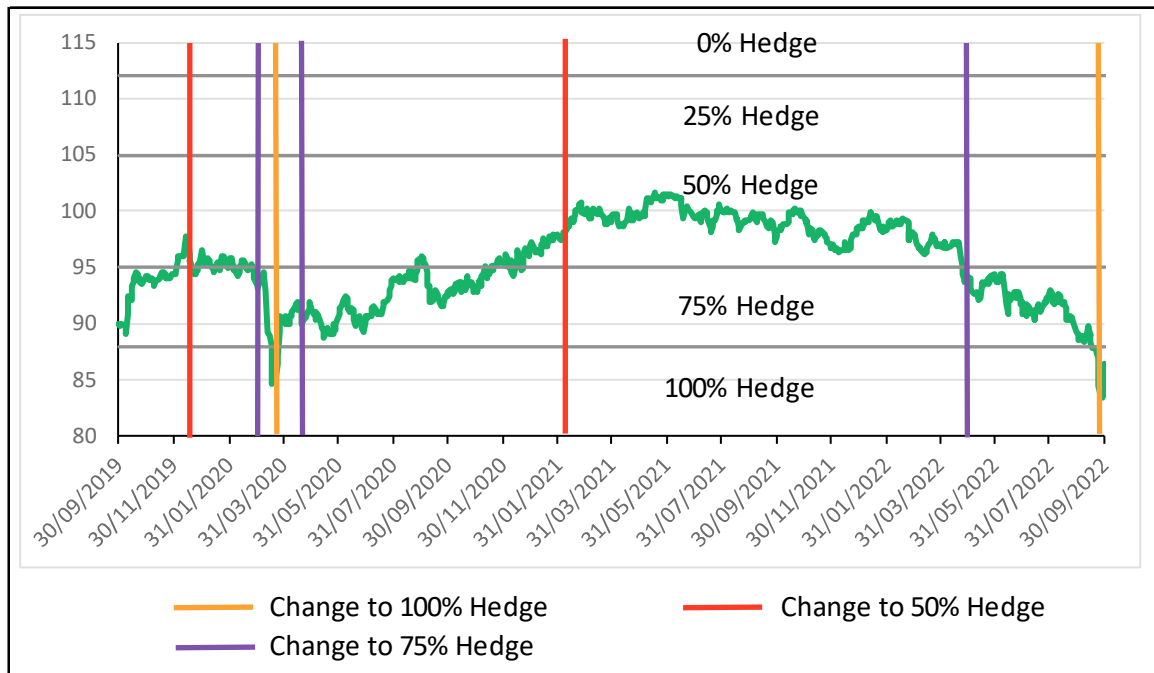
#### **Contribution to Total Fund Valuation and Performance**

| Sector                                         | Valuations     |                |               |                  | Returns        |                  |
|------------------------------------------------|----------------|----------------|---------------|------------------|----------------|------------------|
|                                                | 31 Mar<br>2022 | 30 Sep<br>2022 | Move<br>ments | Gain /<br>(Loss) | Fund<br>Return | Contri<br>bution |
|                                                | £m             | £m             | £m            | £m               | %              | %                |
| <b>Fixed Interest</b>                          |                |                |               |                  |                |                  |
| Investment Grade Bonds                         | 330.9          | 271.2          | 0.0           | -59.7            | -18.0          | -1.0             |
| Multi-Asset Credit                             | 392.1          | 595.5          | 260.0         | -56.6            | -9.4           | -1.1             |
| Cash                                           | 27.4           | 55.8           | 27.7          | 0.7              | +2.8           | +0.0             |
| <b>Equities</b>                                |                |                |               |                  |                |                  |
| Passive Equities                               | 1,709.0        | 1,329.7        | -200.0        | -179.3           | -11.9          | -3.2             |
| Global High Alpha Equities                     | 295.7          | 270.1          | 0.0           | -25.6            | -8.7           | -0.5             |
| Global Smaller Companies                       | 289.1          | 261.4          | 0.0           | -27.7            | -9.6           | -0.5             |
| Emerging Markets                               | 249.5          | 225.8          | 0.0           | -23.7            | -9.5           | -0.5             |
| Sustainable Equities                           | 258.2          | 482.1          | 260.0         | -36.1            | -8.6           | -0.9             |
| Low Volatility Equities                        | 391.1          | 0.0            | -393.2        | 2.1              | -0.4           | +0.0             |
| <b>Alternatives/Other</b>                      |                |                |               |                  |                |                  |
| Diversifying Returns Funds                     | 502.4          | 433.8          | -50.0         | -18.6            | -3.9           | -0.4             |
| UK Property                                    | 438.6          | 420.1          | -25.0         | 6.5              | +1.6           | +0.1             |
| International Property                         | 69.6           | 109.8          | 17.6          | 22.6             | +9.9           | +0.2             |
| Infrastructure                                 | 324.6          | 398.6          | 51.2          | 22.8             | +9.1           | +0.7             |
| Private Equity                                 | 25.4           | 38.1           | 9.6           | 3.1              | +13.2          | +0.1             |
| Private Debt                                   | 108.4          | 132.8          | 17.5          | 6.9              | +11.3          | +0.3             |
| Cashflow to fund pensions and management costs |                |                | 24.6          | -24.6            |                |                  |
| <b>Total Fund</b>                              | <b>5,412.0</b> | <b>5,024.8</b> | <b>0.0</b>    | <b>-387.2</b>    | <b>-6.7</b>    | <b>-6.7</b>      |

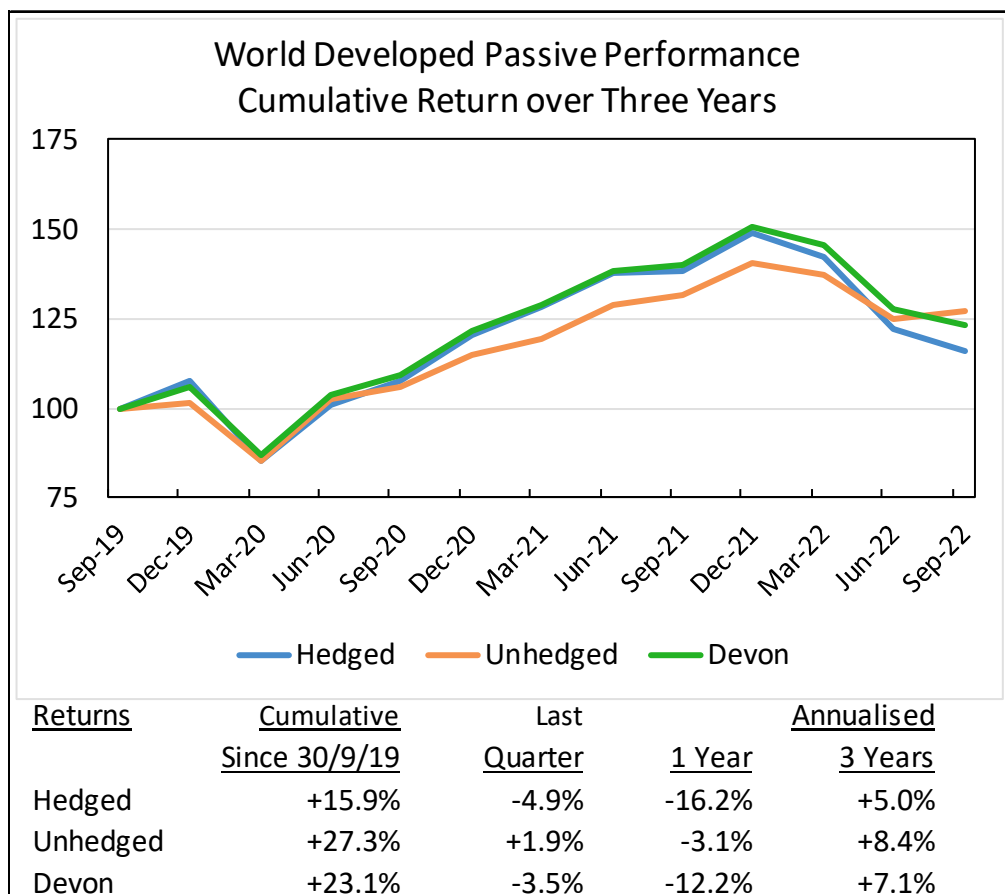
## Currency Hedging

- g) The following graph shows the value of Sterling against a weighted average of the other major currencies, over the three years to September 2022. The currency strategy agreed by the Committee is to increase or decrease the hedge ratio on the Fund's global passive equity funds based on the ranges as shown on the chart. The middle (base 100) position reflects a weighted average of £1 = \$1.40, £1 = €1.15 and £1 = ¥150.

### Value of Sterling v. Weighted Average of US Dollar, Euro and Yen



- h) Over the last year the value of Sterling has fallen from \$1.35 as at 30 September 2021 to \$1.117 as at 30 September 2022. Investors tend to see the US Dollar as a safe haven at times of crisis, and Russia's invasion of Ukraine has seen a gradual increase in the value of the US Dollar. Then, following the UK Government's September mini-budget, the Pound fell further to around \$1.07. As a result, the hedge ratio was increased to 100% towards the end of September.
- i) During a period when the Pound is falling in value, any currency hedging strategy is going to perform badly compared to an unhedged strategy. As a result, the hedging strategy has now detracted from performance compared with an unhedged strategy over one year and three year periods, as shown in the following graph. This position should be improved should the Pound regain lost ground and get back towards fair value compared with the US Dollar.



### 3. FUNDING LEVEL

The Fund Actuary has been working on the triennial actuarial valuation as at 31 March 2022. The Valuation is the subject of a separate report on the agenda for this meeting. Therefore, a funding update as at 30 September has not been provided.

### 4. BUDGET FORECAST 2022/23

Appendix 1 shows the income and expenditure to date for 2022/23 against the original budget forecast. The following points should be noted.

- a) Contributions and benefits paid to date are broadly in line with the forecast.
- b) Peninsula Pensions' expenditure is always high in the first quarter, as the annual payment to the software provider is paid.
- c) Investment income from property, infrastructure and private debt is received in cash and can be used to aid cashflow. Income to date is ahead of the forecast, and is now forecast to be higher at year end.
- d) The invoiced investment management fees line represents the costs of Brunel. The expenditure to date comprises three quarters' invoices as Brunel issues its quarterly invoices in advance. All other fees are taken directly from the funds we are invested in and are estimated based on current valuations. Fees for the first half year are lower than anticipated as a result of negative investment returns. Fees for the second half of the year are likely to be higher than for the first half year as a result of performance fees on some funds

which will be taken based on performance for the 2022 calendar year. Therefore, no significant variances from forecast are shown at this stage.

- e) Transaction costs for the year to date are higher than anticipated because of the costs of redeeming and re-investing the Low Volatility allocation. Transaction costs for the remainder of the year are expected to be lower.
- f) Oversight and governance costs are still expected to be in line with the original budget forecast. Actuarial fees for 2022/23 will be higher than for the previous year as a result of the triennial valuation, but the expenditure to date includes costs relating to work done for individual employers which has yet to be recharged to those employers.

## 5. CASH MANAGEMENT

The following table shows that the unallocated cash on deposit, as at 30 September 2022, was £45.8 million, plus \$9.5 million in US Dollars. As at 31 October the cash on deposit had reduced to £25.4 million, with \$8.3 million held in US Dollars. The cash held is being maintained at a target level of only 1% of the Fund, and it is therefore necessary to ensure its liquidity for cashflow purposes.

### Cash on Deposit

| Type of Deposit          | Maturity period | Actual as at 30/09/22 | Average Interest Rate | Current as at 31/10/22 | Average Interest Rate |
|--------------------------|-----------------|-----------------------|-----------------------|------------------------|-----------------------|
| <b>GBP Deposits</b>      |                 | <b>£m</b>             | <b>%</b>              | <b>£m</b>              | <b>%</b>              |
| Call and Notice Accounts | Immediate       | 45.8                  | 2.03                  | 25.4                   | 2.46                  |
|                          | 35 Day Notice   | 0.0                   |                       | 0.0                    |                       |
| Term Deposits            | <30 Days        | 0.0                   | 0.00                  | 0.0                    | 0.00                  |
|                          | >30 Days        | 0.0                   |                       | 0.0                    |                       |
| <b>TOTAL GBP</b>         |                 | <b>45.8</b>           | <b>2.03</b>           | <b>25.4</b>            | <b>2.46</b>           |
| <b>USD Deposits</b>      |                 | <b>\$m</b>            | <b>%</b>              | <b>\$m</b>             | <b>%</b>              |
| Call and Notice Accounts | Immediate       | 9.5                   | 3.02                  | 8.3                    | 3.13                  |

Points to note:

- a) The weighted average rate being earned on GBP cash deposits, as at 30 September 2022, was 2.03%. By the end of October this had increased to 2.46% as rates have continued to improve with the Bank of England's decision to increase the base rate by a further 0.5% up to 2.25% at the September meeting of the Monetary Policy Committee.
- b) The reduction in cash during October resulted from private market calls. A further £50 million was redeemed from the Diversified Returns Funds portfolio in early November to replenish the cash allocation following those calls and to meet further anticipated calls on private market commitments over the next 2-3 months.



- c) The deposits in place during 2022-23 have fully complied with the Fund's Treasury Management and Investment Strategy.

## 6. VOTING AND ENGAGEMENT ACTIVITY

As a responsible investor, the Fund should report regularly on its engagement activity. Voting and engagement are largely delegated to the Fund's external investment managers. The voting records of the Fund's principal equity managers at company meetings held over the last quarter is summarised in the following table.

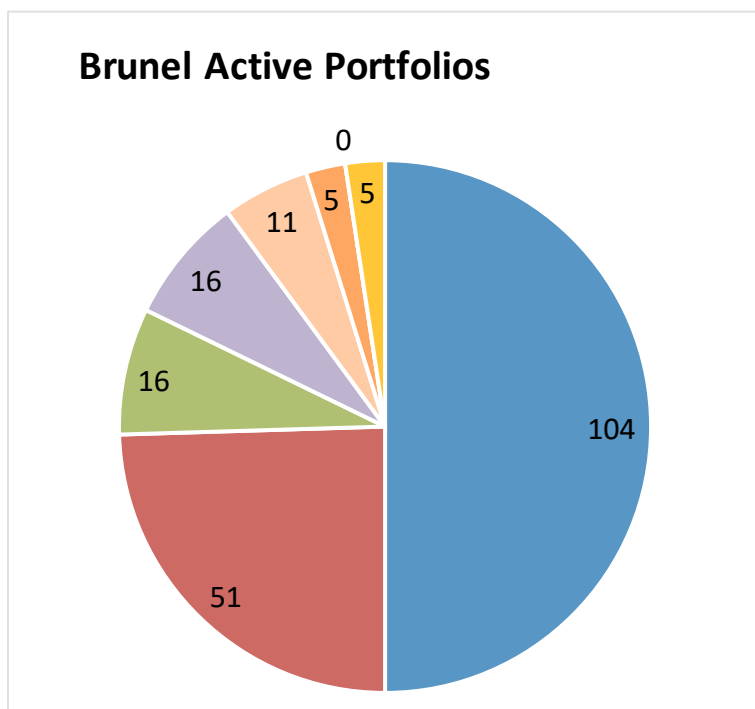
### **Votes Cast at Company Meetings in the quarter to 30 September 2022**

| <b>Manager</b>                   | <b>Quarter to 30 September 2022</b> |                              |                                                |
|----------------------------------|-------------------------------------|------------------------------|------------------------------------------------|
|                                  | <b>Number of Meetings</b>           | <b>Number of Resolutions</b> | <b>Votes against management recommendation</b> |
| Brunel / LGIM Passive Portfolios | 286                                 | 3,552                        | 538                                            |
| Brunel - Active Portfolios       | 115                                 | 1,002                        | 208                                            |

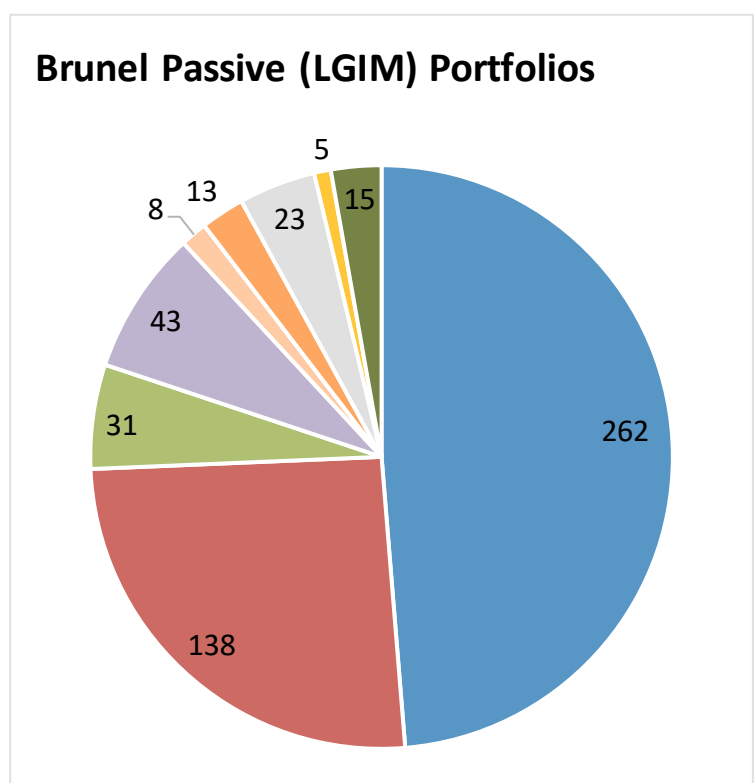
Points to note:

- a) Brunel actively vote the shares held within their funds on behalf of their client funds, including Devon. The Brunel passive allocation will include all the companies in the relevant indices, both UK and across the developed world, hence there are many more meetings voted at than for the active portfolios. For the passive equity allocation Legal and General Investment Management (LGIM) manage the investments and voting on the shares is delegated to them, hence they are shown separately. On significant issues, Brunel may request that their shares held by LGIM are split out and a different vote made.
- b) The votes against management recommendations will reflect matters where there is concern that the company is not addressing the relevant issue and managing it effectively. The Devon Fund would expect that these votes against management should be primarily on the priority areas set out in the Fund's Investment Strategy Statement. An analysis of the issues where votes have been cast against management recommendations is set out below.

## Votes against management recommendation by issue Quarter to 30 September 2022



- Board structure
- Remuneration
- Shareholder resolutions
- Capital structure and dividends
- Amend articles
- Audit and accounts
- Investment, mergers and acquisitions
- Other



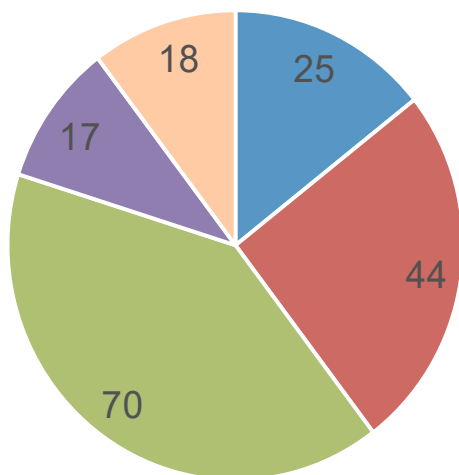
- Director Related
- Remuneration
- Capital Structure and Dividends
- Audit and accounts
- Environmental/Climate
- Social/Human Rights/Diversity
- Corporate Governance
- Restructuring/M&A
- Other

- c) The Fund is also a member of the Local Authority Pension Fund Forum (LAPFF), who undertake engagement activity on behalf of their member funds. Where significant issues arise on the agendas of company meetings, LAPFF will issue voting alerts, with recommendations on how to vote. The Devon Fund will then pass on these recommendations to Brunel and ask them to report back on how they have voted.
- d) The voting alerts issued during the quarter to 30 September are shown in Appendix 2 to this report. The table separates out Brunel's votes through their

active portfolios and the votes cast by LGIM on the passive portfolios. The rationale for how Brunel and LGIM voted is included in the Appendix.

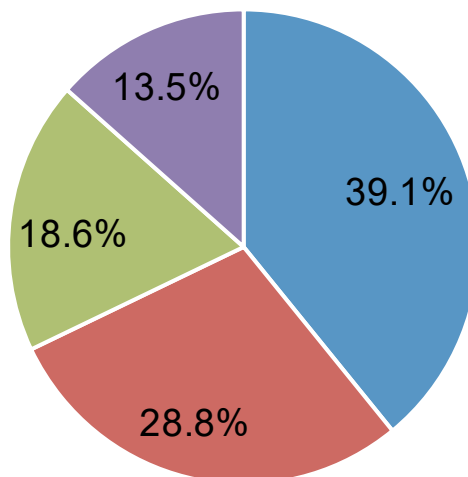
- e) Brunel conduct significant engagement with investee companies on behalf of the Devon Fund and other clients. A breakdown of the engagement undertaken over the last quarter is summarised in the following charts:

**Number of Companies Engaged With, By Region**



- United Kingdom
- Europe
- North America
- Asia/Pacific
- Emerging Markets

**Breakdown of Issues Engaged On**



- Environmental
- Social and Ethical
- Governance
- Strategy Risk and Communication

- f) More details on Brunel’s engagement can be found in their quarterly report.
- g) The LAPFF quarterly engagement report for the quarter to 30 September is attached at Appendix 3 to this report. The report again highlights the issues around tailings dams and in particular the impact on the communities affected by the collapse of tailings dams in Brazil.
- h) Linked to that issue, a class action complaint has been filed against BHP on behalf of purchasers of BHP Billiton Ltd. and/or BHP Billiton Plc. shares on the Australian, London and/or Johannesburg stock exchanges, in the Federal Court of Australia, for BHP’s failure to notify the market of the Fundão Dam failure risk and consequential financial risk. The class action is seeking total damages well in excess of US\$1 billion for investors who held shares between 2012 and 2015, which includes the Devon Pension Fund.

Angie Sinclair  
 Director of Finance and Public Value

[Electoral Divisions: All]

**LOCAL GOVERNMENT ACT 1972:**  
**LIST OF BACKGROUND PAPERS: NIL**  
 Contact for Enquiries: **Mark Gayler**  
 Tel No: **01392 383621** Room: **196**

## Appendix 1

### Devon County Council Pension Fund Budget Forecast 2022/23

|                                                        | Actual<br>2021/22<br>£'000 | Original<br>Forecast<br>2022/23<br>£'000 | Actual to<br>30 June<br>2022<br>£'000 | Revised<br>Forecast<br>2022/23<br>£'000 | Variance<br>from<br>Original<br>Forecast<br>£'000 |
|--------------------------------------------------------|----------------------------|------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------------------|
| <b>Contributions</b>                                   |                            |                                          |                                       |                                         |                                                   |
| Employers                                              | (128,172)                  | (132,000)                                | (66,050)                              | (132,000)                               | 0                                                 |
| Members                                                | (45,260)                   | (45,000)                                 | (23,338)                              | (45,000)                                | 0                                                 |
| Transfers in from other pension funds:                 | (13,324)                   | (14,000)                                 | (7,630)                               | (14,000)                                | 0                                                 |
|                                                        | <b>(186,756)</b>           | <b>(191,000)</b>                         | <b>(97,018)</b>                       | <b>(191,000)</b>                        | <b>0</b>                                          |
| <b>Benefits</b>                                        |                            |                                          |                                       |                                         |                                                   |
| Pensions                                               | 168,391                    | 175,000                                  | 87,784                                | 175,000                                 | 0                                                 |
| Commutation and lump sum retirement benefits           | 29,018                     | 28,000                                   | 15,031                                | 28,000                                  | 0                                                 |
| Lump sum death benefits                                | 3,623                      | 4,000                                    | 2,089                                 | 4,000                                   | 0                                                 |
| Payments to and on account of leavers                  | 596                        | 600                                      | 408                                   | 600                                     | 0                                                 |
| Transfers Out                                          | 26,037                     | 10,000                                   | 4,484                                 | 10,000                                  | 0                                                 |
|                                                        | <b>227,665</b>             | <b>217,600</b>                           | <b>109,796</b>                        | <b>217,600</b>                          | <b>0</b>                                          |
| <b>Net Withdrawals from dealings with fund members</b> | <b>40,909</b>              | <b>26,600</b>                            | <b>12,778</b>                         | <b>26,600</b>                           | <b>0</b>                                          |
| <b>Investment Income</b>                               |                            |                                          |                                       |                                         |                                                   |
| Received as Cash                                       | (31,129)                   | (32,000)                                 | (21,101)                              | (35,000)                                | (3,000)                                           |
| Reinvested by Fund Manager                             | (2,518)                    | 0                                        | 0                                     | 0                                       | 0                                                 |
|                                                        | <b>(33,647)</b>            | <b>(32,000)</b>                          | <b>(21,101)</b>                       | <b>(35,000)</b>                         | <b>(3,000)</b>                                    |
| <b>Administrative costs</b>                            |                            |                                          |                                       |                                         |                                                   |
| Peninsula Pensions                                     | 2,429                      | 2,500                                    | 1,860                                 | 2,500                                   | 0                                                 |
|                                                        | <b>2,429</b>               | <b>2,500</b>                             | <b>1,860</b>                          | <b>2,500</b>                            | <b>0</b>                                          |
| <b>Investment management expenses</b>                  |                            |                                          |                                       |                                         |                                                   |
| External investment management fees - invoiced         | 1,684                      | 1,500                                    | 1,123                                 | 1,500                                   | 0                                                 |
| External investment management fees - not invoiced     | 21,662                     | 23,500                                   | 9,897                                 | 23,500                                  | 0                                                 |
| Custody fees                                           | 62                         | 60                                       | 5                                     | 60                                      | 0                                                 |
| Transaction costs                                      | 1,794                      | 1,500                                    | 1,315                                 | 1,500                                   | 0                                                 |
| Stock lending income & commission recapture            | (2)                        | 0                                        | 0                                     | 0                                       | 0                                                 |
| Class Action Proceeds                                  | (43)                       | 0                                        | 0                                     | 0                                       | 0                                                 |
| Other investment management expenses                   | 24                         | 30                                       | 7                                     | 30                                      | 0                                                 |
|                                                        | <b>25,181</b>              | <b>26,590</b>                            | <b>12,347</b>                         | <b>26,590</b>                           | <b>0</b>                                          |
| <b>Oversight and governance costs</b>                  |                            |                                          |                                       |                                         |                                                   |
| Investment & Pension Fund Committee Support            | 81                         | 90                                       | 53                                    | 90                                      | 0                                                 |
| Pension Board                                          | 40                         | 44                                       | 23                                    | 44                                      | 0                                                 |
| Investment Oversight and Accounting                    | 413                        | 400                                      | 180                                   | 400                                     | 0                                                 |
| Brunel Pension Partnership                             | 25                         | 30                                       | 12                                    | 30                                      | 0                                                 |
| Legal Support                                          | 24                         | 26                                       | 14                                    | 26                                      | 0                                                 |
| Actuarial Services                                     | 29                         | 100                                      | 107                                   | 100                                     | 0                                                 |
| Investment Performance Measurement                     | 109                        | 100                                      | 47                                    | 100                                     | 0                                                 |
| Subscriptions                                          | 54                         | 50                                       | 22                                    | 50                                      | 0                                                 |
| Internal Audit fees                                    | 37                         | 35                                       | 0                                     | 35                                      | 0                                                 |
| External Audit fees                                    | 31                         | 35                                       | 24                                    | 35                                      | 0                                                 |
|                                                        | <b>843</b>                 | <b>910</b>                               | <b>482</b>                            | <b>910</b>                              | <b>0</b>                                          |
| <b>Total Management Expenses</b>                       | <b>28,453</b>              | <b>30,000</b>                            | <b>14,689</b>                         | <b>30,000</b>                           | <b>0</b>                                          |

**LAPFF Voting Alerts**

| <b>National Grid PLC - 11 July 2022</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                             | Active Portfolios held in: Sustainable Equities |                             |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------|-----------------------------|----------------------|
| <b>Target Resolutions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>LAPFF Recommendation</b> | <b>LGIM (Passive) Vote</b>                      | <b>Brunel (Active) Vote</b> | <b>Vote Outcome</b>  |
| 19. To Approve the Climate Transition Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Against                     | For                                             | For                         | Approved (98.4% for) |
| <p><b>Rationale for vote:</b> LGIM voted in favour of the National Grid Climate Transition Plan. We commend the company's efforts in committing to net-zero emissions across all scopes, setting an SBTi approved target and furthermore committing to the Business Ambition for 1.5C Campaign. They do however qualify their supporting vote with concerns around short-term targets and a lack of clarity as to whether electricity generation will be carbon-free from 2035 in advanced economies and 2040 globally, as indicated within the IEAs net-zero by 2050 scenario. They expect to see further clarity from the company on whether they will meet this milestone. Brunel supported the plan. Whilst they had questions around the company's Scope 3 target for gas, it was positive to hear the company's commitment around aligning to a specific gas-sector pathway, should one be developed. Follow-up meetings are planned to continue discussions.</p> |                             |                                                 |                             |                      |

| <b>SSE PLC - 21 July 2022</b>                                                                                                                                                                                |                             | Active Portfolios held in: Low Volatility Global Equity |                             |                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------|-----------------------------|----------------------|
| <b>Target Resolutions</b>                                                                                                                                                                                    | <b>LAPFF Recommendation</b> | <b>LGIM (Passive) Vote</b>                              | <b>Brunel (Active) Vote</b> | <b>Vote Outcome</b>  |
| 21. Net Zero Transition Report                                                                                                                                                                               | For                         | For                                                     | For                         | Approved (98.9% for) |
| <p><b>Rationale for vote:</b> Resolution supported by both LGIM and Brunel because the company has set SBTi approved 1.5 degree aligned targets and committed to net-zero across all scopes of emissions</p> |                             |                                                         |                             |                      |





Quarterly  
Engagement  
Report

July-September  
2022



# Brazil, Water Stewardship, Ford, National Grid, Uyghurs



## BRAZIL



The collapsed tailings dam at Brumadino and the excavations taking place to find the four remaining bodies

# LAPFF Chair Visits Tailings Dam-Affected Communities in Brazil

LAPFF Chair, Cllr Doug McMurdo spent three weeks in Brazil this quarter investigating the situation of communities affected by tailings dams in Conceição do Mato Dentro, Mariana, and Brumadinho. This trip was part of LAPFF's broader work on mining and human rights. The context for the trip is available in the [mining and human rights report](#) LAPFF published in April 2022. The motivation for the trip reflects LAPFF's view that social and environmental impacts by investee companies are financially material for investors.

During his trip, Cllr McMurdo met with communities affected by the 2015 Mariana and 2019 Brumadinho dam collapses. BHP and Vale own the Mariana Fundão dam through their joint venture operator, Samarco. Vale owns the Córrego do Feijão dam that collapsed in Brumadinho. He also visited communities in Conceição do Mato Dentro who live in areas affected by Anglo American's Minas Rio tailings



## BRAZIL



dam. Water quality and availability and house design in resettlements are two major concerns cited by affected community members with whom LAPFF spoke. Air quality due to dust from mines was another concern expressed by communities in all three areas.

After meeting with affected community members, Cllr McMurdo spent two days with the Chair of Vale, José Penido, and senior executives from the company. Mr Penido accompanied Cllr McMurdo to the Paracatu and Bento Rodrigues resettlements in Mariana, sites hit hard by the Samarco tailings dam collapse in 2015. Andre de Freitas, CEO of the Renova Foundation which was established to provide reparations following the Mariana tailings dam collapse in November 2015, led the visits to the resettlements. Mr Penido also accompanied Cllr McMurdo to the site of the 2019 Brumadinho tailings dam collapse. Mr Penido and his colleagues explained in Vale's geomonitoring centre what steps the company has been taking to prevent further dam collapses. LAPFF extended an invitation to meet a BHP representa-



**“It is clear that Vale has taken steps to improve its corporate culture and its dam safety practices. LAPFF’s objective is to be a critical friend to the company in fostering better and faster delivery of required reparations and dam safety measures.”**

**Cllr Doug McMurdo,  
LAPFF Chair**

tive during Cllr McMurdo’s trip, but the invitation was declined by the company.

At the end of the trip, Cllr McMurdo met with a number of Brazilian investors led by ESG-focused asset manager, JGP Asset Management, with whom LAPFF has been partnering on this project for a couple of years. Collectively, the investor group worked with senior executives of Vale to set in motion a process to increase the pace and quality of reparations following the tailings dam collapses.

The largest impediment to completing reparations in Mariana quickly enough and to an adequate standard appears to be the Renova Foundation. Vale, BHP, and Samarco – but no affected community members – sit on the board of this organisation which was established to provide reparations following the Mariana tailings dam collapse in November 2015. The Foundation has an overly complex governance structure, similar in some ways to that of a joint venture, and does not have adequate independence in its governance. Both shortcomings have led to poor and drawn-out execution of reparations.



## COMPANY ENGAGEMENT

### National Grid

In July, LAPFF issued a voting alert recommending a vote against National Grid's transition plan. It flagged concerns that despite draft climate action plans from Massachusetts and New York state agencies proposing nearly 10 million households change their heating systems to electric heat pumps by 2050, National Grid still envisaged 50 percent of households in these states having some form of gas burning system by 2050.

**Objective:** A meeting was held with Duncan Burt, the Head of Sustainability, and Justine Campbell, the Company secretary, prior to the AGM to discuss these concerns. This was followed by attendance at the company AGM to ask about Scope 3 targets being aligned with the remaining global carbon budget, on processes to ensure lobbying was aligned with the goals of the Paris agreement, and on disclosing progress against the CA100+ benchmark.

**Achieved:** At the meeting, National Grid representatives provided more detail on 1.5°C alignment and the challenge for the gas business in the US. At the AGM, LAPFF representing the lead investors for the CA100+ group, noted the importance of government, regulators and companies working constructively together to deliver the energy transition, and commended National Grid for the adoption of real zero as a goal. The chair, Paula Reynolds, and the Chief Executive, John Pettigrew, both responded positively, with further information being provided on Science-Based Target initiative (SBTi) certification in the UK and committing to an assessment against the benchmark. The full AGM transcript is provided on the company website.

**In Progress:** As part of engagement coordinated through Climate Action 100+ correspondence has been sent to the company to identify and unlock potential policy barriers to the delivery of decarbonisation of the power & utilities sector. An initial response suggests a focus on legislative challenges, measures to accelerate net zero infrastructure, actions around affordability, and a fair and just transition.



### SSE Plc

LAPFF issued a voting alert ahead of the SSE AGM. LAPFF previously advised members to abstain on whether to improve the company's net zero transition report in 2021 due to concerns about important omissions related to Scope 3 emissions, capital allocation and alignment with Paris Agreement targets. This year a recommendation was issued to vote in favour at the company's 2022 AGM. SSE has made notable progress in its ambition to reach net zero emissions across its business between AGMs, adding more Science Based Targets with alignment to 1.5°C.

### Mizuho

**Objective:** Following a collaborative meeting in July that confirmed medium-term targets had been established for carbon intensity of the electric power sector, more information was sought on the transitional pathway and strategy Mizuho has developed to achieve these targets.

**Achieved:** Further detail was provided on targets, based on the lower end of the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario, and the upper end of the IEA's Sustainable Development Scenario. Mizuho has an engagement policy to support clients'

capabilities for dealing with transition risks, whereby a review is triggered if the client shows no willingness or strategy to address transition risks after one year of engagement.

**In Progress:** LAPFF continues to engage collaboratively with a range of Asia-based utilities and financial companies, including ongoing dialogue with Mizuho.

### Electric Vehicle Manufacturers

**Objective:** After beginning to engage with electric vehicle manufacturers earlier in the year to discuss approaches to responsible mineral sourcing and a 'Fair and Just Transition', LAPFF has continued to reach out to companies to discuss this issue.

**Achieved:** LAPFF met with Ford to discuss its approach to human rights and responsible mineral sourcing. The meeting was a short one, although the company's participation in the Initiative for Responsible Mining Assurance was discussed.

**In Progress:** The meeting with Ford was followed up with a range of questions, which the company has promised to answer. The Forum is also coordinating calls with Renault and Volvo.

# COLLABORATIVE ENGAGEMENT

## COLLABORATIVE INVESTOR MEETINGS

### Uyghur Engagement

**Objective:** LAPFF has continued to investigate issues of Uyghur forced labour in Xinjiang and other regions of China. After two engagements with companies earlier in the year, LAPFF has been looking at potential ways forward through collaborative engagement on the issue.

**Achieved:** LAPFF joined the Investor Alliance for Human Rights Uyghur Region Engagement Group earlier in the year and has attended a quarterly meeting, gaining insight into what other investors have learned in their engagements. The Forum also reached out to the Australian Strategic Policy Institute (ASPI), which produced the report 'Uyghurs for Sale' in March 2020, linking 82 global brands to factories in the Xinjiang region with suggestions of forced Uyghur Labour.

LAPFF met with ASPI representatives to discuss the work it had done for this report and for a wider discussion on its work around the issue. The conversation implied that companies operating in the Xinjiang region could not undertake the thorough levels of due diligence they were claiming to be able to do. LAPFF followed up with questions to both Cisco and Dell after meetings earlier in the year, but neither company responded to these questions.

**In Progress:** LAPFF is currently looking at ways to progress dialogue with companies already engaged on this issue and how to get non-responders to engage in a meaningful manner.

### ShareAction Good Work Coalition

**Objective:** Following meetings with Sainsbury in Q1 and Q2 2020, LAPFF has maintained an interest in ShareAction's Good Work Coalition which looks at the living wage and insecure work, amongst other issues.

**Achieved:** LAPFF joined a collaborative call, organised by ShareAction, with Marks & Spencer representatives to discuss the company's approach to pay. M&S representatives noted that it was

considered workers were paid wages at a fair standard as they are already above the Real Living Wage (RLW) as defined by the Living Wage Foundation (LWF). However, this wage level is not currently matched for the company's third-party contractors. M&S appears keen to maintain a dialogue with the LWF to see where it can improve but did not appear to want to work towards LWF accreditation. This was due to concerns about a loss of independence of a large portion of its cash flow.

**In Progress:** LAPFF continues to monitor work on the RLW and work undertaken by ShareAction's Good Work Coalition.

### Rathbones Votes Against Slavery

**Objective:** Rathbones' Votes Against Slavery engagement targets companies in the FTSE350 that fail to comply with Section 54 of the UK's Modern Slavery Act. At the beginning of this year's engagement, 46 of these companies failed to meet the minimum reporting standards of the act, and with the engagement having had a strong success rate since its inception in 2019, LAPFF continued to support the initiative.

**Achieved:** ITV was included in the engagement based on an out-of-date statement, although this inclusion appeared to be due to an administrative error on the website rather than the statement actually being out of date. LAPFF joined

Rathbones on a call with ITV representatives to discuss the company's approach to modern slavery in July after this topic had been broached between Rathbones and ITV. ITV provided an overview of some of the work it has been doing around due diligence and its updated grievance mechanisms. The company provides a more comprehensive Modern Slavery Statement than a number of others companies in the FTSE350, and also provides case studies of enhanced due diligence.

**In Progress:** LAPFF continues to support Rathbones' Votes Against Slavery and other engagements on modern slavery. It has also volunteered to lead on upcoming company engagements with CCLA's 'Find It, Fix it, Prevent It' engagement, which seeks out companies to identify issues on modern slavery in their supply chains more proactively.

### Access to Nutrition Index (Kellogg)

**Objective:** Continuing engagement on the role food producers play on public health, the Forum maintains a dialogue with companies through the Access to Nutrition Index (ATNI). LAPFF acts as co-lead for engagement with Kellogg's and met with company representatives for the first time in February 2022, agreeing to maintain a continuing dialogue. LAPFF met with Kellogg's for the second time under this engagement in August.



# ENGAGEMENT

**Achieved:** Since the first meeting, the company announced its decision to split into three stand-alone publicly listed companies. In the meeting, the company's approach to governance, lobbying, labelling and responsible marketing was discussed. It was unclear how these issues were going to be approached when looking at the split into three companies although the company appears to be making progress across all of the topics covered.

**In Progress:** A newer iteration of ATNI's annual report is set to be released later in 2022 and dialogue with Kellogg's is set to continue alongside this.

## 30% Club Investor Group

**Objective:** Looking further afield from FTSE listed companies, the 30% Club Investor Group has started a global engagement looking at laggards on gender board diversity in the USA.

**Achieved:** LAPFF joined a number of investors in writing to three companies, Charter Communications, Liberty Media and Transdigm Group. No meetings have yet been arranged from this correspondence; Liberty Media provided a one sentence response.

**In Progress:** Pressure will continue to be placed on these companies for a meeting, and other global companies will be sought out for engagement on board diversity.

## CONSULTATION RESPONSES

### Transition Plan Taskforce

**Objective:** The Transition Plan Taskforce (TPT) was set up by the UK government to develop a 'gold standard' for climate transition plans. Launched by HM Treasury, the TPT aims to help financial institutions and companies prepare rigorous transition plans. A Call for Evidence on a Sector-Neutral Framework for private sector transition plans closed in mid-July.

**Achieved:** LAPFF's [response](#) draws upon the Forum's experience of engaging with private sector companies on climate plans and a just transition and sets out expectations that there should be a principle-based transition plan template. Different sectors can then apply existing and developing guidance in identifying risks and opportunities, and setting strategy, targets and timeframes aligned with remaining objectives within the scientifically identified global carbon budget. Principles that LAPFF wishes to see embedded include coverage of Scopes 1-3 emissions, inclusion of short, medium and long-term targets; a focus on actual emission reductions (real zero) rather than offsetting and carbon capture (net zero); and the inclusion of the social dimension, aiming for a fair and just transition.

**In Progress:** The TPT will initially report by the end of 2022.

## MEDIA COVERAGE

### Mining

Combating Environmental Racism: ['British court decides it will try BHP Billiton's crime against the Rio Doce'](#)

S&P Global: ['Fund chief to make ESG-linked visit to Brazil communities hit by iron ore dam slides'](#)

Pensions Age: ['LAPFF Chair announces Brazil dam collapse visit'](#)

BN Americas: ['Visit by UK pension fund rep cranks up ESG pressure on Brazilian miners'](#)

### Israel & Palestine

Pensions Expert: ['LGPS responds to Israeli settlements database complaint'](#)

### 30% Club

Citywire Selector: ['Exclusive: 30% Club extends its race equity management to FSTE 250'](#)

### Water Stewardship

ESG Investor: ['Investors Seek to Pull Plug on Water Risks'](#)

Responsible Investor: ['Leading investors put companies on notice over global water crisis'](#)

Pensions & Investments: ['Investors join forces to address financial, environmental risks of water'](#)

Pensions & Investments: ['Investors tuning into financial risks of water quality and scarcity'](#)

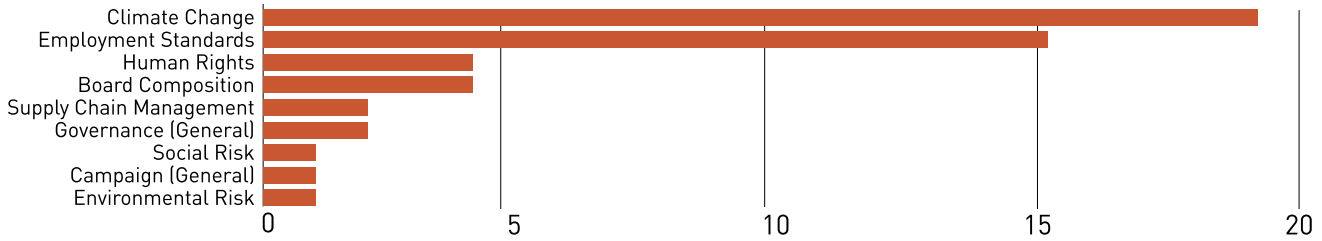
Business Green: ['Fiduciaries must act': Ceres calls on world's largest firms to respond to global water crisis'](#)

Reuters: ['Global investors group to pressure corporations on water risks'](#)

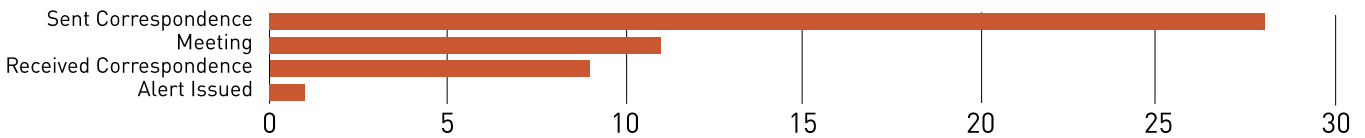
Syndicated in [Nasdaq](#) and [Zone Bourse](#)

# ENGAGEMENT DATA

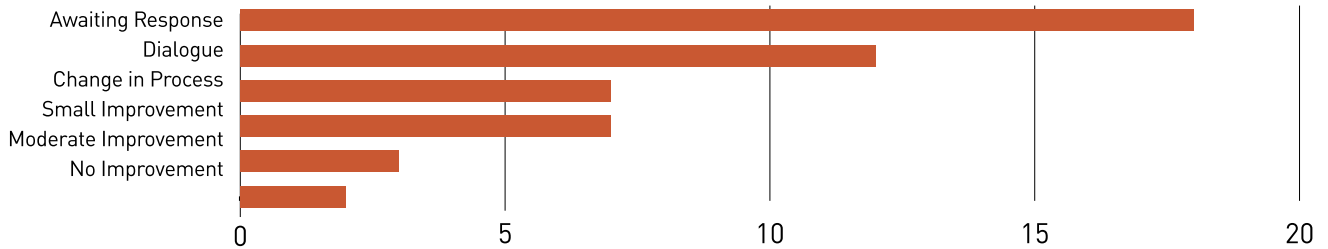
## ENGAGEMENT TOPICS



## ACTIVITY



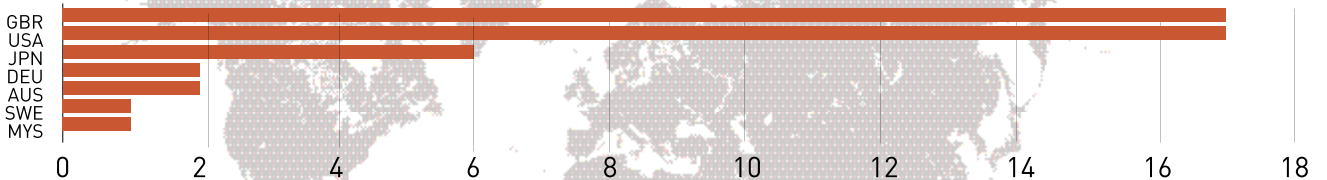
## MEETING ENGAGEMENT OUTCOMES



## POSITION ENGAGED

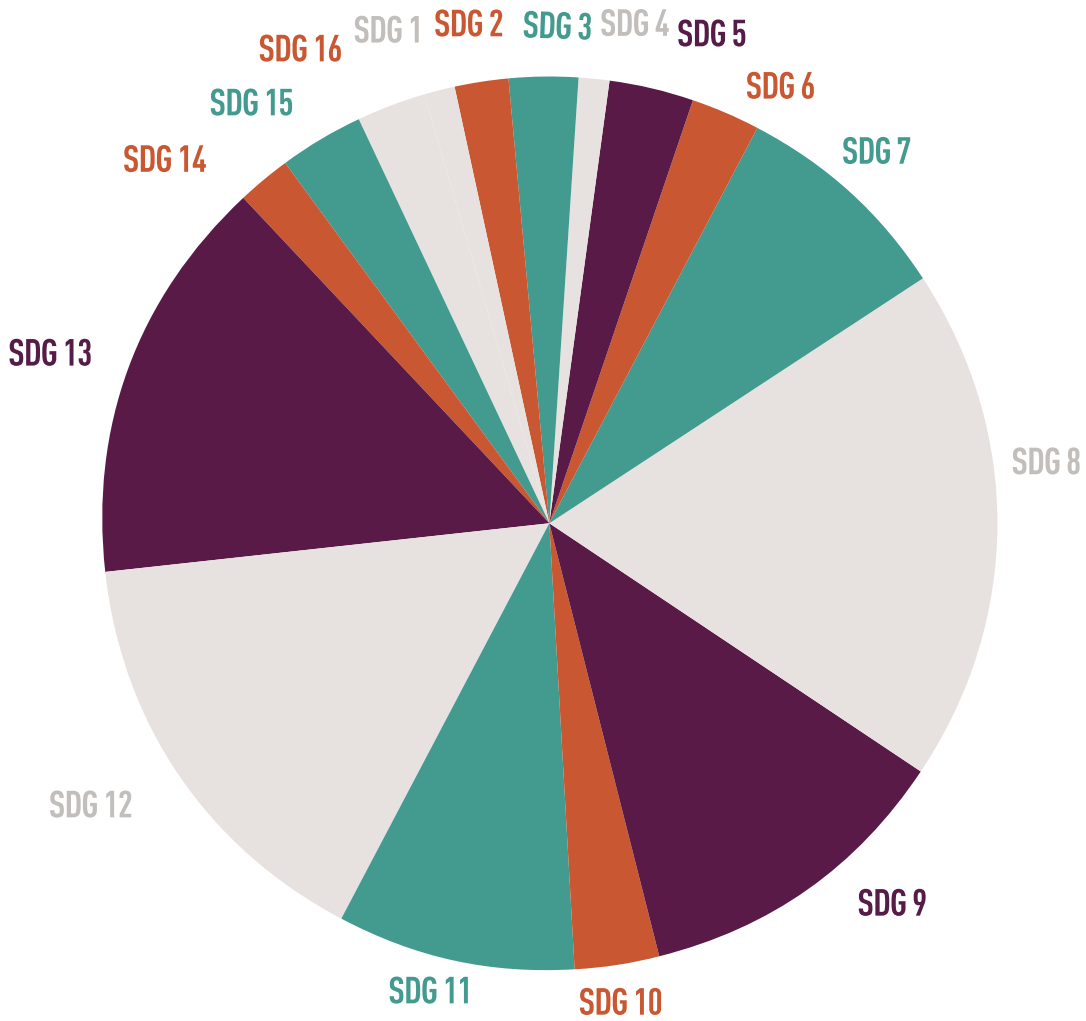


## COMPANY DOMICILES





# ENGAGEMENT DATA



## LAPFF SDG ENGAGEMENTS

|                                                                                                                  |    |
|------------------------------------------------------------------------------------------------------------------|----|
| SDG 1: No Poverty                                                                                                | 2  |
| SDG 2: Zero Hunger                                                                                               | 3  |
| SDG 3: Good Health and Well-Being                                                                                | 4  |
| SDG 4: Quality Education                                                                                         | 2  |
| SDG 5: Gender Equality                                                                                           | 5  |
| SDG 6: Clean Water and Sanitation                                                                                | 4  |
| SDG 7: Affordable and Clean Energy                                                                               | 13 |
| SDG 8: Decent Work and Economic Growth                                                                           | 30 |
| SDG 9: Industry, Innovation, and Infrastructure                                                                  | 19 |
| SDG 10: Reduced Inequalities                                                                                     | 5  |
| SDG 11: Sustainable Cities and Communities                                                                       | 14 |
| SDG 12: Responsible Production and Consumption                                                                   | 25 |
| SDG 13: Climate Action                                                                                           | 24 |
| SDG 14: Life Below Water                                                                                         | 3  |
| SDG 15: Life on Land                                                                                             | 5  |
| SDG 16: Peace, Justice, and Strong Institutions                                                                  | 4  |
| SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development | 0  |

# COMPANY PROGRESS REPORT

35 Companies engaged over the quarter

\*The table below is a consolidated representation of engagements so reflects the number of companies engaged, not the number of engagements

| Company/Index                   | Activity                | Topic                   | Outcome              |
|---------------------------------|-------------------------|-------------------------|----------------------|
| ALPHABET INC                    | Sent Correspondence     | Employment Standards    | Awaiting Response    |
| AMAZON.COM INC.                 | Received Correspondence | Employment Standards    | Dialogue             |
| APPLE INC                       | Sent Correspondence     | Employment Standards    | Awaiting Response    |
| BHP GROUP LIMITED (AUS)         | Sent Correspondence     | Governance (General)    | Dialogue             |
| CHARTER COMMUNICATIONS INC      | Sent Correspondence     | Board Composition       | Awaiting Response    |
| CIMB GROUP HOLDINGS BERHAD      | Sent Correspondence     | Climate Change          | Change in Process    |
| ELECTRIC POWER DEVELOPMENT CO   | Sent Correspondence     | Climate Change          | Change in Process    |
| FORD MOTOR COMPANY              | Meeting                 | Supply Chain Management | Dialogue             |
| ITV PLC                         | Meeting                 | Human Rights            | Moderate Improvement |
| JD SPORTS FASHION PLC           | Sent Correspondence     | Employment Standards    | Awaiting Response    |
| KASIKORNBANK PCL                | Sent Correspondence     | Climate Change          | Dialogue             |
| KELLOGG COMPANY                 | Meeting                 | Social Risk             | Small Improvement    |
| LIBERTY MEDIA CORPORATION       | Sent Correspondence     | Board Composition       | Awaiting Response    |
| LONDON STOCK EXCHANGE GROUP PLC | Sent Correspondence     | Climate Change          | Dialogue             |
| MARKS & SPENCER GROUP PLC       | Meeting                 | Employment Standards    | Small Improvement    |
| MERCEDES-BENZ GROUP AG          | Sent Correspondence     | Human Rights            | Awaiting Response    |
| META PLATFORMS INC              | Sent Correspondence     | Employment Standards    | Awaiting Response    |
| MIZUHO FINANCIAL GROUP INC      | Meeting                 | Climate Change          | Small Improvement    |
| NATIONAL GRID GAS PLC           | Received Correspondence | Climate Change          | Moderate Improvement |
| NEXT PLC                        | Sent Correspondence     | Employment Standards    | Awaiting Response    |
| PACCAR INC.                     | Sent Correspondence     | Climate Change          | Awaiting Response    |
| RIO TINTO PLC                   | Meeting                 | Climate Change          | Small Improvement    |
| ROLLS-ROYCE HOLDINGS PLC        | Received Correspondence | Climate Change          | Dialogue             |
| ROYAL MAIL PLC                  | Sent Correspondence     | Employment Standards    | Awaiting Response    |
| SIEMENS AG                      | Sent Correspondence     | Employment Standards    | Awaiting Response    |
| SSE PLC                         | Alert Issued            | Campaign (General)      | Moderate Improvement |
| STARBUCKS CORPORATION           | Received Correspondence | Employment Standards    | No Improvement       |
| SUMITOMO MITSUI FINANCIAL GROUP | Meeting                 | Board Composition       | Small Improvement    |
| TESCO PLC                       | Sent Correspondence     | Supply Chain Management | Dialogue             |
| TESLA INC                       | Sent Correspondence     | Employment Standards    | Awaiting Response    |
| THERMO FISHER SCIENTIFIC INC.   | Sent Correspondence     | Employment Standards    | Awaiting Response    |
| TRANSDIGM GROUP INCORPORATED    | Sent Correspondence     | Board Composition       | Awaiting Response    |
| VALE SA                         | Meeting                 | Human Rights            | Dialogue             |
| VALE SA                         | Meeting                 | Human Rights            | Dialogue             |
| VOLVO AB                        | Sent Correspondence     | Climate Change          | Awaiting Response    |
| WALMART INC.                    | Sent Correspondence     | Employment Standards    | Awaiting Response    |

## LOCAL AUTHORITY PENSION FUND FORUM MEMBERS

Avon Pension Fund  
Barking and Dagenham Pension Fund  
Barnet Pension Fund  
Bedfordshire Pension Fund  
Berkshire Pension Fund  
Bexley (London Borough of)  
Cambridgeshire Pension Fund  
Camden Pension Fund  
Cardiff & Glamorgan Pension Fund  
Cheshire Pension Fund  
City of London Corporation Pension Fund  
Clwyd Pension Fund (Flintshire CC)  
Cornwall Pension Fund  
Croydon Pension Fund  
Cumbria Pension Fund  
Derbyshire Pension Fund  
Devon Pension Fund  
Dorset Pension Fund  
Durham Pension Fund  
Dyfed Pension Fund  
Ealing Pension Fund  
East Riding Pension Fund  
East Sussex Pension Fund  
Enfield Pension Fund

Environment Agency Pension Fund  
Essex Pension Fund  
Falkirk Pension Fund  
Gloucestershire Pension Fund  
Greater Gwent Pension Fund  
Greater Manchester Pension Fund  
Greenwich Pension Fund  
Gwynedd Pension Fund  
Hackney Pension Fund  
Hammersmith and Fulham Pension Fund  
Haringey Pension Fund  
Harrow Pension Fund  
Havering Pension Fund  
Hertfordshire Pension Fund  
Hounslow Pension Fund  
Isle of Wight Pension Fund  
Islington Pension Fund  
Kent Pension Fund  
Kingston upon Thames Pension Fund  
Lambeth Pension Fund  
Lancashire County Pension Fund  
Leicestershire Pension Fund  
Lewisham Pension Fund  
Lincolnshire Pension Fund

London Pension Fund Authority  
Lothian Pension Fund  
Merseyside Pension Fund  
Merton Pension Fund  
Newham Pension Fund  
Norfolk Pension Fund  
North East Scotland Pension Fund  
North Yorkshire Pension Fund  
Northamptonshire Pension Fund  
Nottinghamshire Pension Fund  
Oxfordshire Pension Fund  
Powys Pension Fund  
Redbridge Pension Fund  
Rhondda Cynon Taf Pension Fund  
Scottish Borders Council Pension Fund  
Shropshire Pension Fund  
Somerset Pension Fund  
South Yorkshire Pension Authority  
Southwark Pension Fund  
Staffordshire Pension Fund  
Strathclyde Pension Fund  
Suffolk Pension Fund  
Surrey Pension Fund  
Sutton Pension Fund

Swansea Pension Fund  
Teesside Pension Fund  
Tower Hamlets Pension Fund  
Tyne and Wear Pension Fund  
Waltham Forest Pension Fund  
Wandsworth Borough Council Pension Fund  
Warwickshire Pension Fund  
West Midlands Pension Fund  
West Yorkshire Pension Fund  
Westminster Pension Fund  
Wiltshire Pension Fund  
Worcestershire Pension Fund

**Pool Company Members**  
Border to Coast Pensions Partnership  
LGPS Central  
Local Pensions Partnership  
London CIV  
Northern LGPS  
Wales Pension Partnership