



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

PENSIONS AND INVESTMENTS COMMITTEE

WEDNESDAY, 8 JUNE 2022

Report of the Interim Director - Finance and ICT

Stewardship Report

1. Purpose

1.1 To provide the Pensions & Investments Committee with an overview of the stewardship activity carried out by Derbyshire Pension Fund's (the Fund) external investment managers.

2. Information and Analysis

2.1 This report attaches the following three reports to ensure that the Pensions & Investments Committee is aware of the engagement activity being carried out by Legal & General Investment Management (LGIM) and by LGPS Central Limited (the Fund's pooling company) (LGPSC):

- Q1 2022 LGIM ESG Impact Report (Appendix 2)
- Q4 2021/22 LGPSC Quarterly Stewardship Report (Appendix 3).
- 2021 LGPSC Annual Stewardship Report (Appendix 4)

2.2 LGIM manages around £1.7bn of assets on behalf of the Fund through passive products covering: UK Equities; Japanese Equities; Emerging Market Equities; and Global Sustainable Equities. LGPSC currently manages around £0.9bn of assets on behalf of the Fund through its Global Emerging Market Equities Sub-Fund, Global Investment Grade Bonds Sub-Fund, All World Climate Factor Equity Sub-Fund and Private Debt Fund. It is expected that

LGPSC will manage a growing proportion of the Fund's assets going forward as part of the LGPS pooling project.

2.4 These three reports provide an overview of the investment managers' current key stewardship themes and voting and engagement activity.

3. Implications

3.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

4. Background Papers

4.1 Papers held in the Investment Section.

5. Appendices

5.1 Appendix 1 – Implications

5.2 Appendix 2 – Q1 2022 LGIM ESG Impact Report.

5.3 Appendix 3 – Q4 2021/22 LGPSC Quarterly Stewardship Report.

5.4 Appendix 4 – 2021 LGPSC Annual Stewardship Report.

6. Recommendation(s)

That Committee:

(a) note the stewardship activity of LGIM and LGPSC.

7. Reasons for Recommendations(s)

To provide Committee with reassurance regarding the stewardship activity of the Fund's two largest investment managers.

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Appendix 1

Implications

Financial

1.1 None

Legal

2.1 None

Human Resources

3.1 None

Information Technology

4.1 None

Equalities Impact

5.1 None

Corporate objectives and priorities for change

6.1 None

Other (for example, Health and Safety, Environmental, Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None