



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**PENSIONS AND INVESTMENTS COMMITTEE**

**WEDNESDAY, 5 JUNE 2024**

**Report of the Director of Finance**

**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 two 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 2024 LGIM ESG Impact Report (Appendix 2)
  - Q4 2023-24 LGPSC Quarterly Stewardship Report (Appendix 3)
- 2.2 LGIM manages around £1.9bn 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 £1.1bn of assets (£1.2bn on a committed basis) 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, Global Sustainable Equities Broad Strategy, Global Sustainable Equities Targeted Strategy, Primary Private Equity

Fund, Private Debt Fund and UK Indirect Residential Property 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.

- 2.3 These two 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 by the Pension Fund team.

### **5. Appendices**

- 5.1 Appendix 1 – Implications  
5.2 Appendix 2 – Q1 2024 LGIM ESG Impact Report  
5.3 Appendix 3 – Q4 2023-24 LGPSC Quarterly Stewardship Report

### **6. Recommendation(s)**

That Committee:

- a) notes the stewardship activity of LGIM and LGPSC.

### **7. Reasons for Recommendation(s)**

- 7.1 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