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Pensions Panel

Tuesday 5 December 2023

09:30

Oak Room, County Buildings, Stafford

John Tradewell
Deputy Chief Executive and Director for Corporate Services
27 November 2023

Agenda

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of meeting held on 5 September 2023** (Pages 1 - 4)
4. **Dates of Future Meetings**
 - Tuesday 5 March 2024
 - Tuesday 4 June 2024
 - Tuesday 3 September 2024
 - Tuesday 3 December 2024

All meetings are scheduled to start at 9.30am at
County Buildings, Stafford

5. **Pension Fund Performance and Portfolio of Investments as at 30 September 2023** (Pages 5 - 26)
Report of the Director of Finance
6. **Responsible Investment & Engagement (RI&E) Report Quarter 2 2023/24** (Pages 27 - 74)
Report of the Director of Finance

7. **Exclusion of the Public**

The Chairman to move:

'That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) indicated below'.

Part Two

(All reports in this section are exempt)

8. **Exempt Minutes of the Meeting held on 5 September 2023 (exemption paragraph 3)** (Pages 75 - 88)
9. **Economic and Market update (Exemption paragraph 3)** (Pages 89 - 102)

Presentation by Hymans Robertson
10. **Pension Fund Performance and Manager Monitoring for the quarter ended 30 September 2023 (Exemption Paragraph 3)** (Pages 103 - 152)

Portfolio Evaluation report for the quarter ended 30 September 2023 attached for information.
11. **Multi Asset Credit (Exemption paragraph 3)** (Pages 153 - 164)

A presentation from Hymans Robertson
12. **Strategic Asset Allocation - Quarterly Update (Exemption paragraph 3)** (Pages 165 - 196)

Report of the Director of Finance
13. **Property Approvals (Exemption paragraph 3)** (Pages 197 - 202)
14. **Multi Asset Credit (Exemption paragraph 3)** (Pages 203 - 220)

A presentation from LGPS Central

Membership	
Philip Atkins, OBE Mike Davies Colin Greatorex	Mike Sutherland (Chair) Stephen Sweeney

Notes for Members of the Press and Public

Recording by Press and Public

Recording (including by the use of social media) by the Press and Public is permitted from the public seating area provided it does not, in the opinion of the chairman, disrupt the meeting.



Minutes of the Pensions Panel Meeting held on 5 September 2023

Present:

Attendance	
Philip Atkins, OBE	Colin Greatorex
Mike Davies	Stephen Sweeney

Also in attendance: Carolan Dobson, Simon Humble and Philip Pearson (Hymans Robertson)

Apologies: Iain Campbell (Hymans Robertson) and Mike Sutherland

Part One

110. Declarations of Interest

There were no declarations of interest made on this occasion.

111. Minutes of meeting held on 06 June 2023

In reference to Minute 101: The Panel was informed that a response had been provided by LGIM explaining the high proportion of votes against management. It was agreed that this would be shared electronically with the Panel members following the meeting.

Resolved: a. That the minutes of the Meeting of the Pensions Panel held on 6 June 2023 be confirmed and signed by the Chair.

b. That the response by LGIM relating to their stance on management voting decisions, be shared electronically with the Panel members following the meeting.

112. Dates of Future Meetings

- 5 December 2023, 9:30am – Oak Room, County Buildings
- 5 March 2024, 9:30am – Oak Room, County Buildings
- In person training 10 November 2023 – 10:00am – White Room, County Buildings

Resolved: That the dates of the future Pensions Panel meetings and training session be noted.

113. Pension Fund Performance and Portfolio of Investments as at 30 June 2023

The Director of Finance submitted a summary of the performance of the Staffordshire Pension Fund (the Fund), together with a portfolio of the Fund's investments, as at 30 June 2023.

The Panel heard that over the quarter the Fund had underperformed its Strategic Asset Allocation benchmark return by 0.3%. The best performing asset class relative to benchmark was listed equities, in particular global sustainable equities. Private Equity was the largest detractor to Fund performance over the quarter. The Fund had a market value of £6.746 billion as of 30 June 2023, an increase of £0.111 billion since 30 March 2023.

A copy of the Staffordshire Pension Fund's portfolio of investments at 30 June 2023 was attached at Appendix 1 to the report.

Resolved: That the Pension Fund Investment performance and the portfolio of investments for the quarter ended 30 June 2023 be noted.

114. Responsible Investment and Engagement (RI&E) Report Quarter 1 2023/24

The Director of Finance submitted the Responsible Investment and Engagement Report to the Panel, which included the Climate Stewardship Plan for 2022/23 and the Local Authority Pension Fund Forum (LAPFF) Quarterly Engagement Report. It was highlighted that the Local Government Pension Scheme Central (LGPS Central) Quarterly Stewardship Report Q1 2023/24 had not been available when the meeting papers had been circulated, but this had been received and had been made available on the LGPS Central website.

The Panel was informed that the Staffordshire Pension Fund (the Fund) had been accepted as a signatory to the UK Stewardship Code. Officers and Advisors had undertaken a large volume of work to ensure the Fund was accepted as signatories of the new Stewardship Code, this involved providing evidence that showed how the Fund complied and aligned with 12 specific principles. The Panel also heard that five of the eight LGPS Central Partner Funds, as well as LGPS Central themselves, were now signatories of the UK Stewardship code.

In response to a question from Councillor Greatorex regarding the implementation of the Transition Pathway Initiative (TPI) framework, what the scores represented and how they were assigned, it was explained that these questions would be raised with LGPS Central directly and brought back to a future Panel meeting.

Resolved: That the content of the Responsible Investment and Engagement (RI&E) report, including the Climate Stewardship Plan (Appendix 1), and the Local Authority Pension Fund Forum (LAPFF) Quarterly Engagement Report (Appendix 2), be noted.

115. Exclusion of the Public

Resolved: That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraph of Part One of Schedule 12A of the Local Government Act 1972 (as amended) indicated below.

116. Exempt Minutes of the Meeting held on 06 June 2023 (exemption paragraph 3)

117. Pension Fund Performance and Manager Monitoring for the quarter ended 30 June 2023 (Exemption Paragraph 3)

118. Economic and Market update (Exemption paragraph 3)

119. Infrastructure (Exemption paragraph 3)

120. Strategic Asset Allocation - Quarterly update (Exemption paragraph 3)

121. Property Approvals (Exemption paragraph 3)

122. Infrastructure (Exemption paragraph 3)

Chair

PENSIONS PANEL – 5 DECEMBER 2023

Report of the Director of Finance

PENSION FUND INVESTMENT PERFORMANCE 2023/24

Purpose of Report

1. To provide, for information;
 - (a) a summary of performance of the Staffordshire Pension Fund at 30 September 2023; and
 - (b) a portfolio of the Pension Fund’s investments at 30 September 2023 (Appendix 1).

Performance Summary

2. Fund performance for the first two quarters of the current financial year is shown in the table below:

Quarter Ending	Fund	Benchmark	Relative Performance
	%	%	%
June 2023	1.70	2.00	-0.30
September 2023	-0.46	0.42	-0.88
2023/24 year to date	1.09	2.40	-1.31

3. Global equity markets fell in quarter 3 2023, with the MSCI All World Index (USD) falling 3.4%. Whilst forward earnings expectations for the Index continued to grow, concerns over a higher-for-longer interest rate environment in the US and a stuttering economic recovery in China, weighed on sentiment. Bond markets provided little protection for investors with the Bloomberg Global Aggregate Index falling 2.8% as long-term US Government Bond yields hit their highest levels since 2007.
4. Continued strong US economic data and rising oil prices pushed back market expectations for interest rate cuts into the second half of 2024. This ‘higher for longer’ narrative was reflected in a steepening of the US yield curve, where the yield on the US 10-year bond rose over 0.75% in the quarter, to 4.6%, the highest level since October 2007. Also, the yield on thirty-year fixed rate mortgages in the US reached 7.7%, the highest level since 2000. Technology stocks particularly suffered due to the the higher interest rates, with the technology heavy Nasdaq Composite, which peaked in mid-July 2023 at 38% above its start of year level, falling 8% from this high to the end of the quarter. The rise in oil prices and interest rates did help the Energy and Financial sectors though, with many stocks from both sectors outperforming the index average in the quarter.

5. The UK equity market was the second strongest performer regionally after Japan in quarter 3 2023, in part thanks to a relatively large tilt towards the energy sector, which was supported by a sharp rise in oil prices. Headline inflation in the UK fell to 6.7% in August, its lowest level since Russia's invasion of Ukraine in 2022. Subsequently, the Bank of England (BoE) decided to hold rates, at 5.25%, in its September meeting for the first time in around two years.
6. Eurozone inflation continued its downward trend as consumer prices rose 4.3% year on year in September, the slowest pace since October 2021 and a sharp deceleration from 5.2% in August. The inflation data bolstered hopes that the European Central Bank's (ECB) September 2023 rate increase would be the last.
7. In Asia-Pacific, Japan was the best performing major equity market in local currency terms over the quarter. In China, the post-pandemic macroeconomic recovery has disappointed investors and renewed concerns about the state of the property sector weighed on sentiment, despite several new stimulus measures announced over the quarter. Even though the Chinese economy showed some positive signs in September, weakness in the property market is expected to continue to be a drag on consumption going into 2024.

Fund Market Value

8. The Fund had a market value of £6.744 billion as of 30 September 2023, a decrease of £0.002 billion since 30 June 2023.
9. Over the quarter the Fund returned -0.46%, underperforming its Strategic Asset Allocation benchmark return of 0.42%, by -0.88%. Infrastructure was the highest performing asset class over the quarter whilst Index Linked Gilts generated the largest negative return, due to continuing high inflation and increasing interest rates.
10. Longer term, the Fund has outperformed its Strategic Asset Allocation benchmark return over the 1-, 3- and 5-year periods. Annualised returns since inception stand at 7.72% per annum, well above the investment return assumptions used by the Actuary as part of the triennial valuation.
11. A copy of the Staffordshire Pension Fund's portfolio of investments at 30 September 2023 is attached at Appendix 1.

Rob Salmon - Director of Finance

Contact: Tim Byford, Strategic Investment Manager
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Background Documents:
Northern Trust Performance Report

Investment Portfolio

30 September 2023

STAFFORDSHIRE PENSION FUND

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STAFFORDSHIRE PENSION FUND

PORTFOLIO ANALYSIS AS AT 30 SEPTEMBER 2023

		PREVIOUS QUARTER MARKET VALUE	CURRENT QUARTER BOOK COST	CURRENT QUARTER MARKET VALUE	
		£	£	£	
Manager					
R e t u r n s e e k i n g	Global active equities				
	Active	Longview	400,165,298.45	292,041,973.69	390,312,930.13
	Active	JP Morgan	686,122,355.52	301,612,469.83	392,629,358.46
	Active	LGPS Central	666,583,244.13	378,363,354.78	672,063,627.49
			1,752,870,898.10	972,017,798.30	1,455,005,916.08
	Global passive equities				
	Passive	LGIM	1,152,322,729.41	727,996,334.71	1,099,454,233.47
	Passive	LGIM - LCTF	666,127,335.76	649,900,467.02	668,726,815.30
			1,818,450,065.17	1,377,896,801.73	1,768,181,048.77
	Global factor based equities				
	Factor based	LGPS Central - Sci Beta	248,908,405.52	218,608,485.74	253,593,488.53
		LGPS Central - FTSE	-	299,871,044.46	296,358,749.80
			248,908,405.52	518,479,530.20	549,952,238.33
	Global sustainable equities				
	Active	Impax	287,726,553.78	262,612,015.03	279,577,629.66
Active	LGPS Central	129,108,930.41	126,898,328.14	120,142,096.08	
		416,835,484.19	389,510,343.17	399,719,725.74	
	TOTAL GLOBAL EQUITY	4,237,064,852.98	3,257,904,473.40	4,172,858,928.92	
	Private Equity	Various	347,308,654.30	155,839,401.05	354,131,660.75
	Regulatory Capital - Share	LGPS Central	1,315,000.00	1,315,000.00	1,315,000.00
	TOTAL PRIVATE EQUITY	348,623,654.30	157,154,401.05	355,446,660.75	
	TOTAL EQUITY	4,585,688,507.28	3,415,058,874.45	4,528,305,589.67	
	PROPERTY	Colliers	513,074,364.98	540,457,287.50	530,572,489.94
	INFRASTRUCTURE	Various	188,472,310.42	238,242,755.90	253,992,005.03
	Private Debt	Various	355,990,276.23	351,500,143.22	357,528,306.65
D e f e n s i v e	Corporate Bonds	LGPS Central	489,191,558.02	559,716,702.88	492,745,712.98
	Index-linked Gilts	LGIM	513,644,597.48	513,001,931.69	480,942,316.16
	TOTAL FIXED INCOME		1,358,826,431.73	1,424,218,777.79	1,331,216,335.79
	Central Fund Cash	In-house	93,999,124.96	90,757,305.01	90,757,305.01
	Regulatory Capital - Loan	LGPS Central	685,000.00	685,000.00	685,000.00
	Custodian cash	In-house	5,366,245.74	8,552,965.65	8,552,965.65
	TOTAL CASH		100,050,370.70	99,995,270.66	99,995,270.66
	TOTAL FUND		6,746,111,985.11	5,717,972,966.30	6,744,081,691.09

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - JP Morgan Asset Management,
Longview Partners (GLOBAL ACTIVE)

Currency - Sterling

Report Date -

30-09-2023

Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £
EUROPE					
Denmark					
CARLSBERG SER'B'DKK20	11,653	1,399,889.71	120.13	1,208,327.73	(191,561.98)
NOVO NORDISK A/S SER'B'DKK0.1	38,392	1,853,731.40	48.28	2,875,633.46	1,021,902.06
		3,253,621.11		4,083,961.19	830,340.08
France					
BNP PARIBAS EUR2	33,897	1,214,207.92	35.82	1,776,853.73	562,645.81
LVMH MOET HENNESSY EURO.30	4,604	2,481,077.96	538.90	2,861,071.50	379,993.54
PUBLICIS GROUPE SA EURO.40	15,117	901,442.80	59.63	940,991.85	39,549.05
SAFRAN SA EURO.20	7,405	935,778.39	126.37	954,769.59	18,991.20
SANOFI EUR2	160,900	9,995,137.17	62.12	14,163,621.82	4,168,484.65
SCHNEIDER ELECTRIC EUR.40	6,995	902,986.82	129.09	952,510.70	49,523.88
TECHNIP ENERGIES EURO.01	41,808	681,778.83	16.31	854,784.81	173,005.98
TOTALENERGIES SE	58,973	1,830,174.42	31.03	3,187,489.71	1,357,315.29
VINCI EUR2.50	19,161	1,504,098.94	78.50	1,745,532.76	241,433.82
		20,446,683.25		27,437,626.47	6,990,943.22
Germany					
ALLIANZ SE NPV(REGD)(VINKULIERT)	7,320	1,294,210.27	176.80	1,433,113.08	138,902.81
HEIDELBERG MATERIALS AG	9,410	586,171.33	62.29	600,112.87	13,941.54
MERCEDES-BENZ GROUP AG	16,354	622,511.81	38.06	934,719.54	312,207.73
MUENCHENER RUECKVE NPV(REGD)	4,536	1,329,426.74	293.08	1,452,295.23	122,868.49
RWE AG NPV	57,278	1,780,758.58	31.09	1,746,429.24	(34,329.34)
		5,613,078.73		6,166,669.96	553,591.23
Ireland					
CRH PLC EQUITY	21,913	899,410.45	41.04	995,288.46	95,878.01
Italy					
INTESA SANPAOLO NPV	329,889	723,385.06	2.19	698,225.14	(25,159.92)
STELLANTIS N.V COM EURO.01	102,543	732,948.47	7.15	1,619,060.02	886,111.55
UNICREDIT SPA NPV	45,280	727,563.99	16.07	892,778.40	165,214.41
		2,183,897.52		3,210,063.56	1,026,166.04
Netherlands					
ASML HOLDING NV EURO.09	5,931	2,298,021.66	387.46	2,876,439.45	578,417.79
HEINEKEN NV EUR1.60	159,700	12,385,723.68	77.56	11,561,684.56	(824,039.12)
ING GROEP N.V. EURO.01	130,919	910,251.44	6.95	1,425,227.60	514,976.16
KON AHOLD DELHAIZE EURO.01	83,523	1,807,080.60	21.64	2,066,300.24	259,219.64
KONINKLIJKE KPN	573,923	1,636,117.43	2.85	1,552,768.90	(83,408.53)
WOLTERS KLUWER EURO.12	102,692	7,201,548.79	70.13	10,212,886.15	3,011,337.36
		26,238,803.60		29,695,306.90	3,456,503.30
Spain					
BANCO BILBAO VIZCA EURO.49	122,812	757,981.51	6.17	821,358.96	63,377.45
IBERDROLA SA EURO.75	183,278	1,844,120.24	10.06	1,684,415.07	(159,705.17)
INDITEX (IND.DE DISENO TEXTIL SA) EURO.03 (POST SUBD)	47,103	1,379,582.65	29.29	1,441,909.64	62,326.99
		3,981,684.40		3,947,683.67	(34,000.73)
Sweden					
ATLAS COPCO AB SER'A'NPV	88,097	923,894.69	10.49	978,279.73	54,385.04
NORDEA BANK ABP NPV	79,542	736,388.96	9.26	720,540.61	(15,848.35)
		1,660,283.65		1,698,820.34	38,536.69
Switzerland					
COMP.FIN.RICHEMONT CHF1 (REGD)	10,817	1,296,459.71	119.85	1,085,033.38	(211,426.33)
HOLCIM LTD CHF2 (REGD)	11,193	599,533.36	53.56	589,242.86	(10,290.50)
NESTLE SA CHF0.10(REGD)	36,130	3,137,617.34	86.84	3,356,853.98	219,236.64
NOVARTIS AG CHF0.49 (REGD)	51,447	4,079,792.73	79.30	4,325,189.29	245,396.56
ROCHE HLDGS AG GENUSSCHEINE NPV	11,620	2,934,553.54	252.54	2,606,426.06	(328,127.48)
		12,047,956.68		11,962,745.57	(85,211.11)
TOTAL EUROPE		76,325,419.39		89,198,166.12	12,872,746.73
Japan					
FUJIKURA NPV	53,900	366,742.00	6.80	355,562.00	(11,180.00)
HITACHI ZOSEN Y50	71,800	369,364.93	5.14	330,741.89	(38,623.04)
HONDA MOTOR CO NPV	93,000	768,728.86	8.27	858,838.96	90,110.10
ITOCHU CORP NPV	56,700	778,567.47	13.73	1,682,913.90	904,346.43
KDDI CORP NPV	38,500	886,771.64	23.03	967,485.45	80,713.81
MARUBENI CORP NPV	117,900	1,192,771.13	10.12	1,509,541.82	316,770.69
MAZDA MOTOR CORP NPV	97,300	780,307.62	8.02	906,294.83	125,987.21
MITSUBISHI MOTOR C NPV	285,800	994,533.74	3.48	1,022,145.63	27,611.89
MITSUBISHI UFJ FIN NPV	275,200	1,526,322.36	5.55	1,916,645.08	390,322.72
mitsui & co LTD NPV	45,100	1,086,382.13	24.09	1,342,823.54	256,441.41
NIPPON TELEGRAPH & TELEPHONE CORP NPV	1,757,200	1,276,255.23	0.73	1,703,784.61	427,529.38
NITERRA CO LTD NPV	64,900	1,044,334.95	16.09	1,205,807.14	161,472.19
ORIX CORP NPV	81,300	1,031,849.72	12.69	1,246,706.66	214,856.94
SANKYO CO LTD NPV	22,900	567,997.25	24.80	861,752.16	293,754.91
SHIMAMURA CO NPV	9,500	733,684.27	77.23	770,383.37	36,699.10
SONY GROUP CORPORA NPV	24,900	1,835,281.45	73.71	1,673,337.58	(161,943.87)
SUMITOMO MITSUI FINANCIAL GROUP NPV	57,100	1,506,305.83	26.38	2,303,291.72	796,985.89
SUZUKI MOTOR CORP NPV	34,300	1,160,846.20	33.84	1,132,934.35	(27,911.85)
TOKIO MARINE HOLDINGS INC NPV	36,500	535,835.09	14.68	694,382.72	158,547.63
TOKYO GAS CO LTD NPV	87,800	1,559,237.21	17.76	1,634,651.22	75,414.01
YAMATO KOGYO CO NPV	11,300	366,193.84	32.41	443,347.49	77,153.65
		20,368,312.92		24,563,372.12	4,195,059.20

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - JP Morgan Asset Management,
Longview Partners (GLOBAL ACTIVE)

Currency - Sterling

Report Date -

30-09-2023

Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £
ASIA PACIFIC (Ex Japan)					
Australia					
BHP GROUP LIMITED	59,249	1,499,345.98	25.31	1,386,333.30	(113,012.68)
BLUESCOPE STEEL NPV	33,789	380,143.85	11.25	347,332.13	(32,811.72)
QANTAS AIRWAYS NPV	521,693	1,810,006.31	3.47	1,428,953.60	(381,052.71)
		3,689,496.14		3,162,619.03	(526,877.11)
Hong Kong					
AIA GROUP LTD NPV	322,400	2,674,315.42	8.30	2,153,455.78	(520,859.64)
SANDS CHINA LTD USD0.01	529,200	1,580,548.36	2.99	1,328,651.56	(251,896.80)
		4,254,863.78		3,482,107.34	(772,756.44)
Singapore					
DBS GROUP HLDGS NPV	53,300	902,928.73	16.94	1,076,283.69	173,354.96
YANGZIJIANG SHIPBU NPV (SGD)	1,005,700	1,008,026.91	1.00	1,002,120.86	(5,906.05)
		1,910,955.64		2,078,404.55	167,448.91
TOTAL ASIA PACIFIC (Ex Japan)					
		9,855,315.56		8,723,130.92	(1,132,184.64)
North America					
Canada					
ALIMENTATION COM NPV	32,988	1,335,752.54	40.49	1,378,944.80	43,192.26
BOMBARDIER INC	26,584	911,128.77	34.27	762,956.42	(148,172.35)
EQB INC COM NPV	8,788	396,018.03	45.06	401,540.26	5,522.23
FAIRFAX FINL HLDGS SUB-VTG COM NPV	1,609	1,062,623.34	660.42	1,081,098.38	18,475.04
IMPERIAL OIL COM NPV	10,905	348,102.86	31.92	552,854.99	204,752.13
MANULIFE FINL CORP COM NPV	61,946	977,078.55	15.77	931,714.28	(45,364.27)
MULLEN GROUP LTD COM NPV	84,011	776,521.97	9.24	683,213.40	(93,308.57)
NATL BK OF CANADA COM NPV	15,319	630,614.83	41.17	837,623.94	207,009.11
RUSSEL METALS INC COM NPV	41,235	952,125.16	23.09	950,048.59	(2,076.57)
SHAWCOR LTD NEW COM NPV	64,592	770,398.50	11.93	621,971.29	(148,427.21)
		8,160,364.55		8,201,966.35	41,601.80
United States					
ABBVIE INC COM USD0.01	25,864	1,935,824.35	74.85	3,158,647.76	1,222,823.41
ADOBE INC COM	5,137	1,705,467.33	332.00	2,146,045.71	440,578.38
ALLISON TRANSMISSION HOLDING	32,358	1,236,652.89	38.22	1,565,739.48	329,086.59
ALPHABET INC CAP STK USD0.001 CL C	119,281	4,210,633.91	35.30	12,885,337.40	8,674,703.49
ALPHABET INC CAPITAL STOCK USD0.001 CL A	152,960	8,309,798.72	54.33	16,399,446.12	8,089,647.40
AMAZON COM INC COM	85,633	5,861,330.38	68.45	8,918,656.40	3,057,326.02
AMERICAN EXPRESS CO	96,955	7,511,474.41	77.47	11,850,981.33	4,339,506.92
AMERIPRISE FINL INC COM	3,354	711,572.55	212.16	905,941.28	194,368.73
AMGEN INC COM	7,769	1,328,323.06	170.98	1,710,701.13	382,378.07
AOPLC	50,200	1,973,987.29	39.32	2,655.63	11,360,855.75
APPLE INC COM STK	122,335	3,970,202.89	32.45	17,160,274.99	13,190,072.10
APPLIED MATERIALS INC COM	21,797	2,156,417.95	98.93	2,472,487.32	316,069.37
AUTONATION INC COM	8,279	987,118.98	119.23	1,026,947.28	39,828.30
BANK NEW YORK MELLON CORP COM STK	352,000	9,058,696.17	25.73	12,300,027.67	3,241,331.50
BANK OF AMERICA CORP	164,166	3,155,054.43	19.22	3,682,655.12	527,600.69
BEACON ROOFING SUPPLY INC COM	9,526	595,861.93	62.55	602,286.97	6,425.04
BECTON DICKINSON & CO COM	62,902	11,343,390.75	180.33	13,323,544.90	1,980,154.15
BERRY GLOBAL GROUP INC COM USD0.01	32,371	1,502,683.03	46.42	1,641,955.22	139,272.19
BOISE CASCADE CO COM	17,859	1,128,851.72	63.21	1,507,673.76	378,822.04
BOOKING HLDGS INC COM	399	999,567.28	2,505.18	1,008,148.74	8,581.46
BOOKING HLDGS INC COM	6,733	10,267,834.85	1,525.00	17,012,194.21	6,744,359.36
BORG WARNER INC COM	43,827	1,405,978.98	32.08	1,449,588.99	43,610.01
BRISTOL MYERS SQUIBB CO COM	45,520	2,205,724.16	48.46	2,164,582.02	(41,142.14)
BUILDERS FIRSTSOURCE INC COM STK	15,381	865,405.61	56.26	1,568,785.00	703,379.39
CADENCE DESIGN SYS INC COM	10,353	1,896,815.62	183.21	1,987,389.05	90,573.43
CDW CORP COM	90,102	12,388,015.40	137.49	14,894,087.12	2,506,071.72
CITIGROUP INC COM NEW COM NEW	23,059	931,654.83	40.40	777,040.34	(154,614.49)
COCA COLA CO COM	65,180	3,337,171.35	51.20	2,989,452.38	(347,718.97)
COMCAST CORP NEW-CL A	53,656	1,754,634.11	32.70	1,949,208.84	194,574.73
CONOCOPHILLIPS COM	32,757	1,770,957.76	54.06	3,215,180.27	1,444,222.51
COSTCO WHOLESALE CORP NEW COM	4,962	2,000,917.24	403.25	2,296,777.10	295,859.86
CSX CORP COM STK	46,399	914,519.64	19.71	1,168,955.91	254,436.27
DECKERS OUTDOOR CORP COM	2,365	953,988.67	403.38	996,126.95	42,138.28
DEERE & CO COM	4,368	1,099,022.46	251.61	1,350,535.17	251,512.71
DOLLAR GEN CORP NEW COM	99,270	13,190,758.36	132.88	8,604,944.61	(4,585,813.75)
DROPBOX INC CL A CL A	77,815	1,746,198.94	22.44	1,736,022.51	(10,176.43)
E L F BEAUTY INC COM	12,982	900,771.50	69.39	1,168,172.50	267,401.00
EATON CORP PLC COM USD0.50	14,028	1,187,248.98	84.63	2,451,265.08	1,264,016.10
ELEVANCE HEALTH INC	6,925	2,047,587.44	295.68	2,470,429.93	422,842.49
ELI LILLY & CO COM	9,632	1,562,817.31	162.25	4,238,774.11	2,675,956.80
ENCORE WIRE CORP COM	4,273	521,428.35	122.03	638,770.65	117,342.30
EOG RESOURCES INC COM	18,391	1,063,398.61	57.82	1,909,993.83	846,595.22
EVEREST GROUP LTD	5,628	1,684,559.71	299.32	1,713,783.61	29,223.90
EXXON MOBIL CORP COM	42,970	1,973,833.35	45.94	4,139,455.32	2,165,621.97
FAIR ISAAC CORPORATION COM	2,495	1,229,471.35	492.77	1,775,414.50	545,943.15
FIDELITY NATL INFORMATION SVCS INC COM STK	276,350	12,747,811.15	46.13	12,513,918.52	(233,892.63)
FISERV INC COM	139,010	9,356,185.03	67.31	12,865,157.77	3,508,972.74
FORTINET INC COM	30,434	1,759,810.03	57.82	1,463,165.76	(296,644.27)
FREPORT-MCMORAN INC	49,741	1,303,693.15	26.21	1,519,676.98	215,983.83
GMS INC COM	20,179	932,181.70	46.20	1,057,597.41	125,415.71
HCA HEALTHCARE INC COM	11,019	2,446,117.95	221.99	2,220,681.99	(225,435.96)
HCA HEALTHCARE INC COM	61,550	2,265,762.64	36.81	12,404,299.50	10,138,536.86
HOLOGIC INC COM	7,068	366,330.75	51.83	401,883.71	35,552.96
INFOSYS LIMITED ADR	113,366	1,521,156.79	13.42	1,589,195.12	68,038.33
INSPIRE MED SYS INC COM	4,606	1,100,012.67	238.82	748,854.67	(351,158.00)
IQVIA HLDGS INC COM USD0.01	74,941	7,257,573.28	96.84	12,080,324.89	4,822,751.61
L3HARRIS TECHNOLOGIES INC COM	45,278	6,520,177.60	144.00	6,459,223.07	(60,954.53)
LAM RESH CORP COM	4,769	786,827.91	164.99	2,448,949.97	1,662,122.06
LINDE PLC	7,060	1,657,907.10	234.83	2,153,775.58	495,868.48
LOWES COS INC COM	6,340	1,128,237.67	177.96	1,079,599.76	(48,637.91)
MANHATTAN ASSOC INC COM	10,725	1,327,471.85	123.77	1,736,842.67	409,370.82
MARRIOTT INTL INC NEW COM STK CL A	6,207	989,059.45	159.35	999,588.56	10,529.11
MARSH & MCLENNAN CO'S INC COM	94,120	9,859,672.91	104.76	14,674,560.27	4,814,887.36
MASTERCARD INC CL A	13,595	2,877,658.59	211.67	4,409,811.98	1,532,153.39
MSCISSON CORP	6,751	679,403.36	100.64	2,405,204.30	1,725,800.94
MEDTRONIC PLC COMMON STOCK STOCK	192,930	12,340,842.91	63.97	12,386,214.05	45,371.14
MERCADOLIBRE INC COM STK	1,723	1,758,421.09	1,020.56	1,789,813.66	31,392.57
MERCK & CO INC NEW COM	10,520	970,916.55	92.29	887,332.69	(83,583.86)
META PLATFORMS INC COM USD0.000006 CL 'A'	28,000	1,680,383.44	160.82	7,158,257.27	2,477,873.83

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - JP Morgan Asset Management,
Longview Partners (GLOBAL ACTIVE)

Currency - Sterling

Report Date -

30-09-2023

Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £	
MICROSOFT CORP COM	65,700	5,246,756.07	79.86	258.69	16,996,250.30	11,749,494.23
MICROSOFT CORP COM	52,925	10,825,939.15	204.55	258.69	13,691,423.85	2,865,484.70
MOODYS CORP COM	50,267	12,635,276.91	251.36	259.04	13,021,110.23	385,833.32
MORGAN STANLEY COM STK USD0.01	38,360	1,415,814.52	36.91	66.91	2,566,761.66	1,150,947.14
MUELLER INDS INC COM	15,228	939,634.69	61.70	61.58	937,721.84	(1,912.85)
NETFLIX INC COM STK	3,375	870,260.83	257.86	309.37	1,044,119.37	173,858.54
NEUROCRINE BIOSCIENCES INC COM	9,657	844,029.42	87.40	92.17	890,100.70	46,071.28
NEXTERA ENERGY INC COM	41,143	2,456,767.46	59.71	46.94	1,931,164.05	(525,603.41)
NUCOR CORP COM	3,058	364,231.08	119.11	128.10	391,723.62	27,492.54
NVIDIA CORP COM	24,494	3,834,723.93	156.56	356.39	8,729,379.53	4,894,655.60
NXP SEMICONDUCTORS N V COM STK	11,012	1,518,481.53	137.89	163.79	1,803,710.51	285,228.98
OLD DOMINION FREIGHT LINE INC COM	2,396	793,291.16	331.09	335.21	803,161.98	9,870.82
ORACLE CORP COM	150,200	3,762,101.74	25.05	86.78	13,034,437.50	9,272,335.76
PALO ALTO NETWORKS INC COM USD0.0001	7,829	667,481.68	85.26	192.08	1,503,773.39	836,291.71
PENSKO AUTOMOTIVE GROUP INC COM STK	7,155	942,434.74	131.72	136.87	979,324.24	36,889.50
PEPSICO INC COM	8,753	1,310,063.85	149.67	138.82	1,215,114.66	(94,949.19)
PG & E CORP COM	141,858	1,919,957.82	13.53	13.22	1,874,703.50	(45,254.32)
PHILIP MORRIS INTL COM STK NPV	23,846	1,928,216.48	80.86	75.85	1,808,744.01	(119,472.47)
PIONEER NAT RES CO COM	4,211	785,945.58	186.64	188.07	791,966.71	6,021.13
PROCTER & GAMBLE COM NPV	30,873	2,963,081.18	95.98	119.50	3,689,431.33	726,350.15
PROGRESSIVE CORP OH COM	7,090	748,728.85	105.60	114.13	809,173.67	60,444.82
PROLOGIS INC COM	19,140	1,939,745.97	101.35	91.93	1,759,615.93	(180,130.04)
PULTE GROUP INC	25,926	1,598,256.76	61.65	60.67	1,572,913.97	(25,342.79)
PURE STORAGE INC CL A CL A	54,114	1,282,253.03	23.70	29.18	1,579,239.30	296,986.27
QUANTA SVCS INC COM	5,048	797,393.86	157.96	153.27	773,691.60	(23,702.26)
RAMBUS INC DEL COM	24,265	900,058.22	37.09	45.71	1,109,126.41	209,068.19
REGENERON PHARMACEUTICALS INC COM	3,662	2,271,439.49	620.27	674.25	2,469,115.79	197,676.30
ROSS STORES INC COM	15,102	1,425,424.62	94.39	92.54	1,397,542.71	(27,881.91)
S&P GLOBAL INC COM	5,509	1,709,067.98	310.23	299.38	1,649,292.14	(59,775.84)
S&P GLOBAL INC COM	42,045	12,086,120.91	287.46	299.38	12,587,491.04	501,370.13
SALESFORCE INC COM USD0.001	15,608	2,551,456.81	163.47	166.14	2,593,085.07	41,628.26
STATE STR CORP COM	228,884	13,060,023.56	57.06	54.86	12,556,692.79	(503,330.77)
STEEL DYNAMICS INC COM	14,359	1,174,187.74	81.77	87.85	1,261,375.49	87,187.75
SYSCO CORP COM	223,130	11,795,495.26	52.86	54.11	12,074,667.40	279,172.14
TAYLOR MORRISON HOME CORP COM USD0.00001	41,697	1,477,523.06	35.43	34.91	1,455,662.63	(21,860.43)
TESLA INC COM USD0.001	14,715	2,641,164.21	179.49	205.01	3,016,662.16	375,497.95
THE CIGNA GROUP	3,371	684,203.96	202.97	234.38	790,087.99	105,884.03
TJX COS INC COM NEW	32,635	2,146,339.68	65.77	72.82	2,376,468.45	230,128.77
TJX COS INC COM NEW	208,680	8,966,663.98	42.97	72.82	15,195,999.25	6,229,335.27
T-MOBILE US INC COM	11,001	1,027,650.26	93.41	114.74	1,262,291.53	234,641.27
TOLL BROS INC COM	20,158	1,224,461.96	60.74	60.60	1,221,486.67	(2,975.29)
TRANE TECHNOLOGIES PLC COM USD1	11,998	1,619,745.33	135.00	166.24	1,994,604.06	374,858.73
UFP INDUSTRIES INC COM USD1.00	7,131	589,054.36	82.60	83.90	598,266.63	9,212.27
UNITED RENTALS INC COM	5,458	573,861.23	105.14	364.24	1,988,007.75	1,414,146.52
UNITED THERAPEUTICS CORP DEL COM STK	6,421	804,870.60	125.35	185.06	1,188,243.95	383,373.35
UNITEDHEALTH GROUP INC COM	11,750	3,307,746.59	281.51	413.08	4,853,739.72	1,545,993.13
UNITEDHEALTH GROUP INC COM	35,516	4,854,149.58	136.68	413.08	14,671,099.56	9,816,949.98
US FOODS HLDG CORP COM	226,100	5,469,905.13	24.19	32.53	7,354,200.37	1,884,295.24
VERTEX PHARMACEUTICALS INC COM	8,729	1,860,256.03	213.11	284.90	2,486,929.84	626,673.81
VISA INC COM CL A STK	22,771	2,761,879.31	121.29	188.45	4,291,145.21	1,529,265.90
VISA INC COM CL A STK	68,511	12,501,086.43	182.47	188.45	12,910,748.28	409,661.85
VOYA FINL INC COM	19,743	806,472.23	40.85	54.44	1,074,861.53	268,389.30
WELLS FARGO & CO NEW COM STK	94,984	3,581,541.13	37.71	33.48	3,179,751.69	(401,789.44)
WESTLAKE CORPORATION COM USD0.01	7,745	784,438.17	101.28	102.14	791,093.42	6,655.25
YUM BRANDS INC COM	13,482	1,473,442.16	109.29	102.36	1,380,067.14	(93,375.02)
		393,737,838.44			555,701,765.89	161,963,927.45
TOTAL NORTH AMERICA		401,898,202.99			563,903,732.24	162,005,529.25
EMERGING MARKETS						
Brazil						
ADR ITAU UNIBANCO HLDG SA SPONSORED ADR	204,586	960,212.38	4.69	4.40	900,107.93	(60,104.45)
ADR PETROLEO BRASILEIRO SA PETROBRAS	87,045	994,918.24	11.43	11.23	977,745.16	(17,173.08)
NU HOLDINGS LTD	193,476	1,154,483.48	5.97	5.94	1,149,236.73	(5,246.75)
		3,109,614.10			3,027,089.82	(82,524.28)
Chile						
ADR BANCO SANTANDER CHILE NEW SPONSORED ADR	25,638	380,448.00	14.84	15.03	385,236.89	4,788.89
China						
ALIBABA GROUP HOLDING LTD	122,300	1,403,683.52	11.48	8.95	1,095,166.74	(308,516.78)
HAIER SMART HOME CO LTD-H	680,800	1,917,017.28	2.82	2.58	1,755,563.30	(161,453.98)
JD.COM INC USD0.00002 A CLASS	49,950	1,157,551.53	23.17	12.04	601,437.97	(556,113.56)
KUNLUN ENERGY CO COMSTK	1,870,000	1,233,273.15	0.66	0.71	1,320,460.47	87,187.32
PETROCHINA COMPANY LIMITED H CNY1	1,326,000	799,020.01	0.60	0.62	818,418.73	19,398.72
PICC PROPERTY & CA 'H' CNY1	582,000	587,699.46	1.01	1.05	612,492.80	24,793.34
TENCENT HLDGS LTD HKD0.00002	112,500	2,634,984.09	23.42	32.03	3,603,609.58	968,625.49
ZHEJIANG EXPRESS 'H' CNY1	840,000	569,655.34	0.68	0.61	513,182.88	(56,472.46)
		10,302,884.38			10,320,332.47	17,448.09
India						
ADR HDFC BK LTD ADR REPSTG 3 SHS	41,946	942,712.39	22.47	48.35	2,027,965.47	1,085,253.08
Indonesia						
BK CENTRAL ASIA IDR12.50	2,613,300	1,089,239.98	0.42	0.47	1,222,585.83	133,345.85
BK RAKYAT IDR50	5,546,400	1,520,493.12	0.27	0.28	1,536,288.78	15,795.66
		2,609,733.10			2,758,874.61	149,141.51
Korea, Republic Of						
DOOSAN BOBCAT INC KRW500	29,899	943,473.55	31.56	30.97	925,828.44	(17,645.11)
KIA CORP	35,023	1,638,297.48	46.78	49.42	1,730,937.67	92,640.19
LG ENERGY SOLUTION LTD KRW500 373220	3,455	641,807.97	185.76	289.31	999,573.28	357,765.31
SAMSUNG ELECTRONIC KRW100	72,973	2,802,760.26	38.41	41.53	3,030,553.69	227,793.43
SAMSUNG ENGINEER KRW5000	63,449	926,393.44	14.60	18.37	1,165,343.19	238,949.75
SAMSUNG FIRE & MARINE INS.CO.LTD	7,638	1,181,641.30	154.71	158.17	1,208,067.11	26,425.81
		8,134,374.00			9,060,303.38	925,929.38

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

**Funds - JP Morgan Asset Management,
Longview Partners (GLOBAL ACTIVE)**

Currency - Sterling

Report Date -

30-09-2023

	Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £
Mexico						
GRUPO FINANCIERO BANORTE S A B DE C V	206,681	1,101,526.35	5.33	6.89	1,423,680.68	322,154.33
WAL-MART DE MEX COM NPV	293,214	778,946.32	2.66	3.09	906,819.06	127,872.74
		1,880,472.67			2,330,499.74	450,027.07
Taiwan						
TAIWAN SEMICON MAN TWD10	314,000	3,932,067.97	12.52	13.27	4,168,074.47	236,006.50
Thailand						
KRUNG THAI BNK LTD THB5.15(NVDR)	1,987,600	843,771.94	0.42	0.43	849,721.25	5,949.31
SCB X PCL THB10 (NVDR)	516,600	1,336,960.48	2.59	2.31	1,191,439.94	(145,520.54)
		2,180,732.42			2,041,161.19	(139,571.23)
TOTAL EMERGING MARKETS		33,473,039.03			36,119,538.04	2,646,499.01
UNITED KINGDOM						
3I GROUP ORD GBP0.738636	43,793	746,832.00	17.05	20.73	907,828.89	160,996.89
ASTRAZENECA ORD USD0.25	29,815	2,459,701.38	82.50	111.02	3,310,061.30	850,359.92
BALFOUR BEATTY GBP0.50	392,086	1,483,410.38	3.78	3.21	1,258,596.06	(224,814.32)
BANK OF GEORGIA GR ORD GBP0.01	10,868	367,470.48	33.81	36.90	401,029.20	33,558.72
BP ORD USD0.25	703,129	1,783,774.64	2.54	5.31	3,736,427.51	1,952,652.87
CENTRICA ORD GBP0.061728395	782,073	705,422.43	0.90	1.54	1,207,911.75	502,489.32
COMPASS GROUP ORD GBP0.1105	681,450	7,761,644.15	11.39	20.00	13,629,000.00	5,867,355.85
DIAGEO ORD PLC	387,281	13,555,181.06	35.00	30.34	11,750,105.54	(1,805,075.52)
JET2 PLC	106,495	1,384,275.22	13.00	10.83	1,153,340.85	(230,934.37)
MITIE GROUP ORD GBP0.025	401,835	367,745.85	0.92	1.03	413,086.38	45,340.53
PRUDENTIAL GBP0.05	89,536	1,091,038.98	12.19	8.89	795,795.97	(295,243.01)
RIO TINTO ORD GBP0.10	37,999	2,167,457.24	57.04	51.74	1,966,068.26	(201,388.98)
SHELL PLC ORD EURO.07	153,968	1,863,398.41	12.10	26.06	4,012,406.08	2,149,007.67
SSE PLC ORD GBP0.50	61,244	1,131,094.28	18.47	16.10	986,028.40	(145,065.88)
STANDARD CHARTERED PLC SHS	133,723	1,000,374.12	7.48	7.58	1,013,620.34	13,246.22
TESCO ORD GBP0.0633333	380,766	978,274.16	2.57	2.64	1,005,983.77	27,709.61
TOTAL UNITED KINGDOM		38,847,094.78			47,547,290.30	8,700,195.52
Equities Sub-Total		580,767,384.67			770,055,229.74	189,287,845.07
Fund - LGPS Central (GLOBAL ACTIVE)						
GLOBAL EQ ACTIVE MULTI MANAGER FUND	4,215,679.51	378,363,354.78	89.75	159.42	672,063,627.49	293,700,272.71
Equities Sub-Total		378,363,354.78			672,063,627.49	293,700,272.71
Equities		959,130,739.45			1,442,118,857.23	482,988,117.78
Cash		12,887,058.85			12,887,058.85	
TOTAL GLOBAL ACTIVE EQUITY		972,017,798.30			1,455,005,916.08	

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Currency - Sterling

Report Date -

30-09-2023

<u>Holding</u>	<u>Cost</u> £	<u>Average</u> <u>Cost</u> £	<u>Market</u> <u>Price</u> £	<u>Market</u> <u>Value</u> £	<u>Unrealised</u> <u>Gain/Loss</u> £	
Fund - Legal & General Investment Management (GLOBAL PASSIVE)						
GPBE ALL WORLD EQUITY INDEX	392,677,653	727,996,334.71	1.85	2.80	1,099,454,233.47	371,457,898.76
GPFH LOW CARBON TRANS GBL EQTY IDX OFC	611,642,245	649,900,467.02	1.06	1.09	668,726,815.30	18,826,348.28
TOTAL GLOBAL PASSIVE EQUITY		1,377,896,801.73		1,768,181,048.77	390,284,247.04	

<u>Holding</u>	<u>Cost</u> £	<u>Average</u> <u>Cost</u> £	<u>Market</u> <u>Price</u> £	<u>Market</u> <u>Value</u> £	<u>Unrealised</u> <u>Gain/Loss</u> £	
Fund - LGPS Central (GLOBAL FACTOR BASED)						
LGPS CENTRAL GLOBAL MULTI FACTOR EQUITY INDEX FUND	2,139,307.31	218,608,485.74	102.19	118.54	253,593,488.53	34,985,002.79
LGPS CENTRAL ALL WORLD EQUITY MULTI FACTOR FUND	2,155,806.72	299,871,044.46	139.10	137.47	296,358,749.80	(3,512,294.66)
TOTAL GLOBAL FACTOR BASED EQUITY		518,479,530.20		549,952,238.33	31,472,708.13	

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - Impax Asset Management (GLOBAL SUSTAINABLE)		Currency - Sterling			Report Date -	30-09-2023
 Holding	 Cost	 Average Cost	 Market Price	 Market Value	 Unrealised Gain/Loss	
	 £	 £	 £	 £	 £	
EUROPE						
Denmark						
VESTAS WIND SYSTEM DKK0.20	129,598	3,083,623.63	23.79	17.63	2,284,847.73	(798,775.90)
France						
SCHNEIDER ELECTRIC EUR0.40	67,416	9,054,089.34	134.30	136.17	9,180,051.66	125,962.32
Germany						
HANNOVER RUECK SE ORD NPV(REGD)	52,233	6,780,254.72	129.81	180.34	9,419,704.50	2,639,449.78
SARTORIUS AG NON VTG PRF NPV	20,450	6,661,631.92	325.75	279.14	5,708,436.46	(953,195.46)
		13,441,886.64			15,128,140.96	1,686,254.32
Ireland						
KERRY GROUP 'A'ORD EUR0.125	75,155	6,417,110.37	85.39	68.28	5,131,930.71	(1,285,179.66)
Netherlands						
ASML HOLDING NV EUR0.09	7,764	3,376,566.28	434.90	484.98	3,765,414.91	388,848.63
DSM FIRMENICH AG EUR0.01	60,382	7,646,711.43	126.64	69.51	4,197,014.37	(3,449,697.06)
WOLTERS KLUWER EUR0.12	99,176	8,131,939.17	82.00	99.45	9,863,214.25	1,731,275.08
		19,155,216.88			17,825,643.53	(1,329,573.35)
Portugal						
JERONIMO MARTINS EUR1	300,024	3,886,577.76	12.95	18.44	5,532,954.22	1,646,376.46
Switzerland						
ALCON INC	159,436	9,312,796.04	58.41	63.53	10,129,682.19	816,886.15
LONZA GROUP AG CHF1 (REGD)	15,348	6,849,919.28	446.31	381.17	5,850,212.69	(999,706.59)
PARTNERS GROUP HLG CHF0.01 (REGD)	3,781	3,098,067.70	819.38	926.51	3,503,123.26	405,055.56
		19,260,783.02			19,483,018.14	222,235.12
TOTAL EUROPE		74,299,287.64			74,566,586.95	267,299.31
Japan						
KDDI CORP NPV	357,600	8,507,189.07	23.79	25.13	8,986,306.37	479,117.30
KEYENCE CORP NPV	17,500	5,764,605.56	329.41	304.72	5,332,536.42	(432,069.14)
KUBOTA CORP NPV	404,800	6,734,753.38	16.64	12.10	4,898,407.29	(1,836,346.09)
		21,006,548.01			19,217,250.08	(1,789,297.93)
ASIA PACIFIC (Ex Japan)						
Hong Kong						
AIA GROUP LTD NPV	1,183,800	9,736,733.92	8.22	6.68	7,907,136.96	(1,829,596.96)
TOTAL ASIA PACIFIC (Ex Japan)		9,736,733.92			7,907,136.96	(1,829,596.96)
North America						
United States						
ANALOG DEVICES INC COM	51,054	5,718,421.00	112.01	143.45	7,323,783.64	1,605,362.64
APPLIED MATERIALS INC COM	43,792	4,127,727.76	94.26	113.43	4,967,434.27	839,706.51
APTIV PLC COM USD	93,078	8,562,054.43	91.99	80.78	7,518,380.46	(1,043,673.97)
BECTON DICKINSON & CO COM	26,669	5,296,246.10	198.59	211.81	5,648,876.33	352,630.23
BOSTON SCIENTIFIC CORP COM	142,549	4,552,123.35	31.93	43.26	6,166,553.26	1,614,429.91
CADENCE DESIGN SYS INC COM	37,727	4,250,072.99	112.65	191.96	7,242,173.92	2,992,100.93
CINTAS CORP COM	26,085	8,952,155.77	343.19	394.09	10,279,910.55	1,327,754.78
COOPER COS INC COM NEW COM NEW	14,486	4,396,358.69	303.49	260.55	3,774,275.93	(622,082.76)
DANAHER CORP COM	34,728	6,510,824.49	187.48	203.27	7,059,125.88	548,301.39
IQVIA HLDGS INC COM USD0.01	50,168	7,965,161.33	158.77	161.20	8,086,971.60	121,810.27
LINDE PLC	40,095	8,525,225.55	212.63	305.07	12,231,675.91	3,706,450.36
MASTERCARD INC CL A	38,452	10,392,406.27	270.27	324.37	12,472,680.41	2,080,274.14
MICROSOFT CORP COM	50,362	9,708,232.17	192.77	258.69	13,028,389.00	3,320,156.83
TE CONNECTIVITY LTD	58,526	5,521,141.14	94.34	101.21	5,923,326.52	402,185.38
THERMO FISHER SCIENTIFIC INC COM USD1	21,970	8,020,253.70	365.05	414.71	9,111,100.72	1,090,847.02
UNITED RENTALS INC COM	15,832	4,147,166.12	261.95	364.24	5,766,606.58	1,619,440.46
VERTEX PHARMACEUTICALS INC COM	16,016	2,598,713.26	162.26	284.90	4,563,027.64	1,964,314.38
VISA INC COM CL A STK	31,375	5,049,446.63	160.94	188.45	5,912,550.21	863,103.58
		114,293,730.75			137,076,842.83	22,783,112.08
TOTAL NORTH AMERICA		114,293,730.75			137,076,842.83	22,783,112.08
EMERGING MARKETS						
India						
ADR HDFC BK LTD ADR REPSTG 3 SHS	186,189	9,327,459.15	50.10	48.35	9,001,689.39	(325,769.76)
TOTAL EMERGING MARKETS		9,327,459.15			9,001,689.39	(325,769.76)
UNITED KINGDOM						
ASHTREAD GROUP ORD GBP0.10	62,550	2,881,447.53	46.07	50.02	3,128,751.00	247,303.47
CRODA INTL ORD GBP0.10609756	90,936	6,101,572.75	67.10	49.15	4,469,504.40	(1,632,068.35)
HALEON PLC ORD GBP0.01	1,707,157	5,646,568.86	3.31	3.41	5,818,844.63	172,275.77
LEGAL & GENERAL GP ORD GBP0.025	2,771,291	7,005,672.32	2.53	2.23	6,166,122.48	(839,549.84)
UNILEVER PLC ORD GBP 0.031111	152,813	6,302,963.06	41.25	40.67	6,214,869.90	(88,093.16)
		27,938,224.52			25,798,092.41	(2,140,132.11)
TOTAL UNITED KINGDOM		27,938,224.52			25,798,092.41	(2,140,132.11)
Equities Sub-Total		256,601,983.99			273,567,598.62	16,965,614.63
Fund - LGPS Central (GLOBAL SUSTAINABLE)						
GLOBAL SUSTAINABLE EQUITY ACTIVE TARGETED FUND	1,348,396.14	126,898,328.14	94.11	89.10	120,142,096.08	(6,756,232.06)
Equities Sub-Total		126,898,328.14			120,142,096.08	-6,756,232.06
Equities		383,500,312.13			393,709,694.70	10,209,382.57
Cash		6,010,031.04			6,010,031.04	
TOTAL GLOBAL SUSTAINABLE EQUITY		389,510,343.17			399,719,725.74	

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Fund - PRIVATE EQUITY INVESTMENTS

Currency - Sterling

Report Date -

30-09-23

	<u>Date of Inception</u>	<u>Estimated Total Approved Investment</u> £	<u>Cumulative Investments @ 30 Jun 2023</u> £	<u>Quarters Transactions</u> £	<u>Cumulative Distributions @ 30 Jun 2023</u> £	<u>Quarters Transactions</u> £	<u>Market Value @ 30 Jun 2023 *</u> £
LAZARD US TECHNOLOGY PARTNERS 2nd Fund	Jan-01	6,214,640	6,216,640.24	0.00	5,981,833.01	422,420.61	0.00
KNIGHTSBRIDGE Post Venture IV	Mar-01	6,462,852	6,462,851.80	0.00	5,372,562.28	0.00	0.00
CAPITAL DYNAMICS UK HIGH TECHNOLOGY FUND	May-01	4,000,000	4,007,302.74	0.00	2,293,409.28	0.00	0.00
HARBOURVEST European Buyout Fund (HIPEP IV)	Jan-02	6,811,851	6,973,790.92	0.00	12,921,475.29	0.00	0.00
HARBOURVEST VII US Buyout Fund	Apr-03	5,260,384	5,299,569.55	0.00	9,265,508.56	0.00	25,844.97
KNIGHTSBRIDGE Venture Capital VI Series VXM	Feb-05	6,291,696	6,377,366.59	0.00	12,424,874.19	0.00	2,129,411.09
HARBOURVEST Asia Pacific Fund (HIPEP V)	Mar-06	5,056,257	5,466,435.93	0.00	8,770,425.37	0.00	113,976.47
HARBOURVEST 2007 Direct Fund	Sep-07	4,900,000	5,890,514.49	0.00	11,357,277.70	242,262.11	150,453.44
HARBOURVEST 2007 European Buyout Companion (HIPEP V)	Oct-07	5,000,000	5,890,762.76	0.00	9,265,508.70	0.00	78,460.87
HARBOURVEST VIII Cayman Venture Fund	Sep-07	2,450,000	2,946,946.59	0.00	6,282,832.29	0.00	1,184,131.74
HARBOURVEST VIII Cayman Buyout Fund	Sep-07	24,500,000	29,442,158.83	0.00	57,225,230.02	0.00	2,648,785.73
HARBOURVEST VIII US Mezzanine & Distressed Debt Fund	Sep-07	2,450,000	2,933,800.44	0.00	4,176,594.13	0.00	192,380.53
KNIGHTSBRIDGE Venture Capital VII LP Series VC	Apr-08	5,000,000	5,234,642.34	0.00	13,018,780.59	263,200.70	7,270,595.25
HARBOURVEST Dover Street VII Cayman Fund	May-08	10,000,000	11,727,495.90	0.00	17,958,637.16	0.00	78,658.90
PARTNERS Group Secondary 2008 LP	Nov-08	12,165,000	11,129,522.69	0.00	17,725,166.83	46,440.37	755,242.18
HARBOURVEST Cayman Partnership Fund (HIPEP VI)	Jun-08	29,687,775	29,168,600.70	0.00	47,390,399.53	956,020.59	18,201,183.89
KNIGHTSBRIDGE Venture Capital VIII	Feb-12	4,500,000	4,421,106.97	0.00	5,842,512.04	284,481.70	13,314,815.49
HARBOURVEST IX Cayman Venture Fund	Apr-13	6,150,000	5,876,782.26	0.00	12,502,212.57	0.00	9,512,995.67
HARBOURVEST IX Cayman Buyout Fund	Apr-13	12,300,000	10,925,857.52	0.00	17,253,931.65	0.00	9,684,713.91
HARBOURVEST IX Cayman Opportunities Fund	Apr-13	2,050,000	1,843,963.54	0.00	2,134,759.69	0.00	1,219,524.03
HARBOURVEST Dover Street VIII Cayman Fund	Apr-13	7,800,000	7,204,944.03	0.00	12,336,665.91	0.00	971,867.62
HARBOURVEST VII AIF Partnership	Jun-14	23,500,000	26,517,245.69	157,035.16	28,850,725.82	1,587,154.39	28,626,186.45
HARBOURVEST X AIF Buyout	Jun-15	25,400,000	23,666,888.27	393,390.97	16,782,565.73	543,422.43	26,341,109.35
HARBOURVEST X AIF Venture	Jun-15	12,700,000	14,275,744.36	0.00	9,250,585.56	0.00	28,663,086.59
CAPITAL DYNAMICS LGPS Collective Private Equity 15/16	Feb-15	5,000,000	4,410,000.00	0.00	2,622,142.86	55,000.00	5,461,991.00
PARTNERS Group Global Growth 2014 LP	Mar-14	10,000,000	9,303,211.59	0.00	7,151,924.92	487,636.70	15,011,124.79
PARTNERS Group Direct Equity 2016 (EUR) LP	Jul-15	10,000,000	10,562,730.51	0.00	9,944,021.66	0.00	11,867,803.08
CAPITAL DYNAMICS LGPS Collective Private Equity 16/17	May-16	5,000,000	3,975,000.00	0.00	2,100,000.00	200,000.00	4,664,687.00
HARBOURVEST Dover Street IX AIF L.P.	Dec-16	8,333,333	6,824,633.44	0.00	7,056,905.47	169,447.76	4,703,867.96
KNIGHTSBRIDGE KVC IX Cayman LP	Jan-17	8,333,333	5,958,015.20	240,751.14	102,810.08	15,920.87	11,943,876.83
HARBOURVEST HIPEP VIII Partnership AIF Fund	Mar-17	28,333,333	20,658,706.66	1,071,245.63	4,514,451.63	0.00	26,861,464.05
CAPITAL DYNAMICS LGPS Collective PE Vehicle 17/18	Apr-17	10,000,000	8,901,344.09	376,344.09	1,511,290.32	411,290.32	13,048,736.00
HARBOURVEST Partners XI AIF LP	Apr-18	33,333,333	23,376,643.92	1,072,145.07	7,553,664.36	509,565.03	30,406,914.66
CAPITAL DYNAMICS LGPS Collective PE Vehicle 18/19	Oct-18	10,000,000	7,150,000.00	550,000.00	350,000.00	0.00	9,524,489.00
HARBOURVEST 2020 Global Feeder AIF	Sep-20	32,083,333	21,591,952.25	755,168.43	2,449,631.75	0.00	24,798,582.23
PARTNERS Group Direct Equity 2019 Fund	Oct-20	10,183,280	7,587,068.19	0.00	140,856.36	140,856.36	8,397,518.42
KNIGHTSBRIDGE Venture KVC X	Apr-21	16,666,667	3,847,737.17	399,488.65	0.00	0.00	3,450,413.07
HARBOURVEST 2022 Global Feeder AIF	Apr-22	116,666,667	17,087,712.13	5,492,134.04	0.00	0.00	22,067,338.49
		<u>534,583,735</u>	<u>391,135,690.31</u>	<u>10,507,703.18</u>	<u>392,834,871.32</u>	<u>6,335,119.94</u>	<u>343,372,230.74</u>
LGPS CENTRAL PE Primary Partnership 2018 LP	Mar-19	10,000,000	7,544,468.35	349,999.05	1,701,626.02	17,490.44	8,440,701.00
LGPS CENTRAL PE Primary Partnership 2021 LP	Dec-21	40,000,000	2,415,302.01	1,435,925.97	0.00	0.00	2,318,729.00
		<u>50,000,000</u>	<u>9,959,770.36</u>	<u>1,785,925.02</u>	<u>1,701,626.02</u>	<u>17,490.44</u>	<u>10,759,430.00</u>
TOTAL PRIVATE EQUITY		<u>584,583,735</u>	<u>401,095,460.67</u>	<u>12,293,628.20</u>	<u>394,536,497.34</u>	<u>6,352,610.38</u>	<u>354,131,660.75</u>

**STAFFORDSHIRE PENSION FUND
PROPERTY PORTFOLIO SUMMARY**

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2023	Value £ @ 30/09/2023	Lease or Term	Lease or Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value	
Dir	AVONMOUTH	1&2	PJH Group Ltd		Industrial	-	-	-	-	10 yrs	27/05/2026	248,868	248,868	-	27/05/2026	-	-	
	Portside Park,	3	Radius Warehouse & Logistics Services Ltd		Industrial	-	-	-	-	10 yrs	28/09/2027	133,735	133,735	-	29/09/2027	-	-	
	Kings Weston Lane	4	Deep R&D Ltd		Industrial	-	-	-	-	15 yrs	21/12/2031	406,350	406,350	-	22/12/2026	-	-	
		5	Framatone Ltd		Industrial	-	-	-	-	10 yrs	21/01/2031	344,225	344,225	-	25/01/2026	-	-	
		6	Framatone Ltd		FH	Industrial	26,551,075	09/08/2023	-	24,800,000	10 yrs	21/01/2031	167,720	167,720	-	25/01/2026	4.9	5.2
	BARDON		Belron UK Ltd		FH	Industrial	18,293,947	30/10/2019	19,300,000	19,350,000	11 yrs	12/05/2030	894,739	894,739	-	13/05/2025	4.9	4.6
	Interlink Park																	
	BIRMINGHAM	80 New		Baird Foods Retail Ltd (t/a Extrawurst)		Retail	-	-	-	-	10 yrs	04/03/2025	51,000	40,000	-	04/03/2027	-	-
	80/87 New Street & 45/51 Pinfold Street	81/83 New		Mexican Grill Ltd (t/a Tortilla)		Retail	-	-	-	-	15 yrs	28/04/2027	116,000	67,500	-	29/04/2027	-	-
		84 New		Empire Property Midland Ltd (t/a Simply Local)		Retail	-	-	-	-	5 yrs	29/09/2026	65,000	50,000	-	29/09/2026	-	-
		84b New		Birmingham Inns Ltd		Leisure	-	-	-	-	56 yrs	23/06/2028	25,000	25,000	-	24/06/2025	-	-
		85 New		Greggs Plc		Retail	-	-	-	-	5 yrs	24/06/2024	60,000	40,000	-	On Expiry	-	-
		87 New		The Royal British Legion		Retail	-	-	-	-	10 yrs	29/04/2024	77,500	77,500	-	On Expiry	-	-
		45/46 Pinfold		Fox and Chance Ltd		Retail	-	-	-	-	5 yrs	03/08/2024	40,000	36,000	-	On Expiry	-	-
		47 Pinfold		Yunyou Li		Retail	-	-	-	-	5 yrs	15/09/2025	12,000	12,000	-	On Expiry	-	-
		49 Pinfold		The Feel Good Group Ltd		Retail	-	-	-	-	10 yrs	15/12/2025	25,000	25,000	-	15/12/2020	-	-
		50 Pinfold		Vacant		Retail	-	-	-	-	-	-	25,000	0	-	-	-	-
		51 Pinfold		Nine Three's Ltd (t/a Mail Boxes etc)		Retail	-	-	-	-	10 yrs	18/12/2024	18,000	18,000	-	18/12/2019	-	-
		Pt 3rd		Vacant		Office	-	-	-	-	-	-	16,150	0	-	-	-	-
		Pt 3rd		Vacant		Office	-	-	-	-	-	-	0	0	-	-	-	-
		Pt 3rd		Vacant		Office	-	-	-	-	-	-	11,745	0	-	-	-	-
		Pt 2nd		The Royal British Legion		Office	-	-	-	-	10 yrs	29/04/2024	35,800	37,700	-	On Expiry	-	-
		Pt 2nd		Vacant		Office	-	-	-	-	-	-	0	0	-	-	-	-
	Pt 1st		Vacant		Office	-	-	-	-	-	-	12,925	0	-	-	-	-	
	Pt 1st		Vacant		Office	-	-	-	-	-	-	0	0	-	-	-	-	
	Pt 1st		People Solutions Group Ltd		FH	Office	9,614,647	19/08/2016	7,000,000	6,900,000	5 yrs	30/09/2024	24,300	26,000	-	On Expiry	4.7	6.6
BIRMINGHAM	92/93 New		Lord 3 Ltd (t/a Fat Burgers)		Retail	-	-	-	-	3 yrs	21/12/2023	226,850	24,300	-	On Expiry	-	-	
92/93 New Street & 3/17 Ethel Street	3 Ethel		J Wang & J Ni (t/a Twist Café)		Retail	-	-	-	-	8 yrs	28/09/2021	27,000	27,000	-	On Expiry	-	-	
	5 Ethel		Vacant for Redevelopment		Offices	-	-	-	-	-	-	400	0	-	-	-	-	
	5a Ethel		La Galleria Birmingham Ltd		Restaurant	-	-	-	-	3.5	28/02/2023	30,000	35,523	-	On Expiry	-	-	
	5b Ethel		Vacant for Redevelopment		Retail	-	-	-	-	-	-	21,000	0	-	-	-	-	
	7 Ethel		Vacant for Redevelopment		Retail	-	-	-	-	-	-	24,000	0	-	On Expiry	-	-	
	9 Ethel		Vacant for Redevelopment		Retail	-	-	-	-	-	-	17,250	0	-	On Expiry	-	-	
	11 Ethel		Autograph Ltd		Retail	-	-	-	-	3 yrs	31/01/2023	22,000	20,000	-	On Expiry	-	-	
	15 Ethel		Autograph Ltd		Retail	-	-	-	-	3 yrs	31/01/2023	15,000	14,000	-	On Expiry	-	-	
	17 Ethel		Autograph Ltd		FH	Retail	5,711,631	21/06/2010	3,250,000	3,150,000	3 yrs	31/01/2023	15,000	4,000	-	On Expiry	0.5	0.9
BIRMINGHAM	98 New		Wagamama Ltd		Retail	-	-	-	-	20 yrs	30/09/2029	215,000	215,000	-	01/10/2024	-	-	
Colonnade Buildings, 98/100 New Street & 2/12 Ethel Street	99 New		Vacant		Retail	-	-	-	-	-	-	0	0	-	-	-	-	
	100 New		Vacant		Retail	-	-	-	-	-	-	157,000	0	-	-	-	-	
	8 Ethel		Curzon Projects Ltd		Office	-	-	-	-	99 yrs	11/03/2063	5	5	-	On Expiry	-	-	
	8a Ethel		T-Lites Ltd (t/a Tablites)		Retail	-	-	-	-	3 yrs	11/02/2026	10,000	10,000	-	On Expiry	-	-	
	10 Ethel		Harvey & Thompson Ltd		Retail	-	-	-	-	5 yrs	24/12/2026	32,000	32,000	-	On Expiry	-	-	
	12 Ethel		Vacant		Retail	-	-	-	-	-	-	42,500	0	-	-	-	-	
			HSBC Bank Pension Trust Ltd		Rent Charge	-	-	-	-	99 yrs	23/06/2058	10,000	10,000	-	On Expiry	-	-	
			Car Spaces		FH	Parking	7,996,837	30/12/2014	4,950,000	4,800,000		31/01/2023	19,900	4,800	-	On Expiry	3.4	5.7
BLETCHLEY	1		Wickes Building Supplies Ltd		Retail WH	-	-	-	-	25 yrs	25/03/2026	259,500	429,000	-	25/03/2021	-	-	
Rushmere Retail Park, Watling Street	2		Halfords Ltd		FH	Retail WH	5,094,683	11/04/1996	6,700,000	6,600,000	5 yrs	04/11/2024	104,500	133,100	-	On Expiry	11.0	8.5
BRISTOL			Rocket Padel Bristol Ltd		FH	Industrial	6,520,622	17/08/2015	6,000,000	5,900,000	10 yrs	19/10/2032	424,874	369,300	-	20/10/2027	5.7	6.3
St Annes Road																		
BROMSGROVE	1		T J Morris Ltd (t/a Home Bargains)		Retail WH	-	-	-	-	15 yrs	21/08/2033	185,000	185,000	-	22/08/2023	-	-	
Bromsgrove Retail Park, Birmingham Road	2		Iceland Foods Ltd (t/a Food Warehouse)		Retail WH	-	-	-	-	10 yrs	19/08/2028	180,000	180,000	-	22/08/2023	-	-	
	3 & 4		Lidl Great Britain Ltd		Retail WH	-	-	-	-	25 yrs	18/06/2033	346,783	388,525	-	18/06/2023	-	-	

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2023	Value £ @ 30/09/2023	Lease or Fund Term	Lease or Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
		5b	Pure Gym Ltd		Leisure	-	-	-	-	15 yrs	28/07/2029	120,000	120,000	-	29/07/2024		
		5a	Greggs Plc		Retail WH	13,774,835	07/01/2021	15,000,000	14,500,000	10 yrs	03/03/2028	30,000	30,000	-	On Expiry		
	BURY ST EDMUNDS 42/42a Buttermarket		McDonald's Real Estate LLP	FH	Retail	3,059,752	22/07/1994	1,550,000	1,475,000	35 yrs	24/12/2023	152,500	180,000	-	On Expiry	5.9	12.2
	BURY ST EDMUNDS 45/47 Risbygate Street		B&Q Ltd	FH	Retail WH	5,666,760	12/06/2013	5,000,000	5,000,000	5 yrs	11/01/2024	491,763	438,955	-	On Expiry	7.7	8.8
	CAMBRIDGE Chieftain Way, Orchard Park		Travelodge Hotels Ltd	FH	Hotel	11,386,246	15/10/2010	14,500,000	14,500,000	25 yrs	11/09/2036	0	937,462	-	12/09/2026	8.2	6.5
	CARDIFF 1/7 Queen Street	1 & 2	Santander UK Plc		Retail	-	-	-	-	23 yrs	24/04/2031	188,000	188,000	-	12/02/2023	-	-
		3	Vacant		Retail	-	-	-	-	-	-	85,000	0	-	05/06/2022	-	-
		3a	Pizza Hut (UK) Ltd		Retail	-	-	-	-	5 yrs	14/06/2027	60,000	40,000	-	On Expiry	-	-
		4	Vacant	FH	Retail	8,371,527	02/05/2014	3,350,000	3,200,000	-	-	318,000	0	-	-	2.7	7.1
	CHESTER-LE-STREET Drum Industrial Estate		Co-Operative Group Ltd	FH	Industrial	18,335,769	18/05/2016	20,200,000	19,900,000	15 yrs	15/03/2024	1,149,922	1,219,000	-	On Expiry	6.6	6.1
	CHICHESTER 30 East Street		Signet Trading Ltd (t/a Ernest Jones)	FH	Retail	2,422,179	29/01/1999	1,675,000	1,500,000	5 yrs	30/01/2026	120,000	114,650	-	On Expiry	4.7	7.6
	CHORLEY Unit 9, Revolution Park		G A Pet Food Partners Ltd	FH	Industrial	21,564,300	19/11/2018	21,450,000	21,600,000	12 yrs	30/09/2028	1,008,730	1,120,650	-	01/10/2026	5.2	5.2
	DOVER Bridge Street		Wm Morrison Supermarkets Plc	FH	Foodstore	18,059,355	31/03/2010	14,300,000	12,500,000	35 yrs	09/04/2044	912,604	750,000	-	29/04/2024	4.2	6.0
	EDINBURGH 5/21 & 18/24 Grosvenor Street		Dragonglass UK Holding Ltd	FH	Hotel	18,836,681	28/07/2015	24,200,000	24,200,000	175 yrs	05/04/2197	802,500	641,000	-	06/04/2027	3.4	2.6
	ENSHAM Sis Park	Chilbrook 1	Adlens Ltd		Office	-	-	-	-	10 yrs	21/12/2026	57,494	93,713	-	06/10/2021	-	-
		Chilbrook 2	Vacant		Office	-	-	-	-	-	-	40,573	0	-	-	-	-
		Chilbrook 3	Vacant		Office	-	-	-	-	-	-	24,589	0	-	-	-	-
		Chilbrook 4	Passion Radio (Oxford) Ltd		Office	-	-	-	-	10 yrs	12/04/2024	42,898	34,550	-	14/01/2024	-	-
		Chilbrook 5	Vacant		Office	-	-	-	-	-	-	89,508	0	-	-	-	-
		Chilbrook 6	International Mission to Jewish People		Office	-	-	-	-	5 yrs	08/07/2024	22,927	40,925	-	On Expiry	-	-
		Chilbrook 7	Vacant		Office	-	-	-	-	-	-	43,859	0	-	-	-	-
		Limbroom 1	Vacant		Office	-	-	-	-	-	-	23,554	0	-	-	-	-
		Limbroom 2	Vacant		Office	-	-	-	-	-	-	30,699	0	-	-	-	-
		Limbroom 3	Vacant		Office	-	-	-	-	-	-	27,411	0	-	-	-	-
		Limbroom 4	Vacant		Office	-	-	-	-	-	-	24,225	0	-	-	-	-
		Limbroom 5	Vacant		Office	-	-	-	-	-	-	58,998	0	-	-	-	-
		Limbroom 6	Vacant		Office	-	-	-	-	-	-	16,909	0	-	-	-	-
		Limbroom 7	Vacant		Office	-	-	-	-	-	-	20,424	0	-	-	-	-
		6	M-Solv Ltd		Office	-	-	-	-	10 yrs	28/04/2027	90,000	47,784	-	28/04/2027	-	-
		7	Waterslade Ltd		Office	-	-	-	-	5 yrs	25/03/2026	33,770	54,214	-	On Expiry	-	-
		8	Usborne Publishing Ltd		Office	-	-	-	-	10 yrs	28/09/2023	33,770	45,501	-	On Expiry	-	-
		9 & 10	Vacant		Office	-	-	-	-	-	-	57,500	0	-	-	-	-
		11	Philip Williams Trust		Office	-	-	-	-	999 yrs	23/06/2986	75	75	-	On Expiry	-	-
		12	Oxford Aunts Ltd		Office	-	-	-	-	5 yrs	14/12/2027	44,000	54,233	-	On Expiry	-	-
		13	Adaptix Ltd		Office	-	-	-	-	17r	08/07/2024	49,540	-	-	On Expiry	-	-
			Southern Electricity Plc		Substation	-	-	-	-	125 yrs	24/01/2116	1	1	-	On Expiry	-	-
			Passion Radio (Oxford) Ltd	FH	Car Spaces	14,742,857	14/10/1999	8,500,000	9,000,000	-	14/01/2024	0	2500	-	On Expiry	2.8	4.7
	GRANTHAM Dysart Road Retail Park	1	T J Morris Ltd (t/a Home Bargains)		Retail WH	-	-	-	-	10 yrs	19/01/2030	240,000	240,000	-	20/01/2025	-	-
		2	Matalan Retail Ltd		Retail WH	-	-	-	-	20 yrs	09/07/2026	330,000	330,000	-	10/07/2021	-	-
		3	NBC Apparel (t/a TK Maxx)		Retail WH	-	-	-	-	19 yrs	23/06/2025	200,000	200,000	-	On Expiry	-	-
		4	Currys Group Ltd	FH	Retail WH	14,817,455	01/03/2017	14,200,000	14,000,000	10 yrs	24/10/2029	212,829	187,500	-	25/10/2024	6.5	6.8
	HAYES Hayes Road		Lidl Great Britain Ltd	FH	Retail WH	16,831,854	07/01/2008	16,500,000	15,500,000	15 yrs	24/06/2036	779,000	730,000	-	25/06/2026	4.3	4.7
	LANCASTER	1	Currys Group Ltd		Retail WH	-	-	-	-	5 yrs	31/03/2027	149,540	183,200	-	On Expiry	-	-

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2023	Value £ @ 30/09/2023	Lease or Fund Term	Lease or Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
	Parliament Street Retail Park	2 3	Halfords Ltd B&M Retail Ltd		Retail WH Retail WH	- 5,106,960	- 18/12/1995	- 4,750,000	- 4,850,000	5 yrs 5 yrs	27/05/2026 02/11/2026	74,930 100,170	97,305 115,000	- -	On Expiry On Expiry	7.7	8.2
	LEEDS	A	Vacant		Retail WH	-	-	-	-	-	-	195,000	0	-	-	-	-
	Killingbeck Retail Park	B	B&M Retail Ltd		Retail WH	-	-	-	-	10 yrs	14/07/2023	195,700	200,000	-	On Expiry	-	-
	Killingbeck Drive	C	B&Q Ltd		Retail WH	-	-	-	-	10 yrs	27/07/2027	197,340	202,400	-	28/07/2022	-	-
	York Road	D	B&Q Ltd	FH	Retail WH	20,203,879	06/06/2008	12,300,000	12,100,000	10 yrs	27/07/2027	604,750	604,750	-	28/07/2022	5.0	8.3
	LEEDS	20	Cooper Bros Business Group Ltd (t/a Vintage Bros)		Retail	-	-	-	-	5 yrs	16/05/2024	91,250	35,880	-	17/05/2023	-	-
	20/26 King Edward Street	22	Airwair International Ltd (t/a Dr Martens)		Retail	-	-	-	-	10 yrs	22/07/2024	95,000	70,000	-	On Expiry	-	-
	& 49/51 Vicar Lane	24	VF Northern Europe Services Ltd (t/a Vans)		Retail	-	-	-	-	15 yrs	03/10/2023	105,000	75,000	-	On Expiry	-	-
		26	JD Sports Fashion Plc (t/a The Hip Store)		Retail	6,561,408	25/10/2012	3,250,000	3,200,000	5 yrs	24/03/2026	158,500	115,000	-	On Expiry	4.5	9.2
	LONDON EC2	B 2&8	The Grocers Company		Store	-	-	-	-	9.5 yrs	03/04/2027	3,210	4,399	-	04/04/2027	-	-
	11 Old Jewry	B, LG, G	Goodman City Ltd		Restaurant	-	-	-	-	21.5 yrs	31/01/2032	162,500	162,500	-	-	-	-
		LG, G	Bank of China (UK) Ltd		Bank	-	-	-	-	20 yrs	31/01/2032	185,000	246,000	-	24/01/2027	-	-
		1st (E), B	Tom James International		Office	-	-	-	-	5 yrs	22/01/2026	196,000	129,160	-	On Expiry	-	-
		1st (W), B	Vacant		Office	-	-	-	-	-	-	121,974	0	-	-	-	-
		2nd (S)	John Graham Construction		Office	-	-	-	-	10 yrs	11/01/2024	227,469	227,469	-	11/01/2021	-	-
		2nd (N)	Saville Notaries LLP		Office	-	-	-	-	11 years	21/06/2027	214,095	173,315	-	22/06/2026	-	-
		3rd	Milliman LLP (Surety Milliman Inc)		Office	-	-	-	-	12 yrs	26/10/2024	342,085	349,000	-	27/10/2024	-	-
		4th	Vacant		Office	-	-	-	-	-	-	323,638	0	-	On Expiry	-	-
		5th	Vacant		Office	-	-	-	-	-	-	265,625	0	-	-	-	-
		6th (S)	Bedell Cristin Offices Ltd		Office	-	-	-	-	10 yrs	21/12/2026	0	112,725	-	On Expiry	-	-
		6th (N), B	Transfer Connex Ltd		Office	-	-	-	-	5 yrs	03/02/2025	115,367	100,280	-	On Expiry	-	-
		7th (S)	Masento Group		Office	-	-	-	-	3 yrs	24/06/2023	66,340	57,780	-	On Expiry	-	-
		7th (N), B	Laven (Tech) Ltd		Office	-	-	-	-	5 yrs	19/11/2024	81,515	101,674	-	On Expiry	-	-
		8th (S)	Pramex International Ltd		Office	-	-	-	-	15 yrs	09/03/2025	53,848	53,848	-	10/03/2020	-	-
		8th (N)	Milliman LLP (Surety Milliman Inc)	LH	Office	14,759,654	01/08/2016	13,000,000	11,700,000	12 yrs	26/10/2024	80,189	73,000	-	27/10/2024	12.1	15.3
	LONDON SW1	5th	Vacant (Under Development)		Office	-	-	-	-	-	-	117,500	0	-	-	-	-
	Burwood House	4th	Vacant (Under Development)		Office	-	-	-	-	-	-	135,375	0	-	-	-	-
	14/24 Caxton Street	3rd	Vacant (Under Development)		Office	-	-	-	-	-	-	166,760	0	-	-	-	-
		2nd & B	William Sturges & Co		Office	-	-	-	-	5 yrs	28/09/2028	173,830	238,588	-	On Expiry	-	-
		1st	BAE Systems Plc		Office	-	-	-	-	5 yrs	24/03/2025	152,000	195,150	-	On Expiry	-	-
		Gd	BAE Systems Plc		Office	-	-	-	-	5 yrs	24/03/2025	38,118	45,150	-	On Expiry	-	-
		Gd	BAE Systems Plc		Office	-	-	-	-	5 yrs	24/03/2025	49,665	51,882	-	On Expiry	-	-
		Gd	Pret a Manger (Europe) Ltd		Retail	-	-	-	-	15 yrs	02/09/2027	46,000	82,000	-	On Expiry	-	-
		Gd	Starbucks Coffee Company (UK) Ltd		Retail	-	-	-	-	10 yrs	15/12/2027	45,000	64,000	-	On Expiry	-	-
		Gd	London Underground Ltd		Pt Garage	-	-	-	-	20 yrs	28/09/2025	15,000	34,625	-	On Expiry	-	-
		Gd	London Underground Ltd		Pt Garage	-	-	-	-	98 yrs	17/10/2025	463	463	-	On Expiry	-	-
		Gd	Car spaces	FH/LH	Parking	16,228,325	16/05/2011	18,900,000	18,600,000	-	-	17,499	5,000	14,809	On Expiry	4.3	3.8
	LONDON W1	47/48 4th/6th	Vacant		Office	-	-	-	-	-	-	216,529	0	-	-	-	-
	47/48 Berners Street & 11 Wells Mews	47/48 3rd	Vacant		Office	-	-	-	-	-	-	92,820	0	-	On Expiry	-	-
		47/48 1st/2nd	Vacant		Office	-	-	-	-	-	-	188,457	0	-	-	-	-
		47/48 Gd/LG	Fashion Box UK Ltd		Showroom	-	-	-	-	10 yrs	31/12/2023	231,500	282,276	-	18/04/2023	-	-
		11 4th	Eccles Fisher Associates Ltd		Office	-	-	-	-	10 yrs	30/01/2028	20,000	20,000	-	31/01/2028	-	-
		11 3rd	Vacant		Office	-	-	-	-	-	-	25,515	0	-	-	-	-
		11 2nd	TGR Retail Ltd		Office	-	-	-	-	5 yrs	11/07/2023	35,000	35,000	-	On Expiry	-	-
		11 1st	Maslows UK Services Ltd		Office	10,448,003	15/01/2020	7,650,000	6,900,000	5 yrs	30/04/2023	31,000	35,500	600	On Expiry	3.6	5.4
	LONDON WC1	5th	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	9.33 yrs	18/11/2027	88,125	115,132	-	19/11/2023	-	-
	16 Upper Woburn Place	3rd & 4th	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	10 yrs	18/11/2027	224,238	640,303	-	19/11/2023	-	-
		2nd	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	8.33 yrs	18/11/2027	205,840	344,810	-	19/11/2023	-	-
		1st	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	10 yrs	18/11/2027	213,745	396,462	-	19/11/2023	-	-
		Gd (Pt)	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	10 yrs	18/11/2027	93,000	152,000	-	19/11/2023	-	-

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2023	Value £ @ 30/09/2023	Lease or Fund Term	Lease or Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
		Gd (Pt)	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	10 yrs	18/11/2027	0	22,075	-	19/11/2023	-	-
		Gd & LG	Prezzo Trading Ltd		Restaurant	-	-	-	-	20 yrs	18/11/2027	87,500	142,000	-	05/01/2024	-	-
		LG	Barry's Bootcamp Ltd		Gym	-	-	-	-	25 yrs	18/11/2027	75,460	131,192	-	23/07/2028	-	-
		B	EDF Energy Networks (LPN) Plc		Substation	19,770,540	12/08/2011	30,000,000	28,500,000	99 yrs	03/03/2106	0	0	-	-	9.8	6.8
	LONDON WC2 22 Stukeley Street	4th	Directors UK Ltd		Office	-	-	-	-	10 yrs	28/07/2026	76,335	208,125	-	On Expiry	-	-
		3rd	Story Films Ltd		Office	-	-	-	-	5 yrs	17/08/2027	42,073	107,242	-	On Expiry	-	-
		3rd	AlG Edenspiekermann Ltd		Office	-	-	-	-	10 yrs	19/03/2025	50,827	119,493	-	On Expiry	-	-
		2nd	Trentnet Ltd		Office	-	-	-	-	5 yrs	06/08/2024	83,250	193,836	-	On Expiry	-	-
		1st	Prospectus Ltd		Office	-	-	-	-	3 yrs	22/11/2023	85,360	192,705	-	On Expiry	-	-
		Gd & LG	Vacant (Under Offer)		Office	-	-	-	-	-	-	80,765	0	-	-	-	-
		Gd & LG	Vacant	FH	Office	8,988,216	16/12/1998	19,400,000	18,000,000	-	-	49,200	0	-	-	9.1	4.6
	MANCHESTER Old Exchange Buildings, 29/31 King Street	29	Hancocks Jewellers Ltd		Retail	-	-	-	-	10 yrs	01/06/2022	120,000	70,000	-	02/06/2022	-	-
		31	The Brogue Trader Ltd (t/a Loake Shoemakers)		Retail	-	-	-	-	10 yrs	02/09/2028	106,000	60,000	-	03/09/2023	-	-
		1/2 St A	Framed Opticians Ltd		Retail	-	-	-	-	10 yrs	24/06/2024	62,500	57,500	-	25/06/2024	-	-
		3/4 St A	Vacant		Retail	-	-	-	-	-	-	60,000	0	-	-	-	-
		1st	Lucinda Ellery Ltd		Retail	-	-	-	-	5 yrs	02/02/2022	17,648	22,500	-	On Expiry	-	-
		2nd	Lucinda Ellery Ltd		Office	-	-	-	-	5 yrs	31/01/2028	0	49,995	-	-	-	-
		3rd & Pt 4th	Vacant		Office	-	-	-	-	5 yrs	-	29,377	0	-	-	-	-
		Pt 4th	Denton Corker Marshall		Office	6,591,908	11/08/2014	3,600,000	3,400,000	5 yrs	08/02/2020	0	10,955	-	-	4.1	8.0
	NOTTINGHAM NCP Nottingham City 73 Mount Street		National Car Parks Ltd		Car Park	23,738,525	19/07/2018	15,250,000	16,100,000	34.9 yrs	21/05/2037	996,200	1,170,508	-	29/06/2023	4.9	7.3
	ROMFORD 26/30 South Street		Halifax Plc	FH	Retail	2,146,455	11/09/1998	2,600,000	2,500,000	25 yrs	23/06/2030	135,000	183,500	-	24/06/2025	8.5	7.3
	STRATHAMPTON Sturion Park Berne Road		Cornerstone Telecoms Infrastructure Ltd		Phone Mast	-	-	-	-	10 yrs	12/10/2026	0	5,750	-	13/10/2024	-	-
		A	Sulzer Electro Mechanical Services (UK) Ltd		Industrial	-	-	-	-	5 yrs	24/03/2027	104,000	156,186	-	On Expiry	-	-
		B	Nottingham Rehab Ltd		Industrial	-	-	-	-	7 yrs	31/07/2025	67,750	93,000	-	01/08/2025	-	-
		C	Howden Joinery Properties Ltd		Industrial	-	-	-	-	15 yrs	11/10/2032	68,780	103,167	-	12/10/2027	-	-
		D	Total Asia Food (Bristol) Ltd		Industrial	-	-	-	-	10 yrs	17/01/2032	61,450	114,038	-	17/01/2027	-	-
		E	Vauxhall Trade Parts Ltd		Industrial	-	-	-	-	5 yrs	12/03/2028	30,000	50,000	-	On Expiry	-	-
		F	Bufab (UK) Ltd		Industrial	-	-	-	-	3 yrs	31/12/2024	33,000	43,899	-	On Expiry	-	-
		G	TLC (Southern) Ltd		Industrial	-	-	-	-	10 yrs	23/06/2028	29,750	50,170	-	24/06/2028	-	-
		H	Toolstation Ltd		Industrial	-	-	-	-	5 yrs	17/12/2023	30,000	45,862	-	On Expiry	-	-
		J	He-Man Dual Controls Ltd		Industrial	-	-	-	-	10 yrs	24/10/2028	65,640	100,000	-	25/10/2023	-	-
		K	CJR Propulsion Ltd		Industrial	-	-	-	-	10 yrs	26/11/2027	49,000	82,500	-	On Expiry	-	-
		L	CJR Propulsion Ltd		Industrial	-	-	-	-	10 yrs	26/11/2027	60,000	82,800	-	On Expiry	-	-
		M (Land)	-		Industrial	-	-	-	-	-	-	0	0	-	-	-	-
		P	The Post Office		Industrial	-	-	-	-	20 yrs	05/02/2029	146,772	145,850	-	05/02/2024	-	-
		R	Secretary of State for Transport		Industrial	-	-	-	-	3 yrs	31/01/2023	24,148	55,600	-	On Expiry	-	-
		S	Screwfix Direct Ltd	FH	Industrial	14,515,766	19/09/2000	18,000,000	19,400,000	10 yrs	26/09/2027	34,750	47,084	-	27/09/2022	8.1	6.1
	STOKE ON TRENT Hadleigh Park Blythe Bridge		Hadleigh Industrial Estates Ltd	FH	Industrial	25,704,500	25/08/2021	23,500,000	20,500,000	99 yrs	16/10/2059	918,500	918,500	-	-	3.6	4.5
						-	-	-	-	-	-	-	-	-	-	-	-
						-	-	-	-	-	-	-	-	-	-	-	-
	SWINDON Westmead Industrial Estate, Units 22/25 & R, Westmead Drive	22 & 23	UK Storage Company (SW) Ltd		Industrial	-	-	-	-	25 yrs	21/09/2025	121,000	145,404	-	22/09/2025	-	-
		24	Network Rail Infrastructure Ltd		Industrial	-	-	-	-	10 yrs	19/01/2026	63,500	91,589	-	20/01/2026	-	-
		25	West Swindon Parish Council		Industrial	-	-	-	-	5 yrs	21/02/2026	40,640	55,920	-	On Expiry	-	-
		R	PI Crouch, MA Clarke, PA Hopkins, & Hornbuckle Medical Trustees Ltd	FH	Industrial	4,666,790	15/12/1999	6,200,000	6,100,000	125 yrs	31/01/2114	26,600	27,265	-	01/02/2024	6.9	5.2
	TRURO 11/15 Boscawen Street	11 & 12	Waterstones Booksellers Ltd		Retail	-	-	-	-	10 yrs	25/12/2026	269,950	230,000	-	On Expiry	-	-
		13	Superdrug Stores Plc		Retail	-	-	-	-	25 yrs	24/12/2022	154,000	154,000	-	On Expiry	-	-
		14 & 15	The White Company (UK) Ltd	FH	Retail	8,427,238	11/11/1992	3,650,000	3,450,000	10 yrs	26/08/2023	97,500	140,000	-	On Expiry	6.2	15.2
	WARRINGTON Calver Road Winwick Quay		QAS Group Ltd	FH	Industrial	2,654,601	24/03/1994	5,300,000	5,350,000	10 yrs	15/10/2031	160,000	250,000	-	16/10/2026	9.4	4.7

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2023	Value £ @ 30/09/2023	Lease or Fund Term	Lease or Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
	WEYBRIDGE 29 Avro Way Brooklands Business Park		Kite Glass Ltd	FH	Industrial	3,376,249	20/12/1990	11,850,000	12,500,000	15 yrs	28/09/2043	275,000	395,000	-	29/09/2023	11.7	3.2
	WOLVERHAMPTON Vernon Park,	A	J Banks & Co Ltd		Industrial	-	-	-	-	999 yrs	28/09/3010	0	0	-	-	-	-
		B	DHL Supply Chain Ltd		Industrial	-	-	-	-	4 yrs	31/08/2026	154,680	221,000	-	On Expiry	-	-
		C	Mann + Hummel (UK) Ltd		Industrial	-	-	-	-	12 yrs	12/06/2024	294,490	330,000	-	On Expiry	-	-
		D	Under Development	FH	Industrial	12,072,603	16/01/2014	10,350,000	11,000,000	-	-	0	0	-	-	4.6	5.0
Total: Direct Property						453,614,632		417,175,000	432,525,000			23,552,423	24,425,481			5.4	5.6
Ind	Ashford Investor Limited Partnership		LP owns the Ashford Designer Outlet Centre,	LP	Shopping Centre	19,581,185	23/05/2002	32,125,000	32,859,500	-	28/02/2032	514,312	990,000	-	n/a	5.1	3.0
	Hearthstone Residential Fund 1		Private Rented Sector Houses & Flats	LP	Residential	19,999,989		19,357,641	19,523,257			0	602,585	-	n/a	3.0	3.1
	Gresham House ReSi		Shared Ownership Houses & Flats	LP	Residential	30,664,286		30,517,828	31,139,942			0	0	-	n/a	0.0	0.0
	Leisure Fund Unit Trust		Leisure Properties	LP	Leisure	16,597,195		14,523,995	14,524,791			0	918,844	-	n/a	5.5	6.3
Total: Indirects						86,842,654		96,524,464	98,047,490			514,312	2,511,429			2.9	2.6
Total: Portfolio						540,457,287		513,699,464	530,572,490			24,066,735	26,936,910	15,409		5.0	5.1

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Fund - INFRASTRUCTURE INVESTMENTS

Currency - Sterling

Report Date -

30-09-23

	Estimated Total Approved Investment £	Cumulative Investments @ 30 Jun 23 £	Quarters Transactions £	Cumulative Distributions @ 30 Jun 23 £	Quarters Transactions £	Market Value @ 30 Jun 23 * £
IFM Global Infrastructure Fund	50,000,000	50,137,736.46	0.00	137,736.46	0.00	58,327,995.21
BlackRock - Global Renewable Power Infrastructure Fund III	31,353,579	16,254,089.12	2,814,010.24	1,305,179.48	0.00	17,384,153.94
Equitix EFVI Investment Account	25,000,000	25,437,335.00	0.00	4,356,308.24	0.00	24,623,057.90
Pantheon IV Feeder	44,790,827	12,699,073.84	6,643,402.28	91,510.24	(6,075.84)	12,578,952.09
Brookfield Super-Core Infra Partners Fund	43,895,010	30,801,765.71	29,185,702.57	0.00	0.00	29,897,066.06
Gresham House BSIF II LP	30,000,000	19,330,424.71	19,330,424.71	0.00	0.00	20,822,139.83
	<u>225,039,416</u>	<u>154,660,424.84</u>	<u>57,973,539.80</u>	<u>5,890,734.43</u>	<u>-6,075.84</u>	<u>163,633,365.03</u>
LGPSC Infra SubFund Core/Plus	60,000,000	29,676,909.65	2,195,777.48	203,844.16	-4,384.39	28,948,136.00
LGPSC JPM Infra Fund	60,000,000	60,000,000.00	0.00	0.00	0.00	61,410,504.00
	<u>120,000,000</u>	<u>89,676,909.65</u>	<u>2,195,777.48</u>	<u>203,844.16</u>	<u>-4,384.39</u>	<u>90,358,640.00</u>
TOTAL INFRASTRUCTURE	<u><u>345,039,416</u></u>	<u><u>244,337,334.49</u></u>	<u><u>60,169,317.28</u></u>	<u><u>6,094,578.59</u></u>	<u><u>(10,460.23)</u></u>	<u><u>253,992,005.03</u></u>

* latest available valuation

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Fund - PRIVATE DEBT INVESTMENTS

Currency - Sterling

Report Date -

30-09-23

	Estimated Total Approved Investment £	Cumulative Investments @ 30 Jun 2023 £	Quarters Transactions £	Cumulative Distributions @ 30 Jun 2023 £	Quarters Transactions £	Market Value @ 30 Jun 2023 * £
BARINGS European Private Loan Fund III	45,000,000	31,500,000.00	2,250,000.00	0.00	0.00	31,741,709.00
CLAREANT European Direct Lending Fund II	80,000,000	83,639,448.99	0.00	50,319,189.46	0.00	29,449,608.00
CLAREANT European Direct Lending Fund III	60,000,000	62,268,314.17	0.00	12,439,456.59	518,699.11	49,420,899.80
HAYFIN Direct Lending Fund II	80,000,000	72,162,153.62	0.00	47,105,308.82	2,742,379.21	20,816,955.45
HAYFIN Direct Lending Fund III	75,000,000	86,514,948.24	0.00	18,138,068.16	2,049,343.47	71,596,803.45
HPS Private Lending Opportunities Fund	47,111,688	41,698,001.90	0.00	23,411,205.34	416,391.00	22,768,616.61
HPS Specialty Loan Fund II	32,615,784	29,759,906.21	57,780.84	16,164,492.54	360,607.84	13,880,557.37
HPS Specialty Loan Fund V	80,932,341	45,816,827.92	0.00	0.00	0.00	53,143,101.97
	<u>500,659,812</u>	<u>453,359,601.05</u>	<u>2,307,780.84</u>	<u>167,577,720.91</u>	<u>6,087,420.64</u>	<u>292,818,251.64</u>
LGPS Central Credit Partnership I LP (Higher Return)	45,000,000	21,935,981.75	1,826,037.44	234,061.39	0.00	21,986,132.00
LGPS Central Credit Partnership II LP (Lower Return)	45,000,000	17,142,652.22	3,973,713.79	740,776.49	332,835.37	16,973,406.00
LGPS Central Credit Partnership IV LP (Real Assets)	70,000,000	29,274,463.80	12,436,839.47	1,659,996.81	1,659,996.81	25,750,517.00
	<u>160,000,000</u>	<u>68,353,097.77</u>	<u>18,236,590.71</u>	<u>2,634,834.69</u>	<u>1,992,832.18</u>	<u>64,710,055.00</u>
TOTAL PRIVATE DEBT	<u><u>660,659,812</u></u>	<u><u>521,712,698.82</u></u>	<u><u>20,544,371.55</u></u>	<u><u>170,212,555.60</u></u>	<u><u>8,080,252.82</u></u>	<u><u>357,528,306.65</u></u>

* latest available valuation

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

		<u>Currency - Sterling</u>			<u>Report Date -</u>	30-09-2023
	<u> Holding</u>	<u>Cost</u> £	<u>Average Cost</u> £	<u>Market Price</u> £	<u>Market Value</u> £	<u>Unrealised Gain/Loss</u> £
Fund - PRIVATE DEBT INVESTMENTS (see page 14 for detail)						
Various	n/a	285,781,880.14	n/a	n/a	292,818,251.64	7,036,371.50
LGPS Central	n/a	65,718,263.08	n/a	n/a	64,710,055.00	(1,008,208.08)
Fund - Legal & General Investment Management (INDEX LINKED GILTS)						
AP OVER 5 YR INDEX-LINKED	85,695,557	513,001,931.69	5.99	5.61	480,942,316.16	(32,059,615.53)
Fund - LGPS Central (CORPORATE BONDS)						
GLOBAL ACTIVE CORPORATE BOND MULTI MANAGER FUND	5,826,483.54	559,716,702.88	96.06	84.57	492,745,712.98	(66,970,989.90)
TOTAL FIXED INCOME		<u>1,424,218,777.79</u>			<u>1,331,216,335.78</u>	(93,002,442.01)

PENSIONS PANEL – 5 DECEMBER 2023

Report of the Director of Finance

**RESPONSIBLE INVESTMENT & ENGAGEMENT (RI&E) REPORT
QUARTER 2 2023/24**

Recommendations of the Chairman

1. That the Pensions Panel note:
 - (a) the content of the Responsible Investment and Engagement (RI&E) Report, including the Climate Stewardship Plan (Appendix 1);
 - (b) the Local Authority Pension Fund Forum (LAPFF) Quarterly Engagement Report (Appendix 2); and
 - (c) the LGPS Central Limited Quarterly Stewardship update (Appendix 3).
2. That the Pensions Panel approve the Stewardship Themes for 2024-2027, proposed by LGPS Central Limited for the LGPS Central asset pool.

Introduction & Background

3. The United Nations Principles of Responsible Investing (UNPRI) define RI as 'an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns'.



Environmental

- Resource utilisation
- Sustainability
- Pollution
- Carbon emissions



Social

- Community
- Human Rights
- Employees
- Customers
- Suppliers



Governance

- Stakeholder alignment
- Ownership structure
- Regulatory controls
- Board accountability
- Transparency

4. The Pensions Panel recognises its role in promoting RI and endorses the UNPRI, whilst the Fund's managers are encouraged to sign up to them to ensure they incorporate ESG issues into their investment process. Currently all the Fund's equity managers are signatories to the UNPRI, including those

within the LGPS Central Active External Global Equity Multi Manager sub-fund and the LGPS Central Global Sustainable Equity Active Fund – Targeted.

5. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require the Pension Fund to have an Investment Strategy Statement (ISS) which must refer to the way in which the authority takes RI into account in the selection, non-selection, retention, and realisation of investments. The latest version of the ISS includes investment beliefs, specific to RI. The latest version of the ISS is available on the Pension Fund's website www.staffspf.org.uk.
6. The Fund regularly receives RI&E reports from its investment managers, and these are publicly available on the investment managers own websites. More recently, it is pleasing to note that these have begun to include reports from investment managers who invest in private markets, such as Partners' Group Corporate Sustainability Report (Private Equity) and Gresham House Sustainable Investment Report (Residential Property).

UK Stewardship Code

7. The UK Stewardship code is a voluntary set of principles that sets high expectations for how investors, and those that support them, invest, and manage money on behalf of UK savers and pensioners, and how this leads to sustainable benefits for the economy, the environment and society. There are 12 principles for asset owners and asset managers. These principles cover the policies, processes, activities, and outcomes of effective stewardship. The code was significantly strengthened following a review in 2020, with more stringent criteria to be met to achieve signatory status. The principles are supported by reporting expectations which indicate the information that organisations should publicly report to become a signatory.
8. The Staffordshire Pension Fund's 2022 Stewardship Report was approved by the FRC in August 2023 and the Staffordshire Pension Fund is now officially a signatory of the UK Stewardship code. This is an achievement for the Fund and something only 25% of LGPS funds have attained. The report is available on the Pension Fund's Website www.staffspf.org.uk.



Climate Change Strategy

9. In March 2023, the Pensions Committee approved the Fund's updated Climate Change Strategy (CCS) which sets out the Fund's approach to managing the risks and opportunities presented by climate change, with the aim of achieving a net-zero carbon investment portfolio by 2050. To guide and monitor the Fund's decarbonisation roadmap, a series of 2030 targets have been included in the CCS. The CCS is available on the Fund's website www.staffspf.org.uk.

Climate Stewardship Plan and Engagement

10. Following the production of the Fund's latest Climate Risk Report by LGPS Central Ltd, in March 2023, an updated Climate Stewardship Plan (CSP) was developed. The CSP is a working document which is updated for engagement activity carried out throughout the year and progress is reported to the Panel quarterly. The latest CSP is attached at Appendix 1.
11. As the Fund appoints external investment managers, engagement with individual companies is delegated to these managers and the investment managers of pooled funds, in which the Fund also invests (e.g., LGPS Central Funds) and jointly as part of LAPFF. Information on manager engagement and voting is requested routinely, as part of the quarterly reporting the Fund receives from each of the managers. In Q2 2023/24 managers' engagement topics included:
 - Engagement with two listed Japanese companies on board composition and diversity, management team diversity, pay gap and pay equity, and talent development and benefits.
 - Meeting with a car manufacturer on the company's decarbonisation plans and the company's awareness of responsibly sourcing battery minerals. The company has aggressive battery electric vehicle targets in place and is focusing on supply chain emissions from steel and aluminium, which will become more material as a source of emissions as the fleet is electrified. The manufacturer provided a high degree of transparency related to critical mineral sourcing.
 - Engaging with a food service company on addressing emissions in their operations and supply chain. A net zero target of 2050 has been set and a target of 50% food waste reduction by 2030 compared to 2019 baseline.

LAPFF Quarterly report

12. LAPFF's Quarterly Engagement Report for Q2 2023/24 is attached for information at Appendix 2. Staffordshire joined LAPFF in March 2013, to reaffirm its commitment to RI&E matters. As always, Pensions Panel Members are encouraged to read the report as it highlights the good work LAPFF does in engaging with organisations on behalf of its members. Examples of engagement from the last quarter included:

- LAPFF continuing to engage with Anglo American, BHP, Glencore, Rio Tinto, and Vale on their human rights practices and has also established a new mining company engagement with Grupo Mexico. LAPFF is pleased that both the Anglo American and Vale groups in the PRI Advance initiative have recognised the importance of stakeholder engagement. There are plans for both groups to engage with relevant affected stakeholders. LAPFF met a Grupo Mexico representative for the first time during this quarter and is now seeking to speak with the Sonora community group affected by Grupo Mexico's operations.
- LAPFF met with the Chair of Severn Trent on the reputational risks from use of storm overflow drains, discharging sewage into waterways. LAPFF welcomed news that the company was ahead of its targets on reducing overflows. The discussion covered the company's longer-term plans, targets and capital investment. Severn Trent also set out how it was addressing climate change, including through capturing emissions from the sewage treatment process.
- LAPFF also with the Chair of House builder Taylor Wimpey, to discuss the company's approach to climate change. Since LAPFF last met the company, Taylor Wimpey has produced a transition plan, which has emission targets covering Scope 1-3 emissions and with a net zero by 2045 commitment.

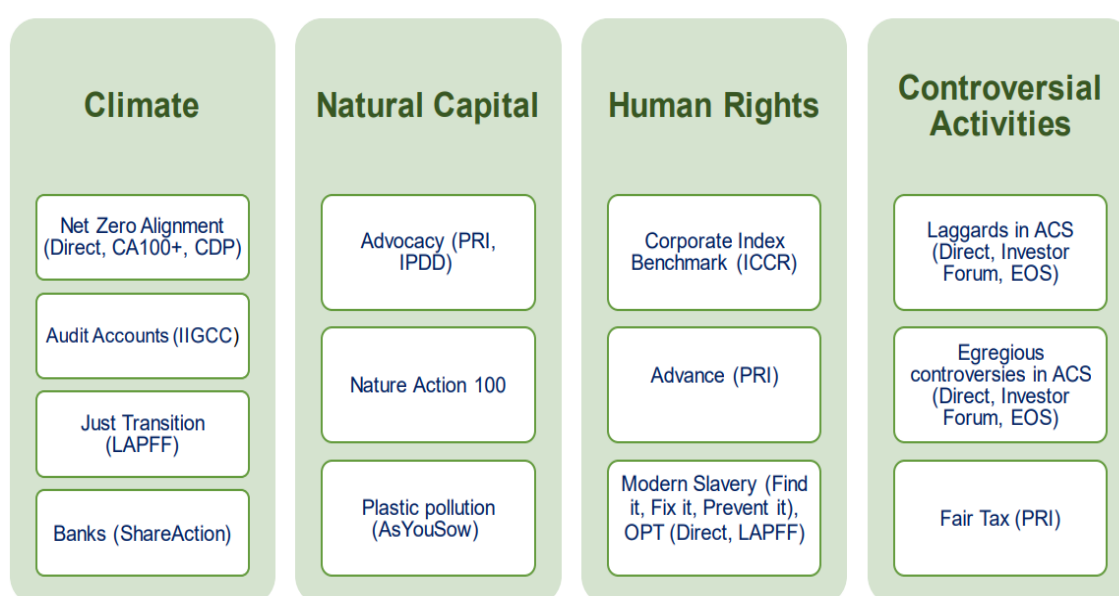
LGPS Central Quarterly Stewardship Report Q2 2023/24

13. The LGPS Central Ltd Quarterly Stewardship Update is attached at Appendix 3. Pensions Panel Members are again encouraged to read these reports, as they highlight the good work LGPS Central Ltd and its appointed stewardship provider, EOS at Federated Hermes (EOS), do in engaging with organisations on behalf of its eight Partner Funds. During the last quarter LGPS Central launched a proprietary tool for tracking engagement activities, including advocacy type engagements. The tool will track progress against engagement KPIs. Examples of engagement from the last quarter included:
 - Meeting with Société Générale, the fifth largest European provider of financing to 50 of the top oil and gas companies. LGPS Central were pleased the firm has a commitment to stop financing upstream oil and gas activities from January 2024 and refreshed its oil and gas policy with several new net zero targets.
 - Meeting with Ansell Ltd, a manufacturer of protective industrial equipment and medical gloves. They have undertaken lifecycle analysis of their product's environmental impacts. They have also partnered with a French recycling company to trial the processing of nitrile gloves into second life material for use.
 - LGPS Central via EOS raised concerns with Nestle SA regarding the absence of company advocacy for the industry to stop the marketing of unhealthy products to children under 18 years of age. The company raised its minimum age for marketing to children from 13 years to 16 years, and is strengthening its responsible marketing to children.

LGPS Central Proposed Stewardship Themes for 2024-2027

14. The Stewardship Themes of the LGPS Central pool have remained consistent over recent years, with a few changes to incorporate new or evolving themes or themes of a more pressing nature. At the request of Partner Funds, LGPS Central have undertaken a full review of the Stewardship Themes and are now proposing 4 ‘macro’ Stewardship Themes that incorporate several more detailed areas within them. The 4 Themes are more aligned to those of wider industry engagement and will therefore allow LGPS Central to work even more collaboratively with other groups of investors.
15. The 4 Stewardship Themes proposed by LGPS Central for 2024- 2027 are provided in the schematic below. The Panel is asked to consider them and, subject to any comments they may have, approve the use of the Stewardship Themes which cover both broad and topical ESG issues.

2024-2027 Proposed Stewardship Themes



Quarterly voting summary

16. The Fund receives quarterly updates from its investment managers on details of votes cast on corporate resolutions. The following table summarises the voting activity of the Fund’s investment managers in Q2 2023/24.

Investment Manager Voting Activity Q2 2023/24

	Total resolutions	Vote with management	Votes against management or abstain
Impax	33	30	3

JP Morgan	191	188	3
Longview	23	23	0
Legal & General	15,213	11,846	3,367
LGPS Central – Global Equity Fund	279	250	29
LGPS Central – Global Sustainable Equity Targeted Fund	25	24	1
LGPS Central- Global Climate Multi-Factor Fund	1097	939	158
LGPS Central- Global Low Carbon Multi-Factor Fund	1,586	1,313	273
Total	18,447	14,613	3,834

Rob Salmon
Director of Finance

Contact: Melanie Stokes, Assistant Director for Treasury & Pensions
Helen Wilson, Senior Investment Accountant
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Equalities implications: Whilst there are no direct equalities implications arising from this report, equality is considered as part of the Pension Fund’s wider engagement with companies.

Legal implications: There are no direct legal implications arising from this report.

Resource and Value for money implications: The resource and value for money implications are included in the body of the report. Specific consideration should be given to any effect on investment returns.

Risk implications: There is a risk that any screening of investments may result in the Pension Fund not maximising investment returns.

Climate Change implications: The Pension Fund has a Climate Change Strategy in place and produces an annual Climate Stewardship Plan which details its engagement on Climate Change matters.

Health Impact Assessment Screening: There are no direct implications arising from this report.

Climate Stewardship Plan

2023/24

Staffordshire Pension Fund Climate Stewardship Plan 2023/24

Staffordshire Pension Fund ('the Fund') recognises that climate change presents a risk which could be financially material, and which must be addressed under the scope of the Fund's fiduciary duty.

Given the Fund's long-dated liabilities and the timeframe in which climate risks could materialise, a holistic approach to risk management covering all sectors and all relevant asset classes is warranted.

To mitigate the worst economic impacts of climate change, there must be a large, swift, and globally co-ordinated policy response. The issue faced by diversified investors (such as pension funds) is not limited to the oil & gas and power generation sectors, but also to the vast number of downstream sectors, whose products and services are derived from, or reliant on, fossil fuel extraction. Investors focussing exclusively on primary energy suppliers could fail to identify material climate risks in other sectors and to limit the demand.

The Fund believes it is possible for companies with current high emission levels to change, reduce their emissions and thrive in a low carbon economy and that the support and stewardship of investors is key to influencing this.

Following production of the Fund's first Climate Risk Report, as presented to the Pensions Committee on 23 March 2021, a Climate Stewardship Plan (CSP) for 2021/22 was created. Receipt of the most recent Climate Risk Report has enabled an updated CSP to be produced for 2023/24. This reflects changes in the Fund's portfolio and underlying company investments and was approved by the Pensions Committee at its meeting on 31 March 2023.

The 2023/24 CSP again focuses on the investments having the most impact or of the most relevance to the Fund's climate risk, which improves upon the existing approach to climate-related engagement in terms of prioritisation. The **companies** recommended for engagement have been identified based on the following factors:

- Perceived level of climate risk, considering carbon risk metrics;
- Weight of the company in the portfolio;
- Likelihood of achieving change; and
- Ability to leverage investor partnerships.

Updates on progress and engagement, in line with the priorities identified in the CSP will be presented to the Pensions Panel each quarter, as part of a Responsible Investment and Engagement report. An updated CSP will be presented to the Pensions Committee annually, alongside updates to the Fund's Climate Change Strategy, which was introduced in 2022.

Company (Sector)	Portfolio	% of CA100+ Net Zero Benchmark* Indicators Met	TPI Score	Objectives	Vehicle	Next Steps	Engagement carried out 2023/24
BP (Energy)	<ul style="list-style-type: none"> • LGIM • LGPS Central • JP Morgan 	30%	4*	<ul style="list-style-type: none"> • Achievement of the high-level objectives of the CA100+ initiative • To duly account for climate risks in financial reporting 	LGIM, CA100+, LAPFF, JP Morgan, EOS	<ul style="list-style-type: none"> • Improved green house gas (GHG) intensity emissions reduction trajectory on products sold, as -12-20% by 2030 doesn't appear Paris aligned • Publish absolute emissions projections for downstream business • Lower oil price used in the capex test (engagers believe \$60/bbl is too high) 	Q1 23/24 JMP. On BP paring back its climate goals without shareholder consultation, BP said they might hold another vote in the future, but they want to focus on executing the strategy. However, acknowledged the risk of rising investor discontent with the action. Given half of its operational emissions reductions this year through divestments, JMP highlighted the increasing push for setting principles for responsible divestment from some groups. While admitting that the company is paying attention to the concept of responsible divestment, the Chairman added that their acquisitions have enabled them to use the assets better than others and hence drive down emissions.
CRH (Materials)	<ul style="list-style-type: none"> • LGIM • LGPS Central 	30%	4	<ul style="list-style-type: none"> • Improved disclosure around its membership and involvement in trade associations engaged in climate issues 	LGIM, LGPS Central via CA100+	<ul style="list-style-type: none"> • Climate-aligned accounting and audit: • The company has thus far not responded to investor expectations regarding how material climate risks are considered in its accounts, how its own climate targets have been incorporated into 	

				<ul style="list-style-type: none"> • More robust reporting of Scope 1, 2 and 3 emissions • Increased development of activities focusing on low-carbon cement solutions 		<p>the assessment of assets, liabilities and profitability, or what a 1.5° pathway might mean for CRH's financial position.</p> <ul style="list-style-type: none"> • EOS will continue to engage on this topic. 	
Glencore (Materials)	<ul style="list-style-type: none"> • LGPS Central • LGIM 	40%	4	<ul style="list-style-type: none"> • Achievement of the high-level objectives of the CA100+ initiative including attainment of the specific indicators in the CA100+ Benchmark. 	LGIM, LGPS Central via CA 100+, LAPFF	<ul style="list-style-type: none"> • LGPS has voted against Glencore's climate progress report at the AGM 28 April, alongside 35pprox. 23% of shareholders. Above 20% is substantial opposition, and the UK Corporate Governance Code requires the company to open dialogue with shareholders to understand their views and reasons for the opposition. • As co-lead of CA100+ engagement with Glencore, we will continue dialogue with the CEO, but also 	Q1 23/24 LGIM co-filed a shareholder proposal which called for Glencore to disclose how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal received 29.2% support from shareholders, and the company has published its intention to continue to engage with shareholders and improve understanding on this matter.

						<p>seeking dialogue with the Board Chair and Chair of Audit Committee, on:</p> <ul style="list-style-type: none"> • More ambitious short-term targets - A specific 2030 target, to ensure full transparency on the trajectory of decarbonisation relative to IEA/IPCC's 1.5C for coal • Net zero accounting, with dialogue based around the findings of Carbon Tracker (previously shared with Glencore) • Climate policy lobbying, with emphasis on Glencore actively advocating for a policy environment in key markets (including Australia) which will be conducive to the green shift and supportive of the pivot that Glencore is seeking 	
<p>Holcim (Materials)</p>	<ul style="list-style-type: none"> • LGIM • LGPS Central 	30%	4	<ul style="list-style-type: none"> • Paris-aligned accounts in line with IIGCC's 	<p>LGIM, LGPS Central via CA</p>	<ul style="list-style-type: none"> • To continue to push the company to set targets aligned with a 1.5C scenario. 	

				<p>Investor Expectations</p> <ul style="list-style-type: none"> Achievement of the high-level objectives of the CA100+ initiative 	100+, LAPFF	<ul style="list-style-type: none"> To continue asking for clear, meaningful, and actionable strategies for the company to achieve its targets. To request the company explains how its capital expenditure plans align with long-term emissions reductions. 	
Linde (Materials)	<ul style="list-style-type: none"> LGIM LGPS Central Impax JP Morgan 	N/A	3	<ul style="list-style-type: none"> Improve transparency on company's chemical production disclosure Take a leadership role in phasing out the most persistent chemicals and publish a timebound commitment to do so 	LGIM, LGPS Central, Impax, JP Morgan	<ul style="list-style-type: none"> EOS have highlighted that Linde have been reluctant to engage on certain topics including climate change, a target should be to place additional pressure on Linde and escalate engagement where possible. Improve transparency regarding chemical production. Improve performance to reduce scope 1 and 2 emissions to better align to the trajectory of 2035 and 2050 greenhouse gas targets. Get targets validated from the science-based targets initiative 	

NextEra Energy (Utilities)	<ul style="list-style-type: none"> • LGIM • LGPS Central • Impax 	10%	3	<ul style="list-style-type: none"> • Capital allocation alignment with the Paris Agreement • Commitment to clear medium- and long-term GHG reduction target 	LGIM, LGPS Central via CA100, LAPFF	<ul style="list-style-type: none"> • NextEra should aim to get their targets validated by the science-based target initiatives (SBTi), and targets should be aligned to a 1.5 degrees scenario. • Inclusion of scope 3 emissions in targets. • Robust scenario analysis and TCFD reporting should also be considered. 	
Rio Tinto (Materials)	<ul style="list-style-type: none"> • LGIM • LGPS Central • JP Morgan 	20%	4	<ul style="list-style-type: none"> • Achievement of the high-level objectives of the CA100+ initiative 	LGIM, CA100+, LAPFF, JP Morgan	<p>Engagement will focus on encouraging the company to:</p> <ul style="list-style-type: none"> • Set robust, time-bound scope 3 emissions reductions target • Exit any industry associations with climate lobbying practices that are misaligned with the Paris Agreement • Provide a definition of the extent that the company will rely on carbon capture and storage within its decarbonisation strategy 	

<p>Royal Dutch Shell (Energy)</p>	<ul style="list-style-type: none"> • LGIM • LGPS • Central • JP • Morgan 	50%	4	<ul style="list-style-type: none"> • To set and publish targets that are aligned with the goal of the Paris Agreement • To fully reflect its net-zero ambition in its operational plans and budgets • To set a transparent strategy for achieving net-zero emissions by 2050 	<p>LGIM, CA100+, LAPFF, JP Morgan</p>	<ul style="list-style-type: none"> • Intensity emissions reduction targets must be complimented by absolute emissions reduction targets, across all scopes. • Aligning CAPEX with their NZ ambition. • Demand-side: investors will work with sectors on the demand side, alongside Shell's engagement with its customers, to influence a 1.5°C aligned transition. 	<p>Q1 23/24 JMP met with Shell and discussed the company's progress around decarbonisation and their planned divestment in Nigeria. Shell gave an update on the ongoing court case related to the 2019 oil spill, which led to a pause in the divestment process for Shell from onshore activities in Nigeria. Spill incidents are still overwhelmingly caused by theft and sabotage (88% of spills). To counter this a number of cages to protect key points where pipes are connected have been increased. SBTI methodology for the sector (something Shell had previously been part of the working group on), would provide credibility to the company's intensity-based approach. The SBTI has still not finalised the methodology. JMP also spoke about progress towards the 30% reduction in absolute Scope 1 and 2 emissions towards 50% by 2030. Shell explained that the majority of this has been achieved through midstream divestments (~70% of the 30%) but acknowledged the lack of real-world emissions reductions achieved through divestments and spoke to the due diligence that went into sales decisions, including the carbon credentials of potential buyers.</p> <p>Q2 23/24 LAPFF met with the chair of Shell. Comments from the new leadership at the Shell Annual General Meeting, that Shell does not have enough visibility on some putative sources of future revenue and growth to attach numbers to, does accord with LAPFF's critique in LAPFF's voting alerts since 2020. LAPFF</p>
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							continues to aim to have the company understand its role in the energy transition and take action accordingly.
The Southern Company (Utilities)	<ul style="list-style-type: none"> • LGIM • LGPS Central 	20%	3	<ul style="list-style-type: none"> • Achievement of the high-level objectives of the CA100+ initiative including attainment of the specific indicators in the CA100+ Benchmark Framework. 	LGIM, CA100+, LAPFF	<ul style="list-style-type: none"> • Improved CA100+ NZB Score • For the company to set a short term GHG reduction target • For the company to decarbonise its capital expenditures 	
RWE (Utilities)	<ul style="list-style-type: none"> • LGIM • LGPS Central • JP Morgan 	40%	3	<ul style="list-style-type: none"> • Achievement of the high-level objectives of the CA100+ initiative • Improve the ambition of short term and medium-term targets to be 1.5 degree aligned 	LGIM, CA100+, EOS, JP Morgan	<p>Engagement will focus on encouraging the company to:</p> <ul style="list-style-type: none"> • More ambitious short and medium terms targets, such that they are 1.5-degree pathway aligned. • Improvement of climate scenario analysis included in the TCFD report. 	

CLIMATE ACTION 100+ (CA100+)*

The CA100+ Net Zero benchmark is designed to assess the performance of the world's 166 largest corporate greenhouse gas emitters against ten key indicators. These indicators are all measures of success for business alignment with a net zero emissions future and with the goals of the Paris Agreement.

The ten indicators are:

1. Net Zero GHG Emissions by 2050 (or sooner) ambition
2. Long-term (2036-2050) GHG reduction target(s)
3. Medium-term (2026-2035) GHG reduction target(s)
4. Short-term (up to 2025) GHG reduction target(s)
5. Decarbonisation Strategy (Target Delivery)
6. Capital Alignment
7. Climate Policy Engagement
8. Climate Governance
9. Just Transition
10. TCFD Disclosure

The first assessments for each CA100+ company against the ten indicators were published on 22 March 2021 and refreshed on 30 March 2022. These assessments offer comparative assessments of individual focus company performance against the goals of the initiative. The most recent company assessments took place during October 2022. Climate Action 100+ has been consulting on a set of proposals to enhance the Net Zero Company Benchmark for the initiative's next phase, which is set to begin in 2023.

TRANSITION PATHWAY INITIATIVE**

The Transition Pathway Initiative (TPI) framework evaluates companies based on their climate risk management quality and their carbon performance. The former includes an assessment of policies, strategy, risk management and targets. There are six management quality levels a company can be assigned to:

- Level 0 – Unaware of (or not Acknowledging) Climate Change as a Business Issue
- Level 1 – Acknowledging Climate Change as a Business Issue
- Level 2 – Building Capacity
- Level 3 – Integrated into Operational Decision-making
- Level 4 – Strategic Assessment
- Level 4* – Satisfies all management quality criteria

Companies expected future emissions intensity pathways – labelled carbon performance – is assessed against international targets and national pledges made as part of the 2015 Paris Agreement. Alignment is tested on different timeframes, including 2030 and 2050.

There are eight carbon performance trajectories:

- No or unsuitable disclosure
- Not aligned
- International pledges
- National pledges
- Paris pledges
- 2 Degrees
- Below 2 Degrees
- 1.5 Degree

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Quarterly
Engagement
Report

July-September
2023



**Climate and
Finance
Engagement,
Minimum Wage,
Water Companies,
New Member**

UPDATES

Smoke from Canadian wildfires blows south over New York, June 2023



Climate and Finance

Objective: LAPFF has been engaging with financial institutions on climate for a number of years now. Most notably, it has issued voting alerts for Barclays, HSBC, and Standard Chartered in recent years. In 2020, LAPFF also sent letters to 11 insurers asking how they approached climate change from a strategic perspective. Discussions with these companies suggested that they tended to approach climate in terms of its effect on the companies rather than in terms of the companies' effects on climate. While investors are clearly interested in the impact climate change is having on insurers, LAPFF's approach is to ask first what companies' impacts are on climate. This approach aligns with the approach set out in the UN Guiding Principles on Business and Human Rights, which call for companies to assess their impacts on human rights and rights holders before assessing the impact of human rights on their businesses. This framing is supported not least because risks to the business are missed if the human rights and impact analysis is not undertaken. In LAPFF's experience, the same logic applies in relation to climate change. LAPFF therefore began a process of following up with the eleven insurers, but also expanded the engagement to cover additional insurers of global impact in which LAPFF holds a significant number

Cover image: ask first what companies' impacts are on climate

of shares. It also wrote to large global banks in which members have large holdings. Finally, in line with a growing interest of the LAPFF membership in biodiversity and environmental impacts of climate change, the engagement will explore these companies' strategies in relation to natural resources and their link to climate.

Achieved: LAPFF has now written to 13 global insurers to engage on their approaches to decarbonisation and natural resources. There have been responses from four companies so far. One company with which LAPFF will clearly not be engaging is Berkshire Hathaway. Its pro forma email stated that no one is reading messages sent to the investor relations email address, and no one is likely to respond to a letter sent to the company's physical address. LAPFF would have hoped for more from Mr. Buffett, but LAPFF found this response to be in line with that of many US companies, which tend to be less willing to engage in a meaningful way than companies in many other markets, including the UK and Australia. For a full list of companies approached so far through this engagement, please see the company engagement table at the back of this report.

In Progress: LAPFF will continue to send letters and set up meetings with these companies over the course of the year.

New Member

LAPFF would like to welcome its newest member, the ACCESS pool. LAPFF's membership now comprises 87 LGPS funds and seven pooled companies, the vast majority of the LGPS family. The more LGPS funds who become LAPFF members, the greater leverage LAPFF gains in engaging with investee companies in relation to their environmental, social, and governance practices as they impact on financial returns. With a membership that in aggregate holds over £350 billion in assets under management, LAPFF's financial clout is already equivalent to that of one of the top ten largest global pension funds. However, any additional members can only help.

Given the success of LAPFF's annual conference in Bournemouth, LAPFF decided to hold its first mid-year conference at Church House in London. This event also proved to be a success with speakers from Unseen UK, Rathbones, and DiCello Levitt. The sessions covered a summary of the 2023 AGM season, the link between climate and executive pay, modern day slavery, investor litigation in Europe, and the ESG backlash in the US.

COMPANY ENGAGEMENTS



Investors are often not provided with a specific vote on company climate plans for shareholder approval

Say on Climate

Objective: It is almost universally recognised that climate change poses significant systemic and company-level risks. Yet, despite the level of investment risks and the need for capital expenditure to deliver the transition, investors are not provided with a specific vote on their climate plans for shareholder approval.

Issuers are increasingly setting out their climate ambitions within a transition plan. It is also something regulators are looking at. For example, the UK's Transition Plan Taskforce, established by HM Treasury, is developing a 'gold standard' for climate transition plans.

Over the past two years, LAPFF has sent letters to the FTSE All-Share companies requesting a vote on climate transition plans. While LAPFF has been encouraged by the substantive responses, such resolutions during 2023 were far from standard practice, including among high-emitting companies.

Achieved: To continue to encourage companies to provide shareholders with

such a vote, LAPFF organised a letter to 35 companies in high-emitting sectors considered to face heightened climate risks, whose actions are essential to the accelerated action required to meet the Paris goals and where the risks investors face are substantial.

The letter, like the previous one, was supported by CCLA Investment Management, Sarasin & Partners and the Ethos Foundation. LAPFF gained the support of a wider group of investors and in total had 18 signatories which collectively represented £1.8 trillion in assets under management. The letter stressed the climate-related risks to investors. It also urged companies to provide such votes to enable shareholders to first express their view on climate strategies through a specific AGM vote rather than immediately voting against the chair or another board member. The letter requested a response so that the signatories could make an informed assessment of the company's position.

In Progress: LAPFF will be tracking the responses to the letter and will continue to engage with companies about holding a climate transition plan vote. This could

become an important area of shareholder focus if the recommendations of the Transition Plan Taskforce are introduced. LAPFF supports such votes becoming mandatory and will raise the issue where appropriate with policymakers.

Mining and Human Rights

Objective: While LAPFF is continuing to engage with **Anglo American, BHP, Glencore, Rio Tinto, and Vale** on their human rights practices, LAPFF has picked up a new mining company engagement with **Grupo Mexico**. LAPFF has been approached by community members affected by a 2014 leak at one of the company's tailings ponds in Sonora, Mexico.

The main objective of these engagements is to ensure that the companies understand that any failure to respect human rights and environmental impacts could have financial consequences for them and for their shareholders. One of the main milestones LAPFF is looking for is how well the companies acknowledge and engage with the workers and communities they affect. Effective stakeholder engagement is important to LAPFF both as a human rights imperative and because it can expedite less costly solutions to operational, reputational, legal, and financial concerns at companies.

LAPFF is pleased that both the Anglo American and Vale groups in the PRI Advance initiative have recognised the importance of stakeholder engagement. There are plans for both groups to engage with relevant affected stakeholders.

Achieved: LAPFF met a Grupo Mexico representative for the first time. LAPFF Chair, Cllr Doug McMurdo, spoke with an investor relations contact, who he found to be open to the engagement. It was interesting to hear that the company has been approached by a number of investors in relation to environmental, social, and governance (ESG) issues of late. This increase in attention on ESG issues might not be a coincidence as the company is one of those chosen for inclusion in PRI's Advance human rights initiative.

As with many mining companies, LAPFF's view is that Grupo Mexico has a number of processes in place, some of which appear to be sound on paper.

COMPANY ENGAGEMENTS

However, there appears to be significant work to be done in practice. Once again, the company accounts of its human rights practices and the community accounts differ drastically.

In relation to its PRI engagements, LAPFF has reached out to a couple of non-governmental organisations and community representatives on behalf of the Anglo American PRI Advance group to see if they would be willing to meet the group. There have been positive responses.

In Progress: Cllr McMurdo is now seeking to speak with the Sonora community group affected by Grupo Mexico's operations. As LAPFF has done in other such engagements, it will use the community and company perspectives to form a view of how to encourage improved human rights practices at the company.

LAPFF will now work to set up the community meetings for both the Anglo American and Vale PRI Advance groups.

Water Companies and Sewage Pollution

Objective: Water companies are currently facing considerable reputational risks and regulatory scrutiny around their environmental performance. The focus of concern centres on the use of storm overflow drains. These drains are used to stop water backing up into people's homes when there is heavy rain but result in sewage being released into the waterways. As water companies are effectively regional monopoly suppliers subject to environmental and economic regulation, there are considerable regulatory risks, not least those driven by current reputational perceptions and public concern. The sector has faced further recent public scrutiny when financial concerns about Thames Water came to light.

The main objective of the engagement activity, which started in 2022, is to ensure that these risks are being appropriately addressed and that environmental performance improves. An important focus was ensuring plans were in place and progress is being made in reducing the amount of sewage being released into waterways. In addition, LAPFF sought to ensure companies had



Water companies are currently facing considerable reputational risks

credible climate transition plans and progress was being made against them.

Achieved: During the quarter, LAPFF's chair, Cllr Doug McMurdo, met with the Chair of **Severn Trent**, Christine Hodgson. The meeting was held against the backdrop of the problems facing Thames Water and covered the challenges facing the sector as a whole. This meeting was very constructive, and it was welcome news that the company was ahead of its targets on reducing overflows. The discussion covered the company's longer-term plans and targets and capital investment. The company also set out how it was addressing climate change, including through capturing emissions from the sewage treatment process.

LAPFF met with the chair of **United Utilities**, David Higgins. The meeting was positive despite the significant challenges that remain in the sector. The company outlined how it had reduced the number of overflows in the past couple of years. The meeting also covered plans to reduce overflows further and investment to address overflow issues. As with the discussion with Severn Trent, issues facing the sector were raised. The company also set out its plans regarding climate adaptation and mitigation.

LAPFF's chair also met the Head of Environment and Sustainability at **Northumbrian Water**. The company is owned by three holding companies, two of which (CK Hutchinson and CK

Asset Holdings Limited) a large number of LAPFF members hold. It was a useful meeting which covered the company's plans and targets to reduce storm overflows and capital investment required to do so. The meeting also covered the company's wider environmental performance and its climate change ambitions.

In Progress: While there is progress, significant risks remain. Adverse publicity and concerns about sewage overflows show few signs of diminishing while there is continued focus from regulators. LAPFF therefore will be continuing to engage with the companies on their progress and plans.

COMPANY ENGAGEMENT ACTIVITY

Electric Vehicles and Human Rights

Objective: Continuing its engagement with electric vehicle manufacturers to better understand how they are addressing the risks associated with minerals for batteries for their vehicles, LAPFF wrote to a number of companies seeking further engagement with those it has already engaged on this issue and to meet others for the first time.

Achieved: LAPFF met with **Volkswagen** (VW) and **Volvo Group** (trucks and HGVs) this quarter, both for the first

COMPANY ENGAGEMENTS

time. LAPFF had a detailed discussion with Volkswagen, which published its third iteration of its raw materials report this year. The discussion covered the company's overall human rights programme and more focussed attention on individual minerals. LAPFF also broached questions about the scrutiny VW faced for one of its joint ventures linked to auto manufacturer supply chains allegedly associated with Uyghur forced labour in Xinjiang. VW has publicly announced that it will be undertaking a social audit of this factory, although it has faced scrutiny from various NGOs and labour groups that social audits in China are ineffective based on political pressures.

Volvo provided a high-level overview of its human rights programme, which in terms of reporting, appears to be lacking compared to some of its peers, particularly on risk management of human rights in critical mineral and material supply chains. Despite this lack of transparency in reporting, Volvo provided a promising conversation on its aspirations to improve various parts of its human rights work.

In Progress: More and more legislative instruments pertaining to corporate sustainability are being enacted around the world, such as the EU Battery Regulation which came into effect in August 2023. These new regulations impose sustainability, recycling, and safety requirements on all battery manufacturers, importers and distributors in the EU. Responsibility and due diligence requirements are also extended to supply chains for materials like cobalt, lithium and nickel. The EU's Corporate Sustainability Due Diligence Directive, whilst still in development, will require companies to conduct due diligence on, and take responsibility for, human rights abuses and environmental harm throughout their global value chains. Therefore, LAPFF will continue to monitor and engage on how companies are set to meet these requirements, including for minerals and materials being used in the production of electric vehicles, where human rights abuses continue to be a major source of concern.



A number of companies not adhering to wage floor requirements including listed companies such as M&S. Above: M & S in Truro City centre in Cornwall

Minimum Wage

Objective: LAPFF believes that good employment practices are linked to long-term corporate prosperity and hence the creation of investment value. It is therefore concerning when investee companies are found to be in breach of statutory national minimum wage standards. In June, the Department of Business and Trade announced that an investigation had found a number of companies not adhering to wage floor requirements including listed companies such as **WH Smith, Marks & Spencer, Argos** (which is owned by **Sainsbury's**) and Whitbread. LAPFF therefore sought to ensure that changes were in place to avoid future incidents.

Achieved: LAPFF wrote to the four companies requesting details around how the incidents occurred, what actions were taken to address the breach, and how they would be prevented in the future. All four companies responded and provided information about the nature of the breaches. Companies provided details of actions taken and gave assurances about seriousness with which they took the issue.

In Progress: LAPFF will continue to monitor breaches in labour law and engage companies where any issues are found to ensure that they are addressed.

Biodiversity

Objective: Alongside writing to financial institutions regarding their role in supporting positive developments on biodiversity and climate change, LAPFF has also sought to understand approaches to biodiversity at companies in other industries. For example, Procter & Gamble was recently reported to have removed policy commitments not to buy wood pulp from degraded forests. This action comes three years after a majority of investors supported a non-binding shareholder resolution at the company's AGM requesting that Procter & Gamble assess how it could improve efforts to eliminate deforestation and forest degradation in its supply chains. LAPFF also aimed to find out more about Nestlé's approach to regenerative agriculture.

Achieved: LAPFF has written to **Procter & Gamble** regarding this engagement. LAPFF also wrote to **Nestlé**, who hosted the Forum at its chair's roundtable in March 2023. The request seeks to discuss the company's plans for regenerative agriculture and how it contributes to the company's pathway to halve its greenhouse gas emissions by 2030 and reach net-zero by 2050.

In Progress: Deforestation is becoming an increasingly important topic for LAPFF members and wider investors,

COMPANY ENGAGEMENTS



A city park owned by the Proctor and Gamble company in Cincinnati, Ohio

particularly as the Taskforce on Nature-related Financial Disclosures (TNFD) published its final recommendations in September 2023. TNFD will have implications for a wide range of market participants. LAPFF will be monitoring how relevant companies incorporate the TNFD recommendations and will seek to engage those lagging behind on biodiversity and deforestation.

Shell

Objective: Further to Shell’s rowing back from its already unsatisfactory Energy Transition Plan, the company is now a point of special focus, given both its size and importance as an investment, as well as the scale of its emissions. LAPFF continues to aim to have the company understand its role in the energy transition and take action accordingly.

Achieved: LAPFF has met with the chair of Shell with some meeting of minds on some issues. Comments from the new leadership at the Shell Annual General meeting, that Shell does not have enough

visibility on some putative sources of future revenue and growth to attach numbers to, does accord with LAPFF’s critique in LAPFF’s voting alerts since 2020.

In Progress: Given Shell’s historically poor investment performance (over 20 years barely better than a bond return), which is indicative of poor investment decision making, alongside no appreciable record or prospect of investment, further effort will be put into understanding the numbers and the business model as well as direct engagement.

Centrica

Objective: Growing energy prices following the end of Covid lockdowns and since the start of the war in Ukraine have become a major business, economic, social and political issue. Rising costs have been a driver of inflation and reduction in the household standard of living. With prescribed economic regulations this backdrop has led to

mounting scrutiny of energy companies’ practices, especially those related to low-income households. LAPFF sought to understand how energy companies were managing the regulatory and reputational risks around the cost-of-living crisis, including changes needed to support those on low incomes or in arrears.

Achieved: LAPFF wrote to Centrica one of the major UK energy suppliers and owner of British Gas. The company responded by setting out how it is supporting customers through the cost-of-living crisis. The company also outlined ongoing support and advice that it provides low-income customers.

In Progress: With energy prices remaining high, LAPFF will be seeking to meet the major UK energy suppliers on their approaches to supporting households and managing the ongoing risks.

COMPANY ENGAGEMENTS



One of LAPFF's main concerns is to ensure that the National Grid's transition plan allows for a sufficiently speedy transition for the users of its grid

National Grid

Objective: LAPFF has continued its engagement with National Grid through the CA100+ forum. One of LAPFF's main concerns is to ensure that the company's transition plan allows for a sufficiently speedy transition for the users of its grid.

Achieved: LAPFF's view is that the company is missing some opportunities to decarbonise more quickly, so LAPFF issued a voting alert for National Grid ahead of the company AGM in July. LAPFF cited three main concerns in the voting alert: the company's confusing approach to the use of gas, delays in connecting clean energy projects to the grid, and disclosure on the energy transition. Consequently, LAPFF recommended opposition to the company report and accounts and to the resolution on political donations.

In Progress: LAPFF will continue to engage National Grid on its transition plan, including on the specific points mentioned above.

SSE

Objective: LAPFF has a longstanding engagement with SSE and has found the company to be open and responsive to engagement. Because it is progressive on a number of issues, including a fair and just transition, LAPFF seeks to maintain this relationship and push the company to entrench its leadership role in areas such as just transition and living wage.

Achieved: LAPFF Executive member, John Anzani, attended SSE's AGM again this year and asked a two-pronged question about SSE's approach to a just transition. First, he asked whether the SSE is looking to review its just transition principles in the near future. Second, he asked about capital allocation and whether money being spent on carbon capture and storage (CCS) could be better spent elsewhere.

In Progress: LAPFF has requested a follow-up meeting to discuss SSE's responses in greater detail.

Taylor Wimpey

Objective: Housing is a major contributor to greenhouse gas emissions and a focus of environmental regulation. To reduce the climate risks associated with overall emissions and the specific consumer and regulatory risks companies face, LAPFF therefore seeks to engage housebuilders on having credible transition plans. Following concerns from consumers and policymakers around leasehold arrangements and fire safety LAPFF also seeks to ensure the issues were being managed.

Achieved: The LAPFF Chair, Cllr Doug McMurdo, met with the Chair of Taylor Wimpey to discuss the company's approach to climate change. Since LAPFF last met the company, Taylor Wimpey has produced a transition plan, which has emission targets covering scopes 1-3 emissions and with a net zero by 2045 commitment. The meeting was informative and covered the company's progress and plans for reducing operational emissions, its approach to residual emissions, emissions from its homes when sold, and supply chain emissions such as from concrete and diesel. The issue of the just transition was raised as was putting the company's transition plan to a vote. The meeting also covered issues and costs associated with the agreement with the CMA on leaseholds and works related to fire safety.

In Progress: LAPFF will continue to meet with companies in the sector to ensure they have credible plans in place.

Unilever

Objective: Unilever has received quite a lot of press regarding its decision to remain in Russia after Russia's invasion of Ukraine. LAPFF heard from Total last year about that company's difficulties in deciding whether to leave Myanmar and recognises the significant challenges companies face in taking these decisions. Therefore, LAPFF wanted to understand better Unilever's challenges in deciding whether to remain in or exit Russia.

Achieved: LAPFF's Chair, Cllr Doug

COLLABORATIVE ENGAGEMENTS

McMurdo, met with Unilever Chair, Nils Anderson, to discuss Unilever's challenges in Russia. Mr. Anderson was not only open about the obstacles the company faces in Russia but also appeared to be open to working with LAPFF and others to determine appropriate solutions.

In Progress: LAPFF is continuing to participate in investor webinars on human rights and conflict zones. It will also continue to work with Unilever on this issue and will likely seek to partner with other investors who have been investigating the role of companies in conflict zones over the last couple of years.

COLLABORATIVE ENGAGEMENTS

FAIRR

Objective: The FAIRR initiative is a collaborative investor network that raises awareness of material ESG risks and opportunities caused by intensive animal

production. The initiative's engagements have a wide-reaching impact on how business models contribute to material risks for investors. LAPFF aims to increase its understanding of the material ESG risks and opportunities and to engage with relevant companies associated with this issue.

Achieved: LAPFF has re-signed onto a FAIRR engagement focusing on working conditions at food producers, mainly in North and South America. LAPFF has also signed onto two new engagement streams, one examining antimicrobial resistance in animal pharmaceutical industry and the other analysing quick-service restaurant antibiotic policies, both with a focus on the concern about increasing global antimicrobial resistance. More than 20 companies have been contacted across these three workstreams.

In Progress: LAPFF will join calls as appropriate in due course which are being coordinated by FAIRR.



Farm land in Uruguay. This is the result of intensive livestock business in South America

Asia Research and Engagement's Energy Transition Platform

Objective: LAPFF joined calls hosted through Asia Research and Engagement's Energy Transition Platform which seeks to engage both financial companies and coal-exposed power companies. During the second quarter of 2023, LAPFF joined calls with **Mizuho Financial Group**, **China Construction Bank (CCB)**, and **Huaneng Power**.

Achieved: Engagement with Mizuho assessed the feasibility of the company discontinuing all financing of oil and gas projects, and how the company was exploring its reduction targets for upstream activities within these industries. During the engagement, LAPFF raised inquiries regarding Mizuho's transition risk rating matrix, specifically inquiring about the scoring criteria applied to its clients. Additionally, investors sought insights into Mizuho's approach to navigating national policy restrictions, allocating budgets for the development of new green technologies, and leveraging its internal expertise in sustainable finance.

The conversation with CCB revolved around inquiries into CCB's environmental, social, and governance (ESG) rating system for clients, its disclosure practices concerning credit exposure linked to high-carbon industries, and the establishment of green sector targets. Similar to the discussion with Mizuho, this dialogue also delved into considerations related to national policy boundaries and restrictions.

The call with Huaneng Power covered questions around the company's previous disclosures on reaching peak emissions by 2024, as well as continuing aspirations for the company's targets for renewable energy production by the end of China's 14th Five-Year Plan, which comes to an end in 2025.

In Progress: Whilst there are many difficulties with aligning investor expectations with company progress in various markets due to challenging and conflicting national policies, ARE's Energy Transition Platform continues to build positive and meaningful

COLLABORATIVE ENGAGEMENTS

engagement with a variety of financial institutions and coal-exposed power companies.

Nature Action 100

Objective: Nature loss is a financially material risk. As the world's GDP is highly reliant on nature and its services, biodiversity loss creates significant risks for investors. As such, LAPFF's workplan seeks to engage companies to promote positive environmental impacts and reduce the operational, reputational and regulatory risks associated with nature loss.

Achieved: Alongside our own engagement work on biodiversity, this quarter saw LAPFF sign onto a major new collaborative initiative Nature Action 100. The global investor-led engagement initiative led by Ceres and IIGCC seeks to reverse biodiversity loss and drive nature action. The initiative sent letters to 100 companies from eight key sectors systemically important in reversing nature loss. The letter supported by over 190 investors sets out the initiative's expectations.

In Progress: LAPFF will seek to be involved in engagements as part of its participation in Nature Action 100.

30% Club Investor Group

Objective: LAPFF continues to support the 30% Club Investor Group. Initially, the group focused on enhancing gender diversity within UK boards, advocating for a minimum representation of 30 percent women on FTSE 350 boards and senior management positions within FTSE 100 companies. Over recent years, its scope has expanded to cover racial equity in UK boardrooms and promote gender diversity in global boardrooms.

Achieved: LAPFF is supporting the Group's Global Workstream, which looks to markets outside of the UK, namely in the USA and Asia, where boardroom diversity is lacking compared to the EU and UK. Through this workstream, LAPFF wrote to KKR & Co Inc. and Shinhan Financial Group asking the companies to set targets for diversity at board level and seeking to discuss individual company approaches to diversity more widely.

In Progress: LAPFF hopes to secure meetings with both companies in the fourth quarter of 2023 and continues to support other meetings held by the 30% Club Investor Group on an ad hoc basis as appropriate.

Valuing Water Finance Initiative

Objective: LAPFF is co-chair of the Valuing Water Finance Initiative (VWFI), a global investor-led effort, facilitated by the NGO Ceres, to engage companies with a significant water footprint to value and act on water as a financial risk and drive the necessary large-scale change to better protect water systems.

Achieved: Along with other members of the VWFI, LAPFF met with Burberry Plc during the quarter to discuss the company's approach to water stewardship. A headline aim of the VWFI is to work with companies so as not to negatively impact water availability or water quality in areas across their value chain. Water scarcity poses a material risk throughout Burberry's cotton and leather supply chains whilst disposal of wastewater at manufacturing sites and dye houses risks polluting local watersheds. The company outlined its process for assessing risk at a commodity, regional and individual facility level. The outcome of the assessment resulted in the facilities with the highest risk being designated a hot spot. The company has subsequently set a target for zero hot spots within its supply chain by 2030. Burberry has made good progress in identifying water risk in recent years.

In Progress: The VWFI will release a detailed assessment and benchmark of all focus companies by the end of October 2023, including Burberry. LAPFF will assess the benchmark to identify potential shortcomings in the company's approach to managing water risk and follow up accordingly. The VWFI benchmark will provide a means through which performance on this issue can be tracked over time.

SIGN-ON LETTERS AND STATEMENTS

CDP - Science-Based Targets Campaign

LAPFF signed onto the CDP's science-based targets campaign for the third straight year. This campaign offers CDP investor signatories and Supply Chain members the opportunity to accelerate the adoption of science-based climate targets, by collaboratively engaging companies on this matter.

WDI – ISSB Letter

LAPFF signed onto a letter to the International Sustainability Standards Board (ISSB) requesting that the body 'prioritise researching' human capital and human rights indicators in its work plan.

Bank Track – Investor Statement on Global Human Rights Benchmark

Bank Track has finalised its investor statement on banks and human rights and is encouraging signatories to use it as a basis of engagement with banks on human rights. LAPFF is a signatory.

POLICY UPDATES

Letter to the UK Prime Minister

LAPFF signed onto a letter organised by the PRI, IIGCC and UKSIF regarding a statement by the Prime Minister on climate change.

Climate Risks

An updated briefing note for members was produced on LAPFF and climate risks. The briefing document includes an overview of LAPFF expectations of companies regarding climate change and how LAPFF supports change through engagement. The document is available to members on the member section of the website.

Water Risks

During the quarter LAPFF met with the Director of Investor Relations at Ofwat. In a highly regulated sector, Ofwat and

COLLABORATIVE ENGAGEMENTS

other regulators play an important role in shaping what individual companies can do and charge. At the meeting LAPFF discussed issues around capital expenditure, affordability, delivery of investment plans, the resilience of the sector, and the impact of climate change.

Reliable Accounts

Objective: LAPFF has continued to focus on policy making in the area of reliable accounts, given problems with accounting standards and standards of auditing. The focus also extends to climate change aspects of accounts, including decarbonisation. There are cross-cutting issues with capital markets (see later) given the impact that two Parliamentary Committees have given to the effect of pension fund accounting on pension fund asset allocations away from UK equities.

Achieved: The concept of Paris aligned accounts is now a mainstream issue. Two Parliamentary Committees, the DWP Select Committee of the Commons and the Industry and Regulators Committee put the accounting standards at the centre of their criticisms of the regulatory and advisory environment.

Freedom of Information Act requests are revealing more troublesome insights into the way Ministers have been briefed by officials at the Department of Business Energy and Industrial Strategy (BEIS), now the Department for Business and Trade (DBT). Requests first made in the summer of 2021 have elicited new information that had been held back but now released in July 2023 given interjection by the Information Commissioner. Further developments are expected and will be reported in full when the sensitivity of a live case has been settled. There are strong parallels with the circumstances of the Freedom of Information Act requests done in 2015 and 2016 which revealed that the Financial Reporting Council was not portraying the position of His Majesty's Government lawyers properly.

In Progress: The focus on the Freedom of Information Act requests continues, and Parliamentarians have been kept updated. See also capital markets working group (later).

Capital market reform and Capital Markets Working Group

Objective: LAPFF has for over a decade been concerned about the dropping of standards required of companies listing on UK capital markets, with specific problems with certain mining and extractive companies. More recently a group of City of London interests bereft of asset owner representation has made efforts to drop standards even further. There are overlapping issues with the poor quality of some companies coming to the UK for listing, as with NMC Health which joined the FTSE 100 and then collapsed, and poor-quality accounting. There are also ongoing issues given the work being done by the DWP Select Committee on pensions.

Achieved: LAPFF made strong response to the Financial Conduct Authority's consultation on relaxing the Listing Regime further. That response was met by equally strong condemnation of the FCA proposals by other large asset owners, including RailPEN. In the light of this, the LAPFF Executive has decided to set up a Capital Markets Working Group.

In Progress: With Parliament coming out of recess for the autumn session, attention will be given to this area, in association with the newly formed Capital Markets Working Group.

Party conference fringe events

Objective: LAPFF hosts fringe events at the political conferences. The meetings are a valuable way for LAPFF to engage with national politicians and stakeholders. The focus of this year's meetings was greenwashing. LAPFF has raised concerns about greenwashing, including in specific company engagements, and the fringe meetings provided the opportunity to raise such concerns with policymakers.

Achieved: Within the quarter, LAPFF held a meeting at the Lib Dem party conference. Alongside the chair of LAPFF, other speakers included Lord Robin Teverson, Lords Spokesperson Energy

and Climate Change, Cllr Keith Melton, Chair of the Green Lib Dems, and Sarah George, Deputy Editor of Edie. LAPFF outlined the work it undertakes, how investors can tackle greenwashing by companies, and the role governments and policymakers could play. The discussion covered how regulations can guard against greenwashing, green taxonomies and labels, the importance of transparency and the role of reporting.

Progress: Meetings at the Conservative and Labour party conferences were planned for the following quarter. LAPFF will also continue to engage national policymakers on the issue and around the importance of reporting and corporate governance standards.

CONSULTATION RESPONSES

UN Consultation on Investors, ESG, and Human Rights

LAPFF has responded to the UN Working Group on Business and Human Rights consultation on investors, ESG, and human rights. The Working Group is tasked with identifying ways to implement the UN Guiding Principles on Business and Human Rights and has been increasingly interested in the role investors can play in this regard. LAPFF set out a range of measures it employs to supporting both ESG and human rights. You can find LAPFF's response posted here on its website.

MEDIA COVERAGE

Climate

Net Zero Investor: [UK stewardship stocktake: engagement at a gridlock?](#)

Human Rights

Corporate Secretary/IR Magazine: [Trillion-dollar coalition calls for human and worker rights focus at ISSB](#)

Investments & Pensions Europe: [Investors urge ISSB to focus on human and labour rights](#)

Edie: [Investment giants press for new global disclosure standards on human rights](#)

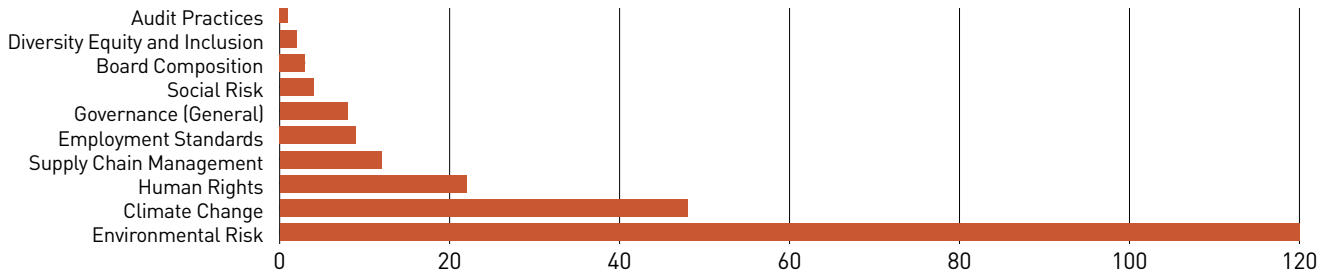
COMPANY PROGRESS REPORT

182 companies were engaged over the quarter. This number includes collaborative engagement letters sent to companies as part of the LAPFF-led Say on Climate initiative and the Nature Action 100 initiative. Excluding these engagement letters, LAPFF engaged with 54 companies.

Company/Index	Activity	Topic	Outcome
AIA GROUP LTD	Sent Correspondence	Environmental Risk	Awaiting Response
ALLIANZ SE	Sent Correspondence	Environmental Risk	Awaiting Response
ALPHABET INC	Sent Correspondence	Diversity Equity and Inclusion	Awaiting Response
APPLE INC	Sent Correspondence	Diversity Equity and Inclusion	Awaiting Response
ASSOCIATED BRITISH FOODS PLC	Received Correspondence	Human Rights	No Improvement
AVIVA PLC	Sent Correspondence	Environmental Risk	Awaiting Response
AXA	Sent Correspondence	Environmental Risk	Awaiting Response
BARRATT DEVELOPMENTS PLC	Sent Correspondence	Climate Change	Awaiting Response
BAYERISCHE MOTOREN WERKE AG	Sent Correspondence	Supply Chain Management	Awaiting Response
BERKSHIRE HATHAWAY INC.	Sent Correspondence	Environmental Risk	Awaiting Response
BOOKING HOLDINGS INC.	Sent Correspondence	Human Rights	Dialogue
BURBERRY GROUP PLC	Meeting	Environmental Risk	Small Improvement
CENTRICA PLC	Received Correspondence	Social Risk	Dialogue
CHINA CONSTRUCTION BANK CORP	Meeting	Climate Change	Dialogue
CHINA LIFE INSURANCE (CHN)	Sent Correspondence	Environmental Risk	Awaiting Response
DEVON ENERGY CORPORATION	Sent Correspondence	Environmental Risk	Dialogue
FEDEX CORPORATION	Alert Issued	Climate Change	Dialogue
FORD MOTOR COMPANY	Sent Correspondence	Human Rights	Awaiting Response
GENERAL MOTORS COMPANY	Sent Correspondence	Human Rights	Awaiting Response
GRUPO MEXICO SA DE CV	Meeting	Human Rights	Dialogue
HENNES & MAURITZ AB (H&M)	Received Correspondence	Human Rights	Dialogue
J SAINSBURY PLC	Received Correspondence	Employment Standards	Satisfactory Response
KKR & CO INC	Sent Correspondence	Board Composition	Awaiting Response
LEGAL & GENERAL GROUP PLC	Meeting	Environmental Risk	Awaiting Response
LLOYDS BANKING GROUP PLC	Sent Correspondence	Environmental Risk	Awaiting Response
MARKS & SPENCER GROUP PLC	Received Correspondence	Employment Standards	Satisfactory Response
MERCEDES-BENZ GROUP AG	Sent Correspondence	Human Rights	Awaiting Response
META PLATFORMS INC	Sent Correspondence	Human Rights	Awaiting Response
METLIFE INC.	Sent Correspondence	Environmental Risk	Awaiting Response
MIZUHO FINANCIAL GROUP INC	Meeting	Climate Change	Small Improvement
MUENCHENER RUECK AG (MUNICH RE)	Meeting	Environmental Risk	Awaiting Response
NATIONAL GRID GAS PLC	AGM	Climate Change	Dialogue
NESTLE SA	Sent Correspondence	Climate Change	Awaiting Response
NORTHUMBRIAN WATER GROUP	Meeting	Environmental Risk	Moderate Improvement
OCCIDENTAL PETROLEUM CORPORATION	Sent Correspondence	Environmental Risk	Dialogue
PERSIMMON PLC	Sent Correspondence	Climate Change	Awaiting Response
PING AN INSURANCE GROUP	Sent Correspondence	Environmental Risk	Awaiting Response
PRUDENTIAL PLC	Sent Correspondence	Environmental Risk	Awaiting Response
RENAULT SA	Sent Correspondence	Human Rights	Awaiting Response
RIO TINTO GROUP (AUS)	Sent Correspondence	Human Rights	Dialogue
RYANAIR HOLDINGS PLC	Alert Issued	Remuneration	No Improvement
SALESFORCE INC	Sent Correspondence	Board Composition	Awaiting Response
SEVERN TRENT PLC	Meeting	Environmental Risk	Moderate Improvement
SHINHAN FINANCIAL GROUP LTD	Sent Correspondence	Board Composition	Awaiting Response
SSE PLC	AGM	Climate Change	Dialogue
SUZANO SA	Meeting	Climate Change	Small Improvement
TAYLOR WIMPEY PLC	Sent Correspondence	Climate Change	Awaiting Response
TESLA INC	Sent Correspondence	Human Rights	Awaiting Response
THE PROCTER & GAMBLE COMPANY	Sent Correspondence	Environmental Risk	Awaiting Response
TOTAL ENERGY SERVICES INC	Sent Correspondence	Human Rights	Dialogue
UNILEVER PLC	Meeting	Human Rights	Small Improvement
UNITED UTILITIES GROUP PLC	Meeting	Environmental Risk	Moderate Improvement
VALE SA	Sent Correspondence	Human Rights	Dialogue
VOLKSWAGEN AG	Meeting	Human Rights	Small Improvement
VOLVO AB	Meeting	Human Rights	Small Improvement
WH SMITH PLC	Received Correspondence	Audit Practices	Satisfactory Response
WHITBREAD PLC	Received Correspondence	Employment Standards	Satisfactory Response
ZURICH INSURANCE GROUP AG	Sent Correspondence	Environmental Risk	Awaiting Response

ENGAGEMENT DATA

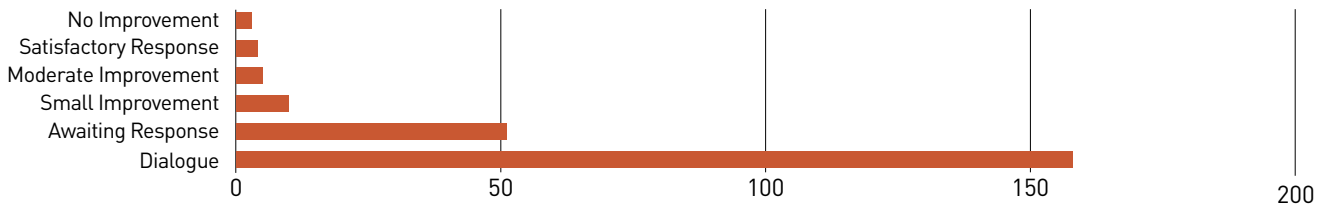
ENGAGEMENT TOPICS



ACTIVITY



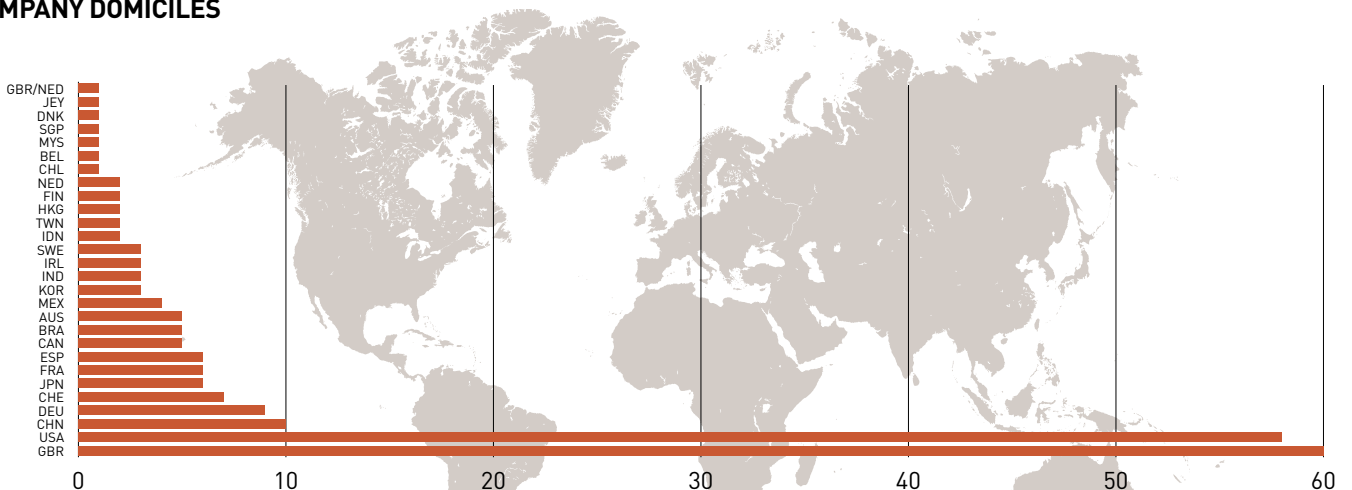
MEETING ENGAGEMENT OUTCOMES



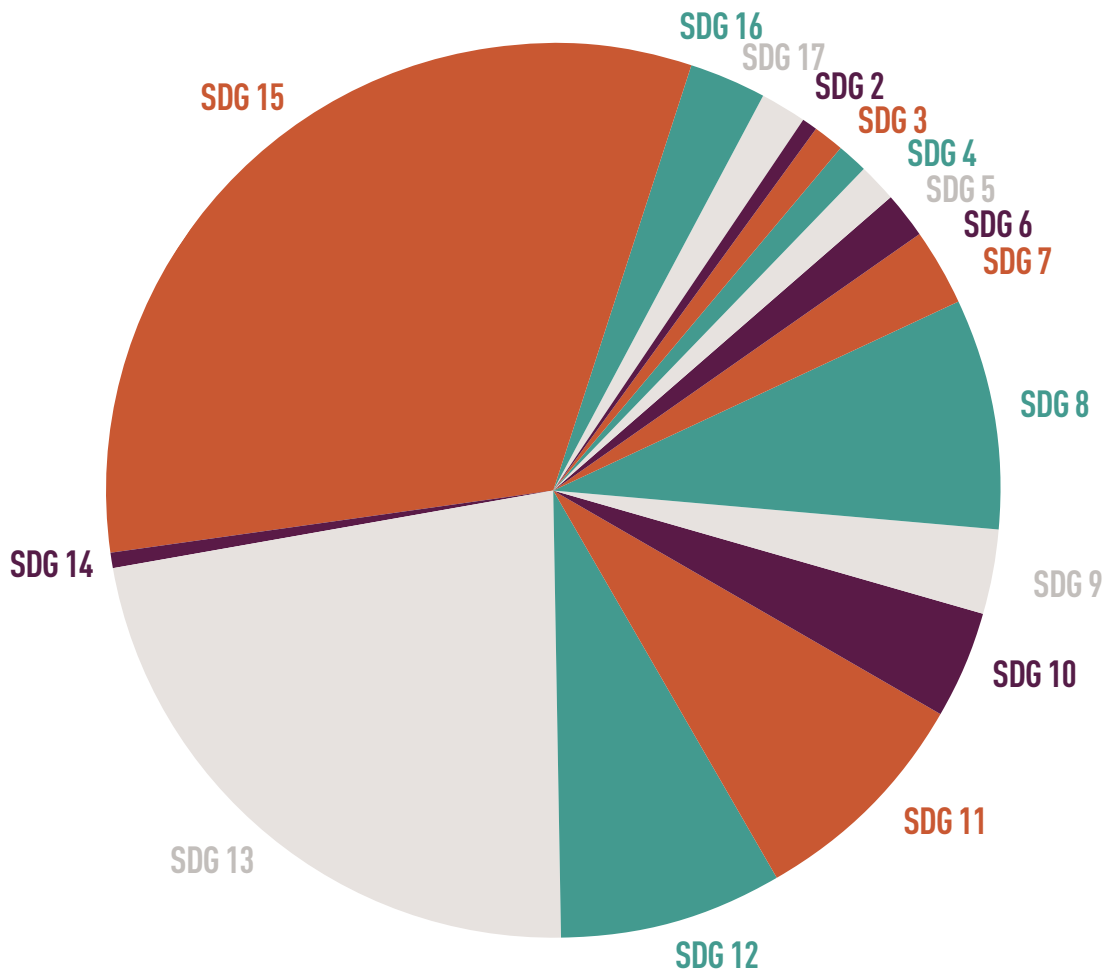
POSITION ENGAGED



COMPANY DOMICILES



ENGAGEMENT DATA



LAPFF SDG ENGAGEMENTS

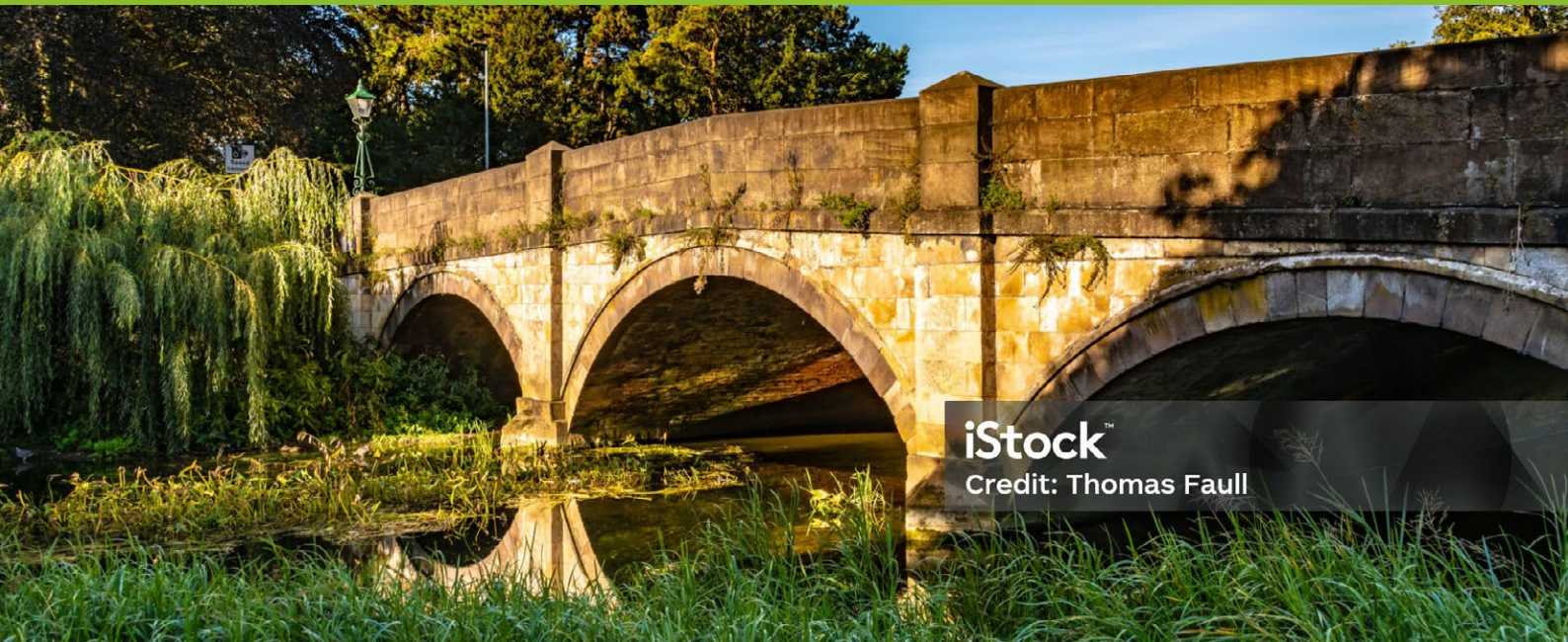
SDG 1: No Poverty	0
SDG 2: Zero Hunger	2
SDG 3: Good Health and Well-Being	4
SDG 4: Quality Education	4
SDG 5: Gender Equality	4
SDG 6: Clean Water and Sanitation	6
SDG 7: Affordable and Clean Energy	9
SDG 8: Decent Work and Economic Growth	27
SDG 9: Industry, Innovation, and Infrastructure	10
SDG 10: Reduced Inequalities	13
SDG 11: Sustainable Cities and Communities	27
SDG 12: Responsible Production and Consumption	27
SDG 13: Climate Action	73
SDG 14: Life Below Water	2
SDG 15: Life on Land	106
SDG 16: Peace, Justice, and Strong Institutions	9
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	5

LOCAL AUTHORITY PENSION FUND FORUM MEMBERS

Avon Pension Fund	Environment Agency Pension Fund	Lincolnshire Pension Fund	Swansea Pension Fund
Barking and Dagenham Pension Fund	Essex Pension Fund	London Pension Fund Authority	Teesside Pension Fund
Barnet Pension Fund	Falkirk Pension Fund	Lothian Pension Fund	Tower Hamlets Pension Fund
Bedfordshire Pension Fund	Gloucestershire Pension Fund	Merseyside Pension Fund	Tyne and Wear Pension Fund
Berkshire Pension Fund	Greater Gwent Pension Fund	Merton Pension Fund	Waltham Forest Pension Fund
Bexley (London Borough of)	Greater Manchester Pension Fund	Newham Pension Fund	Wandsworth Borough Council Pension Fund
Brent (London Borough of)	Greenwich Pension Fund	Norfolk Pension Fund	Warwickshire Pension Fund
Cambridgeshire Pension Fund	Gwynedd Pension Fund	North East Scotland Pension Fund	West Midlands Pension Fund
Camden Pension Fund	Hackney Pension Fund	North Yorkshire Pension Fund	West Yorkshire Pension Fund
Cardiff & Glamorgan Pension Fund	Hammersmith and Fulham Pension Fund	Northamptonshire Pension Fund	Westminster Pension Fund
Cheshire Pension Fund	Haringey Pension Fund	Nottinghamshire Pension Fund	Wiltshire Pension Fund
City of London Corporation Pension Fund	Harrow Pension Fund	Oxfordshire Pension Fund	Worcestershire Pension Fund
Clwyd Pension Fund (Flintshire CC)	Havering Pension Fund	Powys Pension Fund	
Cornwall Pension Fund	Hertfordshire Pension Fund	Redbridge Pension Fund	Pool Company Members
Croydon Pension Fund	Hillingdon Pension Fund	Rhondda Cynon Taf Pension Fund	ACCESS Pool
Cumbria Pension Fund	Hounslow Pension Fund	Scottish Borders Pension Fund	Border to Coast Pensions Partnership
Derbyshire Pension Fund	Isle of Wight Pension Fund	Shropshire Pension Fund	LGPS Central
Devon Pension Fund	Islington Pension Fund	Somerset Pension Fund	Local Pensions Partnership
Dorset Pension Fund	Kensington and Chelsea (Royal Borough of)	South Yorkshire Pension Authority	London CIV
Durham Pension Fund	Kent Pension Fund	Southwark Pension Fund	Northern LGPS
Dyfed Pension Fund	Kingston upon Thames Pension Fund	Staffordshire Pension Fund	Wales Pension Partnership
Ealing Pension Fund	Lambeth Pension Fund	Strathclyde Pension Fund	
East Riding Pension Fund	Lancashire County Pension Fund	Suffolk Pension Fund	
East Sussex Pension Fund	Leicestershire Pension Fund	Surrey Pension Fund	
Enfield Pension Fund	Lewisham Pension Fund	Sutton Pension Fund	

Stewardship Update

SECOND QUARTER · 2023-24 (JULY - SEPTEMBER 2023)



Responsible Investment & Engagement:

LGPS Central's approach



LGPS Central's approach to Responsible Investment & Engagement carries two objectives:

OBJECTIVE #1

Support investment objectives

OBJECTIVE #2

Be an exemplar for RI within the financial services industry, promote collaboration and raise standards across the marketplace

These are met through three pillars:



This update covers LGPS Central's *stewardship* activity. Our stewardship efforts are supplemented by global engagement and voting services provided by EOS at Federated Hermes. For more information, please refer to our Responsible Investment & Engagement Framework and Annual Stewardship Report.

ADDITIONAL DISCLOSURES

Responsible Investment & Engagement Framework	Annual Stewardship Report	Voting Principles	Voting Disclosure	Voting Statistics
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Signatory of: Principles for Responsible Investment	STEWARDSHIP CODE	Member	LGPS ADVISORY BOARD CODE OF TRANSPARENCY
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01 A summary of engagement and voting activities and key stewardship developments

Key Stewardship developments

- Taskforce on Nature-related Financial Disclosures:** Biodiversity has been the subject of increased attention from the Responsible Investment community. Several investor initiatives, such as Nature Action 100 and PRI's Nature Reference Working Group, have been announced this quarter. The Taskforce on Nature-related Financial Disclosures (TNFD) was launched at Climate Week NYC, after two years of development and testing. The TNFD's 14 recommendations have been released, and the reporting framework is now officially open for market adoption. Several prominent firms, including GlaxoSmithKline, have announced that they will adopt the recommendations and publish their first TNFD disclosures from 2026. This framework, which is largely based on the Taskforce for Climate-related Financial Disclosure (TCFD) framework, requires organizations to disclose how biodiversity is incorporated into the same four key pillars: Governance; Strategy; Risk Management; and Metrics and Targets.
 - Voting Season 2023 Summary:** the 2023 vote season was characterised by investor frustration over companies' inadequate responses to climate change, and stakeholder concerns about labour rights and pay as the cost-of-living crisis continued to bite. Shareholders continued to call for change at companies this year, bringing a raft of proposals in the US and Europe on collective bargaining rights, climate lobbying, child safety in the digital realm, animal welfare, racial equity and tax transparency. Executive compensation also came under scrutiny as the cost-of-living crisis continued. Companies continued to give investors the opportunity to vote on their climate transition plans – either for the first time, or by providing an annual update to already-approved plans.
- However, there was a marked reduction in the number versus 2022, according to EOS tracking data.
- During the period, the team also joined efforts with the **Nature Action 100** and the **CDP Science-Based Target** engagement programmes. Nature Action engages companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030. The CDP Science-Based Target engagement programme will request more than 2,100 high-emitting companies to set science-based emission reduction targets. The company's outreach of both initiatives is set for the next quarter (i.e., 2023 Q4).
 - Last but not least LGPS Central launched a **proprietary tool** for tracking engagement activities, including advocacy-type engagements. The tool will track progress against engagement's KPIs and it is fully integrated with the 2024-2027 Stewardship Plan.

STEWARDSHIP THEME REVIEW

As part of the three yearly Stewardship theme refresh, throughout October 2023, LGPSC's Stewardship team met with all Partner Funds to discuss a proposed set of stewardship themes. We will collate feedback and discuss with all our Partner Funds with a view to agree a revised set of stewardship themes for the next three years. We would like to thank all Partner Funds for their continued engagement throughout this process.



Below is a high-level summary of key engagements and AGM votes that have taken place during Q2 of the financial year 2023-24. These and other engagements and voting examples will be covered in more detail later in this update.

ENVIRONMENTAL

Société Générale is the fifth largest European provider of financing to 50 of the top oil and gas companies, having provided over \$34 billion between 2016 – 2021¹. In February 2023, LGPSC co-signed a letter to Société Générale's Chief Executive Officer and Chairman of the Board of Directors, requesting that the company commit to stopping direct financing for new Oil & Gas fields. We attended an engagement call with the firm's Chief Sustainability Officer in September 2023. As responsible investors we were pleased to learn that the company committed to cease financing upstream oil and gas pure players and new greenfield projects from 1st January 2024. The firm also unveiled its refreshed [Oil and Gas policy](#) with several new net zero targets. There is potential to re-engage with the company in H1 2024 to discuss extending the commitment to cease financing new oil and gas fields. There is an opportunity to include state-owned companies in this commitment and to discuss the firm's approach to the Just Transition.

We recognise our fiduciary duty to act in the best long-term interests of our beneficiaries and the crucial role that tropical forests and other types of native vegetation play in tackling climate change, protecting biodiversity and ensuring ecosystem services. To this end, LGPSC are active members in the collaborative investor initiative, **Investor Policy Dialogue on Deforestation (IPDD)**. IPDD sent a letter to several Brazilian Senators raising concerns over Projeto de Lei 2903 which risks undermining protection for indigenous territory and thereby facilitating deforestation. The letter outlines the key role indigenous communities play in ensuring compliance with Brazil's world-leading Forest Code and makes clear that IPDD would like to see the proposed legislation defeated in the Senate.

In response to the government's recent public statements and policy signals, LGPSC co-signed a [letter](#) to **Prime Minister Rishi Sunak** in August 2023, along with investment manager, banks, asset owners and other financial institutions representing £1.5 trillion in Assets Under Management. The letter urged the

government to provide long-term policy certainty to ensure the UK is a world leader in sustainable finance by making clear that important policy pillars driving investment, like predictable carbon pricing mechanisms, the transition to EVs, and improved energy efficiency standards for housing, will not be changed abruptly.

SOCIAL

We are directly engaging with an **Information Technology company** on the issue of upholding the [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#). We held a meeting with the Chief Compliance Officer in September 2023 to discuss our expectations of the company to undertake human rights due diligence and have established access to remedy programmes encompassing human rights. We requested to see evidence of the firm's Human Rights Due Diligence assessment. We will continue to pursue this engagement.

As part of the PRI Tax Engagement, LGPSC is leading on the review of the Experian's latest Tax report. Feedback will be discussed with the other members of the group. Whilst the company's tax disclosure remains good, there has not been much improvement from previous years. Country to country reporting remains outstanding, as well as explanation behind the changes in the tax rate.

GOVERNANCE

LGPSC responded to the Corporate Governance Code and the FCA Vote Report consultations. The FRC is proposing a revision to the Code to enhance its effectiveness in promoting good corporate governance. The main changes focus on strengthening assurance in accordance with a company's audit and assurance policy, and reporting on malus and clawback arrangements. This Vote Reporting Group consultation proposes a voluntary, standardised, and comprehensive 'vote reporting template' for asset managers to communicate with asset owner clients on their voting activities.

¹ Oil-Gas-Expansion-lose-lose.pdf (assets-servd.host)

Voting highlights

Constellation Brands

CONSTELLATION BRANDS, INC.

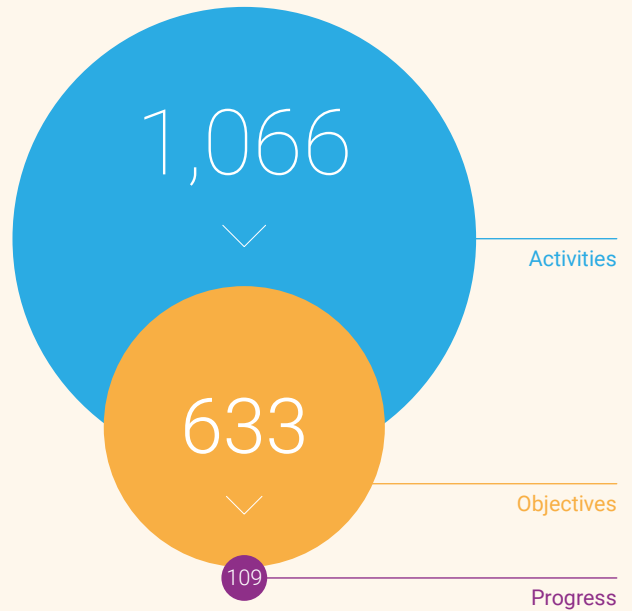
We supported a shareholder proposal requesting a report disclosing how the company intends to reduce the full range of its Scope 1 through 3 greenhouse gas emissions in alignment with the Paris Agreement’s 1.5-degree Celsius goal requiring Net Zero emissions by 2050. Constellation Brands can be viewed as a laggard in comparison to other alcoholic beverage companies including Molson Coors, Anheuser-Busch InBev, and Diageo who have all set Paris aligned targets. These targets have been validated by the Science Based Targets initiative for their Scope 1, 2, and 3 emissions. Given the firm’s lagging position relative to its peers, we supported this shareholder resolution. We believe that shareholders would benefit from additional information on how the company plans to align its operations with the Paris Agreement goals, manage its greenhouse gas emissions, and address climate risks. See further detail on page 13.



NIKE, INC.

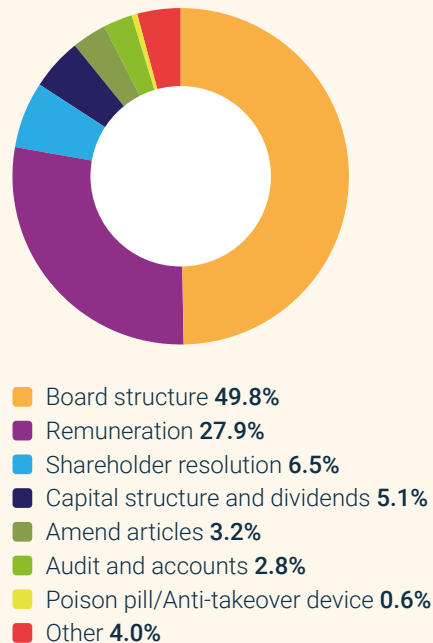
A shareholder proposal was put forward requesting NIKE to report on its gender and racial pay gaps, including various associated risks. The median pay gap statistic provides benefits such as transparency and comparability across time and organisations, as well as measuring the representation of women and racial and ethnic minorities in senior positions. As the company discloses its pay gap data for its UK workforce, investors would benefit from a report concerning the unadjusted median pay gap data for its U.S. or its global workforce. This report would allow them to better gauge how well the company is advancing opportunities for women globally and for racial and ethnic minorities in the U.S. It also assists in mitigating risks related to the increasing public scrutiny on gender and racial/ethnic pay equity issues. This is particularly relevant for NIKE as the company is currently facing a lawsuit alleging sexism and unequal pay for women. We supported this shareholder resolution because we would benefit from global median pay gap statistics, which would allow us to compare and measure the progress of the company’s diversity and inclusion initiatives. See further detail on page 13.

ENGAGEMENT ACTIVITIES DURING THE QUARTER



GLOBAL VOTING

We recommended voting against or abstained on **494** resolutions over the last quarter.



02 Engagement case studies



Below, we give more detailed examples of ongoing or new engagements which relate to the four stewardship themes that have been identified in collaboration with our Partner Funds.



<p>ENGAGEMENT SET² COMPRISED</p> <p>439</p> <p>COMPANIES</p>	<p>ENGAGEMENT ACTIVITY ON</p> <p>1066</p> <p>ISSUES AND OBJECTIVES³</p>
<p>THERE WERE</p> <p>633</p> <p>OBJECTIVES</p>	<p>ACHIEVEMENT OF SOME OR ALL ON</p> <p>109</p> <p>OBJECTIVES</p>

This quarter our engagement set² comprised 439 companies. There was engagement activity on 1066 engagement issues and objectives³. Against 633 specific objectives, there was achievement of some or all on 109 occasions. Most engagements were conducted through letter issuance or remote company meetings, where we, our partner or our stewardship provider in a majority of cases met or wrote to the Chair, a Board member or a member of senior management.

² This includes engagements undertaken directly, in collaboration, and via our contracted Stewardship Provider.

³ There can be more than one engagement issue per company, for example board diversity and climate change.

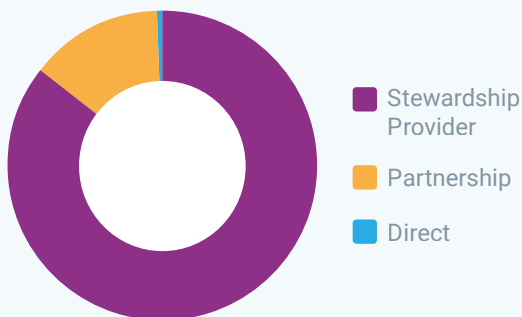


CLIMATE CHANGE ENGAGEMENTS

This quarter, our climate change engagement set comprised 196 companies with 355 engagement issues and objectives⁴. There was progress on 57 specific engagement objectives.

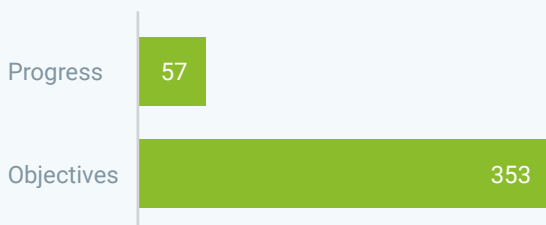


ENGAGEMENT VOLUME BY TYPE



- 353 engagements during the quarter.

ENGAGEMENT VOLUME BY OUTCOME



BANK OF IRELAND GROUP PLC

Theme: Climate Change

Objective: Bank of Ireland Group PLC (the 'Bank') is investigating ways to implement full scope emissions targets for its operations and Scope 3 portfolio emissions, and how this will align with science-based pathways. This strategy implies changes to lending practices as well as managing down legacy emissions in historical lending. Our stewardship provider, EOS at Federated Hermes ('EOS') have set an objective for this to be achieved, with a net-zero target across all scopes and lending that can be achieved well before 2050.

Engagement: During a Q3 2022 engagement, the bank provided an outline of its intended strategy to disclose a planned science-based pathway for Scopes 1, 2 and 3 and lending portfolio emissions reductions. EOS engaged with the bank throughout the process and reported on the bank's progress on the science-based pathway, and the strategy to achieve this, as well as greater detail on how net zero can be achieved. EOS also reviewed its sustainable business disclosure, which has outlined the work it will carry out in its internal asset class working groups to establish approaches to science-based targets.

⁴ There can be more than one climate-related engagement issue and/or objective per company.

Outcome: At the end of Q3 2023, the bank has published a full and detailed strategy for science-based emissions reduction pathways of which the targets have been validated by the SBTi. These consist of a 49% reduction in GHG emissions from operations (Scope 1 and 2) by 2030 and reduction targets have been set for emissions arising from lending (Scope 3). To achieve this, the Bank has increased sustainable lending by committing to a 48% reduction in mortgage portfolio emissions and a 56% reduction in commercial real estate portfolio emissions by 2030, with 2020 as the base year.

Under the targets, 25% of the Bank's corporate loan portfolio will also need to have SBTi-validated targets by 2025. Whilst the wider objective is achieved, EOS continues to engage with the Bank on how it is executing against the commitments to complete the requirement above.

In Q3 2023, EOS discussed challenges and opportunities of executing lending against emissions pathways. The Bank have implemented strategies to increase adoption of decarbonisation, adaptation and resilience-related lending amongst agriculture and home mortgage borrowers. EOS will continue to monitor achievement of emissions and lending targets and provide feedback on how the bank is providing quantitative disclosure in this regard.

DELTA ELECTRONICS INC

Theme: Climate Change

Objective: The objective is for the company to enhance its disclosure in line with the TCFD recommendations to demonstrate that its strategy is consistent with the Paris Agreement goals or the International Energy Agency's 1.5 degrees scenario.

Engagement: Our stewardship partner, EOS at Federated Hermes (EOS) raised concerns about the company's use of internal carbon funds or capex to fund its climate transition. The company stated it has been using internal carbon funds or capex to fund other activities in order to meet its carbon neutrality goals. During an engagement in November 2021, EOS requested further disclosure on the use of the fund. EOS discussed the company's internal carbon pricing and asked how the mechanism, whereby internally generated funds are directed to energy conservation, emissions reduction, and renewable energy investment, works in practice. The company was unable to provide a detailed answer, investor relations advised that more information should be provided in the upcoming ESG report.

Outcome: Delta Electronics' 2022 ESG report contains significant new information on how its internal pricing mechanism helps it to achieve its climate ambitions. It quantifies funds totalling US\$120m raised by the mechanism in 2022. The report explained the carbon fee charged by the mechanism and also explained how the mechanism is used to help finance its transition to electric vehicles, which is in line with its commitment to using only zero-emission company vehicles by 2030.

SUZANO SA

Theme: Biodiversity

Objective: Our stewardship provider, EOS at Federated Hermes (EOS) scrutinised the company's long-term biodiversity strategy. The company was requested to produce evidence in terms of biodiversity restoration, land use and social impact outcomes in its 2021 to 2023 disclosures. The strategy needs to account for and report against historic problems in biodiversity and land use that the company has faced in previous decades.

Engagement: Following the 2021's Company biodiversity strategy and targets, EOS has engaged with the company on disclosure on the targets and its long-term alignment towards biodiversity restoration and land use. In addition, the Company has previously faced criticism on its approach towards land use and biodiversity.

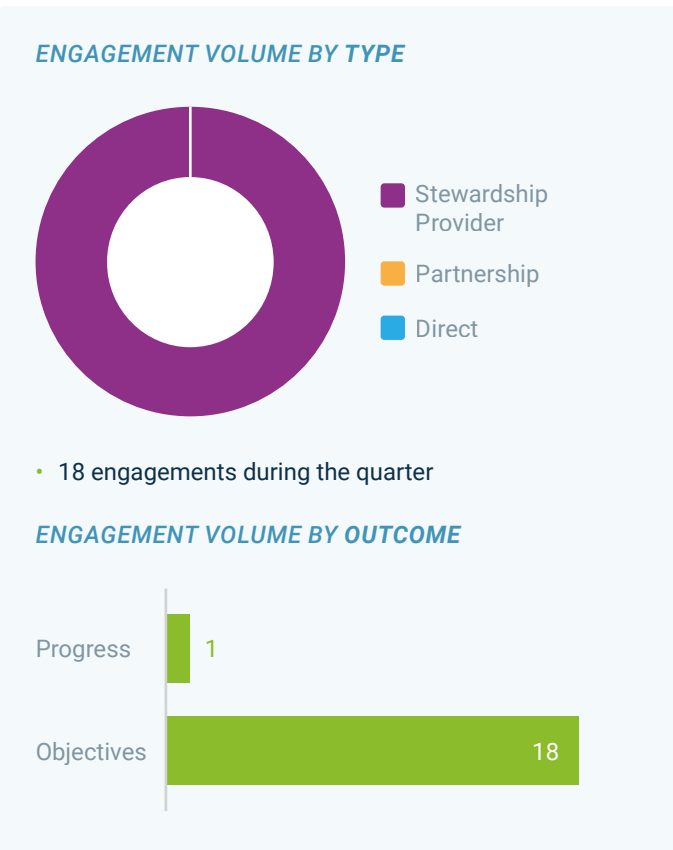
Outcome: The Company has set up a target on restoring ecological connective corridors in three focus biomes. This will lead to biodiversity restoration across a total of 4 million hectares to be conserved overall. The target covers directly owned lands and expands to joint ventures. As of 2022, around 180 hectares have been planted, about 1% of its restoration goal. Despite initially slow progress, the company is encouraged to remain committed to its long-term partnership and ambition, given the environmental and social materiality of resilient biomes to the company's financial health.

The engagement is still ongoing. The company reports the impact the strategy is having in its 2021 ESG disclosures and changes made to improve effectiveness. The company has begun to demonstrate early results of its biodiversity, land use their reporting, but more progress is needed. Our engagement provider, EOS, continues to monitor this.



PLASTIC ENGAGEMENTS

This quarter our plastic-related engagement set comprised 17 companies with 18 engagement issues and objectives. There was progress on 1 specific engagement objective.



ANSELL LTD

Theme: Plastics

Objective: We seek to engage with companies that are directly or indirectly involved in plastic pollution or with companies that could contribute to the path of a circular economy. The objective is for the company to develop and publishes a circular economy strategy with goals that include sourcing, demand, use and disposal.

Engagement: In the most recent engagement, held in Q3 2023, the company confirmed to EOS, our partner, plans to launch a new framework to outline the sustainability characteristics of individual products. It is calling this initiative Ansell Earth and expects it to be helpful in informing customer choice on sustainability. This supports its target for 80% of products to be designed with a reduced environmental impact by 2026. The company has also undertaken a lifecycle analysis of the environmental impact of multiple products. For its reusable gloves, around 50% of the carbon footprint relates to the yarn, while for its single-use gloves the biggest impacts occur at manufacturing (being addressed) and through end-of-life waste generation. The creation of a dedicated team of sustainability specialists that work across innovations underlines the increased importance of sustainability at Ansell. In 2023 it partnered with a French recycling company to trial the processing of gloves, including nitrile gloves, into second life material for use.

Outcome: EOS will continue to engage with the company until the firm has developed and published a robust circular economy strategy as outlined in the engagement objective.

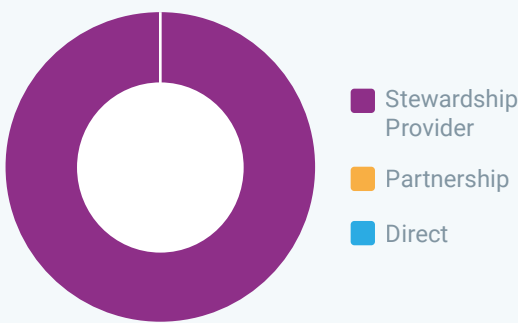


FAIR TAX PAYMENT AND TAX TRANSPARENCY ENGAGEMENTS

This quarter, our tax transparency engagement set comprised 1 company with 2 engagement issues and objectives.



ENGAGEMENT VOLUME BY TYPE



- 2 engagements during the quarter

EXXON MOBIL CORP

Theme: Responsible Taxation policy

Objective: The objective is for the company to publish a responsible taxation policy in line with the Global Reporting Initiative Tax Fairness Standard, and disclose itemised payments to governments at the national, state, and local levels.

Engagement: In February 2023, our Stewardship Partner, EOS at Federated Hermes, encouraged the company to publish a responsible taxation policy in line with the Global Reporting Initiative Tax Fairness Standard, and disclose itemised payments to governments at the national, state, and local levels. In response, the company said it was prepared to increase disclosure on the topic in line with emerging Dodd Frank regulations - regulation that restricts banks from trading with their own funds, monitors systemic risk, tightens regulation of financial products, and creates new agencies to oversee the process.

Outcome: In Q3 2023, the company outlined that it is prepared to comply with emerging tax regulations that require country-by-country reporting. EOS will continue to engage with the firm on this matter.



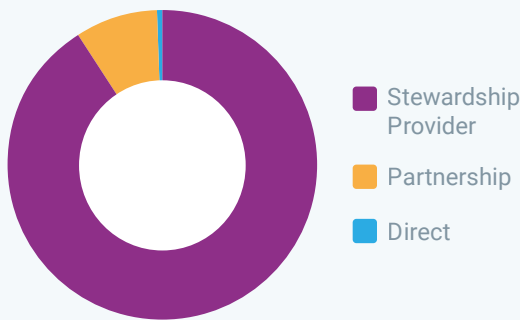
HUMAN RIGHTS

This quarter our human rights related engagements comprised 129 companies with 223 engagements issues and objectives. There was progress on 29 specific engagement objectives.



iStock
Credit: jacoblund

ENGAGEMENT VOLUME BY TYPE



- 223 engagements during the quarter

NESTLE SA

Objective: The objective of this engagement is to ensure the company is advocating for the industry to stop the marketing of unhealthy products to children under 18 years of age and extends its Responsible Marketing to Children Policy to all children under the age of 18.

Engagement: EOS raised concerns regarding the absence of company advocacy for the industry to stop the marketing of unhealthy products to children under 18 years of age and the importance of extending its Responsible Marketing to Children Policy to all children under the age of 18. Our

engagement provider challenged marketing policies that allow for up to 25% of marketing to target children under 12 and questioned why its 'Responsible Marketing to Children Policy' cannot be extended to all children under the age of 18. The company acknowledged their concerns but argued that there needs to be an industry-wide level-playing field on marketing policy. As a result, our stewardship provider pushed the company to evidence that it is advocating for the industry to stop the marketing of unhealthy products to children under 18 years of age as well extending its own policy to this whole age group. EOS participated in a collaborative Access to Nutrition Index engagement with the company's head of public affairs, head of food, and head of governance in Q4 2022 to further challenge the company on responsible marketing to children.

Outcome: The company raised its minimum age for marketing to children from 13 years to 16 years and its advocacy plan to raise industry standards. The company reiterated its recent commitment during a collaborative engagement with the Healthy Markets Coalition and the company's global head of food and global head of public affairs in Q4 2022. During ShareAction's Healthy Markets Coalition in July 2023, we found that the company is strengthening its responsible marketing to children, and refrains from marketing indulgent products or portions over a certain number of calories to children under 16 years of age.

03 Voting

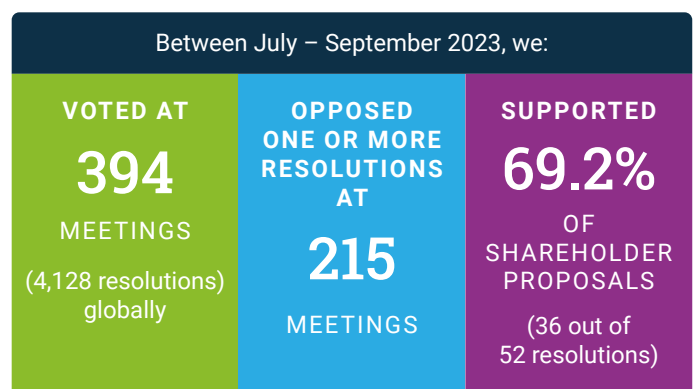


POLICY

For UK listed companies, we vote our shares in accordance with a set of bespoke LGPSC UK Voting Principles. For other markets, we consider the recommendations and advice of our third-party proxy advisor, EOS at Federated Hermes.

LGPS Central's approach to voting aligns with our responsible stewardship responsibility towards clients, i.e. Partner Funds. LGPS Central exercises voting rights to support the long-term economic interests of its stakeholders and to ensure boards of directors are accountable to shareholders.

COMMENTARY



A full overview of voting decisions for securities held in portfolios within the Company's Authorised Contractual Scheme (ACS) – broken down by market, issues and reflecting number of votes against and abstentions – can be found on our website [here](#).

EXAMPLES OF VOTING DECISIONS



Constellation Brands

Company: Constellation Brands Inc

Theme: Climate Change

Rationale: We supported a shareholder proposal requesting a report disclosing how the company intends to reduce the full range of its Scope 1 through 3 greenhouse gas emissions in alignment with the Paris Agreement's 1.5 degree Celsius goal requiring Net Zero emissions by 2050. Most of the firm's emissions fall under Scope 3, which is not covered by its current emissions targets. According to the company's ESG Impact Report 2022, it aims to reduce Scope 1 and Scope 2 greenhouse gas emissions by 15 percent by FY 2025, from a baseline FY 2020 emissions. The firm is implementing a three-year strategy and operating plans to achieve its targets. However, Constellation Brands can be viewed as a laggard in comparison to other alcoholic beverage companies including Molson Coors, Anheuser-Busch InBev, and Diageo who have all set Paris aligned targets. These targets have been validated by the Science Based Targets initiative for their Scope 1, 2, and 3 emissions. Given the firm's lagging position relative to its peers, we supported this shareholder resolution. We believe that shareholders would benefit from additional information on how the company plans to align its operations with the Paris Agreement goals, manage its greenhouse gas emissions, and address climate risks.

Result: The vote received 31.0% support which sends a strong message to the Board that investors would like to see improved greenhouse gas disclosures, in line with peers.



Company: NIKE, Inc

Theme: Human Rights

Rationale: A shareholder proposal was put forward requesting NIKE to report on its gender and racial pay gaps, including various associated risks. NIKE does not publish for its U.S. or global workforce the same gender pay gap statistic as it publishes in the UK. The company is facing a lawsuit filed in 2018, by two former employees alleging the company promoted a culture of sexism and fear of retaliation as well as unequal pay for women.

The median pay gap statistic provides benefits such as transparency and comparability across time and organisations, as well as measuring the representation of women and racial and ethnic minorities in senior positions. As the company discloses its pay gap data for its UK workforce, investors would benefit from a report concerning the unadjusted median pay gap data for its U.S. or its global workforce. This report would allow them to

better gauge how well the company is advancing opportunities for women globally and for racial and ethnic minorities in the U.S. It also assists in mitigating risks related to the increasing public scrutiny on gender and racial/ethnic pay equity issues. This is particularly relevant for NIKE as the company is currently facing a lawsuit alleging sexism and unequal pay for women. We supported this shareholder resolution because we would benefit from global median pay gap statistics that would allow us to compare and measure the progress of the company's diversity and inclusion initiatives.

Result: The proposal received 29.6% support which sends a strong signal to NIKE's Board on investor concern over the firm's approach to Diversity, Equity, and Inclusion.



Company: FedEx Corporation

Theme: Climate Change

Rationale: We supported a shareholder proposal that requested the Board of Directors to commission an independent study of how FedEx is addressing the impact of its climate change strategy on relevant stakeholders, including but not limited to its employees, workers in its supply chain, and communities in which it operates. The report should be consistent with the "Just Transition" guidelines of the International Labor Organization and indicators of the World Benchmarking Alliance.

The World Benchmarking Alliance's 2022 Transportation Benchmark report scored FedEx 1.9 out of 20 on the Just Transition and raised concerns about sufficient disclosure and strategy around planning for the impact of the low-carbon energy transition on workers and communities. The firm is pursuing electric and autonomous vehicles as part of its climate strategy and research suggesting that the shift to electric vehicles and autonomous vehicles may introduce significant workplace challenge. As responsible investors we are interested in how FedEx will manage these impacts. The company does not provide disclosure around whether it anticipates its climate strategy to have a significant impact on its workforce development strategy. It is also unclear whether its current workforce development efforts would be well-positioned to address potential changes. While the company's efforts exceed those of its key peers, in this case, there appear to be concerns about the state of disclosure within the entire transportation sector. Greater disclosure around the company's just transition strategy would allow shareholders to better evaluate any related risks and opportunities.

Result: The proposals received 29.7% shareholder support and continues to send a strong message to the Board that investors are cognisant of risks associated with the Just Transition.



Company: Wizz Air Holdings Plc

Theme: Remuneration

Rationale: Shareholder approval was sought for a non-binding resolution to approve the company's remuneration policy, which would be effective from August 2023 to August 2026. The company proposed to amend the performance conditions and period of the Value Creation Plan (VCP) award granted to the CEO in 2021. Key changes to the in-flight policy include:

- The performance period is being extended from five years to seven years;
- Amendments have been made to allow full payout if 100% target share price is hit during two consecutive quarters before end date, otherwise defaulting to measured achievement based on 1H CY 2028 VWAP.
- The Company is removing the financial underpin related to the payout of the ESG portion of the award.

As a responsible investor, we have concerns about the changes in the executive package. The removal of financial underpin relaxes the conditions for the award being granted which is worsened by the fact that full payout can be paid if the 100% target share price is achieved during 2 consecutive quarters. We believe these metrics are not stretching and as challenging as the original executive policy (e.g. financial underpin attached to the ESG metrics).

Result: The proposal resulted in 28.2% voting against the resolution. Although the resolution passed it sent a strong message to the company over investor concern of the remuneration policy.

LGPS CENTRAL LIMITED'S

Partner Organisations

LGPS actively contributes to the following investor groups





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All information is prepared as of **24/08/2023**.

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