

## Mark Kemp-Gee

As a practical supporter of ACAN, I am pleased to report that I have solar panels on my roof and a ground source heat pump which was installed some 6 years ago and is working perfectly! So you can see that I have been personally interested in this important area of reducing carbon emissions for some considerable time.

With regard to your question as to what I have contributed at County Hall in terms of our climate change agenda, I have wholeheartedly supported the cross-party initiative to declare a Climate Change Emergency and I note that the Leader of the County Council has written to you recently pointing out that details, of how we are to be carbon neutral as a county council, are covered on our website "Responding to Climate Change/Hampshire County Council ([hants.gov.uk](https://www.hants.gov.uk))".

Already a number of significant practical steps have been taken from rolling out electric vehicles for our transport fleet, to introducing electric vehicle charging points for public use, to establishing a climate emergency unit at County with a Climate Change Champion, to introducing, wherever practical, PVC's on school and council buildings' roofs. Also, all decisions taken at County are required to be examined in order to comply with our climate change agenda.

We, in essence, have a strategic action plan in place for achieving carbon neutrality by 2050 in line with the Government's timetable reaffirmed by the Sixth Carbon Budget published in December. As I said, I support this policy.

We also await further details of the Environment Bill, currently going through the House of Commons, as to what new measures will be required from Local Authorities to enhance performance - particularly recycling - in this whole area. My support for more and better recycling and opposition to further incineration in Hampshire is made abundantly clear in my election address to the voters of the Alton Rural Division.

Turning now to Hampshire Pension Fund matters. I have been Chairman of the Fund for the last 10 years or so and played a major part in launching a complete refresh of our Responsible Investment and Environmental, Social and Governance agenda in 2018. This new agenda was agreed by the Hampshire Pension Fund Panel and Board, again on a cross-party basis, in July 2019 and has resulted in some very major changes, most particularly with our signature to the UK Stewardship Code and the UN Principles of Responsible Investment which all our investment managers are expected to follow. The establishment of a Responsible Investment sub-Committee to advise the Panel and Board on these matters has also been deemed a very positive step. Three of our major global equity portfolios are now managed on a low carbon footprint basis and our extensive property portfolio is now following similar guidelines. We expect to be in a position to report the pension fund's overall carbon footprint, compared to global averages, next year. I am confident we will be in the van of all the 90 LGPS pension funds in the UK.

Recently, we have also invested in improving our communications policy on this subject with our members and all ACAN members are welcome to visit our web pages

<https://www.hants.gov.uk/hampshire-services/pensions/local-government/about-the-scheme/joint-pension-fund-panel/responsible-investment>

If I may, I would like to correct an impression you gave in the preamble of your email to me with regard to the pension fund's holdings in integrated oil companies, in that you said that we had been advised by financial advisers to sell them a year ago. I can find no evidence of that and I should explain that our portfolios are managed by discretionary investment

managers subject to guidelines that I have outlined above and thus they are at liberty to sell such shares provided that they believe it is in our fiduciary interests to do so. I should explain as well that, at some £136 million, this represents some 1.5% of the pension fund assets which is well below benchmark averages.

I appreciate you will be interested in the principle of such holdings however. They are almost exclusively in integrated oil companies, as I have said, such as BP and Shell, whose products are used on a daily basis by the vast majority of our 170,000 members.

Accordingly, we believe in an 'engage and consult policy' with these companies. It will not have escaped your notice that BP in 2020 reduced its carbon dioxide tonnage by over 20% a year by the sale of its Alaskan oil assets and its industrial chemical operation. Similarly Shell has significantly reduced its oil tar sands operations and both companies have significantly expanded their green energy activities; wind power in the case of BP and electric vehicle charging in the case of Shell are but two examples.

I do stress that we will continue to monitor and measure progress in these areas. The Fund is committed to a policy that believes that good ESG and RI decisions are good for business and will enhance shareholder returns to the benefit of the £9 billion fund, its 170,000 members and their families.

If any Alton Rural Division residents would like to engage with me on a 1 to 1 basis then I will only be too happy to do so.