



LGPS Central Joint Committee Thursday 23 June 2022

Item 6: Public questions

Explanatory Note: Joint Committee procedure provides for questions to be asked by members of the public to be answered verbally in the meeting where time permits. A maximum of 15 minutes is set aside for this part of the Joint Committee. Any questions that cannot be answered in the time limit will receive a written response and all questions and answers will be published on the LGPS Central webpage.

The following question(s) were received from the public prior to noon on 16 June 2022, being the cut-off for public questions under the public question protocol adopted by the Joint Committee.

Question 1: received 13/06/2021 from D Plunkett

September 2021 information by LGPS Central show that before Russia invaded the sovereign country Ukraine, LGPS Central holdings totalled at least £118 million in companies in Russia. Furthermore £8 million of this was in the Climate Fund, yet Russia's invasion has now caused global climate damage. In the March 2022 statement LGPS Central suggests there will be a point when "the isolation of the Russian economy is deemed no longer necessary". But it is now clear that any such investments in Russia have supported destruction, war crimes, millions of refugees, the EU energy crisis, global food and fuel shortages, and de-stabilised the world order.

Since LGPS Central is a UK organisation handling the UK pensions of UK local government staff, will LGPS Central set clear targets to divest from Russia, and invest here, in line with proper ESG principles, in the future of the UK and our communities, to support the national agendas for "Levelling Up", net zero, healthcare, green energy, low-cost housing, home insulation, food security, and other projects supporting the future?

Following the invasion, LGPS Central took the decision to instruct its external managers not to increase its existing exposures to Russia (and Belarus) and engaged with managers to bring about an exit from existing Russian exposures subject to the challenges posed by market suspensions and the sanctions regime imposed by the international community. Since the invasion, LGPS Central has reduced its Russian exposures where possible, and will continue to do so as markets permit. We continue to monitor the situation in Russia closely and remain in close dialogue with our managers. An exit from the Russian market remains our objective, although the current sanctions regime means that it is extremely difficult



or impossible to sell existing holdings. Therefore, it is not possible to set a timetable to sell remaining Russian holdings.

LGPS Central maintains a globally diversified investment portfolio on behalf of its investors. Many of the companies we invest in bring jobs and other positive economic impacts to the UK and the central region. In addition, LGPS Central's infrastructure funds are investing in a range of projects including many in the UK and in the renewable energy sector. We have discussed investment opportunities presented by the UK Government's levelling up agenda internally and with our Partners Funds and will continue to explore the potential opportunities presented as more information is disclosed by Government. The investment opportunities would need to be of a sufficient size and would need to offer attractive risk-based returns in order to be viable for a large institutional investor such as LGPS Central.

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