1. **Question Submitted by Sarah Finch – 07/05/2018**

   The Local Authority Pension Fund Forum, of which the SPF is a member, has previously stated that the best way to influence the reduction in fossil fuel extraction is by engagement with those companies who operate in this business. I am concerned that the evidence does not support this view.

   RESPONSE:
   For companies in all sectors, the Local Authority Pension Fund Forum (LAPFF) continues to press for alignment of business models with a 1.5 to 2°C scenario, and to push for an orderly low carbon transition, with an initial time horizon of 2020.

   The LAPFF recognises the issue of stranded assets and continued fossil fuel extraction as a collective investment risk for all asset owners and as an engagement and policy priority.

   For oil and gas companies, an important engagement and voting focus is the restriction of capital expenditure (capex) on high cost resource extraction and promotion of the return of any additional cash generated to shareholders.

   For companies with coal operations, no new resources should be exploited. Collaborative engagement with UK-listed integrated miners, Rio Tinto, Anglo-American and Glencore continues, following the strategic resilience resolutions passed at 2016 AGMs, for which a number of member funds were co-filers.

   Monitoring of progress and outcomes includes LAPFF's participation in the Transition Pathway Initiative, which aids understanding of where companies are placed in the transition to a low carbon economy and their competence to manage this transition.

   LAPFF supports the recommendations of the Financial Stability Board's (FSB) Task Force on Climate Disclosure (TFCD) report and considers all market participants should be encouraged to aim for full implementation. The LAPFF has long promoted mandatory climate risk reporting. The mechanism for this is already in place under the Companies Act requirements for companies to report financially material risks in their annual report. LAPFF has also suggested that in positioning themselves for the required low carbon future, companies should disclose a transition plan.

   Recently the LAPFF has partnered with the '50-50' initiative to engage with companies on climate risk and encourage climate resilience planning.

   In conclusion, as shown above, we believe that engagement continues to be an effective and appropriate approach to reducing carbon exposure.

2. **Question Submitted by Barry Staff – 02/05/2018**

   Do those members of the committee who were democratically elected through local elections feel that they have a moral and ethical responsibility to their electorate to stop investing in fossil fuels, the use of which is the overwhelming cause of devastating global heating?

   RESPONSE:

   The 2016 Investment Regulations sets out the following key elements that must guide an administering authority's responsible investment policy:-

- Schemes should make the pursuit of a financial return their predominant concern;
- Schemes should consider any factors that are financially material to the performance of their investments, including social, environmental and corporate governance factors;
- They may also take purely non-financial considerations into account provided that doing so would not involves significant risk of financial detriment to the fund and where they have good reason to think that scheme members would support their decision.

The Surrey Pension Fund is proactive in its approach to the monitoring of climate change related assets.

At its meeting on 10 November 2017, the Pension Fund Committee considered the recommendation of the Surrey Local Pension Board to establish the Pension Fund's exposure to climate change and carbon risk through the commissioning of a carbon audit of the Fund's portfolios.

As a result of this Local Board recommendation a carbon footprint audit has been carried out, the results of which will be presented at the meeting of 8 June 2018.A summary of the results of this audit show that the Surrey Pension Fund equity portfolio has a lower carbon footprint than its benchmark.

Further to this the committee will continue to consider further mitigating its carbon footprint, while remaining consistent with its statutory obligations.

3. **Question Submitted by Sally Elias – 09/05/2018**

Why will the SPF committee not follow the logical and ethical examples of other investment funds in the UK and around the world, who are increasingly divesting from fossil fuels?

RESPONSE:

Refer to the answer given to Barry Staff

4. **Question Submitted by Vicky Elcote – 21/05/2018**

I would like to know why the committee continues to invest very large sums of pension funds (£ 130 million as reported at the meeting of 09 Feb) in fossil fuel companies in searching for further deposits, despite the fact that the majority of known reserves will be stranded and left in the ground if the increase in global temperatures is to be limited to 2 degrees Celsius above pre-industrial levels, let alone limited to1 ½ degrees above them, as was agreed in the UN climate talks in Paris in December 2015.

RESPONSE:

Refer to the answer given to Barry Staff

5. **Question Submitted by Stephen McDonald – 24/05/2018**

Please could the Committee explain to me how they justify continued pension fund investment investment into fossil fuels, particularly as we know that 1) There is no

legal barrier to divestment and 2) it is well known and understood that fossil fuel investments are not required in order to provide strong returns for pension members

RESPONSE:

Refer to the answer given to Barry Staff

6. **Question Submitted by Pat Horitz – 25/05/2018**

What is the committee's future investment strategy in relation to fossil fuel companies, bearing in mind the major contribution fossil fuels are making towards the highly damaging increase in global temperatures, and the responsibility each one of us has for reducing the impact as far as we can?

RESPONSE:

Refer to the answer given to Barry Staff

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