



West Midlands Pension Fund Statement on Climate Change

Climate change is an existential threat and the defining issue of modern time. It is harming livelihoods and societies, threatening future food security and water availability, and having a detrimental impact upon local and global economies alike.

The West Midlands Pension Fund (“WMPF/ the Fund”) is fully committed to aligning with the goals of the Paris Agreement and net zero ambition by 2050 or sooner. As a pension fund and asset owner we seek to understand the risks associated with climate change; ensure fund resilience as we decarbonise; and champion effective collaboration and increased transparency in our approach, as we continue to forge our pathway to net zero and contribute to building sustainable futures for all. Our [2021 Climate Change Framework and Strategy](#) outlines our approach, how we will measure our progress and continue to adapt to the changing policy and regulatory environment.

As set out in the Fund’s [annual Stewardship Report](#), WMPF has chosen four engagement themes for the period to 2023, two of which include Climate Change and Sustainable Food Systems. WMPF believes that a sustainable food system is one that delivers food and nutrition security for all in such a way that the economic, social and environmental bases for future generations are not compromised. There has been a shift among consumers who are increasingly aware of, and concerned by, the climate impacts of the food they eat and how sustainably it is produced. WMPF recognises the crucial role that tropical forests play in tackling climate change, protecting biodiversity and ensuring ecosystem services, which again has an impact on economic development and the stability and well-functioning of capital markets. In 2020, on behalf of WMPF, the Local Authority Pension Fund Forum (LAPFF) gave greater focus to the importance of preventing deforestation in order to stem climate change.

Not only is climate change having an impact on the planet, but so are the actions of modern society. WMPF is very conscious of the damage that single use plastics has on the environment and is keen to engage alongside partners in highlighting the risks that single use plastics pose to longer term financial returns. Through our pool company LGPS Central Ltd we leverage investor collaboration opportunities for instance through the Principles for Responsible Investment Plastics Working Group and Investor Forum’s Marine Plastic Pollution project. Voting is as far as possible engagement led, and LGPS Central will consider co-filing

or supporting shareholder resolutions that relate to better risk management (reduce plastic use, reduce plastic waste, increase recycling, invest in relevant research and development).

Investee companies with robust governance structures should be better positioned to handle the effects of shocks and stresses of future events.

Thus, as outlined in the Fund's [Responsible Investment Framework](#) the Fund prefers to adopt a policy of risk monitoring and engagement in order to positively influence company behaviour and enhance shareholder value, influence that would be lost through a divestment approach.