

# Cynghorydd John Pughe Roberts Councillor John Pughe Roberts

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Ein Cyf / Our Ref: JPR/AJ



23 September 2019

Rebecca Evans AM  
Minister for Finance and Trefnydd  
Welsh Government  
Cardiff Bay  
Cardiff  
CF99 1NA

Dear Minister for Finance and Trefnydd,

Further to your letter dated 26 April 2019 regarding the Welsh Government's plan 'Prosperity for All: A Low Carbon Wales', a response was prepared by the Wales Pension Partnership (WPP) agreed by WPP's Joint Governance Committee, and sent to you by Cllr. Mark Norris as Joint Committee Chair on 23 May 2019.

As the Gwynedd Fund's Committee Chair, I fully support and endorse the content of Cllr. Mark Norris' comprehensive response on behalf of WPP, and I will not bother you by repeating his responses to your questions 3 and 4 here. This reply responds to your questions 1, 2 and 5 on behalf of the Gwynedd Fund.

At the full Council meeting on 7 March 2019, Gwynedd Council declared a Climate Emergency, noting that the impact of climate change is already being felt within the county, with 23,244 Gwynedd residents living within a flood risk area.

While the Council resolved to commit to taking decisive action to reduce carbon emissions and strive for a zero-carbon future, we also called on the Welsh Government and the Westminster Government to provide the requisite powers and resources to achieve the target of a carbon-free Gwynedd by 2030.

Meanwhile, I can assure you that Gwynedd Pension Fund has formally considered climate change risk. The Council's Pensions Committee agreed last year that Environmental, Social and Governance factors should be embedded into our investment processes.

We have discussed environmental, social, and governance ('ESG') issues regularly and the Fund's responsible investment principles (as revised in November 2018) are formally noted in Section 6 of the Fund's Investment Strategy Statement. This Environmental, Social and Governance Policy confirms the need to consider the specific risks that arise from climate change when dealing with investments.

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The Committee accepts that it has a duty to be a responsible investor, and for many years the Gwynedd Fund has engaged with the companies invested in, with a view to changing corporate behaviour and reducing risk. Collaborative action, particularly as members of the Local Authority Pension Fund Forum (LAPFF), has consistently succeeded in influencing outcomes.

More recently, in accordance with their Environmental, Social and Governance Policy, Gwynedd Council's Pensions Committee has voted to move a significant part of the Gwynedd Pensions Fund into low-carbon investments. Following the unanimous decision of the Pensions Committee at a meeting on 29 July 2019, 12% of the Gwynedd Fund (currently £260m) is moving into low carbon investments.

We have invested in a fund managed by BlackRock to track the MSCI Low Carbon Index. This fund will reduce exposure to carbon emitting companies whilst tracking the MSCI World Index, reducing our carbon exposure by up to 80%, rather than disinvesting arbitrarily.

The Gwynedd Pension Fund and Gwynedd's scheme managers have a fiduciary duty to all scheme employers, their staff and pensioners. This fiduciary duty primarily guides the Pension Committee's decisions. However, I trust that the recent developments outlined above provide clear evidence that we are investing in greener assets, where appropriate.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John P. Roberts', written in a cursive style.

**COUNCILLOR JOHN P. ROBERTS**  
**Chair, Pensions Committee**  
**Gwynedd Pension Fund**