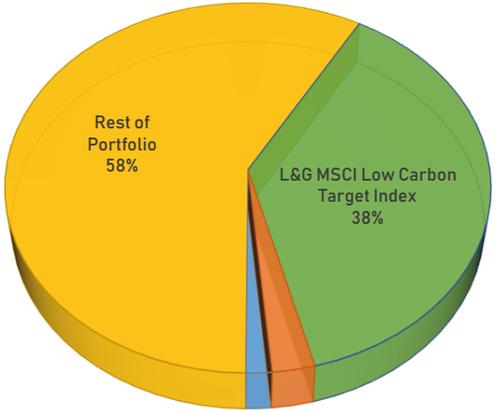


Fund's Environmental, Social & Governance (ESG) Report	30 September 2019	Value of Assets Invested in Carbon Friendly	
<p>The Hammersmith & Fulham Pension Fund is committed to achieving carbon neutrality by 2030. Carbon neutrality can be achieved by simply eliminating carbon emissions altogether or by balancing carbon emissions with carbon removal. For the pension fund, it is difficult to completely eliminate carbon emissions from the fund's investments activities whilst achieving the fund's target return. A significant proportion of global economic activity still relies heavily on activities that produce CO₂ emissions.</p> <p>However, the pension fund has made some strides to limiting its contribution to activities that have a negative impact on the environment by investing all its passive equity holdings in the MSCI World Low Carbon tracker fund managed by Legal & General. The pension fund also has a 7.50% allocation to infrastructure investments, of which the majority of capital has been directed towards renewable energy projects.</p> <p>The impact of fixed income investments on the fund's carbon footprint is receiving increased attention. Fixed income strategies arguably have greater significance on an organisation's attitude towards climate change due to the possibility of stranded assets in companies heavily reliant on fossil fuel revenues. If an organisation cannot access borrowing from the capital markets, its solvency is threatened. At present, the data to quantify carbon impact is very difficult to source. However, through fund manager engagement, additional ESG disclosures can be obtained. PIMCO, the manager of the LCIV Global Bonds Fund, has been adding ESG clauses to various new bond covenants. As at 30 September 2019, the fund held 23 green bonds which made up 3.41% of the portfolio.</p>	Investment Fund	£000	
	MSCI Low Carbon	417,180	
	Aviva Infrastructure	28,696	
	Partners Infrastructure	17,411	
	PIMCO Green Bonds	3,028	
Total Carbon Friendly Investment Value		£466mil	
Investments in Carbon Friendly Investments	Carbon Savings Update	% Carbon Friendly Investments	
 <p>A 3D pie chart illustrating the fund's carbon-friendly investments. The largest slice is 'Rest of Portfolio' at 58% (yellow), followed by 'L&G MSCI Low Carbon Target Index' at 38% (green), 'Aviva Infrastructure' at 3% (orange), and 'Partners Infrastructure' at 1% (blue).</p>	<p>The measurement of carbon savings is still evolving within the investment industry.</p> <ul style="list-style-type: none"> • Aviva Infrastructure (£30m) invests in onshore wind farms, domestic solar installation projects and biomass utilities. The fund has an external consultant who calculates the estimated carbon savings on an annual basis. • The fund's investment in the MSCI Low Carbon index has 57% less CO₂ output than the global benchmark. This analysis is carried out annually by the pension fund through a specialist firm. • The pension fund's officers continue to engage with the fund managers in the development of better carbon emissions metrics and reporting. 	42%	
		Estimated Aviva Carbon Savings	
		10,620 tonnes CO₂ per annum	
		* Equivalent to keeping 49k cars off the road each year.	
Estimated MSCI Low Carbon Savings			
37,750 tonnes CO₂ per annum			