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SOUTH YORKSHIRE PENSIONS AUTHORITY

18 DECEMBER 2025

PRESENT:

Councillor Donna Sutton (Chair)

Councillor Roy Bowser (Vice Chair)

Councillors: Alexi Dimond, Andrew Sangar, David Fisher, Jayne Dunn, John Reed, Ken Guest, Martin O'Donoghue and Simon Clement-Jones

Non-Voting Co-Opted Members: Garry Warwick, Nicola Doolan-Hamer and Phil Boyes

Officers: George Graham (Director), Gillian Taberner (Director Designate), Andrew Stone (Assistant Director – Investment Strategy), Debbie Sharp (Assistant Director – Pensions), William Goddard (Acting Assistant Director - Resources), Jo Stone (Head of Governance and Corporate Services) and Chloe Knowles (Executive Management Support Officer)

Independent Investment Advisers: Aoifinn Devitt and Jonathan Hunt

Border to Coast: Tim Manuel (Head of Responsible Investment)

Hymans Robertson (Fund Actuary): Steven Scott, Greer Flanagan and Reece Notman

Apologies were received from Cllr Craigh Gamble Pugh and Cllr Craig Ward.

1 APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were noted as above.

2 ANNOUNCEMENTS

The Chair noted that this was George Graham's final meeting as the Director of the Authority, as he is retiring today. The Chair thanked Mr Graham on behalf of the Authority for his dedication, loyal service and highly successful leadership of the organisation since February 2018, and noted the positive and lasting legacy that he will leave behind, not just at South Yorkshire Pensions Authority, but also for the wider LGPS.

3 URGENT ITEMS

None

4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

None

5 DECLARATIONS OF INTEREST

None

6 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

None

7 MINUTES OF THE MEETING HELD ON 04/09/2025

RESOLVED: Members agreed that the minutes as presented for the Authority meeting held on 04 September 2025 were a true and accurate record.

8 QUESTIONS FROM THE PUBLIC

Questions were received from Ms O’Gara, Ms Dale, Mr Pearson and Mr Burnham. The Director replied on behalf of the Authority.

Written copies of the questions and the responses were given to the questioners and are attached as an appendix to these minutes.

9 APPROVAL OF THE FUNDING STRATEGY STATEMENT

The Assistant Director – Pensions presented the Funding Strategy Statement to secure approval, noting that the policy has been updated to encompass the statutory guidance and assumptions and considerations in the 2025 Valuation, this came as a draft in September and has since been out to a full consultation with employers. Four employers responded to the consultation, engaged with the process and have confirmed they accept the policy.

A question was raised regarding the statement made that ‘when considering climate scenario stress tests, the Fund appears to be generally resilient to different climate scenarios, with generally modest impacts versus the base case modelled’. The member asking this question argued that given we are heading towards catastrophic climate change, the term modest felt questionable.

The Actuary explained that two types of climate related testing are carried out: standard stress tests, which assess a range of possible scenarios, and additional modelling of extreme downside climate risks. The results of additional modelling on catastrophic events provide a broader perspective and will be available in the Valuation reports.

The Director advised that more detailed analysis will be published in the online reading room for Members and on the website, alongside the more detailed Valuation report.

Members asked whether the Gender Pensions Gap reporting had started and to what extent there would be further involvement and discussion on this at Authority meetings.

The Actuary responded that gender pensions gap reporting may soon become mandatory within the Valuation report. Whilst final guidance on requirements for this is still awaited, early indications are that it will cover active and retired members across

the Fund and may break results down by employer groups, looking at gender mix, salaries and pension types to produce an overall gap. The aim is to give members and employers clearer insight.

The Assistant Director – Pensions further added that initial data from the system is already starting to be collected on this and reported to the Local Pension Board. In addition to this, as part of aiming to take actions in respect of gender pensions gap, the plan is to target communications to different age groups of active members to provide them with the opportunity to help improve their forecast benefits.

Members commented that they found this useful and considered it good practice. The Director commented that as a Fund, our ability to influence the gender pensions gap is limited, given that it is largely driven by the gender pay gap and wider societal factors, that we cannot solve it alone. Good practice can be promoted within the scheme, and upcoming government rule changes should help women maintain more consistent contributions and build up pension benefits, though the impact will be modest. The wider issue remains significant, but it's something we take seriously and continue to work on.

A Member commented that this was the most encouraging Funding Strategy Statement he had seen in his 19 years of tenure. Further asking what more could be done to ensure that our successors can have the same level of confidence and make similarly positive statements about contribution levels.

The Director replied that this links back to the Valuation and the approach taken being a long-term view and keeping risk within reasonable limits. Contributions could still rise at the next Valuation but setting them lower now would make that more likely, which isn't helpful for employers. Our aim is to provide as much long-term stability as possible.

RESOLVED: Members approved the revised Funding Strategy Statement at Appendix A.

10 VALUATION RESULTS

The Assistant Director – Pensions presented the Fund Actuary's report on the outcome of the 2025 Valuation to seek approval on the employer contribution rates for the 3 years from 2026/27 set out in the rates and adjustments certificate, referencing Members to points 5.2-5.3 of the report which summarises at the position as of 31st March 2025 regarding fund assets, liabilities, funding level and average contribution rates.

Steven Scott, Greer Flanagan and Reece Notman, the Fund's actuaries from Hymans Robertson, presented the results of the Valuation to Members.

Independent Investment Adviser, Aoifinn Devitt raised questions around how higher return expectations fit with the investment outlook and raised her concern about the 'higher for longer' view expressed in the report.

The Actuary replied that investment consultants use the same core modelling assumptions that the actuaries use for Valuations whilst also considering the additional factors that Aoifinn mentioned. Contribution rates aren't set directly from the funding level, otherwise many employers would have a nil rate. Instead, the modelling

allows for future yield changes, with central assumptions of around 3% nominal yields over the next 20 years. The Actuary recognises that today's strong funding levels may not persist, which is why a prudent approach is taken when setting employer contributions.

The Director added that a floor has been set on employer contributions based on what's needed to fund future benefits accrual. This protects against the risk Aoifinn identified and without it, employers would face much sharper increases.

Members noted that past performance doesn't guarantee future returns and sought assurance that our assumptions aren't based solely on historical results, and there is confidence that even if returns fell to 4.2% or lower, the Fund would still be able to meet its obligations.

The Actuary noted that they must report on the funding level every three years, which gets a lot of attention but is highly sensitive to market conditions. Higher expected returns are boosting the funding level at this Valuation; however, the required return is a much more stable measure at 3.5% which is unchanged from the previous Valuation, and it isn't affected by short term market movements.

RESOLVED: Members

- a. Noted the results of the 2025 Valuation carried out by the Fund Actuary set out in the report at Appendix A.**
- b. Approved the employer contribution rates set out in the rates and adjustments certificate to apply for the three years starting 1st April 2026.**

11 QUARTER 2 CORPORATE PERFORMANCE REPORT 2025/2026

The Acting Assistant Director – Resources presented the Quarter 2 Corporate Performance Report for 2025-26. Members were informed that the clearance of the backlog is progressing, however the deadline has been extended to March 2026. Additionally positive progress is being made on the transition of legacy assets to Border to Coast with an extended target date of June 2026.

The Independent Investment Adviser, Jonathan Hunt raised that with significant pooling changes coming down the track, it is important to monitor the progress of integrating the new partner funds whilst managing the risk to ensure that this does not distract Border to Coast from their 'day job' of managing the Fund's assets.

The Director responded that this is a dimension of two risks in the risk register; the Pensions Review and Border to Coast's Strategic Plan, noting that so far, the day-to-day business alongside integrating the new partner funds is working in parallel providing us with a reasonable degree of confidence, however this will continue to be monitored.

The Director Designate added that at the next risk register review, following further developments on the Pension Schemes Bill and once all legal documentation for incoming partner funds has been completed, we will consider revising and updating these two risks to reflect the evolving situation and ensure that the associated mitigating actions are sufficient and appropriate in recognition of this issue.

Members queried the discrepancy on the Funding Level within the Corporate Performance Report compared to the Valuation report presented at this meeting.

The Director advised that the funding level monitoring tool used to gather this data has not been updated at a member level for the 2025 Valuation and instead reflects a roll-forward estimate based on the 2022 Valuation data. This is due to be updated to the 2025 Valuation basis in January.

RESOLVED: Members noted the report.

12 APPROVAL OF THE LEVY 2026/2027

The Acting Assistant Director – Resources presented a report to seek approval of the Levy for 2026/27 under the Levying Bodies (General) Regulations 1992.

RESOLVED: Members approved a total levy of £251,566.00 for 2026/27 in accordance with The Levying Bodies (General) Regulations 1992, to be allocated to the District Councils in proportion to their approved council tax base shares.

13 2025 STAFF SURVEY RESULTS

The Director Designate presented the results of the 2025 Staff Engagement Survey for Members' information and consideration and informed Members that this is the third survey of this format, enabling us to assess the progress achieved over time, with the last survey taking place in 2023. The report outlines in paragraph 5.7 the excellent improvement in the overall net promoter score from a positive 7 in 2023 to a positive 43 in 2025, the consultants also noted the strong level of engagement demonstrated by our employees.

All four measures of engagement which were assessed in the survey improved across the board which was the target set back in 2023. There are still further improvements to be made, and actions will be planned with the Leadership team in the new year.

Members raised that staff who have been here more than five years scored lower in engagement scores than other tenures and sought assurance that this area would be worked on.

The Director Designate noted that this would be reviewed with the aim of further increasing engagement in the cohorts where engagement scores were lower than others, while acknowledging that the current scores remain strong across all tenures and grades, with most exceeding 80 out of 100. She added that in the analysis of different grades, it was the Senior Practitioners group who recorded the lowest scores, and actions will therefore focus on addressing the areas highlighted by the results and qualitative feedback.

RESOLVED: Members noted and welcomed the positive results of the staff survey.

14 ADVISER MARKET COMMENTARY

Aoifinn Devitt, Independent Investment Adviser, presented the Market Commentary Report for members to consider and note.

Members sought assurance on the AI bubble and how damaging it could be.

Aoifinn Devitt responded that initially she expects there to be a stock market shock and a sell off, which will make our portfolio more volatile so we will need headroom for this exposure. Following this the market will realign, with some companies dropping out and others emerging stronger, though most firms are likely to survive. Noting that throughout this equity market wobble, the demand for data centres should remain strong.

Members noted that UK stock markets have performed well since the Budget, largely because the measures were broad based rather than focused on specific sectors as seen in the US and asked what factors could prevent this momentum from continuing throughout the remainder of this Parliament, and is this trend attracting the attention of Border to Coast in shaping its investment strategy for the UK.

Aoifinn Devitt replied that the market held up after the Budget due to the FTSE's foreign currency exposure and its focus on energy, industrials and financials, which have all performed well. Noting that the UK market is tiny globally, which is why pension funds have reduced UK allocations. While forced UK investment isn't favoured, there is a push to make the UK more attractive on its own merits, with good relative value and efforts to stimulate areas like energy and local investment, where Border to Coast is already active.

Independent Investment Adviser, Jonathan Hunt added that UK markets are often misunderstood. Pension funds have reduced UK exposure because the index is dominated by stable, dividend paying companies rather than high growth stocks, pushing investors toward the US. This raises the wider question of how to make London a growth market again, but the UK lacks the same supporting infrastructure as the US. Further to this, gilt markets have stabilised, improving confidence.

Members further probed around the AI bubble and its potential impact, questioning whether it is being driven by private debt and private credit, and could problems there spill over into our own exposure.

Aoifinn Devitt responded that AI isn't the main issue, and while private credit has risks, they're mostly in the mid-market where lenders back operating companies with steady cash flow. AI investment is largely funded by big firms themselves, so any downturn would hit equities first.

Members queried whether emerging markets in Africa is way off the mark when compared to other markets such as China.

Aoifinn Devitt responded that China continues to invest in regions others avoid, including parts of Africa, but as an investment opportunity, Africa remains firmly in frontier market territory. Investors have pulled back from emerging markets in recent years due to weak returns, and African managers face challenges such as limited liquidity, weaker tech infrastructure, and political or legal instability. Because of this, it's unlikely we would see an African Allocation in the Border to Coast emerging fund at this stage, though it's not impossible in the future.

Jonathan Hunt further added that Africa is a big continent but in terms of its liquidity and debt, it is dwarfed by other areas.

RESOLVED: Members noted the report.

15 QUARTER 2 INVESTMENT PERFORMANCE REPORT 2025/2026

The Assistant Director – Investment Strategy presented the Q2 Investment Performance Report commenting that it was a very positive three months with the fund returning over 3.5% in the period and 6.7% over the last twelve months, both of which are behind the benchmark but very much in line with the actuarial targets. Looking ahead for the five-year period we are ahead of the benchmark and the actuarial targets.

RESOLVED: Members noted the report.

16 QUARTER 2 RESPONSIBLE INVESTMENT UPDATE 2025/2026

The Assistant Director – Investment Strategy presented the Q2 Responsible Investment Update.

Members raised questions around the LAPFF engagement activity and why there is no information in the report regarding specific engagement with weapons companies or other companies operating in occupied territories such as Booking.com and Airbnb.

Officers advised that they did not have this information to hand, although the Director noted that historically LAPFF have certainly engaged with Booking.com. The Assistant Director – Investment Strategy committed to gathering further information on this and providing a response back to Members accordingly after the meeting.

RESOLVED: Members noted the report.

17 POLICY FOR EXCLUSION

The Director presented a report to allow Members to consider the Authority's approach to exclusions of specific investments from the investment universe following discussion at the March meeting. The report set out the work that had been undertaken by officers in order to investigate and provide detail of the options and implications of each.

The Director advised Members that the choice they are faced with is between taking a decision that may make Members feel better but that cannot be implemented or taking a decision to maintain the current position and seek to influence the direction of the Partnership through building alliances with others. The Director stated that this is a decision for members, but as the principal policy adviser to the Authority, his clear advice to members is to maintain the current position and seek to influence through building alliances.

A Member raised with reference to the report and reflecting on the Members Away Day should engagement fail, should we be arguing for exclusion on whole sectors, such as the fossil fuel industry.

The Director responded that the draft guidance from the Government in preparing the Investment Strategy Statement and Pooling under the new regime makes it clear that individual funds should not be setting policies which exclude sectors or rafts of companies, this should be dealt with at the pool level.

A Member questioned what the reference to a single issue in paragraph 5.14 of the report referred to specifically.

The Director explained that what was meant was that we risk losing credibility within the Partnership if we focus too heavily on exclusion. He noted that we have successfully moved various elements of the pool's approach both in the responsible investment sphere and wider. This has been possible through building alliances within the Partnership and the Director advised that it is his view that a very strong focus on exclusion would undermine our ability to maintain those alliances and to build new ones.

Members sought assurance for context on the positions of other partner funds. The Director replied that three of the existing eleven Partner funds have been actively discussing this issue, none of which have taken a decision to do anything different to what they are already doing. For new funds joining the Partnership, this is not on their agenda given the other areas they need to focus on, so gaining consensus on the decision would take a very long time.

In response to further questions regarding there being no Government guidance to funds on international conflicts and occupied territories, the Director noted that the Government's view can be inferred from the draft guidance which outlines that funds should not be taking a stance on such issues at individual fund level but that this is for the pool to determine.

The Director added that whilst appreciating that there is strength of feeling on such issues, he must remind members that the Authority's duty is to ensure that we have the funds required to pay pensions when due. Therefore, Members in their role as quasi-trustees, are required to individually exercise their own judgement about these matters – regarding what they judge to be in the best interest of all scheme members.

Responding to a question about the scope for building alliances with some of the incoming partner funds, the Director advised that there will be scope for this but that this would likely take a number of years before these issues can be focussed on.

He explained that this is because the transition of these funds' assets into the pooled structures will be relatively long as the Pool will rightly prioritise managing this carefully in the best financial interests of those funds over speed. This transitional period may be used to build alliances and there may be greater long-term impact in forming partnerships around, for example, climate-positive investment strategies with a higher probability of success rather than trying to secure agreement on excluding sectors like oil and gas.

He advised that the key decision is where Members want officers to focus their alliance building efforts to best achieve their objectives.

Members asked whether by adopting a policy of this sort, there is a risk that this would leave us excluded from certain debates within the Border to Coast partnership. The Director responded that he is not able to provide a definitive answer but cannot see a justification for this being the case, noting that it would simply make the debate more difficult and reduce our level of credibility and how we are perceived by our partners.

The Chair asked Tim Manuel, Head of Responsible Investment at Border to Coast for his input on this question. Mr Manuel outlined that any partnership has limited relationship capital, and you choose how to use it to get the outcomes you wish to achieve.

From a governance perspective, there is no reason he could see why adopting a policy like this would exclude SYPA from discussions within the Border to Coast framework. He commented that the real challenge would be from the Authority's own governance point of view if they take a decision that is considered impossible to implement.

The Chair noted that as there were no further questions, it was time to reach a conclusion before moving to the next agenda item.

The Director clarified that the report was purposefully prepared without a recommendation because this is a matter for Members to determine. Noting that Officers would find it helpful to understand whether there is appetite across the Authority for adopting a policy of this kind in order to provide them with a clear steer to inform their work on the Investment Strategy review.

The Director advised that in process terms, it may require a Member to move a proposal, for which a seconder would be required and then a vote taken. The Chair invited members to make a proposal.

Councillor Dimond proposed that the Authority adopt a policy position that when engagement has clearly failed, the Authority would ask Border to Coast to exclude. Members raised concerns that they did not have enough detail on this sort of policy to feel able to second or to vote on this during this meeting.

The Director advised that Members would need to agree the principle at this meeting and then if agreed, a draft policy would be prepared to bring back to a future meeting. The Director Designate noted that the report outlines that officers have attempted to explore the detail of how we could possibly implement adopting such a policy, and that the advice is that it is not possible to implement.

The Director clarified that it is possible for Border to Coast to implement a policy, but we do not believe that the Authority would be able to achieve a position where the Partnership would agree to ask Border to Coast to implement such a policy.

The Chair observed that Members were unlikely to reach a consensus decision and requested agreement to move on. This was agreed.

RESOLVED: Members considered and debated the issues and options outlined in the body of the report.

18 ANNUAL REVIEW OF BORDER TO COAST RESPONSIBLE INVESTMENT POLICIES

Tim Manuel, Head of Responsible Investment at Border to Coast introduced and summarised the Annual Review of Border to Coast's Responsible Investment Policies.

Mr Manuel added that until now these policies have been reviewed annually, but that now the development of these policies has reached a level of maturity, the Board has agreed to move to a three yearly review cycle. This would provide a more stable policy environment which would be conducive to implementing the policy intent.

It was noted that should there be a reason to review the policies in the interim, this would happen and that the voting guidelines would continue to be set every year.

A question was asked in relation to paragraph 5.4 (ii) regarding portfolio managers having the final decision on whether to reduce or exit the position, and whether this meant that a portfolio manager could effectively over-ride a decision of the Board.

Tim Manuel responded that the Board approves the overall suite of policies in which this sits and are involved at this level, not at the individual stock level, which would be the decision of portfolio managers, clarifying that the reason for this separation is to ensure clear accountability about who is making decisions at what level.

Cllr Dimond welcomed the addition in respect of biodiversity but raised a concern around his view on the accuracy of the climate section and that this should be revised to reflect current projections of global temperature rises.

Tim Manuel responded that the Net Zero Roadmap will be revisited next year, and there'll be an opportunity for all Partner Funds to input into this.

RESOLVED: Members endorsed the updated policies attached at Appendices A to C.

Cllr Dimond requested that his dissent be noted for the record.

19 INVESTMENT BELIEFS STATEMENT

The Assistant Director – Investment Strategy presented the update to SYPA's Statement of Investment Beliefs, noting that the review of the statement was driven by the Government's *Fit for the Future* consultation and the opportunity has been taken to update other aspects of the document, where appropriate.

Members welcomed the statement and questioned whether this just formalises what we already do or signals a shift toward more passive management.

The Assistant Director – Investment Strategy responded that this change in the beliefs statement is simply opening up the option to use passive management. The beliefs statement has only been in place since 2019, and at that time Border to Coast had no passive funds available. Now that these options exist, it's quite possible we would want to use them.

The Director noted that the Fund is now much larger than in 2019 and relying too heavily on certain active strategies could increase risk. Adding passive options would help diversify our equity exposure and gives Border to Coast fund managers more flexibility when managing the 40% equity allocation.

RESOLVED: Members approved the updated Investment Beliefs Statement.

Cllr Dimond requested that his dissent be noted for the record – on the basis that he disagrees with the addition of passive management because this does not allow for exclusion.

20 UPDATE ON PENSIONS ADMINISTRATION IMPROVEMENT PLAN

The Assistant Director – Pensions presented a report to update the Authority on the Pensions Administration Improvement Plan and a consultation opened by MHCLG on the Local Government Pensions Scheme in England and Wales, Access and Protections.

Members asked whether they could be provided with a preview of the Pensions Dashboard.

The Assistant Director – Pensions assured Members that once it reached a point where it could be showcased, it will be shared either during a meeting or at a separate training session.

Members raised that in SYPA's response to the consultation, on the normal minimum pension age issue, there is concern around category 2 members losing protection for service they have already transferred and that they may have made different decisions if this fact was known at the time and asked whether there was any prospect of challenge to this.

The Assistant Director – Pensions responded that most Funds will be raising this point in their responses to Government, to highlight that this could present a significant challenge.

The Director added that the Local Government Pensions Committee, which is the employer-side body within the LGA, was of the view that there shouldn't be any protections, given the administrative burden it could create and the risk that this could lead to another situation like that of McCloud. The Trade Unions view is that the rights at the age of 55 are a valuable benefit to members and understand that the age must increase but want to keep protections as far as possible.

RESOLVED: Members

- a. **Noted and commented on the 2025/26 plans for Administration improvement that are in place.**
- b. **Delegated the response to the consultation to officers.**

21 APPROVAL OF THE UPDATED PENSIONS ADMINISTRATION STRATEGY

The Assistant Director – Pensions presented the Pensions Administration Strategy to secure approval following a full consultation with Employers in the Fund.

RESOLVED: Members approved the revised Pensions Administration Strategy at Appendix A.

22 CHAIR OF LOCAL PENSION BOARD REPORT TO AUTHORITY

The Head of Governance & Corporate Services presented the summary of the Local Pension Board Chair's Report. This report is a means of continuing to grow the

relationship between the Board and the Authority and to provide an update on matters discussed at the Board and work they are doing with officers and the Authority to ensure compliance with regulations and legislation. Section 5 of the report highlights areas where the Local Pension Board would like to see further progress.

RESOLVED: Members

- a. **Noted the content of the report.**

23 GOVERNANCE, REGULATORY AND POLICY UPDATE

The Head of Governance and Corporate Services provided members with an update on current governance related activity and regulatory matters. With reference to section 5.6 of the report on the *Fit for Future* policies, the Authority are working with Border to Coast on a shared response to the consultation and a further update will be provided to Members in due course on the position of these outcomes.

RESOLVED: Members noted the updates included in the report.

24 DECISIONS TAKEN BETWEEN MEETINGS

The Head of Governance and Corporate Services presented the report on decisions taken as a matter of urgency between meetings of the Authority. One decision has been taken between meetings which was the approval of the Border to Coast Shareholder resolution for the investment and data platform budget which is detailed in section 5.2 of the report.

RESOLVED: Members noted the decisions taken between meetings of the Authority using the urgency procedure.

25 APPENDIX A

CHAIR

**SYPA Authority Meeting
Thursday 18th December 2025
Public Questions**

Question 1 – Annie O’Gara

When Sheffield City Council passed a motion entitled “Not in my Name” in response to Israel’s war crimes of unlawful occupation, apartheid and genocide, the details were sent to this body as part of the outcome. I attended a meeting here shortly afterwards and, before the main business began, a Councillor from Sheffield referred to “Not in my Name” and said - more or less - that no action whatsoever was needed by SYPA as a result.

This casual comment spoke volumes about the motion and had more of an impact than the speaker may have realised.

By contrast, we all know that since July 2024, 24 local councils have passed strong motions proclaiming their commitment to divest from companies complicit in Israel’s crimes. These authorities are acting in line with their “prevention and non-assistance” duties consistent with the rulings of the International Court of Justice on Israel’s war crimes of unlawful occupation, apartheid and genocide – all of which crimes are still being carried out, despite the so-called “ceasefire” in Gaza.

SYPA arguably carries more responsibility than a local council - everyone on this board is a quasi-trustee of the fund, with a moral as well as a legal responsibility for its operations. In exercising this, we know that you divested from Israeli Government Bonds, a move that was much applauded as a critical first step, but there is more to do.

You will know that the United Nations’ legal authorities have said this with specific reference to arms companies: *“Financial institutions investing in these arms companies are also called to account..... Failure to prevent or mitigate their business relationships with these arms manufacturers transferring arms to Israel could move from being directly linked to human rights abuses to contributing to them, with repercussions for complicity in potential atrocity crimes.”*

We have heard about policies of “engagement” with bodies like arms companies, aiming to influence their positions. We have seen no evidence of this working. In fact, it came as a shock to learn that SYPA had actually “engaged” with arms companies by doubling some investments during the genocide.

You know that fiduciary responsibilities are not your only responsibilities – profit is not your only consideration. By acting in line with international law, by clearly specifying that your framework for ethical investments includes respect for what the UN says, you can make a difference.

- Do you accept what the UN says about the possibility of your complicity in “atrocity crimes”?
- What will you do to show your respect for the duty to prevent and not assist war crimes?
- Will you cancel/withdraw from those arms investments you agreed at the height of the genocide in 2024, evidence of SYPA being linked with and profiting from companies contributing to war crimes?
- Unless you have evidence to the contrary, your engagement with complicit companies doesn’t work. Will you now divest from these companies as members have been demanding?

Question 2 – Diane Dale

Dear sirs,

Earlier this year, SYPA carried out a survey of members of the fund asking for their views.

A majority 52% said that investing in weapons is unacceptable

96% said that SYPA should note members views.

What have you done to implement the views of members in relation to investments in weapons companies?

In addition, Sheffield Council has clearly stated that your original survey was inadequate in assessing members views about investments in companies that are complicit in breaking international law. This would include companies on the UN list that are operating in the illegal settlements in the West Bank and all businesses that are assisting occupation and apartheid in Gaza and the West Bank, where the ICJ has clearly stated Israel is breaking international law.

What is your response to the letter that Sheffield Council has sent to SYPA?

As a representative of the Sheffield PSC Boycott campaign i wish to attend your conference session on the 18th of December to ask the above question with another person from our team.

Many thanks in anticipation of your audience

Response

The Pensions Authority must operate within the framework of law which governs the operation of pension funds. Legal advice commissioned by the Local Government Pension Scheme Advisory Board (SAB) available [here](#) makes clear that as pension funds are not state funds they are not subject to international law in the way indicated in the question.

As has been repeatedly made clear the Authority is required to invest in pooled funds through the Border to Coast Pensions Partnership and cannot unilaterally determine to exclude specific companies from the investment universe and to do so solely on non-financial grounds would be in breach of the Authority's fiduciary duty to scheme members. The law and legal advice are very clear that it is the responsibility of members of the Authority in their role as quasi trustees to exercise their own judgement in making decisions related to investment of pension funds. While the views of scheme members may be a relevant consideration, they do not override the duty to act in the best financial interests of scheme members.

Question 3 – Richard Burnham

Preamble: The weight of responsibility borne by Chairs and Trustees of Pension Funds was highlighted in the Open Letter delivered to November's World Pensions Summit ([link here](#)). It urges that *"the views and long-term interests of all savers, including those under 35, are heard and represented in key strategy decisions."* The BCPP Fossil Free campaign recently reminded Annual Conference attendees that *"younger members face frightening temperature rises, excess mortality, less secure food and freshwater, rising seas and irreversible tipping point."*

Question: “What methodology does South Yorkshire Pensions Authority use when weighting outcomes of its investment strategy for members in different age cohorts? Are the outcomes for savers under 35 specifically noted as part of key strategy decisions, as requested in the Open Letter? If so, do they include the predicted unpleasant retirement outcomes for younger fund members, outlined above?”

Response

The investment strategy does not look at liabilities weighted by members in specific age cohorts and guidance from the Government discourages the running of multiple investment strategies by LGPS funds. The Authority is required to consider the views of scheme members and employers, who actually bear the investment risk in the scheme, in drawing up its investment strategy and will be consulting on this in the new year. The Authority does consider the impact of a range of climate scenarios on the probability of success of its investment strategy and in considers climate issues as part of the valuation process as can be seen on the agenda for today’s meeting.

Question 4 – Ian Pearson asking on behalf of Sean Ashton

At the March 2025 committee meeting we were heartened to hear members of the Committee advocating for the exclusion of fossil fuels in the Responsible Investment Policy (RIP). This was because companies like Shell and BP have backtracked completely on climate policy and the admission that engagement with these companies does not work.

Although the RIP was accepted we recall that it was to be brought back to the December 2025 Committee meeting with an amended wording to reflect this. We are interested to see whether the intent of the March meeting has translated into a robust statement in the policy. If this is not the case, please can you explain why hiding behind the engagement argument is not just a smokescreen and that ultimately it is profit that matters, no matter the cost to the planet?

Response

This question is unfortunately a little early. The debate to which it refers will occur at this meeting following which appropriate amendments will be made to the Authority’s various policy documents.

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Guardians of our pensions, don't let young people down.



Open Letter to Pension Fund trustees and staff

We count on you to secure our wellbeing when we can no longer work.

About 200 million of us across Europe will retire after 2050.

The promise of a decent retirement in the second half of this century feels increasingly like a pipe dream as climate breakdown accelerates.

The security of our future retirement income is in peril. Are you doing everything in your power to prevent climate change from destabilising our society and economy, and threatening the value and resilience of our retirement systems?

We call on you to use the money and influence you wield on our behalf, to prevent drastic economic collapse, driven by food system shocks, water insecurity, heat stress, increased pandemic risk, and mass displacement as vast swathes of land become first uninsurable, and then uninhabitable.

Ten years after the historic Paris Agreement was signed, emissions are rising, and the world has experienced the first year of average temperatures above 1.5° of warming, bringing us close to breaching devastating tipping points in the earth's systems. We have never needed resilient leadership more urgently than we do now.

As guardians of all of our safe retirement, we urge you to:

- 1** Acknowledge the ample evidence from economists, actuaries, earth scientists and legal experts that climate change risks destabilising the economy, threatening the value of our pension and those of future generations of workers.
- 2** Ensure that the views and long-term interests of all savers, including those under 35, are heard and represented in key strategy decisions.

As investors with significant influence, we urge you to:

- 3** Demand that companies and governments urgently stop the development of new fossil fuel projects and facilitate a rapid and just green transition.
- 4** Stop all new financial flows to companies pursuing fossil fuel development.
- 5** (Re)commit to the Paris Agreement clause “to align all financial flows with a path towards low emissions and climate solutions”, and only employ consultants and asset managers that are similarly aligned.

Later will be too late, for both our pensions and our planet.

You must act now to guarantee a safer, more sustainable and resilient future for those of us with a retirement plan, and for the billions worldwide who lack pensions altogether, but whose welfare depends on the same climate stability and economic resilience.

Signed by

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