City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

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Title:	Calling on the City of Philadelphia Board of Pensions and Retirement to adopt Environmental Social Governance criteria and request and disclose climate risk information from all relevant parties.				
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Calling on the City of Philadelphia Board of Pensions and Retirement to adopt Environmental Social Governance criteria and request and disclose climate risk information from all relevant parties.

WHEREAS, The principal purpose of the Municipal Pension Fund is and shall always be to maintain and ensure adequate resources to provide for the retirement benefits of its members and their beneficiaries or survivors; and

WHEREAS, The City of Philadelphia has committed to the terms of the Paris Climate Accord, to limit the increase of global temperatures to 2 degrees Celsius above preindustrial levels; and

WHEREAS, A 2018 briefing from the Tyndall Centre for Climate Research found the cost of 1.5 degrees Celsius of warming at $54 trillion in damage, 2 degrees Celsius of warming at $69 trillion in damage, and 3.7 degrees Celsius of warming at $551 trillion in damage, more than all the wealth existing in the world at the time of the briefing's release; and

WHEREAS, Climate-related risks - both physical and transition risks - will likely affect how the global financial system operates and may lead to unanticipated risk across a wide range of assets; and

WHEREAS, Disclosure of information relating to direct and indirect greenhouse gas emissions, total amount of fossil-fuel related assets that are owned or managed, how valuation would be affected if climate change continues at its current pace or is held to the terms of the Paris Climate Accords, and risk management strategies related to the transition and physical risks posed by climate change will allow the Pension Board to make more informed long-term investment decisions; and

WHEREAS, Climate change ranks among the issues of greatest concern in the financial sector with many investors incorporating Environmental, Social, and Governance (ESG) criteria into investment strategies and taking on active ownership activities, such as proxy voting, engagement, and shareholder resolutions, to ensure those criteria are met; and

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WHEREAS, Central banks and supervisors around the world have taken an active role in focusing on climate finance and risk management, such as The Network of Central Banks and Supervisors for Greening the Financial System, which includes the United States Federal Reserve as a member; and

WHEREAS, Major investment firms like BlackRock and others have proclaimed an urgent need to take action on climate and joined initiatives like Climate Action 100+, which includes more than 500 investors with over $47 trillion in assets collectively under management; and

WHEREAS, Shareholders at major companies, banks, and investment firms around the world have supported resolutions to set targets in line with the Paris Accords and disclose lobbying activity on global warming, among other initiatives. Proxy Insight found average investor support for environmental resolutions in the U.S. and Canada at 32.7% in the first six months of 2020; and

WHEREAS, U.S. SIF found sustainable investing assets now equal 33% of the $51.4 trillion in total U.S. assets under professional management; and

WHEREAS, Morningstar found U.S. sustainable funds are seeing record inflows, attracting $21.4 billion in 2019 and $30.7 billion by September 2020; and

WHEREAS, A recent study by S&P Global Market Intelligence found ESG funds outperformed the S&P 500, with 14 of the 17 funds analyzed rising between 1.8% and 20.1% from December 31, 2019 to July 31, 2020, respectively; and

WHEREAS, City Council affirmed its commitment to climate action and environmental justice in the ongoing Covid-19 recovery with its passage of a “Green Recovery” Resolution on Thursday, December 3, 2020; and

WHEREAS, The City of Philadelphia Board of Pensions and Retirement has applied ESG considerations in making investment decisions and in monitoring investment managers, and through its active ownership strategies, commitment to diversity, equity, and inclusion, and a strategic tracking of its investment portfolio to monitor and assess the risks and benefits of its holdings, including, e.g., fossil fuel assets; and

WHEREAS, The City of Philadelphia Board of Pensions and Retirement has agreed to consider developing and adopting ESG criteria as part of its Investment Policy Statement, and when consistent with its fiduciary duties, engage actively to meet these goals; now, therefore, be it

RESOLVED, Philadelphia City Council calls on the City of Philadelphia Board of Pensions and Retirement to establish and adopt ESG criteria in its investment policy statement, use active ownership strategies to achieve these goals when consistent with its fiduciary duties, and request and disclose climate-risk information from relevant parties.

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