

Local Pension Committee 10 September

Agenda Item 13: Responsible Investment Quarterly Report

Representations from Climate Action Leicester and Leicestershire:

We find both the RI report you received at the June meeting from LGPS Central, and this meetings Quarterly Stewardship report to be lacking in details of specific goals and deadlines in relation to what you expect and require from fossil fuel companies in order to continue investing in them. These are the kind of details which would enable us (and presumably therefore also you as committee members) to actually assess **if the pension scheme's engagement policy is having a large enough impact on the behaviour of fossil fuel companies to get them to reduce carbon emissions fast enough and sufficiently** to keep the world below the 2⁰C of global warming which the IPCC says would be catastrophic.

Having watched some of your recent meetings, looking at your quarterly stewardship update, and reading your response to the DivestUK report last year on the Council website here <https://www.leicestershire.gov.uk/jobs-and-volunteering/local-government-pensions/queries-about-fossil-fuel-investment?fbclid=IwAR2bl5t-bETXxA43-OsL2XdjDSkdKmjSflhU5qXtvXx2j3t6qmgHd4Kw670> you make it clear that as a Fund and Committee you are pursuing a policy of engagement rather than divestment because you want to influence fossil fuel companies in order to “drive the clean energy transition and help achieve the goals of the Paris Agreement”.

Climate Action Leicester and Leicestershire believe that a Paris-compliant strategy for a fossil fuel company would be as follows:

- to commit to no new fossil fuel capital expenditure by end of 2021
- a managed decline in production
- and to reduce overall GHG footprint to zero by 2050 (scope 1,2,3), with compatible interim milestones for 2025, 2030 and 2040.

If the Fund does not already have specific goals of this nature we would ask that the Committee look to strengthen the Fund's engagement strategy by making the above specific goals of the Fund and commit to divesting from any fossil fuel companies you are invested in if they fail to meet these deadlines. We would suggest that the Committee outlines within the Engagement Strategy the following:-

- The Committee's specific engagement goals;
- Current goals in terms of engagement with BP, Shell and other fossil fuel companies;
- How the Committee will assess progress made by fossil fuel companies towards these goals and the response if the goals are not met

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