

Dear Leicestershire Local Government Pension Scheme,

We write regarding your proposed Net Zero Climate Strategy.

We strongly support the pension scheme developing a strong and effective climate strategy with the aims of reducing climate risk to the fund, and putting pressure on the financial and business world to move to net zero by 2050. The proposed strategy however is worse than useless and we do not support it because:

1. It needs to contain specific requirements for fossil fuel producing companies to stop opening new reserves by 2025 and commit to end investment in them if they fail to do so. By doing this the Pension Scheme would show vital leadership and encourage the UK and other governments to put in place effective climate legislation.
2. The criteria (CA100+ benchmarks) you are proposing to use to assess if companies are meeting your targets, actually support companies in greenwashing themselves rather than making real changes to their actions and carbon emissions. You need to be much more selective about which criteria you will apply to which sectors, and how you will enforce this.
3. It does not commit to setting up a mechanism to enable local communities, businesses, housing associations and others to apply for investment from the pension scheme in projects which tackle fuel poverty and reduce carbon emissions. For example, energy efficient social housing, renewable energy generation, heat pump powered district heating and whole street home insulation. Legally you are allowed to invest up to 5% of the fund locally, and these are projects which could bring a safe return to the fund.

In order to make this Net Zero Climate strategy fit for purpose, it needs to include the following:

- A public commitment to end your investments by 2025 in companies which produce fossil fuels and are spending capital on opening up new reserves.
- A careful selection of effective CA100+ criteria. At the moment your proposal to use the majority of the CA100+ criteria makes companies which are deliberately greenwashing themselves look good.
- Specific dates by which you require different sectors to achieve the criteria you set and a clear escalation strategy for those which fail to do so.
- A mechanism by which local organisations can apply for investment in projects which jointly reduce carbon emissions and fuel poverty.
- A specific engagement and escalation strategy for the banks and insurance companies you invest in to push them to stop supporting the development of new fossil fuel production.

As it currently stands, this Net Zero Climate Strategy is damaging for everyone as we all face worsening climate change. The financial world, and pension funds in particular, carry real power when it comes to making change. At the moment you are failing to act responsibly. Please rewrite this strategy.

Yours sincerely,

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