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Climate Action Leicester and Leicestershire is working locally to get the Leicestershire Local Government Pension Scheme (which is run by the County Council on behalf of councils, schools and other employers across Leicestershire and Rutland) to do the following:

1. Publicly commit now to stop investing in fossil fuel producing companies which are still developing and opening up new fossil fuel reserves by 2025.
2. Set up a mechanism via which local businesses, communities, Councils and building associations etc can apply for investment from the fund in low risk profitable projects which reduce fuel poverty and carbon emissions. Please note that other LGPSs are investing locally and that the Fund is allowed to invest up to 5% locally.
3. Improve its Net Zero Climate Strategy so that it does not use assessment criteria which enable companies to greenwash rather than taking real action to reduce their carbon emissions in line with the Paris Agreement to keep the world below 2oC of global warming.

Our main reasons - both for the benefit of the pension scheme and in order to minimise climate change - are listed below, along with supporting quotes.

- **Climate change poses a risk** to the ongoing survival of the pension scheme as well as its members. This is why the Fund is producing a Net Zero Climate Strategy.
- **Investing in fossil fuel producers is a financial risk to the fund**. Due to the very fast world shift to renewable energy and away from fossil fuels these investments run the risk of becoming stranded - worthless and unsellable (see quotes 1 and 2).
- **Fiduciary duty** requires the fund to make enough profits to pay its members pensions. While higher profits are good, it is also a requirement that investments are safe. The Fund should not be investing in fossil fuel companies which run a real risk of becoming stranded in the next few years. Now is a profitable time to sell.
- **Investment managers make mistakes** in their predictions just like anyone else. The Ukraine war was predicted and yet pensions were still invested in Russia when it started. The risk of stranded fossil fuel assets is not being taken seriously by many investment managers even though many other financial organisations are divesting because of the risk.
- **Using the majority of the CA100+ criteria for assessing company progress to Net Zero enables companies to greenwash themselves** while failing to take concrete action to keep the world below 1.5oC of global warming. These criteria need to be used far more selectively than the Net Zero Strategy proposes in order to prevent this.
- **Engaging with fossil fuel producing companies has not worked**. Pension funds, the Church of England, and many other shareholders have been pushing them to seriously address climate change for 30 years and yet they are still opening up new fossil reserves. In this time BP has sold off its renewables branch and in the past few months both BP and Shell have reneged on their carbon reduction targets. There are already enough fossil fuel reserves in production to sustain the world through its transition to Net Zero. New reserves can only tip the world well above 2 degrees of global warming. (See quote 3.)
- **Divestment as a way of supporting international legislation to tackle climate change does work.** The key UN diplomat, Christiana Figueres, who led the Paris talks is very clear that it was a key factor in the Paris Agreement being reached (see quote 4).

- **Public pension funds investing in companies provide essential social licence, thus endorsing and supporting the actions of companies and governments.** This is why pension funds ended investments in Apartheid South Africa, and also last year in Russia. Withdrawing this social licence makes action by governments, companies and the financial world more likely. This is why we are calling for the LLGPS to divest from fossil fuel production publicly.

- **The youngest new members of the pension scheme should be given equal weight to those about to retire.** But if the world moves above 1.5 to 2oC of global warming, both the financial and physical world, along with their pensions, will become unstable. Investing in fossil fuel producers makes this more likely.

- **Other pension funds are divesting from fossil fuel production. Local Councils are limited** (both by funding and legislation) to do as much as is needed to tackle climate change. None the less, their electorate want them to act, and **ending investments in companies which are opening new fossil fuel reserves is one of the most effective things they can do right now**. The Leicestershire pension fund should be acting on this - not continuing to give moral support to fossil fuel producers at the cost of all our futures. (See quotes 5 and 6.)

- **Hundreds of members of the LLGPS** have told us in surveys and petitions in the past 6 months that they **do not want their pensions invested in fossil fuels**, with less than 10% telling us they do not support our campaign when surveyed. It's their money in this fund, they should be listened to.

Quote 1:
"Exponential energy change is all around us. Demand for fossil fuels is going to collapse. Investing in fossil fuel companies looking to expand is a hugely risky investment."
Mark Campanale, Founder of Carbon Tracker, a non-profit think tank which carries out in-depth analysis on the impact of the energy transition on capital markets.

Quote 2:
"All financial institutions must justify their continued investment in fossil fuels. Assets in the sector could end up stranded and worthless."
Mark Carney, Previous governor of the Bank of England

Quote 3:
"We part with our investments in fossil fuel producers because we see insufficient opportunity for us as a shareholder to push for the necessary, significant acceleration of the energy transition at these companies."
Corien Wortmann-Kool, Chair of ABP, the largest Dutch pension fund.

Quote 4:
"The global DivestInvest movement was a primary driver of success at the Paris Climate Talks in 2015"
Christiana Figueres, Executive Secretary of the United Nations conducted the Framework Convention on Climate Change (UNFCCC) 2010-2016. These were the talks which resulted in the Paris Agreement to try to keep the world below 1.5degreesC of global warming.

Quote 5:
"Divestment is not only a sensible decision that helps protect the pension fund… it also underlines our determination to do all we can to tackle the challenges of the climate emergency."
Cllr Johar Khan Chair of Waltham Forest Pension Committee. This local government pension scheme has divested from fossil fuel companies.

Quote 6:
"The PFZW Board feels a great responsibility to use the contributions of our members in such a way that their money yields a good return and makes a concrete contribution to a liveable world...we must bring investments in line with what 'Paris' demands: limit global warming to 1.5oC. From 2024 onwards, we will no longer invest in companies in the fossil fuel sector that do not act in accordance with this agreement."
Joanne Kellermann, Chair of PFZW, second largest Dutch pension fund.

https://www.climateactionleicesterandleicestershire.org.uk/index.php/leicsdivest/