

Hello, I'm Zina Zelter. Thankyou for allowing me to speak in person today on behalf of Climate Action Leicester and Leicestershire. As a group we have thousands of members locally, hundreds of whom are in your pension scheme, and are supported by dozens of local groups as well as 5 local councils who've passed motions this year calling on you to stop investing in fossil fuel producing companies.

We want to ask you to question the assumptions and beliefs which underpin your approach to responsible investment. We are concerned that some of the assumptions we've heard repeatedly in this committee over the past 4 years, are preventing you from creating real world change when it comes to the carbon emissions of fossil fuel companies - and at the moment these companies produce almost half of the worlds carbon emissions!

As you can see from our paper submission to this meeting, there are several of these assumptions which we'd like you to reconsider, but the one we want to particularly want to raise today is the belief that fossil fuel companies are part of the solution to climate change.

Our question to you is what is the solution you think fossil fuel producing companies offer? Carbon capture and storage is not expected to become a fully functioning technology for at least 10 years – but the world must half its carbon emissions within the next ten years in order to stay below 1.5degrees of global heating.

If fossil fuel producers were serious about developing Carbon capture and storage technology, they would be pouring all their capital expenditure into it. Instead they are deliberately using the idea that it might be a solution to make organisations like this pension fund continue to invest in them, at the same time as spending their capital on opening new reserves of oil and gas.

Obviously we need to continue using oil and gas while the world transitions to net zero. But equally obviously, this oil and gas is already in production. These reserves don't need investment because they are already operational – and they contain enough fossil fuels to carry the world to net zero.

The only realistic way in which fossil fuel companies can become part of the solution to climate change is by halving their fossil production by 2030. But by putting the vast majority of their capital expenditure into opening new oil and gas reserves instead, they are showing that although they claim to listen to shareholder engagement, they have no intention of doing what is needed within the timeframe necessary. By continuing to invest in and engage with them you are doing exactly what they want. You are providing a fig leaf for their fossil fuel expansion and enabling them to lobby against climate legislation. Which is what they are doing at COP28 right now.

If you want to create real world change which will reduce the risk to this pension scheme and the world from climate change – and again, bear in mind that these few companies currently produce almost half of the worlds carbon emissions – then fossil fuel producers have to be required to change by national and international legislation. The changes companies have made so far, are mainly as a result of the International 2016 Paris agreement to try to keep the world below 1.5oC of heating.

And it is legislation of this nature which can force all fossil fuel companies to reduce their production, which is why they are lobbying so hard against it.

So the question is, what can you as a pension scheme do to encourage international climate legislation and reduce the risk climate change poses to the pension scheme? The answer is to stigmatise the behaviour of fossil fuel producing companies, thereby creating an environment where effective climate legislation is easier to negotiate and enforce. Stop providing a fig leaf for these companies climate wrecking activities, and instead publically remove your support by divesting and encouraging other pension funds to divest. This would have an impact on all fossil fuel producers, not just the ones you invest in and engage with.

We know this approach can work to support climate legislation because Figueres, the lead UN diplomat for the 2010-2016 Paris negotiations said – and I quote - that financial divestment from fossil fuel companies “was a primary driver of success at the Paris Climate Talks”. So the lead negotiator for the Paris agreement – an agreement which has resulted in much of the real world change to date - says divestment effectively supports the creation of International climate legislation.

Which brings me to our final point. Removing fossil fuel producers from your investments can be beneficial for the financial performance of your investments. Even with the war in the Ukraine, both the MCSI and the FTSE indices excluding fossil fuels show better performance than those including them. Your fiduciary duty to the fund does not prevent you ending these investments, and removing the fig leaf which you are currently providing to fossil fuel producing companies. Other pension funds are doing this and you can too.

Please revisit, discuss and consider in depth the assumptions which are preventing you from ending your investments. You have the power to support real world climate legislation instead of supporting the drivers of climate change.