

# **Motion to Shropshire Council on 16th July 2020**

## **(Pension Fund Fossil Fuel Disinvestment motion)**

### **Council notes:**

- Shropshire and Telford & Wrekin Councils have both declared climate emergencies and pledged to be net zero by 2030.
- Shropshire County Pension Fund (SCPF) currently has around £294 million invested in fossil fuel companies including Shell and BP and through asset manager BlackRock.
- These investments are incompatible with the climate emergency declaration and the councils' commitment to reach net zero within the next ten years.
- Fossil fuel investments are financially risky as a result of both the Covid19 pandemic and the global transition to a more sustainable economic and environmental model. They are now being consistently out-performed by renewables.
- Former Bank of England Governor Mark Carney warned in December 2019 that fossil fuel investments risk becoming "stranded assets" (i.e., worthless) as investors exit the sector. "A question for every company, every financial institution, every asset manager, pension fund or insurer – what's your plan?"
- The 'engagement' approach does not mitigate the financial risks the sector faces. There is also no evidence of any multinational corporation changing its core business model in response to investor pressure.

Council believes it is time for Shropshire's flagship pension fund to commit to divestment from fossil fuels over a three year timeframe.

This would:

- Allow for the development of 'impact investment' directed towards internationally recognised sustainable development goals and/or investment in a local sustainable economy.
- Provide for a more sustainable future of all pension fund stakeholders.
- Provide leadership in the face of the climate emergency.

### **This Council resolves:**

To instruct the Acting Chief Executive to write to the Pension Fund Committee asking the Committee to follow best practice by;

1. Adding a statement to their strategy that climate change constitutes financial risks to the fund.
2. Setting a 3 year timescale for the reinvestment of funds currently invested in fossil fuel dependant assets.
3. Developing an investment strategy consistent with sustainable development goals and developing a local sustainable economy.

Finally we recognise that fossil fuel investments constitute part of the councils 'carbon footprint' and so resolve that this element should be reported on within our greenhouse gas reporting for Scope 3.