

# DIVEST HERTS

## Divest Herts - Stop investing in fossil fuels!

### Why it matters

To maintain a stable climate, we urgently need to cut back on the fossil fuels we burn. Most of the world's coal, gas and oil reserves need to stay in the ground if we are to limit global warming.<sup>1</sup> This means that we need to stop investing in fossil fuel companies.

### Divestment makes sense

Divestment means getting rid of investment funds in fossil fuel companies that are putting our planet at risk, and investing instead in sustainable alternatives.

Investment in fossil fuels is already being seen as an unacceptable long term financial risk. For example, Mark Carney, Governor of the Bank of England has warned that the vast majority of oil reserves should be considered “unburnable” if we want to avoid catastrophic climate change, resulting in oil companies’ reserves becoming stranded assets.<sup>2</sup>

We also urgently to invest in a sustainable and responsible future, boosting local economies and jobs, providing public benefit while potentially generating a higher return than fossil fuels over the next generation.<sup>3</sup>

### What needs to happen

Hertfordshire County Council has over £129 million worth of pension funds invested in fossil fuel companies. These funds should be invested instead in low carbon or green technologies. The County Council says that its Pension Fund is concerned about the investment implications of climate change and carbon emission management, and that climate change is recognised as a significant risk factor for its pension fund investments.<sup>4</sup> It needs to act on this.

**We are urging Herts County Council to mandate its pension fund managers to freeze any new investments in fossil fuel companies and to divest all existing shares within 5 years.**

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<sup>1</sup> <http://www.monbiot.com/2009/05/06/how-much-should-we-leave-in-the-ground>

<sup>2</sup> <http://integratedreporting.org/news/emerging-markets-carney-raises-the-heat-on-climate-you-cant-burn-all-the-oil/>

<sup>3</sup> *Reinvesting Pensions: From fossil fuel divestment to reinvestment in the new economy*, Community Reinvest and Platform London, 2016.

<sup>4</sup> Background note from Hertfordshire County Council's Assistant Director - Finance on the Hertfordshire Pension Fund, submitted to St Albans District Council meeting 24 February 2016.

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## It can be done

The legal obligation that requires pension fund trustees to act in the best interest of their members is often put forward as a reason why local authority pension funds can't divest from fossil fuel companies. But this duty is not clearly defined in law and narrow short term interpretations are increasingly being challenged. Pension funds should instead consider their members' long-term interests and the risks of climate change.

## It is already happening

The Environment Agency Pension Fund has announced it will decarbonise its investment portfolio by 90% for coal and 50% for oil and gas. It said that: *“considering the impacts of climate change is both our legal duty and is entirely consistent with securing the long term returns of the Fund and is therefore acting in the best long term interests of our members”*.<sup>5</sup>

A growing number of local authorities, universities, and other organisations around the world are committing to divest from fossil fuels. For example, South Yorkshire Pension Fund has divested from coal and tar sands companies and committed to low carbon investment policies. Oxford City Council and Bristol City Council have committed to making no direct investments in fossil fuel companies. Hastings Borough Council announced it will divest from fossil fuel bonds within 5 years.

## Who we are

Divest Herts is a coalition of organisations and charities based in Hertfordshire concerned about the effects of pension fund investments in fossil fuel industries because of the effects on climate change.

## What you can do

Find out if your pension fund is one of those that is covered by Herts County Council. As well as the Council's employees, the Pension Fund covers around 180 employers, including district, town and parish councils, university and colleges, and a number of not-for-profit organisations/contractors. See list at:

<https://divestherts.org/pension-recipients/>

Sign the petition: <https://campaigns.gofossilfree.org/petitions/hertfordshire-county-council-divest-from-fossil-fuels>

For more information and to get involved in the campaign:  
email: [divestherts@gmail.com](mailto:divestherts@gmail.com)

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<sup>5</sup> Policy to address the impacts of climate change, Environment Agency Pension Fund, October 2015.