

Speech to Avon Pension Committee – Friday 26th June 2020

Hello – I'm Sarah Warren, Cabinet Member for Climate Emergency at Bath and North East Somerset Council. I'm joining you today to thank you for agreeing changes recently to reduce the carbon footprint of the fund, and invest more capital in renewables, ensuring your portfolio is aligned with limiting global warming to below 2 degrees.

As part of Brunel, you are already amongst the leaders in local government pension funds when it comes to divestment from fossil fuels, and have actively lobbied Barclays Bank for a more responsible approach to investment, and EU leaders for a green renewal, so I want to congratulate and thank you for that.

But I have come to ask you to go further. The IPCC's 2018 report into the differences between 1.5 and 2 degrees of warming was stark, and said the following:

100 million more people will be exposed to risk from water scarcity in a 2 degree world, than 1.5. 10 million more, to risk from sea level rise. GDP per capita will be reduced by 13% rather than 8%. The disadvantaged and vulnerable will be in greatest peril. Whole ecosystems will be at greater risk of destruction.

The climate science is advancing all the time, the evidence mounting that change is happening faster than predicted. Following Australia's fires in the New Year, we've just seen the driest spring on record in the UK, whilst Siberia bakes in average temperatures this year more than 5 degrees above the long term average. The exceptional weather records stack up month on month. We'll soon see an ice free Arctic, with incalculable global impacts, and exponential rise in exceptional and disastrous weather events.

Now coronavirus has changed the world, and it has given us an opportunity that we must seize. The oil and gas sector are currently facing massive writedowns, with a threatened \$17bn slash from BP, who, earlier this month, announced 10,000 job cuts. The fossil fuel sector envisages a green recovery, and falling returns. You have a fiduciary duty to the workers of Avon. No one should now be investing in fossil fuels due to the risk of stranded assets.

You have looked at investment scenarios and portfolio returns under 2, 3 and 4 degrees of warming. Projected portfolio returns under the 2 degree scenario are coloured a hopeful green in your background information. But I would argue that the outlook is bleak, for both investment returns, and society, even at 1.5 degrees. The empty supermarket shelves at the start of the pandemic

have illustrated the fragility of our complex food supply chains here in the UK. Just how much would it take to disrupt them completely? Remember that all projections to date of climate impacts have been over-optimistic. At current rates of emission, we have 12 years 4 months 28 days until we emit the entire remaining global carbon budget that will take us to 1.5 degrees.

Thank you for the leadership you have shown so far. In these perilous times we need people to step forward and show courage. There is no time to lose. You must now invest 100% of your fund in low carbon and sustainable assets.