

Addendum by Councillor Burgess

City of Edinburgh Council

Pensions Committee

23 June 2021

Item 6.3 - Unaudited Annual Report (and Financial Statements) 2021

Add to recommendations:

1. Notes the recent landmark court decision in the Netherlands ordering Royal Dutch Shell to reduce carbon emissions from its business by 45% by 2030;
2. Notes that such decisions and global agreements on the reduction of greenhouse gases are likely to increasingly impact the profitability and share dividends of companies whose main business is fossil fuels;
3. Notes the fiduciary duty of the Lothian Pension Fund to its members and that continued investment in fossil fuel companies may impact on this duty;
4. Notes that the LPF Statement of Investment Principles 11 states:
'decisions whether to invest in, or divest from a particular company should be made by an investment manager based on a holistic analysis of financially material issues including environmental, climate change, social and governance issues'
5. Further notes the likelihood of increasing global impacts of Climate Change on the well-being of LPF members, such as on their health and food prices;
6. Notes the recent decision by the Strathclyde Pension Fund to divest from fossil fuel companies whose business contributes to Climate Change;
7. Therefore, agrees in principle that Lothian Pension Fund begins a managed divestment from fossil fuel companies in order to uphold its fiduciary duty and the well-being of its members and requests a report to its next meeting on how this can be achieved.

Moved by

Councillor Steve Burgess

Seconded by