Ms. Faith Ward
Chief Responsible Investment Officer
Brunel Pension Partnership Ltd
5th Floor, 101 Victoria Street
Bristol
BS1 6PU

12th August 2021

Dear Faith,

We refer to the letter from Alex Monro, Head of Communications, (4th November 2020), in response to our letter to Laura Chappell dated 21st October 2020.

We are writing again because we are convinced that the climate policy of Brunel Pension Partnership is still inadequate in addressing the climate crisis.

In their latest Sixth Assessment Report publicized on Monday, the Intergovernmental Panel on Climate Change (IPCC) leave no doubt that human-induced climate change is already affecting many weather and climate extremes in every region across the globe. This is at 1.1°C of global warming above pre-industrial levels.

A.1 *It is unequivocal that human influence has warmed the atmosphere, ocean and land. Widespread and rapid changes in the atmosphere, ocean, cryosphere and biosphere have occurred.* (Pg. 5, Summary for Policymakers, AR6) https://www.ipcc.ch/report/ar6/wg1/#SPM

Furthermore, the Assessment concludes:
D.1 *From a physical science perspective, limiting human-induced global warming to a specific level requires limiting cumulative CO_2 emissions, reaching at least net zero CO_2 emissions, along with strong reductions in other greenhouse gas emissions. Strong, rapid and sustained reductions in CH_4 emissions would also limit the warming effect resulting from declining aerosol pollution and would improve air quality* (Pg. 36, Summary for Policymakers, AR6)

We do not believe the scope and rate of change represented by Brunel's policy is properly aligned with the Paris 1.5°C objective and needs considerable adjustment in light of AR6's findings and warnings. We object to the lack of targets to remove fossil fuels from Brunel's portfolio. We believe that the Partnership is taking unnecessary financial risks by continuing to invest in fossil fuels, risks which will be borne by electors as well as by pensioners and their families across our region.

David Attenborough put it succinctly when he said, "It's crazy that our banks and pensions are investing in fossil fuels, when these are the very things that are jeopardizing the future that we are saving for."

We believe that it is wrong to make a profit from the extraction and sale of fossil fuels which are damaging the world we live in and that future generations will have to pick up the pieces of our inaction. We also believe that your framing - taking action on climate change as "ethical" - obscures the necessity of that action in the face of an emergency adversely affecting everyone in less than a lifetime.

The NGO *Carbon Tracker* estimates that we have only about 11 years left at the current rate of emissions before we are irrevocably committed to 1.5°C global heating. If we heat the planet beyond 1.5°C we will very significantly expand the scope of suffering for our region, nation and species and push the global climate system through tipping points that could trigger further heating**.** The poorest people in the world are already bearing the brunt of a climate crisis not of their making. We must also consider climate justice in our decision-making.

Also, investment in the fossil fuel sector no longer makes any financial sense and can only offer poor returns with high levels of risk. This poor performance is impacting on the ability of the scheme trustee's duty to ensure good returns on scheme investments. The sector has consistently under-performed the rest of the equity markets over the last 15 years. It is facing major headwinds from increased regulation and advancing technologies such as electric vehicles; and cheap solar and wind energy sources. Despite this transition fossil fuel majors are only investing a small fraction of their capital in renewables. Irrespective of whether you support a divestment position or not, other responsible investors representing significant fund values are following a divestment policy which will have a negative impact on the value of fossil fuel investments.

Given that research shows that eliminating one sector from a portfolio does not affect portfolio performance over a range of timescales, continuing investment in fossil fuels is irrational. Voters in our region will be liable for the financial fall-out resulting from such investment. Contributing to appropriate collective action through divestment will reduce the impact of global heating on the world economy and thus help to protect the portfolio.

In your letter to us you wrote that Brunel has an educational approach to dealing with the fund managers through which it invests. The implication is that Brunel takes a hands-off approach to implementing policy. How does this approach guarantee the full implementation of any policy goals of either the elected bodies that are your clients or even your own objectives? How can your clients have confidence that their fiduciary duty can be delivered by the Partnership?

Reducing or eliminating the financial and environmental risks of investments contributing to global heating should not be an optional or secondary issue that is excluded from the contractual objectives of the fund managers. The outsourcing of responsibility for such momentous decisions is a dangerous practice, and the Partnership must now take greater control of how the savings of your ten stakeholders and their pensioner-clients are used.

We would add that your engagement strategy utterly fails to cut to the quick of the issue, which is that fossil fuel companies continue resisting and delaying shutting down their extractive operations despite every kind of pressure imaginable. In the recent judgment against Shell at a court in The Hague the judge found Shell's goals to mitigate its climate impact largely amount to rather intangible, undefined and non-binding plans for the long term. As the court case, and other activist actions against Chevron and Exxon, have dramatically confirmed, the only way in which profit-seeking fossil fuel companies will change their policies is if they are forced to do so. We see this issue as a necessary exercise in leadership on your part.

The International Energy Agency's recent flagship report (May 2021) states that, after 250 years, the time has come to stop exploring for fossil fuels: *"The rapid drop in oil and natural gas demand in the Net Zero Emission scenario means that no fossil exploration is required and no new oil and natural gas fields are required... No new coal mines or mine extensions are required either."*

Your continuing support for fossil fuel companies is delaying vitally necessary change.

Our own position is clear: South West Action on Pensions calls upon Brunel to divest 100% from fossil fuel companies and fossil fuel funded financial products by 2025; to divest from all carbon intensive industries and invest in carbon neutral companies and projects by 2025. Please do the right thing, for all our futures.

A group of us representing South West Action on Pensions are coming to Bristol on Friday 3rd September, and a small delegation from this group, with current and future pensioners of the constituent BPP pension schemes, would like to meet with you. Please confirm if you would be available during the afternoon of that Friday to meet with us and discuss this increasingly urgent situation.

We look forward to hearing from you at the earliest opportunity.
Yours sincerely,

Caz Dennett
Dorset Pension Fund Member (deferred)
On behalf of South West Action on Pensions

Signed also by

Dave Searby, Avon
Rob Hughes, Bournemouth, Christchurch & Poole
Stephen Morton, Buckinghamshire
Karen La Borde, Cornwall
Gill Westcott, Devon
Penny Kent, Gloucestershire
Andrew Finney, Oxfordshire
Pauline Reimers, Somerset
Sigurd Reimers, Wiltshire
Ruth Arnold, Medact Dorset

Copy also sent to:
Laura Chappell, CEO
Denise Le Gal, Independent Chair
James Russell-Stacey, Chief Stakeholder Officer
Pension Fund Committee Chairs