DRAFT DIVESTMENT MOTION

This Council notes:

> that East Sussex County Council currently has tens of millions of pounds of local people's pensions invested in fossil fuels (oil, coal & gas) via the Local Government Pension Scheme covering Brighton, Hove and East Sussex (the East Sussex Pension Fund)

> that the burning fossil fuels is regarded as one of the main driver of climate change

> that according to UN climate reports, massive reductions in carbon emissions will be necessary before 2030 if the world's governments are to follow through on their stated commitment ('the Paris agreement') to hold global warming to 'well below' 2ºC, 'pursuing' 1.5ºC; and that in order to meet these climate goals, the vast majority of proven reserves of fossil fuels should remain in the ground unburnt

> that according to the International Energy Agency, avoiding catastrophic climate change requires an immediate end to all investments in new oil & gas projects.

> that according to the Climate Action 100+ investor initiative (of which the East Sussex Pension Fund is a member): 'If left unchecked ... climate risks will threaten investors' long-term ability to sustain value and generate ongoing returns for their beneficiaries over decades.'

> that the Council's current policy of 'shareholder engagement' with fossil fuel companies simply isn't working.

> that divestment (ie. institutions publicly committing themselves to stop investing in fossil fuels) helps to create the political space for governments to take the actions necessary to rapidly phase out fossil fuels and avoid the worst impacts of climate change. Indeed, global divestment campaigns have a proven track record of leading to restrictive legislation affecting relevant firms.

> that over 1,550 institutions around the world – collectively worth approximately $40.5 trillion – have already made some form of divestment commitment, including several UK pension funds;

> the conclusion of the investigations by two major financial management firms, BlackRock and Meketa, that 'separately concluded that investment funds have experienced no negative financial impacts from divesting from fossil fuels. In fact, they found evidence of modest improvement in fund return ...'

> the UN Secretary-General's recent statement that: 'Our world is addicted to fossil fuels. It's time for an intervention. We need to hold fossil fuel companies and their enablers to account. That includes the banks, private equity, asset managers and other financial institutions that continue to invest and underwrite carbon pollution.'

>that Bexhill Town Council, Brighton & Hove City Council, Hastings Borough Council, Lewes District Council, Lewes Town Council, Peacehaven Town Council, UNISON, Maria Caulfield MP (Cons, Lewes) and Caroline Lucas MP (Green, Brighton Pavilion) have all called on the East Sussex Pension Fund to divest from fossil fuels.

This Council calls on the East Sussex Pension Fund to publicly commit to fully divesting from fossil fuels by:

Immediately freezing any new investment in the top 200 publicly-traded fossil fuel companies

Publicly committing to divest from direct ownership and any commingled funds that include fossil fuel public equities and corporate bonds within five years.