



Why the Greater Manchester Pension Fund urgently needs to divest from fossil fuels

The Greater Manchester Pension Fund (GMPF) has over £1.8 billion invested in fossil fuels¹. With global temperatures already 1 degree C above pre-industrial levels, immediate and sustained action is needed to transition away from fossil fuels. We only have 11 years left (until 2030) to prevent irreversible damage from global heating².

Fossil Free Greater Manchester is calling upon the GMPF to:

1. Make the fund fossil free within the next 2 years.
2. Immediately move all investments out of the most polluting fossil fuels (coal, tar sands & fracking).
3. Develop a strategy to invest in local climate solutions in Greater Manchester.

Globally, institutions with assets worth over \$11 trillion have made divestment commitments³. Recent research by investment companies has shown that performance was better for fossil-free stocks while volatility was lower⁴.

The fossil fuel industry shows no sign of attempting to change its behaviour. Last year, all of the major oil companies – this includes BP, Shell, Total and Equinor – have sanctioned projects that take us way beyond a 2 degrees world and so are in contravention of the Paris Climate Accord⁵.

The GMPF does invest in renewable energy and has announced that it will transfer some funds to a 'low carbon tracker'. However, these changes are utterly undermined by the Fund's continuing direct investments in fossil fuel companies, including its two biggest holdings, Shell and BP.

Given the material risks of climate breakdown and the increasing regulatory and reputational risks faced by fossil fuel companies, withdrawing all investment from fossil fuels is both financial and moral imperative. According to Government guidance, it is also consistent with the Fund's fiduciary duties⁶. GMPF can reinvest the funds in local, environmentally and socially positive enterprises, and so make a vital contribution to the welfare of its members, the wider population of Greater Manchester and far beyond.

As a councillor, you could:

¹ Figures from Fossil Free GM analysis of GMPF mainstream holdings: <https://www.gmpf.org.uk/investments/holdings.htm>

² <https://www.un.org/press/en/2019/ga12131.doc.htm>

³ <https://gofossilfree.org/11-trillion-divested/>

⁴ https://www.msci.com/resources/factsheets/index_fact_sheet/msci-acwi-ex-fossil-fuels-index-gbp-gross.pdf

⁵ Carbon Tracker, 05/09/2019 'Breaking the Habit' <https://www.carbontracker.org/reports/breaking-the-habit/>

⁶ Local Government Pension Scheme: Guidance on Preparing and Maintaining an Investment Strategy Statement, page 9: <https://www.gov.uk/government/publications/local-government-pension-scheme-guidance-on-preparing-and-maintaining-an-investment-strategy-statement>

October 2019

<http://fossilfreegm.org.uk/>
fossilfreegm@gmail.com

1. Get in touch with us so we can collaborate on the campaign;
2. Discuss fossil fuel investments and risk with the council's Chief Financial Officer;
3. Help us to gather information on how the Fund is responding to the Climate Emergency;
4. Engage with the Pension Fund Management and Advisory Panel;
5. Set up meetings with the GMPF management panel, campaigners and fund members;
6. Put in a divestment motion to the full council;
7. Push to update the council's ethical investment policy to exclude fossil fuels.

Get in touch with us to let us know your progress. We can support you!