

Please quote:
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APPENDIX B



Councillor Peter Chowney
Aquila House, Breeds Place
Hastings, East Sussex TN34 3UY

Councillor R Stogdon
Chair, East Sussex Pension Fund
St Anne's Crescent
Lewes
BN7 1SD

Dear Councillor Stogdon

At its April meeting, Hastings Council unanimously adopted the following resolution:

"Hastings Borough Council pledges:

- To develop and implement a Responsible Investment Policy through which it will:
 - a) Divest from direct ownership and any commingled funds that include fossil fuel public equities and corporate bonds within 5 years;
 - b) Set out an approach to quantifying and addressing climate change risks affecting all other investments, and
 - c) Focus future investments in property and other assets on areas that minimise climate change risk and continue to reduce the council's carbon footprint
- To work with other District and Borough councils in East Sussex to encourage and assist them to adopt Responsible Investment Policies with the same scope."

Climate change is a problem that affects all of us. Local authorities can do a lot to raise people's awareness of the issues, encourage them to adopt less environmentally damaging behaviours, and encourage local businesses that pursue more environmentally sustainable practices. But councils also need to look at their investment policies, both in terms of property investment and investment funds, to minimise investments in fossil fuels in particular. And this is not just a question of combating climate change, important though that is. Mark Carney, the Governor of the Bank of England, recently warned of the 'carbon bubble' whereby investors in fossil fuels risked huge losses, because the value of fossil fuel companies was based on the total value of their fossil fuel reserves, whereas, he said, 'the vast majority of fossil fuel reserves are unburnable', because the shift towards cleaner energy would mean that these reserves would never be extracted.

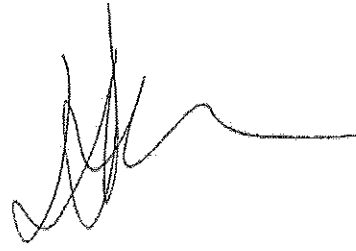
So by adopting a policy of divestment in fossil fuels, councils can not only help to limit climate change, but can also avoid the potential financial risk associated with such investments. Such a policy would be of particular impact if it were to be adopted by the East Sussex Pension Fund, so we would strongly urge you to adopt a similar policy to begin divestment in fossil fuels from pension fund investments.



Yours sincerely



Councillor Peter Chowney
Leader of the Council
Hastings Borough Council



Councillor Liam Atkins
Leader of the Opposition
Hastings Borough Council

