



Fossil Free Greater Manchester
c/o Manchester Friends of the Earth
Green Fish Resource Centre
46-50 Oldham Street
Manchester
M4 1LE

Friday, 13 May, 2016

Councillor Kieran Quinn,
Chair, Greater Manchester Pension Fund,
Guardsman Tony Downes House
5 Manchester Road
Droylsden
M43 6SF

Dear Councillor Quinn,

Further to your comments in response to the Tameside Radio interview with one of our members (also covered in the Tameside Reporter), we would like to thank you for your engagement with the issues raised. In particular we were pleased to hear you acknowledge our effectiveness in raising public awareness of climate change and greenhouse gas emissions from fossil fuels.

Given your recent comments we would like to ask for responses to the following questions:

1. You disputed our suggestion that the Greater Manchester Pension Fund (GMPF) recently lost approximately £148 Million in the value of its coal stocks. This figure was based on the publicly available information on GMPF's holdings, together with published data on share price movements. The calculations were done by the think tank Platform and only cover the losses in value of four coal mining companies in the last 18 months from April 2014 (Anglo American, BHP Billiton, Glencore and Rio Tinto). Considering the Fund may have assets in coal companies other than the four listed we speculate the losses may be even greater. Platform's study (also covered by Damian Carrington in the Guardian of 12 October) is at this link: <http://platformlondon.org/p-pressreleases/uk-local-council-pensions-lose-683-million-with-coal-crash/>. (See appendix.) However, we acknowledge that this analysis may have missed some changes in holdings (information on which is not available in real time). To allow us to check our calculations could you please provide the holdings data on fossil fuel companies that have coal assets for the last 18 months from April 2014 (and ideally to the end of March 2016). This will enable us to quantify the actual loss that occurred as a result of falling share values of your major fossil fuel stocks.
2. In your interview you agreed with us on the need to leave fossil fuels in the ground as part of a major transformation in global energy systems to renewables. However, you disagreed with us that divestment is an effective way of pursuing that goal, instead arguing for engagement as a shareholder with fossil fuel companies. Could you set out the specific goals of your engagement strategy? We are somewhat sceptical, we must admit, because fossil fuel companies are just that, fossil fuel companies, with an interest in the exploitation

of fossil fuel reserves rather than the promotion of alternative forms of energy. What is it you hope to achieve by engagement?

3. In the light of the above, could you say what the successes of your engagement strategy have been so far? Is it possible to quantify them in terms of saved emissions or investments in alternative energy? Or is success limited, as we suspect, to adoption of resolutions to improve risk management in relation to unburnable reserves and stranded assets?

While we are critics of the amount of fossil fuel holdings the Fund has and of the failure to embrace a managed programme of divestment, we would like to recognise and commend the GMPF's good practices. Specifically, the Fund's decision to divest from the tobacco industry, the recent investment in offshore wind and the change to the Fund's Statement of Investment Principles which now acknowledges the relevance of ethical factors in investment decisions. The threat that tobacco poses to public health is indisputable; scientists have determined that fossil fuels pose the same indisputable threat to public health and the global economy. We, and the 4000 people who have added their voice to our petition, believe that there is no ethical, financial or scientific reason to retain investments in the fossil fuel industry.

In light of this it is encouraging to see the Fund's recent investments in renewables. Paired with a strategy of phased removal of investments from oil, gas and coal companies, this would provide the basis for a rebalanced investment approach in keeping with the threat of runaway climate change.

Globally, institutions worth \$3.4 trillion had, by December last year, already committed to some form of fossil fuel divestment (see <http://350.org/cop21-divestment/>). Therefore, if the GMPF decided to divest from fossil fuels, they would join a growing number of leading health, charitable and financial institutions.

We look forward to hearing your responses.

Yours Sincerely,

Dr Ali Abbas and
for *Fossil Free Greater Manchester*

Dr Mark Burton

Appendix

Calculations (from Platform) of losses over 18 months from April 2014.

GMPF holdings	Original Value	Current Value	Loss	Percentage lost of
BHP Billiton	10,946,928	3,209,228	7,737,700	
RIO TINTO	168,131,905	110,593,431	57,538,474	
ANGLO AMERIC	66,299,955	24,192,291	42,107,664	
GLENCORE XSTR	57,427,947	16,890,573	40,537,374	
			147,921,213	1.11%
GMPF total	13,284,054,000			

Source:

<http://platformlondon.org/p-pressreleases/uk-local-council-pensions-lose-683-million-with-coal-crash/>