

Address by Dr Julia Spragg on Corporate Governance and Socially Responsible Investment (Item 12) Dec 2025

Thank you for this opportunity to address the Committee. I'm speaking on behalf of Fossil Free Oxfordshire which has been lobbying this committee to divest from fossil fuels since about 2013. Our concern is climate change and the power of investment choices to influence the seriousness of its effects. The impacts of climate change on us are accelerating and we take the view that getting pension funds such as this out of fossil fuels can have wider influence.

The Oxfordshire Pension Fund has made significant steps towards divesting and decarbonising the fund and our concern is that the requirement to move from the Brunel to the Central Fund does not derail these achievements.

Positive changes that the Oxfordshire Pension Fund have made to date include, as we understand it:

- adopting a 7.6% per annum reduction target in carbon emissions across the portfolio
- moving passive funds (15% of the total pension pot) into a "Paris-Aligned" Benchmark fund, that excludes investments in coal, oil and gas companies (reducing greenhouse gas emissions by 50% over the first year) and switching 6% of total assets to a new Sustainable Equities Fund in 2021
- Deciding to sell off £250m of its existing UK and emerging markets funds in 2023 due to environmental, social and governance (ESG) concerns and reinvested this money into Brunel's Sustainable and Passive PAB aligned Funds
- In 2024, divesting from tobacco, thermal coal and tar sands
- The pension fund has a 2030 net zero target for its own operations and 2050 net zero target for its portfolio.

In 2023 the Oxfordshire Pension Fund was recognised for its high standards of stewardship, and was accepted as a signatory to the UK Stewardship Code by the Financial Reporting Council

However the Pension Fund has not fully divested from fossil fuel companies. We think that as it moves from Brunel to the Central Pool, it is joining a pool with weaker targets for decarbonising the portfolio, especially with regards to Net Zero targets and Scope 3 emissions. It also seems/ to favour an engagement approach to fossil fuel companies, which Fossil Free Oxfordshire does not believe is effective. We ask that you do not allow the move to Central to compromise the positive direction of travel achieved by Oxfordshire Pension Fund. Please influence the Central Pool to adopt a more progressive and transparent approach to its investment strategies, so your pensioners have a liveable world for their retirement.

(403 words)