

Kent County Council Fossil fuels investment statement



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Fossil fuels investment statement

KCC is the administering authority for the Kent Pension Fund which has around 500 different employers in it and 110,000 scheme members. The Fund has investments of over £4bn.

The Superannuation Fund Committee, consisting of county councillors, representatives of other Kent councils, trade unions, employees and pensioners has a quasi-trustee responsibility for the pension fund. It is clear that legally our fiduciary responsibility is to the local Council Tax payer and to the current and future pensioners.

So whilst we have a clear Environmental, Social and Governance policy which is available on the KCC website, the Committee cannot and will not take up positions on ethical issues. So we will not select investment based upon ethical grounds whether that is fossil fuels, tobacco, alcohol, etc.

All the funds are managed by external investment managers to our mandate and we expect them to act as responsible investors and you can only hope to exercise influence on a company if you own its stock.

As far as fossil fuels are concerned we estimate we have direct holdings of around £200m out of total equities of close to £3bn. These fossil fuel holdings have reduced this year reflecting falling share prices and a sell-off of oil companies given their poor performance as oil prices have fallen.

We would expect this trend to continue as our investment managers should be picking stocks which will outperform the average in the long term. We also specifically support investing in environmental themes through a global environmental equities mandate with Impax Asset management- and they will only invest in companies who derive at least 50% of their income from environmental themes. The Committee made this investment with the objective that these companies will outperform others.

Kent County Council Pension Section

Fund benefits and contributions

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