

P-06-1522 Convene a summit to accelerate sustainable and ethical investment by public sector pensions - Petitioner to Committee, 04 June 2025

Dear Members of the Petitions Committee,

Thank you for forwarding the letter from Jayne Bryant, Cabinet Secretary for Housing and Local Government to us. In response, we wish to articulate several key points pertinent to her communication.

1. While we are of course fully aware that Local Government Pensions are a reserved matter, this legal demarcation does not preclude the Welsh Government from establishing the proposed summit. The very acceptance of this petition for consideration affirms that it falls within the appropriate scope of the Welsh Government's authority.
2. Wales must urgently hold a summit to commit to ethical and sustainable public pension investments, leveraging place-based benefits like green housing and local renewables, and respond to overwhelming public support for climate action and divestment, recognizing the critical implications for future generations.
3. The event referenced by the Cabinet Secretary, organised jointly by the Welsh Local Government Association (WLGA) and Friends of the Earth, took place in late 2023. It is important to note that this engagement was narrowly focused on climate change issues, and consequently, it did not comprehensively address other critical concerns relevant to the petition's broader ethical and sustainable remit, such as human rights abuses, deforestation, and the degradation of vital ecological systems.
4. Since that time (late 2023), numerous critical developments have fundamentally altered the context. These include the tragic devastation of lives and livelihoods across Palestine, the escalating urgency of record-breaking local and global temperatures impacting the health and safety of both Welsh and international communities, and the continued rapid decline of species and biodiversity worldwide, including within Wales. Furthermore, the UK Chancellor's recent pension review has presented new opportunities for targeted investments within Wales, which can directly enhance the health and wealth of Welsh communities while simultaneously protecting and improving the precious natural environment.
5. While the event organised by the Welsh Local Government Association (WLGA) and Friends of the Earth was an informative, regrettably no subsequent concrete actions followed this initiative. Only unsubstantial progress has been observed in divestment initiatives among most Welsh Local Government Pension Funds and the amalgamated Welsh Pensions Partnership (WPP) fund.
6. The Cabinet Secretary highlights the Welsh Government's ambition for a "*stronger, greener, fairer Wales*" and achieving Net Zero by 2050. However, these crucial

objectives cannot be realised without aligning the billions of pounds invested through Local Government Pension Schemes with these very goals.

7. The Senedd has already laid the groundwork to support initiatives in this area. In 2022, it passed NDM7964 which, among other things, *"calls on the Welsh Government to work with the public sector to agree a strategy to decarbonise pensions by 2030."* Jayne Bryant MS was a key supporter of this motion. It also notes the precedent that (acting alongside WG concerns) *"the Welsh pension partnership moved quickly to withdraw funds from Russian holdings and has previously divested from coal, thus demonstrating it is possible for pension funds to make these decisions"*.
8. The Cabinet Secretary's deferral to the outcome of the UK Government's pensions consultation is concerning, given the pressing urgency of the matter. Now is a critical moment for the Welsh Government to act decisively on public pensions, thereby benefiting the Welsh people, our precious environment, and the wider global community. Such proactive leadership directly aligns with Wales' aspirations, as enshrined in the Future Generations Act, to be a frontrunner in climate action, nature protection, fairness, and global responsibility.

Actions for the Welsh Government that we wish the Petitions Committee to support

- **Convene an urgent Pensions Summit:**

Immediately organise a dedicated summit with relevant stakeholders (including Welsh Local Government Association, Welsh Pensions Partnership, pension funds, and civil society) to foster ongoing planning, and secure concrete commitments for ethical and sustainable public pension investments. This summit must expand beyond a sole focus on fossil fuels, to encompass broader ethical and environmental concerns.

- **Prioritise ethical divestment:**

Drive forward a clear strategy for divestment from investments linked to human rights abuses and environmentally destructive practices, acknowledging and responding to the widespread public support for such action (e.g., in relation to Palestine, as indicated by recent UK polls).

- **Align investments with Welsh priorities and public will:**

Actively work with the Welsh Pensions Partnership (WPP) to identify and facilitate "Place-Based Income" investments within Wales. This includes directing pension capital towards:

- Social and sustainable housing projects.
- Green transport infrastructure.
- Local renewable energy schemes.

- Regenerative farming initiatives.

This alignment should explicitly aim to maximise benefits for Welsh communities, strengthen local economies, and enhance the natural environment.

- **Reinforce the Future Generations Act and Net Zero alignment:**

Clearly articulate and actively pursue the direct implications of public pension investment strategies for achieving Wales' Net Zero targets and fulfilling the long-term well-being goals enshrined in the Well-being of Future Generations Act.

- **Demonstrate global leadership:**

Actively position Wales as a proactive global leader in ethical and sustainable investment practices, leveraging the strong public support for climate action across the political spectrum (as demonstrated by recent polls among various voter groups) to drive ambitious change.

Actions for the Petitions Committee

Here are suggested actions for the Petitions Committee, leveraging its remit to advance the call for a summit on ethical and sustainable public pensions:

- **Undertake scoping work for a Summit:**

Initiate a short, focused piece of work to envision the optimal structure and content of a summit on ethical and sustainable public pension investments to aid and assist the work that the Welsh Government will carry out.

Kick-start the process of designing the Summit's content:

Propose a summit agenda that includes:

- **Knowledge and skill-sharing workshops:**

Facilitate sessions for pension fund representatives and stakeholders to exchange best practices.

- **Showcasing success stories:**

Feature presentations from councils that have successfully divested and illustrate the tangible financial and ethical benefits realised.

- **Financial viability analysis:**

Present robust financial analysis demonstrating the viability and advantages of ethical and sustainable investment strategies.

- **Engage key organisations:**

Formally invite and collaborate with relevant organisations, such as Divest Gwynedd, Divest Cymru, Climate Cymru, and the Palestine Solidarity Campaign (PSC), to support the initiative and contribute their expertise to the summit's development and delivery.

We appreciate you taking the time to review our response. We would welcome the opportunity to engage with you further on this critical matter.

We respectfully urge the committee to consider our suggestions in detail before proceeding to close our petition, especially given the pressing urgency of the issues at hand.

Kind Regards,

Heather Bolton

For Divest Gwynedd