

# BTPS

## BTPS Thermal Coal Policy (April 2023)



**BTPS has committed to achieve net zero greenhouse gas emissions (absolute scope 1-3) by 2035 to contribute to global efforts to avoid a global average temperature increase above 1.5°C.**

As a member of the United Nations-convened Net-Zero Asset Owner Alliance (the Alliance) and consistent with our fiduciary duty, there are some business activities that we do not believe are aligned with our net zero commitment. In particular, the burning of thermal coal for energy is the single largest contributor to man-made global temperature increases, accounting for about one third of the 1°C temperature rise above pre-industrial levels already observed<sup>1</sup>.

As such, we support the **Alliance's position paper on thermal coal**, acknowledging that investment in new thermal coal activities is incompatible with BTPS' Net Zero 2035 ambitions and pose a future investment risk.

We aim to use our influence as a global investor to drive positive change. We continue to engage with our investment managers on alignment to BTPS' Net Zero 2035 goal, who in turn encourage companies to transition their businesses towards net zero and phase-out thermal coal from the energy system in line with the IPCC guidelines. We seek to do this in a way in which costs and benefits are shared fairly between generations, communities and regions, encouraging a "just transition". We will also continue to engage with policy makers and contribute actively to the public discourse on the phase-out of thermal coal.

In line with the Alliance's position paper, the following principles will guide our engagement with companies:

- Other than coal plants currently under active construction, no further thermal coal power plants should be financed, insured, built, developed or planned.
- There should be an immediate cancellation of all new thermal coal projects, including thermal coal plant, coal mines and related infrastructure that are in pre-construction phase.
- There should be a phase-out of all unabated existing coal-fired electricity generation in accordance with 1.5°C pathways, as provided by the IPCC and referenced by the International Energy Agency (IEA) and Powering Past Coal Alliance (PPCA).

<sup>1</sup><https://www.iea.org/reports/global-energy-co2-status-re-port-2019/emissions>