



Writing to Pension Funds

BACKGROUND

EDF has applied to build two EPR reactors on the fragile Suffolk Heritage Coast; Sizewell C. In December 2020 the UK Government announced it would open negotiations with EDF, and that it was considering:

- a) Taking a direct stake in the project (size unspecified) AND
- b) Continuing to explore the controversial [Regulated Asset Base](#) (RAB) model. This is essentially a nuclear tax on the UK public's energy bills that would give a guaranteed, immediate return to investors, and potentially push the risk of overruns and overspends onto consumers. EDF considers this reduced risk will attract new investors, especially UK pension funds and is aiming for the plant to be majority-owned by UK investors. The government must introduce legislation before RAB could be used for new nuclear.

THE STORY SO FAR....

In January 2021 at a nuclear conference Dr Tim Stone Chair of the Nuclear Industry Association named Aviva and Legal & General as being interested in investing in new nuclear projects, but letters from customers/clients have helped us to establish that these companies are much more cautious than Tim Stone implied. Legal & General has in fact ruled itself out

Aviva said: *As you are probably aware, the UK government is looking at expanding nuclear capacity as part of its efforts to achieve net zero emissions by 2050. We consider the potential ESG impact in all of our investment decisions. However, the ESG impact of nuclear is far from clear at this time and we are not actively involved in any such investments.*

Press coverage: Sunday Telegraph on 7 February [Aviva fears environmental fallout if it backs new nuclear reactors](#).

Legal & General said: *While we think that nuclear power may play a part in the global energy transition, each specific project / scheme is considered on its own merit; from an environmental and economic perspective and also taking careful account of the available and viable alternatives. Indeed, in the case of nuclear power, cost and nuclear waste disposal considerations must be fully addressed against the benefits. In a case like Sizewell C, we would consider the merits of the investment only when the final investor case is presented to the investor market. We have been unable to find anything in relation to this expression of interest. This is being followed up with the Nuclear Association.*

L&G investors customer services subsequently wrote to a pension holder: *"I have had it confirmed that Legal and General will not be investing in the Sizewell C nuclear power plant.*

The Nuclear Industrial Association merely suggested that this form of investment might be suited to us and Aviva”

Press coverage: Sunday Telegraph on 20 February: [Sizewell C proves to be a turn-off for City giant Legal & General](#). Note that in 2016 L&G’s CEO, Nigel Wilson, also [called on the then PM to cancel Hinkley C](#), Heathrow and HS2 in favour of renewables, Gatwick and northern railway links.

At a recent World Nuclear Association webinar, [Stephen Vaughan of EDF’s financial advisers Rothschild & C said](#): *“[Pension funds] are worried about what their ultimate investors think, what their pensioners think (if it’s a pension fund) or their savers. They’re worried about what their employees and their customers think. It’s against that backdrop that they need to see a clear consensus. These are going to be big, high-profile investments that investors do not want to be controversial.”*

HOW YOU CAN HELP

If you have a pension or hold shares in a pension company please write to **your primary contact or customer services**, giving your policy number/shareholding as proof you are their customer, and ask for the company’s assurance that they have no intention of investing in the controversial nuclear project Sizewell C. You do not need to write a long letter justifying your question, but if you want to say more you could:

- Point to the press attention given to Aviva and Legal & General and urge them to follow their example; surely they do not wish to court controversy?
- State that nuclear energy is not green, as the radioactive waste does significant harm to the environment, so you believe it will be incompatible with what you hope are the company’s very robust ESG policies (Environmental, Social and Governance policies).
- At a cost of £20 billion (at least), Sizewell C is very expensive and would suck vital investment away from the development of green transformative technologies, such as green hydrogen.
- Sizewell C is too slow to contribute to net zero. It will take up to 12 years to build, and the company has recently admitted the carbon footprint of construction has increased 8.5% to 6.2 million tonnes of CO2 equivalent and that it will take 6 years to offset this, meaning Sizewell C cannot positively contribute to net zero until at least 2040.
- More suggestions are available from our one page briefing “Why Stop Sizewell C” <https://stopsizewellc.org/why-stop-sizewell-c/> and of course feel free to add your own reasons for opposing the project.

Please let us know of any replies you receive, info@stopsizewellc.org

Thank you!