



June 2020.

West of England Unison Branches Joint-Statement

Supporting a Fossil Fuel Divestment Policy for Avon Pension Fund.

In September 2019 Unison, along with six other trade unions supported a motion for a “Green New Deal” to build a prosperous zero-carbon society with good green jobs.

This came with 9 key principles:

- a commitment to zero carbon emissions by 2030
- rapidly phasing out all fossil fuels
- large scale investment in renewables
- supporting a just transition to well-paid unionised green jobs
- expanding public democratic ownership
- green integrated transport
- supporting developing countries own climate transitions
- welcoming climate refugees
- preventing displacement.

Pension funds are significant investors in the global economy and therefore hold important significance for how some of these principles can be realised. As the West of England Unison Branches representing over 10,000 members who pay into the Avon Pension Fund, we are committed to seeing the Fund lead by example as an investor in the zero-carbon economy.

We acknowledge the important steps the Fund has taken to account for climate change. This includes; identifying climate change as a long-term risk to the Fund's assets; monitoring the carbon footprint of the Fund; committing to invest 2.5% of its

assets in Renewable Infrastructure Funds and investment in a low carbon fund through the “Brunel Pensions Partnership”.

We believe the allocation of investments must adopt a long-term horizon, concerned with both the long-term returns that will secure future pension payments, but also the integrity of the economy that underlies it.

Therefore, we are supporting the Fund taking the next step of adopting a target to divest entirely from fossil fuel stocks over a 5-year period. Long term investment in fossil fuels contributes to economic instability by fuelling the climate emergency, and therefore disregards the fiduciary duty for all pension beneficiaries.

In setting a 5-year divestment target that takes account of the costs to the Fund over that period the Fund is best representing the long-term financial interests of scheme members, particularly its younger members.

With this target the Fund will support the rapid phasing out of all fossil fuels. In terms of “The Green New Deal” two other things are important.

One is actively investing in a decarbonised, just and sustainable future - it is not enough to just divest from fossil fuels. The Fund should continue to drive genuine impact by setting up “Green Funds” through the “Brunel Pensions Partnership”, that invest in companies helping to achieve a net zero transition including in emerging sectors such as energy efficiency, renewable energy, energy storage and smart energy systems.

The second important point is a focus on justice, not only intergenerational justice, but in securing justice in terms of equitable distribution of the costs of transition for those working in affected industries. Where possible, the Fund should take it upon itself to try and invest in local economic ventures, in well-paid unionised green jobs to replace those lost in the fossil fuel industry.

Nationally, the Government in power will influence the opportunities of the Fund to invest in a zero-carbon economy that maintain the ability of the Fund to provide decent pensions into the future. As a Trade Union supporting the “Green New Deal” Unison will press for a just transition to secure new training and skills to create good green jobs.

In the interim, setting a divestment target is a vital next step the Fund should take on the climate emergency, for both its members, and all citizens across the World.

(due to be submitted to the Avon Pension Fund Investment Panel on 26th June 2020)