



March 2021.

## West of England Unison Branches Joint-Statement

### Avon Pension Fund.

The September 2020 Investment Strategy Statement (ISS) states the Avon Pension Fund will 'use the Fund's power as a shareholder to encourage change' in the companies in which it invests, to support the transition to a low carbon economy, and align with the Paris Goals.

It also states that "If engagement does not work ahead of the Paris Stocktake in 2023... *the fund...* will consider selective divestment from laggard companies".

Please can the committee report on the following;

- Has the fund identified which companies in which it invests are engaging in fossil fuel extraction and fossil fuel energy production?
- How is the progress those companies are making towards decarbonisation being measured?
- Has the fund begun the process of assessing which, if any, of those companies will be considered for selective divestment ahead of the Paris Stocktake in 2023, owing to their insufficient progress towards meeting the 2015 Paris Agreement?
- If not, when does the fund plan to begin the process of identifying these laggard companies?

We emphasise that burning all the oil and gas from currently operating fields would take global warming beyond 1.5°C. It is imperative to stop all new fossil fuel infrastructure and fossil fuel industry expansion. The company Shell, which we believe Avon Pension Fund is invested, plans to greenlight more than 35 new oil and gas projects by 2025, according to their investor presentation from June 2019.

We also repeat the point we raised in the ISS consultation. There is a strong financial case for divestment from fossil fuels to avoid future losses. Studies show that fossil fuel use will peak in the 2020s, after which investors in the industry should expect significant losses. Increasing numbers of investors are divesting from fossil fuels, purely on financial grounds.

Divestment from companies that base their business model on fossil fuel extraction can be aligned with the fiduciary duty of the Fund to scheme members.

**Presented by Alasdair Yule (B&NES UNISON Branch Green Officer), on behalf of**

**B&NES UNISON Branch**

**Bristol UNISON Branch**

**North Somerset UNISON Branch**

**Bath Spa University UNISON**

**Bath University UNISON Branch**

**University of the West of England UNISON Branch**