



June 2021.

## West of England Unison Branches Joint-Statement

### Avon Pension Fund.

On 26 March UNISON submitted the following questions to the fund -

1. **Has the fund identified which companies in which it invests are engaging in fossil fuel extraction and fossil fuel energy production?**
2. **How is the progress those companies are making towards decarbonisation being measured?**

Thank you for responding to these questions.<sup>1</sup>

We commend the fund for the steps it has taken to account for climate change, including reducing the risk of stranded assets to the pensions of its members, and significant investments the fund is now making in low carbon infrastructure such as renewables.

However, we still have questions relating to the fund's engagement with the fossil fuel industry.

Firstly, your response has not disclosed the companies in which the fund invests are engaging in fossil fuel extraction and fossil fuel energy production.

- **Please provide a list of these companies.**

Secondly, we have concerns with how the fund is tracking progress traditional fossil fuel companies are making towards decarbonisation.

- **Please provide details on the tracking process.**

We understand the fund's 'net zero ambition' only concerns emissions from scope 1 and 2 but does not include scope 3 emissions.<sup>2</sup> It therefore covers direct emissions from owned

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<sup>1</sup><https://democracy.bathnes.gov.uk/documents/s65456/Response%20to%20Unison%20Statement%20March%202021%20Committee.pdf>

<sup>2</sup> Brunel Pensions Partnership proud to be a signatory to a new Net Zero Investment Framework: <https://www.brunelpensionpartnership.org/2021/03/10/brunel-pension-partnership-commits-to-net-zero-no-later-than-2050/#:~:text=David%20Vickers%2C%20Chief%20Investment%20Officer,to%20net%20zero%20by%202050.&text=For%20Brunel%2C%20our%20focus%20now,who%20share%20our%20climate%20ambitions.%E2%80%9D> and Net Zero Investment Framework: Implementation Guide <https://www.parisalignedinvestment.org/>

and controlled sources (scope 1), and indirect emissions from energy consumed but generated elsewhere (scope 2). It does not include indirect emissions from the value support chain, such as investments (scope 3).<sup>3</sup>

If this is the case, the fund's Net Zero Ambition does not account for fossil fuel company investment in exploring and developing new future oil & gas fields. We note fossil fuel companies with 'Net Zero Roadmaps' are relying on carbon capture and storage to meet net zero.<sup>4</sup> The scope to implement these technologies on an industrial scale is questionable.

We refer to the International Energy Agency, which in May 2021 outlined that there should be, 'No new oil, gas or coal development if the world is to reach net zero by 2050'.<sup>5</sup>

We would like to put the following questions to the fund -

- **Can the fund confirm which emissions types (scope 1, 2 and 3) are included in its net zero ambition?**
- **If scope 3 type emissions are not included in the fund's net zero ambition, would the fund consider updating their net zero ambition to include scope 3 emissions, thereby including investment companies are making in future oil and gas?**

Finally we would like to add that the Transition Pathway Initiative, which the Brunel uses to assess how underlying companies that the fund invests are managing climate risk, themselves found in late 2020 that "no fossil fuel energy major has yet set an emissions target in line with limiting climate change to 2°C".<sup>6</sup> This fund have already stated that the Transition Pathway Initiative are 'best-in-class analytical tools'.

Yours sincerely,

**Bath and North East Somerset UNISON**  
**Bath Spa University UNISON**  
**Bristol UNISON**  
**North Somerset UNISON**  
**South Gloucestershire UNISON**  
**University of Bath UNISON**  
**University of the West of England UNISON**

(References for this statement are included in the document submitted to the fund)

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<sup>3</sup> <https://www.carbontrust.com/resources/briefing-what-are-scope-3-emissions#:~:text=Scope%20covers%20direct%20emissions,in%20a%20company's%20value%20chain.>

<sup>4</sup> <https://www.shell.com/media/speeches-and-articles/2019/getting-to-net-zero-emissions.html>

<sup>5</sup> <https://www.theguardian.com/environment/2021/may/18/no-new-investment-in-fossil-fuels-demands-top-energy-economist>

<sup>6</sup> <https://www.transitionpathwayinitiative.org/publications/60.pdf?type=Publication>