

# Avon Pension Fund Members' Responsible Investment Survey



Bath & North East  
Somerset Council

For you, for now, for the future  
**lgps**  
2014

**Survey Results**  
**03 December 2021**



## **Thank you, the survey is now complete.**

We appreciate you taking the time to complete this survey.

### **Campaign stats:**

- 41,358 Members contacted
- 3,765 Completions
- 9.1% Completion rate

We ran a follow-up campaign targeting those who had either:

- opened the email and not clicked the survey link,

*or*

- who hadn't opened the email at all.

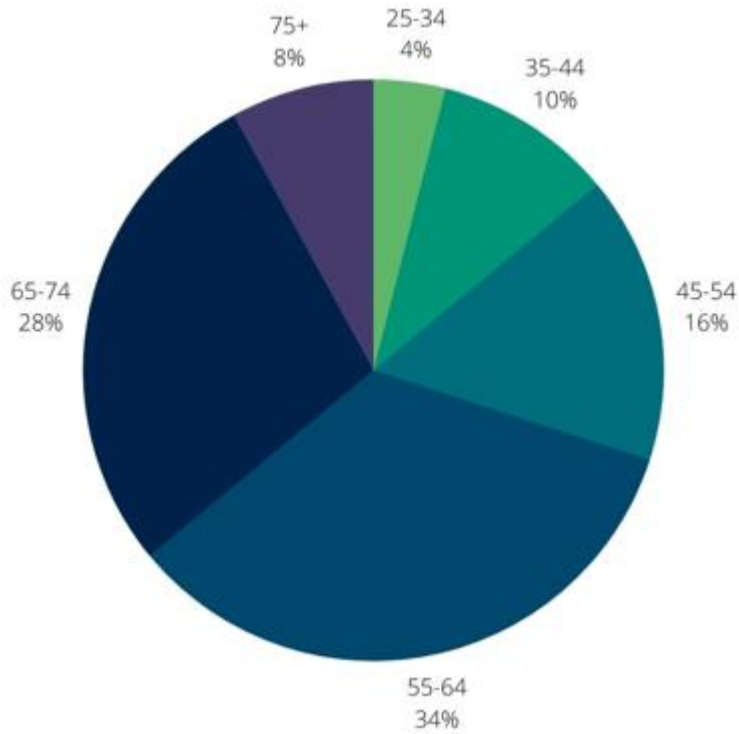
This yielded an extra 829 survey completions bringing us up to that figure of 3,765 quoted above.



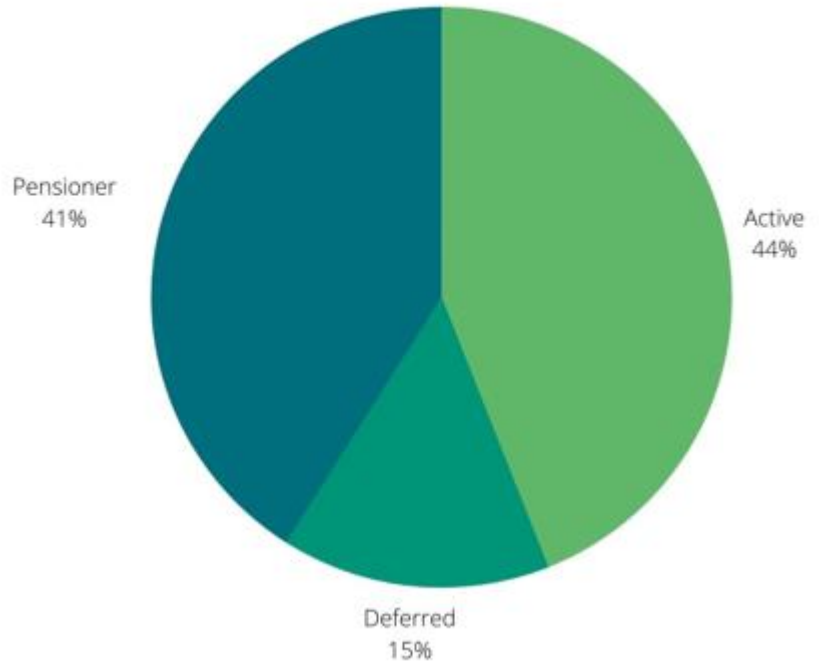
# Demographics



1. Please tell us your age range



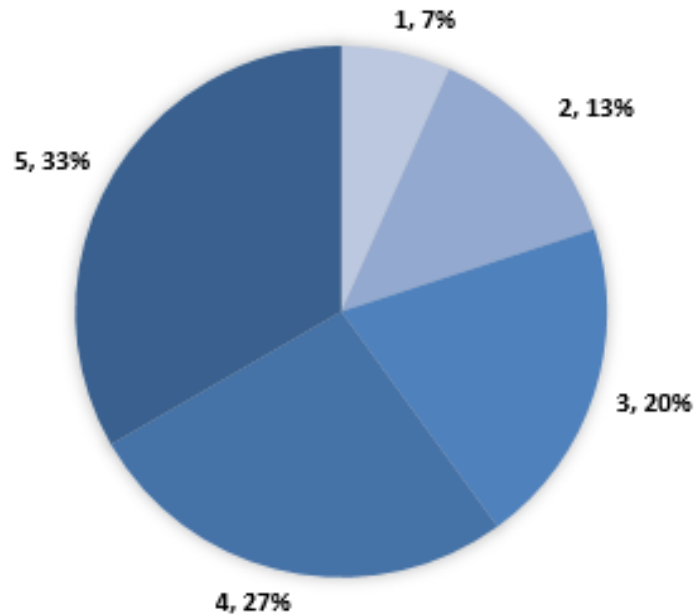
2. What is your membership status?



# How important is RI to our Members (1)?

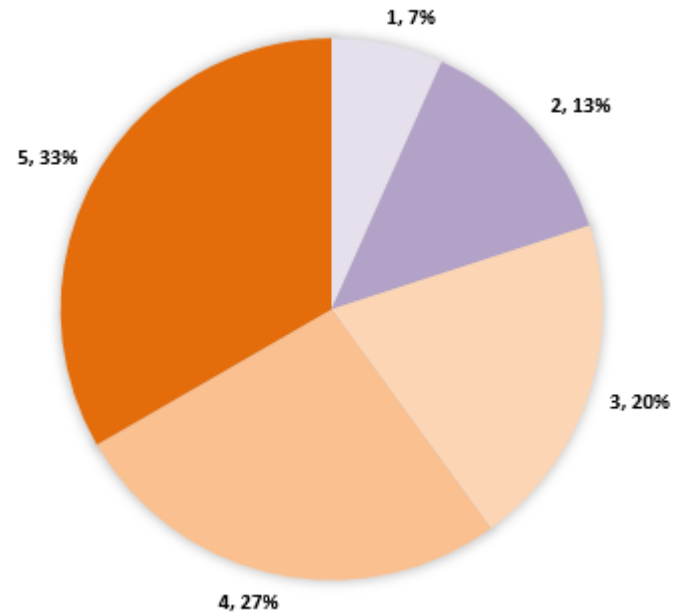


3. What level of interest do you have in how Avon Pension Fund invests?



1 = Not interested  
5 = Very interested

5a. How important do you think it is for the Fund to take account of Responsible Investment issues when making investment decisions?

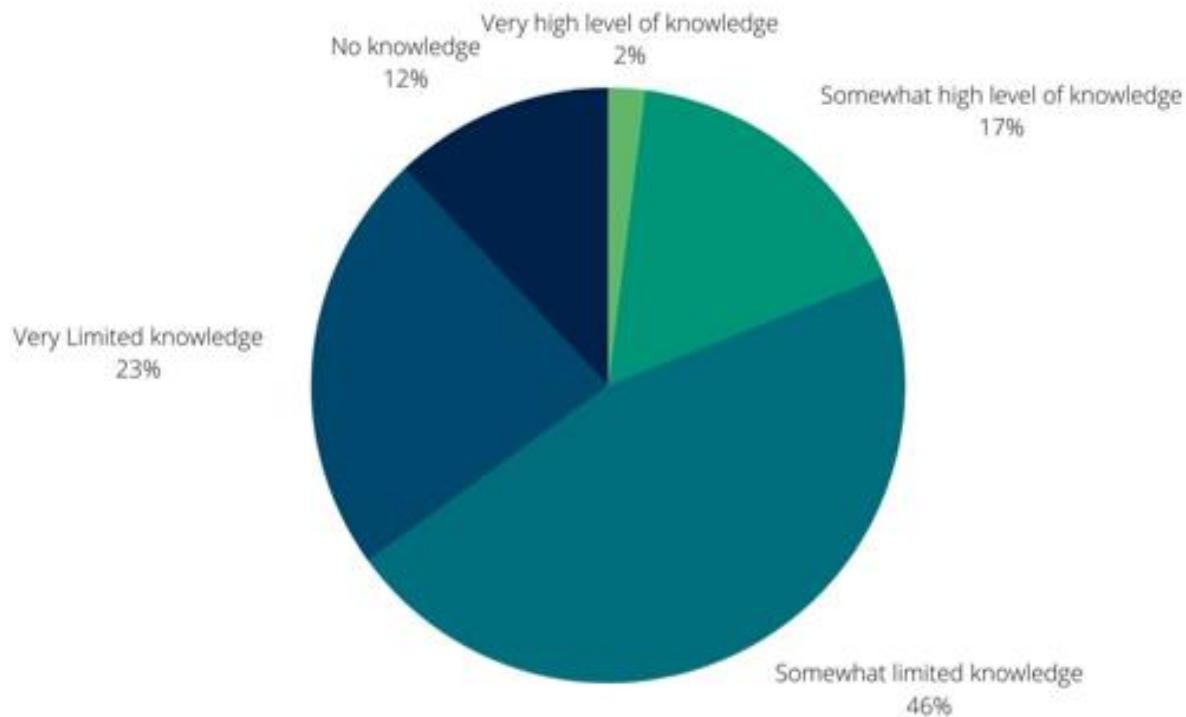


1 = Not important  
5 = Very important

## How important is RI to our Members (2)?



4. What level of knowledge do you already have of Responsible Investing?



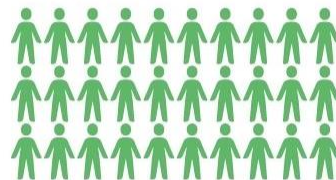
# How important is RI to our Members (3)?



6. Which of the following areas of Responsible Investment do you believe is the most important for the fund to consider?

The majority of respondents believed Environmental is the most important, **or equally** important as the rest

Environmental (30%)



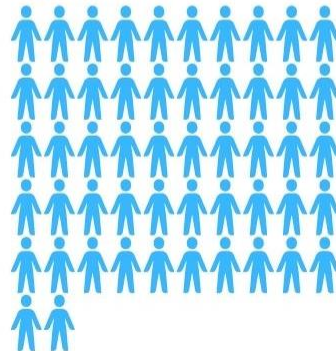
Social (8%)



Governance (4%)



All of the above (52%)



None of the above (3%)



Don't know (3%)

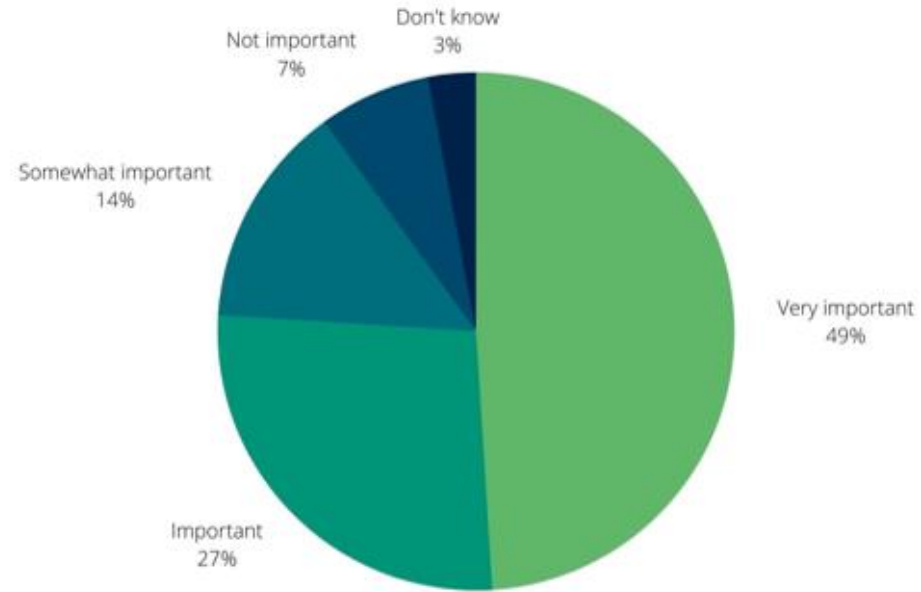
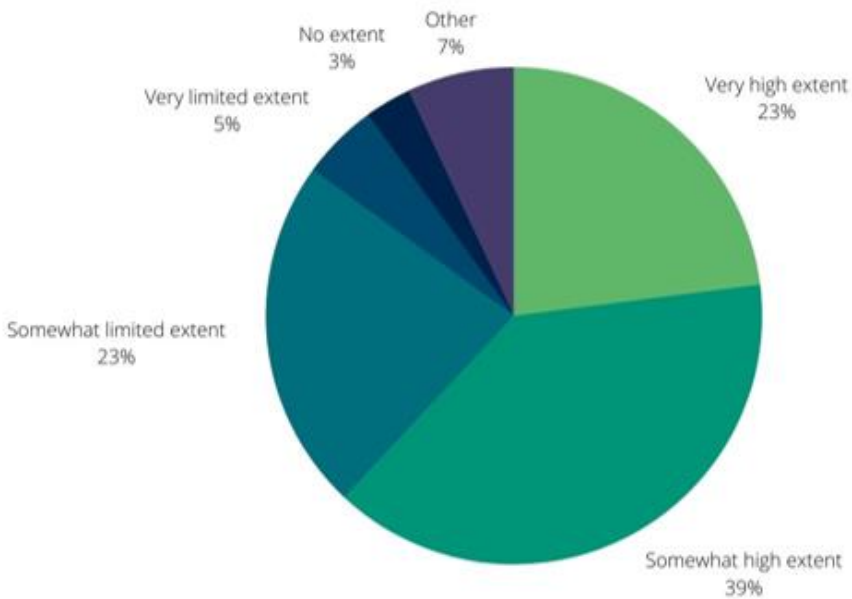


# Climate Risk as a Financial Risk...



7. To what extent do you believe that climate change presents a financial risk to the Pension Fund's investments?

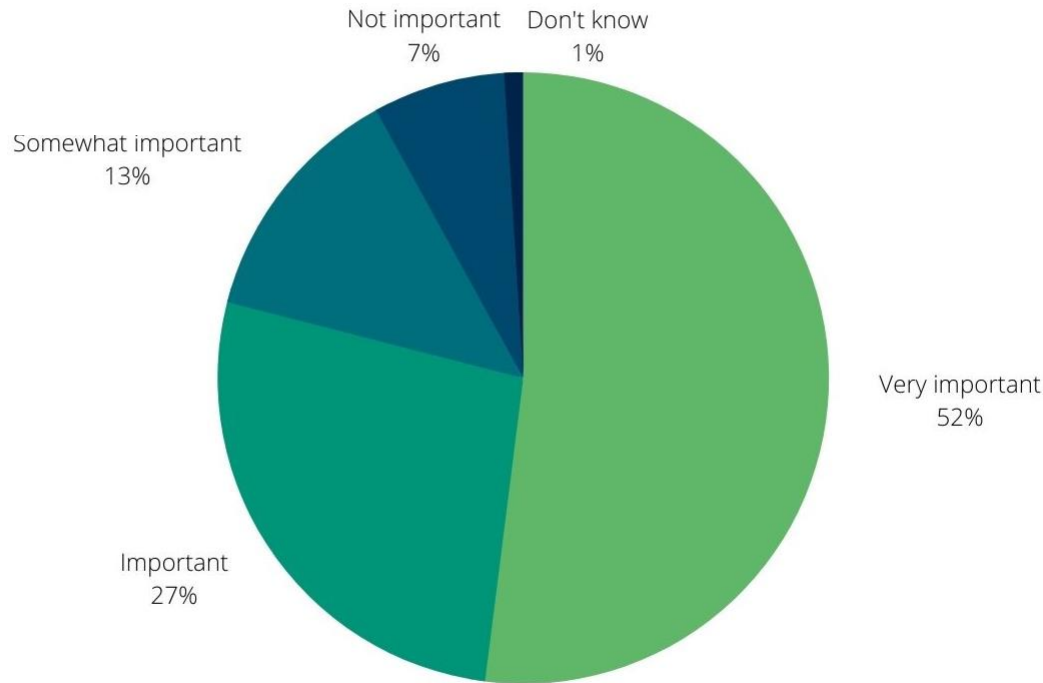
8. Is it important to you for Avon Pension Fund to invest in sustainable and/or low carbon assets?



## Using our influence to bring about change...



9. Is it important to you that Avon Pension Fund seeks to influence the behaviour of the individual companies in which it invests, to bring about better environmental and social outcomes?





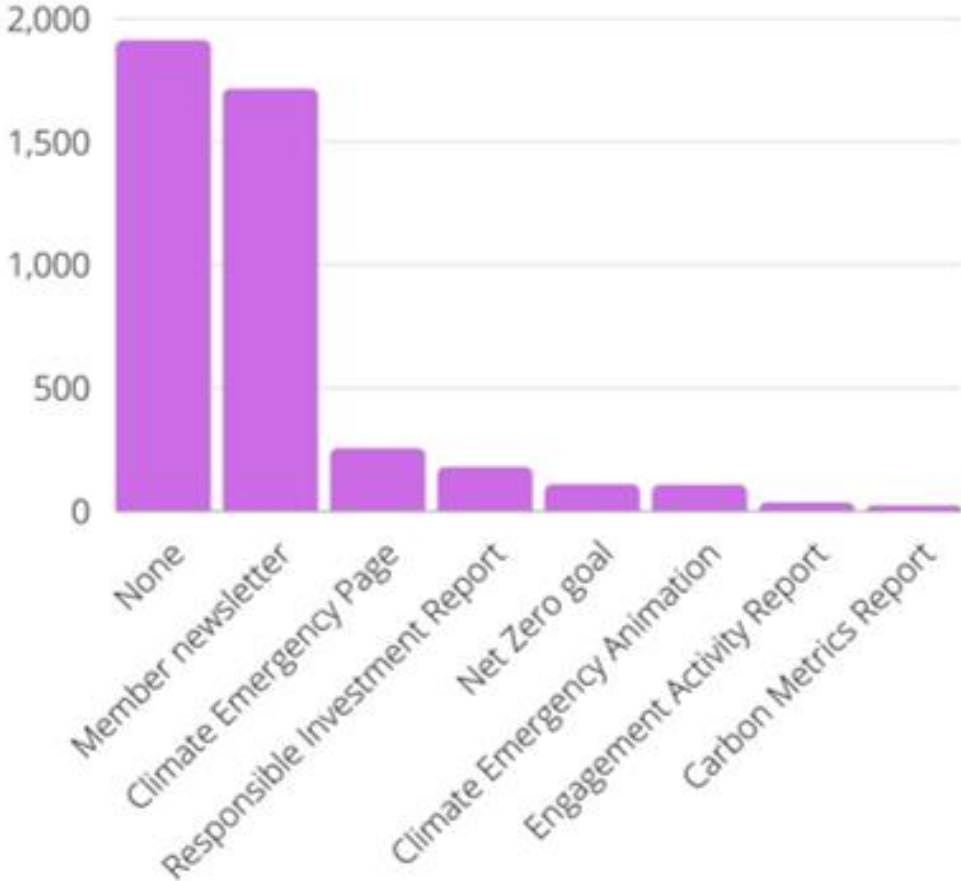
## Other comments and feedback

Theme of comment	No. of comments	% of total comments
1. Supportive of integrating ESG factors into investment decisions	219	31%
2. Calling for investment strategy to go further on RI	177	25%
3. Stating investment returns should be prioritised over anything else	68	10%
4. Thanking the Fund for engaging on RI	9	1%
5. Requesting further information on RI	21	3%
6. Other	207	30%

# Communications with Members (1)



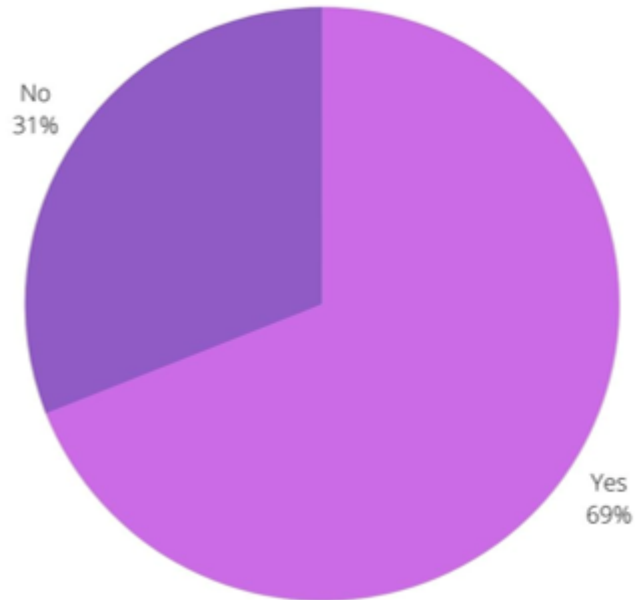
10. Which of the following publications/announcements from Avon Pension Fund have you seen? (Please select all that apply)



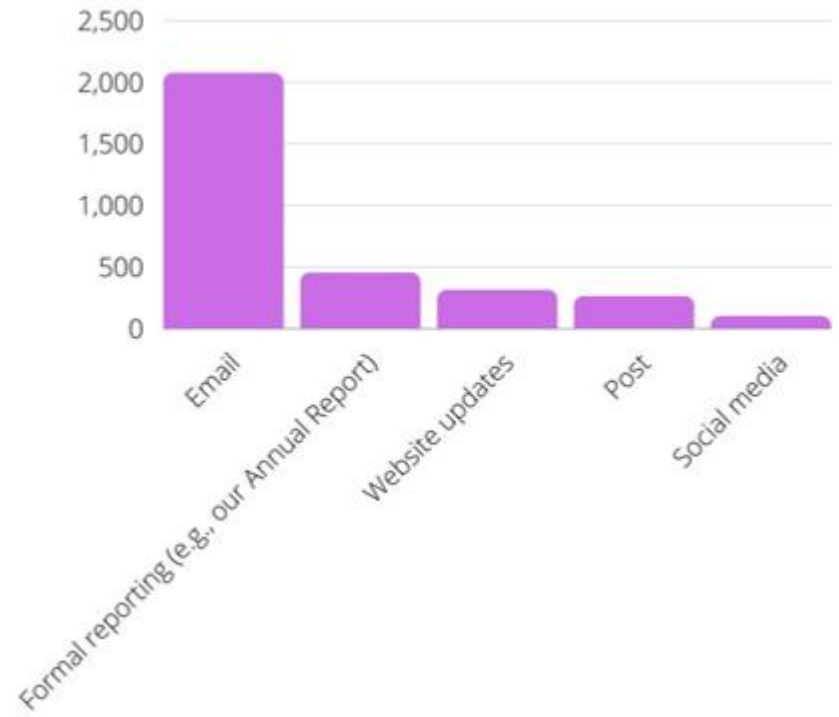
## Communications with Members (2)



11a. Would you be interested in learning more about Avon Pension Fund's approach to Responsible Investment?



11b. If you answered 'Yes', what is your preferred method of communication? (Please select all that apply)



## What do the results tell us (1)?



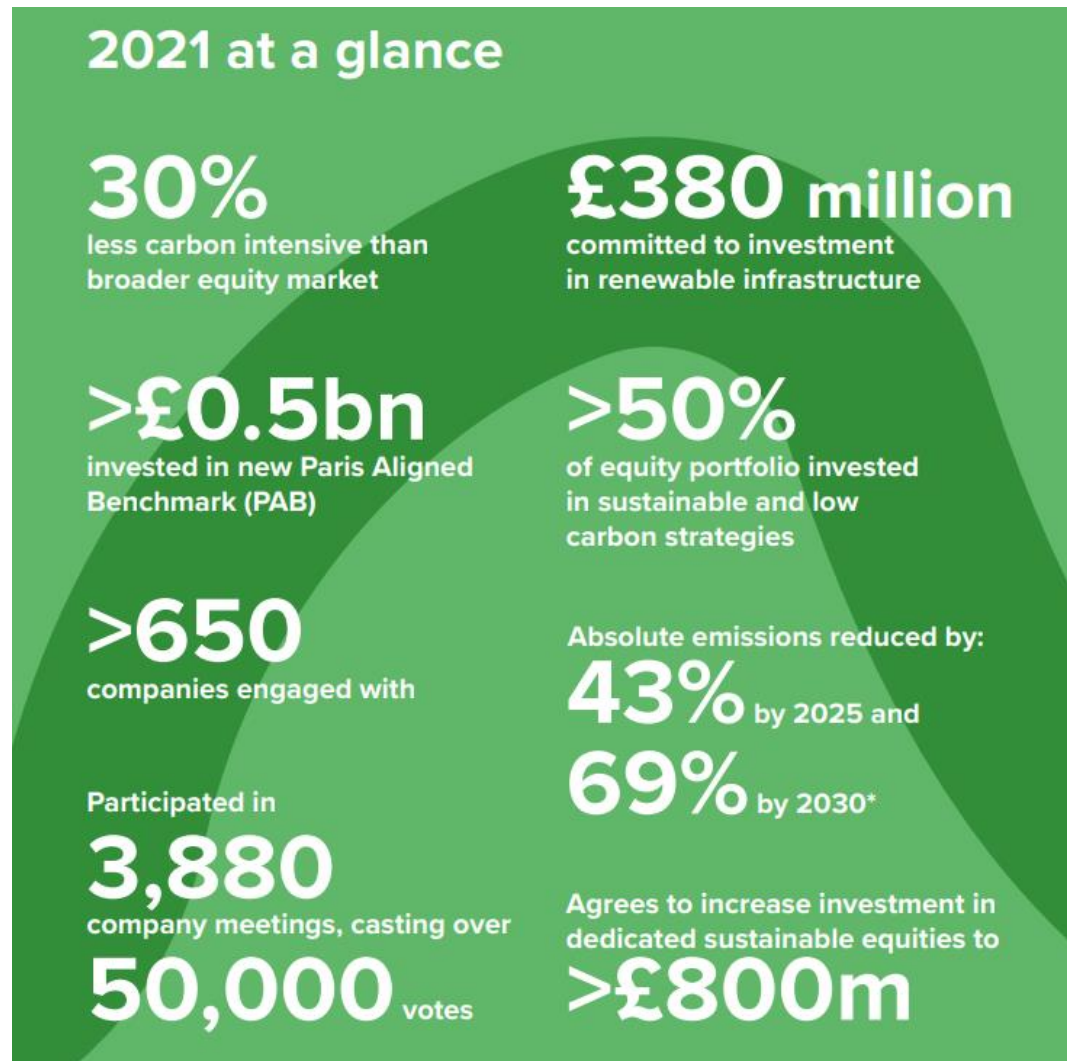
- The majority of people agree that it is important for us to take account of **responsible investment** issues when making **investment decisions**
- Over half of people agree the **E, S and G are of equal importance** (of those that selected one option '**E**' was considered the priority)
- The majority agree **climate change presents either a high risk or very high risk to returns**
- 75% of people think investing in **sustainable and low carbon assets is important**
- The vast majority believe it is important to **use our influence as an investor to bring about better environmental and social outcomes**

## What do the results tell us (2)?



- Nearly half of people said they'd **not seen any of the Fund's recent ESG related communications**
- Of those members that had seen recent communications, **the newsletter was the most popular channel followed by the website**
- **The majority of people said they wanted to know more** and that email was the preferred method of communication

# How do the results support the Fund's current approach to RI?



## What can we do in response to this survey?

- **Publish the results** of this survey on the website and to actively promote it via multiple channels
- **Review the Fund's progress against its current climate change targets as part of the Fund's 2022/23 strategic review** and to explore further ways to factor in ESG into the investment strategy e.g. impact investing, decarbonisation of other asset classes
- Continue to **build on communications** work using traditional and digital channels e.g. website and social media as key tools
- To follow up directly with those who requested more information with **'member-friendly' formats of the Fund's RI and TCFD Reports.**
- **Seek to enhance knowledge** so members feel better informed e.g. topical areas in RI investing (bioenergy in e-zine)

# Appendix – Free text responses from Members





## 5b. Would you like to add any further comments on how important it is for the Fund to take account of Responsible Investment issues when making investment decisions?

“Pension funds are huge contributors to the impacts of investments on the lives of ordinary people (including in particular the impact of investments on the planet and climate justice) who have little or no control over these impacts so I think the funds have a moral responsibility to consider these issues in everything they do. When doing this I think it is imperative that the fund takes advice from those actively involved in climate emergency activities i.e. NGOs such as Greenpeace, Friends of the Earth etc”

“It's crucial & urgent, particularly in regard to Climate Change. The Fund's target of being carbon neutral by 2050 is not enough. The Fund should align with all the Local Authorities (& other public sector organisations e.g. Avon Fire & Rescue Service) in the Avon area - all of whom have shared goals of Net Zero by 2030. The Fund needs to divest from all direct or indirect investments in fossil fuels urgently. As well as Net Zero, demonstrate how the Fund is addressing the Ecological Emergency through its investments.”

“It's clearly the responsible thing to do.”

“I feel that responsible investments are key to the future, we cannot protect our funds unless we protect the source of their growth.”

“Investments must be Environmentally sound.”

“I have three young kids who will have to contend with the impact of investment decisions. I don't see why their generation should lose out just so I can profit from harmful investments.”

“Best return should be paramount.”



## 5b. Would you like to add any further comments on how important it is for the Fund to take account of Responsible Investment issues when making investment decisions?

“You need to make as much money as possible so don't get all woke on your members.”

“Fund should not take undue risks for example by investing in very speculative companies.”

“High Risk is more important than responsible investment... it's important to look after the fund with no risk!”

“Appreciate that ethical investment isn't easy; there are trade-offs. E.g. the mining industry has a poor reputation for worker exploitation, dirty conditions and dirty dealings (blood diamonds etc.). But mining also produces lithium which is needed for our electric cars which are a major part in saving the environment!”

“I would hope there was no irresponsible investment involved.”

“I see no sense in investing in organisations that are not committed to sustainability and zero emissions.”

“If the fund managers can achieve the necessary growth with responsible investment and sustainable strategies, then that is a good ethical position to hold and promote.”

“Critical to addressing Climate Change.”

“Stop funding fossil fuels and ecocide related activities.”



## **5b. Would you like to add any further comments on how important it is for the Fund to take account of Responsible Investment issues when making investment decisions?**

“I would like to see the APF divest fully from fossil fuel investment. The thought strikes me that we invest in pensions as a security for our future. Yet in using that money to invest in industries that contribute to climate change we are contributing to the single biggest risk that we face in enjoying that a comfortable future. It makes no sense!”

“It is essential that the Fund not only 'take account of responsible investment issues' but that it divests from any fossil fuel investment, that it takes the most strident steps possible in initiatives such as Climate Action 100+ and the IIGCC, and further that it only invests in sustainable and positive activities from now on.”

“Inflation is killing us globally the only asset providing a year on year 200% return is bitcoin.”

“Whilst I recognise that the trustees have a duty to maximise members investments this is not incompatible with responsible investing. In fact I strongly believe that responsibly run companies will outperform those that are not.”

“Essential - large corporations not attending to environmental issues to a level that is going to significantly reduce damage ( i.e. beyond tokenism) need to understand that investors will withdraw. Ethical investment also includes the elimination of people exploitation, not just environmental erosion.”

“We work in education so Global corporate responsibility should be important to all of us.”



## **5b. Would you like to add any further comments on how important it is for the Fund to take account of Responsible Investment issues when making investment decisions?**

“My understanding is some what limited, but I expect the experts to make the right discussions.”

“It shows responsibility and gives a message to all non ethical companies in which we would not invest.”

“The fund should take into account responsible investment as long as they are also financially sound also.”

“I would expect my pension fund to make responsible, moral and ethical investments on my behalf. Not doing so will have economic and climate consequences that will impact myself, my children and future generations.”

“My lifestyle follows responsible ways to care for the environment and, through using fair trade and such like products, ethical purchasing. I can't do much myself, but it is the lifestyle I choose. Avon Pension Fund has greater powers and they should lead by example.”



## **5b. Would you like to add any further comments on how important it is for the Fund to take account of Responsible Investment issues when making investment decisions?**

“Not having any real knowledge of investment or of what the options are, I am not best placed to comment, but nonetheless I do have an opinion and moral standards which I would like to see reflected in any investment decisions from which I benefit. I appreciate that at the end of the day the investment choices of the Fund will have to be taken from what is currently on offer and will also need to adequately deliver pensions. This will inevitably mean that compromise of some sort will have to be tolerated because perhaps the 'ideal' investments aren't available or there are other mitigating factors which mean they're not a suitable option. However, there are some standards below which I would be unhappy to go and I would not enjoy my pension knowing that my money to support me was being provided 'off the back of another's extreme hardship' or arms dealing etc., It is unrealistic to expect to solve all the worlds problems in one fell swoop and many of these ills have to be changed in stages. For example, to deny a developing nation the freedom to use fossil fuel is in my view unfair. Yes, it is polluting, but it may be used as a step along the way to more environmentally sound methods of fuel production and use. To use child labour is cruel but perhaps the child is the only bread-winner and puts food on the table for the family. These are uncomfortable facts but developed nations should be on the one hand investing whilst at the same time investing to improve the portion of the disadvantaged so that the long term investment is that those in poverty, hardship and unacceptable working conditions will experience significant improvement in their lifetime. I believe we should invest to give back, as much if not more, as invest to take. An example would be to provide schooling for children in developing nations or clean water to a village community.”