

Statement to Avon Pension Fund, Investment Panel 15.9.23

My name is Mel Clarke and I am a BANES resident and a member of Avon Pension Fund.

I acknowledge the work that APF have done on decarbonisation but I am worried that progress is too slow and the level of transparency is inadequate

The fund has a Commitment to be net zero by 2050 (Responsible investing report 2022, page 7) Net zero by 2050 falls short of what is actually required to keep climate risk within acceptable levels. Please consider revising this target and bring it in line with up-to-date climate research. Many organisations are now saying they will reach Net Zero by 2030 eg <https://www.gov.uk/government/publications/environment-agency-reaching-net-zero-by-2030>

Sir David King, previously the UK government's chief scientific advisor, now head of the climate change advisory group has said that: "Achieving net zero by 2050 is no longer enough to ensure a safe future for humanity; we must revise global targets beyond net zero, and commit to net-negative strategies urgently."

[Net zero by 2050 is "too little too late": world-leading scientists urge global leaders to focus on net negative strategies — Climate Crisis Advisory Group \(ccag.earth\)](#)

Kevin Anderson holds the Zennström professorship at Uppsala University and is chair of energy and climate change at the School of Mechanical, Aerospace and Civil Engineering (MACE) at the University of Manchester.

His authoritative report below states that the developed world needs to hit net zero by 2040 or earlier:

[IPCC's latest AR6 synthesis report lacks urgency and realism. Its own numbers say so - Energy Post](#)

Transparency

Another important point is that the funds responsible investment reports do not give an up to date picture of the current carbon intensity of the fund. To get an idea how things currently lie, I have tried to access recent reports via the publicly available APF meeting minutes.

However, I find that almost all key information is redacted.

Redacting of virtually all documentation in this way leaves pension fund members with no way to assess what the fund current climate performance is.

This is wrong - the fund belongs to its members and we have a right to know.

In particular, I have recently requested the Brunel presentation on climate solutions presented to the 14th July APF meeting, but have not received a response.

References:

Avon Pension Fund Committee Investment Panel - Friday, 14th July

[Councillors and how the Council works | Bath and North East Somerset Council \(bathnes.gov.uk\)](#)

Virtually all docs redacted:

8 LOCAL IMPACT PORTFOLIO PROPOSAL

The Panel, having been satisfied that the public interest would be better served by not disclosing relevant information, **RESOLVED**, in accordance with the provisions of the Section 100(A)(4) of the Local Government Act 1972 that the public should be excluded from the meeting for this item of business, because of the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act as amended.

9 RISK MANAGEMENT FRAMEWORK REVIEW

The Panel, having been satisfied that the public interest would be better served by not disclosing relevant information, **RESOLVED**, in accordance with the provisions of the Section 100(A)(4) of the Local Government Act 1972 that the public should be excluded from the meeting for this item of business, because of the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act as amended.

Response to Statement - 27 May 2022

[«ADDR A1» \(avonpensionfund.org.uk\)](#)

As at March 2022, the value of our holdings in the top 5 Oil & Gas companies was £4.1m, which equates to 0.2% of the Fund's listed equity portfolio and 0.07% of total assets. Using a broader definition of fossil fuel exposure¹, the Fund held around £86.6m in fossil fuels overall, representing just 3.4% of our listed equity portfolio and 1.4% of the total Pension Fund. Rather than operating a blanket divestment approach to fossil fuels, which we do not believe achieves any real-world impact in itself, we instead focus on portfolio decarbonisation, collective engagement, and investing to enable the climate-transition.

Responsible investing report 2021:

[APF_RFI_Report_2021-22_Final.pdf \(avonpensionfund.org.uk\)](#)

Responsible investing report 2022

[APF2022_RI_Report_FINAL.pdf \(avonpensionfund.org.uk\)](#)

Our Climate Policy Objectives:

- To implement a <2°C aligned portfolio by committing to net zero emissions by 2050, or earlier.
- To reduce the absolute emissions of the listed equity portfolio by 43% to 2025 and 69% to 2030 compared to a 2019 baseline.
- To reduce the carbon intensity of the equity portfolio over time with the aim of being 30% less carbon intensive than the benchmark by 2022 – this was achieved 2 years ahead of plan and will be revisited as part of the Fund's next RI policy review.
- To invest sustainably to support a 'just transition'¹ to the low carbon economy with the aim of investing 30% of total assets in sustainable² and transition aligned investments by 2025 – At March 2022 the Fund had £1.4bn of assets invested in sustainable and Paris-aligned equities and over £400m committed to renewable infrastructure.