



Wednesday 1st September 2021

Glasgow City Council
82 George Square
Glasgow G2 1DU

Dear Councillor Bell and members of the Strathclyde Pension Fund Committee,

Strathclyde Pension Fund's minimum criteria for climate-related divestments

The case for urgent divestment from fossil fuels is now at its strongest ever. The UN Secretary General, Antonio Guterres, said on the 9th August 2021 that the latest IPCC Report: "must sound a death knell for coal and fossil fuels, before they destroy our planet. [...] Countries should also end all new fossil fuel exploration and production [...] There is a clear moral and economic imperative to protect the lives and livelihoods of those on the front lines of the climate crisis."¹

Representatives from UNISON, Friends of the Earth Scotland and Divest Strathclyde are agreed that the divestment process, enacted through a policy to be approved in September, must:

1. Be completed as soon as practically possible with a published completion date (to be consistent with best international practice and the timescale already set by Glasgow City Council's own Climate Emergency Implementation Plan this should be 2025).²
2. Apply to indirect and arm's length investments *as well as* those invested directly in-house.
3. Be fully transparent with regular information published about which companies have been sold and ongoing consultation with fund members, their trade unions, and climate campaigners.

Regarding the standards to be applied, we would like to see:

- Industry-leading standards that require energy companies to be at least fully aligned with the UN Paris Agreement, as judged by independent assessments.
- Companies who do not meet minimum standards placed on a 'red' list and divested from immediately, with an announcement following shortly afterwards.
- 'At risk' companies placed on an 'amber' list to be moved to the 'red' list if they do not improve within six months.

¹ <https://www.un.org/sg/en/content/secretary-generals-statement-the-ipcc-working-group-1-report-the-physical-science-basis-of-the-sixth-assessment>

² <https://www.glasgow.gov.uk/CHttpHandler.ashx?id=50623&p=0>

- Companies who pass minimum standards on the 'green' list should be commended and remain on the SPF's portfolio but should be annually reviewed to make sure that they are still compliant with the minimum standards.
- Consideration of fossil fuel service and transportation companies and companies with high fossil fuel consumption who are not prepared to move towards a zero-carbon future.

For more information about case studies and an assessment of the SPF's investments please refer to the [Friends of the Earth Scotland briefing](#).³

We would again thank you for your time. We look forward to supporting the City and Strathclyde Pension Fund implementing a world-leading policy of divestment from fossil fuels.

Yours sincerely,

Stephen Smellie, Depute Convenor UNISON Scotland

Dr. Richard Dixon, Director, Friends of the Earth Scotland

Isla Scott, Organiser, Divest Strathclyde

³ <https://foe.scot/resource/spf-ctte-brief-aug-2021/>