

Cheshire Pension Fund MEMBERS FORUM

www.cpfmembersforum.com

PRESS RELEASE (no 8) APRIL 2019

CLIMATE CHANGE and PENSION INVESTMENTS

The Chester Chronicle headline last month was “**Striking Chester students show leadership over saving the planet**”. This was just one of many protests around the world by young people. They wanted ‘system change not climate change’ and said that the ‘seas are rising, so are we !’

The next worldwide YOUTH 4 CLIMATE day will be Friday 12 April, (during school and college vacations here in Chester), and is expected to attract large numbers of young people not only in Chester, but nationally and worldwide, as the movement grows.

In a video message after the March protests, the environment secretary Michael Gove said he agreed with the young people, and said “Collective action of the kind you're championing can make a difference, and a profound one.” We agree with the environment secretary and the young people. We say all UK pension funds must be proactive on climate change, and listen to young people.

They are our own grandchildren.

Our Members Forum campaigns on a number of issues, including fracking, and how our pensions are invested in companies that cause climate change. Today's young people will live in the world we create through our investing, which is why they are demanding change, now, and quickly. We have all read the IPCC warning in October 2018 to keep to 1.5 degrees C. Young people are realising that pension and investment managers do not think enough about the future.

We say our Trustees should divest from CO2 producing energy industries, and instead invest sustainably in renewables.

We would like to see the Trustees of Cheshire Pension Fund talk to these young people soon, and try to explain to them why the Cheshire Pension Fund continues to invest in companies that cause emissions.

There is little doubt that actions to limit Climate Change must start with how we invest. Our pension funds are among the largest investors, so moves into sustainable investments are needed.

- The EU has recognised the power of investing to make these changes, see https://ec.europa.eu/clima/sites/clima/files/docs/pages/initiative_1_financial_sector_en.pdf
- Our Press Release in November 2018 showed Cheshire Pension Fund invested £47 million in fracking companies. We say that Climate Change will only be stopped by investing for the future by financial institutions like our fund.
- Pension funds have voting rights at AGMs and can divest if needs be. We have just seen the pay package of Shell's CEO, Ben van Beurden, more than double in 2018 to £17.2m as the oil company rewarded him for high profits. His pay was three times more than the average of his fellow FTSE 100 chief executives in 2017, and it was 143 times greater than the average pay of Shell's British workforce. Yet the company described the chief executive's pay deal as “appropriate.”

No wonder the students are angry. We should all be angry. Currently our Trustees and our pension fund maintain investments, which damage the climate, and encourage ever more fat-cat bonuses, and are unsustainable. We owe it to our grandchildren and all young people to invest sustainably. Our pension fund must look to future of everyone by much wiser investing,

NOTES FOR EDITORS

In 2018 a group of local government pensioners from Cheshire Pension Fund formed their own independent CPF Members Forum. www.cpfmembersforum.com

- We believe that Cheshire Pension Fund as a local government fund, should invest in a more socially responsible and sustainable manner.
- We campaign for Trustees to hold an AGM for members, and to provide web pages for members of the fund to hold discussions.
- We would like to see more openness by our fund, and more local investing.

Cheshire Pension Fund <http://www.cheshirepensionfund.org> covers nearly 100,000 members, from nearly 300 councils and organisations in the wider Cheshire area, including Cheshire West and Chester, Cheshire East, Warrington MBC, Halton MBC, and housing associations, academies, parish councils, police staff, and school staff. The Pension Fund Committee are listed on page 4 of the latest 2017 2018 Annual Report at <http://www.cheshirepensionfund.org/about-the-fund/investments/annual-reports/>

In our previous press releases on www.cpfmembersforum.com we have queried CPF property investments mostly in the South-East, not here in the area of the fund councils, employers and employees. We also query a range of CPF investments, such as fracking companies, internet companies that avoid tax here in the UK, the impact on our high streets, other companies such as WONGA, tobacco companies, gambling and FOBT companies, armaments manufacturers, and CO2 producers. Without an AGM or member discussion pages on the website, we say our Trustees do not know what the members think. New legislation says that they must find out.

In October 2018 the IPCC highlighted the need to keep to 1.5 degrees C. They showed how we must mitigate the worst impacts of climate change, and estimated that a 55% reduction in GHG (Greenhouse Gas) emissions globally is needed by 2050 (relative to 2010 levels) to stabilize global temperatures. Setting GHG emission targets has positive financial outcomes.

<https://www.bbc.co.uk/news/science-environment-45784892>

Inspired by Greta Thunberg, thousands of students across Europe and beyond are rising up to protect their future which is threatened by the inaction towards dealing with climate change by the world's leaders and the greed of fossil fuel companies. "The effects of climate change are predicted to be so potentially drastic that all life on earth is in danger of extinction. With the loss of 60% of the world's animal species since 1970 - this has already begun. No one is doing anything, so we have to make them. Our leaders have failed us. They're not doing enough to save our future. The world's youth aren't taking it anymore. We must keep the pressure up to demand climate action. We will take action every month until we are heard" (Chester Chronicle)

Our CPF Members Forum is concerned about issues including climate change, We welcomed the 2018 pension regulations on wider roles of Pension Trustees and how much they understand of important ESG (Environmental, Social, and Governance) factors.

- See <https://www.gov.uk/government/consultations/pension-trustees-clarifying-and-strengthening-investment-duties>
- • Environmental: resource depletion, including water waste and pollution, deforestation.
- • Social: working conditions, including slavery and child labour; health and safety; employee relations and diversity; ageing populations; social unrest; local communities, including indigenous communities; and income inequality.
- • Governance: executive pay; bribery and corruption; board diversity and structure.

For information see www.cpfmembersforum.com or email cpfmembersforum@gmail.com