

CPF MEMBERS FORUM

www.cpfmembersforum.com

PRESS RELEASE 19 (March 2021)

The Pension Schemes Act 2021.

The Pension Schemes Act 2021 received Royal Assent on 11 February, and will significantly affect the UK economy, our future, and our families.

- Pensions are a critical part of all UK investment and finance, now becoming even more essential to provide funding to rebuild the country post COVID, post BREXIT, and for a green and resilient Net Zero future.
- This new Pensions Schemes Act 2021 also contains provisions to safeguard pensions for employees, with some controls introduced after recent high profile pension scandals.

Our Members Forum welcomes the new Pension Schemes Act 2021 and looks forward to its implementation for all employees and pensioners in Cheshire. Our independent Members Forum represents only the 100,000 members of the Cheshire Pension Fund, but this new Act will affect all pension funds.

All pension funds will now have to consider ESG investing, defined as **Environmental, Social, and Governance factors**. These have recently become centre stage in financial and pension management, and this particular part of the Act was widely welcomed by campaigners and the financial press.

- **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.

The Pensions Regulator has also welcomed the new Act:

- “The Act highlights that pension scheme trustees should be considering the effects of climate change, and we can expect regulations requiring them to engage more fully with the risks and opportunities arising from the response to this global emergency.
- <https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2021-press-releases/the-pensions-regulator-welcomes-the-pensions-schemes-bill-receiving-royal-assent>

Our Members Forum campaigns for a members AGM and for ESG investing. We have recently issued two statements on ESG and fossil fuel investing by CPF.

PR18: The UK Divest campaign www.divest.org.uk/councils showed that CPF invested £63 million in fossil fuels in 2020. This figure has been confirmed by CPF, and CPF says this is one of the lowest percentages in the UK. The CPF fund is valued at £6 billion.

PR17: We asked why CPF made statements on climate change, while making a new direct investment in Rio Tinto, during massive negative worldwide publicity.

- In 2020 CPF invested £3.6million in Rio Tinto
- In 2020 Rio Tinto blew up 46,000-year-old rock shelters at Juukan Gorge in Western Australia's Pilbara region
<https://www.theguardian.com/business/2020/sep/11/rio-tinto-ceo-senior-executives-resign-juukan-gorge-debacle-caves>
- In 2020 CPF published a "carbon footprint" on risks and the Climate Crisis.
<https://www.cheshirepensionfund.org/news/2020/09/15/climate-change-risk/>
- The carbon footprint did not mention Rio Tinto, Australia, did not contain the word divestment, and had no timescales or targets.
- CPF have not explained how or why they made this extra investment.
- We asked if our pension funds were investing enough in health during the pandemic (including capacity, laboratories, PPE, testing kits, vaccines).
- And whether in Cheshire, did CPF managers and trustees really consider global events, ESG values, Net Zero, and the Paris Agreement

The Act will require funds to publish climate change risks and targets in a standard format, that is simple to follow, and to compare with other funds.

NOTES FOR EDITORS

Cheshire Pension Fund www.cheshirepensionfund.org has over 100,000 members, from over 300 councils and organisations in the councils of Cheshire West and Chester, Cheshire East, Warrington, and Halton, and local housing associations, academies, parish councils, police staff, and school staff. Part of all Council Tax goes to pay for the "Employers Contribution".

All four of our councils have declared Climate Emergencies.

CPF is managed by ten nominated councillors, but mostly advised by London investment fund managers. CPF could invest locally in Cheshire in low-cost housing, green energy, IT networks and health, to provide employment and boost the future Cheshire economy.

Our Members Forum www.cpfmembersforum.com queries why CPF have investments in fracking, oil, gas, property mostly in the rest of England, payday loan companies, tobacco, gambling, gaming, irresponsible social media companies, armaments, and the FAANGs that avoid UK Corporation Tax on trade here..

To give us a stronger voice we ask everyone paying into CPF, as well as pensioners of CPF, to join our independent Forum. It is free, confidential, and has no commitment.

Dave Plunkett 07974 112628 or David Challen 01244 671163

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