

CPF MEMBERS FORUM

www.cpfmembersforum.com

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COP26 and Action on Green Investing

As Glasgow opens the COP26 Climate Summit, three reports this month urge more action not words, if we are to have a future. COP26 will expect participants to turn their NDCs (nationally determined contributions) or pledges, into actions.

Similarly in Cheshire, our campaign continues to challenge Cheshire Pension Fund to take action to match the words and rhetoric. The 2019 investment of £500 million in the LGPS Central Climate Fund seemed a positive step in the right direction, but those investment also contains holdings in fossil fuels, so are not sustainable.

Our Members Forum is concerned that CPF continues the strategy of “engagement” as set out in the Responsible Investment Policy. That RI policy does not promote change or new investment, so we repeat our view that “engagement” is a soft option, easy to ignore, and meaningless. Engagement will not end funding fossil fuel companies. CPF must divest from these companies, and re-invest sustainably.

The three government reports published in the week the COP26 Summit, refer to how “carbon footprints” and RI Policies are often “Greenwash”, and block new investments and damage sustainability.

HM Treasury Report on Greening Finance (October 2021)

The HM Treasury report “A Roadmap to Sustainable Investing”, defines the gap between action and publicity as greenwashing on page 8:

- [Chancellor sets new standards for environmental reporting to weed out greenwashing and support transition to a greener financial system](#)
- **‘Greenwashing’ is when misleading or unsubstantiated claims about environmental performance are made by businesses or investment funds about their products or activities. This can lead to the wrong products being bought – undermining trust in the market and leading to misallocation of capital intended for sustainable investments.**

The report says greening the financial system is an integral part of plans for the future of the UK’s financial services, and must ensure the financial sector is equipped to play its part.

- “Aligning the financial system with a sustainable future will bring real benefits for the environment and society.
- “It is an opportunity to boost economic growth, create jobs, and level up the UK regions.

The DWP consultation on Climate and Investment reporting (October 2021)

The Department of Work and Pensions examines the role of finance and pensions to finance developments:

- [Dept of Work and Pensions - Climate and Investment reporting](#)

- “We signalled our intention to consult on a requirement for trustees to measure and report their schemes’ alignment to the Paris Agreement.
- “TCFD published updated guidance on 14 October recommending that financial institutions describe the Paris alignment of their activities.

The consultation calls for action, otherwise institutions, banks, and pension funds just make pledges, but continue as they have always done.

APPG Investment by LGPS funds for Net Zero (October 2021)

A report by the All Party Parliamentary Group for Local Pension Funds also identifies the lack of action, with funds using “engagement” as cover to avoid real action:

- [APPG - Ensuring responsible investment for a just transition to Net Zero](#)
- Cautious attitudes among some investment funds and their managers are standing in the way of the Local Government Pension Scheme achieving a ‘just transition’ to net zero.

OUR MEMBERS FORUM

CPF is the fund for over 100,000 members from 300 councils and organisations in the councils of Cheshire West and Chester, Cheshire East, Warrington, and Halton.

Although our campaign is primarily for an AGM, we support investing in UK infrastructure and for “Net Zero”, green energy, low-cost housing, WiFi networks, PPE and Health, and where possible to support Cheshire.

We remain disappointed that our pension fund continues to invest in armaments, fracking, oil and gas, short term financials, tobacco, gambling, gaming, social media, companies on the UNHR lists, and tax avoiders who use “offshore profit shifting”, No properties in the CPF property portfolio are in Cheshire, Warrington or Halton.

[Cheshire Pension Fund](#) is valued at over £6.55 billion. It is locally managed by ten councillors who decide how our fund invests, and could invest for UK infrastructure, and to reduce costs and overheads, as intended by recent pooling legislation. We say all councillors can ensure that our pensions are invested sustainably in low-cost housing, green energy, IT networks and PPE and health, all of which would provide employment and sustainable development.

Local investing support Cheshire businesses and communities to boost our local economies, and form part of the national “levelling-up” agenda. We will continue to campaign until our pension fund changes to a more socially responsible fund.

To give us a stronger voice with the fund, we ask current employees and members of CPF to join our Members Forum. It is free, confidential, and has no commitment. Current employees welcome, as it’s your pension one day.

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