



Photo by D-B

FairPensions set to tackle Climate Change

FairPensions is set to launch the most significant capital markets campaign ever mounted in the UK, driven by concern for the environmental and human impacts of climate change but also the financial self-interest we all share in moving rapidly towards a low carbon economy.

In Copenhagen this December, world leaders meet to negotiate a new global agreement on tackling climate change, to replace the current Kyoto protocol. This is a crucial time for action on climate change, and investors have an important role to play.

As investors with longer-term investment horizons, our pension funds have a huge financial interest in ensuring that companies take action to protect themselves against the physical, regulatory and economic impacts of climate change. For many of us, this sits alongside a profound ethical concern about the human and environmental costs of climate change.

Corporations are the major contributors to man-made global warming. Urgent action on their part is required if the UK is to meet its emissions reductions target of 80% by 2050 (based on a 1990 baseline). FairPensions' new campaign, *Tackling Climate Change through the Capital Markets*, will focus on leveraging the power of pension funds and their fund managers to press for committed and urgent action by companies to reduce their green house gas (GHG) emissions.

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FairPensions will be putting pressure on UK pensions funds for the adoption of specific policies on climate risk management and a commitment to ensure that action is taken by their fund managers to secure a reduction in the emissions of companies.

We've been paving the way for our new campaign with some groundbreaking research into action taken by UK fund managers to monitor climate change risk and in particular to see GHG emissions reduced. We are currently compiling the data gathered, so watch out for the results of this research – coming soon. The final report will be disseminated as a tool to facilitate pension funds' engagement with their fund managers to address weaknesses in climate risk management.

Take Action

There is a clear financial and environmental case for pension funds to take action on climate change, but few are doing so. We are asking our supporters to make a donation to FairPensions. Your donation will go towards our new climate change campaign, helping us to ensure that pension funds seize this opportunity for action. You can do this by filling in the enclosed donation form or online at fairpensions.org.uk

News in brief

New pensions super-scheme moves towards Responsible Investment

Last year we reported on the proposed 'Personal Accounts' pensions scheme, which the government plans to launch in 2012 to cover the estimated 7 million people in the workforce that currently do not have pensions provided by their employer.

Since then, FairPensions has been in regular contact with the agency created to launch the new scheme, the Personal Accounts Delivery Authority (PADA), lobbying them to adopt a Responsible Investment policy.

We are pleased to report that the arguments for Responsible Investment made by FairPensions and others appear to be having an impact: the consultation document which PADA recently released includes chapters on Responsible Investment and corporate governance, and the agency is adopting a generally positive tone on these.

We will continue to work with PADA, to make sure that they do not move away from Responsible Investment, with the goal of ensuring that after 2012 the UK's largest pension scheme will be a leading practitioner of Responsible Investment.

Recovering from the credit crunch: putting Responsible Investment into the debate

Since the financial crisis, there has been fierce debate in Westminster, Whitehall and the City on the role and responsibilities of institutional investors. FairPensions has been advising government, opposition politicians and civil servants on steps they could take to ensure our financial services sector delivers a financially, socially and environmentally sustainable future.

FairPensions asserts that Responsible Investment can play a key role in helping to guard against future financial crises, by encouraging investors to focus on longer-term 'extra-financial' risks, such as irresponsible lending and climate change.

The ship of state is slow to steer, but interest is growing in the case FairPensions is making, and we plan to keep working to influence this debate.

UN toughens up on RI

Five signatories of the United Nations' Principles for Responsible Investment have been expelled from the group in one of the strongest signals yet that the principles are not just for show.

pionline.com

Environment Agency's RI drive

The Environment Agency Pension Fund recently committed £185m of its assets to socially responsible investment.

environment-agency.gov.uk

Stop the Mine

A number of local authority pension funds are under pressure from charity ActionAid, a member of FairPensions, to use their investments in mining firm Vedanta to stop an open pit mine in India. actionaid.org.uk

PADA: use the Force!

It's not just Responsible Investment that PADA will be embracing (see back page), but also the investment needs of Jedi, in an attempt to be truly inclusive.

pensionsweek.com

Stay in Touch

FairPensions can tackle multinational corporations on human rights abuses, climate change and reckless lending far more effectively with your support.

One of our greatest strengths is our backing amongst thousands of people who are willing to contact their pension funds and push these financial powerhouses into responsible action.

Do we have your email address? We would like to keep you updated by email on opportunities to take action, to help ensure that the money in your pension fund is a force for good. Please send an email to

info@fairpensions.org.uk

with your full name and postcode to help us keep in touch.

You can also let us know whether you'd prefer to receive our newsletter by post or by email.

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Moving UK pension funds towards Responsible Investment

A new FairPensions report reveals that some of the largest UK pension funds are becoming more assertive about social and environmental issues, following pressure from FairPensions and our supporters.

Our research team surveyed the UK's 30 largest pension funds, together worth an estimated £351 billion. Encouragingly, of the schemes who actively participated in the survey, 70% now include Responsible Investment performance as a key criterion in fund manager selection, or are planning to do so in future appointments.

FairPensions believes that the phenomenon of pension funds carefully assessing fund managers' Responsible Investment credentials is triggered by their own growing awareness of the potential negative impacts of environmental, social and governance (ESG) issues, such as climate change and excessive executive remuneration, on long-term financial returns.

The report found that climate change is being looked at as a specific investment consideration, but only by a minority: 5 schemes assess a fund manager's ability to manage climate change related risks and opportunities as part of the selection process, and 7 instruct their fund managers to actively consider climate change related risks and opportunities.

New Members

We are pleased to welcome two new member organisations to the campaign for Responsible Investment. As member organisations, they provide FairPensions with financial and political support, whilst promoting Responsible Investment to their own members.

BECTU is the independent trade union for people working in broadcasting, film, theatre, entertainment, leisure, interactive media and allied areas in the UK.

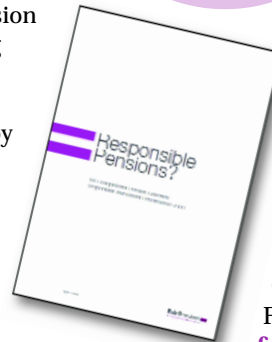
The **Occupational Pensioners' Alliance** is a democratic, non-party-political organisation of occupational pensioners' associations in the UK, representing the interests of over 2 million occupational pensioners.

The report also reveals a striking disparity between the best and worst schemes, with funds' scores ranging from 100% to 0%. Leaders on Responsible Investment include the British Telecommunications Pension Scheme, Universities Superannuation Scheme and Strathclyde Pension Fund, but there remain many laggards.

Although all of the schemes surveyed acknowledge the importance of environmental, social and governance issues, this is often not matched by action on their part. FairPensions believes that this is a clear demonstration of the need for continued campaigning in this area, which we cannot do without your support.

Full report available at fairpensions.org.uk

ESG issues: a truth universally acknowledged, but not universally acted upon.



Take Action

Our past campaigns prove that contacting your pension fund can change corporate behaviour. The more people who speak out, the more likely it is that action will be taken. It only takes a minute to petition your pension fund to become a responsible investor: take action now at fairpensions.org.uk

"The OPA supports FairPensions because we believe that sustainability and the stability of the whole financial system are necessary requirements for the security of all our pension funds. We believe the policy of FP in seeking Responsible Investment will help to ensure this aim."
– Gordon Williams, OPA



BECTU
BROADCASTING
ENTERTAINMENT
CINEMATOGRAPH &
THEATRE UNION

OPA

The Occupational Pensioners' Alliance