
FUNDING A FAIRER FUTURE

UK pension funds contain nearly £3,000,000,000,000. That's £3 trillion of our money that could be invested in a greener, safer future. But right now, much of it is tied up in risky fossil-fuel projects, which aren't good for the planet or our pensions. That's why Christian Aid is excited to be working together with ShareAction on the Green Light campaign. Together, we can make sure that pension funds use our money to build the future we want to see.

The Green Light campaign takes the fight for climate justice straight to the people who will shape our economy in the long-term, because we can have a say in how they use our savings. We're calling for good investment decisions that build a sustainable future and protect the planet from the worst of climate change.

What have pensions got to do with climate change?

Pension funds are vital power players. Pension savers have invested nearly £3tn in pension funds, which is in turn invested in the services and businesses that make up our economy. That makes pensions a crucial lever that we can use for change. Pensions exist to provide retirement income for their members in the future and, as such, funds should be making their investment decisions with a long-term view. The introduction of automatic enrolment to pension schemes will see millions more employees signed up to saving over the coming years. Many of these newly enrolled savers will be younger people who won't begin to draw their pensions for many decades to come. Pension funds have a legal obligation to act in the best interests of their savers, so they have to take into account the environmental impact that the investment decisions of today will have on the climate of the future.

Because of this mandate to act with consideration for the future wellbeing of savers, and because of the clout they wield

with big business and policymakers, pension funds are a perfect tool to help carve out a low-carbon future.

What's the problem?

Our pension funds currently remain deeply and stubbornly invested in fossil fuels. It's not only our planet that this strategy puts in danger, but our pension pots too: if governments act to limit global warming to 2°C (as they agreed in the 2010 Cancun Agreement) carbon emissions will be capped at a level that would put a stop to many of the high-carbon projects that companies are currently embarking on. If that happens, these projects would become 'stranded assets', moving swiftly from profit to loss and dragging the value of our pension pots right down. Some people argue that governments won't act to limit global warming and, as such, this 'stranded assets' situation won't actually happen. But inaction by governments will mean unchecked global warming, bringing its own set of problems that will certainly impact our pensions, not to mention our future quality of life. Whichever scenario plays out, our pension funds need to get climate-conscious if they are to act in the best interests of those who save with them.

Where do I come in?

What many pension savers don't realise is that we can have an active voice in where

our savings go and the running of the businesses they fund. The Green Light campaign seeks to empower people to see their savings as a way to make change happen. Over the next two years, the Green Light campaign will be catalysing a shift towards a fairer, greener future. Through online e-actions, training on how to get involved, and tailored support for activists, we're ready to challenge and change the system. We just need you to join us.

What are we asking pension funds to do?

Disclose: We want pension funds to measure their portfolios' carbon emissions, to devise an appropriate climate change policy on the basis of their findings, to set time-bound targets, and to disclose what they're doing about climate change to their savers.

Disrupt: We want pension funds to question companies' plans to embark on risky, high-emissions projects like Arctic drilling and tar sands. Our money is being poured into exploration for new reserves of oil and gas, but if governments act to cap carbon emissions these reserves will become 'unburnable'. This money would be better off being returned to shareholders or spent on less-risky projects.

Divest: We want pension funds to pull out of companies whose sole business is thermal coal. We believe that these companies serve neither pensions nor planet.

Divert: We want our pension funds to commit to making greener investments. This means diverting money into a range of climate solutions, including clean technology, green infrastructure, and energy efficiency.

We want them to set themselves targets stating what portion of their investments they intend to allocate to greener options.

Making green investments doesn't mean losing money from our pension pots. The green economy is going strong. According to the Confederation of British Industry (CBI), it accounted for a third of the UK's growth in 2011-12.

Demand: We want pension funds to demand stable and supportive policy from governments to enable the transition to a low-carbon global economy. We want them to join, encourage and support collaborative investor initiatives and to demand more transparency from companies on their climate-related lobbying positions, so as to make sure companies don't act against the interests of pension savers.

Pension power

This is a different kind of climate campaign. Its focus on pension funds will unlock the power of the trillions invested in them to fund a greener, fairer future. In doing so, we aim to protect our pensions and our planet. We hope you'll join with us as a citizen saver as we push our pension funds to get climate-conscious.

For more info on 'the five Ds', read the full Green Light Report: *Using Pension Power to Protect our Planet*.

Every single pension saver has a stake in the fight against climate change. If we come together and raise our voices loud enough, our pension funds will have to listen. And if they listen, we might just be the people who kick-started the transition to a low-carbon world.

For more information, or help with contacting your pension fund, please email campaigns@christian-aid.org or visit christianaid.org.uk/greenlight