

Tony Burdon
Make My Money Matter
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Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street
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Cc:

The Rt Hon Thérèse Coffey, Secretary of State at the Department for Work and Pensions
The Rt Hon Guy Opperman, Under-Secretary of State at the Department for Work and Pensions
The Rt Hon Alok Sharma, Secretary of State for Business, Energy and Industrial Strategy and President-designate, COP26
The Rt Hon John Glen, Economic Secretary to the Treasury

12th November 2020

Dear Prime Minister,

As we approach COP26, we welcome the Government's amendments to the 2019-21 Pension Schemes Bill, requiring occupational pension schemes to assess and disclose their exposure to climate risk, and report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This is a world-first for pension schemes and for that the Government, and in particular the Pensions Minister and the Secretary of State for Work and Pensions, should be congratulated.

Whilst these changes are an important step forward, we believe the Government has an opportunity in this Bill to go further, to put the economy on a more sustainable trajectory, tackle the climate emergency, and strengthen the UK's global leadership on green finance ahead of COP26.

We ask you to amend the Bill so that it sets out the requirement for pension schemes to develop and implement strategies that align with the goals of the Paris Agreement.

The impact of the Government putting forward such an amendment would be transformative, both in the UK and globally.

Such an amendment would require comprehensive climate action by pension schemes, building on progress by pension industry leaders, following a wave of new announcements over the past twelve months. However, to be effective, it will be crucial that these commitments are underpinned by credible, strategic action plans, which will also drive further action and ambition.

With circa £3tn invested in UK pensions, it is vital that pension schemes use their considerable influence to ensure the companies they invest in are on a trajectory to net-zero emissions in line with the Paris Agreement and 1.5°C. In doing so, schemes would play a proactive role in helping the government achieve its own net-zero commitment, support the UK's onward economic recovery, spur innovation, and create green jobs.

It is also in the best long-term financial interest of the 19 million pension savers across the UK. It is well documented that climate change poses a real financial risk to people's pensions and there is clear evidence that people want their pension fund invested responsibly.

With such an amendment, the UK would seize the opportunity to be the first country to legislate for the pensions sector to align with the Paris Agreement.

With a year to go until COP26, a legislative act of this nature would establish the UK as a global green finance leader and create pensions that the British people can trust and be proud of.

Yours sincerely,

Tony Burdon, CEO, Make My Money Matter



On behalf of the following organisations:



And the following individual signatories:

Jack Jones, Pensions Officer, Trade Union Congress

Professor Nick Robins, Grantham Research Institute, London School of Economics