

**Date:** 16 September 2020

**Reference Number:** 4754

### **Pension Fund reveals its carbon footprint**

A local pension fund has become one of the first in the country to report on the carbon footprint of its £6 billion investment portfolio.

Cheshire Pension Fund has published its Climate Risk Report, which reveals that the carbon footprint of its equity investments is 30% below the general market, represented by the FTSE All World Index which covers more than 3,000 companies in 47 countries.

The Fund is the pension scheme for more than 100,000 members across 300 employers, including Cheshire West and Chester, Cheshire East, Halton and Warrington councils, Cheshire Police and Cheshire Fire and Rescue Service and a range of other employers in Cheshire. The Fund is administered by Cheshire West and Chester Council.

Cllr Myles Hogg, Chairman of the Cheshire Pension Fund, said: "The report confirms that the Cheshire Pension Fund has a good baseline from which to manage the risk presented to its investment portfolio from climate change.

"Our priority remains our financial duty to pay the pensions of our 100,000 members and to do this we need to ensure the assets of the fund are well diversified and resilient when faced with the impact of climate change.

"The Fund has previously invested more than £500 million in a pioneering Climate Change Factor Fund and the report confirms that this decision has helped reduce the carbon emissions from our investment portfolio.

"We understand that climate change is an important issue for our employers and members, so it is reassuring to see the difference this investment has already made to our carbon footprint.

The Fund will continue to explore what additional steps it can take to reduce investment risk through further reductions in its carbon footprint."

The new report published by the Cheshire Pension Fund follows recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a blueprint for climate reporting which represents best practice in the investment industry.

Its publication follows an independent and in-depth review of the climate risks of the Fund's investment portfolio.

The report shows that the Fund has less exposure to companies with fossil fuel reserves and those exploiting coal reserves than the general market and reveals that it has more investment with companies who use clean technology than the general market.

The Fund invests in five different equity funds and all except one have a lower carbon footprint than the general market index. The one fund with a higher carbon footprint will now be reviewed to identify potential alternative investment funds.

The publication of the report will be followed by the publication of a climate strategy and climate stewardship plan.

For more information and to see the report visit:

<http://www.cheshirepensionfund.org/> and click on **news**.