

SMF Media Release – Embargoed until 2200 Monday 5th October

Minister: “To save the world from climate change, check your pension”

Millions of savers can take real action to address climate change by paying more attention to their pensions, a Government minister has said.

Guy Opperman, the Pensions Minister, said that people can support the transition to a Net Zero carbon economy by choosing to invest their retirement savings in low-carbon businesses.

People who want to “play their part” in the Net Zero effort should “engage with their pensions and encourage sustainable investments”, the Minister said.

Opperman is a contributor to a collection of essays published by the Social Market Foundation, a cross-party think-tank, and the Chartered Banker Institute, about green finance and the role that financial services can play in delivering environmental goals.

Other writers in the collection include Kate Forbes, the Scottish finance minister, and Professor Linda Yueh of Oxford University.

The essays highlight the role that financial investments, policies and industry participants can play in ensuring Britain meets the legal target of Net Zero carbon emissions by 2050.

The authors explore why tackling the climate emergency must remain a priority for policymakers and regulators, alongside the focus on building back better lives, communities and businesses impacted by the Covid-19 pandemic.

Banks and institutional investors such as pension funds are paying more and more attention to the environmental impact of the companies they invest in. In his essay, Opperman said individual savers should review their pension funds to see how they can use their financial investments.

The automatic enrolment of workers into pension schemes has created more than 10 million new pension savers since 2012. British workers saved £90 billion into their pension schemes in 2018.

Opperman said that money could give pension savers a way to influence business decisions and push firms towards low-carbon operations.

The Minister endorsed the Make My Money Matter campaign, set up by screenwriter Richard Curtis. The campaign aims to engage savers with their pensions and encourage “sustainable” investment.

“They are encouraging savers to engage with their pensions and encourage sustainable investments. That very much chimes with my priorities, and the priorities of the Department of Work and Pensions,” Opperman said.

“It is a partnership with business that is the way to achieve the innovative change required. By investing in assets, trustees can nudge, cajole, and vote firms towards lower-carbon business practices.”

Simon Thompson, Chief Executive of the Chartered Banker Institute, said:

“As contributors to our essay series rightly argue, mainstreaming green and sustainable finance requires a raft of substantial and significant changes right across our financial system, and indeed in business and society more broadly. I am sure they will spark some interesting debate, but we need to move from talk to ambitious policy, regulatory and industry action in the 12 months from now to COP26.

“The finance profession and finance professionals must play key roles alongside governments in leading the systemic change we need to protect people and planet.”

James Kirkup, Director of the Social Market Foundation, said:

“Getting to Net Zero will require some fundamental economic and social changes, changes that must be funded. Markets can play a vital role in that process, by raising and allocating money to support decarbonisation work. These essays show how everyone, from ordinary workers to financial policymakers, can help use the power of markets to deliver a low-carbon economy.”

Notes:

- The SMF essay collection *Pathway to COP26: The role of green finance* will be published at www.smf.co.uk/publications/pathway-to-cop26 at 07:00 on Tuesday 6 October.
- The collection was sponsored by the [Chartered Banker Institute](http://www.charteredbanker.org), a registered charity.
- Contributors to the series (listed in order of appearance):
 - **Professor Linda Yueh**, Fellow in Economics, St Edmund Hall, University of Oxford, and Adjunct Professor of Economics, London Business School.
 - **Kate Forbes MSP**, Scottish Finance Minister
 - **Simon Thompson**, Chief Executive, Chartered Banker Institute
 - **Ray Dhirani**, Head of Sustainable Finance, WWF
 - **Gareth Davies MP**
 - **Tim Edwards**, Winner of the Chartered Banker Institute Green Finance Essay Competition 2020
 - **Guy Opperman MP**, Minister for Pensions and Financial Inclusion
 - **Nick Hague-Moss**, Senior Client Advisor, Ipsos Mori
 - **Dr Ben Caldecott**, Director, Oxford Sustainable Finance Programme
 - **Eric Usher**, Head, UN Environment Programme Finance Initiative
- For an embargoed copy of the essay collection, please contact SMF Impact Officer, Linus Pardoe – linus@smf.co.uk 07402 576995