



A group of 12 leading UK pension funds convened by the Church of England Pensions Board, representing £400bn assets under management and working on behalf of over 18 million members, will jointly consider how to support the climate transition in emerging markets. Supported by the UK Pensions Minister, Guy Opperman MP, the funds outlined their intentions at the opening of the two day Net Zero Delivery Summit at Mansion House in London today. The 12 funds include some of the largest in the UK including, Universities' Superannuation Scheme, BT Pension Fund, Railpen, Brunel Pension Partnership, Border to Coast Pension Partnership, Nest and Legal & General Workplace Pension Plan and Stakeholder Pension Plan.

Recognising the urgency of supporting the climate transition in emerging economies, the 12 funds committed to explore how greater impact could be achieved through a shared understanding of the need, opportunity and mechanisms to provide such investments in these markets.

The intervention was agreed following an investor roundtable hosted by the Church of England Pensions Board with the UK Pensions Minister in the context of the UK's COP26 Presidency of the United Nations Climate Change Conference. Ahead of COP27 in Egypt, the group plan to set out the steps they intend to take in line with their respective investment strategies. The Funds issued the following statement:

As UK Pension Funds we:

- Recognise the important role that asset owners can and should play in supporting emerging economies in achieving their climate targets.
- Are committed to better understanding the needs of emerging economies and the climate transition finance that will be required by governments and companies.
- Are committed to working together, in line with our fiduciary responsibility, to consider how we may scale investments in support of the climate transition in emerging economies. Whilst we can invest individually, and a number of us already do, we are keen to explore if greater impact and scale of commitments can be achieved by developing a shared understanding of the need, opportunity and mechanisms to provide such finance.
- Are committed to working with the UK COP26 Presidency and other International Financial Institutions to consider the most practical and effective way to target and scale the funding that could be provided from UK Pension Funds, either through individual commitments or the creation of a joint commitment in line with our respective investment strategies.
- Recognise the urgency of the transition and are committed to working together ahead of COP27 in Egypt, to be in a position by the COP to outline our response.

Minister for Pensions and Financial Inclusion, Guy Opperman, said:

"I welcome today's statement from the Church of England Pensions Board and leading industry members and thank them for our morning together formulating policy options at Church House.

"I look forward to working closely together to assess how we can further unleash the productive power of UK pensions in support of the climate transition in emerging economies, while also delivering sustainable returns for members."

Commenting on the initiative Clive Mather, Chair of Church of England Pensions Board, said:

“We are committed to supporting the global climate transition and to playing the role we can, on our members’ behalf, to support real world emissions reductions in emerging markets. We are clear that the level of investment required in emerging markets will only be achieved if we can increase ambition and work with other investors. This initiative will be key to our understanding and our approach as well as identifying the support we require from the UK government to work constructively with our peers to achieve real world emissions reductions.”

On behalf of the Environment Agency Pension Fund, Emma Howard Boyd, Chair of the Environment Agency, said:

“If we are to reduce global then green investment in emerging economies is vital but we are yet to see significant market shifts. Meanwhile countries are frustrated the \$100bn in climate finance promised to them by industrialised nations in 2009 has not been delivered. I’m pleased the Environment Agency Pension Fund and others are showing leadership by supporting emissions reductions in emerging economies. We look forward to working with other pension funds to share information and inform our future investments.”

Adam Matthews, who chaired the Investor-Ministerial Roundtable and is Chief Responsible Investment Officer for the Church of England Pensions Board, said:

“This is a signal of genuine intent to work collaboratively and with purpose to evolve a common approach and deliver on it. We can see the need in countries such as South Africa, where you have clear governmental commitments and public funding on the table but a need for further transition finance that could be met by pension funds investment in such economies.”

Rachel Elwell, CEO of Border to Coast, said:

“The journey to Net Zero requires consistent, co-ordinated and positive action if we are to meet the Paris targets. This includes supporting emerging markets manage a just transition to Net Zero, while supporting their continued economic growth. As a long term, responsible investor, Border to Coast is committed to working with other investors, governments, and regulators to deliver real economy emissions reductions.”

These commitments are supported by:

Border to Coast Pensions Partnership, c.£55bn AUM on behalf of 11 Local Government Pension Funds, representing 2,600 employers and over 1 million members

Brunel Pension Partnership, c.£35bn AUM on behalf of 10 administering local authority partner funds with over 700,000 members

BT Pension Fund, £57bn AUM with 275,000 members

Church of England Pensions Board, £3.7 bn AUM with 41,000 members

Environment Agency Pension Fund, £4.8bn AUM with 38,500 members

Nest, £24bn AUM with 11 million members

Northern LGPS, c.£57bn AUM on behalf of 3 Local Government Pension Funds, representing 1,250 contributing employers with over 800,000

Legal and General Mastertrust, £18bn AUM with 1.5m members

Legal & General Workplace Pension Plan and Stakeholder Pension Plan, £30bn AUM with 2.2m members

Railpen, £37bn AUM with 350,000 members

Universities’ Superannuation Scheme Ltd, £83bn AUM with 475,000 members

West Yorkshire Pension Fund, £18bn AUM with 300,000 members

Total Funds AUM: £400bn Total Funds Members: 18.3m

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