

How I made
my pension
sustainable



Setting up a sustainable pension is one of the most powerful tools we have to minimise our climate footprint. Here Jocelyn Timperley investigates how she can save for her retirement while also saving the planet.

As a journalist whose main **beat** is climate change, I have come across green pensions fairly often over the years. But I had never got around to actually ensuring my own pension is climate-friendly.

Beat (noun) informal: a person's area of interest.
"his beat is construction, property, and hotels"

I'm not alone. Even for those taking other kinds of action on climate, ensuring your money, and especially your pension, is aligned with your values and **resilient** against climate change is often rather far down people's list of priorities.

Resilient: /rɪˈzɪliənt/ adjective

(of a person or animal) able to withstand or recover quickly from difficult conditions.

"babies are generally far more resilient than new parents realize"

We tend to feel distant from our pensions: we are often automatically enrolled in them and the timeline for receiving the money can be decades away. It's hard to view them as a part of daily life.

And yet pensions are an amazingly powerful tool, with a huge influence on overall investments in the economy. Pension firms invest some \$56^{tn} (£41tn) worldwide – that's more than the **GDP** of the US, China, Japan, Germany and the UK combined. UK pensions alone hold around £2tn in assets, making them "the largest single group of institutional investors in the UK", according to the UK government.

TN: Trillion

Gross domestic product (GDP) is the total market value of the goods and services produced by a country's economy during a specified period of time.

Pensions are also particularly key to **steering** the direction the world goes in, because they **inherently** have a long-term view.

Steer (verb): guide or control the movement of (a vehicle, vessel, or aircraft), for example by turning a wheel or operating a rudder.

"he steered the boat slowly towards the busy quay"

Inherently (adverb): in a permanent, essential, or characteristic way.

"the work is inherently dangerous"

"For a new person who's just joined a company, age 18 or so, the pension outlook will be way into the middle of this century," says Nick Robins, a professor of sustainable finance at the Grantham Research Institute on Climate Change, at the London School of Economics, UK. "The financial system has lots of people [...] who are thinking short term, but pensions are really long term and therefore can **take account of** issues like climate."

Take account of (PHR V): consider (something) along with other factors before reaching a decision.

"he would be willing to accept minor changes to take account of new technology"

They are also owned by ordinary people: when you hear about the global finance industry misbehaving, some of that misbehaviour may be on your behalf as a pension holder. "The pension is your money, and you should treat it as such," says Robins. "In a sense it is just as much part of you and your lifestyle as your diet, your travel habits or your housing conditions."

So I decided to finally **take the plunge** and find out where my pension was invested – and how much power I had to change this. I found there are now some easy **swaps** I could make to improve things, but also some frustrating difficulties in understanding where exactly my money was invested and barriers to putting it exactly where I wanted it to be.

Take the plunge (Informal): to do or undertake something especially after a period of hesitation or uncertainty.

They're finally taking the plunge and getting married.

Swap (noun): an act of exchanging one thing for another.

"let's do a swap"

I also came to the conclusion that greening the pension industry is about far more just swapping our pensions: responsible investment needs to become the norm, not the exception, if we are ever going to **tackle** climate change.

Tackle: make determined efforts to deal with (a problem or difficult task).
I'll tackle my homework later.