

How I made
my pension
sustainable



As someone who is very worried about climate change and believes personal actions **feed into** wider **societal** /sə'saɪt(ə)l/ change, I try to minimise my climate and environmental footprint using the most effective **levers** /'li:və/ I have, such as diet and minimising flying. Until recently, though, I had never acted on my pension.

Feed into something (PHR V): to have an influence on the development of something.
The report's findings will feed into company policy.

Societal /sə'saɪt(ə)l/ adjective: relating to society or social relations.
"societal change

Lever (noun): an action that is used to put pressure on sb to do sth they don't want to do.
The threat of sanctions is our most powerful lever for peace.

According to analysis from Aviva, Make My Money Matter and the World Wide Fund for Nature (WWF), moving the average UK pension to a sustainable equivalent reduces some 19 tonnes of greenhouse gas emissions (CO₂ equivalent/CO₂e) per year, almost three times the average UK carbon footprint. Shifting investment is absolutely key to the green transition, and for many people, moving their pension is the most powerful way to have a direct influence on that shift.

There is a huge change **sweeping** over the finance industry. Sustainable investment funds and **net-zero pledges** are becoming commonplace as the pressure rises to act on climate change and investors seek to ready themselves for environmental regulation.

Sweep (verb): move swiftly and smoothly.

"a large black car swept past the open windows"

"The number of those funds available to investors has increased dramatically over the past five years, and particularly over the last two years," says Lisa Stanley, co-founder of the Good with Money website and author of the Good Guide to Pensions.

According to one analysis, the private sector could deliver 70% of total investments needed to meet net zero goals, but it still has a long way to go. Investment approaches to engaging in this shift, including via pensions, can take several forms.

One option is to **divest** or perform negative screening, where **funds** exclude specific carbon intensive companies or sectors.

Divest /dɪˈvest/ verb: prevent (a person or place) from having or using something.
"men are unlikely to be divested of power without a struggle"

Fund (noun): a sum of money saved or made available for a particular purpose.
"he had set up a fund to coordinate economic investment"

Another is to **tilt** funds more towards companies with higher environmental, social and governance (ESG) ratings. Funds can also use their votes as shareholders to **sway** company behaviour in a more sustainable direction.

Tilt (verb) move or cause to move into a sloping position.
"the floor tilted slightly"

Sway /sweɪ/ (verb): control or influence (a person or course of action).
"he's easily swayed by other people"

There's been a rising interest in recent years in the power of pensions to impact the world in both helpful and harmful ways. A key moment was the popular 2017 **TED** talk by oncologist Bronwyn King.

A TED talk is a video created from a presentation at the main TED (*technology, entertainment, design*) conference or one of its many satellite events around the world. TED talks are limited to a maximum length of 18 minutes but may be on any topic.

Oncologist /ɒŋ'kɒlədʒɪst/: a medical practitioner qualified to diagnose and treat tumours.

In the talk, King, who had witnessed first-hand the devastating impact on her patients of smoking tobacco, describes her **mortification** at discovering that her pension, which was sitting in the default fund of her pension scheme, was partly invested in tobacco companies.

Mortification /,mɔːtɪfɪˈkeɪʃn/(noun): great embarrassment and shame.

"they mistook my mortification for an admission of guilt"

"When you invest in a company, you own part of that company," says King in the talk. "You want that company to attract new customers, you want that company to sell more of its products. And when it comes to tobacco, I couldn't think of anything I wanted less."

Richard Curtis, co-founder and director of the Make My Money Matter pension campaign (and **screenwriter** of romantic comedies such as Notting Hill and Love Actually) began thinking about the power of pensions after watching King's talk.

Screenwriter (noun): a person who writes a screenplay(= the script of a film, including acting instructions and scene directions).

A longtime campaigner, including as the co-founder of the UK charity Comic Relief, his interest in pensions is the next step in a journey of "just generally trying to do the right thing", he says. "Our financial power is the biggest thing we've got to have an effect on business, which self-evidently has to change most."

Self-evidently: in a way that is clear or obvious without needing any proof or explanation. He was denying what was self-evidently true.