

CPF MEMBERS FORUM

www.cpfmembersforum.com

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Vaccines or Rio Tinto Vandalism ?

One of the bigger questions of 2020 was whether UK companies were investing enough in health during the COVID pandemic. That includes created the capacity and laboratories for processing as well as production and distribution of PPE, testing kits, and vaccines.

Cheshire Pension Fund is valued at over £6billion. It has few “Direct Investments” classified as Health in 2020, mostly US Health insurance companies. We say our fund could invest better here and now in many ways, such as for PPE, vaccines, and laboratories, as well as for a Net Zero future to avoid the climate crisis.

CPF invests mostly in other closed funds, but we question a new September 2020 direct investment in Rio Tinto of £3.6million. In Autumn 2020 Rio Tinto attracted global condemnation, after their environmental vandalism, disregard of native cultures, and the subsequent response by management. Initially Rio Tinto tried to reduce top management bonuses, but then even worse publicity followed:

- “The Rio Tinto chief executive, Jean-Sébastien Jacques, and two other senior executives are leaving the global miner after its board bowed to intense investor pressure for strong action over its decision to blow up 46,000-year-old rock shelters at Juukan Gorge in Western Australia’s Pilbara region.”
<https://www.theguardian.com/business/2020/sep/11/rio-tinto-ceo-senior-executives-resign-juukan-gorge-debacle-caves>

Rio Tinto demonstrate the arrogance of fossil fuel companies, but investor pressure showed the growing strength of feeling of their actions.

Here at the same time as CPF made this new investment, CPF published a lengthy 21 page “carbon footprint” full of self-praise for how the fund was addressing the Climate Crisis.

The carbon footprint contained little real detail, did not mention Rio Tinto or Australia, did not contain the word divestment, and had no timescales or targets.

<https://www.cheshirepensionfund.org/news/2020/09/15/climate-change-risk/>

The contrast between CPF statements and actions could not be more obvious.

We questioned CPF in Autumn 2020

One of our members asked CPF about the carbon footprint, investing in Rio Tinto, and also why Rio Tinto was part of a “Climate Fund” in which CPF had recently invested £500 million:

- “I was pleased to see a recent report about the Cheshire Pensions fund's carbon footprint and their investment in the LGPS's climate fund. But I wish to point out they still hold investments in companies such as Rio-Tinto or Shell whose exploitation of resources and commitment to fossil fuels is exacerbating the problems

The CPF response defended Rio Tinto as a company producing metals for batteries, which:

- would support the switch to electric from petrol and diesel and cut emissions.
- would hold energy from “intermittent energy sources like wind and solar”.
- “assesses climate risk at individual company level”
- would reduce total CO2 emissions,
- and could have “unintended consequences” if we divested

Our Members Forum thinks

This support by CPF for Rio Tinto is just "greenwash". This is irresponsible investing.

We know batteries will be part of the response to reach Net Zero, to store energy generated from green sources, for transport, homes and industry, and are part of wider developments to combat climate change. Fossil Fuel companies and their PR departments know a green future is ahead, so pretend they are indispensable to Net Zero. Mining and fossil fuel companies say we will "freeze in the dark" without them.

Sadly some banks and pension funds continue to invest with little regard to the environment, and fail to consider the environmental or social consequences. These banks and pension funds still believe in these traditional investments for dividends.

Fund managers do impact company behaviour. Fossil fuel companies fear "divestment".

This traditional unquestioning investing blocks funding for new areas needing fast responses - such as the supplies needed in the COVID pandemic

Cheshire Pension Fund should not defend Rio Tinto in Australia. Why not support and invest in companies preferably in the UK that will produce PPE and vaccines, and testing laboratories, for our future and for our health.

NOTES FOR EDITORS

Cheshire Pension Fund www.cheshirepensionfund.org has over 100,000 members, from 300 councils and organisations in the councils of Cheshire West and Chester, Cheshire East, Warrington, and Halton, and local housing associations, academies, parish councils, police staff, and school staff. The councils have declared Climate Emergencies.

Part of Council Tax goes to the fund to pay for the "Employers Contribution" of pensions.

CPF Investments for 2020 <https://www.cheshirepensionfund.org/members/about-us/how-we-manage-our-investments/investment-holdings/>

Our CPF MEMBERS FORUM www.cpfmembersforum.com queries why CPF still have investments in areas such as fracking, oil and gas, properties mostly in the rest of England, payday loan companies, tobacco, gambling, gaming, and the "Big Six" companies that avoid UK Corporation Tax by clever accounting practices.

The fund is managed by councillors so could invest locally in low-cost housing, green energy, IT networks and health, to provide employment and boost the Cheshire economy and our future.

To give us a stronger voice with the fund, we ask all pensioners of Cheshire Pension Fund, to join our independent CPF Members Forum. It is free, confidential, and has no commitment. (Current employees all welcome – its their future pension).

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