

'National scandal' as 99.5% of Brits remain oblivious to pensions' CO2 emissions

By Sophie Smith 16/2/21

A “staggering” 99.5 per cent of people are “oblivious” to the scale of carbon emitted as a result of their pension investments, research from Cushon has revealed.

The provider highlighted this lack of awareness, alongside evidence that the average UK pension pot finances around 23 tonnes of CO2 emissions, equivalent to nine family cars, as a “national scandal”.

However, it clarified that the issue is not that people do not care about the environment, with more than eight in 10 (84 per cent) people **stating that they are concerned about climate change**.

In addition to this, more than two-thirds (69 per cent) of savers stated that they were specifically worried that their pension could be investing in businesses that are contributing to climate change.

Cushon also emphasised, however, that whilst the population has actively managed to reduce the average carbon emissions per capita from 9.3 tonnes to 5.9 tonnes over the last 25 years, the way pension pots are invested remains “relatively unchanged”, despite being equal to nearly four times personal emissions.

Indeed, **Scottish Widows recently highlighted a “giant” £2.17trn “green gap”**, revealing that the overwhelming majority of the country's pension providers, representing around 85 per cent of pension savings, have yet to outline plans to move towards net zero.

Commenting on the findings, former Pensions Minister, Baroness Ros Altmann, said: “It is about time we put people's pension savings to good use in the battle to protect our planet and knowing their money can help long-term sustainability will encourage more people to feel proud of their pensions.”

Cushon founder and CEO, Ben Pollard, added: “Anyone who recycles is concerned about the world we live in and protecting it for future generations.

“It's a complete no-brainer and the lack of awareness of the impact is a national scandal. Saving for retirement in a way that is climate friendly and helps create a better world to retire into should be as second-nature as recycling our newspapers has become.

“It's critical that we take immediate action and address this now. Every year that we continue to contribute to global warming, the prospects of eradicating it are greatly reduced.

“We can't afford to stand still and taking more responsibility for how our money is invested is a simple step but a giant leap forward.”

He continued: “Our research shows that people are concerned about how their pensions are adding to the damage done to the planet, but there is very little information available to pension members.

“They are calling for more information and they want more control. The pensions industry needs to provide greater transparency around the impact of investments on climate change. This is an issue that's been brushed under the carpet for far too long.”

Pollard also argued that Cushon was “raising the bar and setting new standards” through the **launch of its Net Zero Now Pension**, thought to be a world first, calling for others in the sector to follow suit, “not by pledging to achieve this in 15-30 years, but by making a change now”.