



How green is your pension? #ClimateMonth2022

The Trustee believes that incorporating responsible investments into investment decisions improves long term risk adjusted returns. The Trustee has been integrating environmental, social and governance (ESG) factors at various steps in its investment process for many years. In June 2019 the Scheme formalised its responsible investment strategy with five core principles (shown below), the strategy continues to evolve as the world around us keeps changing.

What

We believe that incorporating ESG factors into investment decisions improves long term risk-adjusted returns

We are an active owner – we vote proxies and engage, where appropriate

How

We take a pragmatic approach to responsible investments – we focus on what matters most

We note Zurich Group’s strategy and will leverage its global resources where it makes sense

When

We will evolve our responsible investment approach over time – and acknowledge that we will never be done

Carbon reduction target

ZPen DB (final salary)



In June 2021 the Trustee agreed a short-term carbon reduction target for its equities and corporate bond portfolios totaling **£2.8bn***

Time period:	5 year
Reduction:	25%
Metric:	Weighted Average Carbon Intensity
Baseline:	December 2020



The Trustee has also agreed metrics for the remaining asset classes to monitor climate change risks and opportunities.

*Value as at 30 June 2022

Target implementation plan

ZPen DB (final salary)



In its target implementation plan the Trustee focused on playing its part in enabling the change rather than only focusing on lower emission values



Engagement

The Trustee's asset managers will work with the investee companies to drive the change and help them with the transition



Slow paced decrease

The required change will take time, the Trustee understands the investee companies need to gradually work on their emissions

Member engagement

ZPen DC (ZCashBuilder and legacy AVCs) and ZPen DB (final salary)



RI webinars

Pension's support is launching a webinars focused on Responsible Investment and climate change, members can sign up using a form available under www.zpen.info/Support/Webinars

Resources

A number of resources are being added to the Responsible Investment section of the Scheme's website [www.zpen.info/Library/Responsible Investment](http://www.zpen.info/Library/ResponsibleInvestment)

TCFD report

The Trustee will publish the Scheme's first TCFD report by 31 January 2023. It will be available under [www.zpen.info/Library/Responsible Investment](http://www.zpen.info/Library/ResponsibleInvestment)