

**Robert Gould's Address to the Accounting for Sustainability (A4S), St James's Palace, 12 December 2019.**

---

In October, Mark Carney, said:

"We can observe where the market is in terms of pricing the transition. It's at least 3 degrees or 3.75 degrees, it's probably north of 4 degrees."

The beneficiaries of the Environment Agency Pension Fund want their savings to be part of the solution.

This does not mean accepting lower returns. We have generated annual returns of approximately 10% for 5 years and our pension fund is over 100% funded.

Where we felt there were gaps in the market, we have set up our own portfolios: in 2014, we set up a private equity fund tilted towards environmental start-ups.

We have set targets for our investments and have reduced our carbon footprint by 70% since 2008.

Around 39% of our investments are in sustainable assets.

By 2025, we want 17% of our investments to directly tackle climate change. It is currently 11% and increasing by 1% a year.

We have decarbonised our portfolio significantly, but where we still have holdings in oil and gas we are engaged with industry.

We are also invested in products to help the world adapt. For example, by helping to protect infrastructure from weather-related events.

This year we started a programme of going along to AGMs of those companies where our members' money is invested and asking questions on their behalf. We have challenged boards about their climate change performance, their scenario planning and the amount of time they have devoted to these issues.

There is a lot more for us to do...

But, I hope - like the Japanese Government Investment Fund's decision to stop stock lending - that we are showing what's possible.

Thank you.