

PRESS RELEASE

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“Schemes have a responsibility to monitor ESG activities being undertaken on their behalf by asset managers” says Pensions Policy Institute

The Pensions Policy Institute (PPI) is today publishing the sixth edition of its annual Defined Contribution (DC) compendium, **The DC Future Book: in association with Columbia Threadneedle Investments (2020 edition)**. This report sets out available data on the DC landscape alongside commentary, analysis and projections of future trends.



Lauren Wilkinson, Senior Policy Researcher at the PPI said “Despite changes in regulation strongly encouraging trustees and providers to become more informed on ESG issues, there are concerns that some schemes are still not engaging with these considerations in a meaningful way.”

“Apart from the very largest DC schemes, the majority invest through pooled funds offered by external asset managers. Although this means trustees and providers may not have as much influence on their ability to develop bespoke engagement strategies, a thorough understanding of the engagement and stewardship activities being undertaken on their behalf by asset managers is necessary to comply with regulations. Whether or not schemes have outsourced their day-to-day investment decisions to an external manager, schemes still have the responsibility to monitor ESG activities being undertaken on their behalf, and to use this information to assess their choice of asset manager.”

“Schemes who do not approach these issues effectively may not be adequately protecting members from long-term risks. More research is necessary, on how schemes can best be enabled to access the support available to them to find the right investment strategy for their members.”

PPI is currently undertaking a research series further exploring issues around ESG and climate change, identifying practical ways to improve ESG engagement among trustees and contract-based scheme providers. The series will include a Briefing Note and two reports to be published over 2020 and 2021.

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Notes for editors

- We are an independent educational research charity: The Pensions Policy Institute (PPI)** does not lobby for any particular solution and we are not a think-tank taking politically influenced views. The PPI is an educational research charity, which provides non-political, independent comment and analysis on policy on pensions and retirement income provision in the UK. Its aim is to improve the information and understanding about pensions policy and retirement income provision through research and analysis, discussion and publication. Further information on the PPI is available on our website www.pensionspolicyinstitute.org.uk.
- Sponsorship has been given to help fund the research, and does not necessarily imply agreement with, or support for, the analysis or findings from the project.
- About Columbia Threadneedle Investments:** Columbia Threadneedle Investments is a leading global asset manager that provides a broad range of actively managed investment strategies and solutions for individual, institutional and corporate clients around the world.

With more than 2000 people including over 450 investment professionals based in North America, Europe and Asia, we manage £385bn (as at 30 June 2020)¹ of assets across developed and emerging market equities, fixed income, asset allocation solutions and alternatives.

Our priority is the investment success of our clients. We know investors want strong and repeatable risk-adjusted returns and we aim to deliver this through an active and consistent investment approach that is team-based, risk-aware and performance-driven. Our investment teams around the world work together to uncover investment insights. By sharing knowledge across asset classes and geographies we generate richer perspectives on global, regional and local investment landscapes. The ability to exchange and debate investment ideas in a collaborative environment enriches our teams' investment processes to ensure the best insights are applied to portfolios. More importantly it results in better informed decisions for our clients.

Columbia Threadneedle Investments is the global asset management group of Ameriprise Financial, Inc. (NYSE:AMP), a leading US-based financial services

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provider. As part of Ameriprise, we are supported by a large and well-capitalised diversified financial services firm.

1 Source: Ameriprise Financial Q2 2020 earnings release.

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