

PRESS RELEASE

FOR IMMEDIATE RELEASE

PENSIONS POLICY INSTITUTE

PPI

“Now is the time for schemes to play a fundamental role in driving forward ESG innovation” says Pensions Policy Institute

At the beginning of this month (Wednesday 2nd December), **The Pensions Policy Institute (PPI)** published *Engaging with ESG: The story so far*: a Briefing Note outlining the historical developments that have led to the current landscape of ESG investment in the UK, as well as establishing the current state of play and identifying areas where evolution is expected in the future.

To launch the Briefing Note, PPI held a virtual roundtable with attendees from across government and industry.



Lauren Wilkinson, Senior Policy Researcher at the PPI said “A message which came out strongly from the roundtable was that while most schemes expect their external asset managers to integrate ESG risks into their investment strategy, less than half of schemes say that they explicitly consider ESG in selection and retention of managers. Given that the majority of DC assets are invested through pooled funds administered by external managers, it is vital that schemes engage and hold managers to account to ensure that scheme members are being protected from ESG risk factors through appropriate investment and stewardship activities.”

“One of the key challenges cited by schemes in PPI’s Engaging with ESG survey is around clarity and consistency of data. While some particularly engaged asset managers are evolving in this area, schemes must also take an active role in driving reporting standards forward. Increased engagement between schemes and asset managers could help to drive evolution in data and reporting, as asset managers will be compelled to better illustrate their engagement and stewardship activities as the demand from schemes grows. Without significant demand from schemes, development in this area is likely to be slower.”

This introductory Briefing Note is the first of three publications in the *Engaging with ESG* series, with two reports to follow in 2021. This research series is sponsored by Newton Investment Management, Phoenix Group, ABI, Baker McKenzie, PLSA and Scottish Widows.

~~ ENDS ~~

Date of Issue: 16th December 2020

Twitter: @PPI_Research

PRESS RELEASE

FOR IMMEDIATE RELEASE

PENSIONS POLICY INSTITUTE

PPI

For further information please contact -

Danielle Baker, Head of Membership & External Engagement (PPI)
020 7848 4467 or 07714250910, email: press@pensionspolicyinstitute.org.uk

Lauren Wilkinson, Senior Policy Researcher (PPI)
email: lauren@pensionspolicyinstitute.org.uk

Notes for editors

1. **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.
2. The Engaging with ESG series is kindly sponsored by **Newton Investment Management, Phoenix Group, ABI, Baker McKenzie, PLSA, and Scottish Widows**. 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.