

PENSIONS AND ESG - THE EVOLVING LEGAL AND REGULATORY LANDSCAPE

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Guides

Environmental, social and governance (ESG) issues are becoming increasingly high profile and they are moving up the agenda for trustee boards, pension providers and asset managers as they respond to new legal and regulatory requirements, to pressure from savers and action groups and to changing social norms.

From 1 October 2019, pension scheme trustees are required to set out their policies on:

- how they take account of financially material factors, including ESG considerations, in their investment decision making
- the extent (if at all) to which non-financial factors (such as members' views) are taken into account in the selection, retention and realisation of investments
- undertaking engagement activities and exercising their voting rights.

Some trustees may be tempted to see this merely as a tick box exercise. However, trustees need to consider how they can demonstrate that they are taking ESG factors seriously, as the risks associated with paying lip service to them, including the risk of legal challenge, are increasing.

To help trustees and pension providers comply with the evolving legal and regulatory landscape in relation to ESG investments, we have produced a guide together with asset managers, Royal London, which:

- sets out the legal and regulatory requirements that apply to trustees, providers and asset managers
- considers how trustees, providers and those who advise them can meet these requirements in practice
- examines whether taking account of ESG considerations is likely to boost or dent pension outcomes, and
- addresses some of the common myths around ESG, pensions and investing.

[Download guide](#)

We have also produced a video with Royal London and Corporate Advisor which considers these issues.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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