

COMMENT

ON GOVERNMENT STATEMENT ON ESG DISCLOSURE BY OCCUPATIONAL PENSION FUNDS IN HOUSE OF LORDS DEBATE

UKSIF welcomes new statement of UK government support for ESG disclosure by occupational pension funds

London, 21 March 2011 – UKSIF, the sustainable investment and finance association, has today welcomed statements on ESG disclosure made by government minister Lord Freud in last week's House of Lords debate on the Pensions Bill.

Speaking in the Pensions Bill debate on Tuesday 15 March 2011, Lord Freud said that he would be writing to Treasury regulation minister Lord Sassoon on the issue. He said "There has been a consensus in many previous debates on social and environmental issues that companies perform better when their activities are monitored by shareholders. Therefore, it is important for pension funds and their investment managers to be transparent in publishing their approaches to such issues in their statements of investment principles. That is why this Government, like the previous Government, have been open to suggestions on how to improve this process."

Lord Freud was responding to an amendment about ESG disclosure by occupational pension funds proposed by Lord German. This part of the Pensions Bill debate is reported at <http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/110315-gc0001.htm#11031584000079>.

Welcoming the minister's response, Penny Shepherd MBE, UKSIF chief executive, said:

"The minister's statement makes it clear that the government wants pension funds to be transparent about how their environmental, social and governance policies are implemented. UKSIF's latest Sustainable Pensions survey of UK corporate pension funds will assess how leading corporate funds are responding to this challenge. It will be sent out later this month and will enable us to highlight good practice champions and offer support and advice to all interested funds."

About UKSIF

UKSIF, the sustainable investment and finance association, promotes responsible investment and other forms of finance that support sustainable economic development, enhance quality of life and safeguard the environment. It runs the Sustainable Pensions Project to encourage more occupational pension funds to take account of environmental, social and governance issues in their investment strategies. Founded in 1991, UKSIF has over 250 members including pension funds, asset managers, investment consultants, financial advisers, research providers, banks and non-governmental organisations. For more information, visit www.uksif.org.

About ministerial responsibilities

Lord Freud is Minister for Welfare Reform at the Department for Work and Pensions. His responsibilities are listed at: <http://www.dwp.gov.uk/about-dwp/ministers/#lf>.

Lord Sassoon is Commercial Secretary to the Treasury. His responsibilities include better regulation and support for financial services policy. They are listed at:
http://www.hm-treasury.gov.uk/minprofile_index.htm.

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