Department
for Work &
Pensions

Consideration of social risks and opportunities by occupational pension schemes

Government response

July 2022

Contents

Ministerial foreword

The UK is a world-leader in the occupational pension schemes industry. Our work on environmental, social and governance ("ESG") factors is rightly lauded and we are the first country to introduce landmark regulations on climate change, which will require trustees of UK occupational pension schemes in scope of the regulations to consider, assess and report on the financial risks of climate change within their portfolios.

It is important for schemes to also consider broader sustainability risks and opportunities. The "S" of ESG is one area in which the risk management of pension schemes can be strengthened. In my view, trustees who do not factor in financially material social factors are at risk of not fulfilling their fiduciary duty.

In March 2021, the DWP launched a call for evidence – the first of its kind – seeking views on how schemes approach social risks and opportunities. One of the main reported approaches to managing social factors was active ownership, which includes engagement with companies and others in the investment chain as part of a wider stewardship strategy.

Whilst I welcomed seeing some strong examples of stewardship on social factors, these came from a minority of respondents and there is clearly more to do. To help drive improvement in this area I would encourage schemes to join the Occupational Pensions Stewardship Council, a forum that can move the dial on stewardship of social factors through collective engagement and the dissemination of best practice.

Where trustees decide to delegate stewardship activities to third parties, it is imperative that they use their position and oversight to ensure that asset managers do not leave social factors off the agenda. I would also welcome further development in asset managers' approach to social factors, to become more detailed and transparent. Conversely, disinvestment rather than engagement is a blunt instrument and can be abrogation of trustee's responsibility.

Global events present new ESG risks. The war in Ukraine, for instance, may increase modern slavery risks and investors are encouraged to consider the risks of investing in companies or portfolios that do not undertake adequate due diligence. Modern slavery was a major theme emanating from this call for evidence and trustees care very much about this issue. In light of Ukraine, investors' thinking about ESG is also evolving. This time last year, industries such as defence and nuclear (both civil and defence) were seen as no-go areas for ESG funds but the situation has changed and ESG investing should change with it. Recent events have reminded us – if such a reminder were needed – how vital these sectors are to the safety and security of our society. I would urge investors to recognise this – and of course the paramount importance of their fiduciary duty. ESG must look at objective outcomes and not be side-tracked by political activism.

To support trustees and the wider pensions industry with some of the challenges around managing social factors, I will establish a new Minister-led taskforce to identify reliable data and metrics and ensure that focus on social factors continues to grow throughout the investment chain.


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Guy Opperman MP
Minister for Pensions and Financial Inclusion

Introduction

This document contains the Government's response to the March 2021 call for evidence – [Consideration of social risks and opportunities by occupational pension schemes].

The UK governments call for evidence was the first attempt in the world to look into this issue. We sought views on whether Occupational Pension Scheme trustees' policies and practices on social factors are sufficiently robust and what the Government could do to ensure that trustees are able to meet their legal obligations in this respect.

The call for evidence applied to Great Britain and was aimed at:

- pension scheme trustees and representative bodies
- pension scheme advisors and representative bodies
- pension scheme members and beneficiaries
- civil society organisations
- any other interested stakeholders

We received 69 formal responses to the call for evidence from a wide range of stakeholders. Respondent's fell into the following category:

Respondent type	**Number of respondents in that group**
Pension scheme	11
Service provider	11
Advisory body / organisation	10
Membership body	8
Asset manager / investment manager	5
Policy / research	4
Law firm	4
Trade union / public services union	3
Non-profit organisation	3
Individual	3
Master trust	2
International human rights group or campaign group	2
Data platform	2
Statutory fund	1

A full list of respondents is provided in **Annex A**. The views shared with us and Government's response are outlined in the appropriate chapters of this document.

Chapter 1: Trustees' legal duties

1. In our call for evidence, we summarised the requirement for most Occupational Pension Schemes with 100+ members to prepare a Statement of Investment Principles (SIP). Legislation requires that SIPs cover trustees' policies in relation to financially material considerations including environmental, social and governance (ESG) factors.

2. The call for evidence summarised the additional requirement for trustees to cover in their SIP their policy on voting and engagement in respect of their investments.

3. The call for evidence asked:

1. Does your pension scheme, or do schemes you advise, have a policy on financially material social factors? In this policy, are social factors discussed separately to ESG factors in general? **2. Does your scheme, or do schemes you advise, have (a) a stewardship policy and/or (b) a voting policy that specify covering social factors?**

Summary of responses

Financially material considerations

4. In relation to question 1, most responses suggested that trustees and other stakeholders understand that financially material considerations, including financially material social risks and opportunities, should be taken into account when making investment decisions. As one membership body explained:

> "We would expect social factors to be considered by trustees to the extent that they may impact financial performance". **Association of Pension Lawyers**

5. Responses also indicated that schemes and advisors recognise that social risks and opportunities can have a financially material impact on the value of the schemes' financial assets and the long-term performance of investments.

Integrated ESG approach

6. From responses it would appear that most pension schemes have a policy on ESG factors, which is set out in the SIP. Nevertheless, very few respondents referred to standalone policies on social risks and opportunities. One pension scheme explained that:

> "We do not have a standalone policy on social factors as of now, instead choosing to consider them as part of a broader risk category relating to all ESG factors." **HSBC**

7. **The Trades Union Congress** explained that social factors should be integrated with environmental and governance factors, as in practice they are often closely linked.

8. A non-profit organisation agreed with the interrelated nature of ESG factors and explained:

> "Sustainable reporting should give stronger consideration to broader, interrelated environmental and sustainability impact factors, especially companies' social impact alongside climate. A growing body of research is rendering visible links between broader environmental and social impacts: Covid-19, in particular, has shone a light on the social consequences of biodiversity loss." **Impact Investing Institute**

Barriers to standalone policies on social factors

9. Some responses revealed why pension schemes do not tend to have standalone policies on social factors. A service provider explained that:

> "Most pension schemes have focused their sustainability efforts on climate change first. This is because there are more comprehensive data sets, choice of investment products and clarity on the methodologies. This is not the case for social factors". **Cardano Risk Management Limited**

10. One pension scheme – **BT Pensions Scheme** – did not have stewardship policies focusing on one particular social topic due to three factors: (1) the absence of "social data"; (2) different asset classes have different social factors to address; and (3) it can be difficult to pull an "S" factor away from "E" and "G" topics.

11. Several respondents, including **AON** and **Axiom Measurement Limited**, suggested that improved data (including qualitative data) is required before the majority of UK trustees embrace social factors in the way they now do climate change, as a meaningful and financially material investment risk and opportunity.

12. The **PPI** similarly found that "consistent and clear data on social factors is especially challenging to find" due to the broader scope, qualitative nature and difficulties associated with evaluating social risks and opportunities.

13. Although standalone social policies are uncommon, one advisor **(Lane Clark & Peacock)** stated that an exception is pension schemes backed by religious groups or charities. Indeed, the **Church of England Pensions Board**, which has 41,000 beneficiaries connected to the Church of England, has policies covering specific social factors:

> "Christian stewardship provides the context within which, and informs the manner in which, our investment duties are performed, with social considerations woven into all areas of our work."

Schemes with a specific policy on social will grow

14. Despite many schemes not having standalone social policies, some of the responses indicated that such policies will grow in the coming months and years. The **Pensions and Lifetime Savings Association (PLSA)** for example, believes that social factors are "growing in prominence, particularly given the increased awareness of workforce matters since the Covid-19 emergency started".

15. The PLSA surveyed its members in May 2021 and found that almost half (42%) had a policy that specifically covers financially material social factors, and the same number had a stewardship policy that covers social factors specifically. One in five schemes (19%) discussed social factors separately to other ESG factors. The PLSA asked schemes when they next planned to review their social policy:

> "75% of those who responded plan to within the next year, with almost a third (30%) planning on doing so within the next six months. We would suggest therefore, that the percentage of schemes with a specific policy will continue to grow in the coming months and years".

DB and the employer covenant

16. We received one response from a service provider, which highlighted that the call for evidence did not explicitly mention the need for trustees of Defined Benefit pension schemes to also understand the impact of social risks on the employer covenant provided by the sponsoring employer. The service provider explained that:

> "The employer covenant is likely to be a DB pension schemes' most material single asset and brings significant idiosyncratic risks to every scheme (including in relation to social risks). The impact of social risks on employers of DB schemes could be short- or long-term and the risk can correlate with funding and / or investment risks." **Lincoln Pensions**

The service provider also reported that there is evidence that diverse and socially responsible companies are likely to perform better over the longer term, providing better support for a DB scheme's liabilities.

Social factors in stewardship and voting policies

17. In response to question 2, most respondents referenced social factors within wider stewardship and voting policies or broader responsible investment policies. One service provider reported that:

> "The schemes we advise will typically incorporate their stewardship policy within either their SIP or broad ESG policy. The stewardship policy sets out the circumstances in which the trustees will engage with the investment managers they are invested with and includes social factors. They tend to be covered as part of the broad agenda rather than an explicit focus." **Isio Group Ltd**.

18. Another advisor highlighted that voting policies:

> "Could include issues such as slavery, although it is fair to say that they don't typically have specific sections covering social factors." **Pensions for Purpose.**

19. As with question 1, there was some evidence that specific stewardship and voting policies on social factors might grow. One master trust explained that whilst it does not currently have stewardship / voting policies specifically covering social factors:

> "Within its voting policy 2021, social factors including employee welfare and commitment to global standards on business practices, are specific areas of focus". **Aviva Master Trust.**

Stewardship and voting policies in pooled funds

20. Some responses indicated that schemes were less likely to have voting and stewardship policies that cover social factors due to pension investments in pooled funds. A service provider said:

> "As the scheme's investments are invested completely in pooled fund arrangements, the trustees do not directly select companies for investment or give stock level guidance to fund managers." **Legal & General.**

21. A service provider similarly stated that exercising voting policies on social risks in pooled funds is unattainable, stating that:

> "Even if you identify and consider the social risks as a scheme, it's almost impossible to take action on them if you are in a pooled fund." **PensionBee.**

22. This issue particularly affects smaller schemes which are likely to rely on the voting policies of their fund managers. A membership body highlighted that:

> "Smaller schemes which often invest in entirely pooled funds will not normally have a stewardship or a voting policy that covers social factors specifically. In such schemes, stewardship of the assets (including the exercising of voting and other rights attached to investments), is, ultimately delegated to the scheme's investment managers." **The Society of Pension Professionals.**

23. An advisor also emphasised this point as they stated that:

> "We are only aware of a few pension schemes that are large enough to have an in-house team with a dedicated responsible function that has sufficient resource to directly engage with the companies in which the scheme invests." **Mercer.**

Government Response

Financially material considerations

24. It is DWP's view that pension scheme trustees should take into account all considerations that they deem to be financially material throughout the investment process, across all portfolios and asset classes. This should include all elements of ESG, to the extent these are considered by the trustees to be financially material, in so far as it is practical. We agree that social risks and opportunities can have a financially material impact on the value of the schemes' financial assets and the long-term performance of investments.

Integrated ESG approach

25. It is DWP's view that it is up to trustees to decide how to factor in financially material social risks and opportunities as appropriate for their scheme. Therefore, an integrated approach to ESG, rather than having a standalone policy on social risks and opportunities, is an acceptable approach to take.

26. However, it is DWP's view that separating out ESG risks and opportunities in more detail is also an acceptable approach to take.

27. Where trustees do take an integrated approach to ESG, they should still actively consider which social risks and opportunities might be financially material to

the performance of the scheme. It is our view that these social risks and opportunities should be communicated in some way (e.g. via the SIP, Implementation Statement, or scheme's website), so members are aware of their scheme's focus.

28. We strongly agree that social factors are often closely linked to governance factors and environmental factors, including climate change. For example, as the climate continues to change, millions of people will face challenges including health effects, food security, job security and migration.[1] It is DWP's view that trustees should try to be aware of the links between climate change and social factors, because it can help them manage financially material risks and opportunities in an effective way.

Barriers to standalone policies on social factors

29. We agree that there are potential barriers which prevent trustees from considering financially material social risks and opportunities in the most effective way. We note that currently, data is not as developed as it is for identifying, assessing and managing climate-related risk. However, we anticipate that data and metrics on social risks and opportunities are likely to improve and evolve. We note that there is also a lack of consensus over agreed methodologies for measuring social risks and opportunities but again, we expect consensus to develop over time.

30. In the climate change space, there is better quality data because climate science has developed over several decades. In part, financial risk data is more advanced because of the Taskforce on Climate-Related Financial Disclosures (TCFD)[2], which has helped companies and investors understand the financial implications associated with climate change.

31. There is no equivalent TCFD for social risks and opportunities and it would be difficult to set up a Taskforce of this scale for social factors in the UK. Instead, DWP proposes to set up a Minister-led taskforce on social risks and opportunities, with the aim of developing methodologies and data.

32. HM Government has already produced guidance on delivering social value through public procurement.[3] Such social value considerations could provide examples of approaches that could be adopted as part of the ESG agenda.

33. The Government is clear however that such considerations should not be side-tracked by political activism or political agendas (sometimes referred to as 'woke capitalism'). Pension schemes' fiduciary duty to their members remains paramount. The Government will be providing further guidance on defence industry matters in due course.

34. In the meantime, it is DWP's view that trustees should try to consider all financially material risks to which the scheme is exposed. This includes social risks and opportunities. There are several international developments which may help trustees with this (see chapter 5). Moreover, we provide a list of useful frameworks

[1] Social Dimensions of Climate Change: Development news, research, data | World Bank

[2] About | Task Force on Climate-Related Financial Disclosures (TCFD) (fsb-tcfd.org)

[3] Cabinet Office press release, 24 September 2020

and reporting standards in chapter 6, which trustees and their advisors may wish to use when identifying, assessing, and managing financially material social factors.

Schemes with a specific policy on social will grow

35. It is our view that the number of schemes with specific policies on financially material social factors will continue to grow in the coming months and years. We agree that the recent Covid-19 pandemic has shone a spotlight upon many social factors that could be relevant to pension schemes.

DB and the employer covenant

36. It is the Department's view that the strength of the employer covenant is an important element in scheme funding and a key part of the risk assessment process. We therefore agree that trustees of Defined Benefit pension schemes need to understand the impact of social risks on the employer covenant provided by the sponsoring employer. Given the materiality of DB pension schemes' continuing reliance on their sponsors, we agree that it is essential that trustees act to understand the possible impact of social risks and opportunities on their employer covenant, and to consider how this will impact on the employer's capacity to support the scheme over time, which will be a material consideration as they seek to manage their risks and ensure that members benefits can be paid in the long term.

37. We understand that the information to inform the assessment of social risk faced by the employers may not be publicly available. However, trustees can request information as they would already for a standard assessment of their employer covenant or to assess the potential impact of climate change on the employer's business.

Social stewardship policies – pooled funds

38. We note that schemes' voting and engagement policies tend to adopt an integrated approach to material ESG factors. As with DWP's response to question 1, either an integrated approach, or standalone voting and engagement policies on specific social factors, are acceptable. Trustees are encouraged, bearing in mind the scheme's size, type, and resources, to undertake stewardship activities in respect of specific material social issues.

39. In December 2020, the Minister for Pensions and Financial Inclusion set up the Taskforce on Pension Scheme Voting Implementation (TPSVI[4]) to address problems in the voting of equity shares by pension schemes, reflecting the importance of voting in broader stewardship.

40. The Taskforce found that there is no reason why schemes in pooled funds should face limitations on the ability to set a voting policy. In the draft stewardship Guidance we published for consultation in October 2021[5] DWP stated that we expect trustees to either set their own voting policy or if they have not set their own policy,

[4] The report of the Taskforce on Pension Scheme Voting Implementation: Recommendations to government, regulators and industry - GOV.UK (www.gov.uk)

[5] DWP Consultation, "Climate and investment reporting: setting expectations and empowering savers", 21 October 2021.

acknowledge responsibility for the voting policies that asset managers implement on their behalf[6].

41. As such, while we acknowledge that fund managers still need to improve disclosure to pension schemes, it is not acceptable for schemes that invest in pooled funds to leave all stewardship on social factors to their fund managers. Trustees for example, are still able to use the selection, monitoring and review stages to reflect on whether their managers' policies have been aligned with those of the scheme.

42. We support the TPSVI recommendation that investors should be given the opportunity to set an expression of wish to inform voting on their shares on particular topics or themes. This could include social factors, for example, setting an expression of wish that reflects conclusions the scheme has reached in the investment strategy regarding modern slavery.

43. In December 2021 the Minister for Pensions and Financial Inclusion wrote to a number of asset managers urging them to join those already bringing forward products that do not require trustees to switch to a segregated mandate in order to express their wish on voting. DWP will maintain a keen interest in developments on this matter.

Chapter 2: Social factors and financial materiality

44. In the call for evidence, we provided some examples of social factors that may involve financially material risks or opportunities to pension schemes. We also explained the interconnected nature of ESG factors and provided examples of how social factors can create different financial risks, including regulatory, litigation and reputational risks, as well as opportunities. We asked:

Questions

3.On which social factors do your scheme's investment and stewardship policies focus? What was the rationale for deciding to focus on these particular social factors? Do you refer to any international standards, such as those relating to human rights and labour rights?

4. Which resources have you found useful when seeking to understand and evaluate social factors either for your scheme or a scheme you advise? Do you feel that you have sufficient understanding of how companies perform on social issues?

[6] DWP Draft Guidance, "Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance". See paragraph 28, p.6.

Summary of responses

Social factors are wide-ranging

45. The responses demonstrated that for those schemes, service providers and asset managers that do focus on specific social factors, there is a wide range. One scheme advisor who works with trustee boards encourages them to hold an investment beliefs session to clarify any specific ESG issues or themes the trustees want to focus on.

46. A response from an asset manager, **Fidelity International**, explained that cyber security risk and the investee company's efforts and commitment to report fair and accurate news was a social factor considered in their Sustainability Ratings. It named Digital Ethics to be one of its Top 2 ESG trends for 2021.

A strong focus on human rights in business practices

47. A range of responses showed that schemes' investment and stewardship usually focus on human rights in the context of business, including supply chain issues, labour practices and modern slavery. One membership body explained that whilst the answer to question 3 will be scheme specific:

> "In general, the social factors that schemes tend to focus on are human rights, working conditions and pay, persistent breaches of the UN Global Compact and controversial weapons, or an issue which is specific to the nature of the sponsoring employer's business." **The Society of Pension Professionals (SPP)**

48. Another membership body, **Association of Professional Pension Trustees (APPT),** noted several examples with a strong human rights focus, including child labour, modern slavery and supply chain issues.

49. The **PLSA,** found that the areas its members are most focused on are modern slavery, health and safety in supply chains, workforce conditions (43%) and remuneration practices (43%).

Increased productivity and managing financial risk

50. A common rationale for focusing on the specific social issue of human rights that emerged from the responses, was the link to productivity and financial risk.

51. One membership body explained that members wanted to see within the stewardship reports increased diversity at board and management level, transparency of companies supply chains to ensure that human rights abuses are not evident and that working conditions and employee relations remain a top priority. The rationale provided was that:

> "Companies who retain diverse employees and provide a motivated workforce will ultimately have increased productivity, as well as those that breach labour standards facing financial risks." **Association of British Insurers (ABI)**

Ethos of the scheme

52. Another rationale provided for focusing on particular social issues, was the ethos of the scheme.

53. By contrast, one advisor suggested that individual member views are unlikely to be a decisive factor when considering which social factors to consider:

> “Individual member views do not tend to be taken into account because the wide range of views that their membership may have can make it challenging to find suitable investment options that cater for all individual views.” **Mercer**

International standards

54. Most responses referred to international standards, such as those relating to human rights or labour rights. Several responses referred to the UN Global Compact which includes both labour standards and human rights issues, alongside both environmental and anti-corruption policies. Several responses also referred to the International Labour Organisation (ILO). Other international standards that schemes refer to in their policies include:

- The Workforce Disclosure Initiative
- World Benchmarking Alliance
- Climate Action 100+
- Net-Zero Company Benchmark
- the 30% Club guidance
- KnowTheChain
- UN Principles of Responsible Investment

Resources used to evaluate social factors

55. In response to question 4, respondents highlighted a wide range of resources they used to understand and evaluate social factors for pension schemes. In addition to the resources listed at paragraph 66, others included the Financial Reporting Council’s Stewardship Code, resources from the Pension and Lifetime Saving Association (PLSA) and various UN initiatives, such as the UN Principles for Responsible Investment. One advisor **Ernst & Young**, reported that they are seeing several asset owners signing up to the UK Stewardship Code 2020 which is driving forward the quality and coverage of stewardship reporting and disclosure of social factors.

56. Other respondents drew from the work of their fund managers, Non-Governmental Organisations, third-party data providers, such as MSCI, and publicly available material on social issues from newsfeeds and periodicals.

57. However, some respondents were concerned that current resources are limited in their ability to provide standardisation, and a clear understanding and evaluation of social factors. A pension scheme said:

> “At present, relying on third party ESG data alone is not enough for investors to get a clear picture of companies’ social policies, practices performance and plans. We remain a long way still from having robust data in this respect from investee companies, in part as data providers report on issues in very different ways”. **Nest.**

Understanding companies' social performance

58. Most respondents were not confident they had sufficient understanding of how companies perform on social factors. When PLSA surveyed its members:

> "More than two-thirds (68%) said they know very little about how companies perform on social issues. This reflects the findings of our Worth of the Workforce research … we found that reporting remained frustratingly low on issues including workforce ethnicity pay gap and discuss of mental health. This reflects findings of the Financial Reporting Council on social issues" **Pensions and Lifetime Saving Association.**

59. A membership body similarly echoed:

> "An overwhelming majority of members (82%) believe that they do not have sufficient understanding of how companies perform on social issues." **Association of Professional Pension Trustees (APPT).**

60. Respondents emphasised this was due to a lack of standardised and consistent company disclosures on social factors, as well as a reliance on the viewpoints of fund managers. One advisor said:

> "We do draw on companies' disclosures to the extent that they are useful. However, as is widely understood, reporting on such issues is often inconsistent and determined by what companies want to say about themselves." **Pensions & Investment Research Consultants (PIRC**)

61. Another respondent affirmed:

> "It is rare for trustees to have good visibility of how companies within scheme pooled funds behave on social issues. In general, they rely on good stories told by asset managers about how they have called out bad behaviour or engaged with management to address failings and promote good behaviour." **Punter Southall Governance Services**

Government Response

Social factors are wide-ranging

62. We agree that social factors are wide-ranging and include issues such as human rights in business practices (e.g. modern slavery within supply chains) and equality. We acknowledge that the sheer volume of social issues can make it difficult for schemes to know where to start.

63. It is the Department's view that there are some preliminary questions that pension schemes can ask themselves, to help identify which specific social issues might be financially material and therefore relevant to the scheme:

- Are there any links between the scheme's climate change policies and social risks and opportunities?
- If available, what high level insights on social risks and opportunities do the scheme's managers or service providers have? For example, what were

the top ESG trends for the previous year or what are they likely to be for the following year?

- Are there any regulatory changes (e.g. changes to legislation) affecting companies, that cut across social risks and opportunities, for instance the Modern Slavery Act 2015?

A strong focus on human rights in business practices

64. We note from the responses, that specific policies on social factors tend to focus on human rights within the context of business practices. It is the Department's view that an issue like modern slavery in the supply chain could pose a financially material risk for pension schemes. This in turn could affect investment returns and value for money for savers. In April 2022, the All Party Parliamentary Group on Environmental, Social and Governance issues published a series of recommendations on standardising and regulating ESG performance and assessment, and defining impact in the UK[7]. DWP is pleased that the report encourages more transparency in reporting on modern slavery; this will help asset owners identify the risks associated with modern slavery.

65. Modern slavery was a topic that strongly emerged from the responses. We received a response from **Walk Free**[8], which noted several practical options that asset managers and pension schemes can do to effectively manage the financial risks associated with modern slavery. Trustees may wish to take account of the following if modern slavery is deemed to be a financially material risk to which the scheme is exposed. Pension scheme trustees could choose to:

    - Publish the scheme's modern slavery statement (for example on the homepage of any website used by the scheme) and ensure it covers all suppliers both in the UK and overseas.

    - Update the scheme's investment policy (e.g. in the Statement of Investment Principles or RI policy) to commit to consideration of modern slavery.

    - Ask investment managers (or in-house team) to identify companies with modern slavery risks in their supply chains as part of their due diligence, and request, review and assess reporting on modern slavery in the companies in which the scheme invests.

    - Use stewardship rights to encourage companies to act. Stewardship could include engaging with companies to raise awareness to address modern slavery in their supply chains or participating in collaborative engagement initiatives.

66. Please note that the above are actions that trustees may wish to consider, and it is up to trustees, in line with their fiduciary duty, whether to act on this information as appropriate for their scheme.

67. We note that asset managers that meet relevant turnover thresholds have minimum requirements under the Modern Slavery Act 2015 which should mean

[7] APPG-on-ESG-report-Recommendations-on-standardising-and-regulating-ESG-performance-and-assessment-and-defining-impact-in-the-UK.pdf (appgesg.org), p.22.

[8] Beyond Compliance in the Finance Sector | Walk Free

that data to manage financially material risks associated with modern slavery is available.

68. We also observe from the responses that investors are paying more attention to workforce issues like occupational health and safety. We provided case studies in the Call for Evidence to show how poor treatment of workers can constitute a financially material risk for investors, including pension schemes[9]. Evidence suggests that data around workforce issues is difficult for investors to obtain and greater transparency from companies is needed[10]. The Department is supportive of the PLSA's recommendation that there should be an agreed baseline workforce reporting framework. This could help improve data, increase transparency and provide investors with a better assessment of how companies are performing on workforce issues.

Rationale for selecting specific social factors

69. We agree that the strongest rationale for trustees selecting a specific social risk or opportunity is its financial materiality to the scheme's assets. We note that the ethos of the scheme was an additional rationale for schemes focusing on certain social risks and opportunities. We agree that this is also a sensible rationale when combined with the financial materiality consideration.

International standards and other resources on social factors

70. The responses highlighted several resources, including international standards, that schemes – or their advisors – use when considering social risks and opportunities in investment and stewardship. While these resources have limitations, they could also be very useful for schemes and we include them in chapter 6.

Understanding companies' social performance

71. It is DWP's view that performance on social factors and disclosures around social risks and opportunities to pension scheme trustees and fund managers can be improved. In our opinion, stewardship is one approach trustees could use to get investee companies to improve disclosures.

72. It is the Department's view that reporting under global baseline corporate standards, such as those established by the International Sustainability Standards Board (ISSB) will help alleviate concerns on the standardisation of company sustainability disclosures.

73. Chapter 5 further sets out the Department's expectations regarding the ISSB.

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[9] Consideration of social risks and opportunities by occupational pension schemes (publishing.service.gov.uk). See page 12, "Case studies: Social factors as failings and opportunities".
[10] How do companies report on their most important asset (plsa.co.uk)

Chapter 3: How trustees can take social factors into account

74. In the call for evidence we stated that acting in members' best interests requires schemes to invest in a way that is sustainable and will provide an appropriate return over the long-term, not just the highest possible returns available today. We outlined different approaches and implementation considerations for developing an investment strategy that includes social factors; and we continued the focus on stewardship, which runs throughout the call for evidence. We asked:

Questions

5.What approach do you, or the trustees you advise, take to managing the (a) risks and (b) opportunities associated with social factors? Why have you chosen this approach?

6.If this is delegated to asset managers, how do you ensure and monitor that they manage the risks and opportunities associated with social factors?

7.(a) Have the trustees of your scheme, or a scheme you advise, undertaken stewardship (engagement or voting) with an investee company on a social factor in the past 5 years, whether directly or through an asset manager? (b) If yes, please provide details including why you felt this was necessary, what was done and the impact of your intervention. (c) If no, then please provide details including what disincentives barriers you faced in undertaking stewardship activities (engagement or voting) with an investee company.

Summary of responses

Approaches to managing the risks and opportunities associated with social factors

75. In response to question 7, most respondents indicated that the risks and opportunities associated with social factors are managed by asset managers or service providers. This is covered in the next section, "monitoring asset managers". Many responses explained that active ownership (e.g. engagement with companies and others in the investment chain) is a key approach to managing social risks and opportunities.

76. One scheme – **RailPen** – explained that it manages social risks and opportunities through ESG integration and active ownership, as with any other financially material issue. This combines in depth analysis with intelligent engagement, thoughtful voting and proactive participation in public policy debates.

77. Another scheme – **Nest** – reported that engagement with regulators, including industry bodies and the Financial Reporting Council, who oversee the UK Stewardship Code, informed a key part of their approach to managing social risks and opportunities.

78. Another approach reported by **River and Mercantile Investments Limited** is using international frameworks, such as the UN Sustainable Development Goals.

79. One professional membership body – **ACA** - explained that where social factors are integrated into stock or security selection, the easiest way for trustees to access this is through a screened or tilted fund approach, with a tilted approach preferred by trustees who want their manager to have an influence on corporate behaviour through stewardship activities.

80. In terms of opportunities, one advisory organisation – **LGPS Advisory Board** – noted that opportunities are likely to come from impact funds, including funds that invest in social housing.

Monitoring asset managers

81. Where management in relation to social factors is delegated to asset managers, the responses reflected the findings outlined in Chapter 1. This is that most schemes have a policy on ESG factors, but few have a standalone policy on specific social risks and opportunities. As such, monitoring of asset managers on social factors tended to be incorporated into monitoring of ESG factors in general.

82. One policy and research body said: “"generally, asset owners together with managers will not treat social risks and opportunities separately to ESG factors and there is strong awareness of their close inter-linking." **UKSIF**

83. However, one service provider cited specific tools to help with monitoring asset managers over social factors. **ISIO** carries out pre-appointment screening of asset managers using a scorecard assessment based both on their company-level and investment approach to managing social factors.

84. While most responses reflected a broad ESG-based approach, there was some evidence of asset owners diving into more details with their managers. One pension scheme named specific risks that they had raised:

> “This year we have engaged [asset managers] on supply chain issues, treatment of workforces during COVID-19, racial and ethnic equity and the just transition.” **Scottish Widows**

85. The barriers noted in Chapter 1 to standalone policies on social factors (paragraphs 9 – 13) also appear relevant when it comes to the monitoring of asset managers. For example, one professional membership body stated:

> “The process to monitor how asset managers manage the risks and opportunities associated with social factors will be the same as for other financially material factors but the challenge will be in obtaining sufficient and useful quantitative data.” **Association of Consulting Actuaries (ACA)**.

86. Indeed, the **ACA** went on to describe the integration of social factors in investment decisions as “the most challenging aspect of ESG investing”.

Stewardship activity on social factors

87. Continuing the theme of consideration of social factors being mostly integrated into a broader ESG approach, there was less evidence of stewardship activity specifically on social factors.

88. One membership body, **The Association of Professional Pension Trustees (APPT)**, said that 78% of members had not engaged in stewardship with investee companies on social factors within the past five years.

89. However, as acknowledged in Chapter 1, the Covid-19 pandemic has led to increased engagement in some cases. One scheme said:

> "The driver of increased engagement on social factors was Covid-19 which raised stakeholder management issues, particularly with respect to firms' employees but also their suppliers and customers." **The Airways Pension Scheme**

90. A minority of respondents provided excellent examples of stewardship activity on social factors which have driven real world change. Since 2019, in specific response to the Brumadinho tailings disaster in Brazil (which saw 270 fatalities), the **Church of England Pension Scheme** and the Council on Ethics of the Swedish Public Pension Funds have acted together to co-Chair the Investor Mining and Tailings Safety Initiative[11], and have acted on behalf of the **Principles for Responsible Investment** (PRI) (also a respondent to this call for evidence) as co-convenors of a Global Tailings Review[12]. Its disclosure request has resulted in new information being published by 65% of all mining companies.

91. One pension scheme, **Universities Superannuation Scheme (USS)**, joined with Rathbones and other funds, to engage with FTSE 350 companies that had failed to meet reporting requirements of the Modern Slavery Act 2015. The engagement was successful, with 20 out of the 22 target companies becoming compliant with the Act by the end of December 2020.

Disincentives and barriers in undertaking stewardship activities

92. Lack of resources, lack of data and consistent metrics, and issues with influencing pooled funds were all cited as disincentives and barriers in undertaking stewardship activities on social factors. This echoed the findings in Chapter 1 on barriers to standalone policies on social factors (paragraphs 9-13) and on social engagement policies in pooled funds (paragraphs 20-23).

[11] The Investor Mining and Tailings Safety Initiative | The Church of England
[12] Global Tailings Review

Government Response

Approaches to managing the risks and opportunities associated with social factors

93. One of the main reported approaches to managing social factors was active ownership, which includes engagement with companies and others in the investment chain as part of a stewardship strategy. DWP is fully supportive of this approach.

94. Our draft stewardship guidance published for consultation in October 2021 referred to an escalation strategy in stewardship practices. This can help trustees – and those acting on their behalf - convey expectations to companies about how they will amplify the exercise of rights including voting, engagement and other stewardship tools and activities where companies do not respond to the scheme's stewardship efforts.

95. We are supportive of the other approaches mentioned at paragraphs 75-81 and note that there is no single 'correct' approach. The approach taken will very much depend on the individual scheme, their members and the nature of the assets invested.

Monitoring asset managers

96. As noted in our response in Chapter 1, the number of schemes with specific policies on financially material social factors is likely to grow. We expect this to be reflected in closer monitoring of social factors in cases where the management of risks and opportunities is delegated to asset managers. Similarly, we would welcome further development in asset managers' approach to social factors, to become more detailed and transparent. Overall, we expect to see more scrutiny of social factors and intend for the signposting and the clarification given in this response to be helpful in that regard.

Stewardship activity on social factors

97. While there are some strong examples of stewardship on social factors these come from a minority of respondents, there is undoubtedly room for improvement.

98. We recognise that trustees are more likely to undertake stewardship on a social factor if there is an in-house team, or if investment takes place through a segregated portfolio. However, trustees of occupational pension schemes with 100+ members that are required to prepare a SIP must cover in their SIP their policy on those social factors which the trustees consider are financially material, and so we would expect those trustees to be active stewards, or to take responsibility for the stewardship activities delegated to others on their behalf.

Disincentives and barriers in undertaking stewardship activities

99. As stated in paragraph 95 of this response, disincentives and barriers in undertaking stewardship activities on social factors echoed the findings in Chapter 1 on barriers to standalone policies on social factors and on social engagement policies in pooled funds.

100. It is DWP's view that these disincentives and barriers do not add up to sufficient reasons for stewardship activities on social factors to be overlooked or for

those issues in Chapter 1 to be left solely to fund managers. We expect data to improve over time and agree with the findings of the TPSVI that asset owners can remain active stewards in pooled fund arrangements.

101. Stewardship remains a key tool by which pension scheme trustees can improve investment returns, by encouraging, developing, and supporting behaviours and practices that can help deliver long-term value for savers.

Chapter 4: Social factors as opportunities

102. This chapter of the call for evidence set out how social factors may be opportunities for long term investors like pension schemes. It referred to the Government's work to understand and address some of the barriers to trustees investing in private markets including venture capital. We wanted to understand whether there are similar misunderstandings about the availability and viability for schemes of investment products that see social factors as financially material opportunities for investors to make a return. We asked:

Questions

8.What opportunities are there for trustees to invest, directly or indirectly, in companies solving social issues in developing or emerging markets? How attractive are these investments?

Summary of responses

Limited or high-risk opportunities in emerging markets

103. Many respondents did not answer this question and those that did suggested that there are currently limited opportunities aside from companies solving social issues being included in investment indices.

104. One policy and research organisation suggested that some pension schemes have directed investment towards social impact projects, such as social housing and education, and there are some funds focused on social impact and investment opportunities including emerging markets. Nevertheless, the organisation reported that:

> "Allocation tends to be small, perhaps because of a lack of 'scale' projects, and of expertise and oversight in these areas". **PLSA**

105. This accorded with the view of one respondent, which explained that:

> "For schemes with substantial assets, any allocation made to an asset or investment mandate must usually meet liquidity and diversification requirements, which means that investing in small start-up businesses is not always a realistic opportunity for larger investors". **PPF**

106. Another respondent agreed that a key barrier is that:

> "Institutional investors predominantly want to invest at scale, in liquid assets that are easily realisable. It is much more straightforward to invest in public equities in the renewables sector, than financing small-scale community energy projects which are less attractive." **ShareAction**

107. One investment manager explained that whilst emerging markets can be attractive to investors because they bring the opportunities for high growth as well as investment diversification:

> "These benefits need to be considered against the potential risks – which include social factors. As investors we should be cautious about simply investing in a firm, regardless of geography, for a single outcome". **Border to Coast**

108. Finally, opportunities in emerging markets may not be fully tapped into because, as some responses noted, there is scepticism in the industry that it is the role of trustees to invest in social solutions and potential for it to conflict with the fiduciary duty.

Opportunities are growing

109. One master trust suggested that whilst opportunities to gain exposure to companies that are contributing towards solving social issues in developing markets is currently limited for trustees, the master trust:

> "Would expect such opportunities to develop over time and believe they could potentially offer attractive risk-adjusted returns while aligning with our broad ESG beliefs." **Aviva Master Trust**

110. A service provider, **Punter Southall Governance Services**, highlighted that ESG impact funds are relatively rare on the DB side but "actively managed select-funds in DC master trusts are beginning to get selective exposure to these markets".

111. One membership body – **CFA Society UK** – found that social bonds issued by emerging market corporates and sovereigns is a potential opportunity for UK asset owners. Social bonds could be issued to finance affordable housing projects, provide food security, or boost employment. Nevertheless, CFA Society UK reported that given the current interpretation of the fiduciary obligations upon trustees, it may be difficult to invest in such issues unless an investment rationale can be made.

112. One asset manager suggested that:

> "Infrastructure (social rather than renewable energy focused) has for a long time been well aligned with positive social outcomes along with achieving more than adequate return. So that's the one we see most used by our clients. The other area that we are likely to see the most impact from pension scheme investing is through credit investments, for example, social bonds". **River and Mercantile Investments Limited**

113. One respondent explained that "the most pertinent area that we have seen strategies tackling social issues has been in the illiquid space. Most notably allocations to property and infrastructure, such as social housing". **Redington**

Government Response

Limited or high-risk opportunities

114. We note that many responses did not address question 8 and those that did reported several barriers to investing, directly or indirectly, in companies solving social issues in developing or emerging markets. Barriers included the higher risks involved, a lack of "scale" projects and whether investing in this way is in line with the trustees' fiduciary duty. The Department will consider these perceived barriers but emerging markets need to address them too.

115. It is the Department's view that trustees should, where possible, be addressing any financially material risk to which the scheme is exposed, including social risks and opportunities. One way to address and manage this risk is to consider investments in companies that contribute to social initiatives.

Opportunities are growing

116. We note that opportunities are growing – albeit on a small scale – in this area and social bonds issued by emerging market corporates and sovereigns is a potential opportunity for UK schemes. We note that self-select funds with a social impact (most common in the DC market) provide another opportunity for schemes.

117. One potential area for trustees to focus, is the link between financing projects in developing or emerging markets that support the transition to Net Zero, that will also have social benefits.

118. We also note that in the call for evidence, we included examples of companies which have attracted venture capital funding or other large-scale investment and been successful. For example, M'Pesa offers mobile money transfer services across Africa and Interswitch, a Nigerian digital payments company, secured $200m investment from Visa. In Latin America, a number of technology start-ups have been grown through venture capital and successfully matured through initial public offerings or mergers and acquisitions.[13] These markets may provide new sources of investment and return for pension schemes, as part of a diversified portfolio.

119. But international markets also need to look at their offer to trustees if they want such investment.

Chapter 5: UK and International developments

Overview

120. The Department is aware of several international developments pertaining to the management of social risks and opportunities across the financial sector. We highlight these developments below and encourage trustees – and those working on

[13] For example, Mercado Libre and Globant both of which have since listed (on Nasdaq and NYSE),

behalf of trustees – to keep up to date with this emerging area. We also include key UK developments, including the UK Green Taxonomy, to show how these relate to the "S" in ESG.

World Bank

121. The World Bank established the Environmental and Social Framework,[14] which has applied to all the Bank's Investment Policy Financing (IPF) projects from 1 October 2018. The Framework is comprised of ten environmental and social standards, which set out the requirements for borrowers relating to the identification and assessment of environmental and social risks and impacts associated with projects supported by the Bank through Investment Project Financing. According to the World Bank, the Environmental and Social Framework has enabled the Bank and borrowers to address a broader scope of social risks.

122. It is the Department's view that the Framework is a useful resource, which trustees may wish to refer to when identifying, assessing and managing any financially material risks related to environmental and social factors. It could also be used as part of the scheme's stewardship approach.

International Financial Reporting Standards Foundation (IFRS)

123. The IFRS is a not-for-profit, public interest organisation established to develop a single set of high-quality, understandable, enforceable, and globally accepted accounting and sustainability disclosure standards – IFRS Standards – and to promote and facilitate adoption of standards.

124. IFRS's Standards are developed by its two standard-setting boards, the International Accounting Standards Board (IASB) and the newly created International Sustainability Standards Board (ISSB). IFRS accounting standards are currently required in more than 140 jurisdictions and the World Bank has been a long-term supporter of the work to develop a single set of high-quality global accounting standards.

125. On the 3 November 2021, the IFRS Foundation Trustees announced the creation of a new standard-setting board – the International Sustainability Standards Board (ISSB) – to help international investors with global investment portfolios get high quality, transparent, reliable and comparable reporting by companies on climate and other ESG matters including social factors.

126. The intention is for the ISSB to deliver a comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities to help them make informed decisions. The ISSB is likely to develop in 2022 and the Department will keep up to date and advise trustees where appropriate.

[14] The World Bank, "Environmental and Social Framework", 2017.

The EU Social Taxonomy Subgroup

127. Another recent development was the EU Taxonomy, a classification system which establishes a list of environmentally sustainable economic activities[15].

128. In February 2022 the EU published a Final Report on the Social Taxonomy[16].

129. This said that a social taxonomy has to distinguish between the inherent benefits of economic activities – creation of decent jobs, paying taxes and production of socially beneficial goods and services – and additional social benefits.

130. The report also considered how to achieve a balance in the relationship between an environmental taxonomy and a social taxonomy.

The UK Green Taxonomy

131. As stated at paragraph 132, the UK is developing a Green Taxonomy[17]. The lack of common definitions makes it difficult for companies and investors to understand the environmental impact of their decisions and can lead to consumer harms like greenwashing. This risks limiting the flow of capital into sustainable investments and ultimately slowing the UK's progress to tackle climate change and other environmental challenges.

132. The government is developing the UK Green Taxonomy ('the Taxonomy') to address these harms. The Taxonomy will clearly set out the criteria which specific economic activities must meet to be considered environmentally sustainable and therefore 'Taxonomy-aligned'.

133. In June 2021, the government launched the Green Technical Advisory Group (GTAG) to provide independent advice on market, regulatory and scientific considerations around developing and implementing the Taxonomy.
Technical Screening Criteria (TSCs) will underpin the environmental objectives of the Taxonomy.

134. The Government is currently reviewing these and expects to consult on UK draft TSCs in 2022. These TSCs will focus on economic activities which can make the most significant contributions to tackling climate change.

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15 EU taxonomy for sustainable activities | European Commission (europa.eu)
16 Final Report on Social Taxonomy (europa.eu)
17 HM Government "Greening Finance: A Roadmap to Sustainable Investing", October 2021.

Chapter 6: Resources to identify, assess and manage social risks and opportunities

135. The responses to the call for evidence drew our attention to several frameworks and reporting standards, which trustees may wish to draw upon to identify, assess and manage the risks and opportunities associated with the financially material social factors to which the scheme is, or could be, exposed.

136. It is up to trustees and anyone advising the scheme whether to use the following resources. The relevance of the resources will depend upon which financially material considerations have been identified as relevant, or potentially relevant, to the scheme.

Resource	Information
UN Global Compact	• There are ten principles of the UN Global Compact, which help companies uphold basic responsibilities to people and the planet. The first six principles focus on 'social' considerations, including human rights and labour.
UN Guiding Principles on Business and Human Rights	• A set of guidelines for States and companies to prevent, address, and remedy human rights abuses committed in business operations (e.g. companies should conduct human rights due diligence).
Corporate Human Rights Benchmark (CHRB)	• The CHRB provides a comparative snapshot year-on-year of the largest companies on the planet, looking at their human rights approach. • The 2020 CHRB report measured the human rights disclosures of 230 global companies across five sectors (agricultural products, apparel, extractives, ICT manufacturing and automotive manufacturing).
UN Sustainable Development Goals	• In September 2015, the General Assembly adopted the 2030 Agenda for Sustainable Development. There are 17 goals and they have been adopted by all UN Member States. • Examples relating to social include goal 3 'good health and wellbeing and goal 5 'gender equality'.
UN Principles for Responsible Investment	• The UNPRI is a UN supported international network of investors working together to implement six principles. The principles offer a menu of possible actions for incorporating ESG issues into investment practice.

	• The principles were developed by investors, for investors.
UNI Global Union	• Represents more than 20 million workers from over 150 different countries in the fastest growing sectors in the world – skills and services.
Workforce Disclosure Initiative	• Established in 2016 by ShareAction, the WDI works with institutional investors to improve corporate workforce transparency.
Financial Reporting Council's UK Stewardship Code	• The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. • The Code comprises a set of twelve 'apply and explain' principles for asset managers and asset owners, and a separate set of six principles for service providers.
UK Government Social Value Model	• In 2020, the UK Government launched a new model for social value to be evaluated in all central government procurement. • While designed for public procurement, there is a read-across to how schemes could consider social factors.

Conclusion

137. It is the Department's view that it is up to schemes to determine how to consider financially material social risks and opportunities and whether to take an integrated approach to ESG or create standalone policies covering specific social factors. Whichever approach is taken, trustees should – where possible – consider financially material social risks and seize opportunities in this space. This will help trustees fulfil their fiduciary obligations by mitigating against financial risk and thereby safeguarding savers' money.

138. The responses have demonstrated some excellent investment strategies and stewardship activities pertaining to social risks and opportunities. To ensure focus of social factors continues to grow – and is taken as seriously as financially material environmental factors, including climate change – the Department proposes to set up a taskforce on social factors (TSF). This will be a Minister led, cross-department working group, with invitations extended to financial regulators.

139. The Group will lead work to:

(1) identify reliable data sources and other resources, which could be used by pension schemes to identify, assess and manage financially material social risks and opportunities; and which could be used to inform guidance on investment risks from social factors;

(2) monitor and report on developments with the International Sustainability Standards Board, and other international standards; and,

140. Finally, the invasion of Ukraine – which took place after this call for evidence closed – may have prompted some investors to rethink ESG, including and the

defence and nuclear sectors. This, and the potential impact of the Ukraine war on modern slavery, may be topics which the new taskforce wishes to consider.

Annex A

List of respondents

In addition to responses from two members of the public, we received the following:

Respondent	Type
Association of British Insurers (ABI)	Membership body
Association of Consulting Actuaries (ACA)	Membership body
AgeWage	Individual
Aon	Advisory body / organisation
Association of Pension Lawyers of the UK (APL)	Membership body
Association of Professional Pension Trustees (APPT)	Membership body
Aviva Master Trust	Master Trust
Axiom Measurement Ltd	Data platform
BlackRock	Asset manager
Border to Coast Pensions Partnership	Investment manager
British Airways Pensions (“The Airways Pension Scheme”)	Pension scheme
British Airways Pensions (“The New Airways Pension Scheme”)	Pension scheme
BT Pension Scheme	Pension scheme
Cardano Risk Management Limited	Service provider
CFA Society UK	Membership body
Chancery Advisors	Law firm
The Church of England Pensions Board	Pension scheme
The Creative Group	Service provider
Dalriada Trustees Limited	Service provider
Ernst and Young	Advisory body / organisation
Fair Tax Foundation	Non-profit organisation
Fidelity International	Asset manager
Fox Williams LLP	Law firm
Gowling WLG (UK) LLP	Law firm
High Pay Centre	Policy / research
HSBC Bank (UK) Pension Scheme	Pension scheme

International Corporate Governance Network (ICGN)	Membership body
Impact Investing Institute	Non-profit organisation
Isio Group Ltd	Service provider
Local Authority Pension Fund Forum	Membership body
Lane Clark & Peacock (LCP)	Advisory body / organisation
Legal & General	Service provider
Lincoln Pensions	Service provider
Local Government Pension Scheme Advisory Board	Advisory body / organisation
Local Pensions Partnership Investments	Asset manager
Make My Money Matter	Campaign group
Mercer	Advisory body / organisation
Nationwide Pension Fund	Pension scheme
Nest	Pension scheme
Now: Pensions	Master Trust
PensionBee	Service provider
Pensions for Purpose	Advisory body / organisation
Phoenix Group	Service provider
Pinsent Masons	Law firm
Pensions & Investment Research Consultants (PIRC)	Advisory body / organisation
Pensions and Lifetime Savings Association (PLSA)	Policy / research
Pension Protection Fund (PPF)	Statutory fund
Pensions Policy Institute (PPI)	Policy / research
Principles for Responsible Investment (PRI)	Advisory body / organisation
Punter Southall Governance Services	Service provider
River and Mercantile Investments Limited (‘RAMIL’)	Asset manager
Railways Pension Trustee Company Limited (RPTCL)	Pension scheme
Redington	Advisory body / organisation
Scottish Widows	Pension scheme
ShareAction	Non-profit organisation
SHIFT	Service provider
Society of Pension Professionals (SPP)	Membership body
Squire Patton Boggs	Advisory body / organisation
Trades Union Congress (TUC)	Trade union
Tumelo	Data platform
UK Sustainable Investment and Finance Association (UKSIF)	Policy / research
Unison 1	Public service union
Unison 2	Public service union
Universities Superannuation Scheme (USS)	Pension scheme

Virgin Money	Service provider
Walk Free	International human rights group
Zurich Financial Services UK Pension Scheme	Pension scheme