

DWP working group to improve stewardship barriers



Minister for Pensions, Guy Opperman, announced the launch of the group today (1 December 2020), in a speech to the Association of Member Nominated Trustees.

Currently, when pension schemes invest in pooled funds, they surrender their rights to vote at the Annual General Meetings of the companies they invest in.

The working group will look at ways to correct this practice, and ultimately improve trustees' stewardship of the companies they are investing in.

The working group will be chaired by Simon Howard, the former Chief Executive of the UK Sustainable Investment and Finance Association.

Sarah Wilson, the CEO of Minerva Analytics, will be the vice-chair. Further membership details will follow in due course.

Minister for Pensions and Financial Inclusion Guy Opperman said:

I'm delighted to announce the establishment of this Working Group, which will be chaired by the very capable and experienced Simon Howard.

I firmly believe the days of trustees leaving everything to asset managers without scrutiny must come to an end. We need to do more to improve pension schemes' and asset managers' stewardship and engagement with companies to ensure they are fit for purpose in the 21st Century.

I see no reason why trustees shouldn't be able to determine their own high level policies – on areas such as climate risk management, diversity, or pay – and find an asset manager to implement it.

The working group will be tasked with:

1. Helping drive solutions to voting system issues, with specific reference to addressing present obstacles;
 2. Increasing the number of asset managers who are prepared to engage with their clients' preferences;
 3. Recommending regulatory and non-regulatory measures to ensure the convergence of asset managers' approaches to voting policy, and execution with trustees' policies.
- The working group's full membership and exact terms of reference will be published in due course.
 - The Association of Member Nominated Trustees (AMNT) [recent report](#), written by Professor Iain Clacher of Leeds University Business School, sets out the current barriers to trustee voting.

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