

Press release: Billions invested by pension schemes to be used for social good under new regulations

Under new government regulations published today, trustees will be required to produce a policy which includes an assessment of the sustainability of their investment decisions.

This policy will need to be available to members so that they can make their own assessment of efforts to combat various risks, including climate change, poor corporate governance and socially harmful practices.

The government is bringing forward reforms to take account of how people put their values at the heart of the things they choose to buy, the places they live and visit, and the jobs they do. They care about the impact that their choices have on our environment and humankind.

Under these proposals pension scheme members will be able to see how their money is being put to work, and to make their views heard. Defined contribution schemes will need to make this policy available to the wider public. More than £1.5 trillion is invested by occupational pension schemes on behalf of millions of savers across the UK and an additional £40 billion was invested in 2016/17 and under automatic enrolment.

With more and more young people saving into a workplace pension – 77% of eligible 22 to 29 year olds working in the private sector are now enrolled in a workplace pension – it is important that their views are reflected in the investment decisions made on their behalf.

Rt Hon Esther McVey, Secretary of State for Work and Pensions said:

These new regulations will empower savers all over Britain, ensuring that their voices are heard when their savings are invested.

As we see the younger generation who care more about where their money is going, they are also increasingly questioning that their pensions are invested in a way that aligns with their values. This money can now be used to build a more sustainable, fairer and equal society for future generations.

Minister for Sport and Civil Society, Tracey Crouch said:

This is an exciting opportunity for social impact investment, giving pensions trustees a chance to have a resoundingly positive effect on the global issues that matter to savers.

Consultation

Read the [consultation on clarifying and strengthening investment duties of pension trustees](#).

Final response to the Law Commission's report

Read the [government's final response to the Law Commission's report: Pension funds and social investment](#).

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