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Sustainable Finance Policy a ‘Blind Spot’ for European Pension Funds

Most major funds not actively engaged in emerging policy development

A majority of Europe’s biggest pension funds are not actively engaged in emerging EU-level sustainable finance policy, *new research* by climate think tank InfluenceMap shows.

The findings point to a potential “blind spot” for an industry which has shown a growing level of climate awareness in stewarding the companies within their investment portfolios.

Their relative silence on climate-related financial policy development is being filled by financial industry associations, some of which have strongly pushed back on the EU’s sustainable finance proposals.

The analysis covered 25 of Europe’s biggest pension funds, with total assets exceeding \$3.4 trillion (2020). It also reviewed the policy engagement of 10 national pension fund associations, as well as PensionsEurope which represents the industry at the EU level.

The report aims to bridge the information gap between pension funds’ climate stewardship and their sustainable finance policy engagement.

It shows:

- Norway’s **Norges Bank Investment Management**, the Dutch fund **Pensioenfond Metaal en Techniek (PMT)**, and UK-based funds, **Universities Superannuation Scheme (USS)** and **BT Pension Scheme (BTPS)**, stand out as the more positive advocates for ambitious sustainable finance policies; while the UK’s **Pensions and Lifetime Savings Association (PLSA)** stands out as most supportive amongst the associations.
- Negative policy engagement appears to be more common in pensions industry associations with a higher proportion of real economy corporate pension fund members. For instance, Germany’s **aba** has corporate board members including **BASF**, **Bayer**, **Bosch**, and **Volkswagen**, amongst a number of pension funds, while some of Belgium’s **PensioPlus** members include **ExxonMobil**, **Unilever** and **Nokia**, as well as **Shell’s** pension fund. Both these associations have opposed an ambitious approach to the EU’s proposed policies on sustainable finance, such as the Sustainable Finance Disclosure Regulation (SFDR).
- **PensionsEurope**, which is one of the most engaged entities covered in the report, communicates high-level support for many sustainable finance policies in Europe, but has cautioned against a prescriptive approach to regulatory intervention. Many national pension associations register minimal engagement with EU-level policy, but retain membership of PensionsEurope.

InfluenceMap Senior Analyst, Paula Castro, said: *“While some of Europe’s pension funds are clearly trying to take the threat of climate change seriously, most are not actively engaged on emerging sustainable finance policy. This points to a potential blind spot for the industry. It means that industry associations - which often take a more negative approach to policy - are the loudest voices at an EU level. Given the enormous amounts of money invested in pension funds, these organizations have significant influence when it comes to pulling levers to address the climate crisis.”*

Each of the pension funds and associations covered in this research were given the opportunity to provide feedback ahead of the report's release.

Responding to the report, **Tony Burdon, CEO at Make My Money Matter**, said: *“This is the first comprehensive stock take of Europe’s largest pension schemes and their associations, and their actions on net zero. And while it is encouraging to see some good leadership in the UK, overall the picture painted is not good enough if we are to tackle the climate emergency, and the risks to the savings of millions of people in the UK and Europe. That is why our governments must regulate for a net zero financial sector and wider economy in order to limit warming to 1.5°C. It’s why pension funds must respond to the millions of members who want their money to tackle and not cause the climate emergency.”*

[*Click here for the full report*](#)

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About InfluenceMap

InfluenceMap is a London-based think tank with offices in Tokyo, Seoul, and New York. It provides data driven analysis on issues related to energy and climate change. Our metrics for measuring corporate influence over climate policy are used by investors, including the global Climate Action 100+ investor engagement process.