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Press release

PensionsEurope welcomes Interim Report for the High-Level Expert Group on Sustainable Finance

Today, the High-Level Expert Group has published their Interim Report on 'Sustainable Financing a European Economy'.

Matti Leppälä, Secretary General/CEO of PensionsEurope, said:

"Pension funds are long-term investors that play an important role in financing a sustainable economy while delivering the financial returns for their members and beneficiaries. Many pension funds already take environmental, social and governance issues on board in their investment decisions and engagement strategies. PensionsEurope welcomes initiatives that will widen the choice of sustainable investments and create a common language for the markets through EU labels and ESG classification.

At the same time, the pensions sector is very diverse in terms of size and deeply embedded in the social systems of European countries. These characteristics should be considered before thinking about new rules and obligations for the sector. The number of pension funds that pro-actively invests according to ESG criteria is growing and will continue to do so. "

The report includes suggestions on revising the European pension fund directive IORP II, Matti Leppälä said:

"The new IORP II Directive includes many provisions on ESG, as part of risk management and investments. It would be advisable to first see the impact of these new rules before expanding them".

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace pensions. Some members operate purely individual pension schemes. PensionsEurope Members are large institutional investors representing the **buy-side** on the financial markets.

PensionsEurope has **24 member associations** in 19 EU Member States and 3 other European countries with significant – in size and relevance – workplace pension systems¹.

PensionsEurope member organisations cover different types of workplace pensions for over **110 million people**. Through its Member Associations PensionsEurope represents more than **€ 4 trillion of assets** managed for future pension payments. In addition, many members of PensionsEurope also cover personal pensions, which are connected with an employment relation.

PensionsEurope also has **25 Corporate and Supporter Members** which are various service providers and stakeholders that work with IORPs.

PensionsEurope has established a **Central & Eastern European Countries Forum (CEEC Forum)** to discuss issues common to pension systems in that region.

PensionsEurope has established a **Multinational Advisory Group (MAG)** which delivers advice on pension issues to PensionsEurope. It provides a collective voice and information sharing for the expertise and opinions of multinationals.

What PensionsEurope stands for

- A regulatory environment encouraging workplace pension membership;
- Ensure that more and more Europeans can benefit from an adequate income in retirement;
- Policies which will enable sufficient contributions and good returns;

Workplace pensions offer

- Economies of scale in governance, administration and asset management;
- Risk pooling and often intergenerational risk-sharing;
- Often “not-for-profit” and some/all of the costs are borne by the employer;
- Members of workplace pension schemes often benefit from a contribution paid by the employer;
- Wide-scale coverage due to mandatory participation, sector-wide participation based on collective agreements and soft-compulsion elements such as auto-enrolment;
- Good governance and alignment of interest due to participation of the main stakeholders.

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¹ EU Member States: Austria, Belgium, Bulgaria, Croatia, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden, UK. Non-EU Member States: Iceland, Norway, Switzerland.

