

Press release

PUBLIC WANT ACTION FROM PENSION FUNDS ON TAX AND WAGE LEVELS

- Ownership Day highlights benefits of ‘active ownership’ for investors and UK economy.
- Public pension funds must “lead from the front”.

New research from YouGov, released to mark ‘**Ownership Day**’ today, has found that over half of British citizens want pension funds to use shareholder power to better hold companies to account, and in particular to ensure companies pay their fair share of UK tax, and act on very low or very high salaries.

YouGov’s Ownership Day research found that, when asked to pick which three issues they thought were most important for pension funds to be active about:

- **53%** of the public want pension funds to engage with companies to ensure they pay their fair share of UK tax;
- **51%** want pension funds to encourage companies to pay a living wage;
- **48%** want pension funds to ensure that executive pay and bonuses are not excessive.

The results reinforce the idea behind today’s **Ownership Day** which encourages all institutional investors such as pension funds to be more ‘active owners’ and to sign up to frameworks such as the UK Stewardship Code.

Active ownership - for example voting of shares or engaging with companies to improve how they manage long-term issues such as corporate governance - has become an important part of sound financial management for investors, helping to build more sustainable long-term value to the benefit of the UK economy and UK pensions fund beneficiaries. Over £800 billion of assets are now invested this way in the UK.

“The age when it was the norm for pension and other funds to be ‘invisible investors’ who simply sat back and waited as their assets were managed is passing. If we are to rebuild public trust in savings then we need all major funds in the UK to act as responsible stewards, not absentee landlords. They need to use the information and advice available to them to set the tone for how their funds are managed, and our research shows this is what the public- the people the funds are run for- want.” said **Simon Howard**, Chief Executive of UK Sustainable Investment and Finance Association (UKSIF).

“Government funds in particular are failing to deliver. Currently only 21 out of 100 individual local authority pension funds have signed up to the Stewardship Code, and it’s time that such public funds led from the front.”*

“All investors should be instructing their managers to use their influence on the companies they invest in to ensure long term value isn’t damaged by short-term behaviours such as extreme tax avoidance, unbalanced remuneration or damage to the environment.”

“As a first step we call on all funds to sign up to the Stewardship Code or to incorporate the Code’s expectations within their Statement of Investment Principles,” added Howard.

The [Stewardship Code](#) is a set of Principles supported by the Government to encourage active ownership by institutional investors.

The call for all public pension funds to sign the Stewardship Code will be made in Parliament today at a reception hosted by Paul Uppal MP, Number 10 Policy Board Member and Parliamentary Private Secretary to the Business, Innovation and Skills Minister David Willetts MP.

Paul Uppal MP said,

“I am delighted to be hosting the Ownership Day Parliamentary Reception this year. UKSIF’s campaign is vitally important to ensuring that asset owners, such as pension funds, engage with companies on issues which could impact their long-term financial returns. Effective use of shareholder power is key to protecting the value of people’s pensions and savings and I would urge everyone – policymakers, pension funds and the public – to get involved in Ownership Day.”

The YouGov results commissioned by UKSIF, the coordinators of Ownership Day, also found that among British adults:

- **39%** believe that environmental, social and governance (ESG) issues and other financial considerations can affect the long-term value of investments;
- **48%** believe institutional investors should have stewardship responsibilities in the companies they invest in.

These results reinforce findings by the National Association of Pension Funds (NAPF) in their Engagement Survey 2013, which found that, among its pension fund members, there was a near consensus (**96%**) that pension funds have stewardship responsibilities in the companies that they invest in. The NAPF also found **82%** of its members believed that ESG issues could affect the long-term value of investments.

YouGov found that other issues which the public most wanted to see investors act on included combating human rights abuses and child labour in corporate supply chains (41%), preventing animal welfare abuse in supply chains (17%) and reducing use of fossil fuels (8%).

Stephanie Maier, Head of Responsible Investment Strategy and Research, Aviva Investors commented,

“An important element of our approach to responsible investment is upholding our rights and responsibilities as shareholders. We were in the vanguard of signatories to the UK Stewardship Code and welcome the research published today by UKSIF and NAPF demonstrating the importance of our responsibilities as the ultimate owners of the money we invest. Active ownership is ultimately about creating superior risk-adjusted returns over the long-term. The rewards for investors are in the financial value that is created.”

‘Attitudes to Ownership 2014’ explores pension fund and public opinion on ownership and stewardship issues. The report has been produced with support from the NAPF and is sponsored by Aviva Investors. Find it at <http://ownershipday.co.uk/resources/>.

More information can be found at: www.ownershipday.co.uk

ENDS

Notes to editors

For more information contact Kate Hinton, ESG Communications: T: 07714 708416 or email: katehinton@trustpr.co.uk ; or Caroline Randle, carolinerandle@trustpr.co.uk

- Interviews with Simon Howard, Chief Executive of UKSIF; Stephanie Maier, Aviva Investors; Lindsay Smart, Vigeo Rating and Paul Uppal MP can be arranged **on request**. A range of case studies about ownership activities from Aviva Investors, Triodos Bank and other investors around the UK are also available.
- All figures, unless otherwise stated are from YouGov Plc. Fieldwork was undertaken between 05-07 March 2014. Total sample size was 2,683 adults. The survey was carried out online. The figures have been weighted and are representative of all GB adults.
- * Only 21 out of 100 local government pension schemes (89 in England & Wales, 11 in Scotland) have signed up to the Stewardship Code individually according to House of Commons Library Note No. 1402-035, 9th February 2014. A list of current signatories to the Stewardship Code can be found on the [FRC website here](#)

About Ownership Day

Ownership Day is a new national initiative to raise awareness of the benefits of active ownership strategies in investment management. It is coordinated by the UK Sustainable Investment and Finance Association (UKSIF). UKSIF promotes responsible investment and other forms of finance that support sustainable economic development, enhance quality of life and safeguard the environment. It also seeks to ensure that individual and institutional investors can reflect their values in their investments. Founded in 1991, it has over 250 members including financial advisers, asset managers, research providers, pension funds, banks and non-governmental organisations. For more information, visit www.uksif.org.