

Blue Riband goes *green(er)*

Many of BWCi's flagship Blue Riband pensions products¹ have signed up to a local initiative which was launched last year by the Guernsey Association of Pension Providers ("GAPP"). The Environmental, Social and Governance ("ESG") Framework for Pensions (the "Framework") recognises Guernsey pension providers which have embedded ESG into their processes and decision-making.

What's involved?

The Framework comprises three pillars:

1. Embedding ESG into decision-making

This has been achieved primarily through the Trustee's focus on combatting climate change, particularly through reference to the UN Sustainable Development Goal 13 – "take urgent action to combat climate change and its impacts". When taking relevant decisions, the Trustee now considers the likelihood of negatively impacting the ability to achieve this goal, including the probability of occurrence and severity of adverse impact.

2. Integration of ESG within the investments

Only asset managers which have signed up to the United Nations Principles for Responsible Investment are employed to manage the plans' investments. This ensures all assets are managed by firms who have expressed their commitment to incorporating ESG factors into their investment decision-making.

3. Reporting and transparency

An annual disclosure is now made to plan members which sets out how the Framework's requirements have been met and articulates the Trustee's latest policies in this area.

This development marks another step on BWCi's journey towards sustainability; last year Blue Riband introduced ESG-integrated funds into its default options (which are used by most of its members). These funds² provide reduced exposure to companies with poor ESG practices and provide greater exposure to those that are better positioned from an ESG perspective. This in turn also results in funds with reduced carbon footprints. They also follow a targeted engagement process with the world's largest companies that are crucial to the transition to the low-carbon economy. BWCi's own Climate Pledge is to achieve Net-Zero Greenhouse Gas Emissions by 2030.

The Framework helps us to ensure that the significant risks and opportunities that ESG represents to pensions savings are kept in focus.

It also helps to broaden the integration of ESG factors from just those deemed to be financially material (i.e. the risks and opportunities a pension plan faces), to looking to improve the world in which we and our members live. We believe that every business has a part to play in creating a sustainable future.

The GAPP ESG Framework can be adopted by any Guernsey pension scheme. Please contact Anthony Brewer (anthony.brewer@bwcigroup.com) or Mark Colton (mark.colton@bwcigroup.com) if you would like to explore the use of the GAPP Framework within your own scheme.

¹ Including the Blue Riband Channel Islands Retirement Plan, Blue Riband Guernsey Retirement Annuity Trust Scheme, and our own BWCi Retirement Savings Plan.

² Future World funds managed by Legal & General Investment Management.