

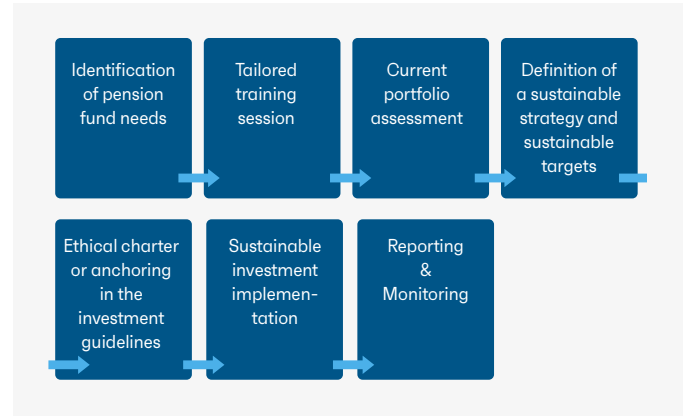
Sustainability challenges for pension funds

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ESG considerations are seen as an essential aspect by most pension funds. Many factors encouraged their adoption (see graph) but we see that those who did not yet take a first step, find themselves facing a series of major challenges:

- Lack of standards: several initiatives help to define steps to follow in order to select the right strategy.
- Portfolio coverage: Once managers have understood opportunities around the topic and integrated sustainable strategies, the question of how much of the portfolio this is applicable to arises.
- Concerns of costs: additional costs will be present, but ESG data will allow a better risk and valuation assessment of investments.
- A lack of knowledge: some programs have created training sessions to plug knowledge gaps and make participants familiar with the topic.
- Type of reporting: Some initiatives (ex. ASIP) have published recommendations highlighting the most relevant information to report.

Steps of implementation for a sustainable strategy



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