

FSCA Press Release

16 March 2021

The FSCA, in partnership with the IFC, releases the Sustainable Finance Practices in South African Retirement Funds Survey brief.

The Financial Sector Conduct Authority (“FSCA”), in partnership with the International Finance Corporation (“IFC”), conducted an industry-wide survey into the retirement funds sector. The Sustainable Finance Practices in South African Retirement Funds Survey conducted between January 2020 – August 2020, aimed to take stock of the progress on sustainable investing by South African retirement funds as well as identify barriers and opportunities to unlock the significant potential for green investments in the coming years. The report of this survey is now available on www.fsc.co.za.

Mr Olano Makhubela, the acting Commissioner of the FSCA stated that “The Authority will consider the findings carefully as we tailor our continued engagement with retirement funds on this important topic over the next few years to address both the opportunities and constraints that have been articulated through the survey responses.” He noted that retirement funds have an important role to play in channeling capital to investments that are responsible or have a positive impact on the environment, society, and the governance (ESG) of institutions. In turn, such ESG-factored investments will enable sustainable returns for beneficiaries. The survey’s report was produced by the IFC on behalf of the FSCA. Analysis and report preparation were undertaken by Intellidex.

The responses captured through this survey show that South African retirement funds, despite various known constraints and challenges, are nevertheless well positioned to take advantage of new trends in sustainable investing. These trends can help funds Build Back Better following the impact of COVID-19 and support the transition to a low-carbon, inclusive, and resilient economy, in line also with the global and national drive to support infrastructure funding as part of impact investing.

The survey report is available for download here:

<https://www.fsca.co.za/Documents/South%20Africa%20Retirement%20Funds%20-Sustainable%20Finance%2004-02-21.pdf>

ENDS

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