**Responsible Investment and Pension fund disclosure: the impact of PRI**

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**Abstract**

Environmental, Social and Governance (ESG) considerations are increasingly influencing the behaviour and governance of institutional investors and the legal framework that governs them. However, ESG considerations have proved elusive not only in relation to what they stand for but also their relationship with mainstream financial entities such as superannuation funds. The legal duties of pension fund trustees are perceived to require that trustees must exercise their investment decisions for the best financial interests of the pension beneficiaries and the fund. However, a growing body argues that ignoring ESG considerations may breach the legal duties.

The paper aims to understand this relationship between ESG considerations and pension funds. It examines the factors and theoretical underpinnings of the relationship between pension funds and ESG considerations such as climate change. The paper aims to understand the prominent influence of ESG considerations on investment decision making by pension funds. Therefore, the paper will analyse the factors that allow ESG influence to thrive as a governance issue for pension funds. The jurisdictions for the purposes of this paper are the UK and Australia. The factors posited by the paper include the influence of SRI, the universal investor notion, beneficiary acquiescence and recent soft law mechanisms. It is envisaged that this paper will contribute to understanding the relationship between pension funds and ESG considerations as it explores the factors that contribute to this relationship.