



UK investment consultants form joint working group on sustainability

London, UK – 7 September, 2020 - Twelve leading investment consulting firms in the UK have established the *Investment Consultants Sustainability Working Group*, with the aim of seeking to improve sustainable investment practices across the investment industry.

The group believes that while the investment industry has made progress on a number of areas within sustainability, more urgent and constructive action needs to be taken to address the systemic challenges that we face, particularly in relation to climate change.

As a critical link between asset managers and asset owners, the twelve member firms believe that they are optimally placed to promote a focus on sustainability which could ultimately help to drive greater change within the industry.

The group has outlined six commitments for group members:

1. Engage across a broad range of stakeholders, including asset owners, asset managers and regulators
2. Seek investment outcomes which are genuinely sustainable and not treat sustainability as a tick box exercise
3. Align with, and support, existing industry bodies and initiatives
4. Support their respective clients who are too small to meaningfully engage with industry initiatives
5. Create a guiding set of principles that indicate good practice with practical advice
6. Be a body where regulators and other stakeholders can seek input when they need a view from investment consultants.

The group has identified six individual workstreams that it plans to explore initially: *Reporting; Asset owners; Asset managers; Stewardship; Regulation; and Innovation, new products and impact investing.*

On areas where there is already work underway by industry bodies, the group believes that input from its members could be even more impactful. The group will look to support current initiatives and provide additional input in key areas where there may be further work to do.

All members of the working group provide investment consultancy services to UK asset owners and while some of the firms' activities extend to other services, clients or jurisdictions, these will fall outside of the group's scope. The member firms will take appropriate measures to avoid any conflicts of interest between the group's work and these other activities and will ensure that the group's activities are conducted in accordance with all applicable laws.



Member firms of the Investment Consultants Sustainability Working Group are:

- Aon
- Barnett Waddingham
- Cambridge Associates
- Cardano
- Hymans Robertson
- ISIO
- LCP
- Mercer
- MJ Hudson Allenbridge
- Redington
- SEI
- Willis Towers Watson

Luba Nikulina, Global Head of Research at Willis Towers Watson, says: “It is critical that we use our collective voice now to not only influence how the investment industry approaches sustainability; but importantly to provide greater clarity on what is needed and more support on what actions can be taken to make a tangible difference.”

Deb Clarke, Global Head of Investment Research at Mercer, says: “Our clients are focused on ensuring that they generate their investment returns in a way that is sustainable and gives consideration to all stakeholders. Using the collective voice of the consulting industry to ensure greater transparency, consistency and support is an important step forward.”

Keith Guthrie, Deputy CIO at Cardano says: “The climate crisis is one of the greatest risks confronting pension funds. Its impact will affect pension scheme members and their families. If pension funds are able to act together, they can have a positive impact to mitigate these risks. At Cardano we believe that investment consultants and fiduciary managers have a crucial role to play in creating a more sustainable future through the investments they recommend, and we welcome this collective initiative.”

John Belgrove, Senior Partner at Aon, says: “This is a new and powerful industry initiative. We recognise that the circumstances of individual clients will always come first in designing solutions. However, these collective statements and intentions should leave asset owners and fund managers in absolutely no doubt about the high importance that Aon and the UK consulting industry places on sustainable/responsible investing, and the embedding of ESG risk awareness in long term portfolio construction.”

Claire Jones, Partner and Head of Responsible Investment at LCP says, “LCP believes investing in ways that support the long-term health of our social, environmental and economic systems will help our clients to achieve better long-term financial performance. We are therefore delighted to support this new industry collaboration whose objective is to deliver more sustainable outcomes for our clients, their beneficiaries and society as a whole.”

Amanda Latham, Policy and Strategy lead at Barnett Waddingham, says, “Working together across our industry is vital to building back better and greener in the long term. Mobilising the collective expertise of investment consultants is going to help deliver the genuinely sustainable outcomes we need to support the transition to a low carbon economy.”



Joanne Job, Managing Director - Head of Research, MJ Hudson Allenbridge, says, “As the momentum underpinning sustainable investing continues to gather pace, we believe that we need to act together and align our approaches in order to really make a lasting difference. As investment consultants, we believe that we have a responsibility to enhance transparency and standardisation across the investment industry, across traditional and alternative investments. This will be the best way to not only effect change, but also to improve standards across the board.”

Annachiara Marcandalli, Partner and European Head of Sustainability and Impact, Cambridge Associates, says, “We recognise the importance of being part of a broad initiative that helps establish best practices as sustainability becomes increasingly material to investment returns. This collective collaboration will not only allow us to set the standards for better aligned economics as the industry evolves, but it also presents the opportunity for investors to evolve more quickly to build resilience into their investment decision-making frameworks.”

Nick Samuels, Managing Director and Head of Manager Research, at Redington, says, “At Redington our mission is to provide financial security to 100m people, but implicit within that goal is that it has to be in a world worth inhabiting. With an issue as important as the future of our planet, collaboration is vital if we are going to be successful in tackling the challenges we face.”

Pat Race, Partner at Isio, says, “Sustainable investment has risen to the top of investors’ agenda over recent years and we owe it to future generations to keep it there. This year more than ever has shown not just the importance but the logic in driving higher standards on environmental, social and governance issues. Isio is proud to be part of this important initiative and we look forward to working together to deliver vital progress.”

Cai Rees, Investment Director and ESG lead in EMEA and Asia at SEI, says, “We are looking forward to working alongside our peers to target real change in sustainable investing. As a fiduciary manager, our clients rely on SEI to ensure the highest standard of stewardship and sustainable investment. The Investment Consultants Sustainability Working Group will be an important building block for our industry.”

Simon Jones, Partner & Head of Responsible Investment at Hymans Robertson, says, “Climate risk is the issue of our time. The financial services industry has a huge part to play in addressing this with a need to recognise the influence that key participants can have and accept there is a need for change. We believe that working with like-minded organisations in the pursuit of more sustainable outcomes is critical for our clients and their members and we are therefore delighted to participate in this important collaboration.”

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