



Investment Consultants Sustainability Working Group (“the Group”)

Steering Committee Meeting Minutes

Meeting Date Tuesday, 13 April 2021

Meeting Time 10:00am GMT (2hrs) – Virtual

Committee Members

- Amanda Latham (AL) – Policy and Strategy Lead, **Barnett Waddingham**
- Annachiara Marcandalli (AM) – Managing Director, **Cambridge Associates**
- Cai Rees (CR) – Director, **SEI**
- Caoimhe Bain (CB) – Responsible Investment Consultant, **Hymans Robertson** (*standing in for Simon Jones*)
- Chris King (CK) – Investment Consultant, **Buck**
- Claire Jones (CJ) – Head of Responsible Investment, **LCP**
- Joanne Job (JJ) – Managing Director, Head of Research, **MJ Hudson**
- John Belgrove (JB) – Senior Partner, Director of Forward Thinking, **Aon**
- Kate Brett (KB) – Principle, Responsible Investment, **Mercer** (*standing in for Deb Clarke*)
- Kathryn Saklatvala (KS) – Head of Investment Content, **bfinance**
- Keith Guthrie (KG) – Deputy Chief Investment Officer, **Cardano**
- Luba Nikulina (LN) – Global Head of Research, **WTW**
- Mhairi Gooch (MG) – Director, Solutions, **River & Mercantile**
- Nick Samuels (NS) – Head of Manager Research, **Redington**
- Reena Thakkar (RT) – Managing Partner, **Momentum**
- Sarita Gosrani (SG) – Head of ESG Research, **XPS Pension Group**

Apologies

- Deb Clarke (DC) – Global Head of Investment Research, **Mercer**
- Simon Jones (SJ) – Head of Responsible Investment, **Hymans Robertson**
- Patrick Race (PR) – Partner, **ISIO**

Workstream Leaders

- Asset Managers – Sarita Gosrani (SG), **XPS** (*standing in for Alessia Lenders*)
- Asset Owners – Mhairi Gooch (MG), **R&M** (*standing in for Edwin Whitehead*)
- Communications – Kathryn Saklatvala (KS), **bfinance** (*standing in for Tim Manuel*)
- Impact Investing – Andrew Lilley (AnL), **ISIO**
- Regulations – Luba Nikulina, **WTW**
- Stewardship – Amanda Latham, **Barnett-Waddington**



The meeting agenda was as follows:

1. Review of the previous minutes and actions
2. Updates from the workstreams
3. Discussion of the Net Zero Charter for Investment Consultants
4. Proposal from the International Platform on Climate Finance
5. Approval of the previous SteerCo minutes
6. AOB

The meeting was chaired by LN who welcomed everyone to the meeting and thanked them for their time and contribution. LN also reminded everyone about the requirements of the Competition Law.

Agenda item 1: Actions from the previous SteerCo meeting

The meeting commenced with the discussion of the recently formed communications workstream. KS provided an update that the workstream had developed and launched the ICSWG website that is now live. The intention is to put the minutes from the prior SteerCo meetings on the website. A broader announcement about the launch of the website could be done once the group has another announcement to make, eg new members joining or a release of another deliverable from the group. The development of the communications strategy and marketing materials has been put on hold while the workstream was busy with the website and a couple of press releases.

AM informed the SteerCo that a group of investment consultants in the US were in the process of the formation of a similar group. All global investment consulting firms are encouraged to join the US ICSWG.

Action:

- **AM: to send the SteerCo members more detail about the US ICSWG**
- **TM: to develop the ICSWG communications strategy to be presented to the SteerCo and to ensure that the marketing deck is developed, regularly updated and made available to all member firms**

AL updated the group that the meeting with ShareAction went well and the Stewardship workstream would be incorporating their suggestions and also seek their feedback on the group's deliverables as appropriate.

LN mentioned that the Guide for assessing climate competency of investment consultants appears to be getting positive feedback and has been adopted by several clients. Other SteerCo members shared similar feedback.

Agenda item 2: update from the workstreams

MG provided an update on the Asset Owner workstream that has been working on the list of data and information clients should expect to see from their investment consultants and asset managers. A glossary of terms is also being put together.



SG provided an update on the Asset Manager workstream that has focused on the formulation of positive indicators and best practices for each of the six priorities that the workstream established earlier on. LN questioned whether best practices could help us with the objective of harmonisation of data requests to asset managers across different consultants. SG commented that their thinking had moved towards not being prescriptive in specific questions but providing guidance on best practice. LN asked the Asset Manager workstream to stay connected with the work done by the CFA Institute on ESG disclosures by fund managers.

AnL provided an update on the Impact Investing workstream. The ICSWG has become an official supporter of the Impact Investing Institute's principles. The relevant press release was launched last week. The workstream continues its work on putting together a heat map of key impact themes underserved by the market and is planning to survey market participants (clients, asset managers, regulators, non-profit organisations, etc). AnL asked SteerCo members to share contacts of any potential participants it may be worth engaging with in this initiative. Another project is putting together the best practice framework for asset managers on impact products, but it makes sense for this workstream to wait and see the broader framework from the Asset Manager workstream.

LN provided an update on the Regulations workstream. The draft net zero commitment for investment consultants has been put together for further discussion by the SteerCo. The workstream is also planning to consider a joint response to several consultations, such as the Law Commission's consultation on the legal reform, the DWP's consultation on social risks and opportunities, and the Charity Commission's consultation on their responsible investment guidance.

AL provided an update on the Stewardship workstream. The engagement reporting template is being finalised. Like other ICSWG templates, it has moved towards being a best practice guide based on feedback from various stakeholders. The expected timeline for the launch is June-July 2021. The workstream is also planning to work on the stewardship competency framework for investment consultants and on the guidance on what good looks like for incentivising stewardship, among other initiatives.

Agenda item 3: Discussion of the Net Zero Charter for Investment Consultants

LN provided background on the draft net zero commitment for investment consultants put together by the Regulations workstream. The plan is to co-ordinate with the Race to Zero and set up a separate net zero investment consultants alliance which will sit alongside other alliances, such as asset owners, asset managers, etc, and provide an external validation and monitoring of our commitments. Various SteerCo members suggested to emphasise real life commitments and actions, including focusing on climate solutions and primary investments. There was a general desire to be clear about metrics and measurement of change. The group had a discussion whether this commitment should include fiduciary businesses where some SteerCo members expressed a strong preference to focus just on investment advisory services. The group also acknowledged that investment consultants were not in control of final decisions when they provide investment advice. SteerCo members thought that the commitment should be open to all investment consultants irrespective of whether they are members of the UK ICSWG or not. There was also a general preference to make this commitment global.



Action:

- ***LN: to incorporate feedback from SteerCo members in the next draft and finalise the net zero commitment wording with the Regulations workstream and Race to Zero for the SteerCo's final approval***

Agenda item 4: Proposal from the International Platform on Climate Finance (IPCF)

The proposal from the IPCF was tabled for the SteerCo's approval following the meeting that JB organised for the ICSWG with the IPCF representatives. The SteerCo agreed unanimously to provide their support for the IPCF's proposal which will be launched at the Earth Day summit in the US next week.

Agenda item 5: Approval of the previous SteerCo minutes

The SteerCo has agreed to publish the minutes of their meetings on the ICSWG website for the sake of better transparency. LN asked SteerCo members to send her any comments by the end of next week.

Action:

- ***All: to send LN any comments on the SteerCo meeting minutes to be published on the ICSWG website***

Agenda item 6: AOB

LN asked SteerCo members to stay close to their representatives in various workstreams and their contributions to the ICSWG. DC and LN are planning to review the ICSWG's operations at one year's anniversary and see where we should potentially make adjustments.

LN highlighted the message from Mitesh Sheth, CEO of Redington, for SteerCo members to consider whether they would like to send a representative to work on the D&I data harmonisation project. This request follows the presentation organised by SJ regarding the UK asset owners' diversity charter. LN mentioned that her preference was to keep this initiative within the Diversity Project rather than creating another workstream within the ICSWG but encouraged all members to get involved. AM mentioned that a similar initiative had been launched in the US and asked for more co-ordination across these different initiatives. LN suggested that the ICSWG SteerCo keeps an update from the Diversity Project as a standing item on its agenda to ensure that SteerCo members stay informed.

Action:

- ***Marie Chapman: to include a Diversity Project update as a standing item on the ICSWG SteerCo agenda***

LN mentioned that three firms had reached out with the request to become a member of the ICSWG. The SteerCo discussed how to balance the general desire to be inclusive and the vague definition of an investment consultant. JB suggested that announcing new members could be an opportunity to increase the ICSWG's visibility and highlight the newly launched website. LN suggested that she and DC would review the definition



in the ICSWG's Terms of Reference and get back to the SteerCo with their suggestions on the best approach towards including new members.

Action:

- ***DC & LN: to review the definition of an investment consultant in the Terms of Reference and get back to the SteerCo with their preferred approach regarding new members***

The meeting was concluded. The next Steering Committee meeting will be in a quarter's time.