



INVESTMENT CONSULTANTS SUSTAINABILITY WORKING GROUP ('the Group')

LAUNCH NEW LIST OF METRICS TO BRING CONSISTENCY TO ESG REPORTING

16 November 2021 – Today sees the publication of a list of 12 Environmental, Social and Governance (ESG)-related metrics for all public equity and public credit asset managers to report on, or work towards being able to report on, as soon as possible.

Prepared by the Investment Consultants Sustainability Working Group (ICSWG), these are based on metrics that the institutional clients of our member firms are increasingly seeking to collect from asset managers. By aggregating these into one guidance document, the group hopes to assist managers in focusing their efforts to produce appropriate data and, ultimately, support investors in obtaining the desired level of transparency. The ICSWG is strongly encouraging all public equity and public credit investment managers who do not yet report on these metrics to work towards being able to do so.

The metrics include those already required as part of the Task Force on Climate-related Financial Disclosures (TCFD) such as Absolute Carbon Emissions and Carbon Footprint, as well as covering wider social and governance factors such as the independence of Boards and violators of the UN Global Compact Principles.

The list also aims to provide clarification across the industry, using the new definition of what constitutes an 'engagement' as published in the ICSWG Engagement guide launched earlier this month and in preparation for broader asset manager principles which are due to be announced by the group in the coming months.

The ICSWG, a collaboration between 19 firms who take action to support and accelerate sustainable investment initiatives in the UK, will maintain and update the list on an annual basis. Additional metrics which the group will consider in the future include Scope 3 emissions, implied temperature rise, natural capital/biodiversity measures and broader social metrics.

Cadi Thomas, Deputy Head of ESG Research at Isio and one of the members of ICSWG who developed the list, said: "This is a massive step forward in standardising the ESG data reporting that managers provide. Not only will these metrics enable our clients to efficiently assess their portfolios with regards to ESG risks, we hope it will encourage greater efforts to improve scores, which can only create better outcomes for the environment and society as well as members of pension schemes."

The Telefonica UK Pension Plan, an Isio investment advisory client, has been a key driving force for this work with **Anthony Soothill, Chair of Telefonica UK Pension Plan Trustees**, noting: "Pensions are rightly in the vanguard of ESG. We are after all literally investing for the future of our members. However, the absence of a standard approach makes it difficult to assess different products and investment managers. This list, if adopted, would enable investors like us to make decisions based on a set of simple, clear and consistent metrics across the whole



range of investment products. By doing so it would also make what we do on ESG more transparent and understandable to our members. I would encourage all managers to adopt it.”

The list of metrics is free to download and is available at <https://www.icswg-uk.org/resources>.

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About the Investment Consultants Sustainability Working Group

The Investment Consultants Sustainability Working Group (ICSWG) is a collaboration between 19 firms, formed in 2020, taking action to support and accelerate sustainable investment initiatives in the UK.

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 fall outside of this group’s scope. There is also an ICSWG in the US (“ICSWG-US”) and we collaborate globally on initiatives.

The ICSWG members are:

Aon	Hymans Robertson	Redington
Barnett Waddingham	ISIO	River and Mercantile
bfinance	LCP	SEI
Broadstone	Mercer	Willis Towers Watson
Buck	MJ Hudson Allenbridge	XPS Investment
Cambridge Associates	Momentum	
Cardano	Punter Southall	