



A Guide of Sustainable Investment Guides for Asset Owners

This document has been produced by the Investment Consultants Sustainability Working Group (“ICSWG”) for asset owners based in the UK – principally pension funds. The Group is a collaboration between investment consulting firms in order to engage with its collective stakeholders, and give added power to asset owners and their ultimate beneficiaries in order to secure better sustainable investment practices across the investment industry.

Our intended audience is any UK asset owner that has any uncertainty over what the right approach to investing sustainably is for them and are likely in the very early phases of their journey to date.

In this document we have collated a set of existing guides, thought pieces and academic articles on ESG and sustainability. We have curated these pieces to help investors in the early phase of their sustainable investing journey to get a feel for the current landscape.

We have not rewritten what exists already. Instead, we have pinpointed the most effective material that can provide meaningful clarity to asset owners. We appreciate that for some, this aspect of investment decision-making may seem vast, complex, or even, to a minority, unnecessary. We are looking to provide the clarity needed to recognize its very real importance.



Guide title	Author	Summary	Link
Navigating ESG: A Practical Guide	Defined Contribution Investment Forum	A guide to help demystify the subject of responsible investment and give trustees some practical steps towards incorporating responsible investment	Link
ESG and Stewardship: A Practical Guide to Trustee Duties	PLSA	A guide to help set out how trustees can explore, articulate and reach a consensus on their views of the extent to which financially material ESG risks and opportunities are priced into the market	Link
PPI ESG: past, present and future	PPI	This report explores: <ul style="list-style-type: none"> - The definition of ESG and how it is interpreted by others; - Why organisations decide to invest, or not to invest, using ESG principles; - The barriers to ESG investing; - The current legal position of schemes in relation to ESG; and, - Trustees’ and IGCs’ perceived legal responsibilities. 	Link
AO Manager selection Guide	PRI	This guide – Enhancing relationships and investment outcomes with ESG insight – provides more detail on what ESG-related issues asset owners need to think about when looking to select an investment manager. It provides overarching guidance on incorporating ESG considerations across all asset classes, products and managers during the manager selection process. It is not intended to serve as a prescriptive manager selection process or due diligence guide and hence it does not follow a standardised selection process exhaustively. Instead, it focuses on areas where ESG issues are most prominent.	Link



Guide title	Author	Summary	Link
Navigating Climate Scenario Analysis	IIGCC	This guide aims to serve as a ‘how-to guide’ for institutional investors (asset owners and asset managers), who are beginning to construct and conduct scenario analysis. Building on previous work, including recent reports from the IIGCC and UN Principles for Responsible Investment (PRI), the aim is to go deeper into the options available for investors looking to undertake this type of analysis, with a focus on how to make it relevant to investment and ownership decisions.	Link
Guide to current leading practices by AMs on RI	ShareAction	<p>This guide presents a range of short case studies that reflect the current state of leading practice by large asset managers on the core themes assessed in ShareAction’s 2020 Point of No Returns survey:</p> <ul style="list-style-type: none"> • Responsible investment governance (including stewardship), • Climate change, • Human and labour rights, and • Biodiversity. <p>ShareAction intends for this guide to provide practical and decision-useful guidance for asset managers of all shapes and sizes looking to align their responsible investment approaches with mainstream leading practice. Asset owner clients and their advisers can also use the contents of this guide to help drive stronger responsible investment standards with the asset managers they engage with.</p>	Link
A guide to Trustee disclosures	Sackers	The latest guide for pension trustees on ESG investment and climate change; focusing on the disclosure aspects of ESG and climate change, and reflecting the raft of new climate reporting obligations being introduced under the Pensions Schemes Act 2021.	Link



Guide title	Author	Summary	Link
ESG and Financial Performance	NYU/Rockefeller AM	The authors of this report, NYU Stern Center for Sustainable Business and Rockefeller Asset Management, collaborated to examine the relationship between ESG and financial performance in more than 1,000 research papers from 2015 – 2020	Link
ESG Maturity Map: Example Behaviours for Pension Trustees	Accounting for Sustainability	Used as a guide or as an interactive workshop tool, the maturity map will help pension trustees assess what their schemes is currently doing and what steps they can take to progress. It is designed to be transferable to different jurisdictions.	Link
PCRIG Climate Guide	Pension Climate Risk Industry Group	This guide aims to help trustees evaluate the way in which climate-related risks and opportunities may affect their strategies.	Link
SPP ESG Guide 2021	The Society of Pension Professionals	This guide is aimed at the trustees of small to medium-sized schemes. It seeks to give them high level guidance on their legal obligations, what actions they can practically take depending on their investment structure, and how best to engage with advisers and investment managers.	Link