



Investment Consultants Sustainability Working Group (“the Group”) Steering Committee Meeting Minutes

Meeting Date Wednesday, 09 February 2022

Meeting Time 14:30 – 16:00 (90mins) - Virtual

Committee Members

- Alex Quant – Investment Consultant, **XPS Group**
- Amanda Latham (AL) – Policy and Strategy Lead, **Barnett Waddingham**
- Annachiara Marcandalli (AM) – Managing Director, **Cambridge Associates**
- Bobby Riddaway (BR) – UK Pensions Consulting Market Director, **Capita**
- Cai Rees (CR) – Director, **SEI**
- Caryl Embleton-Thirsk (CET) – Director Solutions, **Schroders Solutions**
- Chris King (CK) – Investment Consultant, **Buck**
- Claire Jones (CJ) – Head of Responsible Investment, **LCP**
- Joanne Holden (JH) – Global Head of Investments Research, **Mercer (co-Chair)**
- Joanne Job (JJ) – Managing Director, Head of Research, **MJ Hudson**
- Tim Manuel (TM) – Partner, Co-Head of Responsible Investment, **Aon**
- Keith Guthrie (KG) – Deputy Chief Investment Officer, **Cardano**
- Luba Nikulina (LN) – Global Head of Research, **WTW (co-Chair)**
- Nick Samuels (NS) – Head of Manager Research, **Redington**
- Nigel Aston (NA) – Defined Contribution Director, **SEI**
- Sarita Gosrani (SG) – ESG Research, **bfinance**
- Simon Jones (SJ) – Head of Responsible Investment, **Hymans Robertson**

Guest

- Ajeet Manjrekar, **Schroders Solutions**

Apologies

- Kathryn Saklatvala (KS) – Head of Investment Content, **bfinance**
- Patrick Race (PR) – Partner, **ISIO**
- Paul Lee (PL) – Head of Stewardship and Sustainable Investment Strategy, **Redington**
- Reena Thakkar (RT) – Managing Director, **Momentum**

Workstream Leaders

- Asset Managers – Joanne Holden (JH), **Mercer**
- Asset Owners – Edwin Whitehead (EW), **Redington**
- Communications – Tim Manuel (TM), **AON**
- Impact Investing – Mark Jeavons (MJ), **AON**
- Regulations – Luba Nikulina (LN), **WTW**
- Stewardship – Amanda Latham (AL), **Barnett-Waddington**



The meeting agenda was as follows:

1. Welcome, introductions and reminder of competition law
2. Review of the previous actions
3. ICSWG Engagement Reporting Guide (*Luba Nikulina*)
4. Proposal on joint APPT/ICSWG training videos (*Tim Manuel*)
5. Impact Investing workstream (*Mark Jeavons*)
6. 'Data Quality' as a metric (*Joanne Holden*)
7. Action Template and updates from Workstreams
8. ICSWG membership (*Schroders Solutions*)
9. AOB

Agenda item 1: Welcome, introduction and reminder on competition law

The meeting was opened by LN who welcomed everyone and started with the update on the ICSWG membership. After a departure, we no longer have a contact at Punter Southall Aspire. Attempts to get in touch with the firm have not been successful so its membership will be suspended. John Belgrove has retired from the industry and was thanked in absentia for his meaningful contributions to the ICSWG. Tim Manuel has taken over from John as a SteerCo member in addition to leading the Communications workstream. Bobby Riddaway was welcomed as a new SteerCo member representing Capita. Cai Rees is leaving SEI. He was thanked for his contributions and his replacement Nigel Aston was welcomed as a new SteerCo member. Mhairi Gooch left River & Mercantile. Caryl Embleton-Thirsk joined the meeting as her replacement. In addition, River & Mercantile's solutions business has been acquired by Schroders and rebranded Schroders Solutions. The discussion of its membership is one of the items for discussion on the agenda.

LN reminded everyone about the requirements of the Competition Law and handed over to JH to discuss her investigation of the implications of the Competition Law to some of the ICSWG's initiatives. JH shared with the group the results of her discussions with the lawyers with the recommendation to develop a competition compliance policy which details required behaviours, establishes that nothing coming out of the group is prescriptive in its nature and also the group is inclusive in its membership. There was also a suggestion to hire an external counsel who could help review some high-risk areas. LN suggested to first approach some lawyers to see if some of this work could be done pro bono considering the nature of the group. They could also potentially organise a training for all the members of the SteerCo and workstreams. BR volunteered to help JH draft the competition compliance policy.

Actions:

- **JH/BR: to draft a competition compliance policy**
- **JH/LN: to reach out to lawyers to see if ICSWG can secure pro bono competition advice and training**



Agenda item 2: Actions from the previous SteerCo meeting

AM confirmed she would be providing the group with updates on the US ICSWG.

No progress on GDPR but will be picked up by the Communications workstream.

The current list of workstream members has been updated and shared with the SteerCo members. The resource allocation appears to be reasonable on the surface but there are still some pockets where either resourcing is constrained, or we need more proactive participation from the existing workstream members. The informal escalation process by the workstream chairs to the ICSWG co-chairs was agreed if a member is not pulling its weight. JH volunteered to pick this up with the workstream leads. It was agreed that there should not be a limit on the number of workstreams that each member firm can participate in.

All other actions items were covered elsewhere on the agenda.

Action:

- **AM: to send the SteerCo members a written summary of the US ICSWG's work to date**
- **Communications workstream: to look into GDPR issues**
- **JH: to catch up with all the workstream leads and discuss allocation and member participation in the workstreams**
- **MC: update terms of reference to remove limit on number of workstreams that firms can join**

Agenda item 3: ICSWG Engagement Reporting Guide (ERG)

LN updated the SteerCo on the webinar held earlier in the day to socialise the launch of the ERG with the broader industry. The speakers included ICSWG representatives and Mel Jarman from DWP. The webinar had close to 200 attendees. The general feedback was very positive but there were lots of questions. LN encouraged SteerCo members to listen to the recording ([link](#) to the recording). LN also thanked the stewardship and communications workstreams for their efforts in creating the content and organising a successful event.

The group proceeded to discuss the feedback from their teams and the industry more generally on the use of the guide. There are some concerns about the volume of questions which may be daunting for smaller managers and hence a smaller number of case studies may be acceptable. The applicability beyond traditional asset classes is another commonly asked question. One of the firms started small by sending the guide to the four largest index managers and was surprised to hear that they appeared not to have heard about the guide or received it from other firms. The group discussed that it would take time before this guide settles as an 'industry norm'. Those firms that do not use spreadsheets to collect data are integrating the questions in their systems.



LN encouraged all the SteerCo members to continue using the guide and suggested to put it as a standing item on the agenda to continue to collect feedback from the industry.

Action:

- **MC: to include the ERG as a standing item on the ICSWG SteerCo agenda**

Agenda item 4: Proposal on joint APPT/ICSWG training videos

TM shared with the group his discussion with Tega Harding from APPT who is keen to produce educational videos for professional trustees who are members of the APPT. The group agreed that there was more than enough content that member firms could deliver in these videos. The use of the ICSWG branding would help preserve independence and wouldn't favour one firm over another. TM volunteered to co-ordinate with the workstream leads the content and production of the training videos. LN also encouraged SteerCo members to reach out to TM with their suggestions if they feel that a particular topic is more relevant for their firm. Lastly, TM agreed to discuss with Tega how to make these videos available on the ICSWG website, perhaps a few months after they are published on the APPT website.

Actions:

- **TM: to co-ordinate the content and production of videos with the workstream leads**
- **TM: to co-ordinate with Tega how to make these videos available on the ICSWG website**
- **SteerCo members: to send TM their suggestions on possible topics for training videos**

Agenda item 5: Impact Investing Workstream

MJ presented to the SteerCo the updated objectives and deliverables for the Impact Investing workstream. The aim is to understand the environmental and social impact projects that government organisation and NGOs are prioritising and where the funding gaps lie which should help the ICSWG to develop better guidance on where private investors, such as pension funds, could seek to direct capital. For this workstream to be successful, it requires more senior resource and more active involvement from the members.

The SteerCo was generally supportive of the continuation of the workstream, though some did express reservations about the capacity to be involved in multiple initiatives. A couple of suggestions were made, such as better co-ordination with the IFoA and their work on SDGs plus the Impact Investing Institute and Pensions for Purpose. NA, CET, KG and JH volunteered to provide additional resources to this workstream.

Actions:

- **MJ: to proceed with the Impact Investing workstream and consider SteerCo members' suggestions**
- **NA, CET, KG, JH: to come back to MJ with their suggestions on additional resources**



Agenda item 6: 'Data quality' as a metric

Following an inquiry from one of the members, the group held a discussion about whether 'data quality' is a useful metric for trustees to use as part of the TCFD and other climate reporting. The prevailing feedback from the SteerCo was that trustees do find this metric useful and would like to see some progress on data quality. It is also mentioned in DWP's TCFD guidance as one of the metrics that trustees can choose from. As such, the group agreed to continue using 'data quality' as a metric and revisit its usefulness in the future.

Agenda item 7: Updates from the workstreams

LN noted that all the workstreams had submitted their action templates that showed progress to date and plans for the future. LN thanked the workstream leads for their efforts, suggested the action template for noting and encouraged the workstream leads to continue with their initiatives. If any SteerCo members have any feedback based on the action template, they can share it either with the workstream leads directly or with the ICSWG co-chairs.

Agenda item 8: ICSWG membership

LN shared with the group the question that JH and LN had around the extension of the ICSWG membership for R&M's solutions business after its acquisition by Schroders considering the latter is a well-established asset management brand. Ajeet Manjrekar, head of UK client solutions at Schroders Solutions, joined the meeting to share with the SteerCo the structure of the business, services it provides to its clients and plans for the future. After some discussion about the key differences between an investment consultant and an asset manager, the SteerCo agreed that Schroders Solutions met the definition of an 'investment consultant' and that they were comfortable with their continued membership.

The SteerCo also discussed that similar situations were likely to emerge again in the future and it may make sense to have an annual review of every ICSWG member to ensure they all still meet the definition of an 'investment consultant'.

Actions:

- **LN: to confirm Schroders Solutions' membership with them**
- **MC: to make the relevant changes on the website and other documentation**
- **MC: to include an annual review of the ICSWG membership to ensure all the members continue to meet the definition of an 'investment consultant'**

The meeting was concluded.

The next Steering Committee meeting is scheduled in three months.