



# Investment Consultants Sustainability Working Group (“the Group”)

## Terms of Reference

### 1. Purpose

- 1.1 All stakeholders within the investment industry need to effectively address sustainability issues. This creates an opportunity for the Group to help solve the challenges faced by its collective clients and the broader industry, and to develop and demonstrate good practices.
- 1.2 The Group is a collaboration between investment consulting firms which aims to drive better sustainable investment practices across the industry for its key stakeholders, working with asset owners, asset managers and regulators.
- 1.3 To achieve its purpose, the Group will aim to:
  - Build consistency in processes that support sustainable investment activities, developing tools to support these activities.
  - Enhance standards by engaging with and supporting existing industry bodies and initiatives where appropriate, or by developing and promoting guidance on new practices and processes when necessary.
  - Support practical approaches to sustainable investment and provide real-world examples of implementation to encourage their adoption.
  - Engage with regulators, policymakers, and others to represent the collective views of investment consultants.
  - Grow the knowledge of investment consultants to support the emerging needs of its stakeholders.

### 2. Membership

- 2.1 The Group is open to any firm or an individual division of a larger firm whose main line of business is to provide comprehensive investment consulting services to UK institutional asset owners.
- 2.2 In joining the Group, each firm commits to actively contribute to the Group’s activities through participation in both the Steering Committee and at least one Workstream. Firms may cease their involvement in the Group at any time.
- 2.3 The Group acknowledges that member firms’ activities may extend to other services, other clients and other jurisdictions, but that such activities fall outside of the Group’s scope. Member firms will each take appropriate measures to avoid any conflicts of interest between the Group’s work and these other activities. The Group has separately agreed and published a Competition Compliance Policy
- 2.4 All member firms may publicly acknowledge their involvement in the Group.

### 3. Operation of Group



- 3.1 The Group will be overseen by a Steering Committee which will meet on a frequency it determines to be appropriate, but no less than three times each year. Each member firm will nominate one person to sit on the Steering Committee.
- 3.2 The Group will create Workstreams to progress its activities on a day-to-day basis as required. The current Workstreams agreed by the Group are:
- Standardise, focused on developing consistency in data collection and reporting processes.
  - Raise the bar, focused on pushing the boundaries of best practice on sustainability issues across the industry.
  - Communications, focused on promoting and reporting on the activity of the Group.
  - Influence, focused on engaging with regulators and other stakeholders on behalf of asset owners.

The Group may add, change, or discontinue Workstreams as it sees fit.

- 3.3 To share workload and diversify thinking, each member firm will nominate at least one person to join a Workstream.
- 3.4 Workstreams shall be self-organising but will be subject to oversight and guidance from the Steering Committee. A Workstream Lead will be appointed for each Workstream. Each Workstream will report on its activities to the Steering Committee as required.

#### **4. Output of Group**

- 4.1 The Group and its Workstreams may produce output in the form of reports, statements, papers, consultation responses which will be published in the name of the Group. The Steering Committee will be ultimately responsible for any output of the Group.
- 4.2 The Group may maintain a website to house any output and act as a point of reference for third parties.
- 4.3 Subject to the prior agreement of the Steering Committee, any member of the Steering Committee and any Workstream Lead may make comments to the press on behalf of the Group.

#### **5. Other**

- 5.1 The role of the Group and these Terms of Reference will be reviewed on at least an annual basis.
- 5.2 The Group will nominate two individuals from the Steering Committee to serve as Co-Chairs of the Group. Each Co-Chair will serve for a period of two years unless agreed otherwise by the Steering Committee.

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