



INVESTMENT
CONSULTANTS
SUSTAINABILITY
WORKING
GROUP

ICSWG

NEWSLETTER

DECEMBER 2024

Welcome to the first of what we intend to be a regular newsletter from the Investment Consultants Sustainability Working Group (ICSWG), setting out current areas of Group activity and potential ideas for future work. In this edition, we cover our background, our current structure and spotlight a couple of current priorities.



Simon Jones
Co-Chair



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Co-Chair

ABOUT US

The ICSWG was established in 2020 to provide a forum through which UK consulting firms could collaborate to drive better sustainable investment practices across the industry for our stakeholders. To fulfil this purpose, there are five things that we are aiming to do:

- Build consistency in processes that support sustainable investment activities.
- Enhance standards by engaging with and supporting existing industry bodies and initiatives, or by developing and promoting guidance on new practices and processes.
- Support practical approaches to sustainable investment and encourage their adoption.
- Engage with regulators, policymakers, and others to represent our collective views
- Grow our collective knowledge to support the emerging needs of our stakeholders.

There are currently 19 member firms within the Group, and we're governed by terms of reference and a competition policy, both of which can be found on our website: www.icswg-uk.org.



OUR STRUCTURE

The ICSWG operates a Steering Committee, which meets on a quarterly basis, and three workstreams. SteerCo is the decision-making/oversight body for the Group, with representatives from each of our member firms. The three workstreams are responsible for progressing our day-to-day activities, these being:

Standardise. This workstream is focused on developing consistency in data collection and reporting processes. For example, it has been responsible for producing our ESG metrics guide.

Raise the bar, led by Mette Charles. This workstream is focused on pushing the boundaries of best practice on sustainability, primarily focusing on the interaction between asset owners and asset managers. This workstream is responsible for the development and maintenance of the Engagement Reporting Guide.

Influence, led by Claire Jones. This workstream is focused on engaging with regulators and policymakers on behalf of asset owners. The workstream has developed policy positions on three priority topics (see below).

CURRENT INITIATIVES

While there are a few things going on, several of our current projects are as follows:

Developing our policy positions

We highlighted the launch of our Influence workstream in July 2024 and have since developed policy position statements in three areas, all relating to UK pension schemes:

- Simplifying, reducing and harmonising sustainability reporting requirements and regulatory burdens.
- Removing barriers to action or encouraging action that supports the full range of sustainable investing, across public and private markets.
- Incentivising allocations to less liquid sustainable investment opportunities.

We will be using these position statements to inform our discussions with regulators and responses to policy consultations.

Updating the climate competency matrix

The competency matrix was developed by the ICSWG as one of its initial projects, being published in early 2021. It has become a tool both through which governing bodies and trustee groups can assess the climate capabilities of consulting firms, and by which firms can hold themselves accountable.

We recognise that, in the three-plus years since the matrix was published, the industry and the needs of stakeholders have moved on. We are therefore reviewing the matrix and expect to consult with key stakeholders over coming months before sharing the updated framework publicly.

Assessing alignment between asset owners and managers

There has been a growing focus on understanding how well asset owners' responsible investment policies are aligned with the engagement and voting activities of asset managers. To support trustees in understanding and assessing this alignment of interests, we are developing a tool that trustees can employ to assess this alignment and thus build accountability.

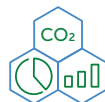
RECENT PUBLICATIONS

We've recently updated our website to include the following guides.



Engagement reporting guide. This guide for both asset owners and asset managers is designed to support the consistent reporting and collection of engagement data and is updated on an annual basis. The current guide was updated as at November 2024.

Engagement
reporting guide



Derivatives emissions reporting guide. Our guide on preferred approaches to the reporting of carbon emissions data for derivative holdings.

Derivatives emissions
reporting guide

ENGAGING THE ICSWG

We endeavour to engage with industry representative groups wherever possible. There will also be times when we will seek expertise from asset managers directly to support our efforts and make progress on achieving our goals. One area where we will try and do this is in building knowledge in emerging areas among our member firms: we have plans to run several educational sessions over the course of 2025. We're also keen to engage directly with asset owner groups.

We share our work and thinking through industry events where appropriate, and we were delighted to have the chance to speak at the recent AIMSE Conference.

CONTACT US

You can contact [Simon](#) and [Brian](#) directly, or follow us at our [LinkedIn](#) page.