



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

### Steering Committee Meeting Minutes

**Meeting Date** Wednesday, 27 May 2020

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**Meeting Time** 09:30am GMT (1.5hrs) – Virtual

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**Committee Members**

- Deb Clarke (DC) – Global Head of Research, **Mercer**
- Claire Jones (CJ) – Head of Responsible Investment, **LCP**
- John Belgrove (JB) – Senior Partner, Director of Forward Thinking, **Aon**
- Luba Nikulina (LN) – Global Head of Research, **WTW**
- Nick Samuels (NS) – Head of Manager Research, **Redington**

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**Apologies**

- Annachiara Marcandalli (AM) – Managing Director, **Cambridge Associates**

#### The meeting agenda was as follows:

1. Clarify the mission of this working group
2. Confirm the proposed workstreams and how they might work
3. Discuss external communications
4. Decide on how to reach out to other consultants
5. Decide whether to provide a joint response to the TCFD pensions consultation

The discussion of the working group’s mission included the following considerations:

- Focus on high level principles rather than specifics
- Link to the final stakeholder, the end saver
- Having a stronger and better collective voice for the industry
- Addressing negative sentiment that investment consultants do not do enough on sustainability
- Making collective commitments (like AMNT).

The extent of the current crisis and its impact on sustainability were discussed with the reference to “New Normal”, “Build Back Better” and “The Future We Want”. The consensus was that the present circumstances give us an opportunity to use our collective voice to influence how the investment industry approaches sustainability once the pandemic subsides. It was suggested that the “Build Back Better” concept could be used for the external launch of this group.

With regards to the external launch, there was a general agreement that there is more than enough sustainability content in the industry and what’s needed is more clarity and more action. The intent and collective endeavour is what’s important for this working group rather than producing more



content. A simple press release may be sufficient to launch this working group externally. It was agreed that all SC members will investigate internally what their firms would be comfortable with for the launch and other external communications once we have agreed the mission statement.

It was agreed that DC and LN would draft a strawman mission statement and collective commitments for everyone to comment and finalise.

**Actions:**

- ***Draft the mission statement and collective commitments: DC and LN***
- ***Provide feedback on the mission statement and collective commitments: All***
- ***Investigate internally the best way to launch externally: All***

It was confirmed that the scope of this working group will be limited to the UK in the near term, with the possibility to expand globally in the future, but will include different client types, such as pension funds and wealth clients.

It was noted that the proposed workstreams on reporting and stewardship already get a lot of attention from such industry bodies as PLSA, the Investment Association and others. These initiatives already involve consultants. This led to the discussion that where this group could be most useful is in providing the collective voice and support to the initiatives already underway and picking up work where there are potential gaps. This group could also serve as a helpful place to engage as an industry, eg with regulators.

The six proposed workstreams were discussed with the acknowledgement that it was challenging to estimate the amount of work and resource required in each workstream without doing more investigation. It was agreed that a group of 3-5 individuals from different firms would be assigned to each workstream and tasked with assessing all relevant existing collective initiatives and identifying potential gaps where this group could be most helpful. This would allow us to estimate the level of required resources. It was decided that we would proceed with the proposed six workstreams with the understanding that some of them could potentially be dropped and others added as part of the initial review.

It was also agreed that each firm would indicate its top three priorities and the allocation of resources across the six workstream would be initially calibrated based on preferences and with a view to ensuring that each workstream has the necessary resources.

**Action**

- ***Provide DC and LN with the top three priorities as it relates to the workstreams that each firm would like to work on: All***

There was a discussion about reaching out to all other consulting firms in the UK with the intent to be inclusive but at the same time managing the overall number to facilitate effective decision making. It was suggested that the number of participants could be managed with the clear indication that to participate each firm has to commit to a certain number of hours and becoming a member of at least



one workstream. No firm has been removed from the initial list of consulting firms, but two other firms have been added.

It was decided that LN would draft the initial invite to send to these firms. This all will be done after the mission statement and collective commitments have been confirmed to be included in the invite.

**Actions:**

- ***Draft and send the invite to other consultants: LN***

It was discussed whether it would make sense to prepare a collective response to the DWP's open consultation on aligning pension schemes with TCFD recommendations and while it was agreed that it was a good opportunity for expressing collective support, but the deadline of July 4<sup>th</sup> makes it challenging to be able to organise the response.

*The meeting was concluded. The next meeting will be organised once the progress has been made on the agreed actions.*