

## **UKSIF OFFERS QUALIFIED SUPPORT FOR GOVERNMENT’S RESPONSE TO KAY REVIEW INQUIRY**

*Investor body welcomes Government support for reshaping capital markets but highlights ‘missed opportunity’ on ESG issues*

**London, 4 November 2013** - The UK Sustainable Investment and Finance Association (UKSIF) today welcomed aspects of the Government response to the Kay Review, which outlined its commitment to promoting a long-term outlook in UK financial markets and enabling UK companies to deliver sustainable economic growth.

The trade association was particularly pleased with the Government’s acknowledgment both of recent industry steps to strengthen the investment chain and the important role played by asset owners in this process.

However, UKSIF urged the Government to give much greater recognition to the role that an understanding of environmental, social and governance (ESG) factors plays in supporting companies to deliver sustainable growth and protecting the long-term value of savers’ assets.

Caroline Escott, UKSIF Head of Government Relations, said:

*“The financial crisis in 2007 clearly demonstrated the need for a radical reshaping of capital markets and better investment practices that support long-term economic growth.*

*We’re pleased to see that in its response, the Government recognises the significant steps already taken by the industry to promote and boost long-termism across the investment chain.*

*We also welcome the Government’s encouraging comments on the need for greater asset owner sign-up to the Stewardship Code – an important issue that UKSIF and its members have raised with policymakers and regulators as a priority issue.*

*However, it’s a shame that this response misses the opportunity to more explicitly highlight the need for consideration of environmental, social and governance factors by both asset owners and managers in order to fulfil their stewardship responsibilities.*

*We’ll continue to engage with the Government, the FRC, the FCA and other investor organisations on these issues to ensure that UK capital markets fully enable companies and savers to work together in a world of environmental limits and social change with trust and confidence”.*

### Contact

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*Interviews with Caroline Escott are available on request.*

## Notes to editors

### **About UK Sustainable Investment and Finance Association (UKSIF)**

The UK Sustainable Investment and Finance Association (UKSIF) supports the UK finance sector to be a global leader in advancing sustainable development through financial services. We promote and support responsible investment and other forms of finance that advance sustainable economic development, enhance quality of life and safeguard the environment. Founded in 1991, UKSIF has over 250 members including pension funds, asset managers, research providers, financial advisers, banks and non-governmental organisations. For more information, please visit [www.uksif.org](http://www.uksif.org).

### **About the Kay Review**

The '[Kay Review of Equity Markets and Long-Term Decision Making](#)' was led by Professor John Kay and commissioned by the Department for Business, Innovation and Skills. It was tasked with examining the performance of UK equity markets and its final report – published in July 2012 - recommended a number of measures including regulatory support for fiduciary standards, more effective reporting and enhancements to the UK Stewardship Code.

The **Government response** to this review can be [found here](#).