A new vision for sustainable finance
Plans to enhance the UK’s global leadership
April 2021
ABOUT UKSIF

The UK Sustainable Investment and Finance Association (UKSIF) is the membership organisation for those in financial services committed to promoting a more sustainable and resilient financial system that works for the benefit of society, the environment, and us all.

UKSIF represents a diverse range of financial services firms committed to these aims, and our 260+ members, managing over £10trn in assets under management (AUM), include investment managers, pension funds, banks, financial advisers, research providers, NGOs, among others.

Historically, UKSIF and our members have been hugely active in, and supportive of, efforts to promote the sustainable finance agenda and worked closely with policymakers and others to find new ways to overcome the barriers to the growth of sustainability and deliver progress towards decarbonisation of the economy. More information can be viewed on our website at uksif.org
We know the responsibility that UKSIF and our members have to promote a greener, more sustainable future must continue to evolve. We recognise there is far more we need to do collectively to combat the most significant systemic risk we face in the form of climate change, to honour the Paris Agreement goals while spurring others to do the same, and secure the UK’s position as a world leader on sustainable finance.

That is why now is an opportune time, particularly ahead of our hosting of COP26 and the G7 this year, to set out the UK sustainable finance sector’s new ‘Policy Vision’ for how we can strengthen our global leadership on sustainable finance and drive forward the sector, including the steps policymakers, regulators and others should take.

Our ‘Policy Vision’ highlights a number of positive policy solutions for the UK to consider across different sectors of the economy and policy areas in the years ahead, including on sustainable finance standards, biodiversity, net-zero pathways, infrastructure investment and diversity in financial services.

It prioritises proposals that can be readily implemented by government and industry together, and are workable for our members. The role of government will be vital, as we know the decisions taken by policymakers today will help determine the future success of the UK’s sustainable finance sector and long-term interests of clients.

As we progress towards our ‘Policy Vision’ in the coming years, the potential prize for the UK will become clearer: a competitive advantage in being a world leader on green finance, being in pole position to adapt to the changing global economy, an economy focused more on long-term value, a more resilient population and workforce, and an enhanced status for the UK on the international stage.

We look forward to working with policymakers, regulators, members and others on these actions to bring about the more sustainable world we all want to see.

This has seen UKSIF and our members achieve a number of successes over recent years that have helped to positively shape the UK policy landscape on sustainability. We have seen significant clarification to fiduciary duties for pension scheme trustees on material environmental, social and governance (ESG) factors, a greater emphasis on stewardship in the UK’s rulebook, and more recently the fulfilment of a number of other important priorities UKSIF has campaigned for over many years. These include the roll-out of mandatory climate change disclosure across the economy, the issuance of green gilts, confirmation of a National Infrastructure Bank, greater scrutiny of schemes’ ESG policies in the form of a central registry of Statement of Investment Principles (SIPs), and measures in the Pensions Schemes Act requiring schemes to take into account the Paris Goals in their investment strategy.

We have helped shape this policy environment for the delivery of our mission and benefit of our members and the clients they serve, pushing for changes to operate more effectively in practice for firms and their customers. As we reflect on our thirty-year anniversary this year, we want to build on our success and continue our focus on shaping UK policy on sustainability in all its forms, paying renewed focus to social issues, and the close interplay between social and environmental agendas.

Since our founding thirty years ago, the UK Sustainable Investment and Finance Association (UKSIF), with backing from our members, has looked to drive forward at pace the growth of a more sustainable economy and financial system that works for the benefit of society, the environment and us all.
The UK should lead the way in shaping the development of global sustainable finance standards, which recognise the urgency to act and scale of action needed. In the years ahead, we believe the UK should prioritise a race to the top and seek to play a proactive leadership role to develop ambitious UK rules. One example is shaping initiatives on taxonomies, such as the work of the International Platform on Sustainable Finance. The UK could be a useful contributor in these discussions with countries by bringing its more principles-based perspective, grounded in evidence, and allowing companies to find innovative pathways to achieve sustainability goals. In order to demonstrate real global leadership and go beyond matching the ambitions of other countries, the UK should not be a ‘rule taker’ in the long run and accept some divergence with the EU will naturally occur over time. Instead, we can seek to draw on standards set by leading standard-setting bodies that have the highest momentum at a given time.

In the short term, the UK should adopt the best available ESG standards. For example, close alignment at first with the EU can help minimise uncertainty for the sustainable finance sector, many of whom serve clients across Europe, and help signal post-Brexit that the UK will not pursue a lower regulatory environment. In future, the UK’s new green taxonomy could look to evolve, setting its thresholds at a level accounting for more economic activities (including transitional activities) and products, emphasising greater usability for its end-users, containing greater shades of ‘green’, having more flexibility to respond to changes in the global economy, and be less prone to lobbying from different industries. We would like to see clarity from government, as soon as possible on the development of the UK’s taxonomy which would help provide certainty to our members.

We believe the UK should continue to be a world leader on climate disclosure, by seeking ways to improve the operation and implementation of the Taskforce for Climate-Related Financial Disclosures (TCFD). This includes: considering ways to encourage a consistent format for TCFD reports, incentivising better data disclosure (including decision-useful data), requiring more granular disclosures within TCFD in time to make its scope wider and better embed this within businesses, and providing greater incentives for a broader group of companies to align with TCFD and ultimately achieve mass adoption. These steps would help demonstrate UK leadership. In future, an audit of TCFD reports by an independent body would be an effective exercise. Going forward, we hope the UK can be a leading voice in the development of social standards, which are increasingly being recognised as key drivers of value.

The Government should prioritise strengthening the UK’s world-leading regime for good stewardship – particularly essential for the transition to net zero. This should be reflected in upcoming changes to the listings regime, so that high sustainability standards are mandated for companies seeking to list, in particular for those on the premium listing segment. Reform of the audit market is an urgent priority – following the publication of the Government’s White Paper, the new regulator needs to put on a statutory footing as soon as possible. This will further improve the attractiveness of the UK’s markets and give confidence to investors and savers invested in companies at home.

1 One way to encourage more granular TCFD disclosures would be to mandate that disclosures make reference to SASB metrics and include specific milestones and KPIs. Addressing the gap between strategy statements and KPIs would be an additional way to bolster TCFD’s effectiveness. In the longer-term, global initiatives such as the IRBS Foundation in work on sustainability reporting should address shortcomings in TCFD.

2 We also support the important work of the Climate Financial Risk Forum, and hope it can consider how to make TCFD disclosures more ‘user-friendly’ and progress work on common metrics.

3 Specifying actions for the UK to adopt could include: Stewart-Flavell’s work on a ‘social taxonomy’ which is now being considered in Europe, encouraging global standards setting to consider social factors in time in their initiatives, and calling on other countries to follow the UK’s example in reporting on the contributions of green-gilt financed spending towards social co-benefits.

4 The UK can also look to build on the success of the Stewardship Code in future, encouraging other jurisdictions to adopt its main components such as its focus on outcomes.
FACILITATING A NET-ZERO FUTURE

CONTEXT
The UK drove global action as the first major economy to legislate to cut emissions to net-zero by 2050. We should continue this leadership role in developing detailed plans and targets for the transition.

Clear and credible net-zero targets and action by financial services and business can send a signal of intent that the UK will build on its status as a leading hub for sustainable finance and investment. Targets can galvanise action, encouraging companies to become more aligned with leaders in the finance and business community, and highlight the UK’s leadership to jurisdictions abroad. However, a focus on targets alone is not enough and we quickly need to move towards clearer mapped pathways and strategic implementation.

We know transitioning to net-zero is not a choice and is an inevitability. There is more we all need to do to encourage private finance and companies to make progress towards a net-zero future. We need to embed net-zero considerations across government.

POLICY SOLUTIONS
- We strongly support calls for the UK to determine how it can move towards becoming the world’s first Paris-aligned financial system. As part of this, industry will need to be actively engaged. We should support investment portfolios to align with the Paris goals, and consider how investors’ fiduciary duties could be broadened to include net-zero considerations, while better disclosure from companies will be important to allow investors to conduct high quality assessments of Paris-alignment. We welcome Treasury’s recent announcement on ensuring the mandates of financial regulators have regard to the UK’s net-zero target, and would support HMT making a similar commitment to apply this to its policymaking.5

- The UK Government needs to provide clarity urgently on what net-zero means for each sector of the economy, outlining comprehensive net-zero strategies this year. Clear signals from government on the way forward for decarbonisation of the economy will be critical, helping guide business models going forward and allowing UKSIF’s members to better understand where government intends to deploy capital, particularly as anticipatory support will be key to back newer industries. Government should apply its efforts to encourage good standards for net-zero, including limiting the use of carbon offsets within the scope of net-zero, and push for greater transparency on companies’ reporting of all emissions.6

- Businesses and financial services should consider nearer-term interim targets and milestones for net-zero, including for 2025 and 2030, given the scale of the challenge we face. Agreed methodologies around interim targets are needed, as well as measurement of progress against these targets and auditing of commitments. Near-term targets can help inform investors’ capital allocation decisions, and improve accountability within companies if they are set within the tenure of those executives.

- Climate transition plans and disclosure should become more prominent voting issues for shareholders in companies. We support the principle of advisory shareholder votes on companies’ TCFD disclosures and transition plans, and encourage investors to link their voting policies to these issues. A signal of support for this from government would be welcome. While the transition will take some time, more active stewardship with companies can speed up this journey and ensure more effective alignment with the Paris goals. It should be recognised that wholesale exclusionary approaches, including divestment, by investors in the short term is generally not an effective approach for the real economy to transition – strong stewardship will be essential and investor approaches to ‘net zero stewardship’ could be developed by regulators in partnership with the industry.7

5 Forward guidance to industry is also needed on the direction of travel on net-zero within financial regulation.
6. The new Sustainability Standards Board (SSB) being considered by the IFRS Foundation could help standardise common reporting for carbon emissions in time. There is a role also for government and regulators to consider how to improve how funds report on net-zero considerations to clients. The ongoing work of the FCA on regulatory principles for reporting could be taken forward and developed into self-regulatory principles for industry to adopt on reporting on ESG factors within funds.
7. Investors could exercise more ‘forceful stewardship’ and do more to encourage companies to outline robust commitments on capital expenditure and research and development, and to justify how executive pay is linked to net-zero targets.
Improving our collective understanding of biodiversity issues is a priority, including identifying the most impactful biodiversity issues investors should be alert to, in light of the material risks they pose. This first step of identifying the main biodiversity challenges we face (e.g. from marine life and soil quality, to deforestation and modern farming), is important given the hugely differing perceptions of what constitutes biodiversity. The sectors and economic activities that are the most important drivers of biodiversity loss should be identified and best-practice solutions highlighted. Next will be agreeing data metrics for measuring risks, before engaging in policy discussions, Government will need to draw heavily on the expertise of academia when it reaches this point.

- We want the UK to take a prominent role to shape the Taskforce on Nature-related Financial Disclosures when it launches later this year, and take steps to embed this framework at home. This includes actively encouraging industry to become signatories and considering ways to integrate the framework with existing reporting requirements for firms. The framework is an excellent starting point to provide a clear nature-related financial risk framework to encourage better corporate disclosure and help redirect financial flows towards nature-positive outcomes. As well as becoming signatories, finance has a role in pushing companies to better manage biodiversity risks and provide more robust data.

- Our members support the work of the Dasgupta Review, and believe further work is needed to take this forward and consider specific policy recommendations. For example, in time the UK’s ‘green taxonomy’ could include an identification of those activities contributing to sustainable biodiversity to help align financial flows with biodiversity goals. Signals from government on those activities posing the greatest risks to the natural environment would be valuable. The value of ecosystem services is underestimated and taken for granted; steps should be taken to measure this value and ensure this is considered as part of company reporting in time.

- We support calls for the Government’s new proposals to tackle deforestation in supply chains to be expanded to all harmful deforestation activity, not just those defined as illegal. As well as applying to businesses, government should consider applying the mandatory due diligence requirements to the financial sector to prevent investors from financing illegal deforestation.

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A first priority will be for the UK to agree a common disclosure framework. Greater disclosure will need to be accompanied by action to make the transition to a sustainable economy just for all groups, from a focus on socio-economic justice to inter-generational and regional justice ("levelling up"), and clarity is needed over what it amounts to in practice. Consideration should be given to whether the UK considers this issue at a global level in time, including at the UN, and making this part of our regular dialogue with other countries and shaping work internationally.14

A UK ‘Just Transition Commission’ should be established as a priority this year by government. Its first task could be to begin the significant work on common definitions. It could be based on Scotland’s commission to make policy recommendations to government. Among its recommendations could be the publication of ‘Just Transition’ roadmaps for each sector of the economy, including an analysis of these sectors where jobs are most at risk and of the reskilling opportunities that should be offered. It may consider the specific goals for a fair energy transition for the UK economy, which is absent at present.15

Government should have a renewed focus in light of the pandemic on considering how companies treat their workforce, including in relation to physical and mental health. For example, this means making sure that companies provide sufficient disclosures on how their directors are fulfilling their duties under Section 172 of the Companies Act and promoting the long-term value of their businesses. The UK’s sustainable finance policy should more comprehensively include the ‘Just Transition’, for example forming part of the UK’s new National Infrastructure Bank. Investors will need to consider indicators, such as executive pay, payment of the Living Wage to staff and supply chain conditions, and any other means of assessing ‘Just Transition’ considerations.

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The Myriant to supporting gender diversity, the UK should build on the success of the Hampton-Alexander Review and our members want to see greater disclosure and reporting within the world of work. Diversity and inclusion issues should continue to be a key to building back better following the pandemic. It is encouraging to see the progress that has been made in some areas, such as female representation in company boardrooms following the work of initiatives like the Hampton-Alexander Review.

We know significant issues however remain: a low representation of women at the level below boards, a particular lack of diversity at the entry level, longstanding racial inequalities in business and society, socio-economic inequality, among many others. More broadly, there needs to better communication by business leaders, our members, policymakers and others on the economic benefits, and other tangible benefits, of greater diversity within a business. We need to also better acknowledge the broad forms that diversity encompasses, and ensure policy recognises its different components. Addressing these areas is a moral imperative, and can help the UK build back a more sustainable financial system and economy.

The importance of considering diversity in all its forms is increasingly being recognised as an area that can have a material impact on the long-term value of companies and financial returns. We strongly believe that further embedding diversity and inclusion will be key to building back better following the pandemic. It is encouraging to see the progress that has been made in some areas, such as female representation in company boardrooms following the work of initiatives like the Hampton-Alexander Review. We know significant issues however remain: a low representation of women at the level below boards, a particular lack of diversity at the entry level, longstanding racial inequalities in business and society, socio-economic inequality, among many others. More broadly, there needs to better communication by business leaders, our members, policymakers and others on the economic benefits, and other tangible benefits, of greater diversity within a business. We need to also better acknowledge the broad forms that diversity encompasses, and ensure policy recognises its different components.

Addressing these areas is a moral imperative, and can help the UK build back a more sustainable financial system and economy.

A new initiative could also focus on tackling issues that have received less recognition in recent years, such as representation on the level below boards, workplace sexism and diversity at the entry level. Financial services has experienced particular issues in attracting diverse entry-level talent and policy needs to foster a wider talent pipeline; headline targets alone by businesses will not deliver lasting progress.

Diversity and inclusion issues should continue to become more prominent voting issues for shareholders. Investors can exercise significant influence in this respect, using their voting rights to drive positive change. We encourage shareholders to commit publicly to voting against the re-appointment of a company chair, or head of a nomination committee, should diversity targets not be met. For example, UKSIF supports a voting policy to be in place to encourage companies to meet the Parker Review target of at least one BAME board-level director by the end of this year.16 Policymakers could send a strong signal to help encourage a shift.17

UKSIF and our members want to see greater disclosure and reporting within companies on a wide range of diversity issues. For example, we support mandatory ethnic pay gap reporting at companies with 250 or more staff. We have concerns over the recent delay to gender pay gap enforcement, which we believes sends a negative signal to UK companies. Better reporting across an array of diversity issues (e.g. gender, ethnicity, disability) would encourage companies to better assess the diversity of their business, before considering future steps, such as setting specific targets.18 More transparency as a result of this reporting exercise could encourage more diverse entry-level talent to apply for roles.

• Greater disclosure will need to be accompanied by meaningful conversations within businesses. These conversations could encompass recruitment processes; for example, considering the introduction of ‘Blind CVs’ and restricting the use of unpaid internships. Raising awareness of diversity issues internally, ensuring better accountability among senior executives for key targets, and mentoring programmes are other actions that could be considered.

• On gender diversity, the UK should build on the success of the Hampton-Alexander Review, and commit this year to a new initiative considering fresh targets for female representation on FTSE boards and executive committees. A new initiative could also focus on tackling issues that have received less recognition in recent years, such as representation on the level below boards, workplace sexism and diversity at the entry level. Financial services has experienced particular issues in attracting diverse entry-level talent and policy needs to foster a wider talent pipeline; headline targets alone by businesses will not deliver lasting progress.

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14 The UK could play a global leadership role on the ‘Just Transition’ due to its own experience of managing an economic transition in the 1980s.
15 Clarity will be needed on how the UK can transition the high-carbon sectors of our economy and certain assets, such as transport and housing.
16 In its update last year, the Parker Review indicated that as of 31 December 2019, 37% of companies surveyed in the FTSE 100, and 69% of FTSE 250, had not reached the target of at least one ethnic minority director on their board.
17 Investors also should use their stewardship role to encourage companies to disclose their inclusion policies and data on pay gaps that may exist in a workforce.
SUSTAINABILITY IN PENSIONS AND SAVINGS

CONTEXT
Ensuring that sustainability is at the heart of the UK’s pensions sector will be critical to secure the UK’s pre-eminence in sustainable finance, and help provide pension savers with long-term financial security.

We know the considerable risks that climate change presents to pension schemes, and in particular for young people auto-enrolled in a pension scheme, who will retire well after the point at which the world needs to have reached net-zero to prevent significant global temperature rises.

We are pleased to have played a prominent role in embedding sustainability in pensions in recent years; for example, our proposal for a central registry of SIPs to improve scrutiny of schemes’ ESG policies has been adopted by government, and we look forward to helping this operate effectively. There is more however government can do to encourage pension schemes to more effectively manage climate change risks, and steps industry can take to ensure policies are in place to deal with these risks today.

POLICY SOLUTIONS
• The Government and regulators should seek ways to significantly upskill pension scheme trustees in their understanding of sustainability-related risks and opportunities. This is to help schemes have policies in place to manage these risks and opportunities, and better safeguard pension savers. Our members would support the following proposals: ensuring at least one trustee with expertise on ESG on all trustee boards (and independent governance committees) above a certain size, while making sure the entire trustee board as a whole has a responsibility in line with the new climate risk requirements, integrating responsible investment information into the materials of the Money and Pensions Service for the wider public; and further consolidation among smaller schemes to bolster understanding of sustainability. UKSIF is supportive of wider initiatives seeking to promote better standards among schemes, such as a Council of UK Pension Schemes recommended by Treasury’s Asset Management Taskforce.

• All actors in the investment chain must continue to work together at pace to embed stewardship into their investment processes and strategies. We welcome recent discussions over voting and how trustees can have a greater voice over how their money is managed in line with their values. We recognise some of the challenges involved in direct voting in all cases, including in pooled funds, and the technological solutions that we see emerging should be considered by government as it consults. We encourage investment managers to consider how to better engage with clients on voting at AGMs, and improve their communications on how voting decisions are reached.

• UKSIF would support policymakers and industry to start considering how the UK can embed ‘double materiality’ into sustainable finance legislation, such as corporate reporting. Although we are at an early stage in this debate, we see this as a natural step with finance and business increasingly expected to consider the impact of their investment decisions on the environment and society. Availability of data, and agreeing on common measurement, will be among the challenges in reporting on the broader non-financial impact of investment decisions, but this should not limit a longer-term ambition. UKSIF will lend its support to initiatives seeking to advance progress in this area.

19 Addressing the scale of investment consultants will be key, given pension scheme trustees often rely on their knowledge and expertise, which may have ESG expertise and have a weaker understanding of financial services issues.

20 Examples of technological solutions include Tumelo, Citizen Shareholders, and the The Asset Management Exchange (AMX) and DWS investment solution.

21 The Law Commission could consider further work on fiduciary duties to explore how trustees could better consider the impact of their investments on the environment and society.

22 The principle of considering ‘double materiality’, including the impact of decisions on biodiversity, society, emissions, air pollution, among other things, and separating this out from financial returns will be very important in future. A ‘responsibility’ or ‘earth dividend’, are ways to potentially frame this within a fund, which should ultimately not seek simply to report on returns and risk.
PROMOTING SUSTAINABILITY AND RESILIENCE ABROAD

CONTEXT

As the UK determines its new place in the world, we have the opportunity to demonstrate global leadership in promoting economic stability and resilience through mobilising climate finance and investment.

This support is more critical now than ever. Even prior to the pandemic, the funding gap for the UK to meet the UN’s Sustainable Development Goals (SDGs) was significant, with the UN last year estimating this at around £2.5 trillion. The UK must continue to honour its international obligations and build on its strong record on investing in the most challenging markets, and this includes resuming as soon as possible, the commitment to spend 0.7% of national income on overseas development.

Greater ambition is now needed for us collectively to make progress on the SDGs, including through our development finance institutions and other programmes.

POLICY SOLUTIONS

- The mandates for the UK’s international development bodies and development finance institutions should explicitly include net-zero and sustainability considerations. The UK’s development aid should focus on tackling climate change while addressing social issues. In terms of the UK’s institutions, the lending and investment portfolios should have in place commitments to reach net-zero by 2050 at the latest, commit to invest in technologies to reduce emissions, and sign up to leading disclosure frameworks including TCFD. These institutions include: UK Export Finance, CDC Group, among others. The UK should also seek to influence global bodies to which it is a major donor, such as the World Bank and other multilateral development banks, towards these commitments.

- We strongly welcome the Government’s recent announcement fulfilling its commitment to end direct support for the fossil fuel sector in all jurisdictions overseas. Postponing this move beyond COP26 would have sent a hugely negative signal. As part of this, consideration will need to be given to supporting any communities abroad impacted to ensure a fair transition. The UK should also use its G7 and COP26 Presidencies to encourage other governments to restrict their fossil fuel subsidies.

- The Government should set out ahead of COP26 how it intends for the UK’s new independent trade policy to support sustainability goals, such as safeguarding biodiversity and securing high-ambition provisions with trading partners. During discussions over trade agreements, the UK must conduct its own ESG ‘due diligence’ and push for the adoption of internationally recognised sustainability standards in trade deals.

- Policymakers and industry need to continue to work together to consider new ways to promote impact investment in emerging markets, and other investments that aim to generate positive social and environmental impacts. This includes raising awareness where suitable of its benefits among retail savers at home. For example, government has a role to play in encouraging investors to join global impact standard-setting initiatives, such as the Operating Principles for Impact Management.

- We hope that the commitment of the Department for International Development (DfID) in this area is not lost under the Foreign and Commonwealth Development Office (FCDO).

23 Barriers to unlocking private capital for sustainable infrastructure in emerging markets can be tackled through development aid, including project preparation support, combating corruption, and mechanisms to protect against currency and political risk.

24 The new policy should also look to influence the investment policies of the UK’s development finance institutions and bodies, such as CDC Group.

25 One example of such an internationally recognised sustainability standard is the Forest Stewardship Council’s forestry standards, while the UK could also support the Forestry, Agriculture and Commodity Trade (FACT) Dialogue targeting zero deforestation.

26 This framework helps investors integrate impact investing considerations throughout the investment life cycle, and it is supported by 100+ institutions including UBS and Prudential.
APPENDIX

THE ROLE THE UK SUSTAINABLE FINANCE SECTOR PLAYS TODAY

Below are just some of the recent commitments and work some of our members have undertaken over the last year to promote the sustainability agenda.

Commitments and actions

Aviva: Aviva has announced plans to become a net-zero carbon emissions company by 2040. This covers their investments, operations and supply chain and includes 2025 and 2030 milestones. This represents the most demanding target of any major insurance company in the world today.

BMO: BMO GAM has set an ambition to reach net-zero emissions by 2050 or sooner across all assets under management.

CCLA Investment Management: Earlier this year, CCLA mobilised a coalition of investors to call on Compass Group to answer questions on the provision of food parcels in lieu of free school meals by its subsidiary, Chartwells, to disadvantaged families in the UK.

Church of England: The Church has committed to achieving a net-zero target by 2030 for its nearly 40,000 buildings it operates and owns, while the Church’s national investment bodies have set their own 2050 net-zero target.

Foresight Group: Foresight recognises the importance of assessing climate-related risks that have the potential to materially impact our business, and supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Federated Hermes: Last year, Hermes set out a pathway to achieving net-zero emissions by 2035 across the managed assets included within its £6.5bn global real-estate portfolio.

Invesco: Invesco recently joined the Net Zero Asset Managers Initiative to support the goal of net-zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C.

Impax: Impax has recently secured a significant climate mitigation and adaptation mandate from one of Australia’s largest pension funds, Cbus, which will promote sustainability in building, construction and allied industries.

London Stock Exchange Group: LSEG earlier this year became the first global exchange group to commit to net-zero by reducing its emissions by almost 50% by 2030.

M&G: M&G announced a commitment in March last year to reduce operational carbon emissions to net zero by 2030, at the latest, and became a founding signatory of the Net Zero Asset Managers initiative in December 2020.

NEST: Last year, NEST announced a new Climate Change policy to decarbonise its investment portfolio. The policy aims to align NEST with the Paris goals, and sets out a goal of being net-zero across its investments by 2050 or earlier, with the expectation that carbon emissions in its portfolio will halve by 2030.

Royal London: In March, alongside other investors, Royal London announced it would adopt the Institutional Investors Group on Climate Change (IIUGCC) net-zero investment framework, which aims to encourage investors to develop an investment strategy that achieves net zero. Also, RLAM is a signatory to the Net Zero Asset Managers initiative.

RPMI Railpen: It recently published a new voting policy for the AGM season, committing to pressuring companies in its portfolio on climate reporting and workforce treatment.

Scottish Widows: Recently, Scottish Widows pledged to reach net-zero emissions across its entire £170bn portfolio by 2050, and halve its carbon footprint by 2030.

Stewart Investors: Stewart Investors provides full transparency of company holdings including their investment rationales, risks, points for engagement and contribution to the SDGs via an interactive map on a dedicated sustainability microsite.

USG: Last year, USG committed to exclude tobacco manufacturing, thermal coal mining and cluster munitions as well as white phosphorus and landmines from its portfolios over the next two years.

MEMBERS OF UKSIF’S BOARD

- Michael Meehan, UKSIF Chair and Managing Partner, TCR Innovations
- Fong Yee Chan, Head of ESG Strategy for UK and Europe, Vanguard
- Cathrine de Coninck-Lopez, Global Head of ESG, Invesco
- Julia Dreblew, Founding Director, SRI Services & Fund EcoMarket
- Louise Dudley, Portfolio Manager, Global Equities, Hermes Investment Management
- Sarah Gammoh, Business Development Consultant
- Rishi Madlani, Head of Sustainable Finance and Just Transition, NatWest Group
- Tanya Pein, Investment Specialist, In2 Planning
- Alexis Zavos, Head of Client Engagement, Sustainable Funds Group, Stewart Investors

MEMBERS OF UKSIF’S POLICY COMMITTEE

- Vicki Bakhshi, UKSIF Policy Committee Chair and Director, Responsible Investment team, BMO Global Asset Management
- Anoushka Babbar, Director, Government Relations and Regulatory Strategy, London Stock Exchange Group
- Olga Hancock, Senior Engagement Analyst, Church Commissioners for England
- Simon Oswald, Senior Policy Manager, Aviva
- Owen Thorne, Investment Manager, Merseside Pension Fund

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- Martin Bage, Aviva
- Simon Bliss, BMO GAM
- Anna Boot, CCLA
- Michael Breda, Church Commissioners for England
- John Cribb, CCLA
- Alistair Crozier, EIRIS Foundation
- Robert devereux, Engage Transitions
- Robert Edwards, Foresight Group
- John Elliott, Greenpeace UK
- Mat羽毛球, Impax
- John Kitchen, Invesco
- Clive Lamming, Investec
- Stephen Lightfoot, M&G
- Alan Longworth, MSCI
- Anna McAlpine, NEST
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- Julia Mosley, Solargen
- Justin O’Leary, TCFD
- Michael O’Neill, UKSIF
- Jon Perry, USS
- Alistair Prudham, Vontobel

WIDER MEMBERSHIP

We would like to thank the following individuals who supported UKSIF in helping shape our ‘Policy Vision’, recognising their contributions at a series of roundtable sessions on our report chaired by UKSIF. These include:

- Gretchen Betts, Magenta Financial Planning
- David Bent, EIRIS Foundation
- Alice Brooke, Cambridge Econometrics
- Amy Browne, CCLA Investment Management
- Neil Brown, Earth Capital
- Josephine Carlsson, CCLA Investment Management
- Louise Dudley, Federated Hermes
- Louise Cheshworth, Foresight Group
- Catherine Chen, Royal London
- Thea Chung, Impaxan
- Rebecca Craddock-Taylor, Gresham House
- Chris Dodwell, Impaxan
- Clive Emery, Invesco
- Caroline Escott, RPMI Railpen
- Stephen Fitzpatrick, Urgentem
- James Giles, Co-op
- Julia Groves, Downing LLP
- Kevin Haines, Bedforw Row Capital
- Graham Hook, Invesco
- Piers Hugh Smith, CCLA Investment Management
- Solange Le Jeune, Candriam
- Natan Levy, Brown Shipley
- Scott Levy, Bedford Row Capital
- Katharina Lindmeier, NEST
- Jan Oliff, Jan Oliff Financial Planning
- James Phare, Neural Alpha
- Maria Lilli, MSCI
- Michael Melbane, MSCI
- Henry Morgan, Foresight Group
- Annabel Nelson, M&G
- Constantine Pretenteris, Urgentem
- Alex Ramos, Big Issue Invest
- Delth Richards, Kleinwort Hambros
- Jamie Rosser, Guinness Asset Management
- Ian Stanndard, Urgentem
- Neil Scarth, Frost Consulting
- Victoria Skillbeck, MSCI
- Kezia Smith, FAIRF Initiative
- Mattia Taboga, MSCI
- Jill Turner, Jill Turner Associates
- Andrea Valente, MSCI
- Jodie Wettenhall, CCLA Investment Management
- Eva Vogt, EMK Capital
- Rebecca Woods, Church of England
- Helen Wright, FAIRF Initiative

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Should you have any questions on our Policy Vision, please get in touch at: info@uksif.org