

US Investment Consultants Form Joint Working Group to Advance Sustainable Investing

Representing over \$33 trillion in assets under advisement, group to provide perspective on ESG and climate-related reporting, stewardship, and regulation

BOSTON, CHICAGO, NEW YORK, SAN FRANCISCO, ST. LOUIS, May 12, 2021- Fourteen institutional investment consulting firms in the US, with worldwide assets under advisement totaling more than USD 33 trillion (as reported by each member firm to ICSWG-US as of 4/30/2021), have established the Investment Consultants Sustainability Working Group – US (ICSWG-US). The aim of this cooperative is to promote and improve sustainable investment practices across the investment industry.

Sarah Bernstein, Managing Principal, Consultant and Co-head of the ESG Investing Committee at Meketa Investment Group says: “Meketa initiated the ICSWG-US group, inspired by our peers in the UK, to better support our clients in addressing the critical sustainability investment issues of our times. We welcome the opportunity to collaborate with our peers to encourage and advance sustainable investment practices, transparency and consistency to generate long-term investment returns, through the collective voice of the institutional investment consulting community.”

For many, 2020 proved to be an inflection point for sustainable investing and environmental, social and governance (ESG) issues. Interest in climate change, diversity, equity and inclusion and other ESG issues is at an all-time high among US investors. Given the power of investment and finance to influence sustainability issues now and in the future, we believe collaboration to promote sustainability will accelerate and initiate greater change within the industry.

The ICSWG-US aspires to:

- Engage across a broad range of stakeholders, including asset owners, asset managers and regulators;
- Seek investment outcomes that are genuinely sustainable and not a tick-the-box exercise;
- Align with and support existing industry bodies and initiatives;
- Support clients who lack the resources to engage directly with industry initiatives;
- Create a guiding set of principles that identify good practice with practical advice; and
- Be a body where regulators, policymakers and other stakeholders can seek input when they need a view from investment consultants.

The group has initially identified three individual workstreams it deems critical to sustainability: Reporting, Stewardship and Regulation.

ICSWG-US recognizes that sustainability efforts are ongoing at a number of industry organizations, and internal initiatives continue at each of the 14 member organizations. The group will continue to support those initiatives. ICSWG-US believes that collaboration among its stakeholders will further empower asset owners and lead to better sustainable investment practices across the investment industry.

All members of the ICSWG-US provide investment consultancy to US asset owners. While some of the firms' activities extend to other services, clients or jurisdictions, these will fall outside of the

group's scope. Member firms will take appropriate measures to avoid any conflicts of interest between the group's work and these other activities and will ensure that the group's activities are conducted in accordance with all applicable laws.

Founding members of the Investment Consultants Sustainability Working Group – US are:

ACG

Aon Investments

Callan

Cambridge Associates

Marquette Associates

Meketa Investment Group

Mercer

NEPC

RVK

Segal Marco Advisors

SEI

Willis Towers Watson

Wilshire

Verus Investments

Phineas Troy, Vice President, Senior Consultant at ACG says: "ACG is pleased to join the ICSWG-US to advance initiatives around greater sustainable and inclusive investing awareness and accountability throughout our industry. ACG is encouraged by the influence and impact we can make by collaborating with our peers to drive progress in the area of sustainable and inclusive investing, for the benefit of our clients and investors globally."

Meredith Jones, Global Head of ESG at Aon says: "Institutional investors are increasingly concerned about the long-term sustainability of their investment portfolios. However, in the absence of unified reporting regimes, regulatory guidelines or even terminology, many continue to struggle with ESG integration and climate change positioning. While there is no one-size-fits-all approach to sustainability, a more unified and consistent framework around sustainability would be invaluable to investors, and we hope that Aon, working directly with our clients and with ICSWG-US members, will be able to make a significant contribution to that framework."

Tom Shingler, Senior Vice President and Leader of the ESG team at Callan says: "With Callan at the forefront of ESG research and education, we are thrilled to be part of this working group of our peers to bring further transparency and insights to the rapidly changing ESG landscape. There is growing interest from institutional investors to incorporate financially material ESG factors into their investment processes, and we believe the move toward more ESG incorporation is consistent with a long-term investment approach."

Liqian Ma, Head of Sustainable and Impact Investing at Cambridge Associates says: “For nearly 20 years Cambridge Associates has employed a broad range of sustainable and impact investing strategies, seeking to finance long-term, market-driven solutions to environmental and social challenges without making concessions on returns. We welcome the opportunity to continue this work by collaborating with peers to establish industrywide best practices. We are encouraged by the working group’s commitment to building resilient portfolios in the face of immense and systemic issues, such as social inequality and climate change.”

Nichole Roman-Bhatty, Managing Partner, Founder and Co-Lead Sustainable Investment Group at Marquette Associates says: “As we’ve seen growth from both the demand for diversity and inclusion in the investment industry as well as the number of sustainable investing solutions in the market, this new consultant initiative lends an important voice for defining best practices. The consultant community is uniquely positioned to marry investor interest with market feasibility, making this collective effort vital to developing standardization around reporting and ultimately providing a better framework towards building successful, sustainable investment portfolios.”

Dave Fanger, US Head of Responsible Investment at Mercer says: "Sustainability continues to be a core investment belief at Mercer. As we support investors in setting their net zero emissions target with our Analytics for Climate Transition solution and pioneering climate scenario analysis, Mercer is joining this collective sustainability voice of the consulting industry in the US, as we did in the UK, to help clients generate investment returns in a way that is sustainable and gives consideration to all stakeholders."

Dulari Pancholi, CFA, CAIA, Principal and Director of Credit and Multi-Asset at NEPC says: “NEPC believes that sustainability, impact investing, and ESG integration all have a role in the future of investing and portfolio construction. For more than 30 years, we’ve worked closely with our clients to align their financial goals with their organizational missions and we recognize the changing need to incorporate these aspects in the decision making process. As such, we are thrilled to be a part of ICSWG-US and look forward to collaborating with peers in this initiative to build out best practices, increase education, standardization and transparency.”

Maureen O’Brien, Vice President, Corporate Governance Director and Chair of the ESG Committee at Segal Marco Advisors says: “Segal Marco believes environmental, social and governance factors help investors gain insight into which investments are sustainable over the long-term. We are pleased to partner with our peers in the industry to jointly address challenges to ESG implementation. The ICSWG-US will enable the consulting community to share our common perspectives with regulators, lawmakers, asset managers and asset owners.”

Jana Holt, Global Director of Sustainable Investing Solutions at SEI says: “We welcome enhanced collaboration with our colleagues across the industry, as shared insights and objectives can accelerate the adoption of sustainable investing policies and practices that benefit investors of all sizes, particularly those served by our Institutional business. By working together through the ICSWG-US, we aim to support the development of meaningful best practices and practical guidance that can help investors manage risks and take advantage of the opportunities presented by sustainability megatrends.”

Daniel Ingram, Sr. Vice President, Wilshire Associates says: “Wilshire embraces this timely opportunity to collaborate with peers on sustainable investment practices through ICSWG-US and is committed to expanding on the work we’ve done for years providing tailored ESG investment solutions to our clients. We believe insights shared through this industry-wide initiative will inform

and enhance our work going forward, paving the way for more sustainable investment practices for all investors.”

Christopher Thompson, CFA, Director, Investments, Willis Towers Watson says: “Willis Towers Watson is excited to join the ICWSG-US. Its mission of improving sustainable investment practices is a critical issue, and we are thrilled to collaborate with our peers in the industry.”

The opinions expressed by each of the members are the opinions of that member and should not be attributed to the others or the entity.

About ICSWG-US (www.ICSWG-US.org)

The Investment Consultants Sustainable Working Group - United States (ICSWG-US) is a collaboration among investment consulting firms to engage with its collective stakeholders, and empower asset owners and their ultimate beneficiaries to advance sustainable investment practices across the investment industry.

The ICSWG-US aims to support sustainable investment practices across institutional asset owners and asset managers. Through this effort, ICSWG-US members will seek to provide perspectives from the consultant community and be a resource on activities such as standardization of environmental, social and governance (“ESG”) integration and climate-related reporting, regulations, and innovations. Overall, the group will strive for an equitable and informed path toward genuine sustainable institutional investing.