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ESG Update Q1 2022

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Head of Sustainable Investing

For this updated we've opted to leave out the usual commentary on industry developments as we work to finalize our Sustainable investing Annual Report.

ESG at Epoch

UK Stewardship Code: We were delighted to see that our submission to the UK Stewardship Code was accepted by the UK Financial Reporting Council. Our submission, available on our website, provides a comprehensive overview of Epoch's ESG and stewardship framework.

Product development work: We have been working closely with various teams at the firm to introduce versions of Epoch strategies to meet clients' different ESG needs, such as exclusions of certain sectors.

Net Zero research: As Net Zero commitments become commonplace in the corporate world, asset owners and asset managers have also been considering how to align with a Net Zero world. We have been discussing this rigorously internally and will have more to say in the coming months.

Client requests: Our team was involved in 29 client requests, including DDQs, RFPs and due diligence meetings. As clients become more sophisticated in their ESG analysis, we observe that these requests are becoming ever more granular and data-oriented.

Engagements: We led or participated in three engagements on corporate governance matters.

Annual Report: We are nearing completion of our 2021 Sustainable Investing Report and will release it in Q2 2022.

Greenflation paper: Ravi Varghese, our Head of Sustainable Investing, contributed to an Epoch whitepaper on the potential for the energy transition to contribute to underlying inflation if governments do not simultaneously support innovation.

ESG examples: As our ESG integration has evolved, we see more examples of our analysts assessing companies through the complementary ESG lens. We have catalogued several of these examples to better describe our process to clients.

Internal ESG resource sharing: In a similar vein, as our ESG process has become more sophisticated, we understand that it challenges our analysts to think in new ways. We have created a primer on the ESG framework to act as a helpful reference for our Investment team, particularly for new employees.

Education on executive comp: We identified an executive compensation advisory firm to deliver a training session to our Investment team on assessing executive compensation programs. This session will take place in April 2022 and provide our team with additional tools in the upcoming proxy season.