

Thinking Ahead Institute | Rightsizing ESG project proposal

Scope, framing and key content



The what

Rightsizing ESG is deciding, and acting, on a particular ambition and commitment with respect to ESG and sustainability.

In the face of new investment, regulatory and political factors, it is timely to test the size of the current commitment – particularly with respect to climate strategy and Net Zero.

Rightsizing is about not overdoing ESG and comprising legitimacy and not underdoing ESG and missing the opportunity.

This project will provide client leadership teams with a streamlined process to review and adjust their sustainability commitments.






Rightsizing project outline



How does the WTW consultant engage with TAI on this project?

TAI-led engagement	TAI reach can extend beyond the immediate TAI membership of 30+ asset owners by undertaking specialised project work for any WTW client using the research-driven toolkits that TAI has been developing for some time
Which WTW clients might be interested in this project	Those where this problem statement resonates: <i>'We'd like our sustainability ambition and commitment to have more of a rationale and a conviction.'</i> This problem is particularly evident with Net Zero and other climate strategies
How does TAI contract with the client	This work can be carried out under normal consulting terms or using a TAI Statement of Work. In either case the suggested fee is £20k + VAT
How does the client consultant engage with TAI on this	The project is led by a TAI client lead (Roger Urwin, Marisa Hall, Tim Hodgson). They would take the lead on the project working alongside the client consultant who can be as engaged on the project as they wish
Who to contact in TAI	Paul Deane-Williams, Isabella Martin or Roger Urwin

Workshop agenda

 <p>Introductions and context</p>	<ul style="list-style-type: none">▪ Pre-reading. Pre-polling▪ Pre-workshop 1-2-1s▪ Goals of workshop	<ul style="list-style-type: none">▪ Survey▪ Key stakeholder exploration calls▪ Reflecting, exploring, and deciding the direction of travel
 <p>1. Framing of rightsizing. What is this about and why is it important?</p>	<ul style="list-style-type: none">▪ What is rightsizing ambition and commitment? How to assess it, re-shape it and measure it▪ Purpose, goals, intentions, boundaries, enablers, outcomes▪ What have we learnt from recent experiences	
 <p>2. Understanding and exploring the client ambition and commitment</p>	<ul style="list-style-type: none">▪ Report back on the client polling results▪ Client ambition and its alignment▪ Client conviction and commitment	
 <p>3. Stress testing various possibilities of evolved ambition and commitment</p>	<ul style="list-style-type: none">▪ Organisational resilience and adaptability▪ Resourcing implications▪ Stress tests	
 <p>4. Write up of key results and conclusions</p>	<ul style="list-style-type: none">▪ Second round polling – see appendix on Delphi method survey▪ Direction of travel▪ Next steps. Actionable takeaways	

Background notes and project goals

ESG* has grown as a factor in the investment mix, but it must deal with certain complications

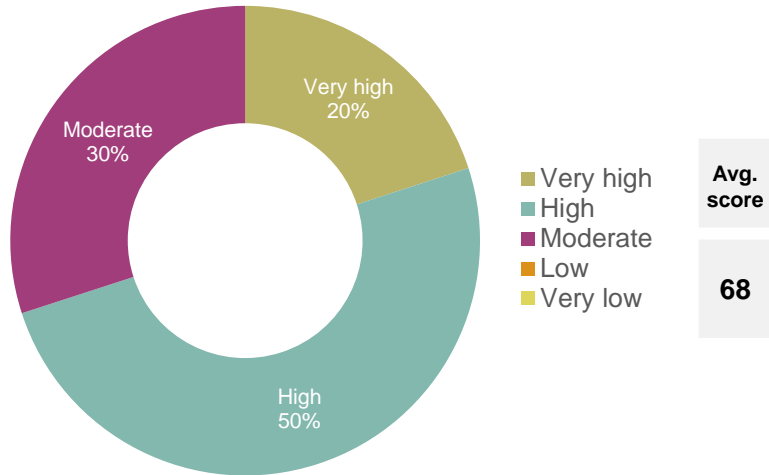
Background	<p>Complications include, but are not limited to:</p> <ul style="list-style-type: none">▪ Versions of ESG ambition vary and straddle both financial value and non-financial values▪ Multi-stakeholder factors increasingly frame the mission and direction of travel of sustainability▪ Increasing politicisation of ESG
Project goals	<p>Despite such limitations, ESG activities are still the best way to execute on sustainability impact.</p> <p>ESG ambition can be rightsized through:</p> <ul style="list-style-type: none">▪ Understanding key strategic issues e.g. complex & uncertain macroeconomic environment▪ Self-assessment to help leadership harmonise multiple ESG visions and versions▪ Aligning ambitions with stakeholders and pledges▪ Self-awareness of gaps in: Purpose & Culture, Skills & Knowledge, Collaboration & Engagement; Data & Reporting▪ Exploring pathways to balance financial materiality with impact materiality

**ESG overlaps with the term sustainability (in investing). We use 'ESG' in this note for simplicity.
For our view on ESG terms see ['What's in a Name'](#) TAI Investment Insights*

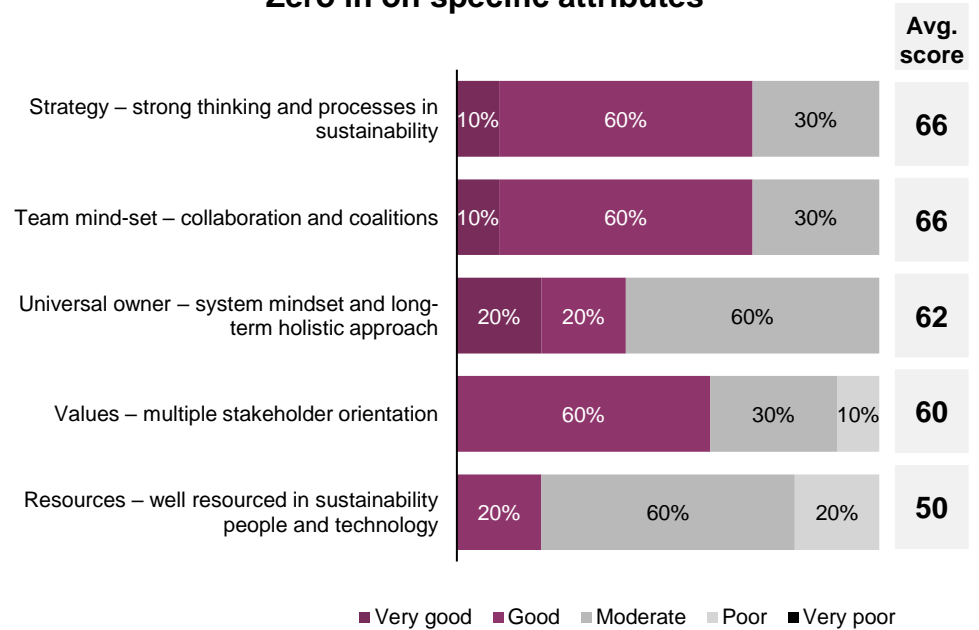
Example results

Rightsizing is a combination of mindset, skill set and opportunity set

Overall ambition/appetite



Zero in on specific attributes



Appendix

Delphi method

- The **Delphi survey method** is a systematic method mixing horizon scanning* and interactive discussion to help exploit expert opinion and develop best practice principles
- Delphi is based on the principle that scenarios, forecasts and decisions from a structured group process are more accurate than those from unstructured groups
- The polling is in two rounds using discussion in between the rounds to improve outcomes. Group members are encouraged to revise their earlier answers in light of the discussion
- Practice** suggests that during this process the range of the answers will decrease and the group will converge toward a better answer.

**Horizon scanning is systematically scanning the next few years for trends, issues, risks and opportunities.*

***TAI has used the Delphi method for over five years.*



Limitations of reliance and contact details

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