



September 2025

**Sent via:** [Online form](#)

Dear Team;

**Re: Developing an oversight regime for assurance of sustainability-related financial disclosures consultation response from Minerva Analytics**

Minerva welcomes the opportunity to respond to the HM Government's consultation on developing an oversight regime for the assurance of sustainability-related financial disclosures. This is a critical step in strengthening the credibility, consistency and comparability of sustainability information that underpins effective decision-making by investors, regulators and wider stakeholders.

**About Minerva**

Since 1995, Minerva has provided independent, objective and expert sustainable stewardship support services to professional investors. Although some stakeholders may only think of us as a "proxy advisor", Minerva has, for many years, provided a range of complementary services to support clients in their stewardship responsibilities.

Vote Agency	Minerva pioneered secure, point-to-point electronic vote execution and management tools.
Shareholder Voting Research	Objective and independent analysis across the three critical dimensions – governance, sustainability and remuneration.
Stewardship Support	From policy development to vote reporting and manager vote audits, our expert analysts provide tactical support to institutional investors.
ESG Analytics	In addition to the core governance analysis, we also provide norms-based screening which together means that clients can create their own ratings to support their own individual investment thesis. Through our parent company, Solactive AG, Minerva's data is used to support the creation of bespoke ESG index solutions.

Minerva's approach to stewardship is different from traditional perceptions of proxy advisors. We see our role as a facilitator of informed stewardship rather than forcing or directing. Institutional investors are highly sophisticated fiduciaries entrusted with trillions of assets under management. However, just as with any aspect of investment management, that role is made more straightforward with quality data, research and support software. Therefore, rather than off the shelf benchmark policies, we offer clients a fully customised approach to stewardship which fully reflects each their individual investment beliefs. We firmly believe that 'one size fits all' means 'one size fits nobody'. As such, Minerva has considerable practical experience of the varying standards of global financial markets disclosures and, critically, how best to align those market-by-market differences.

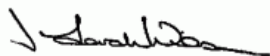
Sustainability has been core to our offering since 2010 when we developed our "Say on Sustainability" research framework which enables investors to integrate sustainability governance into their stewardship practices. The 1987, [United Nations Brundtland Commission](#) definition is central to our approach, namely: *"meeting the needs of the present without compromising the ability of future generations to meet their own needs."* As with our governance and remuneration framework, our sustainability research approach was developed following an in-depth analysis of global regulations, best practice standards and investor preferences and is reviewed annually to reflect evolving approaches.

Consistent and reliable disclosures are key criteria for investment research and informed decision-making. Although the quality of disclosures from issuers has improved notably in recent years, there is still scope for improvement. Standards, in conjunction with investor engagement, are an important step in promoting the development of investor-issuer understanding.

Should you have any questions about our individual responses, we would be happy to provide further background.

Thank you again for this opportunity to support informed stewardship.

Yours sincerely,



Sarah Wilson  
Chief Executive

**1. Do you agree or disagree with the government's core proposal to create a voluntary registration regime for sustainability assurance? Provide justification.**

We agree with the proposal to introduce a voluntary registration regime as a proportionate starting point. The FRC's market study highlighted that the UK assurance market is still immature and lacks consistency in quality. Without a framework, as currently presented, assurance may not produce reliable, high-quality information for decision-making. At present, sustainability assurance in the UK is unregulated, leading to inconsistencies in quality and scope.

A voluntary approach balances the need for credibility with market readiness, allowing providers and companies to build capacity before any mandatory requirements are considered. This phased approach will enhance credibility while avoiding disruption.

**2. In your view, what are the advantages and disadvantages of the opt-in approach?**

An opt-in regime has the advantage of encouraging participation without imposing burdens or immediate regulatory compliance in the early stages, allowing time for firms and assurance providers to develop their capacity and teams to respond effectively. An option to opt-in would also support market entry and competition for smaller and specialist firms. This application to potential providers enables innovation and adaptation in methodologies while the market continues to mature and responds to the introduction of an assurance regime, allowing potential registered assurance providers to develop skills in specialist areas such as biodiversity or human rights as well as overall quality approaches.

However, there is the risk of a dual market forming, where some providers operate without registration, leading to inconsistency and potential confusion. Transition measures and incentives should be considered to avoid fragmentation, as there is a risk of slower adoption if incentives for registration are not strong enough. As reported in the FRC Market Study, companies report difficulties in choosing a credible provider, without widespread adoption, confidence may be limited.

**3. Do you agree or disagree with the government taking a profession-agnostic approach to sustainability assurance? Provide justification.**

We support a profession-agnostic regime. Limiting assurance to statutory audit firms risks over-concentration and exclusion of environmental and sustainability specialists.

A profession-agnostic approach recognises the value of sustainability specialists who bring field expertise essential for robust assurance. While audit firms bring strengths in governance and control, sustainability professions contribute critical subject-matter expertise.

Provided that all registrants meet the same level of quality, independence, and ethical standards, this approach will strengthen the sustainability assurance regime.

**4. Do you agree or disagree that both individuals and firms should be able to be registered as sustainability assurance providers? Provide justification and explain whether any specific requirements are needed to ensure appropriate accountability.**

Both individuals and firms should be eligible to register as it ensures flexibility, particularly for smaller providers and sole practitioners. This reflects the diversity of providers in the current market and enables participation by smaller or specialist practitioners. To ensure accountability, the regime should set clear requirements for competence, liability, and transparency regarding whether an engagement is undertaken under an individual's name or a firm's responsibility. Accountability should be safeguarded through clear professional liability requirements, mandatory adherence to ethical standards, and transparency on whether the assurance is issued in the name of a sole practitioner or a firm.

**5. In broad terms, what are the main principles that ARGAs should consider when developing a registration regime for sustainability assurance providers?**

Our advice on the main principles that ARGAs should consider applying to the development of the regime is outlined below:

- **Quality and competence:** Registrants should demonstrate technical expertise in sustainability metrics and frameworks. There should be a clear outline provided by 'ARGA' of the frameworks and internationally recognised assurance standards they expect assurance providers to possess, and an overview of background and expertise requirements expected of registrants.
- **Independence and ethical safeguards:** Safeguards must mitigate conflicts of interest, especially where firms provide both advisory and assurance services. Safeguards aligned with IESBA requirements, as a benchmark requirement, can help to protect objectivity.
- **Proportionality:** Registration criteria should not create unnecessary barriers for mid-tier or specialist firms; criteria should be accessible to small and sole practitioners.

- **Transparency:** There should be public reporting on registered providers, methodologies, assurance scopes, and inspection outcomes.
- **Alignment:** There should be international alignment to ensure compatibility with EU CSRD, ESRS, ISSB, ISSA 5000, and ISAE 3000 to enable consistency with international frameworks.

**6. How should ARGA work with other organisations when developing a future registration regime?**

ARGA should collaborate closely with international regulators and standards-setters to avoid duplication and fragmentation. Engagement with professional bodies (accountancy, environmental, sustainability professionals), will be key, as well as coordination with the IAASB, ISSB, EFRAG and International Standards Organisation (ISO) and The Global Reporting Initiative (GRI). Additionally, establishing a mechanism for mutual recognition with EU and international regimes to enable cross-border market access would be critical for UK providers' market access.

However, we would strike a note of caution about the role of securities markets regulators. Shareholders' responsibilities and fiduciary duty to beneficiaries is not necessarily aligned with the commercial motivations of "markets" and market actors. A balance between the competing sets of interests is required.

**7. Do you agree or disagree that the UK's registration regime should recognise 'sustainability assurance providers' as being capable of providing high-quality assurance over multiple reporting standards (that is, TCFD, UK SRS, ESRS)? Provide justification.**

We support the recognition of providers across multiple reporting standards and frameworks, including TCFD, UK SRS, ESRS as well as ISO and GRI. This would avoid fragmentation, duplication, support consistency for multinational companies while reducing compliance burdens, and reduce costs for businesses subject to overlapping regimes. Ensuring interoperability with international standards is important for the credibility of the UK framework.

**8. Do you agree or disagree that sustainability assurance providers must follow UK-equivalent standards to ISSA 5000? Provide justification and, if you disagree, indicate whether any other standards are considered appropriate.**

We support the adoption of the UK-equivalent standards to ISSA 5000, as it provides a globally recognised benchmark for sustainability assurance.

UK-equivalent standards should be aligned as closely as possible, while allowing for flexibility in sector-specific or emerging methodologies, such as biodiversity accounting. Complementary standards such as ISAE 3000 and IESSA should also be recognised to ensure robustness. The adoption of these standards will help ensure that UK assurance is globally credible and comparable.

**9. How should ARGA exercise its proposed functions in respect of sustainability assurance standard setting in the future?**

ARGA should play a convening role, ensuring that UK standards remain aligned with global developments. The approach should be adaptive and include ongoing consultation with practitioners and investors. ARGA should also adopt a focus on guidance, capacity building, and continuous improvement.

That said, we would be very disappointed to see wider stakeholders or voices excluded from any approach as there are practitioners and standards setters with considerable expertise and experience whose insights would add considerable value.

**10. What factors should ARGA consider when developing its approach to enforcement. Provide justification.**

Enforcement adds credibility and helps minimise perceptions of box ticking or greenwashing. It should be transparent, proportionate and consistent. Sanctions should escalate with the severity of breaches, ranging from remediation to suspension of registration. Public reporting of inspection outcomes is key to building confidence, though proportionality must be considered. Enforcement consistency with audit regulation principles should be included in ARGA's enforcement approach in order to avoid regulatory arbitrage. In addition, effective sanctions (fines, suspensions, removal from register), must apply for persistent non-compliance, to provide a robust deterrence. Alongside public reporting on inspection outcomes, additional information on the breaches and rationale for enforcement approach can be used as an educational tool, initially, for new and ongoing signatories to apply lessons learned from registered providers' breaches. Finally, early education or clarification to explain the nature of qualified or modified assurance reports will be essential in order to enable stakeholders to understand them as an organic element of market maturation.

## Conclusion

We support the UK government's initiative to create and introduce an oversight regime for sustainability assurance that is profession-agnostic, fosters competition, and strengthens trust in sustainability disclosures. A well-designed framework has the potential to enhance the reliability of disclosures and ensure that the UK remains at the forefront of sustainable finance and corporate reporting.

We therefore encourage ARGAs to adopt a proportionate, profession-agnostic, and internationally aligned approach that recognises the contributions of both audit and non-audit providers, ensuring the regime builds capacity across the market to support market access, and support interoperability with global standards.

ARGAs should balance quality and independence requirements with proportionality and market access, ensuring the regime builds investor confidence without unnecessary barriers to entry.

Finally clear communication and guidelines, as well as robust ethical and independence safeguards should be incorporated as this would be essential to the success of the regime in being both practical and effective.

We look forward to engaging further as the proposals for the regime are developed. We thank the government for considering our views.

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