



ESG Data and Rating Working Group

Meeting 1 – 8 December 2022 – Public Minutes

Agenda item 1: Welcome and Introduction

The Secretariat (ICMA and IRSG) welcomed the ESG Data and Rating Working Group (DRWG) members. The Steering Committee (M&G, Moody's, LSEG and Slaughter & May) and working group members introduced themselves.

Agenda item 2: Opening Remarks

Sacha Sadan, Director ESG, FCA, joined the meeting online and shared brief opening remarks, emphasising the importance of the Code of Conduct's role in bringing trust to the market. He also emphasised that the group should base its work on what had been developed by IOSCO and by the Japan FSA and not "reinvent the wheel". Further the code should retain a focus on being intentionally applicable and should be principle based avoiding getting focused on the micro e.g. defining methodologies.

Agenda item 3: ESG DRWG

The Steering Committee presented the current landscape of initiatives on ESG data and ratings and outlined why a Code of Conduct is necessary. Specifically, the need for ESG data and ratings to be transparent, and reliable to ensure their usability so that preparers and users can better understand and apply them.

The Steering Committee outlined the key issues and recommendations from IOSCO's report from November 2021 and presented a proposed report structure, sub-groups and a project plan to support the delivery of the code of conduct.

FCA noted that the IOSCO recommendations are the foundation of the DRWG's work. The objective of the Code is to operationalise the recommendations.

Agenda item 4: Discuss Code of Conduct

Members discussed the delivery of the Code of Conduct, including a proposed structure for the Code of Conduct and agreed that the scope should cover both data and ratings providers.

Members agreed with the need for international consistency and noted that one of DRWG's main goal is to ensure participants have trust in the market and the main purpose of the Code is to facilitate this.

Members discussed options for sub-groups to support the DRWG resolve key issues related to definitions, transparency, governance, conflicts of interest and systems and controls. The Steering Committee confirmed that the sub-groups are interconnected and not to be viewed separately.

FCA highlighted that the Code of Conduct is voluntary so the scope can be broader than potential future regulation. Nevertheless, they think that the Code can serve as a tool to coalesce around market practice and help regulation to be introduced quicker and set the scope that regulation could cover.

Date of next meeting: Monday 16 January 2.00pm – 4.30pm

Attendance list

Steering Committee

- Angela Brown, Global Head of Products, **Moody's**
- Rob Marshall, Head of Sustainable Investing **M&G**
- Nick Bonsall, Partner Financial Regulation Group, **Slaughter and May**
- David Harris, Head of Sustainable Finance Strategic Initiatives, **London Stock Exchange Group**

Members

- Oliver Moullin, MD, Sustainable Finance - **AFME**
- Robert Greenberg, Head of Sustainability Integration - Governance & Performance - **Anglo-American**
- Stéphane Janin, Head of Global Regulatory Developments and Public Affairs - **AXA IM**
- Andreas Giannopoulos, Director, Sustainability & ESG - **Barclays**
- Priti Ravi, Director, Sustainable Investing - **BlackRock (virtual)**
- Patricia Torres, Global Head of Sustainable Finance - **Bloomberg**
- Christopher Rich, General Counsel - **Financial Markets Standards Board (FMSB)**
- Carol Thomas, Head of Sustainability and Responsible Investment - **The IA**
- Mike Wilkins, Executive Director & Professor of Practice, Centre for Climate Finance and Investment - **Imperial College**
- Anthony Belcher, Head of Sustainable Finance - **Intercontinental Exchange (ICE)**
- Laetitia Hamon, Head of Sustainable Finance - **Luxembourg Stock Exchange**
- Neil Acres, Global Head of Regulatory and Government Affairs - **MSCI**
- Sindhu Krishna, Head of Sustainable Investments – **Phoenix Group**
- Nicole Streuli, EVP Operations & Research - **RepRisk**
- Arthur Carabia, Director ESG Policy Research - **Sustainalytics**
- Kushal Shah, Assistant VP, ESG Investment Strategy - **State Street Global Advisors**
- David Doyle, Head of Government Affairs and Public Policy - **S&P Global**
- Kevin Gaffney, Director for Secondary Markets - **UK Finance**
- Rene Van Merrienboer, Director of Sustainable Markets - **UN PRI**
- Robert Campbell, CFA, Responsible Investment Senior Financial Analyst – **US SIM (virtual)**

Observers

- Harriet Richards - **Bank of England**
- Maureen Beresford – **FRC**
- Gwil Mason, Dunvel Delias - **FCA**

Guest

- Sacha Sadan, Director of ESG – **FCA (virtual)**

Secretariat

- Simone Utermarck, Stanislav Egorov – **ICMA**
- Gordon Mead, Corinna Williams, Madison McSweeney – **IRSG**