

ESG Data and Rating Working Group

Meeting 2 – 16 January 2023 – Public Minutes

Agenda item 1: Introduction

The Steering Committee (M&G, Moody's, LSEG and Slaughter & May) welcomed the attendees in particular representatives from IOSCO and HM Treasury (HMT) who recently joined as observers.

Agenda item 2: Recent Developments

The Steering Committee informed members about the recent publication of the Code of Conduct by the Japanese Financial Services Agency (JFSA) and invited all members to a meeting with the JFSA who will provide further information about the Code and address any questions.

The Steering Committee raised the recent Edinburgh Reforms which will include a HMT-led consultation on bringing ESG ratings providers into the regulatory perimeter in Q1 2023. The Steering Committee welcomed the timely addition of HMT to the group and highlighted the key role the voluntary Code of Conduct may have in the development of future regulation.

Agenda item 3: Code of Conduct Scope

Members discussed the scope of the Code of Conduct. Several members agreed that the core principles of the code should be applicable to all asset classes.

The Steering Committee agreed that limiting the Code to certain geographical locations would not be desirable. It was noted that local regulatory bodies, like the FCA, would be able to make necessary adjustments should they choose to enforce legislation for ESG data and ratings providers.

Agenda item 4: Code of Conduct Definitions

Members discussed options for key definitions and noted that the ultimate definitions used in the Code should be aligned to existing international standards.

Agenda item 5: Update on Sub-group approach

The Steering Committee provided an overview on the sub-group approach including membership across the two groups ensuring a cross-sectoral representation in each sub-group.

Sub-group 1 will focus on terminology and transparency and sub-group 2 will focus on governance, conflicts of interest and systems of control.

Agenda 6: Outreach and engagement

The Secretariat provided an overview of the communication plan and confirmed it is contacting organisations such as rated entities, rating users and rating providers for additional engagement through round tables or bilateral meetings. The Secretariat will ensure alignment with HMTs ongoing consultations.

Date of next meeting: Tuesday 21 February 2023 2.00pm – 4.30pm

Attendance

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

DRWG 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 (virtual)
- Priti Ravi, Director, Sustainable Investing - BlackRock (virtual)
- Christopher Rich, General Counsel - Financial Markets Standards Board (FMSB)
- Carol Thomas, Head of Sustainability and Responsible Investment - The IA (virtual)
- Mike Wilkins, Executive Director & Professor of Practice, Centre for Climate Finance and Investment - Imperial College (virtual)
- 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 (virtual)
- Kushal Shah, Assistant VP, ESG Investment Strategy - State Street Global Advisors
- David Doyle, Head of Government Affairs and Public Policy - S&P Global (virtual)
- Kevin Gaffney, Director for Secondary Markets - UK Finance
- Rene Van Merrienboer, Director of Sustainable Markets - UN PRI (virtual)

Observers

- Caspar Siegert - Bank of England
- Maureen Beresford – FRC
- Gwil Mason, Dunvel Delias, Sara Woodroffe- FCA
- Basia Armstrong - HMT
- Raluca Tircoci, Jo-Anne Matear – IOSCO (virtual)

Secretariat

- Simone Utermarck, Stanislav Egorov, Nicholas Pfaff – ICMA
- Gordon Mead, Corinna Williams – IRSG

Additional support

- Sebastian Carpannini - London Stock Exchange Group
- Lucy Scaramuzza - Slaughter and May