



ESG Data and Ratings Working Group – Minutes for Meeting 7 on 15 June 2023

1. Opening of Meeting

The Steering Committee (M&G, Moody's ESG Solutions, LSEG and Slaughter & May) welcomed members and outlined the agenda acknowledging the open issues needed to be finalised during the Plenary, which was the last meeting prior to the publication of the draft Code.

2. Recent EU regulation

Members briefly discussed the European Commission's proposal for regulating ESG rating providers which had been published as part of a wider package of measures on EU Sustainable Finance.

3. Scope

Members discussed the need to identify activities or organisations that are not in scope. Some members questioned the exclusions of specific user groups, while others highlighted that the voluntary nature of the Code allowed participants to determine whether it was applicable to them.

4. Code of Conduct: Agreement on other outstanding questions

Negative scope: members agreed that raw data should remain in scope. In addition, members discussed the Code's applicability to data transmission or redistribution. It was noted that transmission errors would be a breach of contractual agreements and therefore not be covered by the Code. Members agreed that if transmitted data was modified and subsequently used to create a new product or rating, this activity would now fall within the scope of the Code.

Transparency: members discussed whether specific draft principles should only apply to ESG ratings providers or instead of both ESG ratings and data product providers. It was agreed that provisions on transparency of methodology and engagement specifically in relation to ratings should only apply to ESG rating providers.

Controversies: it was agreed that separate Principles covering controversies were not required since controversies are included in the transparency section of the Code.

5. Agreement on Code implementation option

Members agreed on a staggered approach, with ESG ratings providers given 6 months and ESG data product providers given 12 months to sign up to the Code after its publication. This approach acknowledges the complexities faced by ESG data product providers.

6. Illustrative examples

Members raised concerns about the level of detail of the illustrative examples, worrying that they were too prescriptive and go beyond the draft principles. It was agreed to exclude illustrative examples from the draft Code.

7. Ownership

Members discussed options for the ownership of the Code.

Attendance List

Steering Committee

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

Members

- Oliver Moullin, MD, Sustainable Finance - **AFME** (virtual)
- 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**
- Mike Wilkins, Executive Director & Professor of Practice, Centre for Climate Finance and Investment - **Imperial College**
- David Scalzetti, Senior Director of Regulatory Products - **Intercontinental Exchange (ICE)** (virtual)
- Neil Acres, Global Head of Regulatory and Government Affairs - **MSCI**
- Sindhu Krishna, Head of Sustainable Investments – **Phoenix Group** (virtual)
- Nicole Streuli, EVP Operations & Research - **RepRisk**
- Arthur Carabia, Director ESG Policy Research - **Sustainalytics**
- Kushal Shah, Assistant VP, ESG Investment Strategy - **State Street Global Advisors** (virtual)
- David Doyle, Head of Government Affairs and Public Policy - **S&P Global**
- Rene Van Merrienboer, Director of Sustainable Markets - **UN PRI** (virtual)
- Laetitia (virtual)
- Patricia (virtual)

Observers (all virtual except FCA)

- Caspar Siegart, Harriet Richards - **Bank of England**
- Sara Woodroffe (virtual), Dunvel Delias, Gwil Mason - **FCA**
- Basia Armstrong - **HMT**
- Raluca Tircoci, Jo-Anne Matear – **IOSCO**
- Asaf Barouk, Emily Albertson - **SEC**
- Theresa Jiang, Annabel Lim – **MAS**
- Winne, Elaine – **Hong Kong SFC**

Secretariat

- Simone Utermarck, Stanislav Egorov, Nicholas Pfaff – **ICMA**
- Kirstin Mathews, Corinna Williams, Madison McSweeney – **IRSG**

Additional support

- Leyla Bell - **Slaughter and May**