

Standardization WG – ESG Standards

Meeting Minutes

Participants:

- Flora Belladonna, BNP Paribas
- Saritha Bhuvanagiri Sureshchandra
- Simona Catanescu, SWIFT (Co-Chair)
- Jyi-Chen Chueh, Standard Chartered Bank
- Margaret Harwood-Jones, Standard Chartered Bank (Executive Sponsor)
- Raina Sum, Standard Chartered Bank
- Karen Zeeb, ISSA (PMO)

Excused:

- Hai Jade Fuan, Standard Chartered Bank
- Vinod Jain, Aite-Novarica
- Helen Johnson, MYRIAD Group Technologies
- Juliette Kennel, SWIFT

Guests:

- Nicole Krämer, Greenomy
- Fabian Vandennreydt, Greenomy

Agenda

1. Introduction and Welcomes
2. Setting the Scene
3. ESG Standards Overview
4. AOB

Introductions

Introduction

Karen welcomed the participants to the meeting. She confirmed the two Co-Chairs of the WG – Simona Catanescu and Hai Jade Fuan. She also offered apologies, on behalf Hai Jade, who could not attend the call on this occasion.

Karen then handed over to Simona to cover the agenda items.

Key Points Addressed

Simona outlined the two key agenda points for the meeting, which comprised:

- Setting the Scene
- ESG Standards Overview

Simona wished to review, with the group, the high level scope of the topic of SG Standards. To help guide the discussion, Simona had prepared a presentation. The hope was that, through review and discussion, the participants would be able come to consensus on how to best move forward.

Setting the Scene

Introduction

Simona outlined the key concepts of Sustainability and ESG, as well as provided some background on the topics and role of financial industry.

Key Points Addressed

Simona walked through the deck, clarifying the different terms of ESG, Sustainability and Sustainability Finance as well as highlighted the UN Sustainable Development goals. She then focused on why sustainability is important to the finance industry, the need to balance financial returns against ESG compliance and the different roles the industry plays. She then covered the ESG eco system which could be used as a basis for discussion on ESG Standards.

ESG Standards Overview

Introduction

In this section, Simona reviewed the proposed focus for the Standardization WG which would be looking at ESG Standards for Securities Services.

Key Points Addressed

Simona concentrated on the scope agreed with the participants and, specifically on Phase I, on the Education and Level Set. The aim would be to focus on three key areas:

- An explanation of ESG concepts: what is ESG and why the Securities Industry should care
- Outline the flows and the roles of each player in the investment lifecycle (plus use cases where helpful)
- The impact of ESG on the Securities Services industry and the implications of this

Simona outlined how the topics could be allocated, as three subgroups:

- Sustainable finance from niche to mainstream and the role of financial sector
- Sustainable financial products, investment strategies and methodologies
- ESG data, ESG ratings and labels

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Raina then walked through the investment lifecycle and flows for sustainable finance, highlighting some important questions:

- The key players need data to be able to report – where does this come from?
- Where does the custodian sit in the process?
- Where does the standardization occur?

A discussion followed which led to the following points being raised:

- Flora – The presentation provided a good summary of the concepts and proposed next steps. It will be key to also explain why standards are needed.
- Saritha – The taxonomy and a holistic view would also be important.
- Jyi-Chen – Can the issuer/investor link be shown as well?
- Simona - As there are already some regulations in place, these will need to be taken into account when looking at the key areas.
- Jyi-Chen – Standardization is also about trust, therefore this needs to be considered.
- Margaret – could we involve one of the consultants – perhaps Oliver Wyman – to assist with the work?

The participants then reviewed the potential outcomes and all agreed the following:

- The delivery of both a presentation and a short paper would be ideal.
- The presentation would be part of the Sustainability Forum that ISSA is creating, invitations for which will be sent to all ISSA news subscribers. A separate session for ESG Standards will be required.
- The presentation should be prior to COP27 which is scheduled for 7-18 November.

Follow Up Actions

- Confirm to Karen which subgroups you are interested in joining (WG participants)
- Reach out to Oliver Wyman to ascertain if can assist in process (Karen)

AOB and Close

Introduction

Karen confirmed there was no other business and closed the meeting.

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Confirm to Karen which subgroups you are interested in joining	WG participants	15 July 2022
2.	Reach out to Oliver Wyman to ascertain if can assist in process	Karen	15 July 2022

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