

## Standardization WG – ESG Standards Subgroup

06 July 2023, On Teams

### Meeting Minutes

#### Participants (in attendance in bold):

- **Alan Au, CapCo**
- Jai Baker, Proxymity
- **Flora Belladonna, BNP Paribas (Co-Chair)**
- **Ifeoma Bosah, FMDQ Group**
- **Kishan Changlani, TCS**
- **Peter Cox, Northern Trust**
- Jean-Marc Di Cato, Clearstream Banking
- **Siwei Feng, Deutsche Bank**
- **Hai Jade Fuan, Standard Chartered Bank (Co-Chair)**
- Didier Hermans, SWIFT
- **Charu Jain, IHS Markit**
- Vinod Jain, Aite-Novarica
- Haruna Jalo-Waziri, CSCS
- Helen Johnson, MYRIAD Group Technologies
- **Elisabeth Karlsson, SEB**
- Juliette Kennel, SWIFT
- **Julie Millot, Clearstream Banking**
- Abiola Rasaan, CSCS
- Fikir Sanders, DTCC
- **Stefan Schorsch, McKinsey**
- **Raina Sum, Standard Chartered Bank**
- **Fabian Vandennreydt, Greenomy**
- **Karen Zeeb, ISSA**

#### Executive Sponsor:

- Margaret Harwood-Jones, Standard Chartered Bank

### Agenda

1. Introductions and Welcome
2. Symposium Outcomes
3. Phase I: Education and Level Set
4. Agreement on Next Steps
5. AOB

## Introductions and Welcome

### Introduction

Karen welcomed the participants to the meeting and outlined the agenda.

### Key Points Addressed

The new joiners each briefly introduced themselves:

- Alan Au, CapCo – based in Hong Kong working in Securities Services. Recently joined CapCo Asia. Believes that Asia is following Europe with regards to ESG so keen to bring together the experience and opportunities across different regions
- Ifeoma Bosah, FMDQ – clients are investment organizations and depositaries. Keen to understand what a depositary should consider from an ESG perspective
- Peter Cox, Northern Trust, London – Product Manager for the ESG asset servicing arm, looking at data and analytics
- Siwei Feng, Deutsche Bank – Based in Singapore focusing on Product, Strategy and business solutions for the region. Keen to understand more about the impact of ESG on post-trade services
- Elisabeth Karlsson, SEB – met Hai Jade at The Network Forum and heard about the WG. Keen to drive ESG awareness in the Network Management space and how the approach for ESG due diligence
- Peter Cox, Northern Trust, London – Product Manager for the ESG asset servicing arm, looking at data and analytics
- Stefan Schorsch, McKinsey – keen to engage from a consultancy perspective and believes that standards will be key moving forward for ESG

## Symposium Outcomes

### Introduction

The ISSA Symposium, held in Wolfsberg in May 2023, comprised Breakout Sessions on key topics impacting the Securities Services industry at present. Karen walked through the outcomes from the ESG and Securities Services Breakout Session, given its relevance to the ESG Standards subgroup.

### Key Points Addressed

Karen walked through the slides of the key outcomes provided by the Symposium attendees who were part of the ESG and Securities Services Breakout Session, key highlights of which are noted below. Further information, as well as the slides from this, and all other Breakout Sessions, are available on the ISSA website.

### ISSA Hypothesis

The Breakout Session participants were given a hypothesis to consider:

- The topic of ESG (Environment, Social and Governance) continues to resonate across financial services
- The investment decision and the direction of ESG investment flows lies outside of Securities Services
- However, there are operational areas where ESG is a key component of the service offering. These areas include:
  - ESG related due diligence
  - ESG Securities Services regulations
  - Compliance monitoring
  - Asset Servicing (class actions and proxy voting)
- The objective of the Breakout Session was to debate the theme and consider whether topics should be taken forward by ISSA

### Key Observations and Outcomes

- The Breakout Session participants highlighted that:
  - ESG means different things to different people
  - The topic is very broad and complex
  - There is an increased demand to simplify and standardize
- There was consensus that the hypotheses were accurate
- It was, however, recommended that the ESG WG focus on items where the ISSA membership can add value and influence the market in a meaningful way, i.e. on:
  - ESG related due diligence
  - Asset Servicing

### Phase I: Education and Level Set

#### Introduction

Hai Jade provided a recap of the scope, key deliverables and key outcomes that had been agreed with the WG participants. She then walked through the areas that would be covered as part of phase I: Education and Level Set.

#### Key Points Addressed

Hai Jade spoke to the three activities that it had been agreed should be included in Phase I: Education and Level Set. These were:

- ESG Glossary
- Resource Centre
- ESG Framework

#### ESG Glossary

The WG participants will pull together a glossary of ESG terms and definitions with the following parameters:

- Agree an evolving glossary of key terms and concepts linked to definitions and sources
- Wherever possible use terms that are already defined and in use globally
- Provide audience with an understanding of ESG concepts through simple diagrams and definitions

#### Resource Centre

The WG participants will create a resource centre with the following parameters:

- As well as the current collateral held in the Member Section, consider a Resource Centre that can be accessed by any interested parties
- Collate key documents
- Provide links to relevant websites/documents

#### ESG Framework

The WG participants will establish an ESG Framework with the following parameters:

- Look at challenges specifically for Securities Services
- Consider impacts of these – considering output and recommendations of the ISSA symposium

Each activity was reviewed by the meeting attendees and it was agreed that this was a good approach.

#### Follow Up Actions

- Provide link to the Symposium Outcomes on the ISSA website (Karen)

## Next Steps

### Introduction

The WG participants discussed and agreed the next steps.

### Key Points Addressed

Flora proposed that the WG participants volunteer to join one or more of the activities and that these could commence simultaneously. This approach was agreed by the attendees. Karen therefore requested that each WG participant confirm to her and the Co-Chairs which activities they would like to participate in.

### Follow Up Actions

- WG participants to provide Karen and the Co-Chairs with which activities they would like to be involved in
- Co-Chairs to arrange calls to commence the activities

## AOB and Close

### Introduction

No other business was raised so Karen closed the meeting.

## Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Provide link to the Symposium Outcomes on the ISSA website	Karen	COMPLETE
2.	Provide Karen and the Co-Chairs with which activities they would like to be involved in	WG participants	14 July 2023
3.	Arrange calls to commence the activities	Co-Chairs	21 July 2023