



Sustainability Data Flows

March 2025

Introduction

Scope and Objectives

This document is designed to be a resource for use by ISSA members and the broader Securities Services industry when considering the ever-evolving space of ESG data. The vision for this document is to provide the industry with a base level of information for some of the core regulatory, product and geographical considerations for ESG data.

The objectives of the document are three-fold:

- To assist Securities Services providers, as well as the broader financial industry, to better understand how ESG data flows between the key intermediaries
- To give the ISSA community a view of where different organizations are more active, and who they might engage with on thematic conversations in the ESG space
- To start the process of standardization, through recognition of the key data needs for promoting and support ESG

Approach

The Sustainability Working Group (WG) has increasingly realized what a complex and ever evolving space ESG data is. As a result, the WG participants wanted to provide a visual tool that can help ISSA members to better understand this complexity and highlight how the Securities Services industry can assist in driving forward the use of ESG data. The approach agreed has been to create an interactive map that shows the key participants in the investment lifecycle and how they connect with Securities Services providers to offer, collate and utilize ESG data.

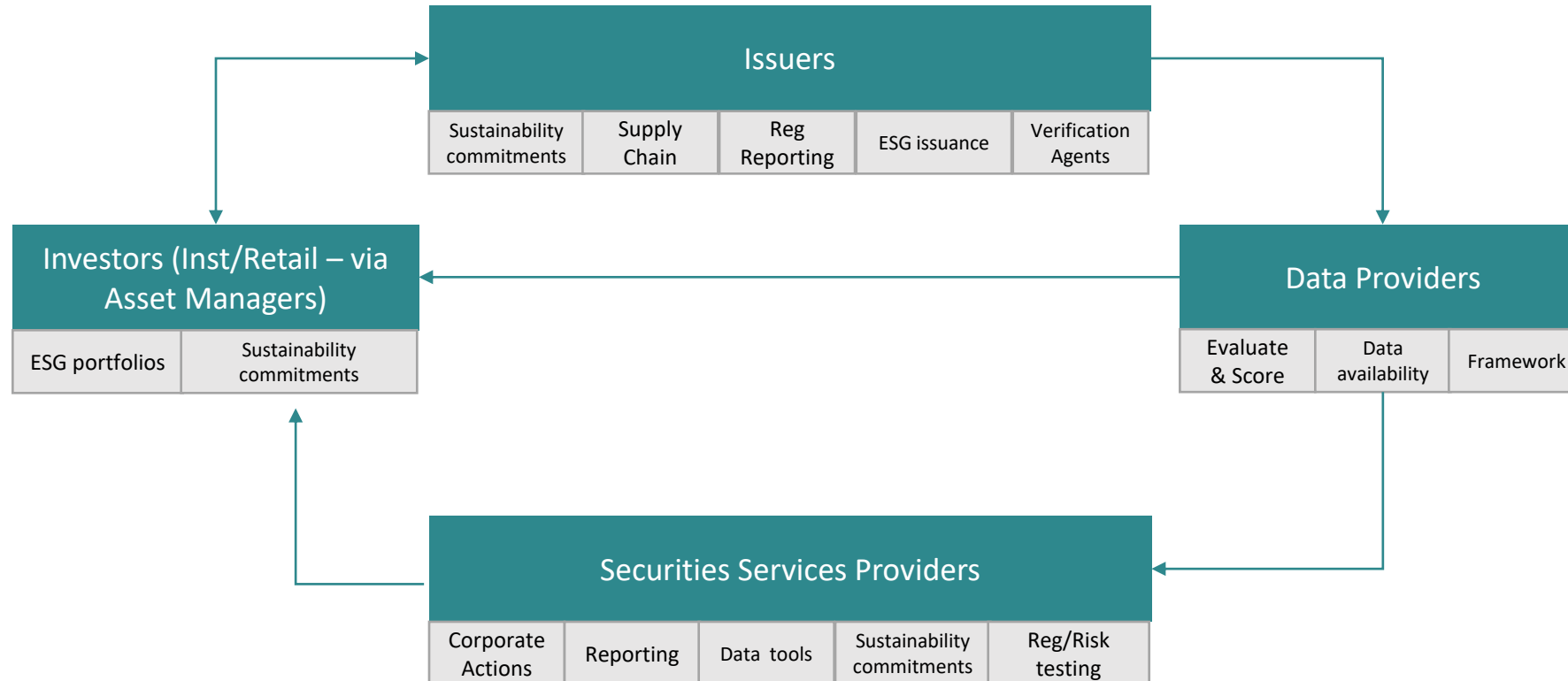
It is not intended as a static document and it should continue to develop and grow as more information is released and key concepts evolve. We hope that it will also give the ISSA community a view of where different firms are active and who they might engage with on thematic conversations in the ESG space.

Target Audience

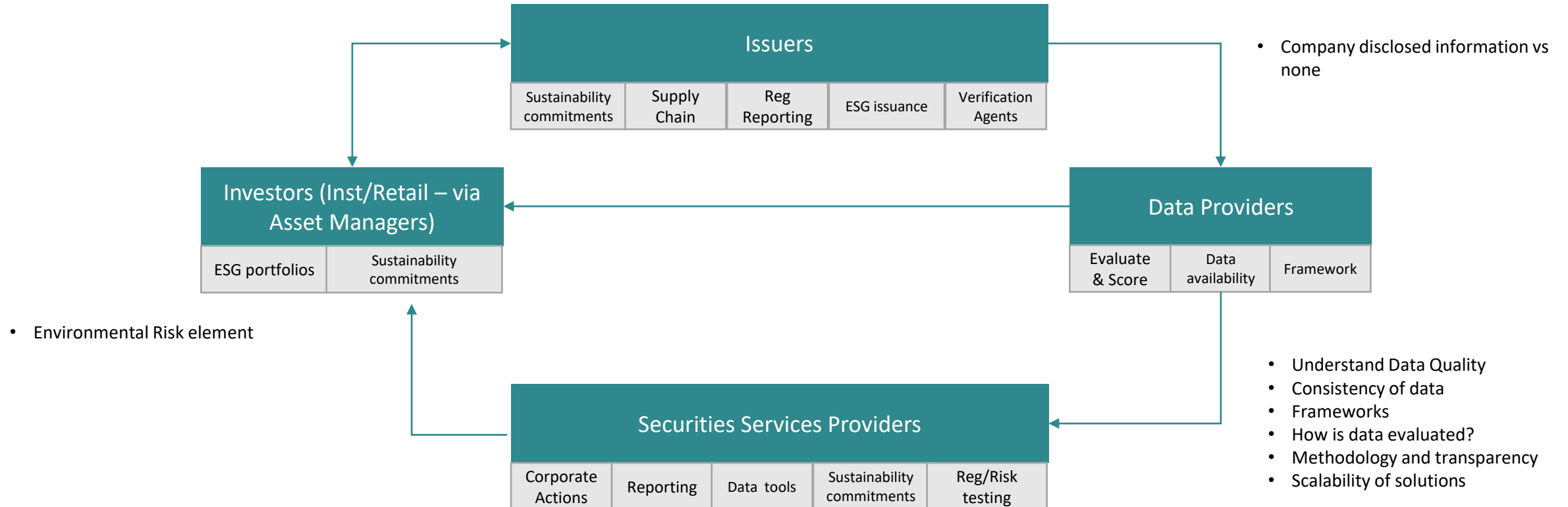
The ISSA Sustainability Data Flows will be of use to:

- Securities Services participants including Issuers, Asset Managers, Securities Services providers (such as Custodians and Financial Market Infrastructures), Third-Party Providers (such as technology providers and outsourcers) and - potentially - industry associations and regulators
- Individuals who are entering the Securities Services industry – as well as existing industry employees – who are seeking to broaden their understanding of the Securities Services environment and ESG related data flows

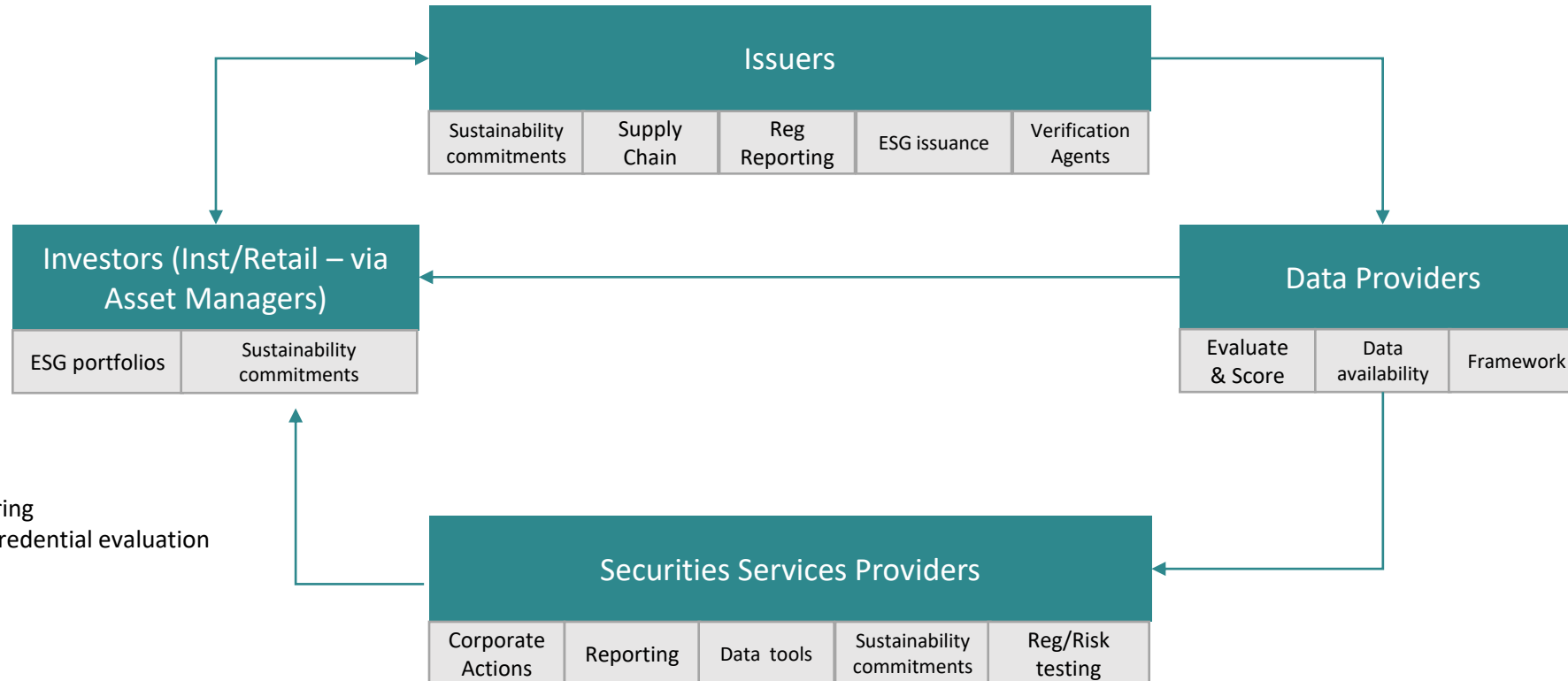
Base Model



Securities Services - Regulations and Data

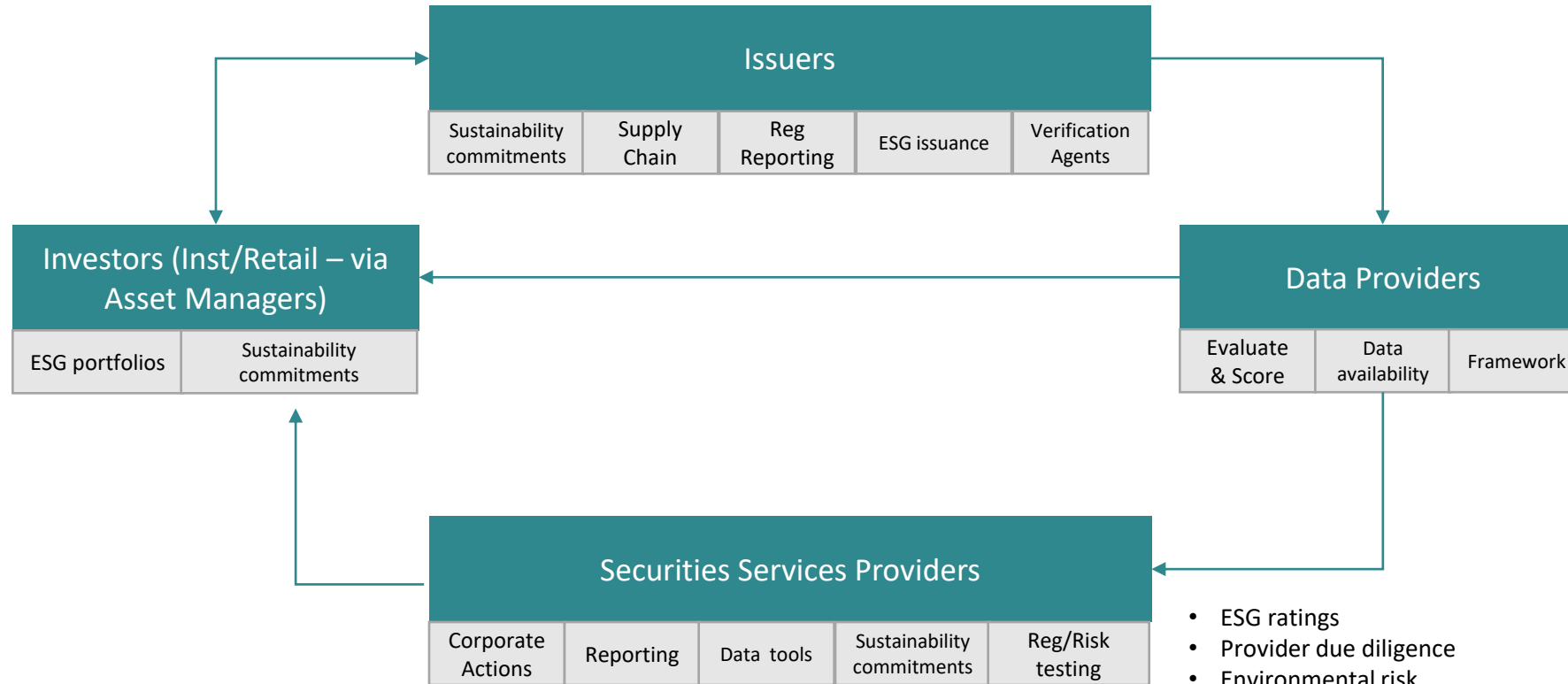


Securities Services – Client Requirements

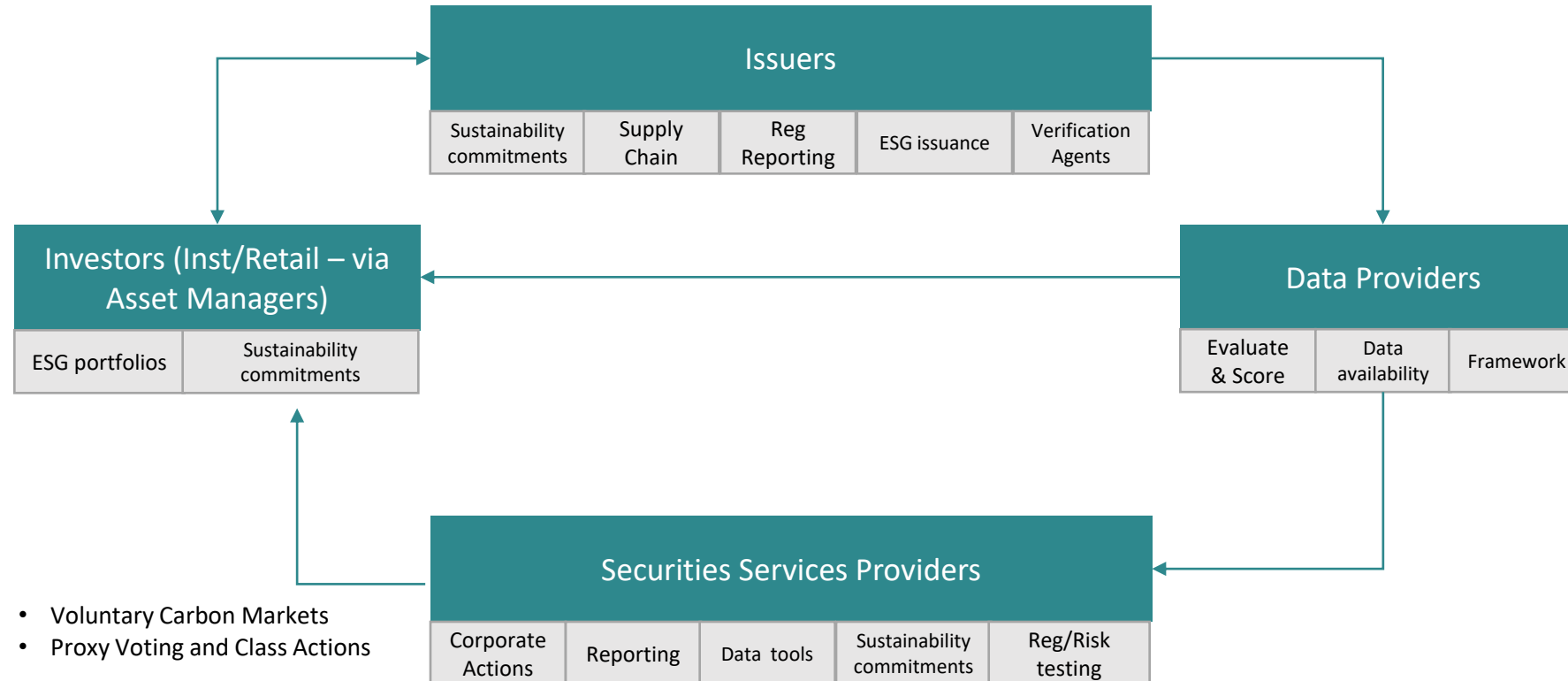


- Reporting
- Data aggregation
- Compliance monitoring
- Due diligence/ESG credential evaluation

Securities Services – Supply Chain



Securities Services - Product Opportunities



Securities Services - Regulations and Data

Regulations and Data – Frameworks

Summary

ESG data plays a critical role in financial markets and Securities Services, shaping investment decisions, risk management, and compliance with regulations. The flow of ESG data in securities services involves multiple stages, from data collection and processing to reporting that can be incorporated into investment strategies. Regulations are reshaping how companies operate, how investors allocate capital and risks are assessed.

ESG regulations are influencing the business landscape, financial markets and society. Regulations are creating greater transparency, reshaping investment strategies, and pushing companies to integrate sustainability into their core operations. ESG can impose cost and challenges, but it also drives innovation, competitive advantage and long-term value creation.

Building a robust ESG data governance framework is critical to ensuring ESG data is reliable, accurate and aligned with corporate sustainability goals.

Several regulatory frameworks govern how corporations report data, how data providers process data, and how investors use data.

Key Data Elements/Flows

Transparency and Accountability:

Disclosures: ESG regulations often require companies to disclose detailed information about their environmental practices, social impact and governance structure.

ESG Data Provider Examples:

- **Raw data focused**
- Bloomberg – ESG data integrated with financial metrics and analysis tools
- LSEG Data & Analytics / SIX Financial Information, etc– offer a wide range of ESG metrics
- **Analyst –driven**
- MSCI – offers comprehensive ESG ratings and scores based on industry specific analysis
- Morningstar Sustainalytics – specializes in ESG risk ratings with financial materiality focus
- ISS ESG – focus on governance issues, proxy voting and climate related data
- **Algorithm-driven**
- Factset TruValue Labs – uses AI to gather AI data from unstructured sources, including news and social media

Usage: Investors might be required to report how they integrate ESG data and strategies into their investment process, at either product or entity levels. The requirements differ across jurisdictions, from voluntary to binding requirements.

Published Standards

International Sustainability Standards Board (ISSB)

Resources

- EU Sustainable Finance Disclosure Regulation (SFDR)
- Global International Financial Reporting Standards for Sustainability (IFRS)
- IOSCO 2021 Report for Environmental, Social and Governance (ESG) Ratings and Data Products Provider; Code of Conduct for ESG rating providers in different jurisdictions

Common concerns/Issues for Securities Services

- **Compliance burden:** ESG regulations can impose significant costs on companies (data collection, reporting, assurance)
- **Legal and reputational risk:** Failure to comply with ESG regulations can lead to penalties, fines as well as reputational damage.
- **Lack of standardization**
- **Data gaps: challenge to collect reliable data**
- **Greenwashing:** Failure to properly govern ESG data may lead to accusation of greenwashing and misrepresentation of ESG performance to appear more sustainable than a firm is

Regulations and Data – Data Evaluation

Summary

ESG data evaluation involves assessing the environmental, social, and governance factors that impact an entity's operations and strategic decisions. It is essential for investors and stakeholders to gauge both financial and non-financial risks and opportunities. It involves key data analysis, data flow comprehension, and adherence to ESG disclosure standards and regulatory requirements.

Key Data Elements

- **Data Collection:** Gathering ESG data from various sources, including corporate disclosures, third-party data providers, and regulatory filings
- **Data Verification:** Ensuring the accuracy and reliability of ESG data through validation and cross-referencing with multiple sources
- **Data Integration:** Incorporating ESG data into decision-making processes, often requiring compatibility with existing datasets
- **Data Reporting:** Providing clear and transparent ESG reporting to stakeholders, including investors, regulators, and the public

Data Flows:

- **Issuers** provide ESG disclosures, which are then collected by **data aggregators** and **analysts**
- **Securities Services providers** facilitate the distribution and integration of ESG data to **asset managers**, **investment firms** and **asset owners**
- **End-users** (investors and stakeholders) utilize ESG data to inform investment decisions and assess portfolio impacts
- **Regulators** monitor investor ESG claims and compliance with required disclosures

Published Standards

- **Global Reporting Initiative (GRI):** [GRI Standards](#)
- **Sustainability Accounting Standards Board (SASB):** [SASB Standards](#)
- **Task Force on Climate-related Financial Disclosures (TCFD):** [TCFD Recommendations](#)
- **International Integrated Reporting Council (IIRC):** [IIRC Framework](#)

These standards provide frameworks for ESG data reporting and evaluation, offering guidelines on what data should be collected and how it should be reported to ensure consistency and comparability across industries and geographies.

Resources

- **United Nations Principles for Responsible Investment (UNPRI):** [UNPRI Website](#)
- **European Securities and Markets Authority (ESMA):** [ESMA ESG Guidelines](#)
- **CDP (formerly Carbon Disclosure Project):** [CDP Reports](#)
- **Bloomberg ESG Data Services:** [Bloomberg ESG](#)

These resources provide a wealth of information on ESG standards, data collection methodologies, and best practices for integrating ESG considerations into investment processes.

Common concerns/Issues for Securities Services

- **Data Inconsistency:** Variability in ESG data reporting standards across regions and industries can lead to inconsistent data that complicates evaluation processes.
- **Data Quality:** Ensuring the accuracy and reliability of ESG data is a significant challenge, given the diverse sources and methodologies used.
- **Regulatory Compliance:** Keeping pace with rapidly evolving ESG regulations and ensuring compliance can be resource-intensive for securities services providers.
- **Integration with Financial Data:** Aligning ESG data with traditional financial data for comprehensive analysis requires sophisticated data integration capabilities.

Securities Services - Client Requirements

Client Requirement – Reporting

Summary

There is an increasing range of sustainability reporting obligations, on both companies and investors, to improve transparency and help enable comparability for stakeholders. These end-reporting requirements are commonly one pillar or a component of a broader regulation or international standard. In recent years, the onus has been on entities in the UK and Europe. However, regulators in Asia Pacific and certain US states have also issued similar instructions – especially for climate risk reporting.

Key Data Elements/Flows

- Detailed data on climate risks (and opportunities) remains a key focus – with issuer and asset-specific emissions at the core of reporting requirements
- Attempts to increase and standardize disclosed values from different entities continue globally as evidenced by the recent Corporate Sustainability Reporting Directive (CSRD) in the EU and two new sustainability standards issued by the International Sustainability Standards Board (ISSB)
- In the absence of good quality reported data, estimation models continue to play a part in effective fund and portfolio measurement and reporting
- Data on climate risk remains the number one priority for most corporates and investors due to the external reporting focus, but data on other sustainability topics such as nature and biodiversity risk is increasing
- Clients of securities services firms commonly look for a partner to help them navigate the changing landscape of reporting requirements and for data solutions that meet those needs

Published Standards

- [International Sustainable Standards Board \(ISSB\)](#)
- [EU Sustainable Finance Disclosure Regulation \(SFDR\)](#)
- [EU Corporate Sustainability Reporting Directive \(CSRD\)](#)
- [Australia’s Sustainability Reporting \(Corporations Act\)](#)
- [UK’s Sustainability Disclosure Requirements \(SDR\)](#)

Resources

- [Taskforce on Climate-related Financial Disclosures \(TCFD\)](#) *(now formally within scope of the IFRS Foundation)*
- [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#)
- [PwC Sustainability Reporting Tracker](#)

Common concerns/Issues for Securities Services

- Availability of relevant asset/fund data for required coverage
- Consistency is a challenge with regular updates to regulations and standards
- Technology solutions for data discovery and collection are evolving at a rapid pace

Client Requirement – Compliance Monitoring

Summary

Institutional investors have increasing requirements for compliance monitoring of ESG-related rules or restrictions on their funds and portfolios. Asset managers are subject to an array of regulatory requirements for fund-label compliance and anti-greenwashing policies. They will be focused on pre-trade compliance, with post-trade monitoring also important. Asset owners tend to be more focused on the post-trade monitoring of external manager portfolios (according to their mandated instructions) and strategic policy decisions affecting allocations and exposure thresholds. As a result, a wide range of investors look to Securities Services firms to support these functions and notify them of exceptions to set rules.

Key Data Elements/Flows

- A wide variety of ESG data points can be required by clients – scores, ratings, flags, quantitative metrics
- Climate risk data complexity – carbon emissions measurement, scenario pathways, portfolio transition plans
- Data sources vary in coverage, consistency, methodology, transparency – available direct from issuers or via third-party data aggregators
- Clients require underlying data to calculate/validate fund labels and targets (Article 8/9), SFDR PAIs, stakeholder commitments
- Required for both pre-trade and post-trade compliance, depending on the client type and use case
- Clients require access to daily exception results via self-service or managed service platforms from securities services firms
- ESG indexes also used for portfolio monitoring – to effectively measure performance and risk levels

Published Standards

- [International Sustainable Standards Board \(ISSB\)](#)
- [ICMA Guidance Handbook](#)
- [LUXFlag ESG Label](#)
- [EU Sustainable Finance Disclosure Regulation \(SFDR\)](#)
- [Global Reporting Initiative \(GRI\)](#)

Resources

- [United Nations Principles for Responsible Investment \(UNPRI\)](#)
- [EU ESG Ratings Provider Regulation](#)
- ["Aggregate Confusion: The Divergence of ESG Ratings" \(2022\)](#)

Common concerns/Issues for Securities Services

- Availability of relevant asset/fund data
- Use of estimated data (where actual data is unavailable)
- Data costs can be high for securities services (and therefore clients)
- Consistency is a challenge with frequent changes and updates
- Custom requirements for clients require much more data optionality

Client Requirement – Due Dilligence Questionnaires / ESG Credential Evaluation

Summary

In the Securities Services industry, clients increasingly expect their service providers to adhere to robust ESG standards. Stakeholders are increasingly focused on how companies conduct their business, how they are impacting the world and what contributions they make to society. Validating third parties and vendors on their ESG strategies helps mitigate long-term risks to organizations. To mitigate reputational damage, its advised that ESG should be part of the cyclical due diligence process or when onboarding a new third party.

From a client point of view, ideally the third parties should use standardized ESG metrics, to make the comparison between different third parties easier and more straightforward.

AFME Due Diligence Questionnaire, which is a Post Trade Industry standard due diligence questionnaire template, has incorporated a ESG section, with high-level coverage on Environmental, Social and Governance.

Key Data Elements/Flows

ESG action plan

- ESG and CSR reporting
- ESG company policy
- ESG initiatives (UN Global Compact, Net Zero Banking Alliance etc)
- ESG awareness training
- Net zero target – external evaluator

Environment

- Policy on environment
- Initiatives linked to environment
- Net zero target plan
- Policies for emissions reduction

Social

- Equal opportunity
- Policy coverage (health, safety, equal opportunity)
- CSR in procurement policy
- Statement on modern slavery

Governance

- Board composition
- Meeting frequency
- Evaluation on effectiveness

Published Standards

- [International Sustainable Standards Board \(ISSB\)](#)
- Sustainability Accounting Standards Board (SASB)
- [Global Reporting Initiative \(GRI\)](#)
- Principles for Responsible Investment (PRI)

Resources

- AFME Due Diligence Questionnaire

Common concerns/Issues for Securities Services

- **Data:** How do you collect the right data set and documents from the third parties and how do you assess the output correctly
- **Quantifying any findings:** ESG data often focus on qualitative information, which can be difficult convert into quantitative impact
- **The scope:** ESG covers a wide range of topics from greenhouse gas emissions and climate change to child labor and ethics. All topics might not be relevant for your due diligence or third party. To define a meaningful and manageable scope for your ESG due diligence might be challenging

Securities Services - Supply Chain

Supply Chain – Provider Due Diligence

Summary

Due diligence in the ESG supply chain is a critical process aimed at identifying, assessing and managing risks related to environmental, social, and governance factors within a company's supply chain. This process ensures that a company's suppliers adhere to ESG standards and helps mitigate potential risks such as environmental degradation, labor violations and governance lapses. Due diligence involves collecting comprehensive data from suppliers, evaluating their ESG practices and ensuring compliance with established standards. This proactive approach not only protects the company's reputation but also promotes sustainable and ethical practices across the supply chain. The due diligence process should help to ensure that the data is credible, accurate and aligned to the strategic goals.

Key Elements:

- **Environmental Impact Data:** Information on emissions, resource consumption, waste management, and energy use of suppliers
- **Social Compliance Data:** Data on labor practices, human rights adherence, workplace safety, and community engagement
- **Governance Practices:** Assessment of supplier governance structures, including anti-corruption measures, transparency, and ethical policies
- **Risk Assessment Reports:** Evaluation documents detailing potential ESG risks associated with each supplier

Data Flows:

- **Data Collection:** Gathering ESG-related information from suppliers through audits, surveys, and third-party assessments
- **Data Verification:** Ensuring the accuracy and reliability of the collected data through cross-referencing and validation
- **Risk Analysis:** Analyzing data to identify potential ESG risks and compliance gaps
- **Feedback and Reporting:** Communicating findings to stakeholders and providing feedback to suppliers for improvement

Published Standards

- **OECD Due Diligence Guidance for Responsible Business Conduct:** [OECD Guidelines](#)
- **UN Guiding Principles on Business and Human Rights:** [UN Guiding Principles](#)
- **ISO 20400: Sustainable Procurement – Guidance:** [ISO 20400](#)

These standards offer guidelines for conducting due diligence processes that ensure ethical and sustainable practices throughout the supply chain.

Resources

- **Global Reporting Initiative (GRI):** [GRI Standards](#)
- **Sustainability Accounting Standards Board (SASB):** [SASB Standards](#)
- **CDP Supply Chain Program:** [CDP Supply Chain](#)
- **UN Sustainable Development Goals:** [UN Goals](#)
- **Task Force on Climate-related Financial Disclosures:** [TFCD Recommendations](#)

Common concerns/Issues for SS

- **Data Accuracy and Reliability:** Ensuring the quality of ESG data from suppliers can be challenging due to varying reporting standards and potential for greenwashing.
- **Methodology and Framework:** Ensuring that the ESG data provider aligns its ratings and data with recognized standards.
- **Scope and Complexity:** The broad and complex nature of ESG factors can make it difficult to assess and prioritize risks in the supply chain.
- **Regulatory Compliance:** Navigating the evolving landscape of ESG-related regulations across different jurisdictions.
- **Resource Allocation:** Allocating sufficient resources to conduct thorough due diligence, especially for companies with long and complex supply chains.
- **Supply Chain Transparency:** Achieving visibility and transparency across all tiers of the supply chain, which is essential for effective ESG risk management.
- **Data Timeliness and Frequency:** ESG data quickly becomes outdated due to evolving regulations and stakeholder demands.

Supply Chain – ESG Ratings

Summary

An ESG rating is assigned to a company and is an evaluation of its focus and direction when it comes to environmental, social and governance (ESG) issues. These are usually presented in the form of a score or benchmark. ESG ratings were initially established as an objective way for investors to assess a company's ESG performance. In the Securities Services space, ESG ratings have started to emerge in due diligence or proposal documents as a requested information point under the company evaluation. As ESG ratings start to come into the Securities Services space, it is important to understand and consider the challenges the investment industry has already started to identify in ESG ratings around transparency, methodology and availability or disclosure of data as we also work to ensure that ESG ratings are an appropriate measure and used to assess providers in the right way.

Key Data Elements/Flow

- Companies span many different sectors, so most third-party ESG ratings are assessed against a set of industry-specific criteria, relative to their peers. These include material ESG factors that can impact stakeholder value for the company
- Those investment firms with a large research team and the depth of corporate access can gain unique insight into a company's ESG performance and progress, and rate them accordingly
- These ratings are updated regularly, which allows analysts to monitor progress or deterioration against set goals and update their assessment

Published Standards

- **IOSCO** Environmental, Social and Governance (ESG) Ratings and Data Products Providers Report
- <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD690.pdf>

Resources

- **AFME DD questionnaire** – this contains several broad ESG questions. It is important to note that it does not include a question on the providers ESG rating
<https://www.afme.eu/Portals/0/DispatchFeaturedImages/AFME%20Due%20Diligence%20Questionnaire%20For%20Use%20in%202025.docx?ver=sdDiyFCIpkLSSAWQSsFFhQ%3d%3d>

Common concerns/Issues for Securities Services

- **Evaluation** - If ESG ratings are asked for or used in provider assessments, are they being understood and evaluated or considered in the correct context
- **Transparency** - Is there sufficient transparency for them to be utilized for assessment in a securities services context? Without a common ESG data standard, financial institutions are using their own tailored methodologies when measuring ESG, resulting in inconsistencies

Supply Chain – Environmental Risk

Summary

The Securities Services industry is well positioned to address environmental risks in the supply chain due to its central role in managing and safeguarding financial assets. By facilitating transparency and providing ESG data flows, Securities Services firms empower investors and clients to identify, assess and mitigate environmental risks - such as carbon emissions, resource depletion and pollution - within their portfolios. However, the industry faces significant challenges with the quality and consistency of data, making it difficult to paint a full picture of environmental impact. Investors and regulatory pressures, such as the EU Taxonomy and Corporate Sustainability Reporting Directive (CSRD), further drive the need for improved transparency and compliance. To address these issues, the industry is increasingly turning to specialized ESG data providers, analytical tools and other collaborative industry initiatives to drive standardization and improve data accuracy.

Key Elements:

- **Environmental Impact Data:** Information on emissions (scope 1, 2, and 3), energy and water usage, waste management, energy use of suppliers and resource efficiency metrics, which are quantitative measures to evaluate the performance and effectiveness of resource utilization
- **Risk Assessment Reports:** Evaluation documents detailing potential ESG risks associated with each supplier.

Data Flows:

Data flows can originate from:

- external suppliers
- Internal (same financial group) suppliers

These data flows are reported to Securities Services firms, which may further integrate this data into risk assessments, client reporting or investment decision tools. The aim will be to reflect the institution's exposures to climate-related and environmental risks with a view to enabling the management body and relevant sub-committees to make informed decisions.

Published Standards

- **Task Force on Climate-related Financial Disclosures:** [TCFD Recommendations](#)
- **Sustainability Accounting Standards Board (SASB):** [SASB Standards](#)
- **Global Reporting Initiative (GRI):** [GRI Standards](#)
- **Partnership for Carbon Accounting Financials (PCAF):** [Enabling financial institutions to assess and disclose greenhouse gas emissions associated with financial activities](#)

Resources

- **ECB (European Central Bank) Guide on climate-related and environmental risks** [Guide on climate-related and environmental risks](#)
- **Task Force on Climate-related Financial Disclosures:** [TCFD Recommendations](#)

Common concerns/Issues for SS

- **Data Quality and Data Gaps:** Data coming from multiple sources with varying levels of standardisation translating in incomplete, inconsistent, or non-standardised data across supply chains.
- **Scope & Complexity:** Difficulty capturing upstream and downstream emissions accurately particularly on Scope 3 emissions, which encompass indirect emissions from upstream suppliers and downstream product use.
- **Compliance challenges:** Adhering to evolving regulatory requirements across jurisdictions. Securities services providers must navigate the evolving requirements while encouraging their clients and stakeholders to adopt frameworks like TCFD, SASB, and GRI for reporting consistency.
- **Transparency and Accountability:** Limited visibility into supplier practices or third-party certifications. Lack of standardisation.
- **Integration:** Aligning ESG data into traditional financial reporting and risk frameworks.

Securities Services - Product Opportunities

Product Opportunities – Voluntary Carbon Markets

Summary

Voluntary Carbon markets (VCM) allow carbon emitters to offset unavoidable emissions by purchasing carbon credits from projects aimed at removing or reducing greenhouse gases (GHG) from the atmosphere. Unlike compliance carbon markets, such as the EU ETS market, VCMs are voluntary and unregulated. Still, due to the expansion of industry initiatives, such as carbon offsetting and reduction schemes for international aviation (CORSIA), more and more participants are joining the market. Project developers, the upstream part of the market, acquire carbon credits if the projects are verified according to a specific carbon reduction or removal methodology. Carbon credits were issued and recorded in one of the many registries. Since the VCMs are voluntary, unregulated and fragmented, data challenges occur in issuance, retirement (via registries), pricing and trading (via exchanges), and credit quality (via specialized rating firms).

Key Data Elements/Flow

- **Issuance and Retirement:** registries issue credits, record entitlements and retire credits. Leading players include the Verified Carbon Standard (VCS) Program, Gold Standard (GS) and American Carbon Registry (ACR) Program
- **Pricing and Trading:** investors buy credits issued by different registries via Exchanges, like CBL, which integrates trading and settlement (T+0 same-day settlement) into one platform. Specialized data companies like Viridios AI provide pricing, valuations, and market insights
- **Quality:** carbon credits represent specific projects using specific carbon reduction/removal technology. The public is concerned that low-quality credits from projects with false claims and exaggerated results may undermine purpose. To evaluate the quality of credits, carbon rating agencies such as BeZero and Sylvera provide independent ratings for credits

Product Opportunities

- Developing standardized data protocols
- Creating integrated trading platforms
- Accommodating markets/ industries that are currently not adapted for compliance carbon markets

Published Standards

- **Core Carbon principles (CCPs)** aim to set a global standard for quality in the voluntary carbon market
- While VCMs and compliance markets operate under different frameworks, there are instances where voluntary markets adopt regulated markets' standards and principles to enhance credibility and transparency

Resources

- [Voluntary Carbon Markets - A SIX White Paper](#)
- [The Voluntary Carbon Market: Climate Finance at an Inflection Point | World Economic Forum](#)

Common concerns/Issues for Securities Services

- **Evaluation:** If ESG ratings are asked for or used in provider assessments, are they being understood and evaluated or considered in the correct context
- **Transparency:** Understanding of whether there is sufficient transparency for ESG ratings to be utilized for assessment in a Securities Services context. Without a common ESG data standard, financial institutions are using their own tailored methodologies when measuring ESG, resulting in inconsistencies

Product Opportunities – Proxy Voting and Class Actions

Summary

A crucial, but often overlooked, element of ESG is the ‘G’ – Governance. Securities Services providers, as the custodians of multiple asset types, can help clients be active partners in the governance of the companies which they hold in their portfolios. Increasingly Securities Services providers are focusing on enabling efficient and timely access to proxy voting and class action information, where previously this was not a product provided.

Two key types of corporate governance are:

- **Proxy voting:** allows shareholders to exercise their voting rights, even if they are unable to attend a company's annual general meeting (AGM) in person. It provides a way for shareholders to cast their votes on important company matters
- **Class actions:** allow shareholders to seek redress in the event of misconduct at a company

Key Data Elements/Flows

- **Data Collection and Validation:** Securities Services providers validate and consolidate proxy voting and class actions data that they receive from multiple external sources
- **Client Engagement:** The provision of timely and accurate proxy voting and class action information by Securities Services providers assists clients to engage in the governance process
- **Data Reporting:** Securities Services providers need to then provide their clients with clear and transparent reporting on the status of ongoing proxy voting and class actions

Product Opportunities

- Offering integrated access to proxy voting offering clients easy access to information and voting solutions
- Enabling clients to take an active part in companies’ strategic decisions and get involved in class action claims
- Providing clients with access to outsourced proxy advisors to help make recommendations on voting

Published Standards

- **Shareholders Rights Directive II** EU directive focused on shareholder rights including engagement and transparency
- **Securities Exchange Commission** US rules on proxy voting and Rule 23 for class actions as well as rules around climate disclosure
- **Corporate Governance Principles** ASX in Australia promotes ESG reporting
- **Securities Disclosure Rules** UK rules on company disclosures
- **Data Standards for data dissemination and participation to AGMs:** ISO 20022 Proxy Voting message set

Resources

- [ESG and Proxy Voting | Nasdaq](#)
- [On the horizon: ESG Class Actions](#)

Common concerns/Issues for Securities Services

- **Standardization:** No, or limited, standardization of information for voting and class actions
- **Data Availability:** quality and consistent data might not be available
- **Inconsistent Application of regulations:** Whilst regulations and principles have been introduced in many markets, their application is not consistent causing difficulties in ensuing adherence