

ESG Ratings Working Group

A collaborative forum to better understand and influence the ESG Ecosystem.



ERM's Working Group will facilitate an open dialogue directly with select ESG research firms. Its purpose is to help members address their challenges and improve the flow of ESG data from their companies to investors, creditors, insurers and lenders.

Who is this intended for?

Public companies at any stage in their navigation of the ESG ratings landscape who are interested in better understanding and influencing the ESG ratings agenda.

Participants will include practitioners from Investor Relations, Legal, Sustainability or other departments with accountability for their company's ESG matters.

Purpose

SustainAbility, an ERM Group Company, recently published their [Rate the Raters](#) research which highlighted that the ESG ratings ecosystem is growing exponentially. In turn, ESG ratings are increasingly influencing the decisions of investors, creditors, insurers and lenders.

Rate the Raters also revealed the need to improve communication between companies, raters and investors, and to address challenges expressed by both corporate and investment stakeholders. These include:

- "I need more information on what my peers and competitors are doing, which ratings they value, and why."
- "Reporting fatigue is still real. They all come at the same time and often require quick turnarounds, meaning we frequently just have to say no to those ones that don't give enough time."
- "It seems like the wild, wild west, with each ratings organization coming up with its own methodology – methodologies which are only sometimes shared."
- "Our only power is to put down the pen, but there is risk in that too, as they rate you whether you respond or not. I'd rather have a rating out there with our input than not."
- "There have been some points in the past where a rater will rate us as high risk and then, even after we address something or change things, they don't change their ratings. That hurts credibility. Are these companies trying to be shamers or are they actually trying to evaluate real risk?"
- "Raters need to have true industry experts on board and need to understand industries deeply. I want more raters I can trust."



Value Proposition

This group will help you and your company:

- Better understand the complex ESG ecosystem, ESG ratings frameworks and accepted guidelines for ESG reporting and communications.
- Form relevant connections with ESG research firms e.g. by engaging research firms around methodology, scoring, communication techniques, etc.
- Prioritize ratings participation and investment for your organization and maximize ROI associated with ESG activity.
- Develop a more efficient and effective ESG ratings and reporting strategy.
- Explore and resolve specific ESG challenges through peer networking and 1:1 time with select experts.
- Share ESG approaches and strategies with peers to enhance the group's collective practices.
- Advocate – individually and with peers – means to improve the overall ESG ecosystem.
- Influence and contribute to research and thought leadership, as well as gain recognition for shaping the ESG ecosystem.

Structure, Timeframe, and Logistics

- The group will consist of corporate practitioners only, meaning those that have some responsibility or influence on the disclosure of ESG information.
- The group will convene for 18 months, June 2020 – December 2021, at which time the group will determine future activities.
- Initial calls will help refine the cadence and content for future gatherings and activities, with an anticipated pace of every 6 weeks.
- Ongoing calls will explore the challenges and collective solutions (with the potential to break out into groups by sector or geography, including 1:1 calls with select experts in the space to discuss specific challenges and needs).
- One in-person or virtual summit to discuss progress and explore outputs for the Working Group (i.e., peer survey, benchmarking, public statement/press release, white paper/research concept and RFP).
- Example of the 18-month Working Group program based on a 6-week cadence.

Draft Calendar Concept

Meeting	Cadence	Subject Matter
#1	June 2020	Finalize Working Group concept Outline content, format, sequence, and duration of meetings
#2	August 2020	Peer to Peer Session - Rating Review #1
#3	September 2020	30-minute interview with Rating Agency #1 followed by 30-minute Working Group discussion
#4	November 2020	Special Session – Research - (e.g., European Commission ESG Research)
#5	December 2020	Peer to Peer Session - Rating Review #2
#6	January 2021	30-minute interview with Rating Agency #2 followed by 30-minute Working Group discussion
#7	March 2021	Special Session – Investors (e.g., Asset Owner/Manager Meeting)
#8	April 2021	Peer to Peer Session - Rating Review #3
#9	June 2021	30-minute interview with Rating Agency #3 followed by 30-minute Working Group discussion
#10	July 2021	Special Session – Guidelines, Standards & Frameworks (e.g., SASB, TCFD, PRI)
#11	August 2021	Peer to Peer Session - Rating Review #4
#12	October 2021	30-minute interview with Rating Agency #4 followed by 30-minute Working Group discussion
#13	November 2021	Special Session - Influencers (e.g., JUST Capital, WEF, CERES)
#14	December 2021	Closing Session, Recap & Next Steps

Membership Dues & Benefits

- Ability to shape and influence the direction and content of this 18-month program.
- Access to all meetings for up to three representatives from your organization.
- An ERM benchmarking assessment of your organization's ESG position based on Bloomberg information and delivered by an ERM analyst (up to 5 peers/competitors).
- Two 1-hour sessions of private consultation from an ERM ESG expert.
- \$7,500 per corporate entity for the 18-month Working Group program (Note: Dues for [SustainAbility Transparency Network Members](#) will be \$5,000).

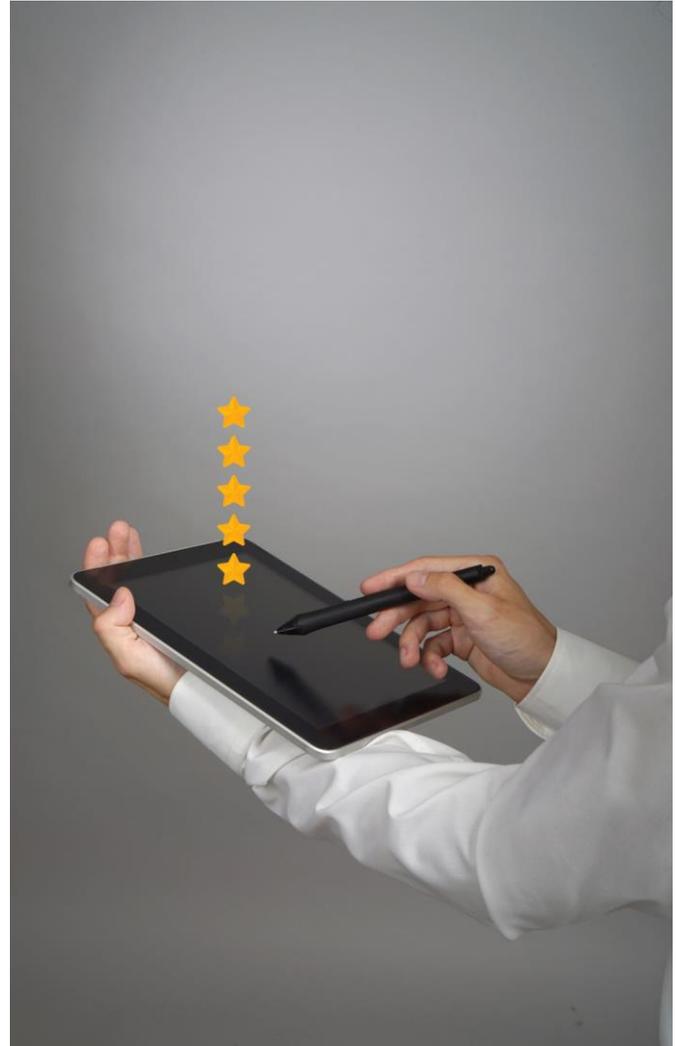
Customized Sponsorship

Any organization wishing to take on a more prominent role in shaping the agenda may discuss the option of becoming a Sponsoring Member, in which case, we are open to developing a customized package commensurate with the level of investment. Please contact us if you would like to discuss this option in more detail.

Our Collective Experience

We are excited to share the collective expertise of ERM and SustainAbility with our clients and colleagues in the field. Together, we have been shaping the ESG ecosystem for decades through our work and interest in effectively communicating our progress towards improved ESG performance, while addressing the needs and priorities of investors, creditors, insurers and lenders.

We look forward to working with you and your colleagues to better understand and influence the evolution of the ESG field. For more information, please reach out to our colleagues listed below.



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