

# Before we get started

## Connecting to audio

- Select “Audio” in the upper left-hand corner.
- Select “Audio connection” from the dropdown menu.

## Muting yourself

- All participants have been muted upon joining.
- To unmute, click the red microphone icon to the right of your name.
- When you’re not speaking, please keep yourself on mute to minimize background noise.

## Chat your questions

- The chat box is located on the bottom right side of your screen.
- You can send your comments and questions to everyone or send them directly to Social Performance Task Force.

## Recording and minutes

- The session is being recorded. The recording and minutes will be available on <https://sptf.info/working-groups/investors>.

# SPTF Social Investor Working Group



*December 9, 2020*

# Discussion Agenda

**16:30 – 16:35 Introduction and announcements**

**16:35 – 16:50 EU ESG Disclosure Regulation – introduction Karel Nierop, Triodos IM**

**16:50 – 17:25 Next steps for client protection pathway**

- Update on Commitment to Implement
- Update on External Evaluations
- Update on Seal of Approval
- Q&A

# Next steps for CP Pathway: *Commitment to Implement*

## Proposed process:

1. FSPs commit via a platform provided by SPTF/CERISE.
2. SPTF will manage a page on its website that lists FSPs that have registered commitment.
3. Within 6 months, FSP will disclose client protection practices on its own website (if possible) and with SPTF
4. SPTF adds the disclosure document on the dedicated webpage of committed institutions + link to the disclosure.

## Options for disclosure format:

- Client protection indicators from ALINUS
- A selection of client protection indicators that are considered minimum requirements
- Free text format

**SPTF/CERISE strongly support using either ALINUS or CP format**

## For discussion:

- How often should the disclosure be updated?

# Next steps for CP Pathway: *External Evaluations (1/3)*

## Proposed process:

- 3 or alternatively 4 levels of External Evaluation
  - Level 1 > 65% (of which all of the "Must Have")
  - Level 2 > 85% (of which all of the "Must Have")
  - Level 3 > 95% (of which all of the "Must Have")
  - Level 4 > 100% (If only 3 levels, highest level will equal 95-100%)
- No direct link between the Commitment to Implement and the External Evaluations
- 3 years of validity for an External Evaluation

# Next steps for CP Pathway: External Evaluations (2/3)

## For discussion:

- Do we set minimum requirements that are “must have” to access any level of external evaluation? (current proposal)
- How should the different levels be defined: Should the set of indicators to comply with be defined for each level?
- Question on definition of the "must have": If they are required already for the first level AND are expected to cover all the most relevant ones – then what are the incentives to go further?
- For the 5 last percent (between 95 and 100%): Should the indicators that can be part of the 5% missed be part of a restricted list ("nice to have")?
- What will be the incentive for FSP to move up in the levels?

# Next steps for CP Pathway: External Evaluations (3/3)

## Timing:

- All indicators will be shared with the client protection sub-group to make proposals for minimum requirement indicators.
- Subgroup will provide their comments by the first week of January.
- SIWG call in January to present the final proposal for full investor group / and raters ?

# Next steps for CP Pathway: *Seal of Approval*

## Proposal:

- In line with rater and investor feedback, SPTF/ CERISE will introduce a validation of external evaluations. The name for such a “seal” has not yet been decided.
- Majority of investors in client protection sub-group prefer a seal that verifies evaluators’ methodology and expertise
- SPTF/CERISE will propose what the evaluation of expertise will comprise and be transparent

Thank you!