THE INVESTMENT ASSOCIATION

Response to HMT Consultation - Future regulatory regime for Environmental, Social, and Governance (ESG) ratings providers

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About the Investment Association

The IA champions UK investment management, supporting British savers, investors and businesses. Our 250 members manage £10 trillion of assets and the investment management industry supports 122,000 jobs across the UK. Our mission is to make investment better. Better for clients, so they achieve their financial goals. Better for companies, so they get the capital they need to grow. And better for the economy, so everyone prospers.

Our purpose is to ensure investment managers are in the best possible position to:

- Build people's resilience to financial adversity
- Help people achieve their financial aspirations
- Enable people to maintain a decent standard of living as they grow older
- Contribute to economic growth through the efficient allocation of capital

The money our members manage is in a wide variety of investment vehicles including authorised investment funds, pension funds and stocks and shares ISAs. The UK is the second largest investment management centre in the world, after the US and manages over a third (37%) of all assets managed in Europe.

Executive summary

The IA welcomes the opportunity to respond to HMT's consultation on the future regulatory regime for Environmental, Social, and Governance (ESG) ratings providers.

Overall, we support the development of a regulatory framework for ESG ratings providers and welcome the demand for greater transparency of objectives sought, methodologies adopted and quality assurance processes put in place by sustainability-related ratings and also ESG data providers.

Sustainable and responsible investment continues to be a dominant theme for the investment management industry. 2021 saw rapid growth of funds under management within funds with responsible investment characteristics. Funds under management rose by £34 billion over the year to £89 billion at the end of 2021 – this is a 62% increase in FUM and outpaces the growth of the funds industry as a whole. Sales have been a key component of this growth with net retail inflows at £16.0 billion or a third of retail inflows for the year.

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A key requirement of forming sustainable and responsible investment strategies is access to high-quality sustainability-related data and ratings. ESG data and ratings providers therefore play an essential role and provide information and services that are material to investment decisions.

The significant growth in demand for sustainable and responsible investment products has, amongst other things, led to an increasing number of data and ratings providers entering the market as well as an increase in these firms seeking to expand their service offerings by buying up smaller, specialised sustainability-related product and service providers. A widespread (and growing) proliferation of such providers, self-regulated initiatives, and market standards has, in turn, led to a number of well-versed challenges, including:

- Overall demand for greater transparency of objectives sought, methodologies adopted and quality assurance processes put in place by ESG rating and data providers;
- Timeliness, accuracy and reliability of the output from sustainability-related rating and data providers;
- Lack of comparability and bias across sustainability-related ratings, as well as ESG data; and
- Potential for conflicts of interest, particularly associated with providers both evaluating companies and offering paid advisory services to those same companies.

It is our members' view that bringing ESG ratings providers, as well as ESG data providers, under the regulatory perimeter is the most robust way to address these significant challenges and concerns and to ensure that all aspects of the market for sustainable and responsible investment products are rooted in clarity, transparency and consistency that delivers for end clients.

We do want to acknowledge that a crucial way to address the unreliability of marketed external ratings and data products would be to harmonise corporate reporting standards for sustainability. To that end, we welcome the work of the ISSB in developing global sustainability standards for corporate disclosures. Now that those standards have been published, we support the UK Government's timeline and process for implementing the ISSB standards and we will work with stakeholders to ensure swift adoption in the UK. Furthermore, we urge other jurisdictions to endorse these standards and incorporate them into their reporting requirements.

However, in the meantime – and before we get globally harmonised and secure ESG data from corporates - we would like to stress the importance and need for regulators across the globe to work together to develop consistent frameworks for the regulation and supervision of ESG ratings and data product providers. We are grateful that the need for a global approach and collaboration on this matter is clearly recognised by IOSCO in its November 2021 Final Report on ESG Ratings and Data Products Providers. In this report, IOSCO recommends that many of the issues and concerns around the use of and reliance on third-party ESG data and rating product providers should be addressed by global regulators working together.

This is in the interest of all parties as it will help drive more alignment and consistency between data and ESG ratings products globally and will reduce the barriers to entry faced by new data products and ratings providers, which should in turn lead to more competitive pricing of the products produced by this sector. It will also support those providers that operate cross border/in multiple jurisdictions by providing consistency in regulatory expectations and requirements.

The IA is also grateful that the FCA has expressed a public support for introducing regulatory oversight of certain ESG data and ratings providers. The FCA has stated that this would support greater transparency and trust in the market and ultimately secure better outcomes for consumers. To maintain momentum behind this goal, the FCA have worked to convene, support and encourage industry participants to develop and follow a voluntary Code of Conduct. The IA is part of this industry effort and we trust that the Code, when finalised, should help fill the gap until such time as ESG ratings and data providers come under the regulatory perimeter of the FCA.

Finally, we note that this specific consultation proposes to exclude from the regulatory perimeter data on ESG matters where no assessment (e.g. rating or recommendation) is present. Investment managers appreciate that in the absence of accurate and consistent ESG information from investee companies, many agencies have risen to the challenge of trying to close these data gaps. However, whilst useful as a tool to fix the data gaps, the methodologies taken to extract this data are not consistent and often based on estimations, therefore potentially misleading clients and highlighting a greater need for transparency in methodology for ESG ratings and data. We outline more detail on this under question 6, but it is our firm view that bringing both ESG ratings and data providers under the regulatory perimeter is the most robust way to address these significant challenges and concerns outlined above.

Below we outline a high-level summary of the key IA views expressed in the response to the consultation. We recognise that there is a balance to achieve in bringing the ESG ratings and data market into the FCA's regulatory perimeter and affording the market the flexibility it needs to continue to innovate and meet the demands of clients and users. We are grateful for the opportunity to comment and stand ready to work with all relevant stakeholders to help shape a proportionate and effective regulatory framework that promotes clarity, transparency, consistency, accuracy, and accountability in the market for both ESG ratings and ESG data services.

Key points in our consultation response (please note, we do not provide views on questions directed solely to ESG ratings providers):

- The IA agrees that regulation should be introduced for ESG ratings but also for ESG data, whether reported or estimated. We outline our reasons why in response to question 6;
- The proposed description of an ESG rating should be more in line with the IOSCO definition and we propose wording in our answer to question 5;
- We agree with the proposal to regulate the provision of ESG ratings used in relation to RAO specified investments;
- As outlined in detail in our response to question 10, we strongly oppose the inclusion of asset managers' propriety ratings used when marketing a fund, other than where the individual propriety rating is used publicly and systemically for a charge. We also oppose the inclusion of ESG ratings where used by other entities within the same group;
- We agree with the proposal to regulate the direct provision of ratings to users in the UK, regardless of the location of the provider;
- We support some level of proportionality regarding what providers are in scope of a new regulatory framework of ESG ratings and data providers. There is a concern that onerous regulatory requirements could have implications on smaller, more specialist providers and could stifle start-ups and innovation.

CHAPTER 1 – INTRODUCTION

Question 1: Do you agree that regulation should be introduced for ESG ratings providers?

Given the significance of the sustainability and responsible investment market and the role ESG ratings providers play in it, we think it is important that they fall within a regulatory framework to ensure appropriate governance, adequate transparency and management of the inherent conflicts of interest within their business models – while at the same time having due regard to providers' intellectual property.

Our members rely on high quality ESG ratings and data to effectively integrate risks into the investment process and to meet their regulatory disclosure obligations. Quality disclosures contribute to accurate asset valuations, which in turn support financial stability. Enhancing the quality, transparency and governance of ESG ratings and data enables investment managers to provide the necessary support and challenge through their stewardship role to their investee companies' transition to more sustainable business models.

Furthermore, the 2021 FCA Guiding Principles on design, delivery and disclosure of ESG and sustainable investment funds make clear the need for investment managers to disclose the reliance on third-party ESG rating and data providers in a fund's investment decision process (Principle 1), the consideration of due diligence when using third-party ESG data in the fund delivery process (Principle 2) and describing relevant methodologies used and highlighting any material data considerations/limitations when using third party ESG data to support fund disclosures (Principle 3).

However, we would like to advocate for minimal international divergence when it comes to supervision of ESG ratings and data providers by regulators. We note in some jurisdictions, codes have been developed by regulators that covers both ESG ratings and data providers, in line with the IOSCO recommendations, while the UK and EU are considering applying obligations on just ESG ratings providers. Creating different models and requirements will result in different due diligence requirements by asset managers which will prove costly and inefficient. We will be providing these same views to the European Commission as part of its consultation on the regulation of ESG ratings providers.

From that perspective, considering that IOSCO's Report asks for tackling both ESG data providers as well as ESG rating providers in the case of data or ratings which are marketed by those providers, it is crucial to secure the same scope of application for the UK, i.e. regulating both such marketed ESG data as well as marketed ESG ratings. It would secure the reliability of ESG data and ratings provided to UK asset managers, and therefore their meaningful use by our members to the benefit of UK investors. We provide more detail on this in answer to question six below.

Question 3: Are there any practical challenges arising from overlap between potential regulation for ESG ratings providers and existing regulation?

We are not aware of any practical challenges arising from the overlap between potential regulation for ESG ratings providers and existing regulation.

However, if ESG data providers are not included in scope then it creates a gap in the regulation of the data chain. We explore this further in our answer to question 6.

Question 4: Are there any other practical challenges to introducing such regulation?

We have not identified any practical challenges to introducing such regulation.

CHAPTER 2 - DESCRIPTION OF ESG RATINGS AND THEIR PROVISIONS

Question 5: Do you agree with the proposed description of an ESG rating?

While we broadly agree with the proposed description in the consultation paper, in order to ensure consistency in global standards, the description of an ESG rating should be consistent with international descriptions, most notably that of IOSCO. Our proposed definition is as follows:

ESG rating would cover an assessment regarding one or more environmental, social, and governance factors, ***profile or characteristics or impact on society and the environment that are issued using a defined ranking system of rating categories****, whether or not it is labelled as such.*

IOSCO acknowledges that the term 'ESG rating' can refer to the broad spectrum of rating products in sustainable finance and ultimately is the assessment of an entity, an instrument or an issuer exposure to ESG risks and/or opportunities.

It is important to recognise that ESG ratings do not all measure the same thing or do so in the same way. It is necessary to allow differences in approaches, provided rating providers are clear on what is being assessed. For instance, one provider may assess the financial risk posed to a company from ESG factors (i.e. single materiality), while another may assess the impacts a company has on the environment and society (i.e. double materiality). This is one of the main differences between ESG ratings. Given different ESG investors may want to focus on one or the other, there should not be a push to pick only one of these objectives. However, rating providers should always make clear to users of their ratings what is actually being assessed – and do so in a way that is simple, transparent, and easy to use.

Even when assessing the same thing, a variety of approaches is not necessarily harmful. ESG is subjective by nature. Just deciding what constitutes "ESG factors" and "traditional factors" can be a blurry line (e.g. is cybersecurity for a tech company an "ESG risk" or a "traditional risk"?). Measuring ESG impact is likely to always be somewhat subjective (e.g. whether nuclear is good or bad). There are also questions as to whether good performance in one area should offset bad performance in another, or whether bad performance should "cap" a score. Even when measuring only financial risk, it would be difficult to define a "correct" approach. Unlike traditional credit ratings, which holistically assess all of a company's risks, ESG risk ratings measure only one component of risk. This means it can be difficult to gauge the extent to which a financial outcome was a result of "ESG risks" or “traditional risks.” In reality the two are intertwined – for instance, high leverage is not itself an ESG risk, but it exacerbates all types of risk, including ESG risk. Attributing a financial outcome to an ESG factor will therefore always be subjective.

Therefore, we are not advocating for standardisation of methodologies - the focus of any regulation should be on the robustness of the approach, including consideration of how well it is designed to achieve its objective. A diversity of assessment objectives and approaches is welcomed, provided these are clearly disclosed in a user-friendly way, and backed by sufficiently robust processes and resources.

ESG Fund ratings

We acknowledge that HMT wants to keep the proposed description of an ESG rating deliberately broad but in doing so, it raises questions as to what may or may not be in scope. For example, it is not clear if the provision of ESG fund ratings would be in scope. Paragraph 2.9 of the consultation states that ‘regulation [ ] should capture, *inter alia*, other types of financial products, including units in a collective investment scheme’. This leads us to presume fund ratings would be in scope, which we support. Standard fund ratings services generally look at all aspects that make up a fund, such as process, performance and tenure of manager, to award a rating which can be qualitatively and/or quantitatively assessed by the ratings provider. Most fund ratings are a combination of quantitative assessment, for example, how well the fund performed, and an assessment by analysts on how well the fund is managed. Some fund rating providers specifically look at the fund manager, their process and other factors to make an overall assessment. Some familiar fund rating systems are denoted by stars or crowns. Fund groups, our members, then have to pay to include the rating on their documentation and the adviser community does consider the fund ratings when selecting funds.

Some providers award a specific responsibly rated logo or have a globe rating approach for sustainable funds. They would consider, for example, if the fund in question has intentionality in its mandate to deliver a responsible outcome. This could be through the manager following an ethical exclusions strategy, through the use of responsible practices within their investment process, or if they have a specific sustainability or impact objective. In terms of size, organisations rating funds range from the large, international data providers to small, specialist firms with a UK focus. We believe that a number of the ESG fund rating providers would be on the borderline of some of the smaller companies proportionality criteria referred to in the proportionality chapter of the consultation.

Question 6: Do you agree that ESG data, where no assessment is present, should be excluded from regulation?

We do not think that ESG data should be excluded from the scope of regulation. Indeed, the consultation paper notes in paragraph 1.11 that the FCA, in its TCFD Feedback Statement FS22/4, concluded it sees a clear rationale for regulatory oversight of both ESG ratings and data providers when their products are used in financial markets. HMT also acknowledges in paragraph 1.17 that ESG data may raise some similar risks to ESG ratings. Furthermore, we do not agree with the HMT view that the greatest risk of harm is judged to arise from unregulated ESG ratings, and not data. Several types of ESG data may seem like raw/reported data but actually embed assessment or value judgement, and should be in scope. For example:

- Where there is no reported data for a particular company on scope 3 CO2 emissions. The data providers will use factor analysis and sector averages to calculate the data point and it is not always clear to the user whether that data is reported or calculated.
- Where ESG data providers offer calculated ESG data for all AIM listed companies or private equity portfolios using averages where there is no data reported.
- ESG data which is related to a given economic or industrial sector – the choice of the underlying sample of the sectoral companies by the ESG data provider for setting some sectoral ESG data implies an arbitrary choice – as demonstrated by the discrepancy in the ultimate sectoral ESG data delivered by various providers.
- ESG reported data which is supplemented with additional data. For example, GHG emissions collected from company disclosures supplemented with data to indicate an assessment of credibility or robustness, for example, a percentage deviation from the sector average.

This is further illustrated using data collected by EFAMA showing different ESG Data providers use different methodologies for Green House Gas (GHG) emissions:

	Provider 1	**Provider 2**	**Provider 3**	**Provider 4**
Scope 1	All GHG protocol gasses	Only reported GHG protocol gasses	Only reported GHG protocol gasses	Only reported GHG protocol gasses
Scope 2	Location-based	Market-based if available; location based otherwise	Location-based	Market and location based
Scope 3	Upstream and downstream	Aggregated total	Upstream and Downstream	All 15 categories separated

We support the divergence in methodologies but to enable users of ESG data to have confidence in the validity of the output, there should be transparency on the methodology followed to produce the calculated data. This will ensure members are confident that the metric being presented is based on facts and not opinions/specific views. Furthermore, regulating ESG data providers should ensure sufficient data governance within data providers to ensure users do not get out-of-date data.

Given it is difficult to operationalise splitting between data providers that are just providing reported data and those that are also providing estimated data, we strongly propose that all data created, curated or derived by or within providers and sold as a product should be in scope. Even for raw/reported data, there should be minimum quality standard.

Therefore, we urge HMT to include ESG data providers, in line with IOSCO's Final Report.

Question 7: Do you agree with the proposal to regulate the activity of providing ESG ratings to be used in relation to RAO specified investments?

In line with our views above, we agree with the proposal to regulate the activity of providing ESG ratings to be used in relation to RAO specified investments.

We are aware of views in the market that the regulation of ESG ratings providers should fall within the (yet to be established) Designated Activity Regime. We are of the understanding that this regime is a lighter-touch regime intended to ensure that non-financial services entities that carry on certain financial activities (for example car dealerships that offer car finance) continue to be subject to FCA rules after retained EU law is revoked, without requiring them to be authorised. We do not support a regulatory regime for ESG ratings and data providers that requires no authorisation for larger providers.

Question 9: Are there ESG ratings used in relation to anything other than an RAO specified investment which also should be included in regulation?

It is unclear whether ESG ratings used in relation to private market infrastructure, real estate, commodities and money market funds are in scope. If they are not a specified investment under the RAO, further discussion and consideration is needed with industry to understand the implications of the difference in approach – the Association of Real Estate Funds (AREF) are happy to be involved in any future engagement along with the IA on these topics.

CHAPTER 3 - EXCLUSIONS

Question 10: Do you agree that each of the eight scenarios listed (in paragraphs 3.2, 3.3 and 3.5) should be excluded from regulation?

We agree with the need, as outlined in paragraph 3.1 of the consultation, to ensure the scope of regulation is appropriate and proportionate.

Asset managers internal ratings

Paragraph 3.3 makes clear that where ratings are created by an entity, such as an asset manager, solely for use by that entity, they should be excluded from scope. We agree with this approach. Paragraph 3.4 of the consultation then goes on to state that where a firm (such as an asset manager) creates ratings for their own internal use as well as for external use (i.e. the firm sells on these ratings), that should be caught in the scope of the regulation.

Investment managers proprietary scoring systems can be used in a number of ways and we are of the view that the following scenarios should be out of scope of the ESG rating providers regulatory framework:

1. Marketing a fund which makes use of proprietary ratings for stock selection, but does not disclose any of those ratings to clients. Many members have proprietary ESG scoring systems that help inform asset allocation, usually based on raw ESG data feeds from one or more of the providers, and blend these with other proprietary data and produce their own rating for internal purposes;
2. Marketing a fund which makes use of proprietary ratings for stock selection, and discloses a sample of ratings to clients under strict non-disclosure agreements, to illustrate the process (i.e. not 'systematically or publicly');

3. Marketing a fund which makes use of proprietary ratings for stock selection, and discloses certain composite ratings metrics – average rating, percentage ratings below a threshold – on a systematic basis in client reporting;
4. Marketing a fund which makes use of proprietary ratings for stock selection, and discloses line item ratings to clients systematically, but on an anonymised basis (Issuer A, Issuer B etc.);
5. Marketing a fund which makes use of proprietary ratings for stock selection and disclosing individual entity ratings under non-disclosure agreements (NDA) to clients. Typically, a manager would sign an NDA with regard to disclosure of its proprietary ratings with an institutional client rather than a retail client. Given the NDA, the institutional client would not be able to pass on the ratings to end investors. This arrangement is usually designed to facilitate the client's ongoing due diligence of the manager. By reviewing the manager's proprietary ratings against its own analysis for certain issuers in the portfolio, the client is able to pose questions and identify potential shortcomings in the manager's process. In short, these arrangements are generally designed to facilitate ongoing monitoring by specific, sophisticated investors, which we do not believe needs to be regulated;
6. Disclosing individual proprietary entity ratings publicly and systematically for free.

Essentially, only where an entity is disclosing individual proprietary entity ratings publicly and systematically on a commercial basis, for a charge, should they be in scope of the regulation, not where a rating is used as part of the fund marketing. Investment firms are already regulated entities, and investment products are also subject to extensive regulation, for example, disclosure requirements around methodologies used, including value assessment requirements and incoming Consumer Duty requirements. The ultimate distinction is that ratings or data are not the product in itself, but a means to achieving a desired investment outcome. In this sense, they are similar to proprietary credit ratings or internal stock ratings that firms utilise for portfolio construction purposes, and they do not need to be regulated. Proprietary ESG ratings used for product purposes should be treated in the same way as those ratings utilised in mainstream investment products, irrespective of whether they are disclosed to clients, at product level or not disclosed at all.

Intra-group ratings

Paragraph 3.4 of the consultation also asks for views on whether ESG ratings to be used by other entities in a group – so intra-group ratings – should be regulated. We do not think that intra-group ratings should be included in scope. As such, the exclusion of ESG assessments where ratings are created by an entity solely for use by that entity should be expanded to also cover use of entities within the same group as the intra-group ratings are not marketed in any way. 'Investment research' not shared externally is not covered under MiFID and therefore treating intra-group ratings in the same way will ensure consistency.

Other exclusions

With regards to the other exclusions listed in paragraph 3.5 in the consultation:

- We agree that credit ratings which consider the impact of ESG factors on creditworthiness should be out of scope given these products are already subject to requirements under the Credit Ratings Agencies Regulations.
- We also agree that investment research products, such as equity research reports, should be out of scope.

- With regards to external reviews, including second-party opinions, verifications and certifications of ESG-labelled bonds, external reviews should be included in scope in order to secure the reliability of those external assessments. The majority of members agree that second party options, verifications, and certifications of ESG-labelled bonds should be out of scope, although this should be kept under review as the market develops. Where ESG data and ratings providers are also providing these types of service, there should be enhanced disclosure of conflicts of interest.
- We agree that proxy advisor services should not be subject to the same regulation as ESG ratings as they are already subject to regulatory requirements. Following the implementation of SRD II into UK law and the creation of The Proxy Advisors (Shareholder Rights) Regulations 2019, any proxy advisor that has their registered or head office in the UK has to provide disclosures and notify the FCA. Proxy advisors are then included on a list of proxy advisors maintained by the FCA.
- We agree that consulting services, even where these relate to ESG matters, should be out of scope.
- With regards to academic research or journalism that relates to ESG matters - while we agree with excluding journalism, more discussion is needed on academic research. Further consideration needs to be given for, specifically, ratings produced by non-profit entities and offered for free, on a continuous basis (i.e. not a one-off study) and that are intended for use by investors as an end product. While we see benefit in these entities offering free ratings which may be impeded if a heavy regulatory burden is imposed, they are compiled with the intent of being used to influence investment decisions.

Question 11: Are there any other exclusions which should be provided for?

As outlined in our response to question 10, we believe ESG ratings produced using a proprietary framework and used by other entities within the same group ('intra-group ratings') should also be excluded from scope.

CHAPTER 4 - TERRITORIAL SCOPE

Question 12: Do you agree with the proposal to regulate the direct provision of ratings to users in the UK, regardless of the location of the provider?

While we recognise the departure this approach takes where the activity is onshored rather than the entity - i.e. to put regulatory obligations on firms regardless of where they are based - if they are providing a service to UK users, we do agree that the approach HMT proposes is appropriate. Otherwise, if ESG ratings (and data) providers are only caught in scope if they have a UK base, it would result in an uneven marketplace where only certain ESG ratings and data are regulated. We also welcome the acknowledgment from HM Treasury that it will consider providing for the recognition of equivalent overseas regimes if other jurisdictions introduce similar regulation to that which would be present in the UK.

Question 13: (For UK users of ESG ratings) Are you concerned that this proposal would hamper the choice of ESG ratings available to you?

The UK is a significant market for ESG ratings and data providers and our members are of the view that regulatory requirements would not be a barrier to the providers providing their services and products to UK users. That said, this will depend on what proportionality is applied to the regulation of the providers. Please refer to our answer to question 17 regarding having less onerous requirements on smaller providers.

CHAPTER 5 - PROPORTIONALITY

Question 17: Should smaller ESG ratings providers be subject to fewer or less burdensome requirements?
Question 19: Do you have any views on an opt-in mechanism for smaller providers?
Question 20: What criteria should be used when evaluating the size of ESG ratings providers?
Question 21: What level could the criteria for small ratings providers be set at (i.e. how could 'small ratings providers' be defined?

We support the views in the consultation paper that the ESG ratings (and data) market continues to evolve and grow rapidly and includes firms of different sizes providing different products. We believe that any regulatory framework for this market should take a proportionate approach based on the size of the firm and should also allow flexibility to change in the future as the market grows.

There is overall agreement amongst members that the ESG rating and data market needs to be regulated. However, some level of proportionality should apply as there is a concern that onerous regulatory requirements could have implications on smaller more specialist providers and could stifle start-ups/innovation. In terms of what criteria should be used when evaluating the size of ESG ratings providers, one suggestion is that smaller ESG rating/data providers only come in scope if their revenues in the UK reach a certain amount. This could ensure that regulation does not stifle innovation and does not become a barrier to entry.

Other factors around taking a proportionate response that must be considered include:

- A proportionate response should also take into consideration that smaller niche providers may be subsidiaries of larger providers and should not be excluded from scope;
- For fund ratings, there could be implications for asset managers distributing their own funds for fund of funds, if the fund of fund entity only wants to include underlying funds with a fund rating from an authorised provider;
- There may be pressure from the buy side to only use providers that are regulated, thus negatively impacting smaller providers. A voluntary opt-in for smaller providers could be a solution.

Question 22: Is there anything else you think HM Treasury should consider in potential legislation to regulated ESG ratings providers?

All our views are expressed in the above answers.