

ESG Working Group update

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RIXML.org

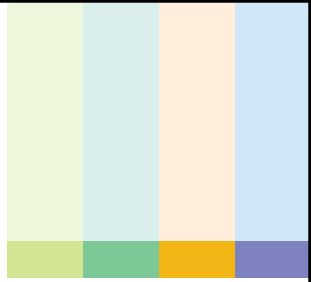
Research Information Exchange Markup Language

SASB Update



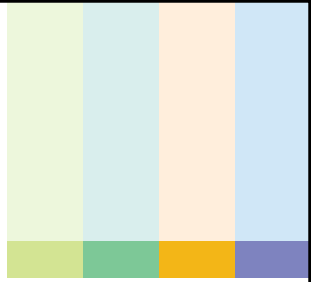
- SASB still appears to be the standard most closely aligned to research content
- Licensing considerations
 - Corporates don't need licenses to include SASB data for reporting (e.g., 10Ks)
 - Asset managers, research firms, and vendors do need them for commercial purposes
 - SASB recently put its Materiality Map behind a paywall, after some investors and firms were using the standards for commercial purposes without a license
 - More than 200 firms in the “Asset Managers & Asset Owners” category have license, compared with 52 in “Data, Analytics & Research Firms” and only **five** in “Banks & Multilateral Organisations”

SASB Update (cont'd)



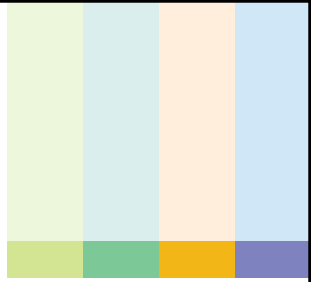
- We plan to present our use case to SASB to get its take on whether all member firms would require a license. Possible outcomes include:
 - SASB concludes that all RIXML members who create research and tag it to dimensions or factors within its proprietary taxonomy must hold a license
 - SASB concludes that RIXML itself must maintain a license to enable its members to use its taxonomy
 - SASB concludes that tagging the content based on its taxonomy doesn't, in and of itself, constitute commercial use, and provides it greater exposure/status
- Whatever the case, SASB's terms of use could change at any time
- Additionally, SASB is part of IFRS, and the latter could make changes to or replace SASB's taxonomy

Questions



- For the sell side
 - How granular do your fundamental analysts get with respect to ESG in their company research?
- For the buy side
 - How do you search for ESG content? (company content, industry content, strategy content)
 - Do you have content specialists that we could connect with?
- For the vendors
 - What kind of standardization (of taxonomies, of terminology, of scores) would help you aggregate content most effectively for users of your platforms?
- For everyone
 - Does your firm hold a SASB license now, or plan to in the future?

Decisions Needed



- Does it make sense to begin drafting an alternative taxonomy of our own that offers another layer of detail below the generic E, S, G breakout?
- How granular do we need to go in Phase I with ESG tagging? What would be most helpful in closing current gaps in discoverability?
 - For thematic content?
 - For company content?
- For company research, do we need a tag set with elements such as type (e.g., regulatory, environmental), impact time horizon (e.g., short, medium, long), and impact level (e.g., mild, moderate, severe)?