

THE CITY OF LONDON LAW SOCIETY

Minutes of a meeting of the ESG Committee (the “Committee”) held in person

at 16:00 on 11 January 2024

1. Welcome and apologies

- 1.1 In attendance: Roger Leese (Chair) (Clifford Chance), Greg Norman (Skadden, Arps, Slate, Meagher & Flom), Naomi Roper (Trowers & Hamblins), Sonali Siriwardena (Simmons & Simmons), Mindy Hauman (White & Case), Harry Hecht (Slaughter and May), Michelle Bradfield (Jones Day), Emma Giddings (Norton Rose Fulbright), Kerry Stares (Charles Russell Speechlys), Simon Witney (Travers Smith), Matthew Townsend (Allen & Overy).
- 1.2 Apologies: Anna-Marie Slot (Ashurst), Rebecca Perlman (Herbert Smith Freehills), Sung-Hyui Park (Bates Wells), Kevin Hart (CLLS), Sophie Kemp (Kingsley Napley), Stephen Sykes (Capital Law), Paul Davies (Latham & Watkins), Simon Davis (CLLS).
- 1.3 Observer: George Murray (Slaughter and May).

2. Approval of previous minutes

- 2.1 Draft minutes from the previous session were approved.

3. Introductions

- 3.1 Welcome to Paul Davies and Simon Davis (in absentia), noting that Paul has provided comments on the agenda which will be fed in by the Chair. The Committee looked forward to welcoming Paul and Simon in person in due course.

4. Committee membership and attendance

- 4.1 Generally, joining and leaving the Committee is to be dealt with annually. The Chair expressed a desire to deal with new members and the exit of any existing members by the next meeting (likely to be held in April or May 2024). It was noted that the Committee monitors which members are able to attend and would look to follow up with those that missed consecutive meetings.
- 4.2 The process for deciding on new members was discussed. No gaps had been identified that specifically needed to be filled. However, there is room to include additional members in the Committee (by reference to the size of other committees), and now would be the time for any existing members to say if they are looking to finish their time with the Committee.
- 4.3 A formal interview process for approving new members was considered, and the Committee agreed that it was more than was needed at this stage. The question was also raised whether people who had previously applied but were not able to join due to size restrictions at the time should be recontacted.

- 4.4 Since the last meeting, the Chair has had two new requests from lawyers to join the Committee (D. Hickey, ESG and Sustainable Finance lawyer at Paul Hastings, and A. Holsgrove-Jones, Knowledge Partner in Real Estate Group at TLT).
- 4.5 The Committee agreed to ask for CVs from prospective candidates to be circulated to the Committee for consideration. The Committee also agreed to revisit the list of those who had previously applied but were unable to join due to limitations on numbers, and also to consider scope for including more junior members in the Committee.
- 4.6 The Chair expressed hope that all Committee members could commit to being involved, in their role of Committee members, in at least one consultation response and helping to lead an event in 2024.
- 4.7 Any Committee member who wishes to bring their time on the Committee to an end is to inform the chair and Kevin Hart before the next meeting in April/May.

5. Working groups update

Law Society Climate Change Guidance

- 5.1 The first call of the working group was attended by Peter Wickham, Paul Davies and Roger Leese. The working group decided that the Committee should look to cooperate with the CLLS Environment -committee. ..

ESG Risk Ratings

- 5.2 An initial call has been held, with Paul Davies, Roger Leese and an Allen & Overy associate nominated by Matthew Townsend, and noted that the Committee has already provided comment on ESG ratings as part of a consultation response led by the Environmental committee.
- 5.3 HMT is expected to put out proposals soon in relation to regulating ESG risk ratings, to which the Committee could reply in collaboration with the Environmental Committee and other CLLS committees. The Chair noted that he had reached out to the Company Law Committee who had said that they would be happy to feed in. Where the approach is regulatory, there is an obvious role for the Regulatory Law Committee as well.
- 5.4 The Committee agreed to look out for the government's proposals on ESG risk ratings and look to respond to them in collaboration with the CLLS Environment, Company Law and Regulatory Law Committees as appropriate.

6. Collaboration with the Regulatory Law Committee ("RLC")

- 6.1 It was noted that the RLC had responded to the FCA's consultation on diversity and inclusion (D&I), and that they would want to collaborate with the Committee in the future (and vice versa). The content of the RLC's response was shared with the Committee and discussed briefly.
- 6.2 It was also noted that the FCA were consulting on guidance relating to their anti-greenwashing rule, that will apply to all FCA-regulated firms.

6.3 The Committee was asked to read through and provide comments to be fed into the FCA’s greenwashing [consultation](#), before the closing date of 26 January.

6.4 The Committee also resolved to set up a call with the chair of the RLC to ensure a strong connection was made, and to provide a chance for Committee members interested in disability or anti-greenwashing to express their interest.

7. Potential areas of focus / initiatives for 2024

7.1 The Committee discussed where its focus should be in 2024. This might include topics such as: biodiversity; reporting developments, including ISSB, CSRD and transition planning; human rights and business; and greenwashing (and ethics-washing)).

7.2 As a general point, the best time for CLLS Committees to comment is at an early stage when policy proposals start to be integrated into legislation.

Biodiversity

7.3 The Committee noted the need to tie in with the CLLS Environmental Committee. There may also be educational/outreach opportunities in relation to biodiversity that could be picked up in advance of initiatives such as the Taskforce on Nature-related Financial Disclosures recommendations (“TNFD”) being integrated into legislation (which is thought likely at some point).

7.4 The World Wide Fund for Nature (“WWF”) short film on nature and business, which includes an overview of the issues and interviews with businesses taking steps to be nature-friendly, was brought to the Committee’s attention by the Chair. The WWF have previously held an event to show the film, followed by discussion.

7.5 It was proposed that the WWF’s short film could be put on as an event hosted by the Committee. It was noted that the film could work as way to promote a panel to discuss the issues and opportunities relating to what TNFD and biodiversity could mean for business.

7.6 In respect of the intended audience, Committee members’ firms could promote as they see fit and have it open to view online, with in-person attendance potentially being more limited.

7.7 The WWF had in mind April as a possible date.

7.8 The Chair agreed to revert to WWF to report interest from the Committee, and circulate the link to the video. For the event, the panel could include two members of the Committee. Sonali Siriwardena (Simmons & Simmons) and Harry Hecht (Slaughter and May) volunteered their firms to be involved.

Supply chain due diligence.

7.9 Given recent developments on the Corporate Sustainability Due Diligence Directive (“CS3D”) in the EU, the Committee agreed to monitor developments in respect of supply chain due diligence, and consider opportunities to engage with the topic area, especially any proposals the UK government makes.

8. COP attendance and engagement

- 8.1 The Committee was asked to consider whether it thinks it should have any role in or do anything around the international Conferences of the Parties to the UN Framework Convention on Climate Change and the Convention on Biological Diversity (usually referred to as “COPs”). In particular, the 29th climate COP to be held in Baku at the end of 2024.
- 8.2 It was noted that member firms, the International Bar Association (“IBA”) and the Law Society for England and Wales are all active at COPs. It was queried whether we think there is a role or need for the Committee to drive some engagement in the next COP. For example, through a white paper. The Committee discussed that, if wanting to launch some form of formal presentation, this would best be done by working with an accredited observer to produce a proposal (such as the IBA or Law Society).
- 8.3 It was mentioned that members do not necessarily need to fly to COP in person to have a positive impact, notwithstanding any commercial reasons for going and that attending in person does create a focus and drive engagement. There may be other avenues where our voice could be better heard, depending on what we see the Committee’s function as. For example, is it to inform UK policy and educate the wider legal professional? The Committee’s view was that there needs to be a very good reason to send representatives from the Committee specifically (notwithstanding the fact that many member firms are going in their own right).
- 8.4 The Committee discussed the question of whether law firms being at COP was valuable generally. For practitioners, a reason for going is that clients attend. At another level, there is scope to speak on panels etc. (whether in the Blue Zone or outside). Relatedly, lawyers can have a positive role by (i) helping to inform audiences of the legal side of issues; and (ii) articulating specifically the role of lawyers and the role of our advice in respect of climate change.
- 8.5 There is also the potential role to educate lawyers and others in the UK that do not attend in respect of COP (for example, what is on the agenda, what is decided, what is not decided). There is increasing interest from companies in being aware of what is going on even if they do not attend. It was discussed how lawyers can add to the debate, given that there are so many other voices speaking about this. The approach of some firms is to consider whether they can add anything on top of what the mainstream press publishes and if not, remaining silent.
- 8.6 The Committee agreed to rule out publishing any sort of paper of its own in respect of the COPs, but could explore, at an appropriate point with contacts within the IBA and Law Society, any avenues to contribute without imposing too great a burden.

9. Consultations etc.

- 9.1 There are a number of consultations etc. of which to be aware, and some with which the Committee might seek active involvement.

UN Working Group Consultation on "Investors, ESG and Human Rights"

9.2 The Committee was informed that there had been two events, for investors and practitioners, hosted by Clifford Chance, and the UN is now looking to consult in other jurisdictions.

9.3 The Committee resolved to look out for the final product from the UN Working Group Consultation on "Investors, ESG and Human Rights", and consider any response.

TNFD [consultation on sector-specific guidance](#)

9.4 TNFD have now issued their sector-specific guidance, inviting comments from sector participants in particular. The Committee's view was that there would be limited value for lawyers to comment on guidance not aimed at them. The Committee envisaged a greater role in the process of TNFD being incorporated into legislation.

9.5 The Committee also noted that there were FCA consultations on: [anti-greenwashing rule guidance](#) (closes 26 Jan) (see above); [aligning listed companies' TCFD disclosures with ISSB standards](#) (expected by 31 June 2024); and [listed companies' transition plan disclosures](#) (expected by 31 June 2024).

9.6 A consultation on the UK's green taxonomy is also expected. Emma Giddings, Matthew Townsend, Naomi Roper, Greg Hands and Harry Hecht all volunteered to form a working group to consider this in due course, and would look to liaise with the CLLS Company Law and Regulatory Law sub-committees.

10. Events

Joint event with Livery Companies update

10.1 Simon Davis is a steward in the Livery Companies and in that role has been asked to organise an ESG-themed event between the CLLS (especially the ESG Committee) and the other Liveries with a specific interest. The accountancy and insurance liveries are the most likely candidates.

10.2 It is open to the Committee to set the agenda and decide with the other Liveries who would be well suited to attend. Suggested subject matter could include ESG reporting and disclosure as a pertinent area with wide appeal. The format for the event is likely to include presentations and roundtable discussion, with a reception.

10.3 The Chair will gather a working group to consider the content of the event, and asked members of the Committee if they might like to host.

11. AOB

11.1 None.

12. Date of subsequent meetings

The next meeting will likely be held in April . Meetings are to progress quarterly and the location to rotate around members.