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TATTVA

The Elements

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Environmental,
Social and
Governance



Market Trends

Q12021 witnessed a positive trend in sustainable bonds

Green bonds saw the highest issuance of \$130 billion, followed by social bonds at \$91.3 billion and sustainability bonds at \$43 billion. Environmental concerns have risen in the past few years for investors. This change is driven by the increasing regulatory stringency and social focus on sustainability.

Source: [Reuters](#)

Impact performance is being linked to management compensation by funds, research confirms

Impact Capital Managers (ICM), a membership body of Northern America Private Capital fund, conducted a research and found that Impact fund managers are starting to tie the achievement of impact goals and management compensation. ICM's Executive Director said that the purpose of the report was to measure the emerging market trend around the legal tools used in the impact investing industry.

Source: [Responsibleinvestor](#)

Average ESG score for US companies increases in year 2020

Investors are demanding more data on ESG parameters, from environment to board room diversity. The latest ranking from Refinitiv based on annual reports for 2020 shows that the average ESG score for several US companies with a market cap of at least \$5 billion has increased. A lot of catching up is required in terms of ESG disclosures, as the average ESG score of the US companies is lower than that of their European peers.

Source: [Reuters](#)

Investment giants look to invest trillions in sustainable finance and saving billions in taxes

J P Morgan, Wells Fargo, Citi Group, Bank of America, and Morgan Stanly said they would be mobilizing trillions in ESG funds. The banks claim to have created these new trillion-dollar ESG fund to please the regulators, impress the investors and shareholders, and reduce their tax bills.

Source: [Bloomberg](#)

PRI launched its new three-year strategy for responsible investment

Responsible investment has picked up pace over the past decade. PRI has released its 3-year strategy that enables continuity of its 10-year blueprint for responsible investment. The new strategy includes an integrated report to test a new reporting framework. The board and the signatories will review the pilot reporting framework and will formally report before the 2022 reporting cycle.

Source: [Top1000funds](#)

International banks conduct climate-related financial risks stress tests

Banks are running the first of its kind thematic stress test to assess the long-term risk of climate change. In a 2020 survey conducted by the Bank of International Settlements, 24 out of 27 regulators and supervisors confirmed having conducted research into climate-related financial risks.

Source: [Financialtimes](#)



ERM acquired Dutch sustainability firm Sustainalize

UK-based ERM has strengthened its buy-and-build growth strategy with the acquisition of Sustainalize, which is a Netherlands-based sustainability firm. This allows ERM to cater to a wider range of service applications across sustainability strategy, ESG advisory, external reporting, and impact assessment.

Source: [Consultancy.eu](https://www.consultancy.eu)

State Street and S&P Global Trucost to join hands in a strategic engagement

The engagement guarantees clients of State Street to access Trucost's environmental data through reporting and analytics capabilities of the former's platforms. It will help clients in mapping their carbon footprint data and other data to their portfolios. "We are excited to partner with State Street to accelerate the awareness of climate risks and opportunities," said Dr. Richard Mattison, Chief Executive Officer of S&P Global Trucost and Chief Product Officer of ESG at S&P Global.

Source: [Businesswire](https://www.businesswire.com)

MUFG Investor Services and MJ Hudson collaborate for ESG services in private markets

MJ Hudson chooses MUFG as its global partner for private markets ESG services and reporting. This partnership shall bring forth a plethora of services to the clients right from the pre-investment stage. These services include policy creation and investment strategy integration, SFDR consultancy and due diligence, with ESGIQ and a digital platform that helps in monitoring and reporting of ESG factors.

Source: [Londonstockexchange](https://www.londonstockexchange.com)

DLA Piper and Datamaran teamed up for the integration of ESG due diligence

DLA Piper has teamed up with Datamaran, a cloud-based SaaS that helps in identification and monitoring of external ESG risks and opportunities. DLA Piper's top-notch experience, area spanning, and cross-sectional expertise have allowed both to partner to achieve a fully integrated legal and ESG due diligence.

Source: [Dlapiper](https://www.dlapiper.com)

BlackRock and Temasek reveal a partnership toward de-carbonization

Under a collaboration between Temasek and BlackRock, named Decarbonisation Partners, companies aiming for de-carbonization solutions and that have proven their mettle in the theme of renewable energy and sustainable technology shall be funded. Blackrock's CEO said that this will assist to define climate solutions and promote transformational innovation.

Source: [Citywireselector](https://www.citywireselector.com)

Zephyr and OWL Analytics teamed up to give ESG Rankings

OWL Analytics and Informa PLC's subsidiary Zephyr announced their collaboration to provide OWL Analytics' ESG rankings and ratings to portfolio analytics and portfolio-performance platform clients of Zephyr on mutual funds, individual securities, Zephyr's PSN, and Informa's proprietary separately managed accounts.

Source: [Streetinsider](https://www.streetinsider.com)

Refinitiv Datastream and ESG data added to Wharton Research Data Services' product offerings

Wharton Research Data Services (WRDS), the leading business intelligence, data analytics, and research platform to global institutions has added Refinitiv Datastream and Refinitiv ESG data as part of its data offerings. Refinitiv ESG will incorporate sustainability metrics and scores into research.

Source: [Businesswire](https://www.businesswire.com)



People Movements

Alex Bernhardt joined BNP Paribas AM

BNP Paribas Asset Management hired Alex Bernhardt as Global Head of Sustainability Research. He will step down from the position of Director of Innovation at Marsh McLennan to take up his new responsibility.

Source: [ResponsibleInvestor](#)

Sylvia Solomon appointed as Director of ESG, Equitile

Equitile welcomed Sylvia Solomon as Director of ESG and Business Development. She comes with a remarkable 30-year long experience in sustainable and equity investment, which makes her an outstanding addition to the team.

Source: [ESGinvesting](#)

Green Finance Institute appointed new Executive Director

Green Finance Institute appointed Ingrid Holmes as the new Executive Director to work alongside the CEO in the senior management team, for developing and guiding institute strategies.

Source: [ResponsibleInvestor](#)

Bridgewater announced a new Sustainable-Investing Venture, hired Co-CIOs

Karen Karniol-Tambour and Carsten Stendevad have been hired by Bridgewater as the new Co-Chief Investment Officers responsible for overseeing the new sustainable-investing venture.

Source: [ESGtoday](#)

TimesSquare Capital Management hired Head of Sustainability

Yovanka Bylander joined TimesSquare Capital Management as Head of Sustainability, where she will be looking after the integration of ESG principles in manager's investment strategies.

Source: [Pionline](#)

Blackstone hired new members for its ESG team

Blackstone appointed five new Managing Directors in its ESG Team to continue its decade-long focus on ESG. With new resources and capabilities, the firm continues to commit ESG integration in its asset management and investment process.

Source: [Businesswire](#)

Trillium made new hires for its UK business

Trillium Asset Management commits to UK markets for delivering ESG investing and advocacy to clients in the UK and Europe. A team of senior professionals led by Ian Warmerdam is hired to spearhead the launch of new global ESG equity strategies.

Source: [PRNewswire](#)



Fintech

Accenture and SAP to form a partnership to enable companies embed sustainability across business operations

Accenture and SAP are looking to create new solutions to enable companies to expedite their progress on fully decarbonizing their supply chains. The companies plan to develop SAP's new solution for responsible production and design. The solution will embed sustainability metrics across their value supply chains with focus on product design and manufacturing.

Source: [Businesswire](#)

Valutico to build a framework, bridging the gap between ESG factors and modern valuation theory and practice

Valutico has received the go-ahead to build ValutECO, a framework that bridges the gap between ESG factors and modern valuation theory and practice, with support from the Vienna Business Agency. The product will be an extension of current valuation models. ValutECO is expected to facilitate the availability of tools, which help measure sustainability footprint of companies. The goal is to develop a module that allows holistic assessment of an organization's impact on the environment, social, and governance parameters.

Source: [thefintechtimes](#)



Products and Services

DWS and Arabesque floated an AI-driven equity fund

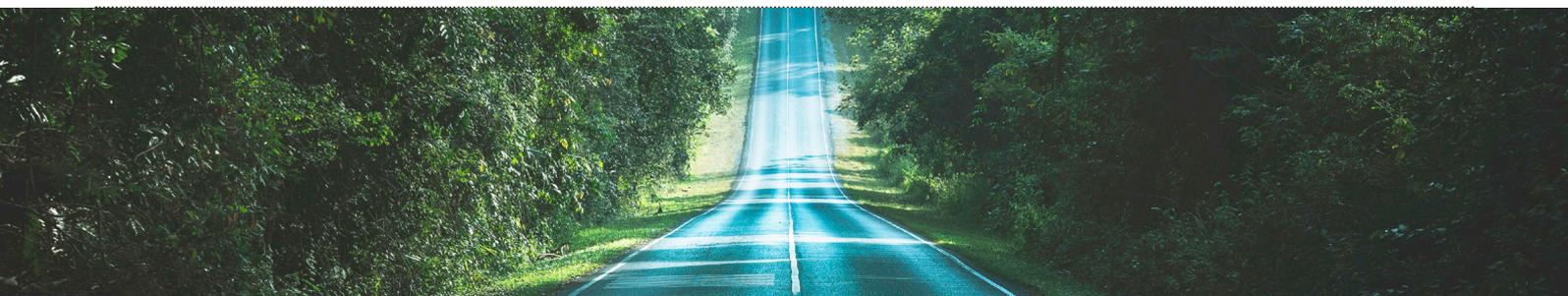
The partnership between DWS and Arabesque AI has yielded in a new equity fund that picks out stocks based on three major trends identified by DWS that will drive the next decade. The interface identifies the attractiveness of stocks, which helps DWS create manifold portfolios and analyze new trends. The new fund takes a total return approach and consists of 70 stocks from the MSCI World universe.

Source: [ESGtoday](#)

Moody's to establish a stronghold in the APAC market by opening a new office in Singapore

The group's ESG affiliate, V.E. Leveraging will run its new office in Singapore and cater to Asia-Pacific by bringing in climate risk solutions, due diligence expertise, and pioneering products and services. V.E. will strengthen its support to the Monetary Authority of Singapore's recently launched Green and Sustainability-Linked Loan Grant Scheme (GSL), by offering Second-Party Opinion (SPO) services.

Source: [Financialpost](#)



McKinsey announced a platform for Net-Zero transformations for clients across industries by 2050

McKinsey announced the launch of its sustainability platform to enable clients across all sectors to achieve their carbon emission goals and net-zero carbon goals by 2050. McKinsey Sustainability will facilitate as an advisory for its clients by providing knowledge, client servicing, and attracting investments and partnerships.

Source: [McKinsey](#)

ISS ESG launched a solution for the SFDR Principal Adverse Impact disclosure

The new service ensures compliance to the new European Union Sustainable Finance Disclosure Regulation (EU SFDR). The EU SFDR mandates participants to use the key indicators for investment in highly sector-specific categories such as sovereigns and real estate assets. The service will enable benchmarking a market participant's performance indicator to that of the newly updated reporting guideline of the SFDR.

Source: [ISSinsights](#)

New York Life introduced a 3-year, \$1 billion impact investing initiative supporting small businesses and community development

New York Life's new impact investing initiative will be targeting the underprivileged communities by focusing on affordable housing, federally chartered community development financial institutions (CDFI), and small businesses. The company aims to partner with Fairview Capital, a PE investment management firm, for a preliminary investment of \$150 million.

Source: [Businesswire](#)

UBS introduced Paris Agreement-aligned equity ETFs based on MSCI Climate Paris Aligned Indices

The UBS MSCI Climate Paris Aligned UCITS ETFs are tailored to reduce the investor's climate-related risks of varying degrees. The methodology of the MSCI Climate Paris Aligned Indices excludes companies that are involved in controversial sectors and reallocates weights according to the GHG emissions data. The objectives of such ETFs qualify under EU's Sustainable Finance Disclosure Regulation (SFDR).

Source: [Etfstrategy](#)

Salesforce established a dashboard for companies to trace carbon emissions for Scope 3 in their supply chain

Salesforce launched the Salesforce Sustainability Cloud Scope 3 Hub, a new platform to aid companies track and streamline their supply chain carbon footprint. The hub comes with a frequently used dataset from the U.S. EPA and a real-time tracking feature for all the historical GHG emissions and ESG data.

Source: [Salesforce](#)

BlackRock floats two ETFs aligned to the Paris Agreement for carbon reduction

BlackRock's new Paris-aligned ETFs exclude companies associated with thermal coal, oil and gas, carbon, heavy electricity generation, and controversial weapons. The ETFs trace the MSCI World Climate Paris Aligned Benchmark Select index and the S&P 500 Paris-Aligned Climate Sustainability Screened index.

Source: [ETFstream](#)



Scotiabank unveiled its ESG investment product including the top 50 sustainability-inclined US-listed companies

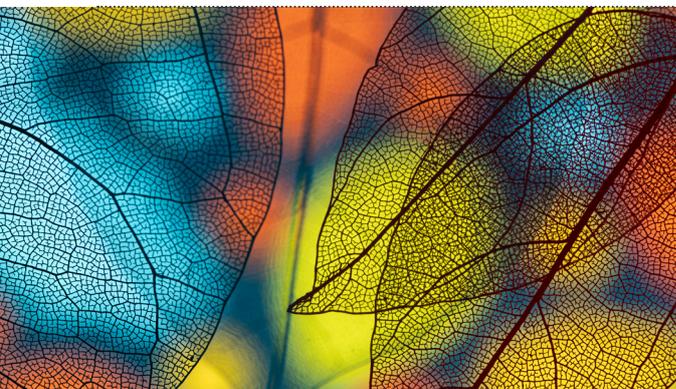
The Mexican branch of the bank has launched an MXN-denominated structured note linked to IndexAmerican, an index developed by Inter-American Development Bank (IDB) for tracing corporate sustainability. The 50 US-listed companies also have a substantial footprint in the Latin America and the Caribbean (LAC) market. BNP Paribas has tailored this to the Mexican market according to the Scotiabank's needs.

Source: [Businesswire](#)

Dynamic Advisor Solutions launched a line of ESG model portfolios for its US network of 80 wealth advisors

Ranging from 0 to 100 equity, the models vary across different equity allocations judged upon various investment criteria. An independent advisor representative in the Dynamic network suggests that the tool is one of its kind, as clients can choose their asset allocations in adherence to their risk appetites and diversify accordingly. The ETFs classified as ESG, with a minimum AUM of \$100 million, along with a few other criteria will qualify in these ESG model portfolios.

Source: [Businesswire](#)



Laws, Policies and Regulations

Guidelines issued to achieve Paris Agreement objectives

The United Nations Environment Programme Finance Initiative (UNEPFI) has issued Guidelines for Climate Target Setting for Banks on April 21, 2021 in order to achieve the Paris Agreement objectives.

Source: [Regulationtomorrow](#)

Public joint-stock companies mandated to publish sustainability reports

According to Article (76) of the Governance Code mandate, public joint-stock companies listed on the Abu Dhabi Securities Exchange (ADX) are required to issue their sustainability report and comply with the Global Reporting Initiative (GRI) standards or any standards issued by ADX.

Source: [lexology](#)

Japan FSA introduced a framework for certifying green and transition bonds

The Japan Financial Services Agency (FSA) and the Tokyo Stock Exchange will be issuing a framework for certifying green and transition bonds. Also, the FSA will issue updates on disclosure requirements with the guidelines meant for banks.

Source: [Responsibleinvestor](#)



Law for companies to issue climate disclosures in California

According to a law passed by California, it is mandatory for companies operating in the state to issue climate disclosures.

Source: [ResponsibleInvestor](#)

Financial sector players to adopt climate risk reporting

Banks, insurance companies, and investment managers operating in New Zealand are required to issue climate-related disclosures to achieve net-zero carbon emissions by 2050. Around 200 companies are required to adopt climate risk reporting requirements by 2022.

Source: [TheEnergyMix](#)



Top Controversies

Alibaba Group fined \$2.8 billion by Chinese authorities

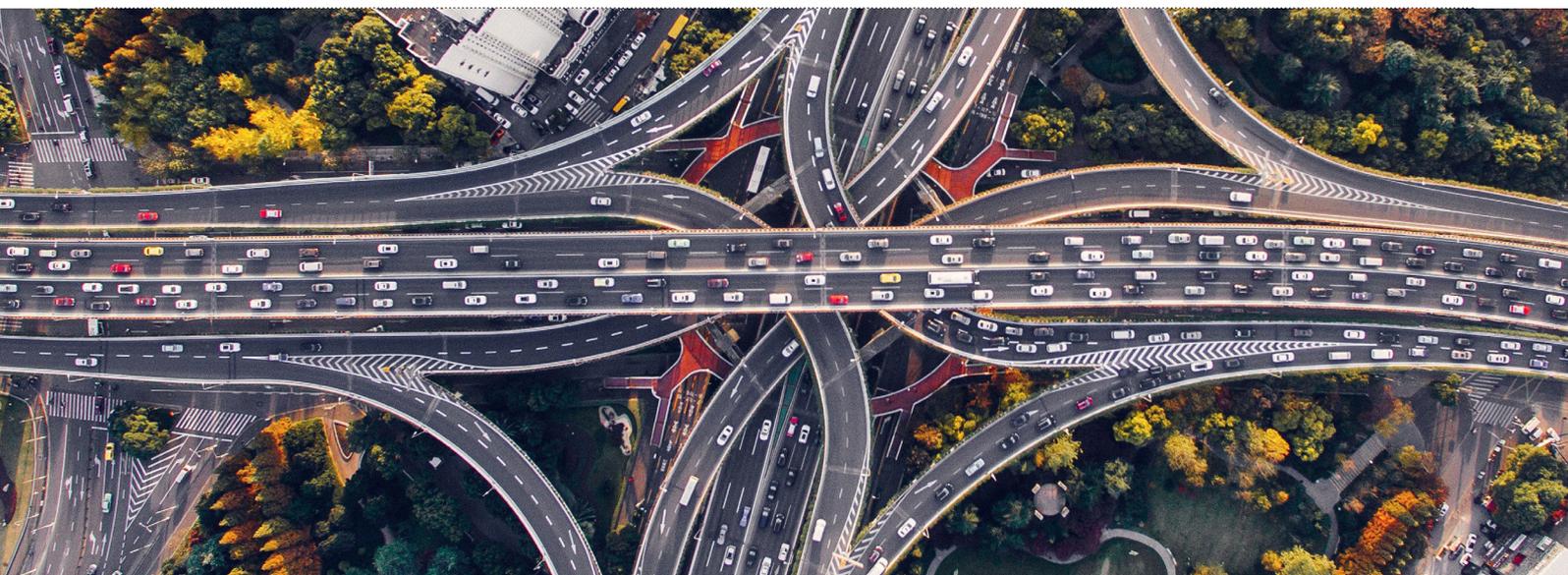
The State Administration for Market Regulation imposed \$2.8 billion fine on Alibaba Group over accusations of implementing monopolistic practices. The fine paid was equal to 4% of its domestic sales and was charged on the company after a thorough investigation by the authority.

Source: [Livemint](#)

Legal Action taken against AstraZeneca over COVID-19 contract

AstraZeneca faced legal action by the European Commission for breaching the COVID-19 vaccine supply contract. The company had committed to deliver 300 million vaccine doses to the EU between December 2020 and June 2021, but later issued an unpromising statement.

Source: [Reuters](#)





Our Blogs

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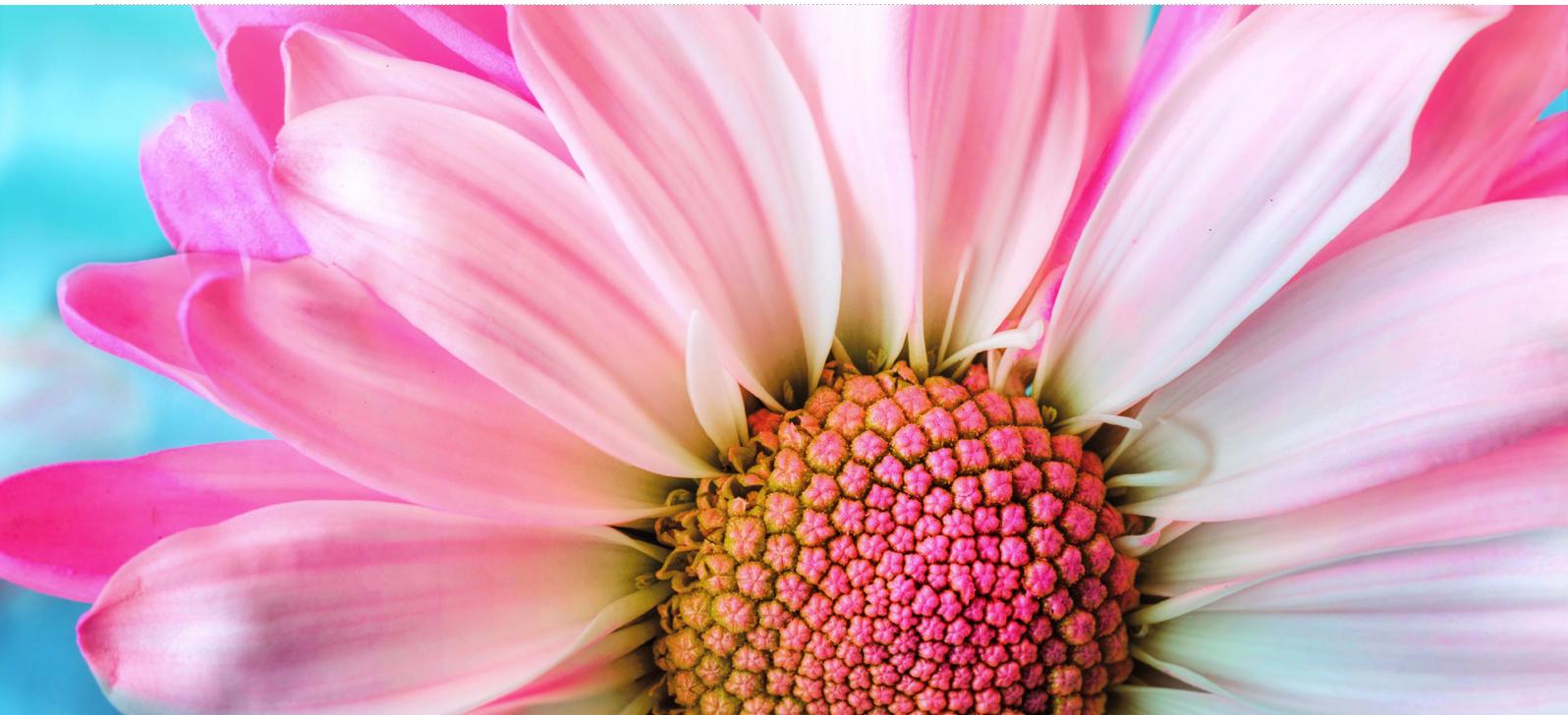
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