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The Elements

As the United Nations Climate Change Conference (COP26) was fast approaching in the month of October, many companies announced new products and technologies for meeting the disclosure requirements to cater to the ever-increasing demand of climate disclosures. The UK will make climate-related disclosures a legislation, days before COP26. Aegon partners and GEFI partnered up for sustainable sovereign bond fund launch at COP26.

Several airline companies came together to form a climate-related coalition while Global Reporting Initiative (GRI) and SAP made important hires in their teams to drive ESG. Moody's launched an ESG tool to help meet EU Taxonomy requirements while the EU released the largest-ever green bond offering under the NextGenerationEU program. Lastly, Invesco and India's Zee Entertainment were in a legal standoff over Zee's merger with Sony.

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MARKET TRENDS

Trends driving positive environmental and social change

Businesses, financial institutions, and regulatory bodies have realized the significance of addressing the ESG risks and capitalizing on the underlying opportunities to adopt sustainability. Catch the latest developments in the industry from government mandates to revolutionary initiatives in this section.

London Stock Exchange has issued new guidance for issuers on climate reporting

The London Stock Exchange has launched its Climate Transition Offering for the companies listed in the UK. It is the first stock exchange to issue climate reporting guidelines as per the recommendations of the Taskforce for Climate Related Financial Disclosures (TCFD).

► Source: LSEG

COP26 began as UN pushed for greater ambition toward Paris Agreement goals

UN held COP26 with the key goals of raising ambition on all fronts and finalizing the agreement's implementation guidelines. A series of reports and studies were put across at the conference, warning

that urgent action will be required to keep the Paris Agreement's goal of 1.5°C within reach.

► Source: UNFCCC

US regulators alerted financial companies that climate change poses a threat to financial stability

The US Secretary of the Treasury Janet Yellen joined a group of senior federal regulators in declaring climate change an "emerging threat" to the country's financial stability. They issued preliminary guidelines for how agencies should begin planning to deal with the issue.

► Source: Bloomberg

New proposed rule from the DOL would make it easier for pension funds to invest in ESG issues

A new proposed rule from the Department of Labor (DOL) will give funds contemplating ESG investments, a clear green light. As per the rule if ESG factors are material to an investment, fiduciary should act accordingly, like any material risk-return factor. Furthermore, the proposed rule includes a list of ESG considerations that 41 new signatories, such as Amundi and Franklin Templeton joined the initiative. The initiative was undertaken by asset managers in December 2020 to promote GHG emissions reduction to net zero by 2050 or before. The coalition now consists of 128 members managing USD 43 trillion in AUM globally.

► Source: Linklaters

Investor coalition for climate action and mandatory reporting has grown to USD52 trillion

The Investor Agenda, a net-zero-focused group has created 2021 Global Investor Statement to

Governments on the Climate Crisis. Some of the world's top investors including State Street Global Advisors, PIMCO, AMUNDI, Fidelity International, Aviva, and DWS have signed onto the campaign. It The initiative constitutes assets worth more than USD52 trillion.

► Source: ESGToday

UK to introduce a legislation requiring mandatory climate-related disclosures

The UK government has revealed formal plans to implement laws demanding mandatory climate-related disclosure. Reporting will be in accordance with the TCFD recommendations post enactment of the laws in April 2022. More than 1,300 of the country's largest publicly traded firms and financial institutions will be among the first to make disclosures.

► Source: ESGToday

COLLABORATION

Companies joining forces to shape sustainable solutions

ESG issues continue to grow in relevance, be it employee health & safety or climate change, and the impact is multi-fold in current times. Investor groups and corporates are increasingly collaborating to address such issues and drive sustainability. Follow the major coalitions in the ESG space.

Bridgeway Capital Management partnered with RadiantESG Global Investors for ESG integration

Global relational investing firm Bridgeway Capital Management (Bridgeway) and ESG investment solutions provider RadiantESG Global Investors (RadiantESG) announced a partnership to expand Bridgeway's US Large-Cap Growth strategy for ESG integration. The collaboration is the next step in the ongoing consulting relationship between the firms, leading to use of ESG Ratings complemented by RadiantESG's controversy and impact insights for investment decisions.

► Source: Business Wire, Inc.

CBOE and MSCI joined hands to offer capital market insights

MSCI extended collaboration with CBOE Global Markets, Inc., a market infrastructure provider, granting the company licensing rights to offer options trading on MSCI global indices till 2031. The companies have been in an ongoing strategic alliance to exchange expertise to drive innovation for capital markets.

► Source: Finextra Research

Aegon partners and GEFI jointly launched sustainable sovereign bond fund at COP26

Aegon Asset Management and Aegon UK along with Global Ethical Finance Initiative (GEFI) launched the Aegon Global Sustainable Sovereign Bond fund at COP26. With a boost of £100 million from Aegon UK, the new fund has been introduced to combine the sustainability aspects of sovereign bonds with its investment strategy.

► Source: FUNDS-EUROPE

Goldman Sachs Asset Management and Bloomberg launched Global Clean Energy Index

Bloomberg and Goldman Sachs Asset Management launched a new index that will track the performance of global equities with significant business exposure to the clean energy sector. The Bloomberg Goldman Sachs Global Clean Energy Index is designed with insights from the BloombergNEF and energy expertise from both firms will track performance for over 175 global equities in the sector.

► Source: Bloomberg

New aviation coalition formed to decarbonize aviation

The Aviation Climate Taskforce (ACT) has been formed to promote de-carbonization technologies in the aviation industry. The coalition includes global aviation members such as Air Canada, Lufthansa, United Airlines, and Virgin Atlantic. Moreover, Boston Consulting Group (BCG) plays a key role in the development of the ACT. The coalition will accelerate innovations in the industry, and it is aimed at reducing emissions from international flights.

► Source: Air International.

Credit Suisse and BlackRock launched health and wellbeing-focused impact fund

Credit Suisse and BlackRock launched private equity impact fund focused on health and wellbeing. The partnership was formed to launch a series of next-generation purpose-driven investments. The Health and Wellbeing Fund will aim for a “double impact” outcome to attract capital gains and address major societal trends.

► Source: Credit Suisse

Glass Lewis Partners and Arabesque collaborated to gain ESG Data insights for proxy research

Arabesque partnered with governance solutions company Glass Lewis aiming to provide sustainability insights for proxy voting and engagement for institutional investors and corporates. Arabesque will provide ESG profiles for Glass Lewis' Proxy Paper research reports to enable clients' access to climate and regulatory data solutions.

► Source: Arabesque



PEOPLE MOVEMENTS



Thought leadership through key hires

Companies across the globe are demanding analysts, strategists, and knowledgeable professionals to understand and drive their ESG data, strategies, and solutions for a range of stakeholders. This section brings to you the latest movements of such highly skilled professionals in the ESG sector.

SAP appointed Chief Diversity and Inclusion Officer

Enterprise Application Software Company, SAP welcomed Supriya Jha as Chief Diversity and Inclusion Officer. Previously, she was Global Head of Diversity, Inclusion, and Belonging at Nasdaq and was responsible for developing diversity and inclusion function, devising strategies, and implementing action plans across the firm.

► Source: ESGToday

Christine Chow joined HSBC AM as Head of Stewardship and Engagement

Christine Chow joined HSBC Asset Management (AM) as Head of Stewardship and Engagement to lead the organization's responsible investing work and grow its research and insights in the area. She will be focusing on climate and sustainability engagements to enable the transition to net-zero, which is aligned with HSBC Group's net-zero strategy.

► Source: PI Online

GRI confirmed Eelco van der Enden as the new CEO

GRI confirmed Eelco van der Enden as the new CEO of the firm. He will step down from the position of Global ESG Platform Leader Tax, Legal, People, and Organizational Services at PWC to join GRI from January 1, 2022.

► Source: Globalreporting

Apollo hired Davis Stangis as Chief Sustainability Officer

Apollo Global Management appointed Davis Stangis as Senior Partner and Chief Sustainability Officer to drive the organization's sustainability efforts and build its long-standing ESG program. He will report to the firm's Co-presidents Scott Kleinman and Jim Zelter and join the management committee.

► Source: GlobeNewswire

Ilario Di Bon joined Edison as ESG Consultant

Ilario Di Bon joined the Investment Research and Advisory Company, Edison as ESG Consultant to guide the companies on enhancing their sustainability and governance structures. He will report to Kelly Perry, Head of ESG Client Solutions.Organizational Services at PWC to join GRI from January 1, 2022.

► Source: ESGClarity

Societe Generale welcomed HacinaPy as Chief Sustainability Officer

Societe Generale welcomed HacinaPy as Chief Sustainability Officer to play a crucial part of CSR in the Group's strategy. She will join the Group Management Committee and will report to the General Management starting January 1, 2022, under the guidance of Diony Lebot, Deputy Chief Executive Officer.

► Source: SocieteGenerale

FINTECH

Innovation in sustainable investing

The fintech section captures the various innovations in the data analytics, software solutioning, and technology space that benefit both investors and data providers. Learn about the most groundbreaking technologies leading their way in ESG.

I Squared has launched an energy transition investment platform

Infrastructure investor I Squared launched Cube Green Energy, a renewable energy platform aimed at facilitating the transition to a zero-carbon economy. The new platform can develop, repower, build, and run wind and solar farms, as well as invest in allied developing technologies, such as battery storage and green hydrogen. Cube Green Energy will primarily focus on the established renewables sector in Continental Europe.

► Source: ESGToday

Moody's introduced a new ESG Solutions tool to help meet EU Taxonomy requirements

Moody's has launched a new data solution to assist market players in meeting the EU Taxonomy regulation's disclosure obligations. The EU Taxonomy Alignment Screening offers detailed information on the essential elements of the law for categories such as 'Significant Contribution', 'Do No Significant Harm', and 'Minimum Social Safeguards'.

► Source: finance.yahoo

Arabesque introduced new data solution for SFDR regulatory reporting

The new strategy will focus on high-emission sectors across G20 countries. It will focus on driving exponential growth in adoption and execution of the new target, 1.5°C through a new governance

structure and technically strong operational models. Furthermore, it will include a more structured, adaptable project management approach to support sustainable and exponential growth.

► Source: eco-business

MSCI introduced Climate Risk Tool for institutional investors

MSCI has introduced its Climate Lab tool for monitoring and managing climate and financial risks at the company level. The program will allow aggregation of the previously published company implied temperature rise solution at the portfolio level. Investors will be able to track the forward-looking indicators across all of their funds.

► Source: thewealthadvisor

Impact Cubed introduced solution for investors to comply with SFDR disclosure requirements

Impact Cubed, a supplier of sustainability-focused data, analytics, and investment solutions has announced the introduction of its EU Regulatory Solution. The new system offers complete transparency on principal adverse impacts (PAIs) for over 800,000 securities spread over 40,000 enterprises and 190 sovereign issuers or nations.

► Source: ESGToday



PRODUCTS & SERVICES

Industry demands met with sustainable investment products and ESG data & services

As businesses work toward getting ESG compliant and investors channel their funds into ESG products, the market is gearing up to facilitate all forms of products and services. In this section, you will find news on key products and services including the launch of climate change-targeted funds as well as ESG data and services.

EU unveiled a colossal green bond issue offering under its NGEU program

The EU launched an enormous green bond worth EUR12 billion for a 15-year bond offering under its NextGeneration EU (NGEU) green bond program. NGEU was announced last year to tackle COVID-19 recovery and 30% of the NGEU budget would be raised through green bonds. The proceeds of the bond will further go to support green transition, clean energy, climate change adaptation, and other such investment categories.

► Source: ESGToday

Euronext launched MIB ESG index to track top Italian blue-chip companies

Euronext has launched the MIB ESG index that tracks top 40 Italian blue-chip companies with good ESG practices. The index will eliminate companies not aligned with the UN's Global Compact Principles and specifically those involved in coal, tobacco, and controversial weapons. Moody's affiliate, VigeoEiris will partner with the index to perform ESG assessments.

► Source: ETF Stream

Invesco introduced two new ESG ETFs under its QQQ Innovative Suite of funds

Invesco launched Invesco ESG NASDAQ 100 ETF (QQMG) and Invesco ESG Next Gen 100 ETF (QQJG) in their continued partnership with Nasdaq, QQMG and

QQJG will track the performance of Nasdaq-100 ESG Index and Nasdaq Next Generation 100 ESG Index, respectively and analyze ESG exposure for investors. The previous two funds launched in the series in October 2020, QQQM and QQQJ, are now worth \$3.4 billion in AUM.

► Source: ESGToday

HSBC GAM unveiled an ESG money market fund

HSBC GAM unveiled an ESG money market fund that will only invest in portfolios of issuers that address the ESG risks better than other issuers in the investable universe. Large corporates, insurers, pension funds, and other such institutional investors can direct their investments into a solution that can help them attain their sustainability targets. The fund will only invest in portfolios with AI, PI or FI rating.

► Source: Institutional Asset Manager



LAWS, POLICIES, & REGULATIONS

Major policies that pave the way to disclosure in the industry

Policy reformation and amendments in the ESG reporting space are at all-time high. What started as a voluntary disclosure is now making its way to becoming mandates. Be it on sustainable investments standards or climate change reporting mandates and transparency in governance practices, we bring you the latest regulatory updates in this section.

European Commission published a review of EU banking legislation

The European Commission released a review of EU banking legislation. The commission stated that the overall level of capitalization of EU banks is satisfactory, but concerns related to the financial crisis remain unresolved. Moreover, it proposed changes in the Capital Requirements Directive (CRD) and the Capital Requirements Regulation (CRR) to improve banking resilience.

► Source: Securities Finance Times

Climate Change Adaptation Reports published by UK financial regulators

Under the Climate Change Act of 2008, financial regulators in the UK released Climate Change Adaptation Reports. The reports detail how the authorities' responsibilities got affected due to climate changes and how they responded to reduce climate change impacts. Institutes such as the Financial Conduct Authority, Prudential Regulation Authority, and the Pensions Regulator published their reports.

► Source: [Finextra](#)

The European Parliament approved climate taxonomy regulations

The European Parliament has accepted the climate taxonomy climate rules. The rules state the criteria for technical screening for climate change adaptation and mitigation. If the European Council does not disagree with the rules, EU will publish the regulations in the official journal.

► Source: IPE

Sweden's government proposed to assign sustainability goal to AP6

The Swedish government has proposed to assign a new sustainability target to AP6 as a part of the Swedish public pension system. AP6 will require asset managers to integrate ESG into their portfolios and submit reports on the achievement of goals. The government requested consultation on the proposal by January 12, 2022.

► Source: IPE

US DOL proposed new regulations under ERISA

The Department of Labor (DOL) has proposed regulations for fiduciaries under the Employee Retirement Income Security Act (ERISA). This proposal aims to encourage fiduciaries to consider ESG factors while making investment decisions. Under the proposal, several documents required for selecting funds with an ESG approach will be reduced. The restrictions on proxy voting limits will also be lifted to ensure consistency of proxy voting policies with investment policy statements.

► Source: Mondaq



CONTROVERSIES



Global sustainability watchdogs chasing wrongdoers

Do companies follow their ESG commitments? Tracking corporate controversies helps in investment decisions and enables stakeholders determine whether the companies are being fair to their commitments or merely greenwashing. We bring you the top controversies in this section.

German union of Amazon launched strikes at seven sites

The labor union Verdi launched a strike against Amazon.com Inc. (Amazon) at seven different sites in Germany overpay dispute. The union demands raise in wages. However, Amazon.com Inc. argued that no one was paid lesser than the minimum wage rates.

► Source: The Hindu

Sweden's financial regulator condemns Danske Bank

Danske Bank was criticized by Sweden's financial supervisory authority over its failure to implement anti-money laundering system. The authority commented that the bank did not take enough measures to protect its system, which could be wrongly used by criminals. The bank is given time to strengthen by June 2022 .

► Source: ThePaypers

Credit Suisse agreed to pay USD475 million for misleading investors in bond scheme

Credit Suisse Group AG agreed to pay USD475 million including USD100 million to the Securities and Exchange Commission for misleading investors in Mozambican bond scheme. It is alleged that the company created false documents and bribed government officials.

► Source: SEC

ABP sold its stake in Glencore over human rights issues

ABP, a Dutch civil service scheme sold its stake in Glencore over human rights issues and allegations faced by the company. The pension fund commented that it does not expect the company to reduce the risks in the short term due to the accusations.

► Source: IPE

Invesco slammed Zee–Sony proposed merger

Invesco, a US investment firm criticized the proposed merger of Zee Entertainment (Zee) and Sony Group. The firm urges Zee to revamp its board and remove the CEO after financial irregularities were spotted in early 2021. Furthermore, it has urged the shareholders to bid in its favor. Currently, Invesco owns 18% of Zee.

► Source: Reuters



SGA Blogs

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