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The Elements

2022 began with key framework providers for sustainability disclosure upgrading their frameworks to enable better ESG disclosure and many securities commissions making watertight norms to avoid greenwashing. The Science Based Targets initiative (SBTi) has developed scope 3 target setting while EU's expert advisors openly opposed the inclusion of gas and nuclear energy into the EU Taxonomy guidelines.



Carbon markets seem to be all the talk for this month as IncubEx and Trayport launched a carbon marketplace and Climate Impact X unveiled a carbon credits platform. The Global Reporting Initiative (GRI) launched new sustainability reporting standards for the coal sector. Climate Action 100+ published its second annual 'Net Zero Company Benchmark assessment' revealing results that were not up to the mark.

Sustainability Accounting Standards Board (SASB) hired New Chair and Vice Chair for its Investor Advisory Group. The International Financial Reporting Standards (IFRS) Foundation and the GRI signed a new agreement to integrate their financial markets and multi-stakeholder norms for sustainability disclosure.

 Nasdaq launched the first-ever carbon removal index for tracking carbon removal, while Chile became the first country to launch a sovereign sustainability-linked bond. The International Sustainability Standards Board (ISSB) released a proposal focusing on exposure drafts advocating standards for climate-related disclosures and companies' sustainability.

India's Axis Bank was fined for violating merchant bankers' regulation and Volkswagen may recall more than 100,000 cars in view of fire risk. Meanwhile, Rabobank exits Russia, causing more economic loss as a result of the war declared on Ukraine in February 2022.

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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 ESG risks and capitalizing on the underlying opportunities to adopt sustainability. Catch the latest developments in industries from government mandates to revolutionary initiatives in this section.

EU proposes new strategies to boost sustainability in textile industry

The European Commission (EU) launched proposals to tackle the negative environmental impact of “fast fashion” which has the model of “take, make, break and throw away.” Based on the EU’s proposals, clothing would be labeled for its environmental friendliness and the ease of recyclability. The Commission is also targeting smartphone and construction sectors on the lines of sustainability.

► Source: Deutsche Welle

Canada introduces CAD9.1bn investment plan to meet its 2030 GHG emission reduction targets

Canada contributes to 1.6% of the global carbon emissions and is among the top 10 largest emitters in the world. The Canadian Prime Minister (PM) announced a CAD9.1bn investment plan to achieve its 2030 carbon reduction targets. The PM unveiled plans to invest CAD2.9bn in zero-emission vehicles and their infrastructure along with CAD1bn toward ‘green’ construction across the country.

► Source: Al Jazeera

ESMA releases its final EU carbon market report



The European Securities and Markets Authority (ESMA), the EU’s securities market regulator, published its in-depth analysis of the trading of emission allowances and emission allowance derivatives. Based on the available data, ESMA found no major deficiencies in the functioning of the EU carbon market. Additionally,

ESMA has recommended several policies to improve market transparency and monitoring.

► Source: esma

EU banks’ climate risk disclosures fail to meet ECB’s expectations



In an updated compliance assessment, the European Central Bank (ECB) stated that there had been improvements in climate change risk disclosure by Euro zone banks since the late 2020 assessment. However, none of them met the ECB’s supervisory expectations. With climate regulations and environmental risk disclosures becoming tighter and the market’s expectancy of higher disclosure, banks need to buck up.

► Source: Reuters

SBTi removes validated carbon targets and commitments from fossil fuel companies and suppliers

The Science Based Targets initiative (SBTi) announced an altered policy in which it would “no longer accept commitments or validate targets from fossil fuel companies.” Companies impacted by this policy include those that have “any level of direct involvement” in the exploration, extraction, mining, and/or production of oil, natural gas, coal, or other fossil fuels. SBTi announced plans to introduce a new target-setting methodology that would involve peer-reviewing.

► Source: Environment Analyst

GRI launches new sustainability reporting standards for coal sector

With coal companies under increasing pressure regarding sustainability goals, the GRI announced new standards for disclosure. The GRI 12 aims to guide coal companies to deliver comprehensive and comparable reporting on the economy, environment, and people.

► Source: ESG Today

COLLABORATION



Companies joining forces to shape sustainable solutions

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

RepTrak acquires ESG Analytics, a provider of ESG data

The RepTrak Company, one of the world's prominent reputation data and insights firms, acquired ESG Analytics, a Toronto-based research firm that tracks ESG for countries, corporations, and executives worldwide. By utilizing the overlap between ESG and reputation to deliver a data-driven strategy that fulfills a need in the market, the takeover will expand RepTrak's reach in the ESG domain and expedite its ESG Strategy.

► Source: Reptrak

To augment APAC sustainability services, ERM acquires Point Advisory



Point Advisory, an Australian climate change and sustainability consultancy that provides strategic and technical assistance to organizations, was acquired by ERM, the world's largest pure-play sustainability advisory firm. The acquisition will improve ERM's skills in sustainable economics, energy, procurement, strategy, and human rights, allowing it to assist clients in Australia in adapting to and strategically incorporating sustainability measures.

► Source: The ERM International Group Limited

Converging frameworks for sustainability reporting: IFRS and GRI agree to align disclosure standards

The International Financial Reporting Standards (IFRS) Foundation and the GRI signed a new agreement to integrate their financial markets and multi-stakeholder norms for sustainability disclosure. This alignment is a compelling statement to financial markets and the community that a holistic disclosure mechanism for sustainability reporting that integrates financial and effect transparency is viable on a global scale.

► Source: ESG Today

DHL forms major sustainable aviation fuel partnerships with bp and Neste

DHL Express has made a significant contribution toward the decarbonization and sustainability of aircraft logistics. DHL has signed new strategic ties with Air bp (bp) and Neste to supply more than 800 million liters of Sustainable Aviation Fuel (SAF) to DHL Express over the next five years, making it one of the largest SAF contracts in aviation history. DHL anticipates the proactive alliances to save around two million tons of carbon dioxide emissions over the aviation fuel lifecycle.

► Source: DHL

Federated Hermes partners with London's Natural History Museum to launch Biodiversity Fund

Federated Hermes, a global investment management firm, announced the development of a Biodiversity Equity Fund in collaboration with the Natural History Museum of the UK. The new fund will invest in a spectrum of enterprises that assist in the preservation and restoration of biodiversity. The two institutions are collaborating to inspect how the Museum's biodiversity experts and data scientists can bridge the gap between biodiversity impacts and investment companies' offerings.

► Source: ESG Today

MAS and CDP to collaborate to increase quality ESG data access



The Monetary Authority of Singapore (MAS) and CDP signed an MOU to promote sustainability disclosures and access to high-quality ESG data across the financial sector and real economy. CDP is an international non-profit organization that runs one of the world's top environmental reporting systems for companies and sub-national authorities. This collaboration will enable financial firms and corporate entities to effectively track and monitor their ESG performance and effect.

► Source: Monetary Authority of Singapore



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 you the latest movements of such highly skilled professionals in the ESG sector.

Actis extends its footprint in Japan with two senior hires



Actis, a global sustainable infrastructure investor, expanded its operations in Japan and hired Jun Ohashi as a Partner and Head of Actis Japan and Tareq Sirhan as the Head of Energy for North Asia, based in Tokyo. The firm is expected to commit almost USD500mn in Japan over the next 4–5 years and explore opportunities in Taiwan and Korea related to

New Economy Real Estate and energy transition assets.

► Source: Actis

Abrdn forms a new ‘Sustainability Group’



Abrdn created a new ‘Sustainability Leadership Group’ that will guide the firm’s green strategy and provide subject-matter expertise to the investment process. The group will be led by the company’s former Global Head of Responsible Investment, Amanda Young, who has been named the Chief Sustainability

Officer.

► Source: Citywireselector

HSBC AM appoints Fatima Hadj and Laëtitia Tankwe for its Sustainable Investing Team



HSBC Asset Management appointed Fatima Hadj as the Climate Investment Strategist and Laëtitia Tankwe as the Head of Sustainability Implementation & Assurance for its Sustainable Investing Team. In the new roles, Hadj will lead the company’s climate change strategy to ensure climate considerations

across its investment platform and Tankwe will deliver assurance frameworks for the firm’s sustainability commitments to customers and partners.

► Source: ESG Today

SASB hires New Chair and Vice Chair for its Investor Advisory Group



SASB hired Richard Manley, Managing Director, Head of Sustainable Investing at CPP investment as the Chair and Carine Smith Ihenacho, Chief Governance and Compliance Officer at Norges Bank Investment as the Vice Chair for its Investor Advisory Group (IAG). SASB IAG comprises leading asset owners and managers committed to improving

sustainability-related disclosure to investors.

► Source: Globenewswire

Jonathan Cole joins Macquarie’s GIG as CEO to lead its new offshore wind business



Macquarie’s Green Investment Group (GIG) launched Corio Generation, a new specialist offshore wind business, which will be led by the firm’s new CEO, Jonathan Cole. He will step down from his position as the Head of Iberdrola Renewable’s Global Offshore Wind Business to join his new position.

► Source: ESG Today

FINTECH



Innovation in sustainable investing

The fintech section captures 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 to ESG.

ESG Playbook and Native Energy join hands to provide ESG solutions to aid businesses offset emissions



Native Energy and ESG Playbook collaborated to offer a one-stop solution for the sustainability needs of businesses in line with the top ESG frameworks. The solution aims to help make a carbon report, sustainability report, materiality matrix, and industry-leader benchmarks on various topics.

► Source: ESG Today

Normative launches free carbon emissions tracker

Focusing on small- to -medium-sized businesses, Normative, a Swedish start-up backed by Google, launched a carbon emissions tracker for managing their carbon footprints. The free version is available through the SME Climate Hub initiative of the UN. The calculator is designed to estimate direct and indirect emissions on feeding certain data requirements, and it also indicates the baseline for action.

► Source: CNBC

Interactive Brokers launches Carbon Offsets



Interactive Brokers launched a carbon offsetting feature, Carbon Offsets, on its IMPACT mobile app that focuses on socially conscious investors. The tool reports the carbon tons neutralized and helps investors track the progress of reducing their carbon footprint alongside aiming to streamline the sustainable investing process.

► Source: Finance Feeds

AMX inaugurates a climate reporting hub for pension trustees



AMX launched the AMX Zero, a low-cost climate reporting hub designed to collect climate-related data on behalf of pension funds. It also addresses the issue related to the lack of standardized climate data reporting to meet the increasing regulatory requirements regarding climate.

► Source: WTWco

IncubEx and Trayport unveil carbon marketplace–TVCM

IncubEx and Trayport developed The Voluntary Climate Marketplace (TVCM), a financial product, for carbon offset projects from different offset registries. The marketplace further enables its participants to choose specific attributes like geography, size, type, vintage, and price on a trading platform with live offers and bids.

► Source: ESG Today

CIX introduces Project Marketplace for carbon credits



Climate Impact X (CIX) introduced its first-ever digital platform, Project Marketplace, to offer information on projects and other related details to “list, compare, buy and retire carbon credits.” It is aimed at fast-tracking the ability of the corporate sector to take appropriate climate action.

► Source: BusinessTimes



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.

Nasdaq launches carbon removal indexes for tracking carbon removal



Nasdaq launched the CORC Carbon Removal Price Index (CORCX) along with other indexes, the first of its kind, to track the price of removing carbon dioxide from the atmosphere. The exchange will follow the price of Carbon Removal Certificates (CORCs) issued by Puro. Earth, a company Nasdaq acquired in June 2021. The indexes became effective from March 24, 2022.

► Source: Nasdaq

Sanofi issues a dual-tranche sustainability-linked bond worth EUR1.5bn



French healthcare giant, Sanofi S.A, issued a one-of-a-kind dual-tranche sustainability-linked bond to help low- and lower-middle-income nations gain access to essential medicines. The dual-tranche bond consists of two fixed-rate notes: one for EUR850mn due in April 2025 and a second one worth EUR650mn due in April 2029. The framework aligns with the “Sustainability-Linked Bond Framework” of the ICMA Bond Principles.

► Source: GlobalNewswire

Chile becomes the first-ever government to launch a sovereign sustainability-linked bond



Chile becomes the pioneer sovereign to globally launch a sovereign sustainability-linked bond. The coupon rates of this bond are tied to the criteria of meeting the sustainability performance goals. The bond was oversubscribed three times more than the original value, with a final orderbook value of USD6bn.

► Source: PRNewswire

Unigestion unveils a climate transition equity fund



Geneva-based Unigestion launched a climate transition equity fund in line with Article 9 of the UN Sustainable Finance Disclosure Regulation (SFDR). The fund seeks to invest in companies that are climate change compliant and will use technology to classify companies into two categories: ‘mitigators’ and ‘enablers’.

► Source: Citywire Selector

BNP Paribas issues ESG ETFs targeting medical technology and hydrogen economy



BNP Paribas Asset Management (BNPP AM) issued two ESG ETFs that focus on investing in medical technology and hydrogen economy. The medical technology ETF focuses on biotech and life sciences tools and services and is in line with the Article 8 of UN SFDR. The hydrogen economy ETF tracks companies that derive proceedings from the “production, supply, and storage of green hydrogen.” It is aligned with the Article 9 of the UN SFDR.

► Source: ETF Stream

LAWS, POLICIES, AND REGULATIONS



Major policies that pave the way to disclosure in the industry

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

IOSCO introduces 2022 work plan for developing sustainable finance



To develop sustainable finance, the International Organization of Securities Commissions (IOSCO) on March 14, 2022, released a work plan with details. IOSCO 2022 aims to review the exposure draft proposed by ISSB and identify the vulnerabilities in the voluntary carbon market. The authority also plans to increase its engagement activities with national regulators and market participants.

► Source: Lexology

SEC climate disclosures mandatory for registrants



The US Securities and Exchange Commission (SEC) on March 21, 2022, announced a proposed rule that mandates climate-related disclosures in registration statements and Exchange Act annual reports. Under the rule, registrants would require disclosing information regarding climate-related risks, greenhouse gas emissions, and climate targets progress reports to investors. Comments on the proposal are open till May 20, 2022, for the public.

► Source: JDSUPRA

ESMA introduces guidelines to improve transparency in carbon market



To increase market transparency in the carbon market, the ESMA issued a set of guideline recommendations. The proposal includes "transparency in over-the-counter (OTC) derivatives and changes to position reporting requirements." Providing information to market participants, regulators, and the public will aid in the smooth operation of the market.

► Source: Investment Executive

SEC is working on disclosure rules for ESG products



The SEC is working on guidelines for ESG investing products, including include disclosure for fund managers, according to Gary Gensler, the commission's chairman. The chairman also stated that 800 registered investment companies had achieved some of the ESG goals by investing in assets.

► Source: ESG-Investing

EC proposes new rules for product sustainability



The EC proposed a new rule to improve products sustainability across Europe. The new proposal includes strategies for textiles to make them more durable, repairable, reusable, and recyclable. The proposal also focuses on consumer awareness regarding the environmental sustainability of products.

► Source: ESG Today

IFRS Foundation releases ISSB's proposal draft for new sustainability and climate disclosure standards



The IFRS Foundation released ISSB's first 'exposure drafts proposing standards for climate-related disclosures and companies' sustainability'. The proposal incorporated the SASB requirements and is based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

► Source: ESG Today



CONTROVERSIES

Global sustainability watchdogs chasing wrongdoers

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

FSC fines three Celltrion firms KRW13bn over failure to comply with accounting rules



The Financial Services Commission (FSC) of South Korea has imposed a fine of KRW6bn on Celltrion, along with KRW6.04bn and KRW992.1mn on Celltrion Healthcare and Celltrion Pharm, respectively, for violating accounting rules. The companies have been accused of misstating important information

in their financial statements.

► Source: Yonhap News Agency

Rabobank exits Russia over Ukraine war

Rabobank, the Dutch lender, and its subsidiary DLL have decided to exit Russia due to the ongoing war with Ukraine. The company stated, "The bank does not want to engage business in a country with a regime that brutally invades another sovereign nation."

► Source: Reuters

SEBI fines Axis Bank INR 5 lakhs for violating merchant bankers' regulation



The Securities and Exchange Board of India (SEBI) imposed a fine of INR 5 lakhs on Axis Bank for violating merchant banker regulations. The decision of penalizing the bank came after SEBI investigated the bank's debt capital market operations from August 2016 to August 2019. The investigation revealed that the bank

had failed to report necessary disclosures under the regulations.

► Source: Zee News

Credit Suisse board restructures post Schwan's exit



The departure of Vice Chair Severin Schwan led to a change in the board structure of Credit Suisse. According to the bank, Schwan would not stand for re-election to the board of directors at the next AGM. The director had faced criticism for "leading the Swiss pharmaceuticals firm while acting as the

Vice Chair, as the bank struggled with several risk-management scandals that hit its share price."

► Source: Reuters

CMA criticizes banking giants Lloyds and Barclays for misleading customers



The Competition and Markets Authority (CMA) has criticized Lloyds Bank and Barclays for sharing incorrect information on the products and services with consumers, misleading them into making wrong financial decisions. CMA stated that both the banks breached the rules several times by sharing

wrong details about transaction and overdraft fees.

► Source: City A.M

Volkswagen to recall over 100,000 cars due to fire risk

Volkswagen Group plans to recall more than 100,000 plug-in hybrid vehicles globally due to fire risk. It is alleged that inadequate fastening of the engine design cover could lead to overheating and contact with hot parts that can then cause fire.

► Source: Financial Express

SGA BLOGS



“The U.S. & the UK Announce Ban on Russian Oil Imports; What is the Future of Global Energy Supply?” [Read More...](#)

“The Top Ten Sins of Greenwashing” [Read More...](#)

“Top New Energy Transitions Trends to Watch Out For in 2022” [Read More...](#)

“Climate Action Warriors – Top 15 Women Leaders Fighting Climate Change” [Read More...](#)





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