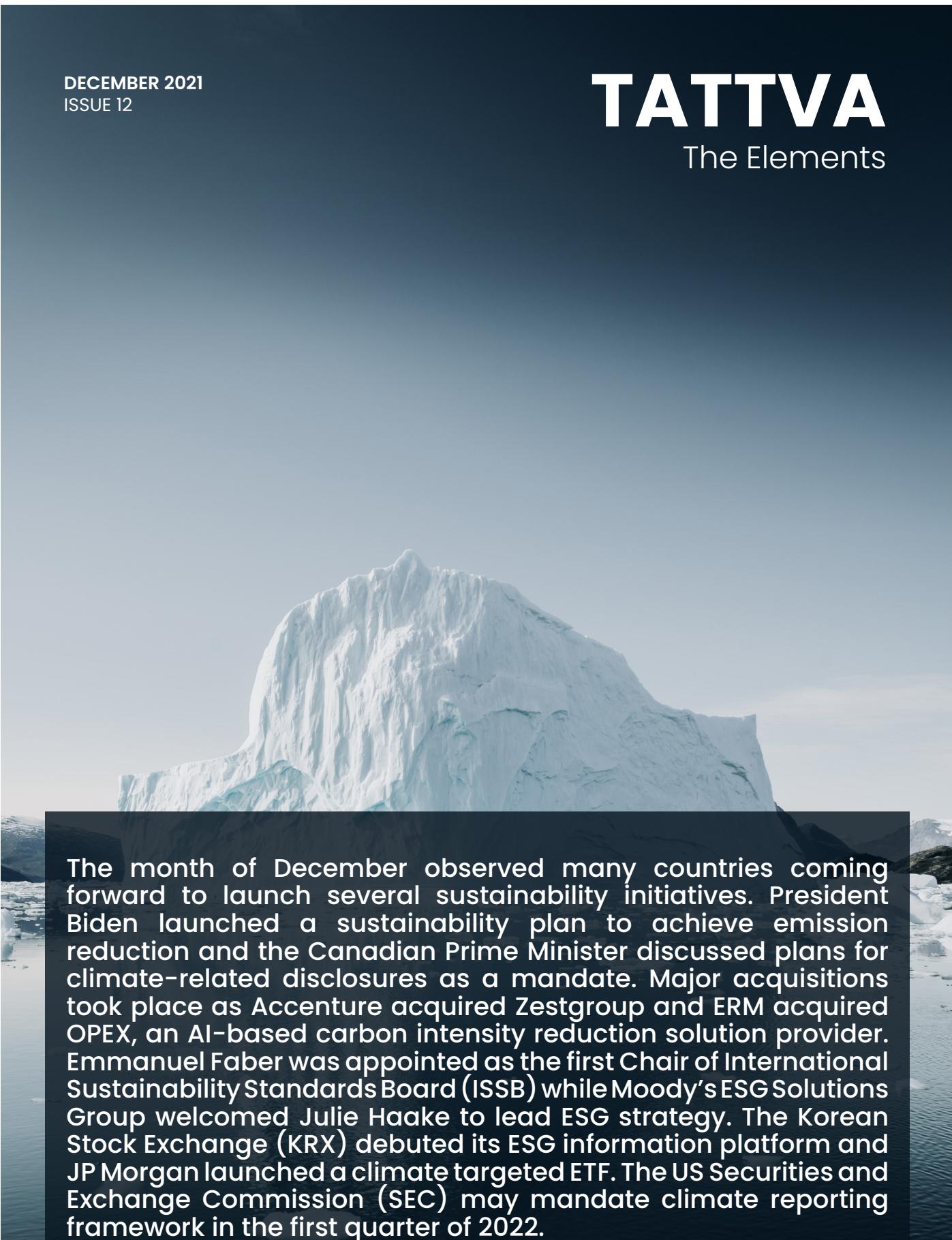


DECEMBER 2021
ISSUE 12

TATTVA

The Elements



The month of December observed many countries coming forward to launch several sustainability initiatives. President Biden launched a sustainability plan to achieve emission reduction and the Canadian Prime Minister discussed plans for climate-related disclosures as a mandate. Major acquisitions took place as Accenture acquired Zestgroup and ERM acquired OPEX, an AI-based carbon intensity reduction solution provider. Emmanuel Faber was appointed as the first Chair of International Sustainability Standards Board (ISSB) while Moody's ESG Solutions Group welcomed Julie Haake to lead ESG strategy. The Korean Stock Exchange (KRX) debuted its ESG information platform and JP Morgan launched a climate targeted ETF. The US Securities and Exchange Commission (SEC) may mandate climate reporting framework in the first quarter of 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 the 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.

Biden signed executive order for the US to achieve net-zero emissions by 2050

President Biden signed an executive order and launched the Federal Sustainability Plan to achieve 65% emission reduction from the US federal operations by 2030, before reaching carbon neutrality by 2050. A statement issued by the White House mentions that the order demonstrates how the government "will leverage its scale and procurement power to lead by example in tackling the climate crisis".

► Source: The White House

Canada announced plan for mandatory climate-related financial disclosures

Canadian Prime Minister, Justin Trudeau, urged the Finance and Environment Ministers to push toward

mandatory climate reporting, using Task Force on Climate-related Financial Disclosures (TCFD) framework. Furthermore, he called out to federal regulated institutions including financial institutions, pension funds, and government agencies for issuing climate-related disclosures and net-zero plans.

► Source: The National Law Review

SGX mandated disclosures for climate and board diversity reporting

The Singapore Exchange (SGX) has mandated 'comply or explain'-based climate-related financial disclosures, relying on TCFD, for issuers from 2022. Furthermore, reporting on board diversity policies and progress have been mandated from 2022.

► Source: Reuters

EU Commission proposed framework to decarbonize by promoting low-carbon gases and reducing methane emissions

The European Union (EU) Commission announced a series of legislative proposals aimed at addressing the sources of GHG emissions. It includes rules to decarbonize EU buildings, facilitate the uptake of renewable and low carbon gases such as hydrogen, and shift the energy-mix away from fossil-based natural gas. Additionally, the EU launched proposals regarding removal and storage of carbon from atmosphere along with promoting carbon farming.

► Source: ESG Today

US EPA raised automobile fuel-standards to reduce emissions and combat climate change

The US Environmental Protection Agency (EPA) finalized the standards for GHG emissions for

passenger cars and light trucks for model years 2023 through 2026. These new standards are expected to unlock USD190bn in net benefits to Americans including reduction in climate pollution and fuel costs, and improvement in public health. Through 2050, EPA expects the program to result in the reduction of more than 3bn tons of GHG emissions.

► Source: EPA

DOE launched Office of Clean Energy Demonstrations, backed by USD20bn from Infrastructure Law

The US Department of Energy (DOE) launched the Office of Clean Energy Demonstrations to close critical innovation gaps on the path to net-zero emissions by 2050. The office is funded as part of the Bipartisan Infrastructure Law office, which provides more than USD20bn to support clean energy technology demonstration projects. Projects include clean hydrogen, carbon capture, grid-scale energy storage, and small modular reactors.

► Source: US Department of Energy

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.

Accenture acquired energy transition-focused service provider Zestgroup to achieve net-zero goals for stakeholders

Zestgroup, a services organization focusing on energy transitions, net carbon-zero projects, and renewable energy procurement has been acquired by Accenture. Zestgroup combines broad industry knowledge, project skills, and market regulation experience to assist businesses in transitioning to net-zero energy. Accenture's capacity to construct more reliable, circular, and net-zero value chains, while creating social and economic benefits, will be enhanced by this acquisition.

► Source: Accenture

ERM acquired OPEX, provider of AI-based carbon intensity reduction solutions

ERM has acquired OPEX Group, a specialty software company that provides artificial intelligence (AI)

and data science services for carbon-intensive industries. This acquisition boosts ERM's digital business and assists its expansion in data analytics and AI to help customers utilize sustainability to lead the decarbonization of the economy. The addition of OPEX will enable ERM Group to offer AI-assisted emissions reduction solutions to its global client base.

► Source: ERM Group, Inc.

CDP and GRI to work together on a new biodiversity reporting standard

The Global Reporting Initiative (GRI) announces its collaboration with Climate Disclosure Project (CDP), a climate research provider and environmental disclosure platform in the process to update the GRI Biodiversity Standard. GRI hopes to reach out to more organizations with the updated standard in order to assist them in addressing their role in biodiversity and meet stakeholder expectations for disclosure.

► Source: ESG Today

ICE acquired risQ and Level 11 Analytics, two climate data and analytics providers

ICE, a worldwide market infrastructure, data, and technology provider, has announced the purchase of risQ and Level 11 Analytics, two climate-focused data and analytics firms. This acquisition allows the company to expand its alternative data solutions by adding climate risk modeling skills and geographic information-based insights in the US fixed income, municipal, and mortgage-backed securities markets.

► Source: ESG Today

Apollo Athene proposed the acquisition of Petros PACE Finance

Athene, a retirement services and financial solutions company, will acquire Petros PACE Finance, a provider of Commercial Property Assessed Clean Energy (C-PACE) financing. Petros PACE Finance provides long-term financing for energy and water

efficiency, renewable energy, and resiliency projects to commercial property owners/developers across the US. This acquisition aims to meet the increasing demand for sustainable buildings and the upgrade of existing structures.

► Source: ESG Today

OneTrust acquired Planetly, a carbon management software provider to deliver net-zero commitments

Planetly, a firm on a mission to help businesses transition to a net-zero economy, has been acquired by OneTrust. Planetly assists over 170 businesses in calculating their carbon footprint, reducing emissions, and making a positive influence on the environment. The acquisition integrates sustainability management into the OneTrust platform, allowing businesses of all sizes to translate climate commitments into climate impact.

► Source: One Trust, LLC

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.

IFRS welcomed Emmanuel Faber as the first Chair of ISSB

The International Financial Reporting Standards Foundation (IFRS) appointed Emmanuel Faber as the first Chair of International Sustainability Standards Board (ISSB). Faber was previously the CEO and Chairman at Danone, a multinational food company.

► Source: Accounting Today

Moody's ESG Solutions Group hired Julia Haake to drive market strategy

Julia Haake was hired as the Managing Director for Market Strategy in Moody's ESG Solutions Group. She will drive Moody's ESG strategy and alignment across

teams to increase market impact. Before assuming this role, Haake worked with Institutional Shareholder Services (ISS) in the ESG leadership team.

► Source: Business Wire

Just Climate appointed Clara Barby as Senior Partner

Just Climate welcomed impact investing veteran Clara Barby, CEO of the Impact Management Project as Senior Partner. She will drive climate-led impact investing in capital allocation and head Just Climate's Executive Committee along with developing and delivering business strategy for the firm.

► Source: ESG Today

Amundi US appointed Annie Chore Joyce as Head of ESG

Amundi US has appointed Annie Chore Joyce as the Head of Environment, Social, and Corporate Governance (ESG). She will drive ESG strategy for Amundi US that recently became a signatory of UN-sponsored Principal Responsible Investment (PRI). Joyce holds extensive experience in sustainable financing.

► Source: Business Wire

New sustainability head appointed for Credit Agricole Group as it commits to sustainable finance policies

Tanguy Clauquin assumed the role of Global Head of Sustainability at Crédit Agricole Group Corporate and Investment Bank (Crédit Agricole Group CIB), with the formation of its Climate & Sustainability Strategy team. He has taken to this role after having served the company as the Head of Sustainability since 2010. Furthermore, the company has announced policies to align with the Net-Zero Banking Alliance by setting targets for 2025.

► Source: ESG Today

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.

Swiss startup unveiled a data analytics platform to compare law firms' ESG performance

Former general counsel duo from Zurich Insurance Group created a data analytics platform, Impactvise, which will compare law firms' ESG performance. Companies looking to hire legal services can now do so based on the ESG performance of various law firms. Screening scores will be assigned in a range of 0–3 based on several metrics, such as net-zero targets, diversity and inclusion, and governance.

► Source: The Global Legal Post

Global ESG database created by formidable coalition of Global Financial institutions

Alliance led by Arabesque Group launched a central portal to bridge gaps within global ESG data consistency. A unique feature of this 'ESG Book' is that companies can maintain their data in real time. This coalition includes financial heavyweights, such as Deutsche Bank AG, HSBC Holdings plc, and Global Reporting Initiative (GRI). This coalition hopes to channelize more capital into low-carbon and sustainable business activities.

► Source: IPE

HKEX has lent a helping hand to firms for Net Zero and ESG metrics publication

Hong Kong Stock Exchange (HKEX) has added two path-breaking new tools for its listed firms to achieve global sustainability goals for investors and net-zero emission goals for businesses. HKEX will provide ESG metrics from leading agencies, such as Hang Seng Indexes, MSCI, and S&P Global in a newly launched equities section on its existing Sustainable and Green Exchange (STAGE) platform.

► Source: ESG Today

Northern Trust launched a climate risk reporting tool for investors to check custom ESG scores

Northern Trust Corporation has joined forces with Institutional Shareholder Services Inc. (ISS) to launch a portal where investors can customize and view the scores of any of the pillars of E, S, and G. A Climate Focus Report that benchmarks clients' performance with respect to TCFD standards was also published. Northern Trust's investment risk and analytical service group manages over USD9tn of investments worldwide.

► Source: The Asset

Moody's launched tool to help align companies to 1.5°C target

Moody's Investors Service has released its Temperature Alignment Data, a net-zero solution that assesses how companies' emissions targets align with global climate benchmarks and their progress in meeting those targets. This tool allows asset managers to monitor emissions targets of companies and whether they are aligned to the Paris agreement's ambition of 1.5°C.

► Source: Business Wire

KRX and FSC debuted a one-stop ESG information platform

KRX and the Financial Services Commission (FSC) of South Korea announced the launch of its ESG information platform. The platform will be a one-stop shop for companies that have disclosed their ESG data, statistical information on ESG trends, and educational material for ESG management.

► Source: Financial Services Commission

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.

Schroders launched a fund aimed at sustainable transition in the food and water industries

As an addition to its 'global transformation' fund range, Schroders launched a sustainable food and water industries fund namely the Schroder ISF Global Sustainable Food and Water fund. The fund is classified under the EU Sustainable Finance Disclosure Regulation (SFDR) as Article 9. The fund aims to draw long-term sustainable earnings and growth in cash flows at a reasonable amount.

► Source: Citywire Selector

Bloomberg unveiled a municipal bonds impact index tracking green, social, and sustainable bonds

Bloomberg launched the Bloomberg U.S. Municipal Impact Index that will track municipal bonds categorized as tax-exempt investment grade impact bonds. The index will track bonds self-identified as green, social, and sustainability bonds or bonds that may be reviewed by independent assurance providers. Furthermore, the index covers bonds that use 100% of the proceeds for projects that follow the International Capital Market Association (ICMA) principles.

► Source: Bloomberg

JP Morgan introduced an ETF fund targeting firms developing climate change-related solutions

JP Morgan debuted an ETF fund namely the JPMorgan Climate Change Solutions ETF (TEMP US) on NYSE's ETF platform NYSE Arca. The fund will provide investors with investment insights on companies that develop tangible climate change-related solutions. The fund will focus on businesses with competitive advantages for long-term sustainability.

► Source: ETF Strategy

Newmont Corporation will be the first in the mining industry to issue a sustainability-linked bond

Newmont Corporation, a US-based gold mining company will become the first company in its sector to issue a sustainability-linked bond. The interest rates payable on the coupon will be linked to the

company's performance against 2030 emission reduction targets. The failure to reach these targets by 2030 will result in an increased interest rate payable by the company.

► Source: Environmental Leader

RCM launched a new investment solution targeting high-net-worth clients

Rockefeller Capital Management (RCM) introduced Sustainable Investment Portfolios for high-net-worth individuals and families, with investments that will capitalize on sustainability trends that generate positive impact. The portfolio looks to generate returns from investments that will benefit from higher government spending, technological advancements, and changing consumer preferences. Furthermore, it can build resilience to absorb macroeconomic shocks.

► Source: ESG Today

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.

SASB introduced new reporting initiatives targeting diversity and GHG standards for marine transportation

The Sustainability Accounting Standards Board (SASB) disclosed two initiatives addressing Diversity, Equity, and Inclusion (DEI), and Greenhouse Gas Emissions (GHG) and Air Quality. To analyze the impact of DEI on enterprise value, the DEI project will identify the requirement for any changes or additions to the disclosure topics. The other initiative attempts to improve accounting measures in GHG and Air Quality in the Marine Transportation Standards.

► Source: ESG Today

SEC's climate reporting framework may come into force by the first quarter of 2022

By the first quarter of 2022, SEC's mandatory climate

reporting framework for public listed companies may be in effect. Also, SEC's public consultation on climate-related disclosures from companies has a deadline of June 14, 2022.

► Source: ESG Investor

FCA introduced new climate disclosure rules for asset managers

The Financial Conduct Authority (FCA) introduced new climate disclosure rules for asset managers applicable from January 1, 2022. The rules are based on the TCFD recommendations. Under the guideline, asset managers are required to provide limited product-level climate disclosure to avoid reporting false information.

► Source: ESG Investor

PRI launched its new three-year strategy for responsible investment

Members of the Joint Committee on Climate Change (JC3) supported a proposal to make climate-related financial risk disclosures mandatory for financial institutions in their sixth meeting. The disclosures are based on a 2024 TCFD-aligned Application Guide. In January 2022, JC3 is expected to release a public consultation for the same.

► Source: Securities Commission Malaysia

New Code of Obligations to be applicable in Switzerland from January 1, 2022

From January 1, 2022, the new amended Code of Obligations adopted by Switzerland will come into effect as the indirect counterproposal of the Responsible Business Initiative. By 2023, the new reporting standards for due diligence and transparency regarding child labor and minerals and metals in conflict areas will apply to every company registered in Switzerland.

► Source: Lexology

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.

Shipbuilding companies to face antitrust veto by EU

The Hyundai Heavy Industries- proposed acquisition of Daewoo Shipbuilding & Marine Engineering (DSME) will face an antitrust veto by EU. It is alleged that the merger may create a monopoly in the shipbuilding market. The decision to veto comes after both the companies have failed to come up with solutions to tackle competition concerns.

► Source: Ship Technology

Shareholders vote against remuneration report of Westpac

The shareholders of Westpac Banking expressed their anger by voting against the remuneration report and called for a strike on the annual general meeting. The decision was allegedly made because of the bank's poor performance, collapsing share price, and financing of fossil fuel projects. The bank acknowledged the concerns of the shareholders.

► Source: Press reader

GBP1.5m fine charged on SEVERN Trent Water over waste discharges

A fine of GBP1.5m was levied on SEVERN Trent Water Limited for failing to properly manage sewage discharges when a piece of equipment stopped working. This had led to sewage being discharged into many watercourses in Worcestershire between February and August 2018.

► Source: Bromsgrove Advertiser

BaFin fined Deutsche Bank over Euribor controls

Germany's Federal Financial Supervisory Authority (BaFin) imposed a fine of EUR8.66m on Deutsche Bank for not having an effective system to prevent the manipulation of the Euro Interbank Offered Rate (Euribor) benchmark. The bank accepted the fine and commented that it has implemented the measures to prevent further frauds.

► Source: Reuters

SGA Blogs

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