

NOVEMBER 2023 | ISSUE 35

www.sganalytics.com

TATTVA

ESG Newsletter

2023 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.



An underwater photograph showing the white, foamy wake of a boat moving through clear blue water. Several fish are visible, including a large white shark-like fish near the top left and several smaller striped fish swimming in the lower half of the frame. The background is a deep blue, suggesting an underwater environment.

The European Parliament approved recommendations for the upcoming UN Climate Change Conference of the Parties (COP28). The approval includes a call for an end to fossil fuel subsidies by 2025, a threefold increase in renewable energy, and a doubling of energy efficiency by 2030. The CFA Institute introduced a Climate Risk, Valuation, and Investing Certificate, comprising five courses. Denise Wong was appointed the Head of Sustainable and Impact Banking for Asia Pacific at Barclays, to advise corporate and institutional clients on seizing opportunities to achieve their sustainability goals. In the realm of corporate transparency, the GRI is collaborating with the International Financial Reporting Standards (IFRS) Foundation to launch the Sustainability Innovation Lab (SIL). Meanwhile, Australia's Treasury is propelling the transition to a net-zero economy through

its Sustainable Finance Strategy, aiming to mobilize private capital.

In the world of innovative tools, Bloomberg unveiled a data mapping and materiality assessment tool empowering investors to evaluate companies' impact on UN Sustainable Development Goals (SDGs). Ernst & Young (EY) and AspenTech joined forces to pioneer sustainability solutions for industrial energy sectors; BeZero Carbon introduced a portfolio construction tool to assist buyers in developing credible net-zero strategies and understanding portfolio risks. In controversial news, the Italian government employed the 'Golden Power' mechanism to block Safran's acquisition of Microtecnica. This move concerns the supply chain for the armed forces and contracts associated with the Eurofighter program.

Index

MARKET TRENDS 04

COLLABORATION 07

PEOPLE MOVEMENTS 09

FINTECH 11

PRODUCTS & SERVICES 13

LAWS, POLICIES, AND REGULATIONS 16

CONTROVERSIES 19





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 urges to end all fossil fuel subsidies globally by 2025



The European Parliament endorsed proposals for the upcoming UN Climate Change Conference of the Parties (COP28). This includes urging to end all fossil fuel subsidies by 2025, a tripling of renewable energy, and doubling energy efficiency by 2030.

The resolution emphasizes swift fossil fuel phase-out, calls for global collaboration to strengthen climate commitments, halt new investments in fossil fuel extraction, and boost international climate financing.

► Source: ESG BROADCAST

EFRAG and CDP partner to advance ESRS



The European Financial Reporting Advisory Group (EFRAG) and Carbon Disclosure Project (CDP) joined forces to boost the adoption of European Sustainability Reporting Standards (ESRS), mandated for around 50,000 businesses from January

2024. CDP, utilized by 23,000 global firms, will align its system with ESRS, offering guidance and webinars. ESRS covers various environmental aspects and aligns with global initiatives, emphasizing a double materiality approach for comprehensive reporting.

► Source: EFRAG

GRI and IFRS collaborate to launch SIL



The Global Reporting Initiative (GRI) announced the launch of the Sustainability Innovation Lab (SIL) in partnership with the International Financial Reporting Standards (IFRS) Foundation. Based in Singapore,

the SIL aims to enhance companies' capabilities in meeting their evolving sustainability disclosure requirements, focusing on GRI standards and the IFRS Sustainability Disclosure Standards. SIL also seeks to streamline reporting processes and foster global collaboration.

► Source: IFRS Foundation

AFM announces Sustainability Impact Disclosure for financial products



The Dutch Authority for the Financial Markets (AFM) proposed reforms to the EU's Sustainable Finance Disclosure Regulation (SFDR). AFM advocated for a new sustainable investment labeling system and mandatory sustainability-related disclosures for all financial products. The goal is to enhance

SFDR's relevance to investors and promote capital flows toward sustainable impact investments, aligning with "the European Commission's ongoing review of the SFDR framework."

► Source: ESG Today

CalPERS commits funds to net zero and climate accountability



The California Public Employees' Retirement System (CalPERS) initiated a Sustainable Investments 2030 Strategy, allocating USD100bn for climate solutions and striving for a 50% cut in its portfolio's carbon emissions by 2030. The effort emphasizes corporate accountability via selling investments without credible carbon reduction plans. CalPERS aims to double its USD47bn low-carbon assets through diverse investments, promoting inclusivity, and pursuing a balanced carbon portfolio by 2050.

► Source: California Public Employees' Retirement System (CalPERS)

Investment products misaligned with stated ESG objectives finds FCA study



The UK's Financial Conduct Authority (FCA) revealed that numerous fund managers fall short of expectations in complying with ESG and sustainable investment regulations.

The findings precede its forthcoming rules on Sustainability Disclosure Requirements (SDR) and an investment labels regime, aiming to enhance transparency and curb greenwashing risks. The FCA emphasizes the imperative for improvement, particularly in retail investor disclosures.

► Source: ESG Today



European Parliament approves certification framework for carbon removals

The European Parliament approved a carbon removal certification scheme, proposed by the European Commission (EC), to combat climate change and curb greenwashing. The framework, backed by 448 votes, prioritizes international standards and transparency and categorizes activities. The scheme aims to attract private investment into varied carbon removal projects, contributing to global net-zero emissions efforts.

► Source: EURACTIV



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.

American Airlines partners with Graphyte for carbon removal



American Airlines signed a carbon removal agreement with Graphyte, a cleantech startup utilizing a carbon casting approach to carbon removal. The partnership aims to enhance sustainability by capturing 10,000 tons of carbon and reducing its environmental impact.

► Source: ESG Today

EY and AspenTech collaborate on sustainable solutions for industrial and energy sectors



EY and AspenTech joined forces to develop innovative sustainability solutions for the industrial and energy sectors. The alliance will focus on optimizing supply chains, enhancing asset lifecycles, and supporting utility grid orchestration, among other efforts. This alliance supports "businesses in meeting their value-led sustainability goals with the power of digitization."

► Source: ESG News

Deloitte Canada inks deal for carbon credit with CarbonCure



Deloitte Canada entered a multi-year deal with CarbonCure Technologies, committing to purchase high-quality carbon credits. This partnership supports the global deployment of CarbonCure's CO₂-capturing concrete technology, aligning with Deloitte's carbon management strategy for advancing meaningful

market solutions.

► Source: Gas World

Maersk secures the largest green methanol deal for fleet decarbonization



Maersk, a global shipping company, signed the industry's largest-ever green methanol agreement with China's Goldwind. The agreement is to advance fleet decarbonization by purchasing 500,000 tons of green methanol annually. The deal underscores a significant commitment to sustainable practices within the maritime industry.

► Source: Market Screener

Frontier signs carbon removal deals for Stripe, JPMorgan, H&M, and others



Frontier, a carbon removal buyer, secured deals worth USD47mn to remove 72,000 tons of carbon on behalf of major companies like Stripe, JPMorgan, Alphabet, H&M, and others. The move marks a significant step in corporate carbon offset initiatives.

► Source: ESG Today

Blackstone and Vista Equity Partners together to acquire Energy Exemplar



Blackstone and Vista Equity Partners collaborated to buy Energy Exemplar, a leading energy transition software provider. Additional resources of Blackstone and Vista will aid their commitment to advancing sustainable energy solutions and technological innovation.

► Source: ESD News



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.

Barclays hires Denise Wong as Asia Pacific's Head of Sustainable and Impact Banking



Barclays welcomed Denise Wong as the Head of Sustainable and Impact Banking for Asia Pacific. She “will be responsible for advising corporate and institutional clients on leveraging opportunities to meet their sustainability objectives” while navigating the transition to a low-carbon economy. She will report regionally to Vanessa Koo, Head of Investment Banking, Asia Pacific.

► Source: BARCLAYS

Invesco appoints Molly Betournay as the ESG Research Director



Invesco appointed Molly Betournay as the Director of ESG Research to lead the firm's ESG research and analysis of public equities and oversee its proxy voting program. She will also design and implement “long-term shareholder engagement strategies across a range of ESG issues.” Molly joined from Clean Yield Asset Management, where she was the Director of Social Research and Advocacy. She will report to Glen Yelton, Global Head of ESG at Invesco.

► Source: ESG Clarity

Natixis IM welcomes Laura Kaliszewski as the Global Head of Client Sustainable Investing



Natixis hired Laura Kaliszewski as the Global Head of Client Sustainable Investing, to lead a team that supports clients in its sustainable investing goals. She will report to Fabrice Chemouny, Head of International Distribution, and David Giunta, CEO of the US.

► Source: ESG Clarity

BNP Paribas AM appoints Rodolphe Brumm as the Head of Low Carbon Infrastructure Equity



BNP Paribas AM appointed Rodolphe Brumm as the Head of Low Carbon Infrastructure Equity strategy within its Private Assets investment division. Brumm will report to Karen Azoulay, Head of Real Assets within BNPP AM's Private Assets division. He was appointed to strengthen the infrastructure franchise within the “Private Assets investment division at a time when client demand for this asset class continues to grow.”

► Source: bnpparibas

Danske Bank AM welcomes Mads Steinmüller as the Head of the New Climate and Nature team



Danske Bank AM hired its ESG specialist Mads Steinmüller as the Head of the New Climate and Nature Team. The new team has been formed to advise and support the firm's investment teams in making decisions based on the risks and opportunities related to nature and biodiversity.

► Source: FINTECH GLOBAL

Edmond de Rothschild hires Nathalie Wallace as the CSO



Edmond de Rothschild appointed Nathalie Wallace as the Chief Sustainability Officer (CSO). She will oversee all the group's sustainability initiatives in asset management and private banking. She will also be responsible for developing “the firm's ESG strategic focus, working with the investment teams to ensure sustainability objectives are met.” She will “help to advance the firm's objective to achieve net zero greenhouse gas emissions by 2050.”

► 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.

Bloomberg introduces a tool to gauge companies' impact on SDGs

Bloomberg® Bloomberg launched a new data mapping and materiality assessment tool, empowering investors to evaluate a company's potential impact on the UN's 17 Sustainable Development Goals (SDGs). The tool will also aid investors in aligning SDGs into portfolios. It incorporates the UN Environment Programme Finance Initiative (UNEP FI) Sector Impact Map, covering over 500 sectoral activities to 38 impact topics and the SDGs across public companies. The map identifies positive and negative impacts companies might have on the environment, society, and economic development, supporting informed investment decisions aligned with global sustainability objectives.

► Source: Best Execution

ESG Book unveils risk scores for evaluating companies' sustainability exposure

esgbook ESG Book introduced Risk Score, a tool facilitating the evaluation of a company's exposure to key ESG issues based on the UN Global Compact (UNGC). Covering over 10,000 companies, the tool employs 200+ metrics for in-depth analytics on every company's exposure to UNGC principles. It allows users to access raw data and source documentation and features a point-in-time history for time series risk analyses, empowering investors and corporates in sustainable decision-making.

► Source: ESG today

LSEG, ESG.AI to debut ESG data analytics platform



London Stock Exchange Group (LSEG) and ESG.AI partnered to introduce an advanced ESG analytics platform for major corporations, banks, asset managers, and consultants. This collaboration combines LSEG's extensive financial markets dataset with ESG.AI's platforms, offering real-time ESG data capture, up-to-the-minute ESG scores, guidance for enhancements, and estimates of ESG initiative impacts.

► Source: BURSA MALAYSIA

Fils launches a groundbreaking sustainable digital payments solution for global enterprises

fils. Fils introduced a payments platform, enabling global businesses to seamlessly integrate sustainable values into digital payments. This holistic B2B2C product employs advanced technologies across its infrastructure, driving transformative impact in sectors like financial services, hospitality, and e-commerce. Fils is poised to convert intent into actionable sustainability across diverse industries.

► Source: FinTech Global

Mashreq, Visa, and ecolytiq unveil MENA's carbon banking platform



Mashreq, Visa, and ecolytiq are pioneering groundbreaking climate banking platforms in the MENA region. This collaboration leverages Mashreq's extensive customer base, Visa's robust digital payment leadership, and ecolytiq's sustainability solutions. The platform provides customers with transparent insights into their spending's environmental impact, promoting eco-friendly behavior. Aligning with Mashreq's climate commitment, this innovative venture aims to support customers in achieving sustainability goals.

► Source: FINTECH GLOBAL

Deloitte, IBM initiate sustainability solutions partnership



Deloitte and IBM announced a global collaboration, combining their sustainability solutions to assist organizations in accelerating emissions reduction strategies and making sustainability programs an embedded part of the organization's core businesses. Deloitte clients will have access to IBM solutions, integrating data from the IBM Envizi ESG Suite with Deloitte's GreenLight Solution, providing comprehensive support for decarbonization projects and ESG reporting.

► Source: IBM




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.

BeZero Carbon launches a carbon credit portfolio construction solution

 BeZero Carbon launched a carbon credit portfolio construction tool, to assist buyers in developing credible net-zero strategies and understanding risk in portfolios. The tool utilizes a discounting methodology, examining their credit portfolios and calculating the number of credits needed for a credible ton-based carbon offset or reduction claims, contributing to the evolving voluntary carbon market.


► Source: Fintech Finance

CFA Institute introduces a new climate investing certificate

 The CFA Institute launched a Climate Risk, Valuation, and Investing Certificate to meet the rising demand for climate analysis skills in investment firms. The certificate, comprising five courses with a focus on real-world application, aims to equip financial professionals with climate-related investment expertise, integrating climate considerations into valuation and portfolio construction processes.


► Source: PR Newswire

Dow to invest USD6.5bn in Path2Zero in Canada

 Dow confirmed its commitment to the Path2Zero project, a USD6.5bn initiative to construct the world's first net-zero Scope 1 and 2 emissions ethylene plant in Alberta, Canada. The project, featuring an ethylene cracker, increased polyethylene capacity, and retrofitted for net-zero emissions, aims to decarbonize 20% of Dow's global ethylene capacity.

► Source: ESG Today

Moody's debuts corporate decarbonization plans' assessments

 Moody's Investors Service introduced the Net Zero Assessments (NZAs) framework, aiming to assist investors in evaluating and comparing companies' decarbonization plans and actions. With a scoring system from NZ-1 (highest) to NZ-5 (lowest), NZAs evaluate the effectiveness of emissions reduction plans and governance, providing an impartial assessment applicable to financial and non-financial entities.


► Source: ESG Today

DWS unveils a biodiversity ETF range

 DWS introduced three biodiversity ETFs covering global, European, and US equities. The new ETF excludes companies with activities detrimental to biodiversity, integrates biodiversity and climate-related UN SDGs, and applies a filter to reduce the portfolio's carbon intensity by at least 50%. The ETF's launch reflects the growing focus on biodiversity as an ecological and economic concern in the investment world.

► Source: ETF Stream

Lloyd's introduces consultation to ensure the transition to a lower-carbon economy

 Lloyds initiated a consultation on its three-year roadmap to ensure the transition to a lower-carbon economy. The roadmap details Lloyd's proposed strategy in multiple sustainability domains, encompassing underwriting, investments, exposure management, and capital and reserving. Its goal is to assist market participants in formulating and executing their sustainability strategies in response to changing regulatory demands.

► Source: ESG News



IKEA debuts a mattress recycling initiative in the UK

IKEA launched a mattress removal and recycling scheme in the UK, collaborating with The Furniture Recycling (TFR) Group, offering customers a sustainable way to recycle old mattresses. The initiative, part of IKEA's broader sustainable services, involves transforming mattresses into valuable raw materials, contributing to a circular economy and waste reduction.

► Source: ESG News



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.



GRI suggests climate change and energy reporting standards

The Global Reporting Initiative (GRI) proposed two standards for companies to report on climate change effects and energy use. The climate change standard includes disclosures for transition plans and emissions reduction targets, while the energy standard includes disclosures for energy management, consumption, and generation. The standards are expected to be released during the United Nations' Conference of the Parties on Climate (COP28) climate change forum, allowing decision-makers to access information before setting new goals or commitments.

► Source: ESG dive



Australia launches a sustainable finance strategy

Australia's Treasury proposed a Sustainable Finance Strategy to mobilize private capital for a net-zero economy transition, prioritizing climate issues and transparency. The key aspects include mandatory disclosures, a finance taxonomy, and a labeling system for sustainable investments, which aim to position Australia as a global sustainability leader.

► Source: ESG Today



FCA unveils sustainability disclosure requirements

The Financial Conduct Authority (FCA) released new Sustainability Disclosure Requirements (SDR) for asset managers and investment labels rules to help investors assess the sustainability attributes of investment products and funds. The measures include an anti-greenwashing rule, four labels, and naming and marketing rules for investment products. The anti-greenwashing rule will be effective in May 2024, while labels will be introduced in July and naming and marketing rules will be applicable from December 2024.

► Source: ESG Today

UNEP FI Launches Nature-related Guidance for Banks

UNEP FI releases guidance for advancing banks

The UN Environment Programme Finance Initiative (UNEP FI) released guidance for banks to align them with the Global Biodiversity Framework (GBF) and address biodiversity loss. The guidance requires banks to assess portfolio exposure, develop a natural strategy, and set targets to close the biodiversity funding gap.

► Source: Regulations Asia



Nasdaq Summit centers to enhance equality and LGBTQ+ representation strategies

Out Leadership's Return on Equality™ ESG Report, coinciding with its Return on Equality™ Summit focuses on LGBTQ+ representation in the workplace. The report emphasized the growing significance of ESG reporting, noting that 91% of Fortune 100 companies report their LGBTQ+ inclusion efforts, but challenges persist, such as limited disclosure on LGBTQ+ workforce size. The summit explored ESG attitudes, regulations, and economic impact, emphasizing the ongoing importance of ESG disclosure for risk management and financial resilience.

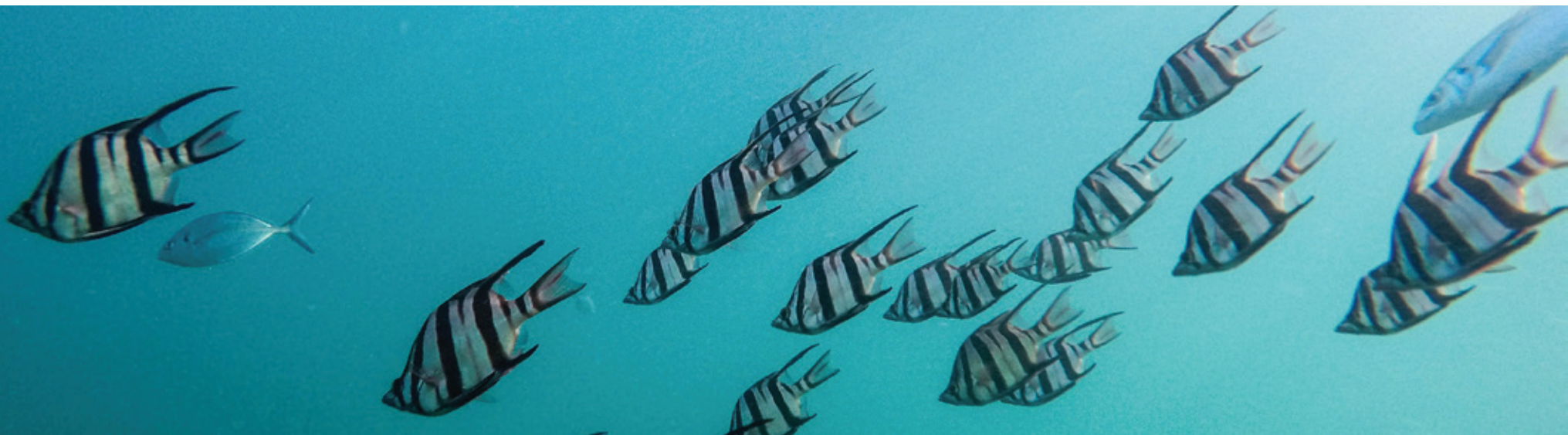
► Source: CSR wire



EU agrees on landmark nature restoration

The European Parliament and Council reached a provisional agreement on legislation to restore and protect natural habitats and ecosystems. The agreement mandates EU countries to restore at least 20% of land and sea areas by 2030 and all ecosystems in need by 2050. The Nature Restoration Law aims to address over 80% of European habitats in poor condition, requiring member states to regularly submit restoration plans.

► 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.



Italian regulator blocks Safran's acquisition of Microtecnica

The Italian government blocked Safran's acquisition of Microtecnica using a mechanism called the 'Golden Power' due to concerns over supplies to the armed forces and contracts for the Eurofighter program. The Eurofighter program is Europe's largest military collaborative program.

► Source: BNN



Swedish union dispute blocks Tesla's subsidiary components

Around 50 workers of IF Metall decided to stay at home as an action against Tesla demanding that the company sign a collective bargaining agreement for its 130 mechanics in Sweden. It was noted that the union would ramp up the conflict if Tesla disagreed to sign the collective bargaining.

► Source: DT Next



Environmental lobby groups appeal to halt funding for TotalEnergies' Mozambique project

Environmental advocacy groups urged banks and other financial backers to retract their support for TotalEnergies' USD20bn liquefied natural gas (LNG) terminal in Mozambique. The appeal was conveyed in a letter addressed to over two dozen project funders. In 2020, the project secured financing through an agreement involving direct and covered loans from eight export credit agencies, as well as contributions from 19 commercial banks and the African Development Bank (AfDB).

► Source: Reuters



German union strikes against Deutsche Bank's DB Direkt over wages

Verdi, the German union of Deutsche Bank's DB Direkt GmbH subsidiary, issued a call for employees to participate in a one-day strike over the ongoing wage negotiations. The strike was conducted over the "high prices in light of low wages."

► Source: U.S.News



3M, Corteva Inc. win in court against the forever chemicals

A U.S. appeals court delivered a significant victory to 3M, Corteva Inc. subsidiary E.I. du Pont de Nemours and Co., and other manufacturers of persistent, toxic “forever chemicals.” The court overturned a lower court’s decision that would have permitted approximately 11.8 million Ohio residents to collectively sue these companies, shielding them from broader legal liability for the substances. The chemicals are commonly termed “forever chemicals” due to their aversion to easy breakdown in nature or within the human body.

► Source: Market Screener



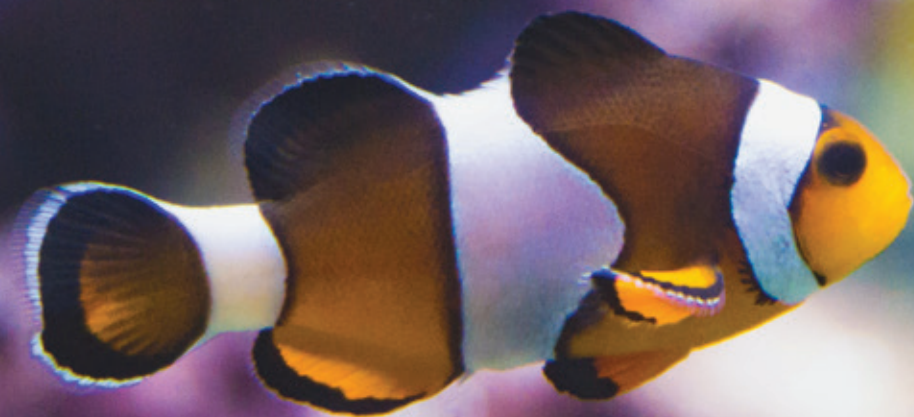
French prosecutors investigate Sanofi over share price manipulation

The French financial prosecutors launched a preliminary investigation into Sanofi. The investigation is regarding the alleged manipulation of share prices by the pharmaceutical company during the market launch of its asthma drug Dupixent, developed in partnership with Regeneron.

► Source: Seeking Alpha



SGA BLOGS



“ESG Outlook: How Tech Companies Harness Data to Reimagine Their Business” [Read More...](#)

“Building a Sustainable Future: The Rise of the Next Generation of Sustainable Aviation Fuel” [Read More...](#)

“Leveraging Technology to Meet Sustainability Targets” [Read More...](#)

“Sustainable Framework: How can Organizations Make Generative AI Green?” [Read More...](#)

“A Guide to Improving Environmental Sustainability in IT Infrastructure” [Read More...](#)



SGA NEWSLETTER TEAM



- Shubhshree Pareek
- Preeti Kumar
- Sagar Khirade
- Mukta Joshi
- Deepthi R
- Shubham Athalye
- Akshitha Kariappa
- Shraddha Gandhi
- Ankita Bansal



Disclaimer —

This document makes descriptive reference to trademarks that may be owned by others. All currencies are converted to USD for uniformity purposes. The rate used is as on the date of article published. The use of such trademarks herein is not an assertion of ownership of such trademarks by SG Analytics (SGA) and is not intended to represent or get commercially benefited from it or imply the existence of an association between SGA and the lawful owners of such trademarks. Information regarding third-party products, services, and organizations was obtained from publicly available sources, and SGA cannot confirm the accuracy or reliability of such sources or information. Its inclusion does not imply an endorsement by or of any third party.

Copyright © 2023 SG Analytics Pvt. Ltd.



www.sganalytics.com

