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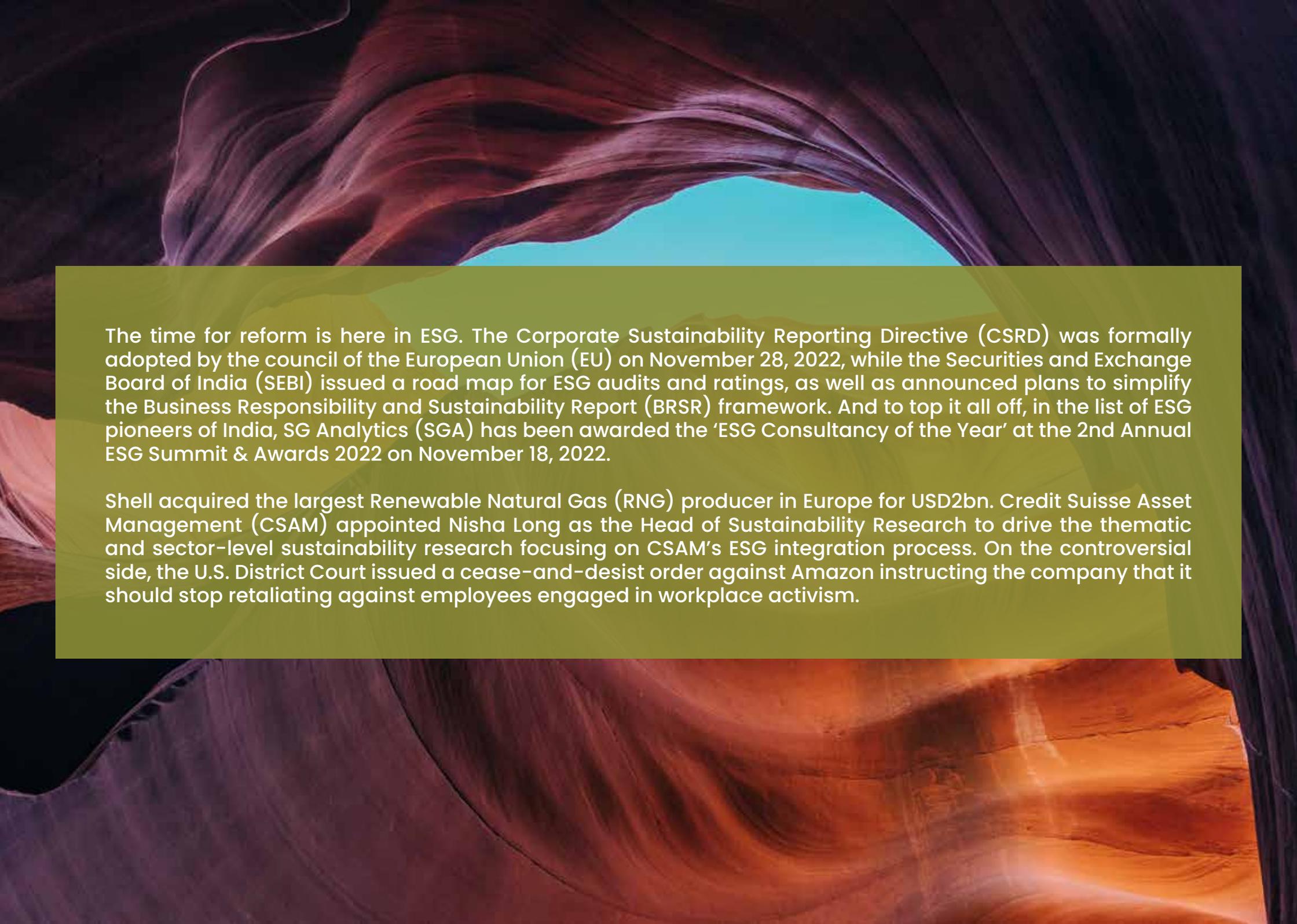
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ESG Newsletter

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.





The time for reform is here in ESG. The Corporate Sustainability Reporting Directive (CSRD) was formally adopted by the council of the European Union (EU) on November 28, 2022, while the Securities and Exchange Board of India (SEBI) issued a road map for ESG audits and ratings, as well as announced plans to simplify the Business Responsibility and Sustainability Report (BRSR) framework. And to top it all off, in the list of ESG pioneers of India, SG Analytics (SGA) has been awarded the 'ESG Consultancy of the Year' at the 2nd Annual ESG Summit & Awards 2022 on November 18, 2022.

Shell acquired the largest Renewable Natural Gas (RNG) producer in Europe for USD2bn. Credit Suisse Asset Management (CSAM) appointed Nisha Long as the Head of Sustainability Research to drive the thematic and sector-level sustainability research focusing on CSAM's ESG integration process. On the controversial side, the U.S. District Court issued a cease-and-desist order against Amazon instructing the company that it should stop retaliating against employees engaged in workplace activism.

Index

MARKET TRENDS 04

COLLABORATION 06

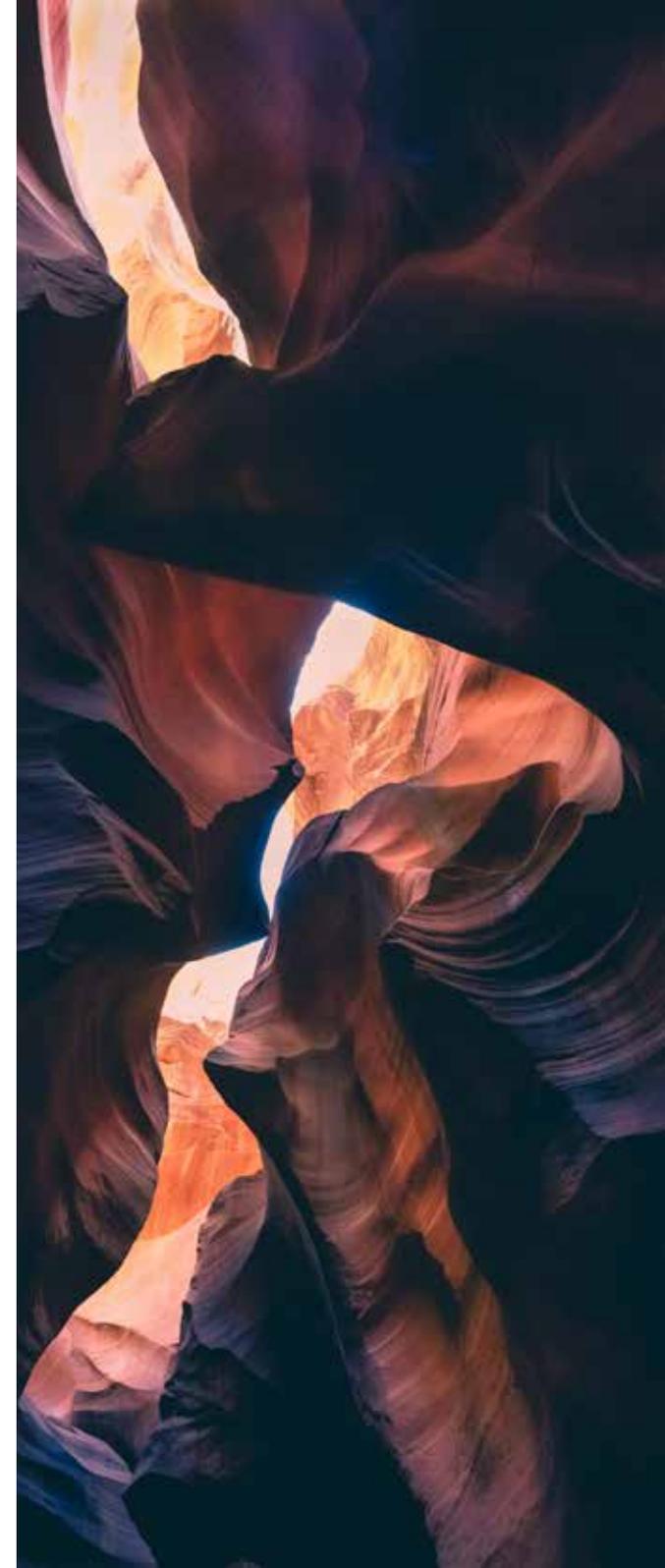
PEOPLE MOVEMENTS 08

FINTECH 10

PRODUCTS & SERVICES 12

LAWS, POLICIES, AND REGULATIONS 14

CONTROVERSIES 17





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.

SGA wins the 'ESG Consultancy of the Year' award



SGA was awarded the 'ESG Consultancy of the Year' at the 2nd Annual ESG Summit & Awards 2022 on November 18, 2022, by Transformance Business Media. At the same summit, Jayaprakash Mallikarjuna, SGA's Head of 'ESG and Data Modernization', was featured as one of the 'Top 10 ESG Champions'.

► Source: LinkedIn

ESA delays review of PAI indicators and SFDR RTS



The European Supervisory Authorities (ESAs) will delay publishing its final review of the Sustainable Finance Disclosure Regulation (SFDR)'s principle adverse impact indicators (PAIs) and SFDR regulatory technical standards (RTS) by six months. This review will now be published in October 2023. The ESA intends to develop "a more objective basis to the Do No Significant Harm (DNSH) framework." It would affect the scope for SFDR RTS' Article 8 and 9 funds, along with establishing minimum standards and benchmarks for the fund managers.

► Source: Mondaq

SGX launches a new initiative to identify sustainable fixed-income securities



The Singapore Exchange (SGX) Group launched a new initiative to help investors recognize green, social, and sustainable fixed-income securities. The issuers are expected to publish reports publicly to set the alignment of the fixed-income securities with the recognized standards. The alignment will have to be confirmed by an external reviewer.

► Source: The Business Times

EC approves over USD395.8mn funding for climate, biodiversity, and green energy projects



The European Commission (EC) approved new investments for 168 green projects across Europe via the 'LIFE Programme', the EU's funding instrument for the environment and climate

action. Investments include USD132.3mn for nature and biodiversity projects, USD101.34mn for clean energy transition projects, USD89.6mn to support circular economy action plans, and about USD69.8mn for climate action-focused projects.

► Source: ESG Today

European regulators launch a major greenwashing study



European Banking Authority (EBA), European Securities and Markets Authority (ESMA), and European Insurance and Occupational Pensions Authority (EIOPA) launched a major greenwashing study. The study is presently built around a call for evidence aimed at gathering information about greenwashing risks and practices across banking, insurance, and financial markets. The study follows the mandate handed down by the EC in May 2022.

► Source: Minerva Analytics

SEC fines Goldman Sachs for ESG norms violation



The U.S. Securities and Exchange Commission (SEC) fined Goldman Sachs Asset Management (GSAM) USD4mn for non-compliance with ESG guidelines for two mutual funds and ESG investments. GSAM agreed to pay the fine without agreeing to or denying SEC's findings. SEC discovered that SGAM had failed to consistently follow the policies and procedures before February 2020.

► Source: U.S. News

UN experts pressurize for a crackdown on greenwashing of net-zero pledges



The UN authorities demand a crackdown on the greenwashing of net-zero pledges by industries and the government for 'red lines' to stop the backing for new fossil fuel exploration and overuse of carbon offsets. The group emphasized on organizations to make serious commitments and will advise on rules to improve integrity and transparency in net-zero commitments by sectors, regions, and cities.

► Source: The Guardian

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.

Shell acquires Nature Energy Biogas for USD2bn



The energy giant Shell acquires the largest Renewable Natural Gas (RNG) producer in Europe, Nature Biogas Energy, for approximately USD2bn. RNG or biomethane, identical to fossil-based natural gas, is produced from organic waste like industrial, household, and agricultural wastes. With this acquisition, Shell aims to boost its net-zero energy business by 2025 and invest in clean energy and renewable solutions.

► Source: ESG Today

Rolls-Royce and easyJet jointly and successfully run an aircraft engine on green hydrogen



Rolls-Royce and easyJet announced a successful run of their 'modern aero engine' on hydrogen produced from tidal and wind energy, making it green with zero carbon emission. This green innovation aims at enabling the decarbonization of airplanes, as restructuring the batteries to recharge them using solar energy is unfeasible due to their bulkiness.

► Source: Business Standard

Microsoft partners with Energia for renewable energy supply for its Irish operations



Microsoft signed a corporate power purchase agreement (CPPA) with Energia to acquire renewable energy for its Irish offices and operations. Energia will build onshore wind farms and solar plants to fully decarbonize Microsoft's offices and add more than 900MW to Ireland's electricity grid.

► Source: Renewables.biz

Renault collaborates with energy providers in France to decarbonize their plants



Renault announced new partnerships with energy players ENGIE, Dalkia, and Voltalia. These agreements will provide green energy to Renault plants to achieve their new zero-carbon goal for the Renault group. The agreement with Voltalia marks the biggest green energy deal in France.

► Source: Globe news wire

Deloitte and Persefoni partner to develop carbon measurement solutions



Deloitte, a global professional services firm, and Persefoni, a climate management and accounting platform (CMAP), announced a strategic partnership to build analytics solutions for banking and insurance companies. This partnership will help banking and insurance companies to measure and manage their operational and portfolio carbon footprints.

► Source: ESG Today

ACCA and CFA together launch a new climate finance course



The Association of Chartered Certified Accountants (ACCA) and the CFA Institute, the global association of investment professionals, have developed a new course on the base of COP27 to highlight the climate crisis. The course will cover the introduction to climate change and its related economic and environmental impacts and climate solutions.

► Source: FutureCFO



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.

Credit Suisse hires Nisha Long as the Head of Sustainability Research



Credit Suisse Asset Management (CSAM) appointed Citywire's Head of ESG, Nisha Long, as its Head of Sustainability Research. Long will be in charge of CSAM's new sustainability research team, which is devoted to security, thematic, and sector-level sustainability research focusing on CSAM's ESG integration process.

► Source: Citywire

M&G Real Estate appoints Laura Jockers as the new Head of ESG



M&G Real Estate welcomed Laura Jockers as the new Head of ESG. In her new role, she will work with the company's global teams for the fulfillment of the ESG strategy and improve the work done by M&G's funds on net-zero pathways.

► Source: yahoo!finance

Terence Goods and Jennifer Silberman join Dollar Tree



Dollar Tree names Terence Goods and Jennifer Silberman the Chief Diversity Officer and Chief Sustainability Officer, respectively. Both the new C-level officers are expected to focus on culture, ESG, and compliance and enhance the leadership capabilities of Dollar Tree.

► Source: ESG News

CPP Investments welcomes Richard Manley as the Chief Sustainability Officer



CPP Investments hired Richard Manley as the Chief Sustainability Officer, who will take the lead in further developing and implementing the company's climate change framework.

► Source: CPP Investments

Vontobel names Nakamura the Head of Sustainable Equities Boutique



Jean-Louis Nakamura joined Vontobel as the Head of Sustainable Equities Boutique. Nakamura will manage Vontobel's SFRI15bn (USD15.1bn) AUM sustainable equities boutique, which comprises 35 investment professionals based in Zurich, Milan, and Hong Kong.

► Source: Fundselectorasia

FINTECH

A close-up photograph of a person's hands holding a smartphone. The phone is held vertically, and a bright, circular light reflects off its screen, creating a strong focal point. The background is dark and textured, with various shades of brown and orange, suggesting an indoor setting with warm lighting. The overall composition is abstract and artistic, focusing on the interaction between the human hand and the technology.

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.

MSCI expands its ITR climate tool for investors

MSCI  MSCI expanded its offerings in its 'Implied Temperature Rise' (ITR) solution beyond companies to include funds and indexes. This expansion will equip "equity and fixed income investors with consistent and comparable metrics to align their investment portfolios with global temperature targets." The size of the database has now been expanded from 10,000 companies to over 56,000 equity and fixed-income funds.

► Source: MSCI Inc.

Alternative credit managers debut an ESG Integrated Disclosure tool

ESG  **INTEGRATED DISCLOSURE PROJECT** A coalition of market stakeholders, including the United Nations-supported Principles for Responsible Investment (PRI), launched the ESG Integrated Disclosure Project (ESG IDP) template. This template aims to "enhance transparency and consistency for both private companies and credit investors by providing a standard format for ESG-related disclosures." Furthermore, the template intends to offer private firms a baseline to address the disparity in ESG reporting patterns in the market.

► Source: UNPRI

Experian launches a solution providing lenders with ESG ratings and emissions estimates

experian.  Experian launched a solution covering 4 million of the UK's SMEs for helping them with emissions estimates. The solution aims to provide SMEs with ESG ratings, including Scope 1, 2, and 3 emission details. It also enables lenders to "confidently baseline, report, and target actions to manage climate risks with any SME portfolio."

► Source: ESG Today

ICE unveils a TCFD reporting solution for asset managers

ICE  The global exchange and clearing house operator Intercontinental Exchange (ICE) launched a new solution for asset managers and financial institutions to meet the Task Force for Climate-related Financial Disclosures (TCFD)'s requirements. The tool intends to improve climate change-related reporting of asset managers.

► Source: ESG Today

Cognizant introduces an ESG data and analytics solution

cognizant  Cognizant created a one-of-a-kind data and analytics solution 'Cognizant Sustainability Accelerator'. This solution seeks to help companies track and act on their sustainability goals. Through this solution, Cognizant combines its IoT and data analytics' expertise with Microsoft's 'cloud' capabilities. Additionally, the solution was showcased at the COP27 climate conference.

► Source: ESG Today

Offsetted launches an ESG compliance solution at SFF 2022

offsetted  Offsetted launched an ESG compliance solution called 'Offsetted Finance' aimed at the financial and real estate sector. The solution, launched at the Singapore FinTech Festival (SFF) 2022, is a simple and accessible tool for assessing and acting on indirect and direct emissions. Additionally, it also enables organizations to respond to regulatory requirements regarding emissions easily.

► Source: Fintechnews



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.

MSCI introduces a solution for EU banks to deliver ESG and climate disclosure requirements



MSCI launched a new solution focused on helping banks to meet the European Banking Authority (EBA)'s upcoming ESG and climate-related risk disclosure requirements. The solution will help banks report on disclosures related to balance sheet risks, exposure to taxonomy-aligned activities, and EBA's other mandatory technical details.

► Source: ESG Today

EBRD launches a new green advisory service



The European Bank for Reconstruction and Development (EBRD) "launched a green advisory service focusing on helping clients transition to a low-carbon future." The service will also allow financial institutions, companies, municipal clients, and policymakers to assess their business models, upgrade climate governance, and design plans aligned with the international best practices for sustainable growth.

► Source: IFR

Morgan Stanley IM launches a climate-focused private equity strategy



Morgan Stanley Investment Management (IM) launched a strategy to invest USD1bn in companies focusing on removing 1 gigaton of CO2 emissions from the atmosphere by 2050. Most investments will be made in mobility, power, sustainable food and agriculture sectors, and circular economy to deliver financial returns as well as positive environmental impact.

► Source: Reuters

Euronext unveils the pioneer gender equality indices



The Euronext Equileap Gender Equality Eurozone 100 index and the Euronext Equileap Gender Equality France 40 index will offer exposure to leading companies working in the target regions. The indexes will include companies focusing "on gender balance in leadership and workforce, equal compensation and work-life balance, policies promoting gender equality and commitment, transparency, and accountability."

► Source: ETF Stream

Aviva launches a 'Climate-Ready Index'



Aviva launched an index to assess G7 nations' and Ireland's progress toward climate mitigation, resilience, and adaptation activities. The index will track key metrics, including reducing emissions, supporting biodiversity, building climate-resilient infrastructure, and helping communities and small businesses to prepare for climate change's impact.

► Source: Funds Europe

Bloomberg introduces the next-gen ESG bond benchmarks



Bloomberg launched the next-generation series of ESG bond benchmarks by introducing 24 latest measures of the use-of-proceed bond universe. The new benchmarks also align with the 'Green, Social, and Sustainable Bond Principles and Guidelines' and can be tracked against the UN's Sustainable Development Goals (SDGs), as well as the EU's SFDR.

► Source: IFR

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.

European Union's Corporate Sustainability Reporting Directive – What Non-EU Companies with Operations in the EU Need to Know

EU sends its approval to the CSRD

The European Council, on November 28, 2022, formally adopted the Corporate Sustainability Reporting Directive (CSRD). The CSRD, replacing the Non-Financial Reporting Directive (NFRD), is a comprehensive framework for reporting on ESG issues that will impose relevant, reliable, and accessible reporting requirements regarding businesses listed on EU-regulated markets, including the EU subsidiaries of a non-EU entity.

► Source: Gibson Dunn

SEBI plans to simplify the BRSR framework



The Securities and Exchange Board of India (SEBI) issued a roadmap for ESG audits and ratings, as well as plans to simplify the Business Responsibility and Sustainability Report (BRSR) framework. The BRSR framework would be built on the recommendations of a committee appointed by the capital markets regulator.

► Source: Business-Standard

CDP to incorporate ISSB climate-related disclosure standard into global environmental disclosure platform

CDP to incorporate the ISSB climate-related disclosure

Carbon Disclosure Project (CDP), the non-profit organization operating the global environmental disclosure platform for corporations, intends to assimilate the International Sustainability Standard Board (ISSB) 's Climate-related Disclosures Standard (IFRS S2) into its platform.

► Source: CDP



The FCA forms a group for ESG data and rating providers

The Financial Conduct Authority (FCA) formed a working group to develop a code of conduct for ESG data and rating providers. The FCA appointed the International Capital Market Association (ICMA) and the International Regulatory Strategy Group (IRSG) as the newly formed group's Secretariat.

► Source: ESG Today

The Transition Plan Taskforce Disclosure Framework

TPT announces a new climate change plan framework

The Transition Plan Taskforce (TPT) released an updated disclosure framework for companies to disclose their climate transition plans to achieve their net-zero commitments. The framework makes recommendations for companies and financial institutions to develop gold-standard transition plans, and it also issued the Implementation Guidance specifying the roadmap on how to develop a transition plan.

► Source: Report Adviser

ESMA LAUNCHES A CONSULTATION ON GUIDELINES FOR THE USE OF ESG OR SUSTAINABILITY-RELATED TERMS IN FUNDS' NAMES

ESMA floats a consultation paper for ESG-related terms in fund names

ESMA launched a consultation paper to develop guidelines on the use of ESG or sustainability-related terms in fund names. The paper aims to address the risk of 'greenwashing' where funds are labeled as green or socially sustainable despite failing to meet adequate sustainability standards.

► Source: ESMA



HKEX advises listed companies to follow the TCFD framework and ISSB climate standards

The Hong Kong Exchanges and Clearing (HKEX) advised listed companies to implement climate-related disclosures under the TCFD framework and the new ISSB climate standards. According to the HKEX Report, which sampled 400 issuers, 95% of the issuers disclosed their boards' oversight and management approach on ESG matters.

► 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.



Federal Court orders Amazon to end retaliation against employees

The U.S. District Judge issued a cease-and-desist order against Amazon, as a ruling to stop the company from retaliating against employees engaged in workplace activism. It was alleged that Amazon illegally fired an employee because he participated in a protest over working conditions during the early weeks of the COVID-19 pandemic in April 2020.

► Source: Retail Touchpoints



FSA reports Jyske Bank to police over possible anti-money laundering

The Financial Supervisory Authority (FSA) reported Jyske Bank to the police for investigation over a possible breach of anti-money laundering legislation. The authority commented that it had found 'significant shortcomings' in the bank's customer due diligence measures.

► Source: Reuters



Australian Federal Court dismisses lawsuit against CBA

The Australian Federal Court dismissed a lawsuit against the Commonwealth Bank of Australia (CBA) over allegations of illegally charging monthly fees to customers. The Australian Securities & Investments Commission (ASIC) filed the lawsuit and alleged that CBA falsely charged about USD36.86 mn as monthly fees to over 800,000 accounts.

► Source: U.S. News



Kraken settles alleged violation of sanctions

The U.S. Treasury Department revealed that Kraken has agreed to settle allegations that it violated the U.S. sanctions against Iran for USD362,000. The authority also revealed that Kraken failed to prevent users in Iran from operating its platform, which resulted in transactions of over USD1.68mn between October 2015 and June 2019.

► Source: WSJ

Canadian regulators to review sale of HSBC's Canada business to RBC

Canadian competition authority reviews the sale of HSBC's Canada business to RBC

The Competition Bureau started to review the sale of HSBC's business in Canada to the Royal Bank of Canada (RBC) for USD10bn in cash. The Bureau will determine whether the proposed transaction is likely to harm market competition and will then act accordingly.

► Source: Financial Post



German cartel office closely observes Meta's changes in VR headset rules

The German cartel office has been closely watching Meta since May 2022, as

the company changed the rule of its virtual reality (VR) headset. The authority said that the device will be allowed to be in use with a separate Meta account and to monitor the design of user choices and processing of user data from the company.

► Source: The Print



EU investigates the proposed Vivendi's acquisition of Lagardere

The EU started its preliminary investigation of the proposed acquisition deal between Vivendi and Lagardere over anti-trust concerns. To resolve these concerns, Vivendi's top investor-billionaire Vincent Bollore has agreed to sell all the Editis shares that he would receive after the transaction. The EU is likely to launch an in-depth investigation after completing its preliminary review of the deal on November 30, 2022.

► Source: Reuters



SGA BLOGS



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“What does Sustainability mean from an Investor Perspective?” [Read More...](#)

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