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# TATTVA

## 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.



One of the biggest news this month is Tesla being cut from the S&P 500 ESG Index on claims of racial discrimination, crashes linked to its autopilot vehicles, and lack of disclosures. Other top stories include the following. The UK has committed to the world's first net-zero emission transatlantic flight fueled by 100% sustainable aviation fuel. The Netherlands, Germany, Belgium, and Denmark have collectively agreed to invest about USD142.46bn to become the 'Green Power Plant of Europe' using the North Sea wind farms.

The US is entering the electrical vehicle (EV) market with Biden's over USD3bn investment in EVs. Marsh McLennan has appointed Dr. Swenja Surminski as Managing Director of Climate and Sustainability and Max Messervy as the Head of Sustainable Investment. With Sustainable Finance Disclosure Requirement (SFDR) compliance becoming more and more global, several companies are floating tools and solutions to help asset managers streamline regulatory compliance and disclosure requirements.

The Australian Sustainable Finance Institute (ASFI) is inviting a proposal from consultants to work on the first phase of the sustainable finance taxonomy project. Sustainability advisory services company Global Sustain, in collaboration with Moody's Analytics, has launched an e-learning course on ESG Risk Assessment to help risk managers, credit and ESG risk analysts, relationship managers, and other senior managers to understand the impact of ESG on lending and investment decisions. The New York State Division of Human Rights has, in a complaint, accused Amazon.com of discrimination against pregnant and disabled employees at its worksites.

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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.

## Biden invests over USD3bn for EV battery manufacturing, recycling, and supply chain



The US Department of Energy (DOE) has announced a funding of USD3.1bn to accelerate the growth and progress of EV batteries in a bid to shift the country away from gas-powered cars to EVs. The funding will support grants to build, retool, and expand battery production and its components, along with boosting battery recycling plants. The move supports the Biden administration's goal to have 50% EV sales by 2030.

► Source: CNBC

## Canada lays mandatory climate disclosure as the primary concern for Sustainable Finance Council



Canada's focus on environmental sustainability goals is evident with the government mandating corporate climate-related financial disclosures. Taking it further, Canada has now announced that these disclosures will be the focal point for its Sustainable Finance Action Council, which consists of 25 leading financial institutions from Canada.

► Source: ESG Today

## Four European nations sign USD142.46bn Offshore Wind Pact to become Europe's Green Power Plant



The Netherlands, Germany, Belgium, and Denmark have agreed to invest about USD142.46bn to become the 'Green Power Plant of Europe' using the North Sea wind farms. The four countries have set a target to produce offshore wind energy and green hydrogen equivalent to 65GW by 2030 and 150GW by 2050, respectively.

► Source: Saur Energy

## European Commission plans to end dependence on Russian Fossil Fuel by 2027



The European Commission has announced an investment of USD220.54bn to meet Europe's 2030 climate target. The investment will fund the import of more non-Russian fuels, accelerate efforts to conserve energy, and boost renewable energy sectors.

► Source: Reuters

## The UK announces plans for first net-zero transatlantic flight to take off in 2023



The UK's Transport Secretary has committed to deliver the world's first net-zero emission transatlantic flight fueled by 100% sustainable aviation fuel (SAF). This flight between the UK and US is expected to take off in 2023 and lead to the generation of over 5,000 jobs in the UK.

► Source: Govt.UK

## Tesla cut from S&P 500 ESG Index on claims of racial discrimination, crashes, lack of disclosure



S&P Dow Jones Indices has removed Tesla from its popular S&P 500 ESG Index due to claims of racial discrimination and crashes associated with its autopilot cars. Additionally, it was pointed out that Tesla's ESG disclosures did not justify its low carbon strategy and business conduct codes when benchmarked with its peers.

► Source: Strait Times

# 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.

## Clean Planet Energy, bp strike a deal for circular solution for hard-to-recycle plastics



bp has launched a new long-term partnership with Clean Planet Energy (CPE), a cleantech, renewable, and alternative energy company, targeted at improving circular solutions for difficult-to-recycle plastics. CPE is now working on converting difficult-to-recycle waste plastics into circular petrochemical feedstocks and Ultra-Low-Sulphur Diesel (ULSD). CPE's first facility's output will be delivered to bp for use as feedstock in circular plastics value chains.

► Source: ESG Today

## Amazon's Climate Pledge Fund and Ecosystem Integrity Fund lead USD31mn Series A funding for Ambient Photonics



Amazon, through its Climate Pledge Fund and Ecosystem Integrity Fund, led a USD31mn Series A fundraising round for Ambient Photonics. Ambient will use the funds to construct the world's largest low-light solar cell manufacturing facility situated in the US. Ambient's low-cost, high-power density solar cells will be able to scale to mass market adoption owing to the facility's automatic production line and capacity of tens of millions of units per year.

► Source: Business Wire

## Goldman Sachs, Citi, Fidelity among new companies to join Sustainable Trading initiative



Sustainable Trading, an ESG-focused financial markets industry network, has gained 11 new companies into its membership, including Citi, Fidelity International, and Goldman Sachs Asset Management. The members will establish working groups to handle specific issues such as the environmental impact of building, trading infrastructure,

the impact of diversity, equity, and inclusion, and broader ESG issues such as employee wellbeing, community engagement, and stakeholder-oriented enterprise governance.

► Source: ESG Investing

## Johnson Controls acquires Asset Plus



Johnson Controls, a provider of building efficiency, controls, and automation, has declared the takeover of Asset Plus, a provider of energy reduction and zero-carbon generation initiatives aimed at the UK public sector. The acquisition expands Johnson Controls' OpenBlue and digital solutions portfolio for Asset Plus customers, as well as provides more chances to aid UK clients in achieving sustainability goals across multiple sectors.

► Source: ESG Today

## bp, Linde collaborate on major project to promote decarbonization plans along Texas Gulf Coast



bp and Linde have announced plans to promote a carbon capture and storage (CCS) project in Texas, which will enable low-carbon hydrogen generation at Linde's current facilities. The project will also allow the storage of CO2 captured from other industrial facilities, laying the ground for decarbonization of the Texas Gulf Coast industrial corridor on a broad scale.

► Source: bp plc



# 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.

## Fidelity International hires Ellie Tang as Director, Sustainable Investing



Ellie Tang has joined investment management firm, Fidelity International, as Director of Sustainable Investment. In her new role, she will focus on integrating sustainability considerations into the firm's real estate investments.

► Source: ESG Investing

## Marsh McLennan appoints Swenja Surminski as Managing Director of Climate and Sustainability



Marsh McLennan has welcomed Dr. Swenja Surminski as Managing Director of Climate and Sustainability. Dr. Surminski has prior experience in climate change, resilience, and disaster risk management with a special focus on risk financing, insurance, and risk governance in a broader sustainability context.

► Source: MarshMcLennan

## Mike Faillo joins Fifth Third as Chief Sustainability Officer



Fifth Third has appointed Mike Faillo as Chief Sustainability Officer to drive the firm's climate strategy and sustainable finance initiatives. Faillo has managed the bank's ESG strategy and reporting since 2019, and also chairs the ESG Committee.

► Source: ESG News

## Ninety One welcomes Daisy Streatfeild as Sustainability Director



Ninety One has announced the appointment of Daisy Streatfeild as Sustainability Director. Previously, Daisy served as the Programme Director of the Investors Group on Climate Change (IGCC), where she helped to establish the Paris Aligned Investment Initiative.

► Source: Ninety One

## Mercer names Max Messervy Head of Sustainable Investment



Marsh McLennan's Mercer has appointed Max Messervy as Head of Sustainable Investment, Americas. In his new role he will focus on Mercer's Investment & Retirement business and use the firm's expertise and scale to uncover top sustainable investment opportunities for its clients around the world.

► Source: Mercer

## Loomis, Sayles & Company hires Colleen Denzler as Head of ESG



Loomis, Sayles & Company has appointed Colleen Denzler, CFA, as the Head of ESG to steer the firm's ESG initiatives. In this position, she will be responsible for the firm's ESG priorities, goals, metrics, criteria, and ensuring compliance with the ever-changing ESG regulatory requirements.

► Source: LOOMIS SAYLES

**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.

## Integrum launches SFDR compliance solution for portfolio managers



Integrum has announced the launch of the Sustainable Finance Disclosure Requirement (SFDR) compliance tool for portfolio managers. The tool intends to assess and report portfolios in line with EU SFDR requirements. The tool will also enable users to analyze sustainable risks and SFDR attributes of company portfolios that are loaded onto the tool.

► Source: ESG Today

## Broadridge introduces ESG reporting solution focused on SFDR



Broadridge has introduced an ESG reporting solution that is focused on SFDR to help asset managers. The solution is aimed at addressing SFDR regulatory disclosure and compliance requirement through the European ESG Template (EET).

► Source: Finance Feeds

## Ping An Bank launches carbon account platform



Ping An Bank has introduced a personal carbon account platform that enables account owners to track and reduce the carbon impact of their spending. The methodology used by the platform is from the national carbon emission trading and carbon credit platform Shanghai Environmental and Energy Exchange (SEEE).

► Source: ESG Today

## Palantir, Trafigura collectively announce launch of supply chain carbon emission platform



Palantir and Trafigura have announced the launch of a supply chain carbon emission platform aimed to report as well as calculate the carbon emissions across commodity supply chains. The platform will also enable users to track lifecycle emissions, highlight low-carbon opportunities, and establish a benchmark against other users.

► Source: Trafigura

## Zeidler group announces launch of new SFDR disclosure tool and EET solution



Zeidler group has introduced a new SFDR tool and European ESG Template (EET) solution to help asset managers in meeting reporting and disclosure requirements. Both the solutions are aimed to provide simplified ESG compliance and reporting platform for asset managers.

► Source: CSR Wire



**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.

## Robeco launches Sustainable Asian Bonds strategy



Robeco has launched an SDG-aligned bond strategy investing in diversified Asian Fixed Income companies.

The fund seeks to provide long-term capital growth and targets an attractive dividend yield of 4–6% per year throughout the cycle. The exposure is predominately in companies that are contributing to the United Nations Sustainable Development Goals. The Asian bond market has a liquid and mature universe of quality issuers whose debt is denominated in hard currency representing attractive investment prospects.

► Source: Hubbis

## Generation launches USD1.7bn Sustainable Solutions Fund IV



Generation Investment Management, a sustainable investment manager with over USD36bn of assets under management has launched its USD1.7bn

Sustainable Solutions Fund IV. The new fund continues to focus on investing in growth-stage businesses with proven technology and mission-driven management teams in planetary health, people health, and financial inclusion. All potential portfolio companies are evaluated for not only their business and management quality, but also their 'System Positive' contribution, to ensure they are clearly driving the transition to a more sustainable future.

► Source: Business Wire

## HSBC launches discretionary mandate on biodiversity for private banking clients in Asia



HSBC has launched, Global Biodiversity Discretionary Strategy in Asia, its first discretionary mandate focused on biodiversity, further enhancing its broad

suite of wealth products with more specific sustainable investment objectives. This high conviction, global equity portfolio focuses on providing exposure

across eight biodiversity-related themes: biomaterials, water solutions, sustainable food systems, innovative urbanization, sharing, repair & eco-design, distribution systems, performance materials, and waste & recycling.

► Source: Hubbis

## BNP Paribas AM launches Article 9 bond fund



**BNP PARIBAS**

BNP Paribas AM has introduced a bond fund which is the first Asian-focused fixed income strategy to be classified as Article 9 under SFDR.

The thematic fund focuses on sustainable infrastructure in Asian smart cities and will be managed by the firm's head of EM fixed income. The proceeds from the fund will go toward sustainable infrastructure such as clean transport, renewable energy, and healthcare infrastructure. The fund will be benchmarked against the JP Morgan Asia Credit index and is registered for sale in Europe.

► Source: Citywire

## UBS AM launches US corporate bond ESG ETF



**UBS**

UBS AM has launched an ESG ETF which captures the most liquid part of the US corporate debt market. The UBS ETF Bloomberg MSCI US Liquid Corporates 1-5 Year

Sustainable UCITS ETF (CBS5) is listed on the major stock exchanges with a total expense ratio (TER) of 0.20%. Currency-hedged iterations of the product are also available with a fee of 0.25%. The ETF excludes issuers which are involved in adult entertainment, alcohol, gambling, tobacco, conventional weapons, civilian firearms, nuclear weapons, controversial weapons, nuclear power, thermal coal, fossil fuels, and GMOs.

► Source: ETFstream

# 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.



## Economic and Monetary Affairs Committee introduces proposals for green bond market

The Economic and Monetary Affairs Committee of the European Union Parliament released a series of proposals to create more strict rules for the Green Bond Standard (EuGB) and the green bond market. The proposal would improve transparency and management within the green bond market and reduce greenwashing. According to the proposal, companies using the EuGB label would need to possess verified climate transition plans.

► Source: ESG Today

## German regulator delays sustainable investment rules amid Russia–Ukraine war

### German Regulator Shelves ESG Rules After Russia Energy Fears

Due to Russia's invasion of Ukraine, Germany's Federal Financial Supervisory Authority (BaFin) has decided to indefinitely postpone the implementation of planned rules for classifying funds as sustainable investments. The officials believe that the market is not stable enough to impose permanent regulations.

► Source: Financial Post

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## New Emissions Disclosure Standard for Private Equity Released

### Climat International introduces new GHG standards for private equity sector

Climat International, a private equity consortium focusing on climate, has published a new report that introduces a standard for accounting and reporting greenhouse gas (GHG) emissions in the private equity sector, developed in partnership with sustainability advisory firm ERM. The report suggests a method for "collecting, calculating, and reporting carbon footprint data that can be directly applied to GPs' operations and investment activities."

► Source: ESG Today

## Securities and Exchange Commission proposes rule changes for ESG funds

### U.S. SEC unveils rules to ensure ESG funds follow through on investments

To avoid misleading or deceptive claims by funds on their ESG credentials and to standardize disclosures, the Securities and Exchange Commission (SEC) has proposed a couple of rule changes.

According to the proposal, funds must invest at least 80% of their assets in accordance with their names and investment policies.

► Source: Reuters

## Australia seeks proposal from consultants to work on sustainable finance taxonomy

The Australian Sustainable Finance Institute (ASFI) is inviting proposals from consultants to work on the first phase of the sustainable finance taxonomy project. ASFI was introduced to realign the Australian financial services system and introduced the 'Australian Sustainable Finance Roadmap' in November 2020. The roadmap calls for the development of a taxonomy to generate long-term assets and activities.

► Source: responsible investor



**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.

## Peru files lawsuit against Spain's Repsol over massive oil spill



Peru's National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI) has filed a lawsuit against six companies including Spain's Repsol over an oil spill which occurred on January 15, 2022. It is alleged that the oil spill occurred while the tanker was unloading crude oil at the Repsol's refinery. The suit

seeks USD4.5bn in damages.

► Source: Global Times

## LLOYDS BANK

## Employees of Lloyds Bank protest outside annual general meeting

The employees of Lloyds Banking Group staged a protest at the annual general meeting as part of a dispute over pay. Members of the Unite union said that they cannot "afford to heat their homes or will stop paying their pension contributions." The company's spokesperson commented that their packages are fair and competitive.

► Source: yahoo! finance

## Israel sues Teva Pharmaceutical over Copaxone royalties

The State of Israel filed a lawsuit against Teva Pharmaceutical Industries Ltd for violating the state's intellectual property rights. The authority said that the company stole IP rights of the state and failed to pay royalties for multiple sclerosis treatment Copaxone. The researchers who had developed the drug had also filed a lawsuit in 2018 over the same issue.

► Source: Globes

## CFO of Moderna exits after former employer launches investigation

Jorge Gomez, newly appointed Chief Financial Officer of Moderna quit after only one day on the job as his former employer launched a financial investigation. The investigation was to find out irregular financial reporting at Dentsply Sirona where he served as Executive Vice President.

► Source: Fortune

## Former executive sues CIBC over hostile, degrading work environment for women



Zhuofang Wei, a former Executive Director at Canadian Imperial Bank of Commerce, filed a lawsuit against the company alleging she was sexually and racially discriminated by the managers. It is also

alleged that she was dismissed in March 2020 after she refused to take up a new role without any increase in pay. Wei is suing for USD1mn in lost earnings and damages.

► Source: Reuters

## New York agency alleges Amazon of discrimination against pregnant, disabled workers



The New York State Division of Human Rights has accused Amazon.com of discriminating against pregnant and disabled employees at its worksites in a complaint. The company is also accused of having policies requiring workers to take unpaid leaves of absence, even if they are capable of

working, instead of providing reasonable accommodations. The state law requires employers to provide reasonable accommodations to pregnant and disabled workers who ask. The authority filed a complaint after a few employees objected.

► Source: Reuters

# SGA BLOGS



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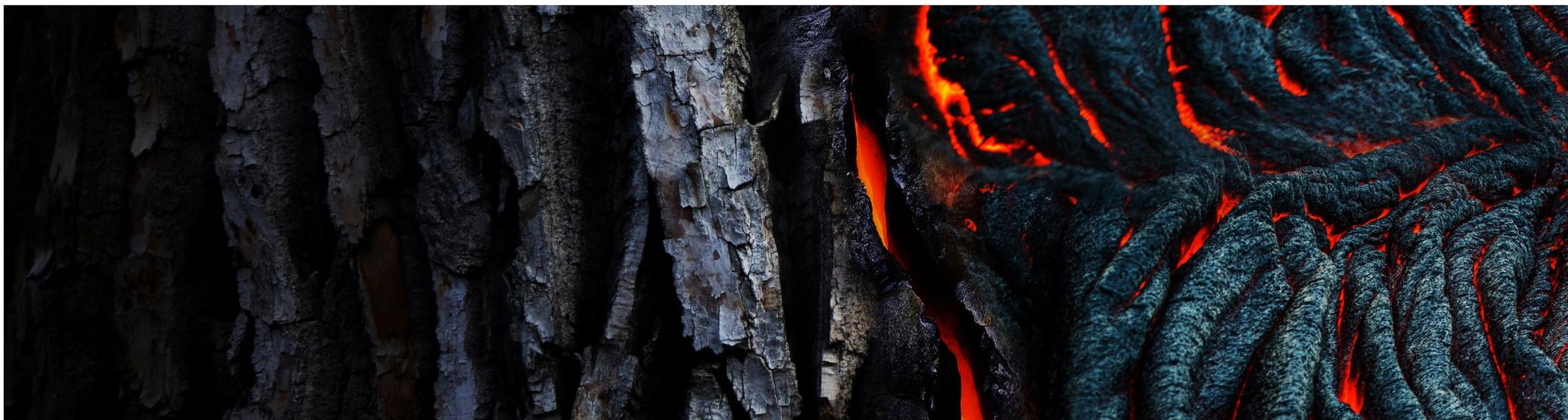
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