

NOVEMBER 2021
ISSUE 11

TATTVA

The Elements

As the urgency to address climate change increases day-by-day, world leaders came together at the United Nations Climate Change Conference (COP26) at Glasgow. The November edition of Tattva looks back at the events at COP26 that will play a key role in climate finance.

Blackstone, Credit Suisse AM, and Principle for Responsible Investment (PRI) welcomed new executives to lead sustainability initiatives in their firms. SAP launched software to help firms integrate circular economy and Goldman Sachs introduced a new carbon-footprint tracking tool. Sustainable bond issuance recorded a rise as BNP Paribas AM unveiled a social bond fund and Maersk issued its first green bond to finance carbon neutral ships. As more governments are making net-zero 2030 promises, potential German governing parties formed a coalition agreement to achieve coal energy phase out by 2030 in Germany.





Index

UN CLIMATE CHANGE CONFERENCE	03
MARKET TRENDS	05
COLLABORATION	06
PEOPLE MOVEMENTS	08
FINTECH	09
PRODUCTS & SERVICES	11
LAWS, POLICIES, & REGULATIONS	13
CONTROVERSIES	14

UN CLIMATE CHANGE CONFERENCE



Government leaders and climate activists joined forces at the United Nations Climate Change Conference (COP26) in a series of panel discussions, negotiations, and speeches to make groundbreaking regulations and pacts that are here to stay. This section looks back at the major events that unfolded at the conference.

New Glasgow Climate Pact formed in the final agreement

The COP26 has reached a final agreement, forming the new Glasgow Climate Pact. The highlights of the agreement include the need for reduced fossil fuel use, step-up in climate finance pledges, increase in countries pledging to achieve net zero emissions, and a rulebook for carbon markets.

► Source: ESG Today

IFRS Foundation announced new International Sustainability Standards Board

The International Financial Reporting Standards Foundation (IFRS Foundation) announced the new International Sustainability Standards Board at COP26. The new board may be in place by mid-2022, providing investors with a worldwide baseline of sustainability disclosure rules. The Task Force Climate-related Financial Disclosures (TCFD) framework and other sustainability criteria serve as the foundation for the baseline.

► Source: Pensions & Investments

A group of 28 companies have pledged to promote hydrogen for a decarbonized future

H2Zero, a new initiative of 28 companies, announced a pledge to accelerate the use and production of hydrogen. The announcement made at COP26 will drive demand, supply, and financial or technical support toward the growth of hydrogen for the achievement of a net-zero energy system. The companies represent different sectors ranging from energy to financial services.

► Source: WBCSD

Industry and government organizations announced 26 climate action initiatives in the built environment

A coalition of industry and government organizations has announced 26 climate action initiatives as part of celebrations marking Cities, Regions and Built Environment Day at COP26. The announcements convey a strong message to policymakers and the corporate sector for keeping global warming below 1.5 degrees Celsius.

► Source: UN Environment Programme

The US and China have pledged to work together on climate change

In the COP26 climate conference, the US and China have signed a joint statement vowing to work together on a range of activities and projects. The planned areas include the development of regulatory frameworks and environmental standards related to reducing emissions and the deployment of carbon removal technologies such as Carbon Capture, Usage and Storage (CCUS) and direct air capture.

► Source: ESG Today

Evercity unveiled its sustainability assessment and investment platform

Evercity unveiled a digital platform for sustainability monitoring and investment at the UN Climate Change Global Innovation Hub at COP26. Evercity's major purpose is to make sustainable finance more accessible to SMEs in developing nations. The platform incorporates monitoring technologies, such as Internet of Things sensors and satellites to collect physical ESG risk and impact data.

► Source: PR Newswire

Landmark shipping industry task force pushed by UNGC to drive Just Transition to net-zero

High-level discussions at the COP26 led to the formation of Just Transition Maritime Task Force for the shipping industry to accelerate decarbonization of the industry. Stakeholders such as Shipping lead, UN climate champions team, International Transport Workers' Federation (ITF), and United Nations Global Compact (UNGC) came together for the initiative that will support the shipping industry's climate goals and promote new green skills.

► Source: Hellenic Shipping News

USD100 billion climate finance bid launched at COP26

The Global Energy Alliance for People and Planet (GEAPP) was established at the COP26 drive investment toward clean technology and green jobs. The efforts to deliver reliable clean power to one billion people worldwide will benefit from the resources of partners including the Bezos Earth Fund, the IKEA Foundation, and several international finance corporations and multilateral development banks.

► Source: Business Green





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.

SBTi focused on the launch of net-zero standard for finance

The Science Based Targets initiative (SBTi) announced the commencement of a process to develop a net-zero standard for financial institutions. The process was initiated with the release of the Net-Zero Foundations for Financial Institutions Draft for public consultation.

► Source: ESG Today

Sovereign wealth funds are putting a greater emphasis on ESG issues

According to the International Forum of Sovereign Wealth Funds, more than 70% of sovereign wealth funds currently include ESG 'considerations' in their investment process, compared to only 24% a year ago. This shows sovereign funds are gradually

improving their understanding of the shift and identifying climate-related risks and opportunities.

► Source: Bloomberg Quint

IFRS merged with CDSB and VRF and launched a prototype of disclosure requirements

The trustees of the IFRS Foundation announced key initiatives to deliver high-quality disclosures on climate and other sustainability challenges to the global financial markets. The foundation merged with Climate Disclosure Standards Board (CDSB) and Value Reporting Foundation (VRF), and it published a prototype of disclosure requirements.

► Source: IFRS

GFI launched a coalition to finance EU built environment renovation

The Green Finance Institution (GFI) launched the Coalition for the Energy Efficiency of Buildings Europe (CEEB) hoping to provide private finance to

decarbonize EU building renovations. The coalition will bring together real estate firms and financial organizations to replicate the success of CEEB UK, which was launched earlier this year.

► Source: Green Finance Initiative



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.

HSBC and Euronext launched Index Series focused on biodiversity

HSBC Holding Plc came together with Euronext NV and Iceberg Data Lab SAS to launch the Euronext ESG Biodiversity Screened Index series. The new series will provide investors with indexes screened for negative biodiversity impact.

► Source: Bloomberg

S&P Global Platts partnered with Xpansiv for transparency in global carbon markets

S&P Global Platts and Xpansiv, the global marketplace for ESG-focused products, partnered to promote transparency in the global carbon markets space. The companies came together to launch assessed daily closing prices for voluntary carbon market (VCM) instruments with the establishment of a global accounting rulebook for voluntary carbon markets at the COP26.

► Source: ESG Today

Impact Shares collaborated with UN Agency to launch a climate ETF

The Impact Shares MSCI Global Climate Select ETF (NTZO) was launched earlier by nonprofit ETF issuer Impact Shares. The United Nations Capital Development Fund (UNCDF) and UN agency provided support toward the launch of the climate ETF.

► Source: Nasdaq, Inc

Japanese life insurers joined UN net-zero alliance to enhance portfolios based on ESG

Japan's three largest life insurers – Nippon Life, Sumitomo Life, and Meiji Yasuda Life Insurance – have joined the United Nations Net-Zero Asset Owner Alliance. Their entrance in the alliance will bring its assets under management (AUM) to a total of USD10 trillion.

► Source: Asian Investor



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.

Credit Suisse AM welcomed Jeroen Bos as Global Head of Sustainable Investing

Credit Suisse AM appointed Jeroen Bos as Global Head of Sustainable Investing to build the organization's sustainability capabilities and enhance the sustainable investment offerings globally. He will step down from the position of Head of Specialised Equity and Responsible Investing at the Netherlands-based asset manager NN Investment Partners to take up his new responsibilities.

► Source: ESG Today

Blackstone hired SASB Founder to lead its ESG efforts

Blackstone hired SASB Founder Jean Rogers as Global Head of Environmental, Social and Governance (ESG) to lead the firm's ESG team, strategies, reporting, and

engagement. She will join the firm in January 2022 and will work closely with business unit heads of ESG, asset management teams, and functional groups across the firm.

► Source: Businesswire

David Atkin to succeed Fiona Reynolds as PRI CEO

David Atkin will succeed Fiona Reynolds as the Principle for Responsible Investment (PRI) CEO effective December 10, 2021. He has a vast experience of working in the investment industry as he served as the CEO of three Australian asset owners – Cbus, ESS Super, and JUST SUPER. He has a strong understanding of PRI's missions, having served as a PRI Board of Director between 2009 and 2015.

► Source: ESG Today

TNFD appointed Tony Goldner as Executive Director, TNFD Secretariat

Taskforce on Nature-related Financial Disclosures (TNFD) welcomed Tony Goldner as Executive Director of its Secretariat. The Secretariat will consist of a globally distributed team hosted by Green Finance Institute (GFI) and supported by United Nations Development Programme (UNDP) and the United Nations Environment Programme Finance Initiative (UNEP FI). The aim is to create a framework by 2023 that helps businesses to evaluate nature-related risks and opportunities.

► Source: ESG Clarity

Bozena Jankowska joined Slate Asset Management as Managing Director and Global Head ESG

Bozena Jankowska joined Slate Asset Management as Managing Director and Global Head of ESG to lead ESG practices and policies for Slate's global investments. She comes with two decades of experience in finance and corporate responsibility.

► Source: Businesswire

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.

SAP introduced Circular Economy Software to enable sustainable product design

SAP has announced a new solution to help businesses create goods that are more sustainable and use circular economy concepts as well as meet rising regulatory data requirements for product packaging and plastics. The supply of customized intelligence for firms to comply with EPR requirements and plastic levies will also be a part of the functionality.

► Source: SAP

S&P DJI introduced a new Climate Transition and Paris-Aligned Indices suite

S&P Dow Jones Indices announced the introduction of two new indices that will measure the performance of large-cap corporations that are aligned with a 1.5°C global warming scenario. The indices' key climate-related elements include reductions in greenhouse gas (GHG) emission intensity of minimum 30% climate transition benchmarks and 50% for the Paris-Aligned benchmarks.

► Source: ESG Today

Goldman Sachs has launched a new carbon footprint-tracking tool

Goldman Sachs has introduced a carbon footprint analytics program to help customers evaluate and manage their carbon emissions exposure in public equity and corporate bond portfolios. Goldman Sachs' customer carbon footprints can now be

analyzed across key carbon indicators, such as scope 1 and 2 carbon emissions, carbon intensity levels, and net-zero pledges.

► Source: The Trade

Temasek launched the Asia Sustainable Foods Platform to advance the commercialization of sustainable foods

Temasek has established the Asia Sustainable Foods Platform to address the problems of scaling up alternative protein production and boosting the growth of sustainable foods in Asia. As an enabler, operator, and investor, the platform intends to provide solutions and assistance to food-tech enterprises throughout their life cycle – from product development to commercial scale-up.

► Source: PR Newswire

ELITE and Eni introduced an SDG-focused sustainable finance program

ELITE, a Euronext private market-focused company, and Eni, an Italian energy company introduced the 'Basket Bond – Sustainable Energy' program that will help companies with energy transition. The program will be in line with the UN Sustainable Development Goals (SDGs) and will help small and medium-sized enterprises in accessing financial resources to fund their projects.

► Source: ESG Today





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.

LSEG to develop a capital market solution for public listing of carbon funds

The London Stock Exchange Group (LSEG) will develop a new capital market solution to improve investments in carbon mitigation projects and for the voluntary carbon market. The solution will tackle the two issues of the carbon market, access to capital for developing new climate projects globally and primary market access to a long-term supply of high-quality carbon credits for investors.

► Source: LSEG

BlueBay introduced a new multi-asset credit ESG fund

BlueBay Asset Management (BlueBay) launched the BlueBay Total Return Diversified Credit ESG Fund that

will assist fixed income investors to look through the ESG practices of companies across various fixed income product categories. The new fund is classified under Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR) and will use the firm's ESG screening capabilities to eliminate investments with high ESG risk.

► Source: Hedge Week

Swiss government revealed plans for green bonds issuance

The Swiss government disclosed plans to participate in the green bonds market. The Swiss Federal Council will issue green bonds following other sovereign green bond issuers in countries, such as the UK, Canada, Spain, Germany, and Italy. The move came amid the green bonds market witnessing a growth of 75% YoY in the first three quarters of 2021.

► Source: ESG Today

Maersk launched the first green bond to finance carbon-neutral ship powered by methanol

Maersk issued an inaugural green bond worth EUR500 million to finance its first feeder vessel and eight ocean-going containerships that will be carbon neutral and powered by methanol. The new green bond was launched under the company's recently announced Green Finance Framework that targets carbon neutrality by 2050. The green bond will be for a period of 10 years, priced at a coupon of 0.75%.

► Source: Offshore Energy

MAS and industry experts to develop ESG platforms to fill ESG data gaps

The Monetary Authority of Singapore (MAS) will develop four new ESG platforms along with industry experts to meet the rising demands of accurate ESG

data. The new initiatives will include the development of a data disclosure platform on Singapore Exchange. The tool will be under Singapore's green finance ecosystem called Project Greenprint.

► Source: Business Times

BNP Paribas AM unveiled a social bond fund to invest in socially responsible companies and projects

BNP Paribas Asset Management launched a social bond fund that aims to invest its funds in sustainable bonds across social and environmental themes. A part of the fund will also be invested in socially responsible companies and micro credit instruments in developing markets. The fund will support small businesses in these markets to access financial services.

► Source: ESG Clarity

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.

European Commission to introduce CSRD to push sustainable development

The Non-Financial Reporting Directive (NFRD) may get replaced with the Corporate Sustainability Reporting Directive (CSRD) by the European Commission, which can come into effect in 2023 and will encompass all aspects of ESG. It will apply to about 50,000 companies in the European Union. The new directive will help companies to be accountable and will encourage them for sustainable development.

► Source: Consultancy.eu

Germany's new coalition treaty to focus on climate and energy

Germany's potential governing parties agreed on a coalition agreement titled 'Daring more progress

- Alliance for Freedom, Justice and Sustainability'. The Social Democrats (SPD), Green Party, and Free Democrats (FD) have all signed the pact. The treaty will focus on renewable energy expansion and phasing out coal by 2030.

► Source: CleanEnergyWire

SEC Chairman took regulatory actions to support their ESG commitments

Gary Gensler, the new chairman of the Securities and Exchange Commission (SEC) has taken regulatory actions to support SEC's ESG commitment. Regulatory actions will have an impact on shareholder proposals, proxy advisory firms, and director elections. The commission has amended Federal proxy regulation by mandating the use of a universal proxy card.

► Source: The National Law Review

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.

Class action lawsuit filed against Amazon's Alexa over unlawful use of biometric data

A class action lawsuit is filed against Amazon.com, Inc's (Amazon) voice recognition technology, Alexa for illegally collecting, storing, and using sensitive biometric data of customers. According to the lawsuit, the company stores this information in its cloud database without the consent of customers.

► Source: Fiercepharma

Two executives of Lundin Oil accused of committing war crimes in Unity State

Lundin Oil's two executives were accused by a Sweden court for inclusion in war wrongdoings

committed by the Sudanese government within the Block 5A oilfield of Solidarity State. The executives arranged discriminative military raids between 1999 and 2003. One of the executives may face a life sentence, if found guilty.

► Source: Eyerradio

CBA was ordered to give access of internal documents to shareholders

Commonwealth Bank of Australia (CBA) was ordered by the court to present its internal documents to the shareholders over greenwashing concerns. The shareholders are given a chance to check whether the company breached its own climate change policy while lending to fossil fuel projects.

► Source: Reuters

Visa and Mastercard sued over price fixing 'merchant discount' on credit and debit cards

A lawsuit was filed against Visa and Mastercard by a class of merchants for price fixing 'merchant discount' on credit and debit card transactions. The plaintiffs alleged that the companies deliberately set the amount of discount whenever they made a purchase.

► Source: Mondaq

Fine imposed on McKinsey Investment Fund over regulatory issues

The SEC imposed a fine of USD18 million on MIO Partners Inc (MIO), an affiliate of McKinsey Investment

Fund for using insider and sensitive financial information. McKinsey partners that oversaw MIO's investments had access to this information and made investment decisions around this information.

► Source: Insider

Bayer AG ordered to pay USD62 million over toxic chemical contamination

A US court imposed a fine of USD62 million on Bayer AG in a lawsuit filed by 200 people including students, parents, and staff of Sky Valley Education Center in Washington State. The students were exposed to the toxic chemical and unsafe levels of PCB through electrical equipment, floor finish, and paint.

► Source: Nasdaq

SGA Blogs

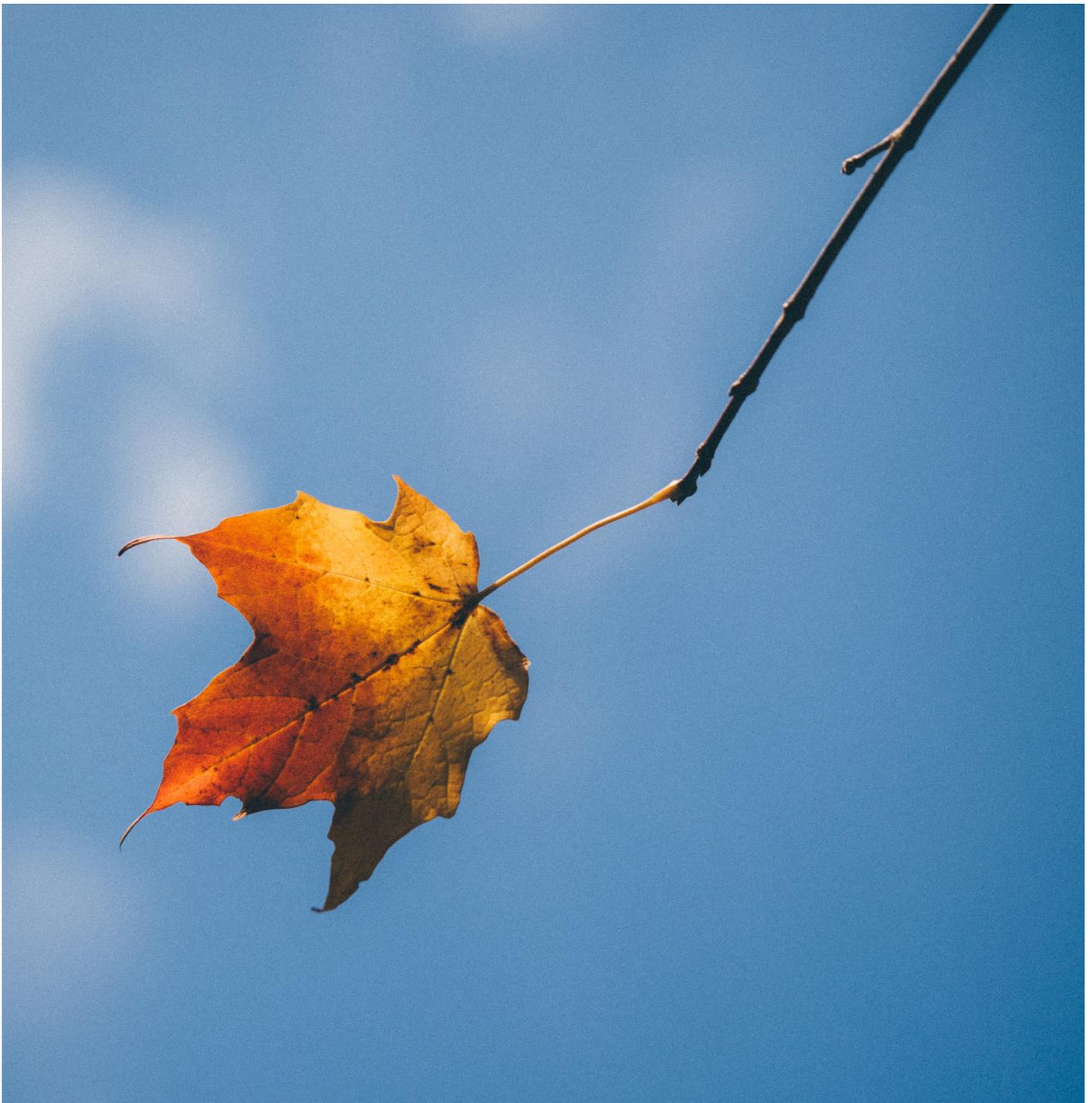
“Net-Zero by 2070”: #COP26 Climate Deal, Here Are the 5 Biggest Talking Points
[Read More...](#)

“The Ultimate Climate Action”: The Hottest New Tech Trend Is Going 24/7 Carbon-Free, Not Carbon-Neutral [Read More...](#)

Top ESG Investing Trends to Watch Out for in 2022 [Read More...](#)

Top Sustainability Trends 2022: Taking a Greener Approach [Read More...](#)





Disclaimer —

This document makes descriptive reference to trademarks that may be owned by others. 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 © 2021 SG Analytics Pvt. Ltd.



www.sganalytics.com

