

FEBRUARY 2022 | ISSUE 14

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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.



The social aspect of ESG witnessed a ramp up in the month of February as several entities attempted to address the challenges of diversity and inclusion. The EU Platform on Sustainable Finance proposed a structure for EU social taxonomy. The Higg Index introduced the first-ever ESG social benchmark for the consumer goods industry. The UN Principles for Responsible Investment (PRI) called on investors to improve performance on diversity, equity, and inclusion (DEI). The CFA introduced the DEI Code.

Meanwhile, several companies are reacting to the war in Ukraine and are exiting Russian markets by divesting on the basis of good governance. Workiva and Persefoni have teamed up to increase transparency in investor-grade carbon disclosure data. SBTi has hired Dr. Luiz Fernando do Amaral as its first CEO, while Microsoft appointed a Lead for its New Sustainability Industry team. ERM has launched a first-of-its-kind ESG ratings platform for private markets. Slate Asset Management (Slate AM) launched the Cities and Communities Impact Infrastructure Strategy. The Indian Ministry of Power has introduced a Green Hydrogen/ Green Ammonia Policy. Oil giants ExxonMobil, Chevron, and automobile manufacturer Toyota topped the list of companies lobbying against climate change. Meanwhile, Meta Platforms Inc. has once again warned that it may shutdown Facebook and Instagram across Europe due to the European data regulations.

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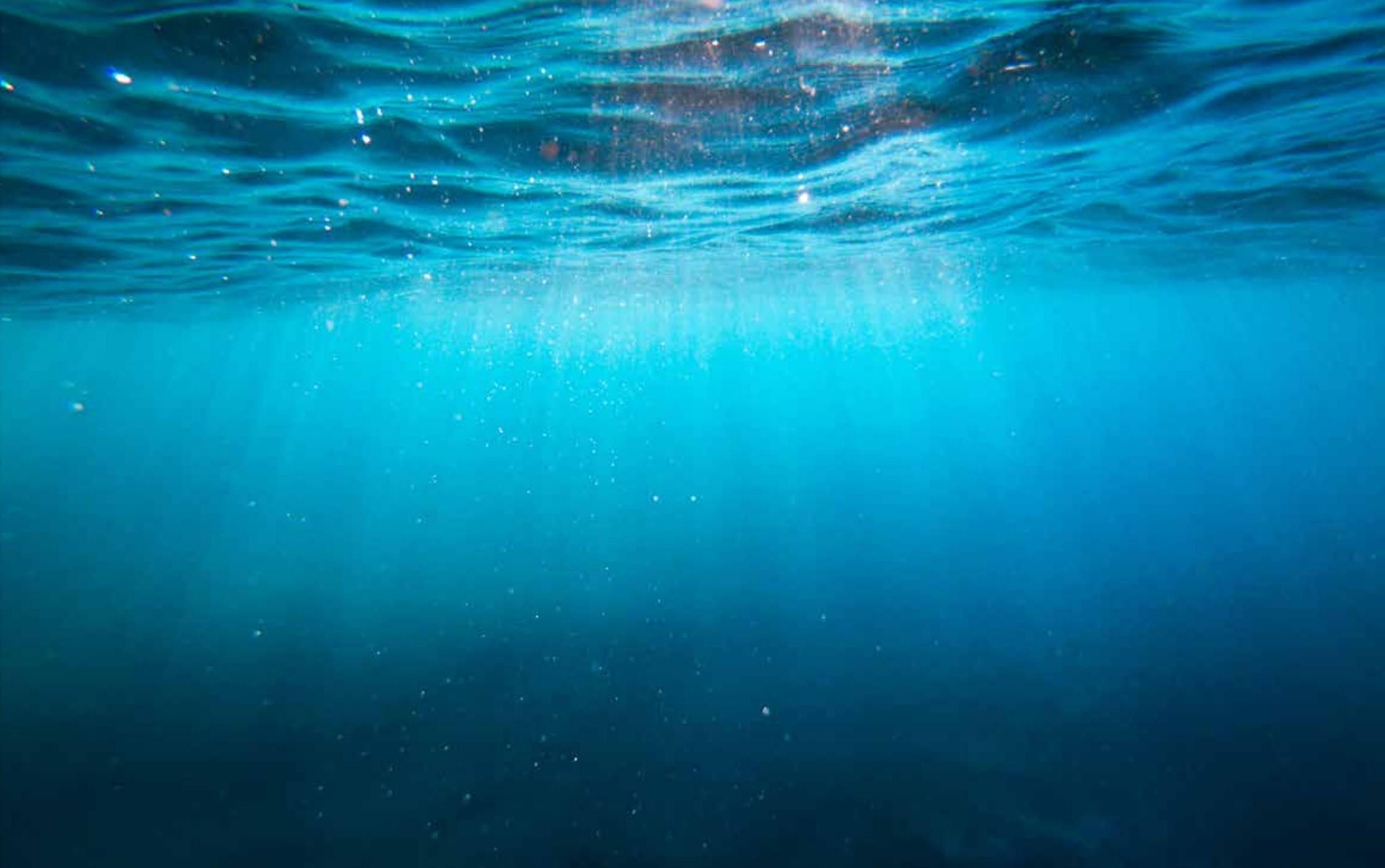
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MARKET TRENDS

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.

Shell, BP, Equinor announce exit moves from Russia over Ukraine invasion

Consequent to the attack on Ukraine, Shell announced its divestment from three joint ventures (JVs) in Russia. Shell's statement came after BP announced plans to sell a 20% stake of its Russian oil company, Rosneft, and Equinor's pledge to exit from its JVs. These reports have increased pressure on TotalEnergies, ExxonMobil, Trafigura, Vitol, and Glencore to follow course.

► Source: The Financial Times

Sustainability groups call latest IPCC report a wake-up call for prompt climate action

The Intergovernmental Panel on Climate Change (IPCC) published the IPCC Working Group II report 'Climate Change 2022: Impacts, Adaptation and Vulnerability'. The report warned about the severe impact of climate hazards on people, ecosystems, and biodiversity and reassessed the capacity to adapt to climate change. The report urges policymakers, investors, and the private sector for immediate risk mitigation actions.

► Source: ESG Today

EU's sustainable finance platform issues final report on social taxonomy

The EU Platform on Sustainable Finance has proposed a structure for EU social taxonomy to help identify and mitigate reputational risks arising from social grievances. The future social taxonomy is expected to have elements in common with the current environmental one, such as developing social objectives, adopting a substantial contribution principle, relying on 'do not significantly harm criteria', and including minimum safeguards.

► Source: CSR Europe

ESMA launches 'call for evidence' on ESG Ratings

The European Securities and Markets Authority (ESMA), EU's securities markets regulator, has launched 'call for evidence' for EU's ESG ratings providers. The objective is to obtain clarity of size, structure, resourcing, revenues, and

products offered by the different ratings providers. ESMA has announced that a future consultation by the European Commission (EC) would seek stakeholders views on the use of ESG ratings by market participants and "the functioning and dynamics" of that market.

► Source: ESMA

BoE launches second climate stress test for UK's banks and insurers

The Bank of England (BoE) has announced the second round of the Climate Biennial Exploratory Scenario (CBES) stress tests for UK's banks and insurers. The objective of the second round is to understand challenges to a bank's business models posed due to climate risks. BoE is expected to publish the CBES results in May 2022.

► Source: PEI Media

PRI pressures investors to integrate diversity, equity, inclusion (DEI) in portfolios & organizations

The UN Principles for Responsible Investment (PRI) called on investors to focus on improving performance on DEI issues in their organizations as well as their investment decisions. PRI acknowledged the growing efforts to include DEI but indicated that stronger understanding and attention on inclusion and equity were of key importance, as they drove diversity and equality respectively.

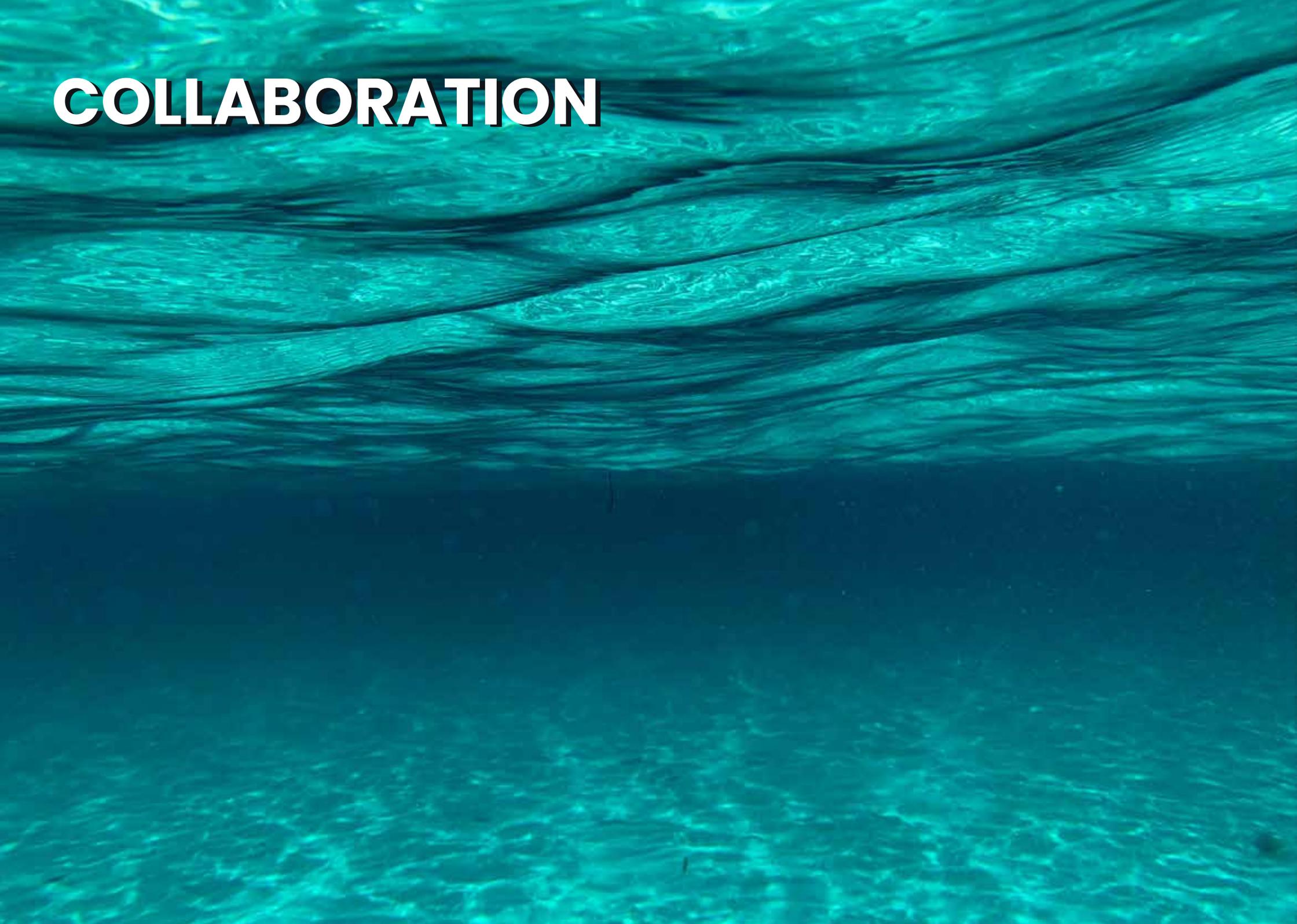
► Source: Forbes

ESMA adds environmental risks to its risk dashboard as separate category

For the first time, the European Securities and Markets Authority (ESMA)'s risk assessment and monitoring framework included environmental risk as a distinct risk category. The statistical annexure to ESMA's first trends, risks, and vulnerabilities report for 2022 covered new risk indicators on climate-related disclosures, reputational risk of firms, and carbon markets in the European Union.

► Source: Moody's Analytics

COLLABORATION

The background of the image is a teal-colored underwater scene. The upper portion shows the surface of the water with ripples and light reflections. A dark, horizontal band of deep blue or black color runs across the middle of the image, creating a visual separation. Below this band, the water is a lighter teal color with a textured, rippled appearance, suggesting an underwater environment.

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.

Firms Supported by TPG merge to form prominent source of carbon, environmental credit

Bluesource, a developer of carbon credits, and Element Markets, a marketer of renewable natural gas and environmental commodities, have announced a merger to create North America's largest marketer and developer of carbon and environmental credits. This merger will integrate Bluesource's competence in nature-based solutions, project development, capital formation, and consultancy services with Element Markets' expertise in low-carbon fuels and GHG markets.

► Source: ESG Today

Eka partners with Microsoft to ensure sustainability for multinational businesses

Eka Software Solutions, a global pioneer in enterprise cloud solutions, has teamed up with Microsoft to provide a comprehensive set of solutions that will help organizations minimize their carbon footprint through sustainable activities. This collaboration will offer advanced, cloud-based sustainable solutions for businesses to track, measure, and get actionable insights into their carbon footprint, supplier relations, governance, employee management, and circular economy.

► Source: Cision US Inc.

LRQA, ELEVATE join hands to meet growing global need for ESG solutions

LRQA, a global provider of digital assurance services, including environmental compliance assessments, has acquired ELEVATE, a market leader in ESG and supply chain services. The partnership aims at developing a robust solution for clients managing risk landscapes. By integrating compatible product portfolios and global bases, they will offer a variety of data-driven insight, advisory services, analytics, and practices for sustainable supply chain assurance.

► Source: LRQA

Workiva, Persefoni team up to increase transparency in investor-grade carbon disclosure data

Workiva Inc., a leading platform for regulatory, financial, and ESG reporting, has formed a tactical alliance with Persefoni, Inc., a leading Climate Management and Accounting SaaS Platform. The partnership aims to provide transparent, investor-grade carbon disclosures to assist institutions in analyzing and reporting their real-time carbon footprint. This creates the market's only reporting solution that integrates financial and ESG reporting in compliance with greenhouse gas regulations (GHGP).

► Source: Business Wire

Citi, StanChart range first impact loan for Actis with use-of-funds, sustainability criteria

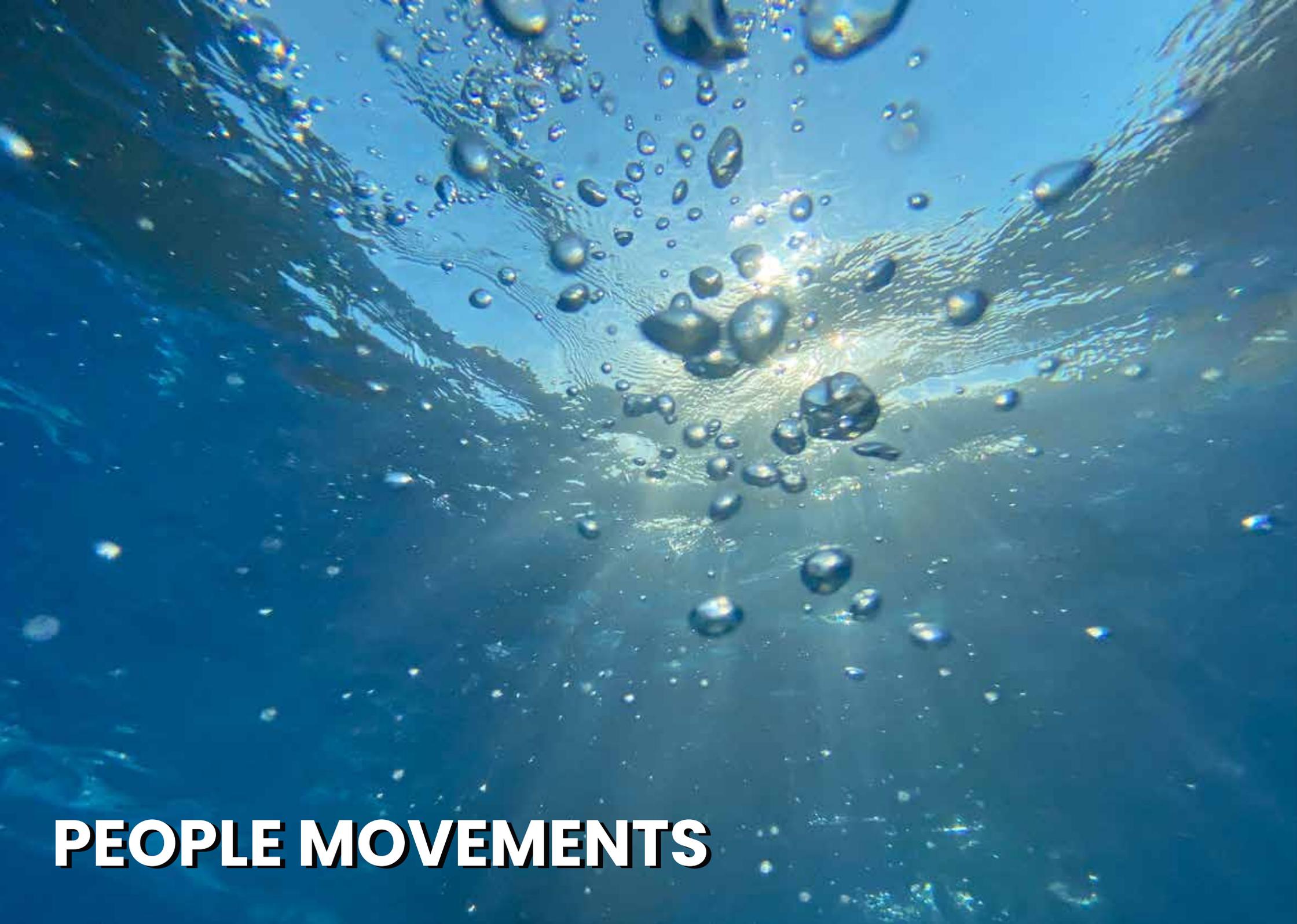
Actis, a sustainable infrastructure investor, announced that its latest energy fund, Actis Energy 5, has secured a USD1.2bn 'hybrid' impact-linked revolving credit facility. Global financial services company Citi and international bank and financial services company Standard Chartered were the lead Arrangers and joint Sustainability Coordinators on the deal. The new facility is the first to merge project eligibility criteria with a margin alteration system that prompts impact results.

► Source: ESG Today

Onex Partners make new investment in RES; KKR continues to invest

Onex Partners and Onex Corporation's USD7.2bn fund, as well as entities linked to its existing investor, KKR, have decided to make a significant investment in Resource Environmental Solutions (RES), the largest ecological restoration company in the US. RES will now be able to continue expanding its product range into coastal resiliency, major water quality projects, new mitigation banks, and carbon solutions with the availability of increased investment funds.

► Source: Globe News Wire



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.

Microsoft appoints lead for new Sustainability Industry team

Microsoft Corporation has appointed Elisabeth Brinton as Corporate Vice President of Sustainability to lead its newly launched Sustainability Industry team. The team aims to further the company's initiative to help customers integrate sustainability into their businesses.

► Source: ESG Today



SBTi hires Dr. Luiz Fernando do Amaral as its first CEO

Science Based Targets initiative (SBTi) has hired Dr. Luiz Fernando do Amaral as its first CEO. He will lead the organization's business strategy to exponentially grow science-based targets across sectors and geographies. Additionally, he will lead the ongoing review of SBTi's new technical governance structure in 2022.

► Source: Science-Based Targets

Sandra Carlisle joins Jupiter as Head of Sustainability

Jupiter Asset Management recently welcomed Sandra Carlisle from HSBC Asset Management as its new Head of Sustainability. She will lead the organization's corporate sustainability functions and implement its sustainability strategies.

► Source: InvestmentWeek

Bain welcomes Francois Faelli as Global Managing Partner of ESG

Bain & Company has welcomed François Faelli as its first Global Managing Partner of ESG. In his new role, he will supervise the company's collective ambition of building a more sustainable, equitable, and inclusive world.

► Source: PR newswire

Dow announces Andre Argenton as Chief Sustainability Officer

Chemical and material science expert Dow welcomed Andre Argenton as its new Chief Sustainability Officer and Vice President of Environment, Health, and Safety (EH&S). He will be succeeding Mary Draves upon her retirement in April 2022. Argenton will be responsible for corporate EH&S governance and sustainability in his new role.

► 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.

Impact Cubed launches solution for EU Taxonomy regulations

Impact Cubed has launched a tech-based solution to counteract greenwashing and explain criteria for green investment. It is designed to create ready-made compliance reports that equip asset managers to gain useful insights for sustainable portfolio creation. The solution also helps to build investment products in line with EU Taxonomy criteria.

► Source: CSRwire

Cosmetic players collaborate to launch EcoBeautyScore consortium

36 cosmetic conglomerates have joined hands to create an industry-wide scoring system for measuring environmental impact and providing comparable and transparent information throughout the product lifecycle. Some popular names include L'Oréal, Estée Lauder, Unilever, etc. The prototype is expected to be in place by the end of 2022.

► Source: Unilever

Avetta launches ESG risk mitigation and supply chain sustainability solution

The Avetta One system provides a holistic view across the supply chain and is aimed to mitigate risk and enable companies to achieve their ESG goals. It covers critical risk areas of the supply chain and provides an ESG scoring system to align company goals with global supply chain standards.

► Source: Environmental Leader

Apollo Global Management introduces sustainable investment platform

Apollo has launched a platform to drive energy transition and industrial decarbonization. The platform is intended to strategize investment in global decarbonization and energy transition initiatives. It is focused on financing the said transformation and looks to deploy more than USD100bn by 2030.

► Source: Pitchbook

ERM launches first-of-its-kind ESG ratings platform for private markets

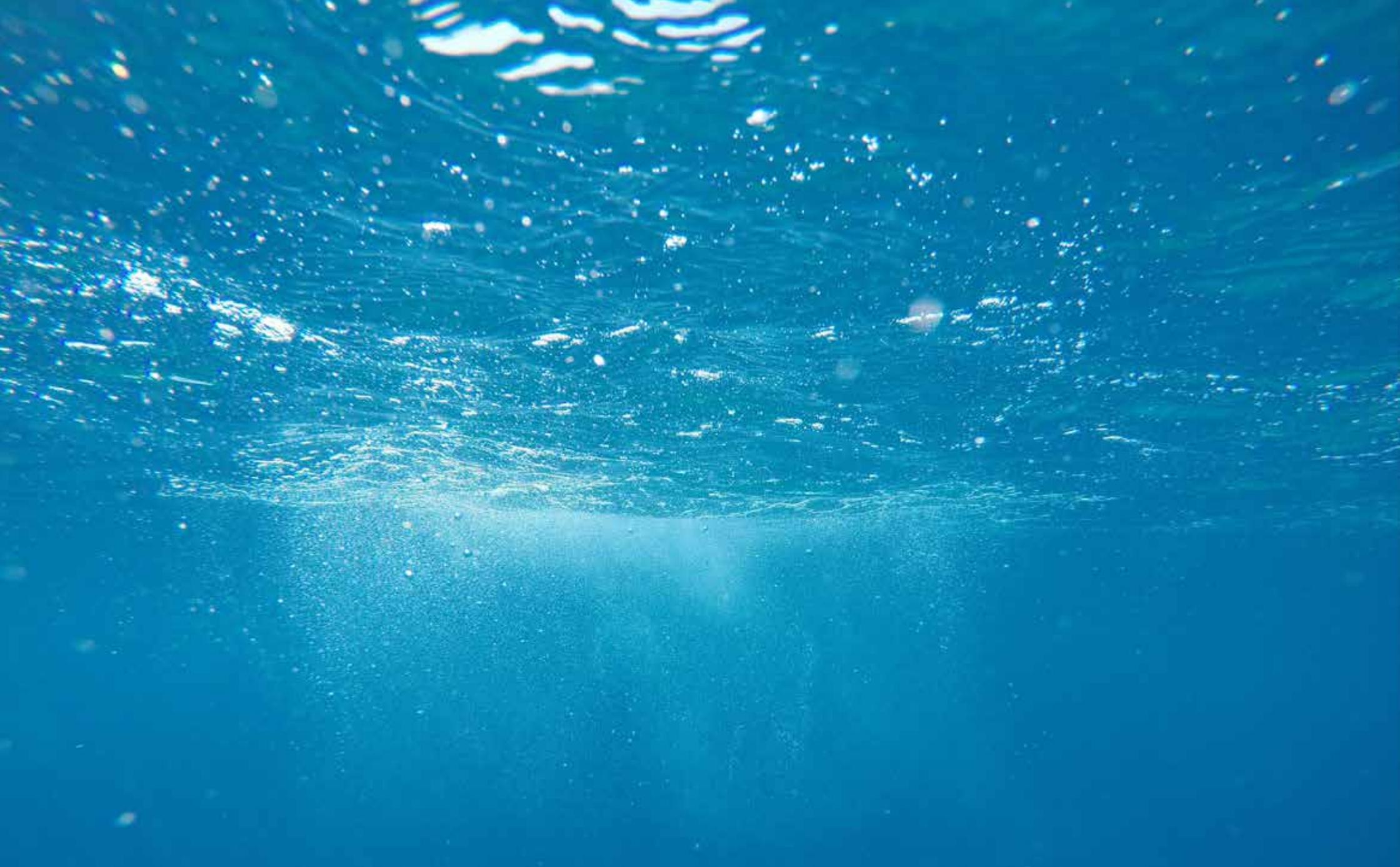
ERM has launched an artificial intelligence-enabled platform ESG Fusion for private credit funds and hedge funds. The platform is aimed at accessing consistent, reliable, and comprehensive ESG data. It will help the private market and investors to assess as well as quantify ESG risks and will support faster and effective investment decisions.

► Source: ERM

RightShip introduces a carbon accounting reporting tool for ocean shipping

Rightship has introduced a carbon accounting reporting tool designed to measure, monitor, and benchmark GHG emissions related to shipping. It also provides vessel performance metrics and vessel, cargo, and route-type filters. It can also identify key emission hotspots. This will enable users to make informed and strategic decisions pertaining to emission reduction and accommodate the growing requirements of supply chain decarbonization and ESG reporting.

► Source: Oilreview Middleeast



PRODUCTS & SERVICES

Industry demands met with sustainable investment products and ESG data & services

As businesses work toward getting ESG-compliant and investors channel their funds into ESG products, the market is gearing up to facilitate all forms of products and services. In this section, you will find news on key products and services including the launch of climate change-targeted funds as well as ESG data and services.

Schroders repurposes three funds to sustainable mandates

Due to their underperformance, Schroders has repurposed three funds by transforming them to sustainable funds. The Schroder European Sustainable Equity Fund, the Schroder Digital Infrastructure Fund, and the Schroder Sustainable Bond Fund will now fall under the impact investing array of the company. The three funds target digital infrastructure, social inclusion, policies that target net-zero ambition, and various such sustainability themes.

► Source: FTAdviser

Slate launches Cities and Communities Impact Infrastructure Strategy

Slate Asset Management (Slate AM) has launched the Cities and Communities Impact Infrastructure Strategy that targets energy transition and carbon emissions reductions in cities and communities. The fund attempts to address the issue of high energy consumption within urban areas. The company has hired Christian Schmid as Managing Director and Global Head of Infrastructure to lead this strategy.

► Source: BusinessWire

Higg introduces social benchmarking for consumer goods industry

Higg, a sustainability insights platform, has introduced the first ever ESG social and labor benchmark for consumer goods manufacturing. The users of this platform can compare their data with peers and within their supply chains to make informed business decisions. The tool provides location-wise filtering of manufacturing facilities and industries that will help companies manage country-specific compliances.

► Source: PRNewswire

JP Morgan AM adds ESG investing element to three corporate bonds

JP Morgan Asset Management (JPMAM) has added an ESG filter to three corporate bonds that will invest a minimum of 51% of the assets in issuers with positive ESG scores. The screening will eliminate companies involved in controversial weapons, thermal coal, and tobacco, and issuers will be assessed based on the UN Global Compact. A “maximum percentage threshold” will be applied to industries that generate a certain turnover from production or distribution of certain sectors.

► Source: ETF Stream

Engine No. 1 debuts an actively managed Zero-Emission ETF

Exxon activist Engine No. 1 is launching an Engine No. 1 Transform Climate ETF (ticker NETZ) that will invest in companies that focus on deeply cutting down on carbon-dioxide emissions. The focus will mainly be on large-cap US-listed companies. The fund will also invest in industries that are high impact and are emission heavy.

► Source: Bloomberg Quint

Planety launches ESG reporting, portfolio management solution for investors

Planety has launched a new solution to streamline ESG reporting. The solution is intended to enable ESG management for investors across their investment portfolio and provides an ESG performance tracking dashboard. It is focused on helping investors monitor ESG aspects pertaining to compliance of companies with required reporting frameworks such as SFDR, EU Taxonomy.

► Source: ESG Today

LAWS, POLICIES, AND REGULATIONS

The background of the slide is a deep blue, textured surface that resembles an underwater scene. It features numerous small, bright blue bubbles and light rays filtering down from the top, creating a shimmering, ethereal effect. The overall color palette is various shades of blue, from a bright cyan at the top to a dark, almost black blue at the bottom.

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.

Canadian government introduces 'Strengthening Environmental Protection for a Healthier Canada' Act

The Canadian government introduced the Strengthening Environmental Protection for a Healthier Canada Act (Bill S-5) in the Senate on February 9, 2022. The bill would update the Canadian Environmental Protection Act, 1999 (CEPA) and incorporate changes to the Food and Drugs Act (FDA). Chemicals that are both environmentally and human health-friendly would be promoted.

► Source: IHMM

India aims to produce 5 million tons of green hydrogen

The Indian Ministry of Power has introduced a Green Hydrogen/Green Ammonia Policy. According to the Policy, India will produce 5 million tons of green hydrogen by 2030, making it a global powerhouse for green hydrogen production and export. This initiative will encourage citizens to use cleaner fuels and lessen their reliance on fossil fuels.

► Source: ESG Today

ESMA introduces New Sustainable Finance Roadmap

The European Securities and Markets Authority (ESMA) has released a new Sustainable Finance Roadmap to tackle greenwashing. The roadmap has laid down areas and priorities required for action to handle the quickly expanding and evolving sustainable finance industry in EU. Priorities include greenwashing and capacity-building for ESMA and national competent authorities.

► Source: IPE

CFA institute introduces Diversity, Equity, and Inclusion (DEI) Code

The CFA Institute, a global investment professional organization, has launched a voluntary Diversity, Equity, and Inclusion (DEI) Code for the Investment Professional in the US and Canada. Signatories to the code would be required to follow the institute's recommendations, which include implementing a plan to integrate DEI into the company within two years.

► Source: ESG Today

Net-zero guidance for private equity investors published by IIGCC

The Institutional Investors Group on Climate Change (IIGCC) published a new guidance for the Paris Aligned Investment Initiative (PAII)'s Net Zero Investment Framework (NZIF). The new guidance will align private equity investor portfolios with net-zero goals. The proposal is open for public comment until February 27, 2022.

► Source: IIGCC

European Commission presents Taxonomy Complementary Climate Delegated Act

The European Commission proposed a Taxonomy Complementary Climate Delegated Act on climate change mitigation and adaptation, which would cover certain gas and nuclear activities. The Act saw nuclear and gas activities added as transitional activities, and the introduction of disclosure requirements for enterprises in the gas and nuclear energy industries.

► Source: EuropeanCommission



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.

ExxonMobil, Chevron, Toyota top list of companies lobbying against climate change

The Climate Policy Framework report has analyzed and ranked 50 most obstructive companies lobbying against climate change. The report revealed that oil giants ExxonMobil, Chevron, and automobile manufacturer Toyota followed by Southern Company and Sempra were the top 5 negatively influential global companies.

► Source: News100

ExxonMobil, Chevron and Toyota accused of obstructing climate change action

Allegations made against Pfizer for profiteering during pandemic

The US drug-maker Pfizer is accused of 'pandemic profiteering' by Global Justice Now, a campaigning organization. The company made USD37bn in sales from the COVID-19 vaccine in 2021. It is forecasted that the revenue will see another big boost with the new COVID-19 pill, Paxlovid in the upcoming year. The company was also accused of not sharing the recipe of its vaccine so that drug makers in poor countries could make cheaper versions of it.

► Source: The Guardian

Pfizer accused of pandemic profiteering as profits double

Apple fined another EUR5mn over payment systems for dating apps

The Authority for Consumers and Markets (ACM) charged another fine of EUR5mn on Apple Inc for failing to comply with an order given by the authority, to allow dating app providers to use alternative payment methods on its app store. The fine was levied after the company failed to put forward serious proposals or solutions.

► Source: MacRumors

Meta Platforms Inc warns it may shutdown in Europe

Meta Platforms Inc has once again warned that it may shutdown Facebook and Instagram across Europe due to the European data regulations. The regulation stops the company from transferring, storing, and processing Europeans' data on US-based servers. However, European leaders have embraced the recent warning and are allegedly formulating a new treaty between the EU and the US.

► Source: euronews.next



SGA BLOGS



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