

JULY 2022 | ISSUE 19

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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.



European lawmakers have voted against excluding nuclear and gas energy from the purview of the European Union (EU) Taxonomy by a vast majority. India has taken climate sustainability head-on in the last couple of months. The Reserve Bank of India (RBI) advised to scale up green lending and setting up sustainable targets for financial institutions. India also banned single-use plastic production, possession, and circulation from July 1, 2022. The US President declared climate change as "a clear and present danger." A series of laws were passed by the Federal Council of Germany for the promotion of renewable energy.

Deloitte appointed Wim Bartels and Arjan de Draaijer as two Sustainability Partners. Morgan Stanley Capital International (MSCI) launched Total Portfolio Footprinting. bp and Thyssenkrupp collaborate to explore renewable energy alternatives to decarbonize steel production. Unilever produced an interesting biodegradable capsule to help decarbonize the laundry process. Amazon's Ring was accused of providing customer data without consent, and authorities have ordered an affiliate of Hyundai Motor Co. to pay USD19.2mn fine for reporting false information on its customers' credit reporting.

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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.

RBI advises on green finance targets for financial institutions



The central bank of India RBI suggested financial institutions to scale up green lending and set sustainable finance objectives to mitigate climate change risks. RBI also advised setting short-, medium-, and long-term targets for investments in green finance and to review them annually. RBI's draft suggested annual climate-related disclosures should be conducted with a

'comply-or-explain' approach.

► Source: Bloomberg

The US President stops short of declaring climate change an 'Emergency'



The US President Joe Biden announced that climate change requires urgent actions and resolution, terming it "a clear and present danger" to the country. Biden announced multiple climate initiatives including plans to designate offshore wind areas of 700,000 acres in the Gulf of Mexico and funding

USD2.3bn in infrastructure to aid communities in building resilience against climate disasters.

► Source: U.S. News

The UK announces net-zero targets in aviation by 2040



The UK Government launched a 'Jet Zero' strategy with plans to achieve net-zero emissions in the British aviation sector by 2040. The government's legislation announced an increase in the current annual contribution of USD24.4bn in the coming years. The new strategy is expected to create thousands of additional jobs in the aviation industry. Environmental campaign groups have raised doubts about the success

and impact of the strategy.

► Source: Simple Flying

EU announces an investment of over USD1.81bn in clean energy projects



The EU Commission announced grants to be distributed from the EU's Innovation Fund to 17 large-scale clean tech projects located in Bulgaria, Finland, France, Germany, Iceland, the Netherlands, Norway, Poland, and Sweden. These projects are expected to bring breakthrough technology to energy-intensive sectors, manufacture crucial components for

energy storage and renewables, and save 136 million tons of carbon emissions within their first 10 years of operations.

► Source: ESG Today

ECB's climate stress test reveals that banks are unprepared to mitigate climate risks



The European Central Bank's (ECB) stress test results disclosed that banks lack the necessary framework and credit risk models to manage climate-related risks. Over two-thirds of banks' profits come from non-financial companies, which are greenhouse gas-intensive industries. Out of 104 banks that participated in the stress test, 60%

were missing the stress-testing framework, while only 20% considered climate risk as a criterion while granting loans.

► Source: Euractiv

India bans single-use plastic production, possession, and circulation



The Indian government issued a list of single-use plastic articles that are banned from production, import, possession, distribution, and use from July 1, 2022. The banned items include thermocol in decorations, candy sticks, plastic flags, cotton buds with plastic sticks, plastic straws, spoons, trays, packaging films in food packing and invitation cards, stirrers, and PVC banners.

► Source: Economic 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.

bp and Iberdrola collaborate to boost EV charging infrastructure and green hydrogen production



bp and Iberdrola to install 5,000 rapid EV charging stations across Portugal and Spain by 2025 and scale it up to 11,000 by 2030. The companies also plan to form a joint venture to invest in manufacturing green hydrogen, green ammonia, and methane capacitating at 600KTPA in the UK, Spain,

and Portugal.

► Source: bp

Mastercard and AXA partner to build a sustainable future



Through this partnership, AXA's Hong Kong and Macau customers can plant trees in Mastercard's plantation initiative called the Priceless Planet Coalition. Both companies have teamed up to support and fulfill each other's climate change goals. Mastercard has committed to restoring 100 million trees by 2025 while AXA has a series of initiatives aimed at biodiversity and deforestation.

► Source: Mastercard

ICE acquires Urgentem to expand its climate risk coverage



Intercontinental Exchange (ICE) acquired Urgentem, a carbon emission data and climate risk analytics provider. This move will improve ICE's coverage to more than 30,000 public and private companies globally and scenario risk analysis and stress testing for fund managers and banks while meeting the TCFD requirements. This acquisition aims to serve the growing ESG needs of all its client companies.

► Source: ESG today

bp and Thyssenkrupp collaborate to decarbonize steel production



Thyssenkrupp and bp partner to explore renewable energy alternatives to decarbonize steel production. The initiative aims to convert steel production to climate-neutral by exploring blue and green hydrogen and wind and solar energy by 2045. This collaboration would help

the companies to achieve their long-term goals of increasing hydrogen and renewables capacity.

► Source: upstream

WTW acquires Butterwire to boost its climate risk analytics expertise



WTW acquired Butterwire, an AI-powered data analytics start-up, to strengthen its capabilities in delivering climate risk analysis to companies globally. Post-acquisition, Butterwire will addendum WTW's Climate and Resilience Hub (CRH) with researchers and data science engineers for servicing companies and governments with best-in-class climate risk analysis.

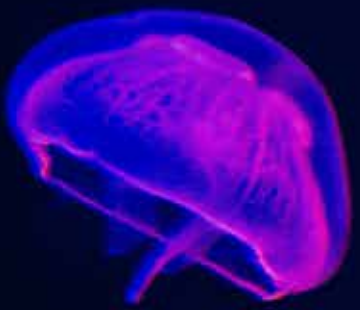
► Source: GlobeNewswire

Microsoft and Alaska Airlines collaborate to reduce business travel's environmental impact



Carbon transformation technology developed by Twelve captures CO2 and converts it into several products, including sustainable aviation fuel (SAF). Microsoft and Alaska airlines collaborated with Twelve to promote this E-Jet fuel in Alaska airline jets for Microsoft's business travels. All three companies center around closing the emission loop of air travel.

► Source: ESG today



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.

Mastercard hires Ellen Jackowski as its Chief Sustainability Officer



Ellen Jackowski joined the American multinational financial services corporation, Mastercard Inc., as the Chief Sustainability Officer. In her new role, she will focus on integrating ESG considerations into the organization.

► Source: Mastercard

Deutsche Bank names Jörg Eigendorf as the new Chief Sustainability Officer



Deutsche Bank welcomed Jörg Eigendorf as its new Chief Sustainability Officer. Jörg will continue to enhance the bank's sustainability area to boost the ESG strategy implementation and further its development.

► Source: Deutsche Bank

Wim Bartels and Arjan de Draaijer join Deloitte as Sustainability Partners



Deloitte appointed Wim Bartels and Arjan de Draaijer as Senior Sustainability Partners. In their new positions, Wim will primarily concentrate on strategic risk management, assurance, and sustainability reporting, while Arjan will focus on impact measurement and management, transformation, and sustainability strategy.

► Source: ESG today

Wells Fargo welcomes Otis Rolley as the Head of Social Impact



Wells Fargo hired Otis Rolley as the Head of Social Impact. Previously, Rolley was the head of the U.S. Equity and Economic Opportunity Initiative and a member of the senior leadership team at The Rockefeller Foundation. The foundation is one of the oldest and most prestigious philanthropic institutions in the world.

► Source: Business Wire

Impax appoints Nana Li as the Head of Sustainability and ESG for Asia-Pacific



Impax welcomed Nana Li as the Head of Sustainability and ESG for the Asia-Pacific region. In her new role, Li will be in charge of directing Impax's sustainability, stewardship, advocacy, and engagement efforts throughout Asia.

► Source: Fund selector Asia

Schroders appoints Scott MacLennan as the Co-manager of the Global Sustainable Growth Fund



Schroders named Scott MacLennan as the co-manager of its Global Sustainable Growth Fund. MacLennan joined Schroders in 2015 as an investment analyst and has served as the co-portfolio manager for the International Selection Fund (ISF) European Sustainable Equity.

► Source: Funds Europe

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.

TCS introduces an ESG integration solution



TCS introduced a solution for ESG integration to precisely measure the ESG impact in their investment analysis. The solution was launched on the Amazon Web Services (AWS) platform. It utilizes

AI and includes a custom ESG scoring model leveraging data from the existing leading ESG data providers.

► Source: Business Standard

MSCI announces the launch of Total Portfolio Footprinting



MSCI announced the launch of Total Portfolio Footprinting, which is aimed at helping financial institutions to evaluate the impact of their carbon emissions. It also enables setting emission reduction

targets for financial institutions against a benchmark and aligning them with their net-zero pledges.

► Source: INVESTMENT WEEK

CLEAResult introduces a user-friendly greenhouse gas emissions product



Leading energy transition, energy efficiency, and decarbonization solutions provider in North America, CLEAResult, created an industry-oriented

customizable product for American companies – CLEAResult ATLASTM Carbon. The product helps organizations measure and report greenhouse gas emissions and assists in tracking carbon emissions using criteria such as location, department, facility, and source of emissions.

► Source: Businesswire

Accenture makes strategic investments in ESG-focused firm pulsESG, Inc.



As part of Accenture Ventures' Project Spotlight, the company invested in the startup pulsESG, Inc. which provides services in real-time ESG reporting. It has planned to bring improved capabilities to its clients,

alliances, and partners by enabling them to improve ESG measurement and performance with greater transparency and assurance.

► Source: KNOWESG

ICE launches a new product using geospatial data modeling



“Intercontinental Exchange, a leading global provider of data, technology, and market infrastructure, announced the launch of the ICE ESG Geo-Analyzer, which leverages ICE’s geospatial data modelling to provide climate risk and social impact data and analytics for properties and communities throughout the US.”

Geo-Analyzer reveals physical climate risks like hurricanes, floods, and wildfires to real estate properties and adds to ICE’s array of sustainable finance offerings.

► Source: Markets Media Holdings LLC

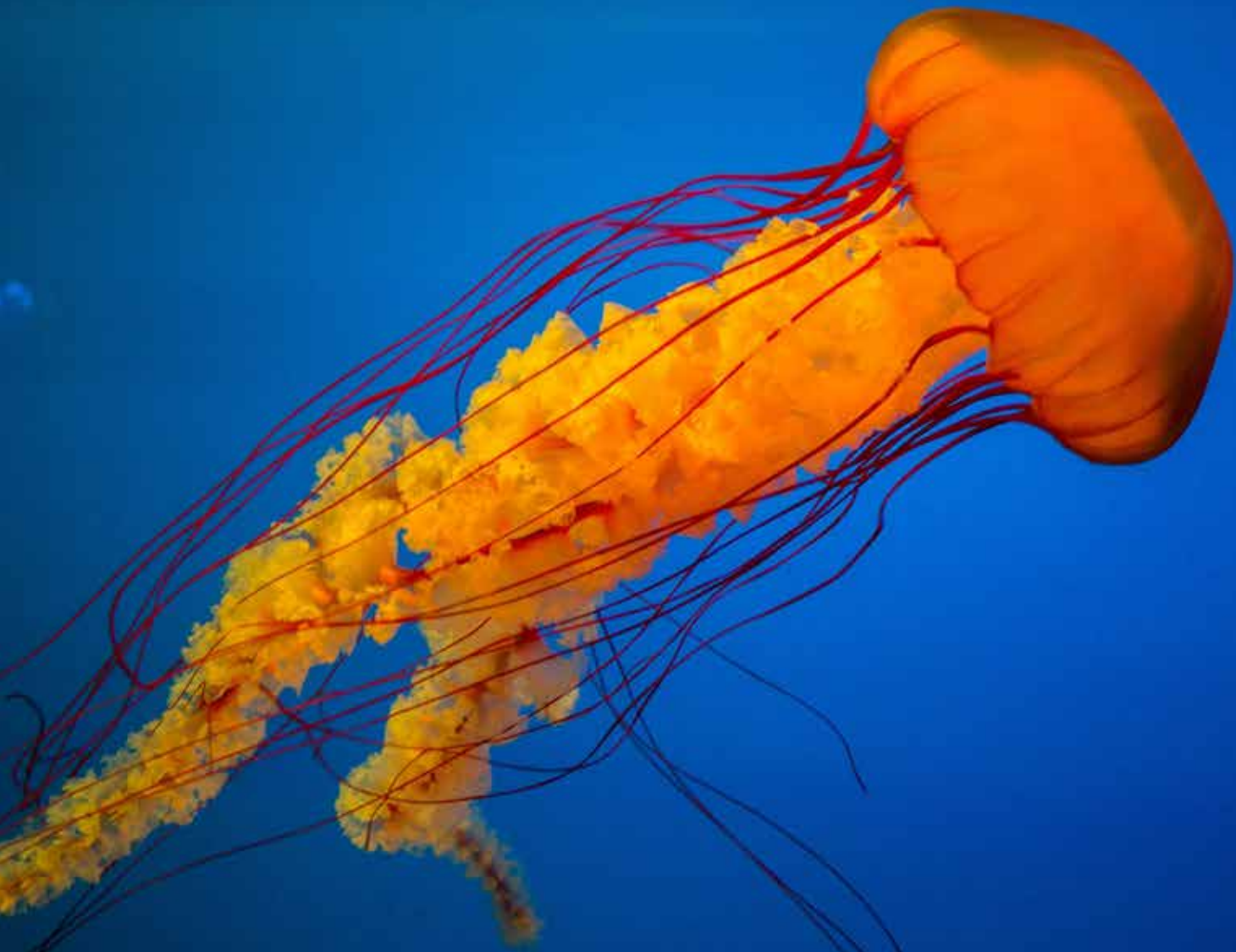
ESG Book debuts a fund sustainability scoring solution



ESG Book, formerly called Arabesque S-Ray, announced the launch of Fund Scores, a new solution aimed at enabling investors to analyze and compare the

sustainability profiles of thousands of funds. Fund Scores provides coverage of over 30,000 mutual funds and 4,000 ETFs. In addition, it also provides sustainability metrics including ESG scores on 22 different topics.

► 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.

KKR to launch two new ESG credit funds



KKR & Co Inc, a private equity firm, is preparing to launch two credit funds dedicated toward ESG. The funds will be directed toward institutional investors and high-net-worth individuals (HNWI). KKR Credit ESG Climate Opportunity Fund, the first fund, will focus

on climate change and invest globally in the publicly listed debt of companies. KKR Credit ESG Accelerator Fund, the second fund, will focus on direct lending and asset-based financing.

► Source: Reuters

MAS and Google Cloud launch Point Carbon Zero Programme



The Monetary Authority of Singapore (MAS) and Google Cloud jointly launched the Point Carbon Zero Programme, to drive innovation, incubation, and scaling of climate-originated FinTech solutions in Asia. The initiative will strengthen the financial sector's access to accurate and granular climate-

related data, for more efficient deployment of capital toward green and sustainable projects.

► Source: Economic Times

Switzerland introduces climate scores for investment products

Switzerland's Federal Council launched Swiss Climate Scores, which are based on various indicators focused on providing transparency into a firm's climate goals. Some of the criteria that the scores assess include "greenhouse gas emissions, fossil fuel exposure, global warming potential, net zero strategy and commitments as well as climate stewardship."

► Source: Fintech Global

K2 Integrity debuts a unique ESG Assessment Certification



K2 Integrity launched an ESG certification program for funds and fund managers. The certification will be provided after K2 conducts a detailed review of

the qualitative and quantitative metrics to verify whether the fund and the manager are compliant with the best ESG practices. K2's assessment takes into consideration applicable regulations that improve trust and transparency and mitigates the risk of greenwashing.

► Source: Prnewswire

PepsiCo issues USD1.25bn Green Bond to fund sustainability projects



PepsiCo announced the completion of a new USD1.25bn green bond offering. The proceeds will be used toward decarbonization of its operations, plastic waste reduction, regenerative agriculture, and pursuing net-positive water impact. The company also plans to use the net proceeds from the bond to fund eligible green projects in the future as a part of the Pep+ sustainability agenda.

► Source: ESG Today

Deutsche Bank and PT Home Credit Indonesia close USD10mn ESG-linked loan



Deutsche Bank and PT Home Credit Indonesia ('Home Credit') announced the closing of an IDR156bn (USD10.4mn) ESG-linked loan facility, which focuses on performance targets linked

to loan focus on financial literacy and inclusion. This is Home Credit's first ESG-linked loan in Indonesia and aims to increase first-time and female customers.

► Source: The Asset

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.



MAS issues new guidelines for ESG funds

The Monetary Authority of Singapore (MAS) released new disclosures and reporting standards for retail ESG funds, including the disclosure of their investment strategy, to reduce the risk of greenwashing. Starting next year, the MAS will transfer its equity holdings toward exposures that are less carbon-intensive and aligned with a low-carbon transition.

► Source: Reuters



Australia's federal government proposes a climate change bill to the parliament

The federal government of Australia submitted a climate change bill to the parliament to fulfill its Paris Agreement obligations. Under the Paris Agreement, Australia pledged to achieve net-zero emissions by 2050 and reduce emissions by 43%, based on 2005 levels, by 2030. The proposed bill will enable an 'equitable' transition to net zero, cutting investment risks and costs in Australia.

► Source: ESG today

SEC and UNDP Thailand collaborate for investor map

The Thai Securities and Exchange Commission (SEC) and the UN Development Programme (UNDP Thailand) launched the Thailand SDG Investor Map, a market intelligence tool. The tool aims to increase funding for sustainable development goals (SDGs) that align with government development plans. The map would address eight SDG-related sectors – food and beverages, financials, health services, renewable resources and alternative energy, transport, services, infrastructure, and education.

► Source: Bangkok Post



FCA delays the introduction of sustainability disclosures

The Financial Conduct Authority (FCA) announced that it would extend the procedure intended to enact ESG labeling regulations for investment products and sustainability disclosure requirements for asset managers. FCA stated that the delay is necessary to "allow us to take account of other international policy initiatives and ensure stakeholders have time to consider these issues."

► Source: ESG Today

The Federal Council of Germany passes several laws for renewable energy promotion

The Federal Council of Germany passed numerous laws to promote the development of renewable energy over the next few years, with a target for renewables to supply 80% of the country's electricity demand by 2030. By 2045, Germany plans to completely phase out coal and transition to a largely renewable energy-based economy.

► 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.

CTFC penalizes BNP Paribas over swap reporting violations



The Commodity Futures Trading Commission (CFTD) imposed a penalty of USD6mn on BNP Paribas (BNPP) for violating the Commodity Exchange Act (CEA). It is alleged

that the company failed to report various swap transactions to a swap data repository (SDR) as mandated by the CFTC and CEA law from 2016 to 2021. CFTD also found that BNPP also entered in over three million swap transactions during 2016–2021, which were incorrectly reported under the CFTC’s rules.

► Source: Commodity Futures Trading Commission



Aon PLC faces two lawsuits over a cyberattack

Two class action lawsuits were filed against Aon PLC for failing to inform affected individuals of the cyberattack, which occurred in December 2020 and February 2022. Around 145,000 individuals were affected by Aon’s system breach and were not informed until May 27, 2022.

► Source: Business Insurance

RBI penalizes Kotak Mahindra Bank and IndusInd Bank



The Reserve Bank of India (RBI) levied a penalty of USD1,264 on Kotak Mahindra Bank and USD1,26,454 on IndusInd Bank over violation of provisions of sub-section (2) of Section 26A of the Banking Regulation Act. The banks were

accused of failing to comply with regulatory guidelines issued by RBI.

► Source: Live Mint



US regulator fines Hyundai affiliate over credit reporting failures

The U.S. Consumer Financial Protection Bureau ordered Hyundai Capital America, an affiliate of Hyundai Motor Co, to pay USD19.2mn for reporting false information regarding its customers’ credit reporting. The company said that it has launched an ‘end-to-end review’ of its credit reporting.

► Source: Reuters



Orange under strict EU probe for Voo’s acquisition

The European Commission started an investigation over the acquisition deal of VOO SA by Orange SA. The authority commented that the deal may hurt competition in the market. Orange SA would gain control over VOO’s cable network in Belgium’s French-speaking Wallonia region and part of the Brussels area.

► Source: Reuters

SGA BLOGS



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