2023 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.
SEBI authorized the adoption of an ESG framework by funds, corporations, and rating agencies. The International Sustainability Standards Board (ISSB) is supporting firms in implementing Standards S1 and S2 to address investor concerns about climate change. The Reserve Bank of India (RBI) issued guidelines for ‘green deposits’ by banks and NBFCs to finance environment-friendly activities, such as renewable energy, green transportation, and sustainable buildings.

European financial regulators propose SFDR Amendments to improve financial metrics. Norway and the EU partner to promote climate, energy, and industrial cooperation to meet their shared climate goals. Deloitte introduced ESG reporting tools and a Scope 3 emissions calculator on the Workiva platform.

Holcim launched ECOCycle, a circular technology platform that converts construction and demolition materials into new building solutions. Lloyd introduced the Article 9 Private Impact Fund. Apple established a USD200mn Carbon Removal Fund. Mastercard’s debit program was investigated for antitrust violations by the United States Department of Justice.
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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.

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.

SEBI authorizes ESG framework for funds, corporations, and rating agencies

The Securities and Exchange Board of India (SEBI) mandated that ESG funds invest at least 65% of their listed company Assets Under Management (AUM) in firms that meet Business Responsibility and Sustainability Report (BRSR) Core. ESG rating agencies are expected to investigate ESG concerns and offer a “core ESG rating” based on BRSR Core guidelines to avoid conflicts of interest among rating providers.

Source: ESGCLARITY

ISSB prioritizes climate-related disclosures

The International Sustainability Standards Board (ISSB) decided to support firms in adopting Standards S1 (general standards) and S2 (climate) to fulfill investor information needs around climate change. Companies can prioritize creating reporting structures and practices in the first year of reporting to deliver decision-useful, high-quality information regarding climate-related risks and opportunities. From the second year, companies should start providing full reporting on opportunities and risks related to sustainability, beyond climate.

Source: IFRS

Biden announces strict vehicle emissions standards to accelerate clean transportation transition

The Biden Administration set stringent vehicle emissions standards expected to hasten the transition to electric vehicles (EVs) and reduce GHG emissions from the transportation sector by billions of tons over the coming decades. In line with its Paris Agreement commitments, the administration addressing the emissions effect of the transport sector seeks to reduce GHG emissions across the economy by 50 to 52% in 2030.

Source: ESG Today

G7 ministers call for mandatory climate disclosure

The Group of Seven (G7) ministers urged mandatory climate-related financial disclosures as a vital move toward accelerating sustainable finance and achieving global climate targets. They discussed strategies for accelerating the clean energy transition to net-zero GHG emissions by 2050, halting and reversing biodiversity loss by 2030, and eradicating plastic pollution by 2040.

Source: ESG Today

ESA proposals could set off Article 8 and 9 funds’ reclassification

The European Supervisory Authorities (ESA) consultation proposed significant changes to the Sustainable Finance Disclosure Regulation (SFDR) Regulatory Technical Standards (RTS). These changes could have a “disruptive impact on the asset management industry,” leading to the reclassification of Article 8 and 9 funds. These modifications may significantly affect Principal Adverse Impact (PAI) disclosures, the SFDR ‘do no significant harm’ (DNSH) test, and product-level disclosures.

Source: ESGCLARITY
EU legislators pass agreements on carbon tax and emissions trading

The European Council (EC) announced the approval of a set of new regulations with the aim of helping the EU achieve its climate objectives. These regulations include the introduction of a carbon tax on imported goods and an improvement to the EU’s emissions trading system, which will contribute to reducing emissions from various sectors of the economy. After receiving the European Parliament’s approval, the new regulations will be published in the EU’s Official Journal. After a period of 20 days from publication, the regulations will become effective.

Source: ESG Today

EU strikes deal to boost green fuels for aviation

Starting in 2025, the EU mandated that suppliers blend kerosene with sustainable aviation fuels in escalating amounts. In addition to reducing non-CO2 emissions, the plan aims to decrease aircraft carbon emissions by two-thirds by 2050. The agreement is a component of the EU’s “Fit for 55” plan, which seeks to cut GHG emissions by at least 55% by 2030.

Source: TIME
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.

Norway and the EU collaborate to support green climate transition

Norway and the EU formed an alliance to increase climate, energy, and industrial cooperation to meet their shared climate goals of 55% emissions reductions by 2030 and climate neutrality by 2050. The alliance aims to improve climate adaptation, clean energy transition, carbon capture, utilization, and storage, and halting and reversing biodiversity loss, among others.

Source: ESG Today

ERM and Persefoni collaborate to accelerate net-zero efforts

ERM’s decarbonization advisory and Persefoni’s climate management and accounting platform partnered to enhance their client’s carbon emissions collection, measurement, reporting, and management. The partnership will improve institutions’ decarbonization goal setting, meet regulatory compliance, and achieve stakeholder satisfaction.

Source: FinTech Global

Watershed acquires carbon data provider VitalMetrics

Watershed, a climate solutions software provider, acquired VitalMetrics to offer its clients VitalMetrics’s environmental database. The new platform will help Watershed’s clients better plan and implement climate programs. The acquisition will accelerate VitalMetrics’s vision of integrating primary data with climate action.

Source: ESG Today

Carrier plans to acquire Viessmann Climate Solutions

Carrier agreed to buy Viessmann Climate Solutions for USD13.17bn to improve its sales in the international market. Viessmann Climate Solution is popular in the EU for its energy-independent home heating and cooling products. Carrier aims to integrate sustainability into its business through this acquisition to cater to more conscious consumers.

Source: The Wall Street Journal

China partners with Singapore to improve green and transition finance

People’s Bank of China (PBC) and the Monetary Authority of Singapore (MAS) inaugurated the China-Singapore Green Finance Taskforce (GFTF). GFTF aims to provide a platform for knowledge exchange and stimulate collaboration between public-private sector participants in both countries.

Source: Sustainability
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.

The Estee Lauder Company appoints Nancy Mohan as the Chief Sustainability Officer

The Estee Lauder Company welcomed Nancy Mohan as its pioneer Chief Sustainability Officer to focus on the strategic integration and implementation of ELC’s sustainability initiatives and ESG reporting across the organization. She will also continue to serve as the Executive Director of The Estée Lauder Companies’ Charitable Foundation.

Source: EL Company

Bain & Company hires Karan Singh as the Asia Pacific Head of Sustainability and Responsibility practice

Bain & Company appointed Karan Singh as the Asia Pacific Head of Sustainability and Responsibility practice to enhance the trademark boldness of its business-building mission. Singh is passionate about supporting his clients to develop and implement ESG strategies with a focus on decarbonization and circularity.

Source: Bain

The Bezos Earth Fund names Paul Bodnar and Dr. Noël Bakhtian

The Bezos Earth Fund welcomed Paul Bodnar and Dr. Noël Bakhtian as the Director of Sustainable Finance, Industry, and Diplomacy and the Director of Tech Acceleration. The appointments were made to drive the company’s bold action in this decisive decade. Paul held various leadership positions in finance, government, and civil society and will lead the Earth Fund’s efforts to advance climate finance, industry, and diplomacy worldwide. Dr. Bakhtian joined the Earth Fund from the U.S. Department of Energy’s (DOE) Lawrence Berkeley National Laboratory, where she was the inaugural Executive Director of the Berkeley Lab Energy Storage Center.

Source: Bezos Earth Fund

Chemours elects Dr. Amber Wellman as the Chief Sustainability Officer

The Chemours Company hired Dr. Amber Wellman as the Chief Sustainability Officer. Dr. Wellman will play a central role in forging strategic collaborations and partnerships with external experts to advance Chemours’ sustainability efforts and advocate for sustainable, science-based policy and regulation. She has a strong passion for sustainability and stewardship.

Source: Chemours

EdenTree hires Leonora Rae as the Head of Corporate Responsibility

EdenTree appointed Leonora Rae as the Head of Corporate Responsibility. Rae will now closely work with EdenTree’s corporate responsibility committee to continue driving positive social and environmental change. She has been involved with charities for some years, as a ‘trustee at three UK charities and as a proud champion of the Young Trustees Movement’.

Source: ESG Clarity

Redwheel names Amanda O’Toole to roll out sustainable strategies

Redwheel hired Amanda O’Toole to roll out two sustainable strategies. She will manage both funds upon their launch. O’Toole holds ‘significant expertise and an outstanding track record in running clean economy and biodiversity investment strategies’.

Source: ESG Clarity
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.

**Deloitte introduces the latest Workiva ESG accelerators**

Deloitte launched three new tools for use on the Workiva platform for sustainability report development. These include a Scope 3 GHG Report Calculator, Continuous Controls Monitoring Exception Report Chain and related ESG Controls Templates, and an ESG Report Template. These tools are aimed at reducing climate and sustainability-related risks and accelerating ESG report development.

- Source: PR Newswire

**Context Labs and KPMG collaborate to further climate reporting**

KPMG and Context Labs formed an alliance to aid companies in measuring, quantifying, and reducing their environmental footprints using advanced climate data and analytics, ML, AI, and distributed ledger technology. The partnership aims to support businesses in reducing their environmental impact, analyzing decarbonization efforts, and providing transparent data to stakeholders.

- Source: Context Labs

**Holcim introduces an ECOCycle® to accelerate circular construction**

Holcim recently launched ECOCycle®, a circular technology platform ‘to recycle construction demolition materials into new building solutions’. By utilizing this technology, concrete, cement, and aggregates can comprise anywhere between 10% and 100% of ECOCycle® recycled construction demolition materials, thereby reducing their environmental impact, without compromising performance.

- Source: Bloomberg

**SDI AOP and Qontigo launch the SDI Dashboard**

Sustainable Development Investments Asset Owner Platform (SDI AOP) and Qontigo launched the SDI Dashboard, allowing investors to upload and assess their investment portfolios across diverse UN Sustainable Development Goals parameters. The SDI dashboard includes various dashboards for SDI monitoring, client reporting, and portfolio management, including identifying top positive and negative SDI holdings.

- Source: Quontigo

**ESG Book launches a new dashboard for companies’ ESG data**

ESG Book debuted a new dashboard that offers a comprehensive solution for companies to manage and improve their sustainability practices. The dashboard includes 450+ ESG metrics, benchmarking against industry peers, and real-time disclosure to stakeholders. It also enables analysis by investors, banks, and consultants to identify non-financial risks and opportunities.

- Source: ESG BROADCAST
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.

**BDC launches a USD150mn Sustainability Tech Venture Fund**

The Business Development Bank of Canada (BDC) introduced a USD150mn Sustainability Tech Venture fund, focused on Canadian startups developing sustainability-oriented technologies with SaaS, hardware-enabled software, and software-led business models. Importance will be given to companies that are aligned with four UN SDGs goals: sustainable communities and cities, responsible production and consumption, climate action, and clean and affordable energy.

▶ Source: Yahoo Finance

**Lloyd introduces Article 9 private impact fund**

Insurance and reinsurance marketplace Lloyd launched a private impact fund of USD313mn, targeted toward sustainability-focused themes such as climate mitigation, climate adaptation, circular economy, and social inclusion. The fund will be aligned with Article 9 principles of the EU’s SFDR regulation.

▶ Source: FinTech Global

**BlackRock floats a global quality factor ESG ETF**

BlackRock launched an ESG ETF called the iShares MSCI World Quality Factor ESG UCITS ETF (IWQE). The ETF will track the MSCI World Quality ESG Reduced Carbon Target Select index. It has a total expense ratio (TER) of 0.30%. The introduction of ETF expands BlackRock’s product range and provides sufficient options to investors for creating sustainable portfolios.

▶ Source: ETF Stream

**Apple establishes a USD200mn carbon removal fund**

Apple doubled its sustainability commitment by launching a new fund of USD200mn, to support projects that remove carbon from the atmosphere. The company plans to remove about 1 million metric tons of carbon dioxide per year. Climate Asset Management will manage the new fund.

▶ Source: ESG Today

**Chipotle inaugurates 100% renewable energy-powered restaurants**

Chipotle Mexican Grill introduced an all-electric restaurant design, featuring rooftop solar panels, all-electric equipment, heat pump water heaters, a smaller electric cookline, and biodegradable serviceware. These restaurants will use 100% renewable energy from wind and solar power purchased through certified renewable energy credits.

▶ Source: ESG Today

**PepsiCo debuts a new sustainability platform for customers**

PepsiCo introduced a sustainability platform ‘pep+ Partners for Tomorrow’, to deliver solutions that will support its customers to achieve their sustainability goals. The platform will initially focus on PepsiCo’s customers in the US, with expansion plans to key global markets by 2024.

▶ Source: ESG Broadcast

**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.
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.

**RBI issues framework for green deposits acceptance by banks**

The Reserve Bank of India (RBI) issued guidelines for ‘green deposits’ by banks and NBFCs to finance green activities or projects, including renewable energy, green transport, and green buildings. Regulated Entities (REs) must allocate proceeds raised through green deposits toward a specified list of projects or activities.

> Source: The Indian Express

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**EU Financial Regulators Propose SFDR Amendments**

**EU financial regulators propose SFDR amendments**

The three European Supervisory Authorities (ESAs) published a joint consultation paper proposing amendments to the Sustainable Finance Disclosure Regulation (SFDR). The recommendation is to extend the existing principal adverse impacts (PAIs) list of universal social indicators, refine existing indicators, and improve product disclosures regarding decarbonization targets.

> Source: Regulation Asia

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**MAS announces FiNZ**

The Monetary Authority of Singapore (MAS) launched the Finance for Net Zero (FiNZ) Action Plan to mobilize financing for net-zero transition. The plan will promote consistent climate data and disclosures, enhance interoperability of taxonomies, catalyze cross-border green, transition financing flows, foster sound environmental risk management practices, and develop credible regional decarbonization pathways. The MAS will invest in Green FinTech solutions and the Singapore workforce.

> Source: Monetary Authority of Singapore
IAASB Speeds up Consultation on Sustainability Assurance Standard

The International Auditing and Assurance Standards Board (IAASB) revised its timetable to open public consultation on its proposed new standard for sustainability assurance. The original consultation was to commence in October 2023. However, the consultation will now open in late July or early August 2023 and extend into December 2023.

Source: Regulation Asia

Australia to Introduce Green Financing Programme in 2024

Australia plans to introduce the ‘Sovereign Green Bonds programme’ to attract green capital through increased ‘transparency around climate outcomes and availability of green investments’. It will also enable investors to back public projects driving Australia’s net-zero transformation and boost the “scale and credibility” of the country’s green finance market. The government will co-fund the initial development phase of an Australian Sustainable Finance Taxonomy, in partnership with the Australian Sustainable Finance Institute (ASFI).

Source: Regulation Asia
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.

DOJ conducts an antitrust investigation on Mastercard’s debit program

The U.S. Department of Justice (DOJ) conducted an antitrust investigation against Mastercard’s debit program. The authority tried to investigate whether the credit card company uses anticompetitive practices in the debit card market.

Source: Money Control

Environmental activists urge SNB to change its investment policy

The Swiss National Bank (SNB) rejected appeals from climate change activists urging it to quit its investments in companies that pollute the planet. Around 170 people protested at the bank’s Annual General Meeting (AGM) in Bern.

Source: XM

Pilot Union sues Berkshire Hathaway’s NetJets

Almost 3,000-member pilots union filed a lawsuit against NetJets over allegations of meddling with its communications with aircraft owners and customers about contract negotiations. The NetJets Association of Shared Aircraft Pilots violated the federal Railway Labor Act governing airline labor relations.

Source: U.S.News

SPAC’s Ex-CFO sentenced to three years in prison for embezzlement

The former CFO of a special purpose acquisition company (SPAC) was sentenced to three years in prison for embezzling USD5mn from three different SPACs between June 2021 and August 2022. The three SPACs are African Gold Acquisition Corporation (AGAC), Strategic Metals Acquisition Corporation I (SMAC I), and Strategic Metals Acquisition Corporation II.

Source: Crypto Potato
Federal Judge refuses Google’s motion on advertising antitrust case

A U.S. Federal judge denied Google’s motion to dismiss a Department of Justice antitrust case on advertising technology. The government had filed a lawsuit against the company in January 2023, alleging that Google should be forced to sell its ad manager suite. However, the company denied any wrongdoing.

▶ Source: The Print

Spotify inspects issues after an outage

Spotify Technology experienced a brief outage earlier in April 2023. The company investigated issues with its web page after the audio streaming platform was down for thousands of users. It was noted that over 15,000 people reported issues with Spotify.

▶ Source: Economic Times
“What is the Impact of Climate Change on the UK?” Read More...
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TEAM

• Shubhshree Pareek
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