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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 US green pension fund is on a rise and there has been a new sense of accountability in the pension schemes across the globe. The European Union (EU) increased its energy renewable target from 32% to 40%. Canada has set a timeline to eliminate plastic waste by 2030, while the businesses in the US are rebelling against the US Securities and Exchange Commission's (SEC) climate disclosure proposal for being a burden. Goldman Sachs, Citi, and Fidelity joined the Sustainable Trading initiative. Ernst & Young (EY) appointed Dr. Matthew Bellas as its Climate Change and Sustainability Services leader. The development on the air element is picking up pace as Google Cloud and Engie partner for developing an artificial intelligence (AI) solution for enhancing their wind portfolios.

The EU has taken a big step toward diversity issue and now mandates a 40% quota for women on corporate boards. In contributing to limit the global warming to 1.5 to 2 degrees, the Intercontinental Exchange, Inc. (ICE) launched a new suite of corporate bond climate indices. The Federal Criminal Court found Credit Suisse guilty in a cocaine money laundering case.

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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.

## G-7 plans to launch a 'climate club' to combat global warming



G7 GERMANY

At the G-7 summit in Germany, leaders agreed to create a 'climate club' by 2022 end with an aim to coordinate and accelerate efforts on climate actions collectively. Any country committed to the Paris agreement goal is eligible to join the club. The idea is to develop uniform standards while preventing working in isolation and against each other. The environmentalists critiqued the club for being "vague on details and unnecessary."

► Source: The Business Times

## The EU Council adopts new renewable energy and energy efficiency goals



The Council of European Union (EU Council) increased its target for energy from renewables from 'at least 32%' to 40% in the energy mix. To ensure further energy efficiency, the EU Council would also attempt to reduce its 'final energy consumption by 36% and primary energy consumption by 39% in 2030', compared to the old targets of 32.5% for both.

► Source: Enerdata

## Euronext's new science-based climate targets to support its 'Fit for 1.5°' commitment



EURONEXT

Euronext, the Pan-European exchange, announced that its new climate goals were developed in line with the Science-Based Targets initiative (SBTi) framework. Euronext intends to cut its Scope 1 and 2 and market-based GHG emissions by 70%, considering 2020 as the baseline. To minimize Scope 3 emissions, Euronext plans to lower its travel emissions and expects its suppliers to reduce their emission targets. These goals are expected to support its 'Fit for 1.5°' climate commitment.

► Source: ESG Today

## CCC fears the UK government might not achieve the committed net-zero target by 2050



Climate Change Committee

The Climate Change Committee (CCC), the climate advisory of the UK government, released the annual progress report to parliament. The report raised elevated concerns about the UK achieving its net-zero targets by 2050. The CCC warned that the policies were insufficient in various areas, such as home energy efficiency, agriculture and land use, food security, and biodiversity goals. Lord Deben, the chair of the CCC, said, "The government has willed the ends, but not the means."

► Source: The Guardian

## Canada to ban import and manufacturing of certain single-use plastic



The Canadian government set a three-phased timeline to eliminate plastic waste being collected in landfills, beaches, rivers, wetlands, and forests by 2030. Canada plans to ban the manufacture and import of plastic bags and takeout containers by the end of 2022. By the end of 2023, the Canadian government would ban single-use plastic sales and, by end of 2030, their export would be halted. The ban extends to "single-use plastic straws, stir sticks, cutlery and six-pack rings used to hold cans and bottles together."

► Source: Global News

## US businesses rebel against SEC's climate disclosure proposal

Companies in the US are opposing the US Securities and Exchange Commission's (SEC) proposal seeking mandatory disclosures regarding climate risks and GHG emissions. Businesses claim that the SEC requirements would be an expensive affair, as they would increase legal liability and raise reporting burdens. There were 3,400 feedback letters in this context. Some of the public companies commenting included Dow Inc., Gap Inc., United Parcel Service Inc., Salesforce Inc., and Fortive Corp.

► Source: The WSJ

# **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.

## CPE and bp partner for a circular solution for hard-to-recycle plastics



bp signed a new long-term partnership with Clean Planet Energy (CPE), a cleantech, renewable, and alternative energy company, to improve circular solutions for difficult-to-recycle plastics. CPE is now working on converting difficult-to-recycle waste plastics into circular petrochemical feedstocks and ultra-low-sulphur diesel (ULSD). CPE's first facility's output will be delivered to bp for use as feedstock in circular plastics value chains.

► Source: ESG Today

## Amazon's Climate Pledge Fund and Ecosystem Integrity Fund lead a USD31 million Series A fundraising for Ambient Photonics



Amazon, through its Climate Pledge Fund and Ecosystem Integrity Fund (EIF), led a USD31 million Series A fundraising for Ambient Photonics. With the funds, Ambient will construct the world's largest low-light solar cell manufacturing facility in the US. The facility's fully automatic production line, with an annual capacity of tens of millions of units, will allow Ambient to scale its high-power density, low-cost solar cells to mass market adoption.

► Source: Business Wire

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



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

infrastructure, the impact of diversity, equity, and inclusion. The issues further include the broader ESG challenges like employee wellbeing, community engagement, and stakeholder-oriented enterprise governance.

► Source: ESG Investing

## Johnson Controls acquires Asset Plus, a frontrunner in energy efficiency and decarbonization



Johnson Controls, a provider of building efficiency, controls, and automation, acquired Asset Plus, a provider of energy reduction and zero-carbon generation initiatives focused on the UK public sector. The acquisition expands its OpenBlue and digital solutions portfolio for Asset Plus customers, as well as provides more opportunities to assist UK clients in achieving sustainability goals across multiple sectors.

► Source: ESG Today

## bp and Linde collaborate on major CCS project to help with decarbonization plans along the Texas Gulf Coast



bp and Linde announced plans to partner for a massive Carbon Capture and Storage (CCS) project in Texas, which will allow the generation of low carbon hydrogen using Linde's current facilities. The project will also allow the storage of CO2 captured from other industrial facilities, preceding the decarbonization of the Texas Gulf Coast industrial corridor on a broad scale.

► Source: bp plc



# PEOPLE MOVEMENTS

# Thought leadership through key hires

Companies across the globe are demanding analysts, strategists, and knowledgeable professionals to understand and drive their ESG data, strategies, and solutions for a range of stakeholders. This section brings you the latest movements of such highly skilled professionals in the ESG sector.

## EY hires Dr. Matthew Bell as its Climate Change and Sustainability Services leader



Dr. Matthew Bell joined Ernst & Young Global Limited (EY) as the global leader of its Climate Change and Sustainability Services (CCaSS) team. In his new role, he will help businesses in understanding the risk and opportunities posed by sustainability and climate change challenges.

► Source: EY

## Greystar appoints Cope Willis as the Managing Director of Sustainability



Greystar hired Cope Willis as the Managing Director of the Sustainability department. Previously, Willis was the Vice President of Sustainability & Environmental Solutions at Harsco Corporation, where he spearheaded ESG integration across key corporate and business unit activities and the global sustainability program.

► Source: Greystar

## IFRS Foundation trustees appoint Jeffrey Hales and Michael Jantzi to the ISSB



The International Sustainability Standards Board (ISSB) welcomed Jeffrey Hales and Michael Jantzi as its new members. Mr. Jantzi has significant experience in responsible investment and sustainable finance, while Dr. Hales has served as the Chair of the Sustainability Accounting Standards Board (SASB).

► Source: IFRS

## Aspiration names Olivia Albrecht as the Chief Sustainability Officer



Aspiration appointed Olivia Albrecht as the Chief Sustainability Officer. In her new role, she will focus on Aspiration's sustainability group and devise creative action plans and strategies for businesses and people.

► Source: The globe and mail

## James Tayler joins Insignia Financial as the Head of Responsible Investing



Insignia Financial appointed James Tayler as the Head of Responsible Investing to drive its responsible investing strategy and ESG opportunities. Prior to this, Tayler was the Head of ESG at investment management company Ellerston Capital.

► Source: ESG News

## Macquarie Asset Management hires Kristina Kloberdanz as the Chief Sustainability Officer



Macquarie Asset Management appointed Kristina Kloberdanz as its Chief Sustainability Officer to steer sustainable asset management. In this position, she will be responsible for the firm's sustainability commitments over all the asset types that it invests in.

► Source: Macquarie

**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.

## Honeywell launches a solution for tracking and managing building emissions



Honeywell launched a new software to manage and track the building industry's carbon impact. The solution is aimed at optimizing the air quality indoors while tracking the energy performance of

portfolios for building owners and operators.

► Source: BusinessToday.In

## Google Cloud and Engie join hands to launch a new AI solution to augment wind portfolio



Google Cloud and Engie have partnered to develop an AI solution for enhancing wind portfolios. The tool encompasses advanced algorithms and is aimed at forecasting how

much wind power needs to be sold in which power market and at what price.

► Source: reNEWS.BIZ

## BNP Paribas and Matter introduce a new data solution to align companies' revenue with the UN SDGs



BNP Paribas Asset Management partnered with Matter, a Danish fintech specializing in sustainability insights, to launch an innovative data solution 'SDG Fundamentals'. This solution

is aimed at assessing the revenue alignment of companies with the 17 United Nations Sustainable Development Goals (SDGs). This solution serves the investors by helping them eliminate the funding gap regarding companies that are aligned with SDGs. The solution is built on proprietary SDG taxonomy and covers more than 50,000 companies.

► Source: Matter

## BlackRock announces Aladdin platform to utilize Clarity AI's sustainability



BlackRock announced that the Aladdin platform will be utilizing the sustainability data of Clarity AI for BlackRock's SFDR reporting. The platform will be utilized to report Principal

Adverse Impact (PAI) indicators. The SFDR coverage of Clarity AI includes over 49,000 companies.

► Source: Business Wire

## MVGX launches 'Net Zero Card' to track and offset travel emissions



MetaVerse Green Exchange (MVGX) announced the launch of the Net Zero Card, a tool designed for tracking and offsetting travel emissions. This pre-paid card calculates the

emissions and offers solutions to the users for offsetting their travel carbon footprint.

► Source: yahoo!finance

## Fenergo introduces an ESG compliance solution for financial institutions



Fenergo introduced a solution for managing ESG compliance of financial institutions and reducing the regulatory risks pertaining to them. The solution is intended at calculating reputational and ESG

risks. It also aims to enable financial institutions to meet the disclosure and regulatory requirements for ESG at par with their financial reporting.

► Source: ESGToday



**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.

## DWS introduces ETF providing exposure to the US equities



Deutsche Bank's investment arm DWS launched a new fund called Xtrackers Net Zero Pathway Paris Aligned US Equity ETF (USNZ). This fund is aimed at providing investors with exposure to the US equities aligned with the global climate goal to transform the global economies to net zero by 2050. USNZ tracks the Solactive ISS ESG United States Net Zero Pathway Enhanced Index, which is a Paris Aligned Benchmark (PAB). PAB-labeled indexes should meet the criteria for asset selection to align with the Paris Agreement's long-term climate goals. The criteria include a minimum GHG emissions intensity reduction of at least 50%, with 7% annual reductions.

► Source: ESGToday

## ICE launches a suite of corporate bond climate indices



Intercontinental Exchange, Inc. (ICE) launched a suite of corporate bond climate indices that focus on achieving net zero carbon emissions by 2050. ICE's corporate climate indices leverage 23 of ICE's corporate bond benchmarks to create a family of 138 climate indices, many of which are labeled as Paris Aligned benchmarks and Climate Transition benchmarks.

These include a board range of benchmarks focused on ESG factors and ICE's Global Carbon Futures Indices, which are the benchmarks for the global price of carbon.

► Source: Businesswire

## BlackRock devises perpetual infrastructure strategy

**BlackRock.** BlackRock launched a perpetual infrastructure strategy to partner with leading infrastructure businesses over the long term to help drive the global green energy transition. The investments will be made in core assets with an aim to create resilient, inflation-linked returns for the investors. The capital will

be deployed in businesses such as data centers, grid digitization technologies, battery storage systems, and end-to-end renewable energy infrastructure players.

► Source: Businesswire

## Putnam launches a suite of ESG fixed income and equity strategies



Putnam investments launched five new ESG-focused active ETFs, i.e., two quantitative equity and three fixed income strategies. All the ETFs will concentrate investing in companies that are in line with the set ESG criteria and show positive ESG metrics. The equity strategy part will form the underlying investment component in the Putnam Sustainable Retirement Funds.

► Source: ESGToday

## Fidelity introduces a Fidelity Healthy Future ESG fund



Fidelity Investments launched a new ESG fund 'Fidelity Healthy Future Fund', to expand companies' existing line-up of thematic sustainable funds. This fund intends to invest in companies around the world whose products, services, and technology either extend or improve life expectancy, enhance human health and wellness, or mitigate the negative environmental impacts affecting health and wellness.

► Source: YahooFinance

# **LAWS, POLICIES, AND REGULATIONS**

The background of the slide features a close-up view of water droplets on a glass surface. The droplets are of various sizes and are scattered across the frame. The background behind the glass has a vibrant, multi-colored gradient, transitioning from a deep blue on the left to a bright yellow and orange in the center, and then to a teal and green on the right. The overall effect is a soft, textured, and colorful backdrop for the text.

# 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.



## ESMA releases an assessment of ESG rating providers

The European Securities and Markets Authority (ESMA) released its assessment of ESG rating providers. According to the assessment, the market structure is divided into a small number of large non-EU providers and many significantly smaller EU entities. ESMA cited the lack of transparency and insufficient data granularity as deficiencies.

► Source: ESGToday



## The EU mandates a 40% quota for women on corporate boards

The EU approved the mandate to set aside a 40% quota for women on board. Large corporations must guarantee that 40% of their non-executive directors are women, starting from 30 June 2026. Additionally, the EU also set a 33% goal for women to hold senior positions, including CEO and executive director.

► Source: TheGuardian



## BlackRock Inc. submits suggestions to the SEC

BlackRock Inc. suggested a series of changes through a letter to the Securities and Exchange Commission (SEC) for the climate-related disclosure rules proposal. According to the letter, the SEC proposal would raise company costs and reduce its comparability across companies and regions. BlackRock Inc. also suggested adopting a flexible approach for Scope 3 disclosures.

► Source: ESGToday



## ACRA and SGX establish SRAC

The Accounting and Corporate Regulatory Authority (ACRA) and the Singapore Exchange Regulation (SGX RegCo) established the Sustainability Reporting Advisory Committee (SRAC). The committee would provide a roadmap for sustainability reporting for Singapore-incorporated companies, with Esther An, the City Developments' Chief Sustainability Officer, as the Chair.

► Source: TheBusinessTime



# **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.

## Allianz and AWP plead guilty to making false statements

### Allianz and AWP guilty of making false statements

Allianz Australia Insurance Limited and its Australian arm AWP Australia Pty Ltd (AWP) pleaded guilty to charges brought by the Australian Securities and Investments Commission (ASIC) for misleading consumers. It is alleged that the company made false statements about their travel insurance products. The authority has ordered the companies to pay USD1.5 million in penalties.

► Source: Insurance Business Australia



## Centene agrees to settle PBM allegations

Centene has agreed to settle its Pharmacy Benefit Management (PBM) allegations in Medicaid for USD13.7 million with the Mexican authorities. It is alleged that the company did not provide discount on Centennial Care, the state's Medicaid program. As part of the settlement, Centene has agreed to give full transparency on price and pharmaceutical benefits to the state.

► Source: Fierce Healthcare

## Russian authorities fine overseas companies over data storage breach

The Russian Court imposed a fine of USD37,700 each on Twitch, Pinterest, and Airbnb and USD18,850 on UPS for breaching the Russian legislation on personal data storage. The companies were accused of not storing the personal data of people in the country.

► Source: Reuters

## Italy watchdog ends investigation into McDonald's franchising terms

### Italian officials conclude investigation into McDonald's franchise clause

The Italian Competition Authority (AGCM) concluded its investigation into McDonald's Corporation over its franchise terms in the country. The investigation started in August 2021 against the company's franchise clauses over prices, promotions, stocks, and supplies in Italy. McDonald has committed to remove the clauses from contracts which could result in violations of anti-trust rules.

► Source: Nasdaq



## Switzerland finds Credit Suisse guilty in a cocaine money laundering case

The Federal Criminal Court charged Credit Suisse with a fine of USD2.1 million for failing to prevent money-laundering conducted by a Bulgarian cocaine trafficking gang between 2004 and 2008. A former employee of the bank was found guilty in the case and was sentenced to 20 months in prison alongside a fine. The court also confiscated assets worth over USD12.51 million that the drug gang held in Credit Suisse's accounts.

► Source: Devdiscourse

# SGA BLOGS



“New SEBI Guidelines to Tackle the ESG Ratings Conundrum in India – An Analysis” [Read More...](#)

“Green Finance: The Next Step to Align India’s Climate Priorities” [Read More...](#)

“Britain is shrinking due to climate changes – Here is everything you need to know!” [Read More...](#)

“Trends that are Empowering the ESG Revolution in 2022” [Read More...](#)

“TCFD: Exploring the New Regulations for Reporting Climate-Related Data” [Read More...](#)

“Driving Sustainable Innovations: AI for ESG Data Challenges” [Read More...](#)

“ESG Market in Canada Faces Greenwashing Risks Due to Poor Data” [Read More...](#)

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