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# TATTVA

The Elements

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Environmental,  
Social and  
Governance



## Market Trends

### US states have suppressed climate-friendly finance

Many US states have expressed dissatisfaction regarding Biden administration's decision relating to the Wall Street's adoption of climate commitments and climate-friendly finance. Texas passed a law that pressurizes the states' pension funds to stop investing in firms that shun fossil fuels.

Source: [Responsible Investor](#)

### Banks will take the initiative to decarbonize global steel sector

Major banks including Citi, Goldman Sachs, ING, Société Générale, Standard Chartered, and UniCredit are aiming to decarbonize the steel sector by becoming a part of Steel Climate-Aligned Finance Working Group. The industry holds a large share in CO2 emissions globally.

Source: [ESG Today](#)

### BP board and BlackRock disagreed on the climate resolution vote

Oil companies and major investors have been facing the pressure to expedite the efforts in slashing greenhouse gas emissions. BlackRock votes for an accelerated effort in climate risk management, their vote being a key area of focus for campaigners and investors. To reduce emissions and achieve net zero target by 2050, BP will reduce oil output rate by 40% by 2030.

Source: [Reuters](#)



## Collaborations

### HSBC launched USD 100 million climate-finance initiative

HSBC, in partnership with WRI and WWF, will aim to unlock barriers to finance companies and projects that tackle climate change. It even aims to promote climate solutions and makes them economically scalable and viable. This partnership will focus on three major areas – start-ups developing carbon reduction technologies, projects protecting the biodiversity, and initiatives promoting energy transition to renewable energy.

Source: [ESG Today](#)

### StanChart, DBS will launch a carbon-credit exchange in partnership with SGX, Temasek

DBS Group Holdings Ltd. and Standard Chartered PLC will team up with Singapore's exchange operator and investment firm Temasek Holdings to launch a carbon-credit exchange and marketplace. This marketplace, to be known as Climate Impact X (CIX), is a step toward global climate mitigation and will enable the sale of carbon credits among multinational corporations and institutional investors.

Source: [Morningstar](#)

## KKR acquired a majority stake in sustainability consultancy ERM

Private equity firm KKR & Co. has acquired a majority stake in ERM from Canada funds, OMERS Private Equity and Alberta Investment Management Corporation. ERM is a pure sustainability advisory enabling clients to shape ESG strategies and implement the best ESG practices. ERM's partners and management team will continue to be minority investors in the company.

Source: [Bloomberg](#)

## BNP Paribas AM and CDP have teamed up to develop a biodiversity reporting framework

BNP Paribas AM has partnered with the international non-profit organization CDP to develop a biodiversity reporting framework. This will enable the incorporation of biodiversity data into global investment, business, and policy decision-making.

Source: [Citywire Selector](#)

## IHS Markit will provide ESG reporting repository to TSX-listed companies

Information and analytics provider IHS Markit collaborated with Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV) to provide its multi framework ESG reporting and data distribution platform to the issuers listed on the platform. This ESG repository will help companies manage ESG data and streamline their ESG reporting.

Source: [Finextra](#)



# People Movements

## HSBC Asset Management hired for its new climate technology investment team

Christophe Defert and Michael D'Aurizio joined HSBC AM as Head of climate technology venture investment and Investment Director of climate technology. This newly appointed climate technology team will be responsible for developing venture capital investment strategies that will help clients invest in technology start-ups that are addressing climate change challenges globally.

Source: [Pensions & Investments](#)

## LSEG appointed David Harris to lead the sustainable finance product team

LSEG appointed David Harris as Global Head of Sustainable Finance, Data & Analytics. Previously, he played a crucial role in group-wide sustainable finance initiatives by developing the ESG disclosure model and reporting guidance. In his new role, he will be responsible for driving an integrated approach for sustainable finance and product development.

Source: [LSEG](#)

## Northern Trust Asset Management welcomed Julie Moret as Global Head of Sustainable Investing and Stewardship

Northern Trust Asset Management appointed Julie Moret to lead sustainable investing and stewardship and guide the firm's sustainable investing and global engagement policies as well as promote research and development of product agendas. She will lead a team of ESG specialists along with the stewardship team.

Source: [Business Wire](#)

## UBS made key appointments to its Sustainability and Impact Organization

UBS announced appointments of Michael Baldinger as Chief Sustainability Officer and Phyllis Costanza as Head of Social Impact for its new Sustainability and Impact Organization. The organization will unite leading experts and leaders from across UBS for implementing the firm's sustainable strategy.

Source: [ESG Today](#)

## Nina James joined Blackstone to lead ESG initiatives for its Asian real estate arm

Nina James joined Blackstone as Managing Director, Head of Asia Real Estate to lead its environment, social and governance efforts. She will work with Eric Duchon, Global Head of Real Estate ESG in partnership to build Blackstone's capabilities in the asset management team for Asia.

Source: [Mingtiandi](#)

## Arabesque appointed Jürgen Fitschen as Senior Independent Advisor

Arabesque welcomed Jürgen Fitschen, former co-CEO of Deutsche Bank, as Senior Independent Advisor. He will assist in the expansion of the S-Ray services – the new tools for capturing, analyzing, and reporting sustainability data.

Source: [ESG Investing](#)



## Fintech

## Ceres, IIGCC launched investor engagement tool for Natural Climate Solutions

Nonprofit organization Ceres and Institutional Investors Group on Climate Change released a new tool for investors. Offset programs often take the form of natural climate solutions, such as forest protection or reforestation. Ceres' new guide examines the appropriate use of natural climate solutions in corporate climate strategies. The brief calls for disclosure on companies' short-, medium-, and long-term targets aligned with a 1.5 C pathway. It also explores the investors' perspective on the risks and opportunities.

Source: [ESG Today](#)

## Morgan Stanley Wealth Management released Racial Equity Investing Tool Kit

Morgan Stanley Wealth Management launched Racial Equity Investing Tool Kit. Survey says that 71% of individual investors identify multicultural diversity as an area of interest. Investors will now have access to a range of investments and supporting resources to advance the goals of racial equity and social justice.

Source: [Business Wire](#)

## Acadian developed a green screen to auto-filter ESG forgeries

Acadian Asset Management, which manages USD 110 billion in assets, is training its natural language processing algorithms to root out so-called greenwashers. The system sends automated e-mails to the companies it suspects of failing to live up to their climate commitments.

Source: [Risk.net](#)



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# Products and Services

## Mercer’s RITE framework introduced to track the UK investors’ ESG decision-making progress

Mercer released the Responsible Investment Total Evaluation (RITE) that will seek to assess the integration of ESG into investment decision-making of the UK asset owners. The framework will find proof of better decision outcomes by employing 75 data points among 21 regulatory themes such as governance and climate change. Based on Mercer’s Responsible Investing Pathway guide, a rating will be provided in the range of A++ to C.

Source: [ESG Investor](#)

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## Orange Group announced €30 million impact investing fund for start-ups aiming for sustainability

Orange Group launched Orange Ventures Impact, which will invest €30 million in start-ups that focus on environment, inclusion, and CareTech. Start-ups across a variety of sectors, such as cyber-security, gaming, and e-health, will be considered. They will be monitored on their actions and holistic impact on various themes such as job creation and CO2 avoided. The fund intends to invest in early-stage French and European start-ups.

Source: [ESG Today](#)

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## S&P Europe 350 ESG Index released for investors interested in the European market

The S&P Europe 350 ESG Index was introduced for ESG-sensitive investors looking to invest in Europe. The nuanced methodology of the index uses ESG scores and screens risk surveys for 61 different industries. It inculcates controversy monitoring and good governance, and it is aligned to the Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR). The index then singles out companies with poor ESG scores and suggests exclusion.

Source: [S&P Global](#)

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## Vanguard floated a new ESG-screened global corporate bond ETF

Vanguard has debuted its first ESG-screened global corporate bond ETF namely the Vanguard ESG Global Corporate Bond UCITS ETF. The assessment methodology looks to exclude issuers that obtain revenues from businesses such as controversial weapons, adult entertainment, gambling, and nuclear power. The ETF is linked to Bloomberg Barclays MSCI Global Corporate Float-Adjusted Liquid Bond Screened Index.

Source: [ETF Strategy](#)

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## Eurex introduced five new ESG-focused futures on MSCI ESG Enhanced Focus Indexes

The derivatives-centered exchange platform Eurex has introduced five new futures for its ESG investors, adding to its existing range of ESG products. MSCI’s ESG Enhanced Focus Indexes aim to maximize exposure to positive ESG metrics and decrease exposure to potential emissions risks. The products have been launched as a result of increasing demand in sustainability-centric investments.

Source: [ESG Today](#)

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## Amundi will transition ETFs into its sustainable fixed income line-up

To further its ESG product suite, Amundi will transition six fixed income ETFs into its line of existing sustainable fixed income line-ups. The ETFs will assume new indices that will generate insights from MSCI and eliminate ESG negative issuers. Companies involved in ESG-related controversies and engaged in discordant sectors will face exclusion.

Source: [ETF Strategy](#)

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# Law, Policies, and Regulations

## Singapore's Green Finance initiative issued an implementation guide for financial institutions

Singapore's Green Finance Industry Task Force (GFIT) issued an implementation guide for financial institutions that states the best practices that institutions need to follow while producing climate-related disclosures. The GFIT established a framework to assess green trade finance transactions.

Source: [Lexology](#)

## Australian finance regulators will lay more focus on climate-related risks for financial services firms

The Australian Prudential Regulation Authority (APRA) will look into more regulations related to climate risks and will be publicly accepting submission for new guidelines till July 31, 2021 on Prudential Practice Guide on Climate Change Financial Risks (CPG 229). The guide states policies and procedures to manage risks that APRA-regulated institutions face due to climate change.

Source: [Mondaq](#)

## Qatar Stock Exchange (QSE) to issue mandatory ESG disclosure requirements

Qatar Stock Exchange (QSE) will be issuing mandatory ESG disclosure requirements applicable to listed companies from January 2022. Disclosures will include sector based KPIs. QSE will also launch its ESG index by the end of 2021.

Source: [Responsible Investor](#)

## OCED to launch Impact Standards for financing sustainable development

The United Nations Development Programme (UNDP) and the Organization for Economic Co-operation Development (OECD) will be issuing SDG Impact Standards for Financing Sustainable Development. The impact standards consist of the best practice standards and self-assessment tools meant for companies to integrate into decision-making.

Source: [Responsible Investor](#)

## Shariyah Review Bureau to set up ESG advisory services

The Shariyah Review Bureau (SRB) is reviewing the EU green taxonomy and Task Force's recommendations on Climate-related Financial Disclosures to develop ESG advisory services for Islamic finance. The ESG advisory services will be issued by September 2021.

Source: [Responsible Investor](#)

## Latin America regulators launched a sustainable-finance-focused group

Latin American and Caribbean financial regulators have launched a sustainability group targeting the development of sustainable-finance norms and strategies. The Network of Regulators for Sustainable Development (REDES) will aim to enhance regional ESG disclosure and policy development.

Source: [Responsible Investor](#)





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## Top Controversies

### Seven investment banks fined for GBP 371 million over unlawful bond-trading cartel

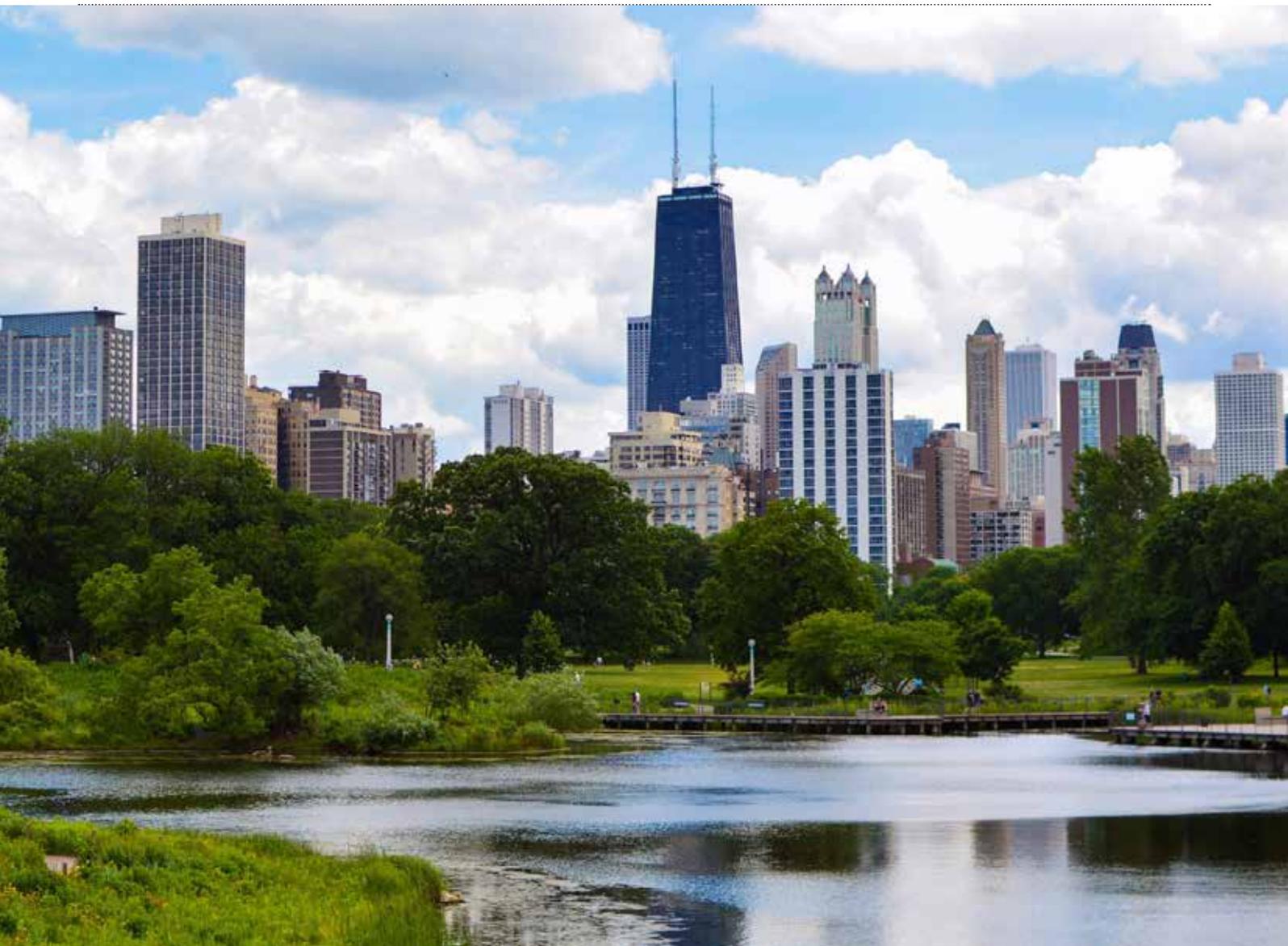
The European Commission imposed a fine of GBP 371 million on seven financial institutions for illegally colluding and price fixing in the primary and secondary market of European Government Bonds (EGB). The banks, namely Bank of America, Natixis, Nomura, NatWest, UBS, UniCredit, and West LB allegedly took part in the cartel through a group of traders and kept in contact through chat rooms to discuss and rig the prices. The major price fixing was done between 2007 and 2011.

Source: [Moneylife](#)

### State Street Corporation faced a criminal penalty of USD 115 million

The U.S. Department of Justice pressed a criminal penalty of USD 115 million on State Street Corporation for secretly overcharging customers of back-office expenses. The company admitted that it defrauded customers by charging expenses worth over USD 290 million from 1998 to 2015.

Source: [Reuters](#)





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## About SG Analytics

SG Analytics is one of the leading research and analytics companies to offer data-centric research and contextual analytics services. With its presence in the US, the UK, Switzerland, and India, SG Analytics offers research and analytics services to its customers across the globe. Awarded the 'Regional Best Employer' by the World HRD Congress for 2016 and 2018, SG Analytics' collegial atmosphere and knowledge-based ecosystem help to consistently meet and exceed customer expectations.

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