



Monthly ESG Newsletter

September 2022

**ARWIN &
PARTNERS**

Sustainability matters!

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ESAs – issue report on the extent of voluntary disclosure of PAI under SFDR

- On the 28th July, the Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) published the first annual report on the extent of voluntary disclosure of principal adverse impact under the Sustainable Finance Disclosure Regulation (SFDR)
- Based on a survey of the National Competent Authorities (NCAs), the ESAs show an indicative and non-exhaustive overview of good example of best practice and less good examples of voluntary disclosure
- The report includes a set of recommendations for NCAs to ensure appropriate supervision of financial market participants' practices, such as running regular surveys in their own market

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Eurosif - responses to the EFRAG consultation on the ESRS

- On the 8th of August, Eurosif submitted its response to the consultation on the European Sustainability Reporting Standards (ESRS), as elaborated by the European Financial Reporting Advisory Group (EFRAG)
- Eurosif congratulates the EFRAG on the development of an ambitious and comprehensive reporting framework based on double materiality and encompassing the full spectrum of Environmental, Social and Governance (ESG topics)
- Furthermore, the Eurosif welcomes the opportunity to comment on the relevance and usability of the standards from the perspective of financial institutions as users of ESG information and data

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EBA – consults on technical standards to determine the exposure of synthetic excess spread in securitisations

- On the 9th of August, the European Banking Authority (EBA) launched a public consultation on its draft Regulatory Technical Standards (RTS) on the determination by originator institutions of the exposure value of Synthetic Excess Spread (SES) in securitisations
- These Regulatory Technical Standards (RTS) reflect the amendments introduced by the Capital Markets Recovery Package (CMRP) to the Capital Requirements Regulation (CRR), including a preferential treatment for senior tranches of simple, transparent and standardised (STS) on-balance-sheet securitisations
- The RTS contribute to a more risk-sensitive prudential framework in the area of synthetic securitisation

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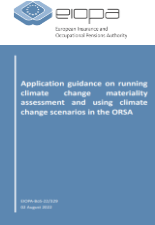



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August 2022 – New documentation on ESG issues

					
<p>UN PRI – Trends in ESG Reporting</p> <ul style="list-style-type: none"> The PRI is assessing how best to ensure accountability on responsible investment practices globally. The report carried out a review of the global ESG reporting landscape for investors and the key trends driving the reporting The review covered a total of 120 ESG reporting instruments across five global reporting initiatives and nine key state jurisdictions: Australia, Canada, China, the European Union, France, Hong Kong, Japan, the UK and the US The UN PRI findings should help signatories understand the current ESG reporting requirements applying to their investments and investment processes 	<p>Bank of Italy – Environmental Report 2022</p> <ul style="list-style-type: none"> The environmental goals of the UN Agenda 2030, the Paris Climate Agreement, and European and national environmental strategies require the commitment of all components of society, starting with the institutions In line with the Environmental Policy document, the Bank of Italy is committed to make its contribution in this area, through the performance of its institutional functions progressively reducing the environmental and carbon footprint of its activities Last year, at the United Nations Climate Change Conference COP26, the Institute reaffirmed its commitment to tackle climate change 	<p>EIOPA - Application guidance on climate change scenarios</p> <ul style="list-style-type: none"> This application guidance is a follow-up from EIOPA's Opinion on the supervision of the use of climate change risk scenarios in ORSA ("Opinion") published in April 2021 The Opinion sets out supervisory expectations on the integration of the use of climate change scenarios by insurance undertakings in their Own Risk and Solvency Assessment "ORSA" EIOPA therefore decided to elaborate on application guidance, seeing the advantages of developing and providing optional guidance for materiality assessment in the context of climate change 	<p>Deforestation: outlook, solutions and the corporate response</p> <ul style="list-style-type: none"> Reforestation plays a key role in addressing long-term climate change challenges, yet ten million hectares (or around 40% of the size of the UK) of forests are lost each year Deforestation is ultimately the result of two drivers: population growth and per capita consumption patterns. During the next three decades the world's population is set to increase by 59% according to estimates from the United Nations The report focuses on solutions that are reachable but also assess how corporates exposed to the deforestation supply chain and business model operation 	<p>Asia Pacific Renewable Energy Insights</p> <ul style="list-style-type: none"> Fifth edition of Asia Pacific Renewable Energy Insights covering the key regulatory, policy and market developments in all markets in the region at a time when global energy is facing unprecedented challenges Geopolitical hostilities, supply constraints at a time of rebounding energy demands post COVID-19 and other factors have led to extraordinary volatility in energy prices and a focus of market participants on inflationary pressures and energy security All of this at a time where environmental, social and governance (ESG) issues remain front of mind and the transition to a lower carbon world continues to gain momentum 	<p>NHS Scotland climate emergency and sustainability strategy: 2022-2026</p> <ul style="list-style-type: none"> This document sets out plans for NHS Scotland to reduce its greenhouse gas emissions and impact on the environment, adapting to the climate change by contributing to the United Nation sustainable development goals The climate and ecological emergency is a health emergency. Human health is inextricably linked to the health of our planet and its natural systems Climate change presents direct risks to human health such as extreme weather events. We are moving to a world of greater food and water insecurity as a result of this climate emergency. As humans we have a moral obligation to help to tackle the greatest threat to human health by reducing our impact on the environment
<p>Click here to download the report</p>	<p>Click here to download the report</p>	<p>Click here to download the report</p>	<p>Click here to download the report</p>	<p>Click here to download the report</p>	<p>Click here to download the report</p>

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ESG Today Carlyle launches decarbonization-linked program for private market

Carlyle Group announced the launch of a decarbonization-linked financing program, enabling borrowers to access capital with terms tied to their performance on climate-related goals. The program is among the first of its kind in the US private credit market

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ESG News MSCI and the London Stock Exchange reject EU ESG regulation proposals

Leading ESG rating providers including MSCI, and the London Stock Exchange Group have rejected the European Union's proposals to regulate the sector. The regulation of data providers and the need to provide transparent and consistent ESG data, has been a hard contested topic

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GRI Food & conflicts: why demands for corporate accountability are growing

As the conflict in Ukraine continues to escalate, the impacts on sustainable development become more pronounced, and the vulnerabilities in global food supply chains are increasing. According to World Bank analysis, Ukraine and Russia account for 29% of global wheat exports and 17.4% of world trade in maize

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Bloomberg Billions pulled from Europe controversial ESG Investing fund category

The SFDR adopted new regulatory frameworks as financial advisors need to explain the characteristics of financial products in a way that doesn't lead to misunderstandings. The law firm Simmons & Simmons has already suggested to add a new layer of risk to the asset-management industry

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REUTERS UK says global sustainability disclosures need to be simplified

Britain government, proposed global sustainability disclosure rules need to be simplified to avoid greenwashing. The new International Sustainability Standards Board (ISSB) sets up a global baseline rule for companies to disclose the risks and opportunities from climate change

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Nursing Times NHS launches a new sustainability strategy in Scotland

The National Health Service (NHS) launches in Scotland a climate emergency and sustainability strategy 2022-26 targeting five areas to lower carbon emissions in the health service, and it promises annual progress reports on the strategy

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Deloitte Deloitte launches end-to-end sustainability solutions with SAP

Deloitte announced the launch of a suite of sustainability solutions built on SAP technology, aimed at helping clients shape and manage their sustainable business strategies, with end-to-end offerings from ESG integration and reporting to sustainable finance and supply chain sustainability

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The Guardian Ireland targets 25% cut in agriculture emissions

Ireland has committed to a 25% cut in greenhouse gas emissions from agriculture by 2030 after a hostile political battle between farmers and business groups. The most contested sector was agriculture, and it causes about 37% of Ireland's emissions. Transport must reduce emissions by 50%, commercial and public buildings by 40% and industry by 35%

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ESG News Highlights: August 2022 | 2

BusinessGreen

Energy giants investing only a fraction of their profits in renewables

BP, Shell, Total Energies and Equinor invested most of their profits back into fossil fuel projects than they are into renewables and low carbon energy projects. The analysis found that BP invested £3.8 billion in new oil and gas projects more than 10 times the amount invested in low-carbon investments

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Linklaters

Regulation on reducing gas demand in the EU by 15%

A proposal for the Regulation was made by the European Commission on 20 July 2022 as part of its "Winter Preparedness Package" including legislative and non-legislative initiatives to reduce overall gas consumption in Europe by 15% during the next winter period

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ESG INVESTOR

China sets out national carbon plans by 2023

China's National Development and Reform Commission (NDRC) has published plans for standardising its statistics and accounts systems for carbon emissions. The plan proposes that by 2023, China will establish a unified carbon emission system as well as interdepartmental coordination mechanisms for recording and maintaining carbon emissions statistics

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cdp

CDP launches "Diversity, Equity and Inclusion" policy

Cassa Depositi e Prestiti (CDP) has launched the new 'Diversity, Equity and Inclusion' policy. The new set of rules aimed at promoting the values of diversity of equity and inclusion inside and outside the group. Moreover, it has been approved the first general responsible lending policy approved in June that is in line with the Strategic Plan 2022-2024

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Amundi

Amundi expands "ESG Improvers" investment range for US investors

Asset manager Amundi US announced the launch of Amundi US Equity ESG Improvers SMA, expanding its investment range for US investors. The strategy takes a forward-looking approach to identify companies with promising ESG trajectories, investing in future ESG-related growth at an early stage

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MarshMcLennan

Marsh launches world's first insurance for green and blue hydrogen projects

Marsh announced the launch of a first of its kind insurance and reinsurance facility that provides dedicated insurance capacity for new and existing green and blue hydrogen energy projects. Investments in green and blue hydrogen initiatives is estimated to exceed US\$150 billion by 2025

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ESG NEWS

Moody's: sustainable bond issues at \$225B in 2Q '22

Global issuance of green, social and sustainability-related bonds (sustainable bonds) totalled \$225 billion in the second quarter of 2022, down 19 percent from the second quarter of last year. The sustainable bond market is thus proving resilient in the face of difficult market conditions

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ESG Telegraph

India commits to 45% emissions intensity reduction by 2030

The Government of India announced the approval by cabinet of a new series of 2030 climate commitments, including an ESG program to reduce emissions intensity by 45% and to transition to approximately 50% electric power from non-fossil-based sources

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ESG Events Highlights | 1



Climate Change & Sustainability – 1/3 September

Climate Week 2022 will be bringing together a range of key actors from institutions, governments, cities and communities, the private sector, and civil society, including young minds, from all over the world, to make the world more climate-resilient

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Frankfurt, DE



Sustainability Week – 6/8 September

Borsa Italiana will organize the sixth edition of Sustainability Week an opportunity to provide a concrete response to the need of issuers and investors to benefit from educational and public discussion

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Virtual



10th International Conference on Sustainable Development – 7/8 September

European Center of Sustainable Development in collaboration with Canadian Institute of Technology will organize the 10th ICSD 2022 International Conference on Sustainable Development, with particular focus on Environmental, Economic and Socio-Cultural Sustainability

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Rome, IT

Putting ESG into Practice 2022 – 8 September

The full-day programme will address the basics of ESG integration, the latest developments in investor demands, new trends and themes, and the regulatory developments that firms need to know about

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London, UK



Banks & Net-zero by 2050 – 13 September

This webinar will explore the measures banks can take in order to achieve net-zero emissions by 2050

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TBD

ESG Events Highlights | 2



Evaluating challenges and opportunities in ESG investing – 15 September

The peer-led agenda developed for ESG Investment Leader will bring together the community of senior investment officers, ESG and responsible investing experts from pension plans, insurers, foundations and endowment funds to deliver both strategic insights and tactical guidance

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London, UK



ESG in Fixed Income Americas 2022 – 28 September

The one-day events will capture the crucial topics relevant to the green, social, sustainability and sustainability-linked (GSSS) bond markets contemporary challenges and new advancements in climate change

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NYC, USA



15th Edition Forum Banca ESG 2022 – 28/29 September

Bank's Executive Summit is the meeting, among national and international banks and institutions to define a common strategy to facilitate the ESG developments needed by the industry to avoid missing market opportunities and challenges

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Milan, IT



The Morningstar ESG Investment Conference – 29/30 September

The Morningstar ESG Investment Conference for Institutional Investors is a highly curated event with a programme catered to C-suite, Board Members, Portfolio Managers and ESG/Impact Investing Officers of institutional organisations

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Amsterdam, NL

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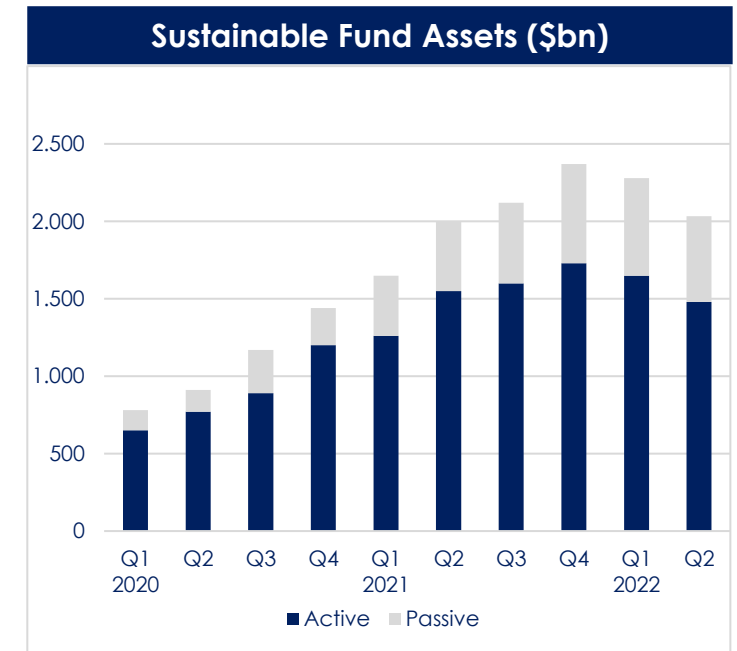
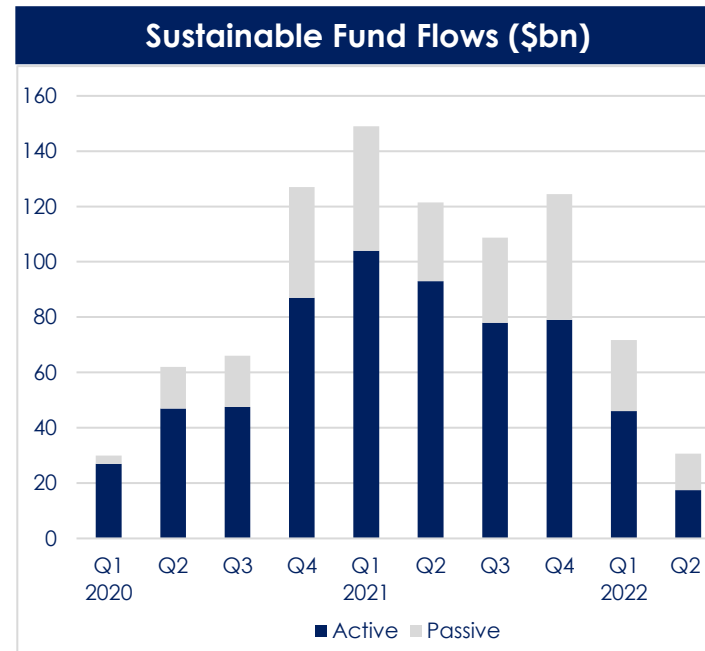
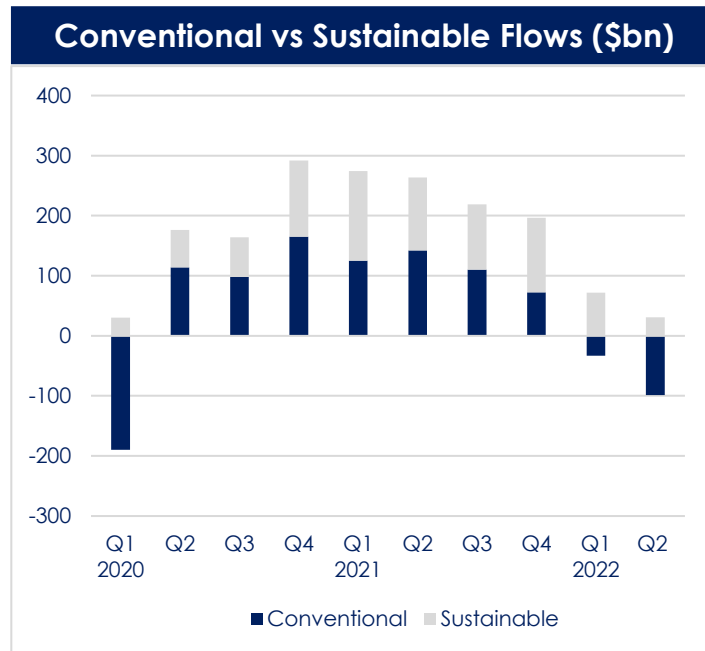
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Inflows into European ESG and Sustainable funds remain positive in Q2 2022, despite an overall reduction in fund inflows due to a reduction in conventional funds



- In the second quarter of 2022, total European investment funds recorded approx. \$68 bn of net outflows due to the negative performance of Conventional funds flows, **while sustainable fund flows remained positive at \$30 bn compared to the readjusted \$71.7 bn of net inflows in Q1 2022**
- At the end of Q2 2022, total AUM of European sustainable funds stood at above \$2,000 bn, 27% of which are passive. Overall, **sustainable funds accounted for more than 18% of European fund assets**, at the end of June 2022 (17% in Q1 22)
- Inflows into passive sustainable funds represent around 42% of total sustainable funds flows compared to readjusted 36% in Q1 2022

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ESG Conferences organised by Investment Banks and Brokers

Organiser	Event Name	Mode	Location	Date	Hyperlink (if any)
 BNP PARIBAS	ESG Conference	In attendance	Paris	27-29 September 2022	
 OPPENHEIMER	Navigating the ESG & Climate Transition	Virtual	-	28-29 September 2022	Oppenheimer
 CREDIT SUISSE	2022 Credit Suisse Sustainability Week	tbd	tbd	October 2022	Credit Suisse
 INTESA SANPAOLO	Italian excellences 2022	In attendance	Paris	11-12 October 2022	Intesa Sanpaolo
 CREDIT SUISSE	ESG Land based for a sustainable world	In attendance/Virtual	London	12-13 October 2022	Credit Suisse
 SOCIETE GENERALE	ESG/SRI Conference	In attendance	Paris	15-16-17 November 2022	Société Générale SA
 Santander	Santander ESG banking Conference	tbd	tbd	3 November 2022	Banco Santander
J.P.Morgan	Global Energy Conference	In attendance	London	7-8 November 2022	J.P.Morgan
 UBS	Impact Investing Forum 2022	In attendance	London	7-8 December 2022	UBS
 Deutsche Bank	dbAccess Global ESG Conference	Virtual	-	9 March 2023	Deutsche Bank
 BARCLAYS	ESG Finance Conference	Virtual	-	5 April 2023	Barclays