



Monthly ESG Newsletter

August 2024

**ARWIN &
PARTNERS**

Sustainability matters!

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ESG Regulatory updates

July 2024



European Commission – CSDDD published in the Official Journal

- The Corporate Sustainability Due Diligence Directive (CSDDD) will come into force on 25 July 2024. Member states will have until 26 July 2026 to transpose the CSDDD into their national laws. The CSDDD will apply on a phased basis for in-scope companies as follows:
 - European Commission – CSDDD published in the Official Journal → 26/07/2027
 - More than 3000 employees and EUR 900.000.000 worldwide net turnover → 26/07/2028
 - All other in-scope companies → 26/07/2029
- Under the new rules, in-scope companies will be subject to far-reaching obligations to implement processes to identify and take action against operations adverse to human rights and with negative environmental impacts, as well as those throughout their value chains
- The regime can apply also for non-EU companies
- Timing: 2024 ongoing

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ESAs – put forward measures to support corporate sustainability reporting

- The European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) published a Final Report with the Guidelines on Enforcement of Sustainability Information (GLES) and a Public Statement on the first application of the European Sustainability Reporting Standards (ESRS). The purpose of the GLES is to provide guidance to build convergence of supervisory practices on sustainability reporting
- The guidelines and statement published are in line with recommendations proposed in the recently published ESMA Position Paper “Building more effective and attractive capital markets in the EU”:
 - promoting EU capital markets as a hub for green finance – this should include efforts to clarify the disclosure of sustainability information to aid investors’ comprehension
 - improving supervisory consistency amongst EU National Authorities – fostering harmonised enforcement outcomes through enhanced cooperation and convergence
- Timing: 2024 ongoing

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EFRAG – deal with the interaction between EU ESRS and GRI Standards

- Following the collaboration between EFRAG and GRI, the GRI has published a Q&A paper on what the new European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD) mean for its users. Moreover, the collaboration will lead to 42,500 companies publishing impact reporting through the ESRS that is aligned with the GRI Standards
- This Q&A paper includes links to various resources, such as the (i) [interoperability index](#) and (ii) [data mapping table](#), as well as training courses and report services. There is also an explanation of how the GRI Standards, ESRS and ISSB Standards fit together, including their different approaches to materiality
- As an additional resource, the GRI provides a GRI-ESRS Linkage Service that offers feedback to reporting organisations on how to align a GRI sustainability report with the ESRS. Furthermore, a series of GRI Academy training courses focused on the ESRS will be available throughout this year
- Timing: 2024 ongoing

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Global trends in climate change litigation

- This report provides a numerical analysis of how many climate change litigation cases were filed in 2023, where and by whom, and a qualitative assessment of trends and themes of cases filed. It is the sixth report in the series, produced by the Grantham Research Institute in partnership with the Sabin Center for Climate Change Law and drawing on the Sabin Center's Climate Change Litigation Databases. Each report provides a synthesis of the latest research and developments in the climate change litigation field
- Some of the key insights are:
 - At least 230 new climate cases were filed in 2023. Many of these are seeking to hold governments and companies accountable for climate action
 - 2023 was an important year for international climate change litigation, with major international courts and tribunals being asked to rule and advise on climate change
 - In this year's analysis a new category of 'transition risk' cases was introduced, which contains cases filed against corporate directors and officers for their management of climate risks

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Profits and poverty: the economics of forced labour

- The obscene level of annual profit generated from forced labour in the world today amount at US\$236 billion. This figure reflects the wages or earnings effectively stolen from the pockets of workers, often already struggling to meet the needs of their families
- For migrant workers, it is money taken from the remittances they send home to their families and relatives. For governments, these illegal profits represent lost tax revenue, because of the illicit nature of the gains and the jobs that generated them. More broadly, the profits from forced labour can incentivize further exploitation, strengthen criminal networks, encourage corruption and undermine the rule of law
- Section 1 of the report provides a background discussion of the forced labour situation in the world, drawing on the results of the latest global estimates. Section 2 describes the methodology employed for the estimation of illegal profits. In conclusion, Section 3 presents the estimation results

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Social Benchmark 2024

- In 2024, the world is beyond the midpoint of the timeframe for achieving the UN Sustainable Development Goals (SDGs), but negative trends have increased, affecting many aspects of life and impacting the most excluded populations. Fundamental human rights violations are prevalent in numerous countries, challenging the very notion of humanity
- According to the latest CIVICUS Monitor report, only 2% of the global population enjoys full civic freedoms, while 31% live in closed countries with no access to basic freedoms. The lack of internal accountability mechanisms enables countries to bypass regional and international regulations
- Companies need to engage in socially responsible business practices, including respecting human rights, offering decent work with fair wages, ensuring safe environments, and acting ethically by paying taxes and lobbying responsibly. The report emphasizes the gap between corporate practices and societal expectations, as measured against the World Benchmarking Alliance's Social Benchmark

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The 2024 Climate Finance Report

- This report provides a detailed analysis of the edie and Lloyds Bank 2024 Corporate Climate Finance Survey. Now in its second year, this Climate Finance Report investigates the drivers, challenges and opportunities when it comes to mobilising and scaling up finance which accelerates corporate climate action
- The survey was completed by 70 sustainability and finance professionals, predominantly working in UK-based roles in energy and sustainability management, with businesses of all sizes and sectors represented, including the finance sector
- While the survey captured an increased top-level willingness to act on environmental sustainability, it also uncovered significant barriers to securing the finances needed to turn ambitions into action, with budgets squeezed by the current high cost of energy and materials. Nonetheless, the report also uncovered an array of chances to turn challenges into opportunities. These include aligning environmental sustainability and cost savings amid the energy price crisis, as well as embedding transition principles into business strategies

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Renewables accounted for more than half of EU power

New research has revealed that renewables accounted for more than 50% of all power generated across Europe in the first half of 2024. According to the research findings from Eurelectric's Electricity Data Platform (ELDA), the surge in clean energy adoption has been attributed to a substantial influx of renewables into the grid, as well as the stable performance of existing nuclear power facilities

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Von der Leyen: Clean Industrial Deal

European Commission President Ursula von der Leyen committed to introduce a new "Clean Industrial Deal" early in her second mandate, aimed at directing investment towards infrastructure and industry. Especially, towards energy intensive sectors, to support the EU's industrial decarbonization, growth and competitiveness goals

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AWS, Google & others for green digital infrastructure

The iMasons Climate Accord's Governing Body, including AWS, Google, Meta, Microsoft, Digital Realty, and Schneider Electric, has released an open letter urging data center suppliers to adopt Environmental Product Declarations (EPDs). EPDs are standardized, third-party-verified documents that report a product's greenhouse gas emissions throughout its lifecycle

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Biden-Harris award grants for Climate Solutions

The Biden-Harris Administration has announced \$4.3 billion in Climate Pollution Reduction Grants as part of the Investing in America agenda. This initiative, spearheaded by the U.S. Environmental Protection Agency (EPA), targets community-driven solutions to mitigate climate change, enhance air quality, and promote environmental justice

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UK King's speech with plan to tackle Climate Change

The UK King outlined the government's legislative agenda, prioritizing economic growth, tackling climate change, creating jobs, and developing the national infrastructure. The King's Speech introduced over 35 bills to support these goals, including the Budget Responsibility Bill, the Planning and Infrastructure Bill, as well as the Industrial Strategy Council

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Boohoo share price decline over ESG disclosures

Boohoo's ESG disclosures relating to factory workers have led to a share price decline. Following this, a group of institutional investors have brought claims against Boohoo asserting breaches of the Financial Services and Markets Act 2000 (FSMA). The claim focuses on Boohoo's alleged failure to disclose information relating to the daily wages paid to workers at supplier factories

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Edison & Webuild for Italy's hydroelectric sector

Edison & Webuild have committed to jointly develop Edison's hydropower storage projects in Southern Italy. The goal is to achieve at least 500 MW of pumped storage by 2030 and to develop the Italian hydropower industry, to enhance the country's energy independence and economic development

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GRESB: launches transition risk analytics solution

Real estate and infrastructure-focused ESG data provider GRESB launches its new Transition Analytics solution. This new set of emissions and activity analytics tools aims to help asset managers deal with transition risk, engage with their portfolio companies, and meet environmental commitments and reporting requirements

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ESG & Sustainability upcoming events

August 2024



AIMA Australia Seminar: ESG Super Session 2024: 1 August

The 2024 ESG Super Session will take an in depth look at the current ESG landscape, examining the ever-changing regulations and how to create value with ESG

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Sydney,
AU



Beyond ESG Strategy: 6-8 August

Australia's premiere ESG procurement event returns with a sharp focus on how to successfully implement ESG initiatives. The event goes far beyond mere strategy and theory. Participants will walk away with the practical skills, essential tools, and actionable processes helpful to meet your ESG, procurement and business goals

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Sydney,
AU



Green Industrial Indonesia 2024: 12-14 August

GREEN Industrial Indonesia 2024 is the most comprehensive green industry trade show in Indonesia. It brings together major brands to present their innovative solutions and advanced technology for the green industry

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Jakarta,
INDO



World ESG Summit: 20-21 August

The World ESG Summit is a platform designed to ignite innovation. Distinguished industry leaders and experts from diverse backgrounds will convene to explore cutting-edge approaches to integrate Environmental, Social, and Governance (ESG) principles into the very core of business operations

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Dubai,
UAE



Sustainable Switzerland Forum: 22 August

This Forum was launched to inspire its participants to think and act together through experiences, insights and encounters. In this way, the forum aims to contribute to the transformation towards a sustainable economy

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Berna,
CH



International Conference on Environmental and Sustainable Development 2024: 27 August

This conference, hosted by the Doctoral Program of the Environmental Science Department at Universitas Sebelas Maret, seeks to address the pressing challenges posed by environmental degradation and to explore innovative solutions to build resilient futures

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Virtual

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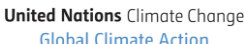

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ESG Conferences organized by Investment Banks and Brokers

Annual list

Organiser	Event Name	Mode	Location	Date	Hyperlink (if any)
 BORSA ITALIANA	Euronext Sustainability Week	In attendance	Milan	9-13 September 2024	Borsa Italiana
 BORSA ITALIANA	Investor Conference - Focus on Infrastructure & Energy	In attendance	Milan	12 Settembre 2024	Borsaitaliana
 United Nations	Summit of the Future	In attendance	New York	22-23 September 2024	United Nations
 UBS	UBS ESG and Sustainability Symposium 2024	In attendance	London	14-19 October 2024	UBS
J.P.Morgan	Global Energy Conference	In attendance	London	4-5 November 2024	JPMorgan
 MORNINGSTAR	Sustainable Investing Summit 2024	In attendance	Amsterdam	7-8 November 2024	Morningstar
 United Nations Climate Change Global Climate Action	UN Climate Change Conference	In attendance	Baku	11-22 November 2024	UN Climate Change
Jefferies	Energy Transition Conference	In attendance	New York	21 November 2024	Jefferies
J.P.Morgan	European Financials Conference	In attendance	London	21-22 November 2024	JPMorgan
 Kepler Cheuvreux	IR Summit 2024	In attendance	London	10-11 December 2024	Kepler Cheuvreux

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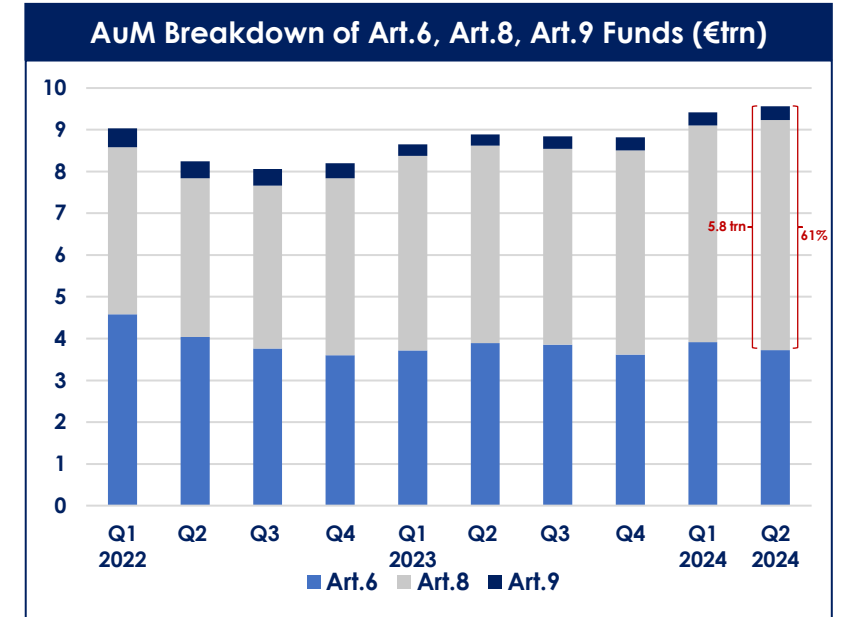
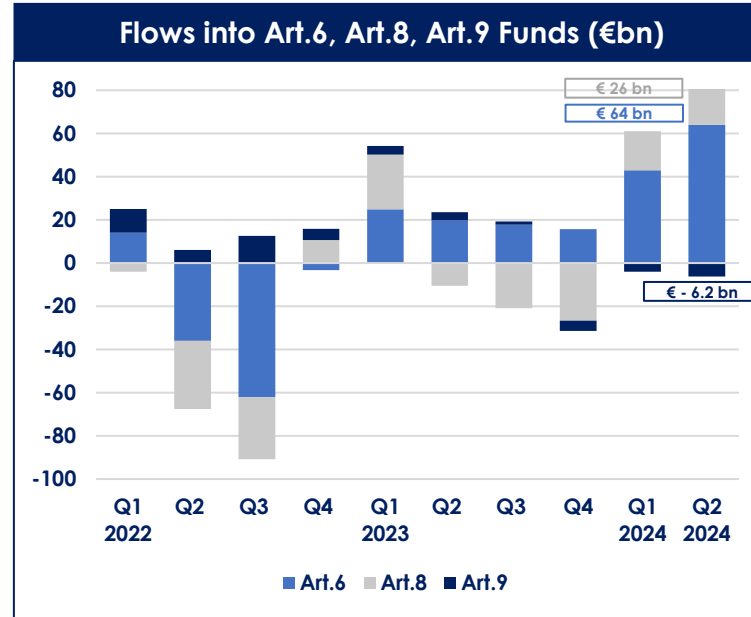
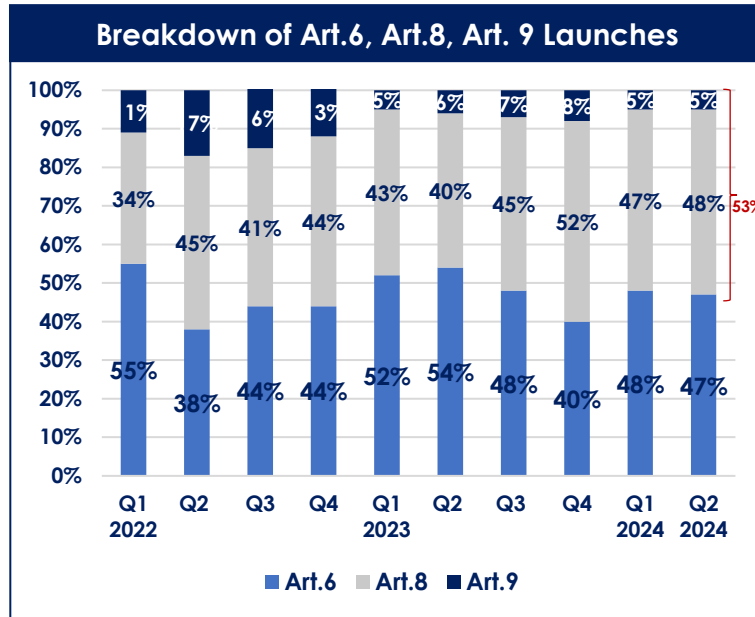
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Article 8 and Article 9 Fund account for 61% share of total AuM in Q2 2024



- In Q2 2024, **Art. 8 and Art. 9** funds accounted for 53% of the total number of funds launched in the EU
- **Art. 9** funds recorded **€6.2 bn of outflows in Q2 2024**, compared to €4 bn outflows in Q1 2024
- **Art. 8 and Art. 9** AuM funds stood at **€5.8 trn at the end of June 2024**, increasing the share to 61% of the EU funds

Source: Morningstar

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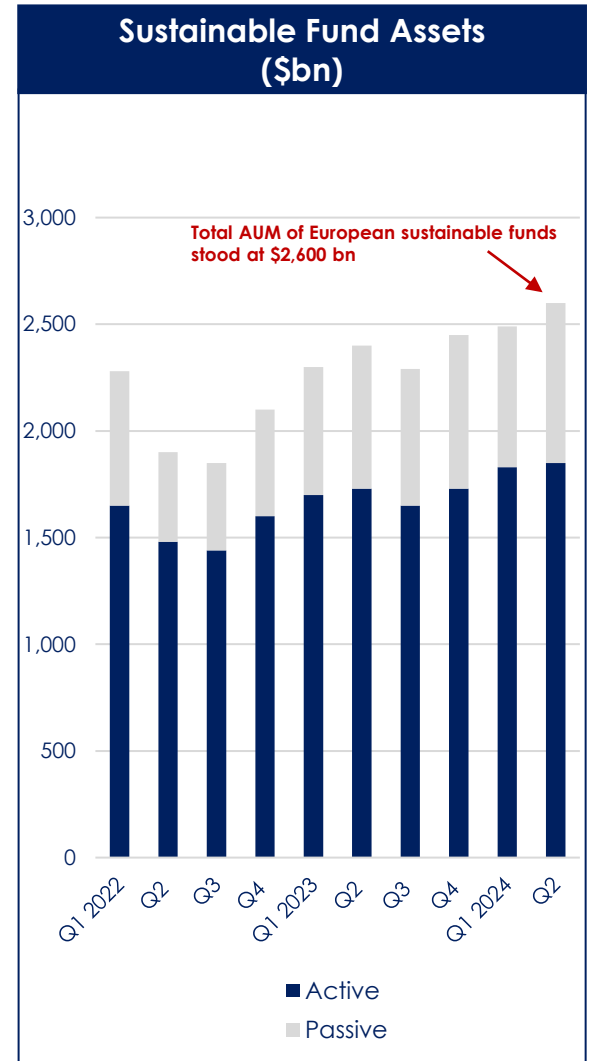
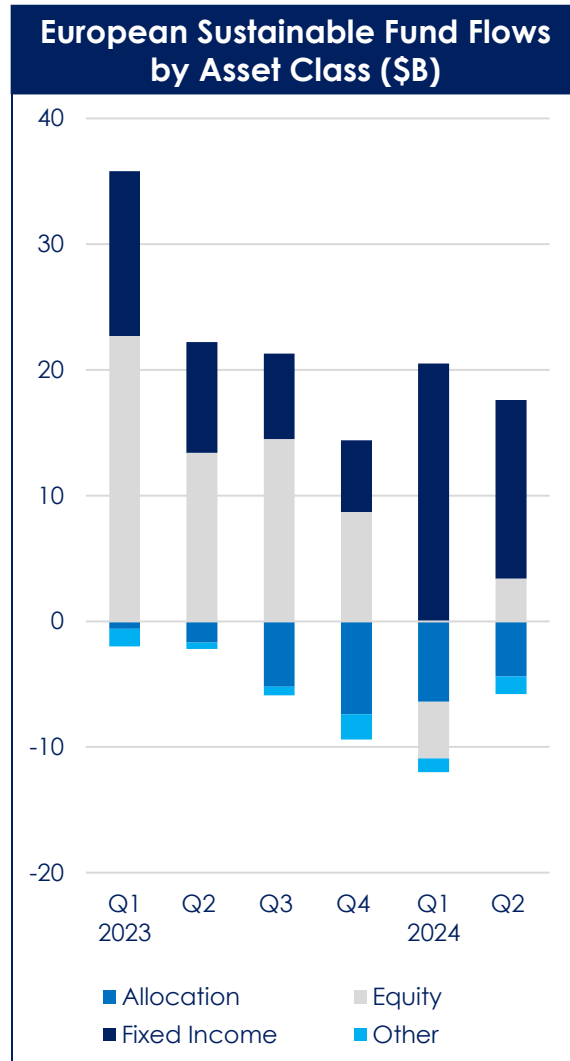
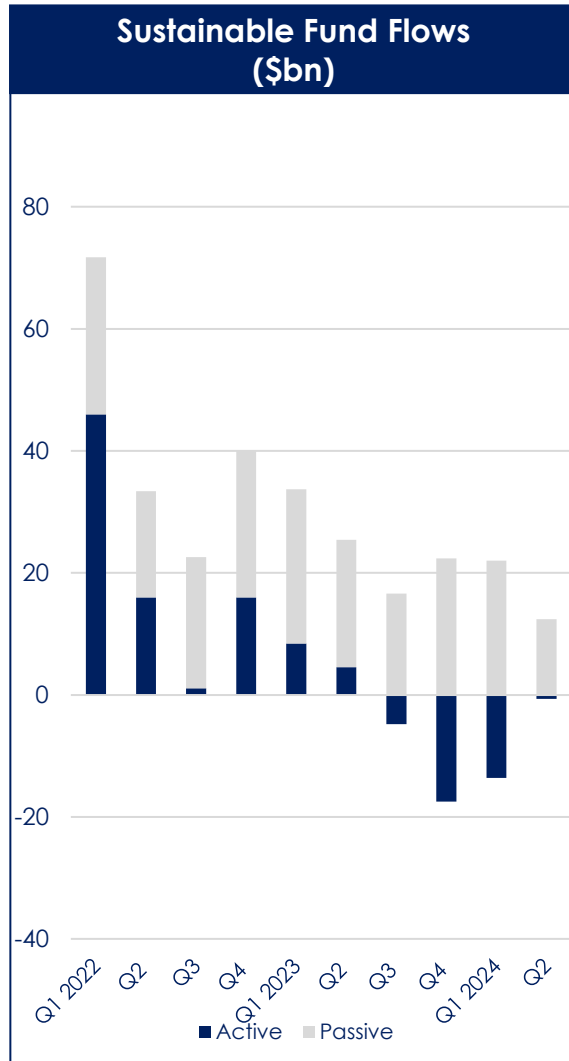
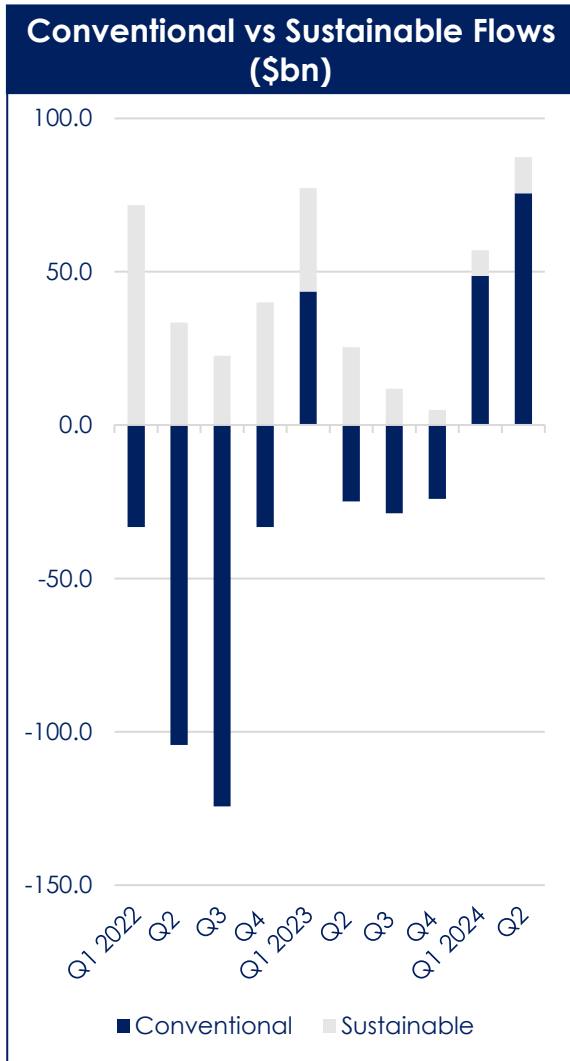
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European sustainable fund flows in Q2 2024 continued to record positive flows



Piero Munari

E-mail: piero.munari@arwinpartners.com

Mara Milani

E-mail: mara.milani@arwinpartners.com

Pietro Masera

E-mail: pietro.masera@arwinpartners.com

Daniele Ridolfi

E-mail: daniele.ridolfi@arwinpartners.com

Lavinia Borea

E-mail: lavinia.borea@arwinpartners.com

Matteo Manusardi

E-mail: matteo.manusardi@arwinpartners.com

ARWIN & PARTNERS

Sustainability matters!

www.arwinpartners.com

Via San Vittore 36
20123, Milano