



## Monthly ESG Newsletter – Corporates

ESG issues continue to gain strength and momentum

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Milan, October 2021

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## Section 1

### Regulatory Updates

# September 2021 – European Sustainable Action plan updates



European  
Commission

## 2021 revision of the Renewable Energy Directive

- The Renewable Energy Directive is the legal framework for the development of renewable energy across all sectors of the EU economy. It establishes **common principles and rules** to remove barriers, stimulate investments and drive cost reductions in renewable energy technologies, and empowers citizens, consumers and businesses to participate in the clean energy transformation.
- The proposal raises the ambition of the existing legislation to align it with EU's increased climate ambition. It also seeks to **introduce new measures to ensure that all potentials for the development of renewable energy are optimally exploited**, which is the necessary condition to achieve the EU's objective of climate neutrality by 2050.

[Click here to download the text](#)



European Securities and  
Markets Authority

## ESMA 2022 Annual Work Programme

- Based on the EU Commission's Renewed Sustainable Finance Strategy and in line with ESMA's own Sustainable Finance Strategy, in 2022, **the priority will be to support building the relevant rules related to ESG disclosures, ESMA's risk assessment and lead the set-up of common approaches in NCAs' related supervisory practices.**
- ESMA will further develop its **risk identification methodology related to ESG factors** and continue to promote transparency by issuers and market participants. This will help investors to better understand the impact of ESG factors on their investment(s) and enhance transparency on an investment's contribution to a sustainable economy.

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EUROPEAN CENTRAL BANK

## ECB economy-wide climate stress test

This paper describes the ECB's economy-wide climate stress test, which has been developed to assess the resilience of non-financial corporates (NFCs) and euro area banks to climate risks, under various assumptions in terms of future climate policies. This stress test comprises three main pillars:

- **climate specific scenarios** to project climate and macroeconomic conditions over the next 30 years;
- **a comprehensive dataset** that combines climate and financial information for millions of companies worldwide and approximately 1,600 consolidated euro area banks;
- **a novel set of climate-specific models** to capture the direct and indirect transmission channels of climate risk drivers for firms and banks.

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## Section 2

### September 2021 - New ESG reports

# September 21 – New documentation on ESG issues for Corporates

Source: EFRAG



## **Towards Sustainable Businesses: Good Practices in Business Model, Risks and Opportunities Reporting in the EU**

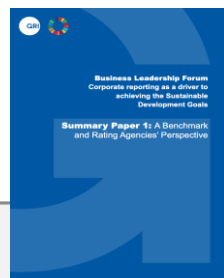
The focus of the document is to identify good reporting practices to assist reporting entities to improve the quality of their sustainability reporting.

Find below a summary of the key findings on the challenges of sustainability reporting derived from this review:

- **Reporting on the business model is not holistically developed and lacks information**
- **Disclosures of value creating aspects of the business model have found their way into corporate reporting,**
- **Destruction of value may be caused by underestimation of environmental or social risks**
- **Disclosures were sometimes found to lack a balanced perspective** and sometimes only portray positive impacts

[Click here to download the report](#)

Source: GRI Standards



## **Business Leadership Forum Corporate reporting as a driver to achieving the Sustainable Development Goals**

*Summary Paper 1: A Benchmark and Rating Agencies' Perspective.*

*Summary Paper 2: Unlocking Corporate Sustainability Information to Track Progress on the SDGs at the National Level.*

*From the inception of the SDGs, GRI has championed the participation of the private sector in measuring corporate performance on the SDGs and worked together with partners to shape corporate SDG reporting.*

[Click here to download the Summary Paper 1](#)

[Click here to download the Summary Paper 2](#)

Source: ICMA



## **The Sustainability Disclosure Regime of the European Union**

New and amended EU legislation is introducing significant sustainability and ESG related disclosure requirements that are impacting all participants in the European capital markets. In April 2020, **ICMA published a first update summarising these various requirements and how they interact with each other.** Since then, there have been further developments of which this document seeks to give as much as possible a comprehensive and practical overview.

Key points to retain are:

- **The taxonomy regulation**
- **The SFDR**
- **The NFRD and proposed CSRD**
- **The Low Carbon Benchmark Regulation**
- **Credit Rating regulation**

[Click here to download the report](#)

## Section 3

### Sustainable Financing and Investing Survey 2021

# According to a new Survey, companies and investors are redefining their relationship with society and placing sustainability increasingly at the core

## ISSUERS

93%

Have either increased their attention to environmental issues, social issues, or both

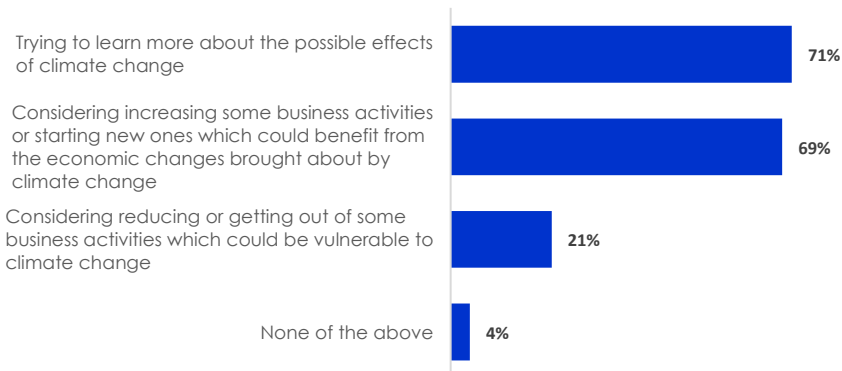
## INVESTORS

83%

Have either increased their attention to environmental issues, social issues, or both

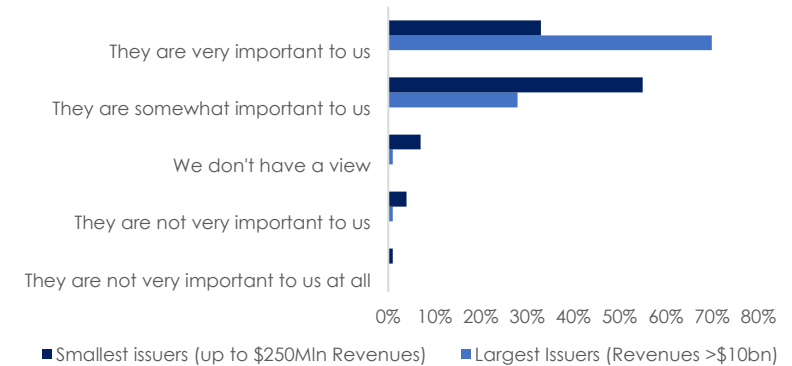
### Issuers are preparing to take informed action

What actions is your organisation taking to prepare for or lessen the impact?



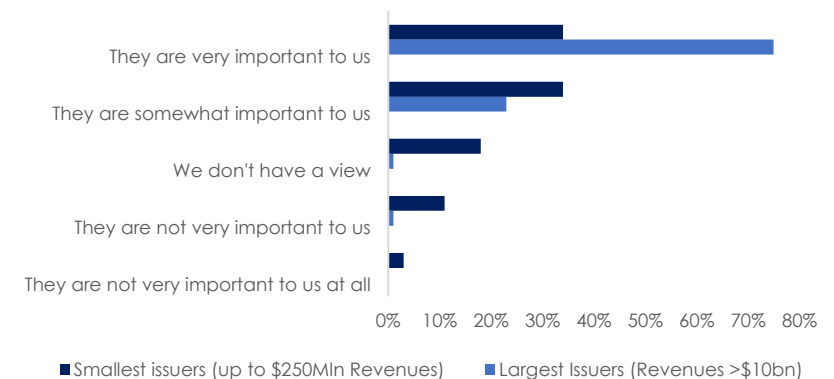
### The larger the company the higher the importance of these issues

What is your organization's attitude to environmental and social issues?



### The larger the investor the higher the importance of these issues

What is your organization's attitude to environmental and social issues?



Source: HSBC Sustainable financing and investing survey 2021

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## Section 4

### September ESG News and future events



# ESG News Highlights: September 2021

## Jupiter Opens Global Sustainable Equities Fund to International Investors

*The strategy aims to find high-quality global companies driving the transition to a more sustainable world by integrating ESG considerations into the investment process. It envisions equities in companies that manage their businesses with a long-term orientation.*

SOURCE: [www.esg360.it](http://www.esg360.it)

## Debuts the EU Green Bond Framework

*The European Commission presents the NextGeneration EU - Green Bond Framework. A performance-based approach is foreseen: proceeds are transferred to national states only upon satisfactory completion of objectives.*

SOURCE: [www.eticanews.it](http://www.eticanews.it)

## Colt aims for net zero emissions by 2030

*Group sets carbon reduction goals recognized by the Science-Based Targets Initiative: lowering Scope 1 and 2 by 46% by the end of the decade and working with suppliers to significantly reduce Category 3 throughout the supply chain.*

SOURCE [www.esg360.it](http://www.esg360.it)

## Diageo Climate Goals Approved by Science Based Targets Initiative as in Line with 1.5C

*Global spirits and beer company Diageo announced today that its 2030 GHG emission reduction targets have been approved by the Science-Based Targets Initiative (SBTi) as meeting the criteria to keep global warming to 1.5°C.*

SOURCE: [www.esgtoday.com](http://www.esgtoday.com)

## Thematic, the environment pushes the ESG score

*The analysis of the Thematic Top15 focuses on two ESG indicators (score and impact) of Msci. The best ESG score belongs to a Goldman Sachs Am fund, with Amundi as equal, while the fund with the highest impact is by Bnp Paribas Am.*

SOURCE: [www.eticanews.it](http://www.eticanews.it)

## Low disclosure? Here comes the SEC letter.

*The SEC is ready to ask for extra information about the impacts of climate change. And it publishes the template missive that companies subject to the requests might receive. Watch out for discrepancies with sustainability reports and litigation.*

SOURCE: [www.eticanews.it](http://www.eticanews.it)

# ESG Events Highlights: October 2021

## **The salon of CSR and social innovation 12,13/10/21**

*One of the most eagerly awaited events in Italy on the culture of sustainability and Corporate Social Responsibility (CSR).  
This year's initiative is entitled "Rebirth Sustainable".*

[www.finanzasostenibile.it](http://www.finanzasostenibile.it)

## **LuxFLAG Sustainable Investment week 11-15/10/21**

*#LSIW21 is a series of independent events that will cover a wide range of topics such as climate finance, ESG, impact investing, and the Sustainable Development Goals.*

[www.luxflagevents.lu](http://www.luxflagevents.lu)

## **Key Findings on ESG & Sustainability – 2021 Morrow Sodali Survey 15/10/21**

*Outline the latest trends in ESG among institutional investors and understand the impact in future investment strategies .*

[www.eventbrite.it](http://www.eventbrite.it)

## **Net-zero goal: how to reach it? 26/10/21**

*With what tools can financial actors contribute to climate change mitigation by aligning investment and financing policies with the "net-zero" goal?*

[www.finanzasostenibile.it](http://www.finanzasostenibile.it)