MONTHLY ESG NEWSLETTER

November 2025

ARWIN & PARTNERS

Sustainability matters!

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ESG REGULATORY UPDATES
October 2025

Eurosif | INTERNATIONAL MONETARY FUND | ESMA | ESMA

Omnibus initiative: Sustainability rules are essential for European competitiveness

- *Protect EU sustainability standards: investors urge that the "Omnibus" review should not weaken the CSRD and ESRS framework. Simplification is acceptable, but not at the expense of ESG reporting quality and completeness*
- *Preserve double materiality and global alignment: reporting must continue to cover both financial risks and environmental/social impacts, while staying consistent with international standards (ISSB, GRI, TNFD)*
- *Strengthen the CSDDD and transition planning: Companies should keep integrating environmental and social due diligence and maintain robust climate transition plans, without excessively narrowing the value chain scope*

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Global Financial Stability Report: Shifting Ground beneath the Calm

- *Financial markets appear stable, but asset prices are well above fundamentals, driven by easy liquidity and optimism. This increases the risk of sudden, disorderly corrections if conditions tighten or shocks occur*
- *The rapid growth of less-regulated NBFIs creates systemic vulnerabilities through opacity, leverage, and liquidity mismatches. The IMF calls for stronger global supervision, fuller Basel III implementation, and clearer rules for digital assets and stablecoins*
- *Rising bond yields reflect growing fiscal and debt concerns, not just better growth. The IMF urges tighter fiscal discipline, stronger domestic bond markets, and a broader, more coordinated regulatory approach to safeguard stability*

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ESMA publish Final RTS under ESG Ratings Regulation

- *ESMA published the final Regulatory Technical Standards (RTS) under the ESG Ratings Regulation to set detailed rules for authorization, governance, and transparency of ESG rating providers in the EU, aiming to enhance market clarity and reliability*
- *The RTS outline authorization requirements for ESG rating providers. They establish safeguards for mixed activities to ensure independence and integrity of assessments. Transparency obligations include disclosure of data, methodologies, ownership, and remuneration.*
- *ESG rating providers must adapt to stricter authorization and organizational standards by July 2026. Investors and issuers will benefit from greater transparency and comparability. This may increase compliance costs but will strengthen trust, consistency, and accountability across the ESG ratings market*

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ESMA's 2026 Work Programme: from Supervision to Simplification

- *ESMA aligns with the new Savings & Investments Union (SIU) agenda, supporting deeper integration of trading/post-trading infrastructure, cross-border fund access, and supervisory harmonization. It also commits to a "simplification & burden reduction" (SBR) approach, reviewing reporting regimes holistically rather than fragmentary*
- *In 2026 ESMA will begin direct supervision of Consolidated Tape Providers (CTPs), external reviewers of European Green Bonds, and ESG rating providers, while also adopting its joint oversight role under DORA (Digital Operational Resilience Act)*
- *ESMA will significantly enhance its data strategy: building the ESMA Data Platform, pushing for integrated reporting, exploring AI / SupTech tools, and improving public access to data. Meanwhile, sustainable finance is elevated as a cross-cutting priority*

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INSIGHTFUL ESG REASERCH

October 2025

MSCI

Sustainability as Leading Indicator for Credit Events

- *Lower ESG ratings signal higher credit-event risk. Issuers whose bonds have low MSCI ESG Ratings are significantly more likely to experience adverse credit events (distress, downgrades, extreme spread widening) than high-ESG issuer*
- *High-ESG issuers both fare better and last longer. Using survival analysis, the authors find that high-ESG rated bonds face ~37 % lower hazard (risk) of a credit event and tend to "survive" ~69 % longer without suffering an event compared to low-ESG rated bonds*
- *While the aggregate ESG rating is a stable predictor across sectors, drilling down to environmental, social or governance "key issues" can yield more precise signals in specific sectors. Governance factors are among the most consistent predictors of credit stress across many industries*

[***Click here to download the report***]

CANDRIAM

Can We Assess Companies' Ecological Debt? And How?

- *Candriam proposes a proprietary methodology to translate companies' impacts on biodiversity into monetary terms, estimating ecosystem restoration costs as a standardized measure of the financial risk associated with biodiversity loss*
- *Using a case study in the textile sector, the analysis shows that potential restoration costs could represent on average more than 2% of annual revenues (and up to 4% for some companies), highlighting the importance of preventing negative impacts rather than merely compensating for them.*
- *The methodology serves as a lever to integrate biodiversity-related risks and opportunities into investment decisions, promoting measurable targets, shareholder engagement, and more effective management of environmental transition risks.*

[***Click here to download the report***]

WORLD ECONOMIC FORUM

Green Procurement Playbook: Guide to Delivering Value for Business and Planet

- *Corporate procurement accounts for over 90% of total emissions in many industries; Chief Procurement Officers are therefore in a key position to integrate sustainability into supply chains and turn climate goals into tangible business outcomes*
- *The report introduces a maturity model ("Stages of Excellence") and eight operational pillars to embed sustainability into purchasing decisions from CPO leadership and cross-functional collaboration to the use of data, governance mechanisms, and incentive systems linked to environmental KPIs*
- *Transitioning to green procurement demands clear incentives, data-driven business cases, and advanced tracking tools to turn decarbonization into a source of innovation and competitive advantage*

[***Click here to download the report***]

BCG

The Value of Staying Sustainable in Private Markets

- *Sustainability remains a strategic and financial advantage in private markets. Despite economic pressures and shifting regulations, ESG integration continues to deliver measurable business value and long-term resilience*
- *Funds that embed ESG into their investment process achieve stronger performance. While many portfolio companies have short, or mid-term emissions targets, few commit to full net-zero, with larger and more mature firms leading the way. Enhanced employee experience is emerging as a key lever for operational and financial performance*
- *BCG advises investors not to scale back ESG ambitions but to focus on credible metrics, transparent reporting, and integration across the investment lifecycle to maintain trust and competitive advantage*

[***Click here to download the report***]

INSIGHTFUL ESG NEWS
October 2025

Global banking climate alliance folds four years after launch

The Net-Zero Banking Alliance (NZBA), launched in 2021 under Mark Carney to align banks with the 1.5°C climate goal, has disbanded after major US and European banks withdrew due to political backlash. This reflects waning global coordination on climate finance and the US's renewed withdrawal from the Paris Agreement. Critics see this as a setback, but banks may still assess climate risks independently

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EU postpones Sustainability Reporting Rules for non-EU

The EU Commission decided to delay the adoption of ESRS for non-EU companies under CSRD. The new timeline now pushes adoption to no earlier than October 2027. The move is part of the EU's "simplification agenda," aimed at reducing regulatory burdens and improving competitiveness. The delay aligns with broader efforts to streamline secondary legislation ("Level 2 acts") and reflects ongoing revisions under the proposed Omnibus I package

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Italy launches BIAE, first bank focused on sustainable transition

Italy has launched BIAE (Banca Italiana per l'Ambiente e per l'Energia), the country's first bank entirely dedicated to sustainability and the energy transition. The bank operates via two divisions: Green Lending, offering financing for renewable energy and efficiency projects, and Green Advisory, providing specialized consultancy including M&A and debt advisory. One focus area is small to medium photovoltaic installations

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How system-level investing aims to fix the whole system

System-level investing focuses on the broader economic, environmental, and social systems that shape financial markets, rather than individual companies. It recognizes that long-term returns depend on the health and stability of these systems and aims to influence systemic outcomes, like climate resilience and social equity, through long-term, responsible investment and active engagement

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EU to water down climate rules ahead of leaders' summit

The European Commission plans to soften parts of the Green Deal to address economic pressures from member states, sparking divisions between those seeking more flexibility and those fearing a weakening of climate goals. The move highlights growing tensions within the EU over balancing environmental ambition with economic competitiveness

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Carbon Pricing Market evolution: less ETS, more credits

The carbon pricing market is shifting from regulated systems to voluntary carbon credit markets. ETS uses a cap-and-trade model for emissions, while VCM allows companies to offset emissions via credits. VCMs face challenges like fragmentation, low transparency, and inconsistent credit quality. Article 6 of the Paris Agreement aims to harmonize global carbon markets. Stronger regulation and collaboration are needed to improve credibility and efficacy

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EU Omnibus I requirements proposal vote results

On 22 October 2025, the European Parliament rejected the JURI Committee's mandate to start trilogue talks on the Omnibus I Proposal, which would amend the CSRD and CSDDD. A full plenary vote, likely on 13 November 2025, is now required. The decision delays negotiations with the Council and casts doubt on finalising the package in 2025. It creates uncertainty for companies and investors waiting for sustainability reporting and DD rules.

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Norway's wealth fund maintains net zero emission pressure

The world's largest sovereign wealth fund, Norway's Government Pension Fund Global, reaffirms its commitment to ensuring that all 8,500 companies in its portfolio align with the goals of the Paris Agreement, despite a weaker international climate context. The fund has updated its climate plan by introducing stronger measures to push companies to take action, including tighter scrutiny of their climate-related lobbying activities

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ESG & SUSTAINABILITY UPCOMING EVENTS | 1
4Q 2025

Organiser	Event Name	Location	Date	Hyperlink (if any)
Climate Technology Show	Climate Technology Show	London	1-2 November 2025	Bringing Together Global Climate Action Stakeholders For a Sustainable Tomorrow
BIS	Sustainability data issues and central banks' experience	Amsterdam	4 November 2025	IFC Satellite Seminar on "Sustainability data issues and central banks' experience"
Economist Impact	Sustainability Week Europe	Amsterdam	6-7 November 2025	Sustainability Week Europe
Produrable	18° edition Producible	Paris	8-9 November 2025	Producible 18th edition sustainable economy stakeholders and solutions
IUCN World Conservation Congress	IUCN World Conservation Congress	Abu Dhabi	9-15 November 2025	IUCN World Conservation Congress
Sustainable Fitch	The Future of ESG Data EMEA	London	13 November 2025	The Future of ESG Data EMEA
SB San Diego	Sustainable Brands San Diego	San Diego	13-16 November 2025	Sustainable Brands San Diego
SOSV Climate Tech Summit	SOSV Climate Tech Summit	Virtual	14 November 2025	SOSV Climate Tech Summit
Innovatrix	Innovatrix 2025	Vienna	15-16 November 2025	2nd ESG Innovation & Finance Summit
Arctic Circle	2025 Arctic Circle Assembly	Reykjavik	16-18 November 2025	2025 Arctic Circle Assembly
es	Electricity Market 2025	Milan	17 November 2025	Electricity Market 2025
TheConduit	Green Economy Forum	London	21 November 2025	Green Economy Forum: Financing the Green Transition
Reuters Events	Sustainability Europe 2025	London	21-22 November 2025	Sustainability Europe 2025
es	Carbon Market Outlook	Milan	22 November 2025	Carbon Market Outlook 2025

ESG & SUSTAINABILITY UPCOMING EVENTS | 2

4Q 2025

Organiser	Event Name	Location	Date	Hyperlink (if any)
carbon unbound europe	Carbon Unbound Europe	London	21-22 November 2025	Carbon Unbound Europe
responsible investor	Responsible Investor Asia	Singapore	22-23 November 2025	Responsible Investor Asia
CLIMATE CHANGE WEEK	Climate Change week	Milan	22-24 November 2025	4th World Conference on Climate Change & Sustainability
VERGE	VERGE Impact 25	San Jose	28-30 November 2025	VERGE Impact 25
PRI Principles for Responsible Investment	PRI in Person 2025	Sao Paulo	4-6 November 2025	PRI in Person 2025
SMARTCITY EXPO WORLD CONGRESS	Smart City Expo	Barcelona	4-6 November 2025	Smart City Expo World Congress
ECOMONDO The green technology expo.	Ecomondo – The Green Technology Expo	Rimini	4-7 November 2025	Eco Mondo The ecosystem of the ecological transition
Greenbuild INTERNATIONAL CONFERENCE • EXPO	Greenbuild 2025	Los Angeles	4-7 November 2025	Greenbuild international conference + Expo
ACESD	Asia Conference on Environment and Sustainable Development	Fukuoka	8-10 November 2025	2025 10th Asia Conference on Environment and Sustainable Development
websummit LISBON · NOVEMBER 10-13, 2025	Web Summit	Lisbon	10-13 November 2025	Web Summit
IISD SDG Knowledge Hub	2025 UN Climate Change Conference	Belem	10-21 November 2025	2025 UN Climate Change Conference (UNFCCC COP 30)
Sustainable Innovation Forum 2025	Sustainable Innovation Forum 2025	Belem	18-25 November 2025	15th annual edition of the Sustainable Innovation Forum
SLUSH	Slush 2025	Helsinki	19-20 November 2025	Slush annual event

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ESG CONFERENCES ORGANIZED BY INVESTMENT BANKS AND BROKERS
ANNUAL LIST

Organiser	Event Name	Location	Date	Hyperlink (if any)
J.P.Morgan	Global Energy Conference	London	3-4 November 2025	Global Energy Conference
Jefferies	Renewables & Clean Energy Conference US	New York	3-5 December 2025	Renewables & Clean Energy Conference US

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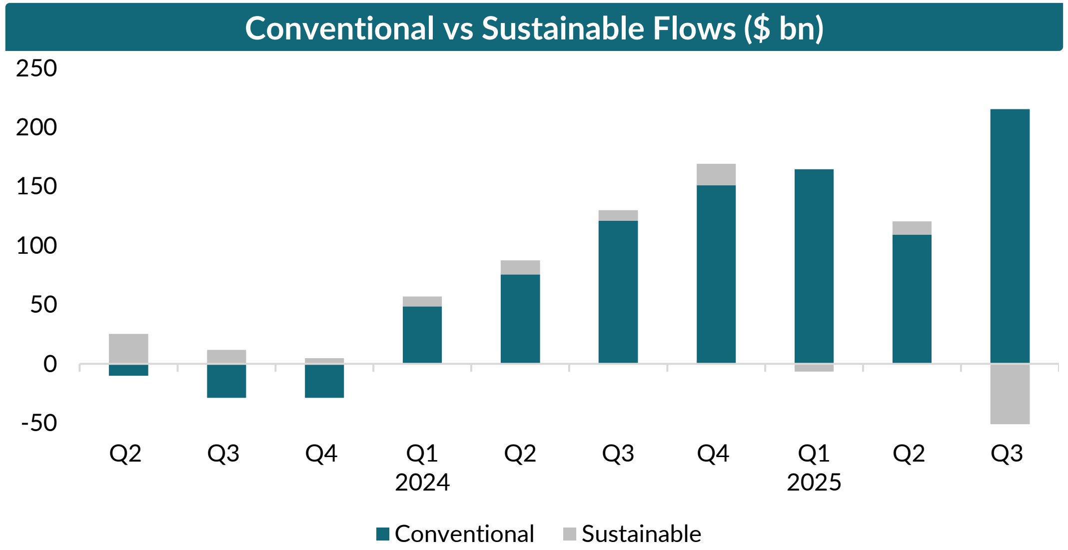
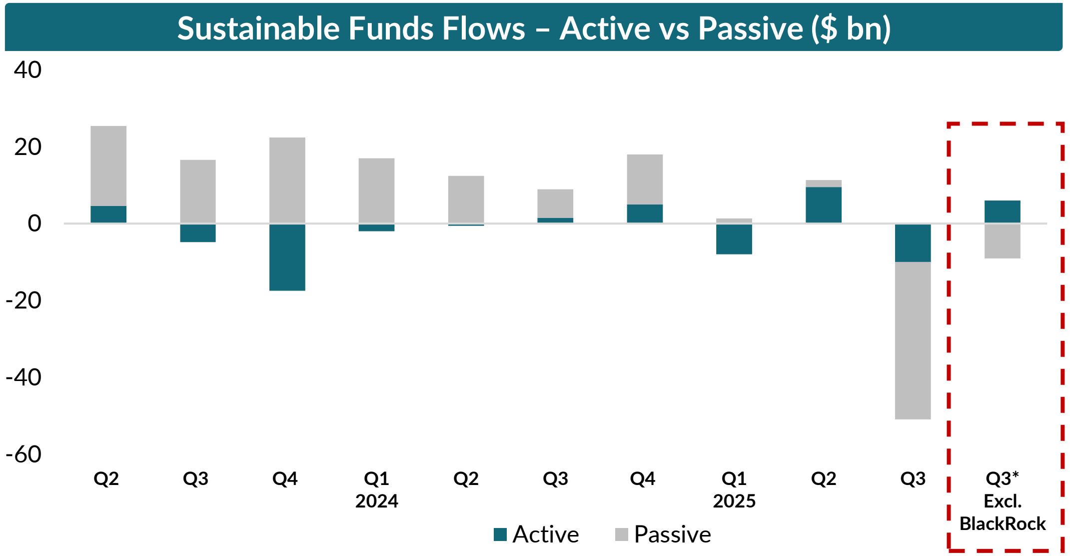
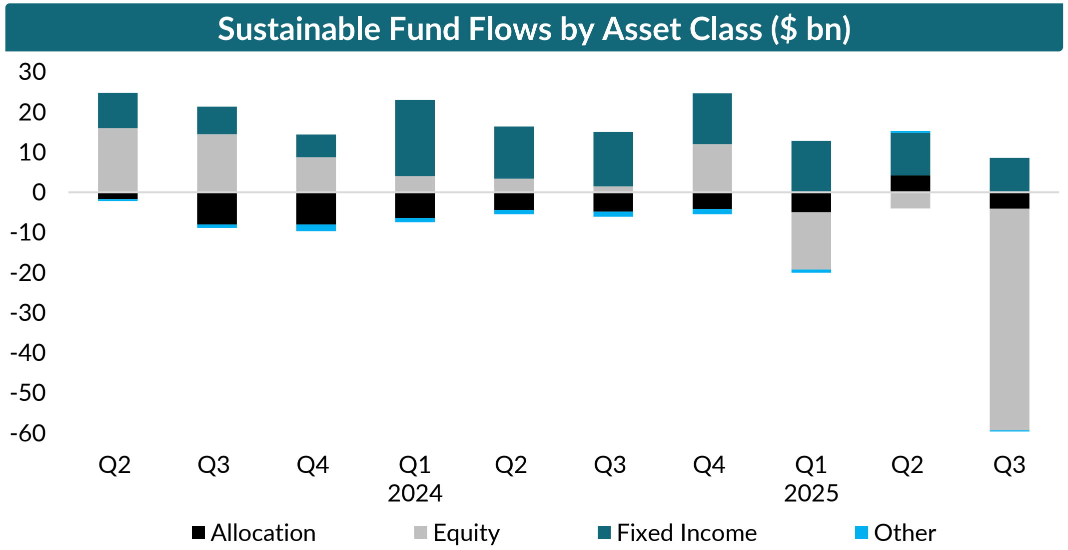
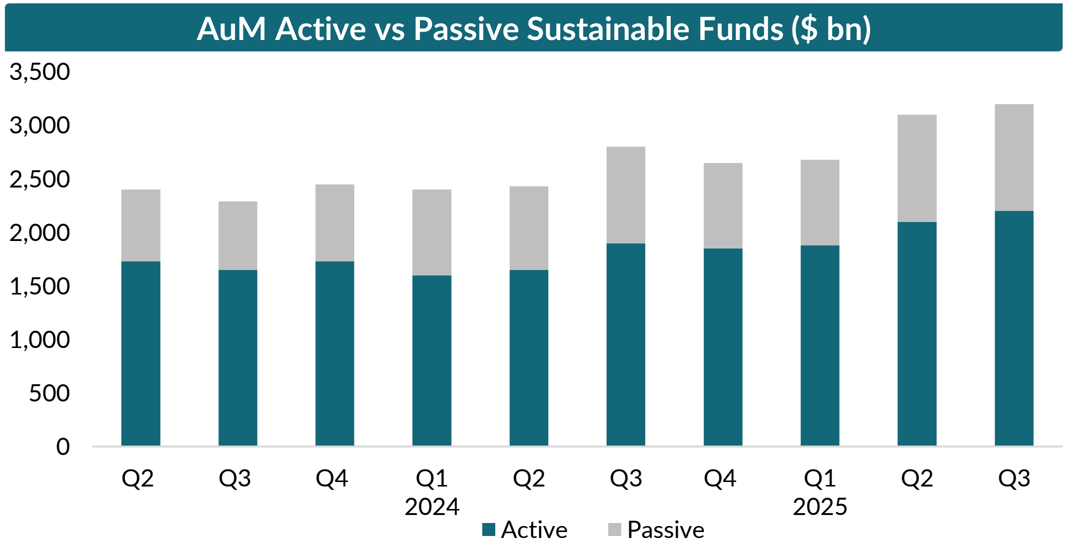
EXCLUDING THE OUTFLOWS FROM FOUR BLACKROCK FUNDS, SUSTAINABLE FUND FLOWS WERE CLOSE TO BREAKEVEN LEVELS









Source: Morningstar
*: The vast majority of the outflows stemmed from redemptions in a range of UK-domiciled BlackRock funds
Note: According to Morningstar research, the global "sustainable" fund universe encompasses open-end funds and ETFs that, by prospectus or other regulatory filings, claim to focus on sustainability; impact; or environmental, social, and governance factors. Universe of sustainable funds is based on intentionality rather than holdings

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