



# ESG NEWSLETTER

1Q 2026

**ARWIN &  
PARTNERS**

*Sustainability matters!*

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# ESG REGULATORY UPDATES

1Q 2026



## ESAs publish joint Guidelines on ESG stress testing

- The Joint Guidelines require competent authorities to integrate ESG risks into supervisory stress tests, clearly defining objectives, scope, and methodology
- Adequate resources (skilled staff, high-quality data, and IT infrastructure) and appropriate timelines are needed to ensure accurate analysis and effective supervision
- The guidelines were subject to public consultation and, although improved based on the feedback received, they maintain the original approach. They must also establish appropriate timelines and grant financial institutions sufficient time to prepare, in order to ensure accurate analyses and effective supervision

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## Thematic notes on clear, fair & not misleading sustainability-related claims

- The note aims to ensure that sustainability-related claims are clear, fair, and not misleading, reducing the risk of greenwashing through four key principles: accuracy, accessibility, verifiability, and up-to-dateness
- It focuses on common ESG strategies (particularly ESG integration and ESG exclusions), highlighting that they are often used ambiguously and must be clearly explained to avoid misleading investors
- It provides practical guidance (do's & don'ts) and examples of good and poor practices to improve ESG communication in non-regulatory materials (e.g. marketing), strengthening transparency and investor trust

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## Commission registers European Citizens' Initiative on accessible and sustainable transport

- The European Commission has registered a European Citizens' Initiative (ECI) aimed at promoting sustainable transport, seeking to make rail a real alternative to aviation through a stronger European rail network
- The proposals include an EU-wide aviation fuel tax, the removal of VAT exemptions, and the use of revenues to fund a European rail organization
- If the initiative gathers at least one million signatures across at least seven Member States, the Commission will have to assess it and decide on possible actions, without the registration implying approval of its content

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## EBA launches consultation on amendments to Guidelines on the systemic risk buffer

- Climate and environmental risks are considered systemic, with significant impacts on financial institutions and the broader economy due to their wide scope, uncertainty, and spillover effects
- The Systemic Risk Buffer can be used by authorities to mitigate these risks; existing guidelines are being updated to explicitly incorporate climate risks
- The proposed changes enable authorities to address both transition risk (linked to economic activities) and physical risk (linked to geographic location), while also improving the design and monitoring of measures based on past experience

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# INSIGHTFUL ESG REASERCH

## 1Q 2026



### Why financial leadership on nature matters for sustainable growth

- More than 50% of global GDP depends on nature, yet most planetary boundaries have already been exceeded; environmental risks such as biodiversity loss and ecosystem collapse are the most severe long-term threats
- There is a strong financial misalignment: for every \$1 invested in protecting nature, \$30 is spent on harmful activities, increasing systemic risks for the economy and financial system
- Closing the \$700 billion annual biodiversity finance gap is both a necessity and an economic opportunity, with new investments and financial tools supporting sustainable growth and long-term stability

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### From gender intent to measurable impact in credit investing

- Nature underpins the global economy (over \$58 trillion depends on it), yet rapid biodiversity and ecosystem degradation creates systemic risks, making a transition to a nature-positive economy essential
- The study (WWF, RVO, CDP) examines how to integrate nature into transition planning, identifying barriers and enabling conditions through interviews, workshops, surveys, and analysis of frameworks and policies
- Transition planning emerges as a key tool to translate goals into concrete actions and strengthen resilience and stability; the report proposes a coordination network and a call to action for businesses, financial institutions, and policymakers

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### Systems Stewardship: How investors are responding to systemic risks

- Systems stewardship is an evolution of traditional stewardship that expands engagement beyond individual companies, involving entire systems to address systemic risks such as climate change and biodiversity loss
- These risks are non-diversifiable and affect the entire market, impacting the majority of long-term returns; therefore, coordinated action among investors, companies, and institutions is needed to shape rules, policies, and economic behavior
- It is implemented through collaboration, policy engagement, and interventions across the entire value, but it faces challenges related to resources, impact measurement, and prioritization

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### Physical climate risk and the pricing of bank loans

- Physical climate risk increases borrowing costs: higher climate vulnerability in a firm's host country leads to higher interest rates (around +39 basis points), especially for long-term loans and financially distressed firms
- Banks manage this risk not only through pricing but also by adjusting other loan terms (such as loan size, collateral requirements, and fees), reflecting greater attention to climate risk in credit decisions
- The main channel is through increased default probability: physical climate risk worsens long-term credit ratings (but not short-term ones), confirming that it affects loan pricing via firms' credit risk

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# INSIGHTFUL ESG NEWS

## 1Q 2026



### Climate investors give BP until April 1 to include resolution or risk court action

A group of climate-focused investors led by Follow This, representing about \$1 trillion in assets under management, has given BP until April 1 to include a climate resolution in its shareholder meeting agenda or face legal action. The proposal calls for greater transparency on long-term strategies under declining oil and gas demand scenarios. BP rejected the request as invalid, triggering a dispute over governance and shareholder rights in the UK

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### Greenwashing: What's Changing Starting in September

Italy is introducing new rules against greenwashing with Legislative Decree 30/2026, implementing the EU directive and updating the Consumer Code: green claims must be clear, specific, and supported by verifiable evidence, banning vague or misleading statements. The regulation also limits the use of uncertified environmental labels, unsubstantiated future claims, and "carbon neutral" statements based solely on offsetting

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### EFRAG warns GRI: more alignment with ESRS is needed to avoid burdens on companies

EFRAG calls on the GRI to further align its workers' rights standards with the European ESRS to avoid duplication, operational complexity, and additional costs for companies. Key issues include differences in definitions, value chain scope, and disclosure structure, which risk fragmenting reporting. Without greater interoperability, the system could become less effective and more burdensome.

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### Carbon-Removal Credits Licensed by EU Get Nasdaq Backing

A carbon capture and storage project in Stockholm, backed by investors including Nasdaq, represents the first sale of EU-certified carbon removal credits, aiming to stimulate a market potentially worth hundreds of billions of dollars. The system seeks to promote investment in technologies such as BECCS to achieve climate neutrality, providing companies with tools to offset residual emissions

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### Companies Warn Investors of Energy Price Jitters Fueled by Iran War

Companies are warning investors that the war in Iran is creating significant uncertainty in energy prices, with rising oil costs and potential long-lasting disruptions to supply, particularly due to tensions in the Strait of Hormuz. Businesses across various sectors, from airlines to food service and retail, are reporting negative impacts on operating costs, supply chains, and consumer demand, with effects that may persist even after the conflict ends

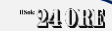
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### India delays coal flexibility plan as solar power curbs rise

India has delayed by one year its plan to make coal power plants more flexible, which were expected to reduce minimum output to support solar energy, due to the lack of rules for compensating retrofit costs. This delay, combined with limitations in transmission infrastructure, is leading to restrictions on solar generation and risks increasing emissions and costs for consumers, while also reducing the effectiveness of investments in renewables

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### Emerging countries and sustainability, Chile in first place in the ranking

Chile leads Dpam's sustainability ranking among emerging markets, followed by the Czech Republic and Poland, based on over 50 ESG indicators and excluding non-democratic countries. India is improving thanks to economic and social progress but remains constrained by governance issues, highlighting ongoing ESG challenges

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### UK suffers OECD's biggest growth downgrade as Iran war pushes up energy costs

The United Kingdom's growth outlook has been significantly downgraded by the OECD, with 2026 GDP reduced to 0.7%, marking the largest downgrade among major economies, due to rising energy costs linked to the U.S.-Israel-Iran conflict and domestic fiscal tightening. Inflation is expected to rise to 4.0% in 2026, which may keep interest rates unchanged in the short term before cutting them in 2027

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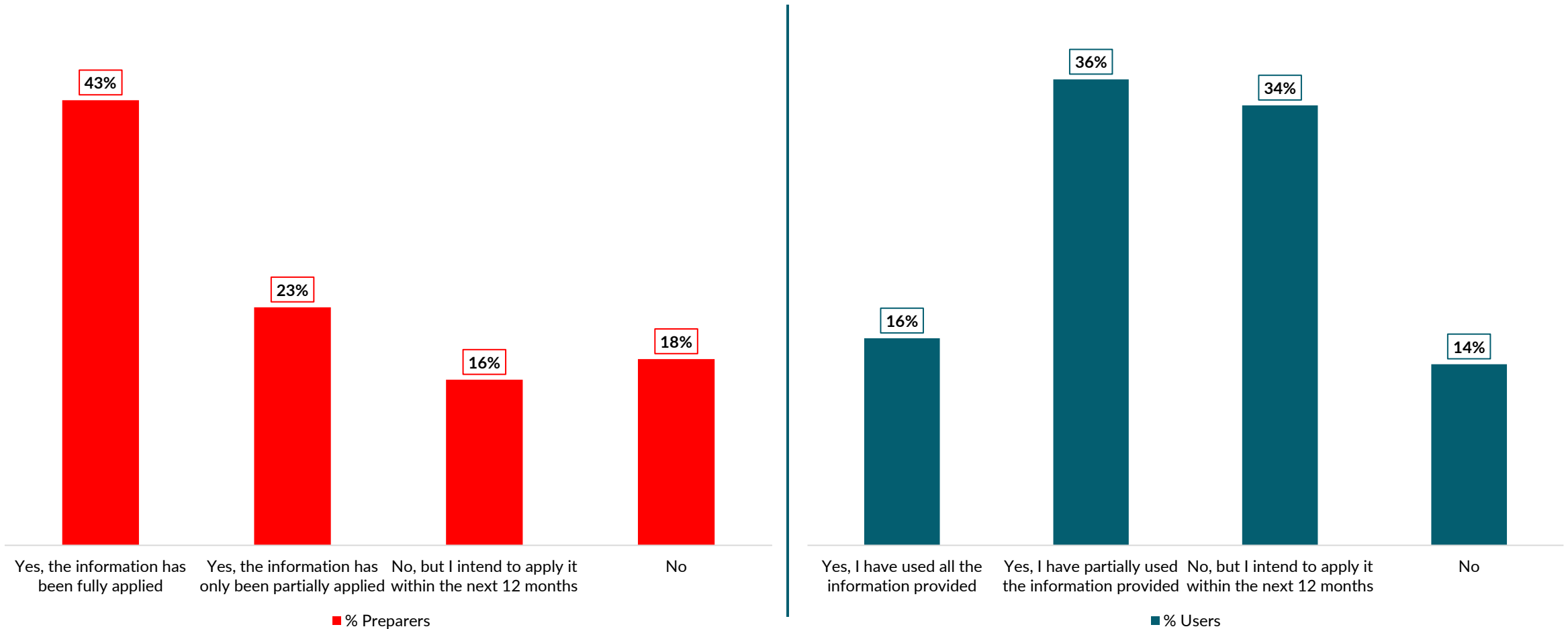
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# EXECUTIVE SUMMARY

- The “**VSME Market Acceptance**” report, produced by EFRAG, analyzes the level of awareness and use of the VSME **one year after its publication**, highlighting a growing acceptance of the model
- The VSME, a voluntary standard designed for companies with fewer than **250 employees**, is generating increasing interest despite ongoing regulatory uncertainties and the need for operational support
- The analysis was conducted between October 2 and November 24, 2025, through an online questionnaire structured into three sections covering: (i) respondent profiles, (ii) levels of awareness/adoption, and (iii) practical implementation aspects. The **main objective was to assess the degree of knowledge and use of the VSME**, as well as the perceived benefits and challenges among respondents
- The sample consists of 282 respondents, distributed among Preparers (41%), Users (20%), and other stakeholders such as consultants, policymakers, and academics (39%). Among Users, the sample includes large companies (6%), banks and financial institutions (4%), and investors (3%). Among Preparers, **the largest share is represented by micro, small, and medium-sized enterprises**
- Geographically, **the 282 respondents are primarily based in Europe**, with the highest representation in France (12%), Italy and Germany (both 9%), the Netherlands and Norway (6%), followed by Spain (5%) and Belgium (4%)
- From a **sectoral perspective**, the most represented industries are consulting (20%), accounting (11%), business/professional services and manufacturing (both 9%), followed by finance/banking/insurance (7%) and education (6%)

# APPLICATION OF THE VSME BY PREPARERS AND USERS

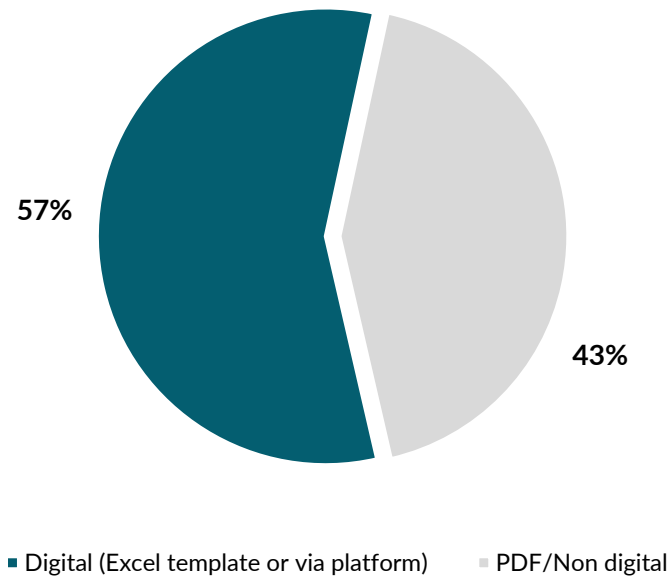
- Within the Preparers category, the majority of respondents have fully applied all the information required by the VSME
- As for Users, a more gradual approach prevails, with around 70% of respondents having partially applied or planning to apply VSME information within the next 12 months



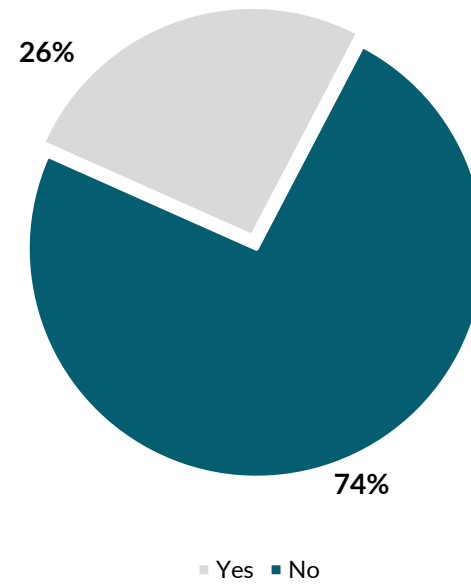
# VSME MODULES APPLIED

- With regard to **Preparers**, the survey shows that **the majority (57%) produce the VSME Report in a non-digital format or as a PDF**
- **Only about a quarter (26%) of Preparers** have already **published their reports on their corporate websites**
- In terms of modules applied, the large majority (67%) **selected both the “Basic” and the “Comprehensive” modules**; 24% used only the “Basic” module, while 9% combined the “Basic” module with selected disclosures from the “Comprehensive” module

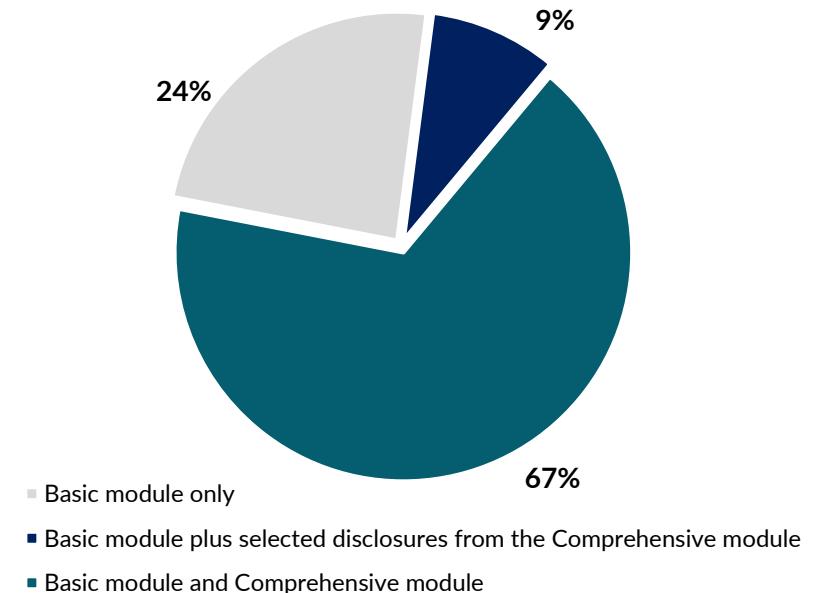
Format of the VSME Sustainability Report



Has the VSME report been published?

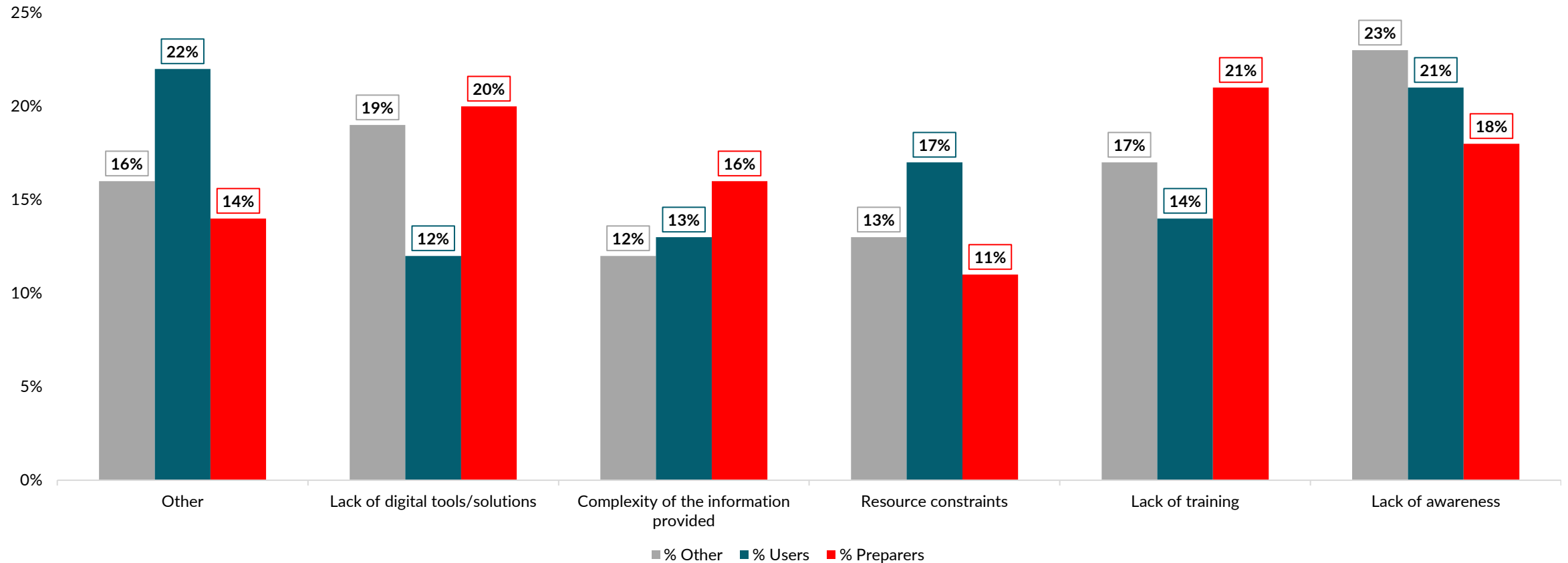


Preparation of the VSME Report



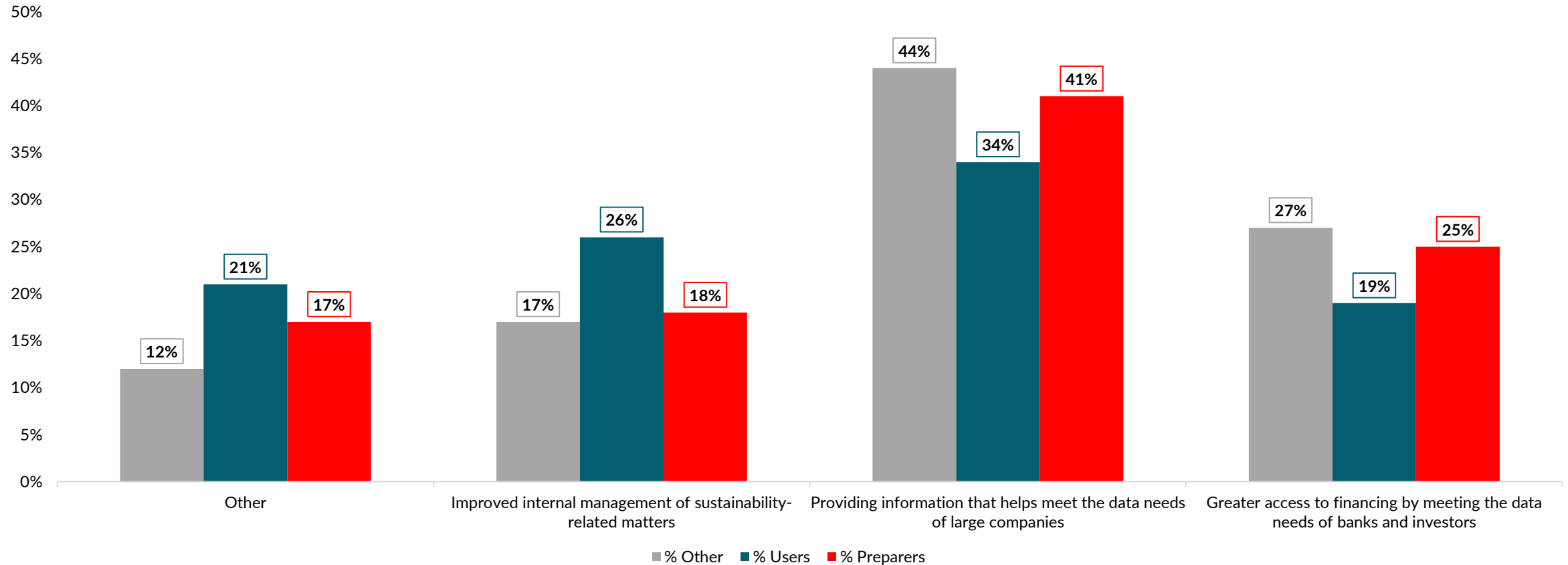
# KEY CHALLENGES FOR STAKEHOLDERS

- Among **Preparers**, the main challenges relate to the “**lack of digital tools/solutions**” and the “**lack of training.**”
- Users identify the “**lack of awareness**” as the primary challenge.
- The “**Other**” cluster highlights both the “**lack of awareness**” and the “**lack of digital tools/solutions**” as the main challenges.



# KEY BENEFITS FOR STAKEHOLDERS

- Across all three clusters **Preparers, Users, and Others** the main benefit lies in “providing information that helps meet the data needs of large companies.”



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# ESG & SUSTAINABILITY UPCOMING EVENTS

## 2Q 2026

Organiser	Event Name	Location	Date	Hyperlink (if any)
	Future Bridge Net Zero	Berlin	14-15 April 2026	<a href="#">4th Annual Scope 3 Summit</a>
	World ESG Summit & Awards 2026	Dubai	14-15 April 2026	<a href="#">World environmental Social &amp; governance summit</a>
	Impact Summit Europe	Amsterdam	14-15 April 2026	<a href="#">Leading Conference for Institutional Investors &amp; Asset Owners</a>
	PRI Regional Summit	Abu Dhabi	6 May 2026	<a href="#">PRI Regional Summit</a>
	Climate Week Zurich	Zurigo	4-9 May 2026	<a href="#">Climate Week Zurich</a>
	Annual European Sustainable Finance Conference	Amsterdam	20-21 May 2026	<a href="#">Annual European Sustainable Finance Conference</a>
	3 <sup>rd</sup> Annual World ESG and Climate Summit	Amsterdam	27-28 May 2026	<a href="#">3<sup>rd</sup> Annual World ESG and Climate Summit</a>
	Venice Climate Week	Venice	3-8 June 2026	<a href="#">Venice Climate Week 26 Planet Aqua</a>
	Climate & Impact Summit	London	17-18 June 2026	<a href="#">From climate risk into investable resilience</a>
	Reset Connect London	London	23-24 June 2026	<a href="#">Reset Connect London</a>
	Water in Industry 2026	Delft	27 June – 3 July 2026	<a href="#">Water in Industry 2026</a>
	Hamburg Sustainability Conference	Hamburg	29-30 June 2026	<a href="#">Create Sustainable Development</a>

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# ESG CONFERENCES ORGANIZED BY INVESTMENT BANKS AND BROKERS

## ANNUAL LIST

Organiser	Event Name	Location	Date	Hyperlink (if any)
<b>Jefferies</b>	2026 Jefferies Energy Conference	Kiawah island, South Carolina	9 Jun 2026	<a href="#">2026 Jefferies Energy Conference</a>
	Energy Transition Conference	London	25 Jun 2026	<a href="#">RBC Energy Transition Conference</a>
	Energy Services	London	6-7 Oct 2026	<a href="#">Energy Services</a>
<b>J.P.Morgan</b>	Global Energy Conference	London	30 Nov-1 Dec 2026	<a href="#">Global Energy Conference</a>

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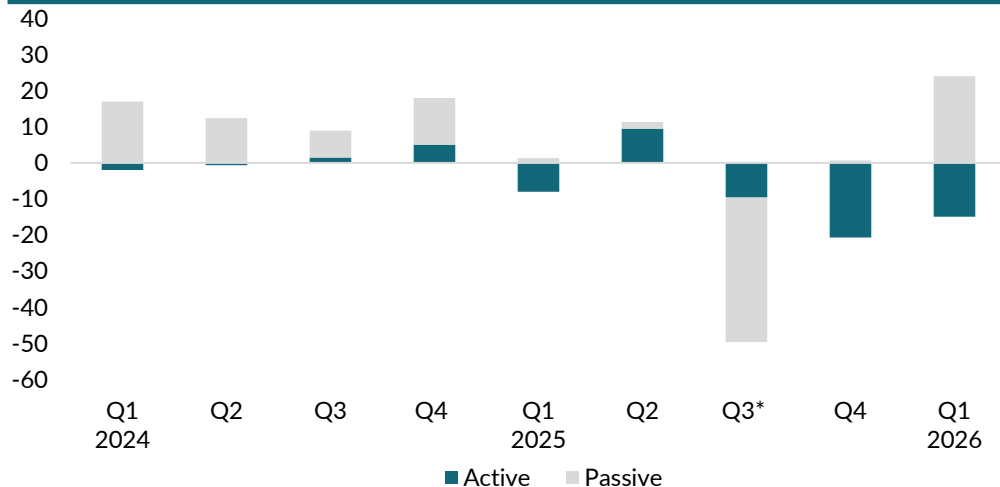
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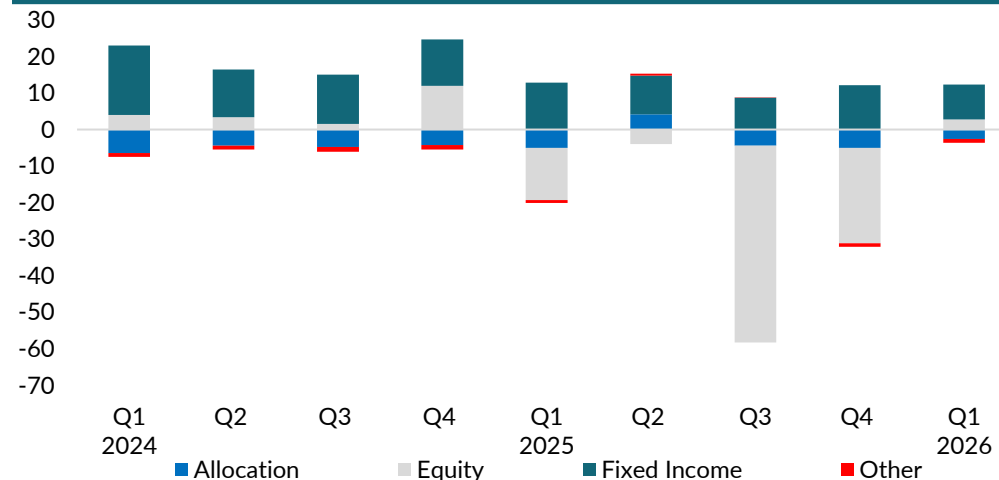
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# SUSTAINABLE FUND FLOWS RETURN POSITIVE WITH USD 9.1 BN INFLOWS IN Q1 2026

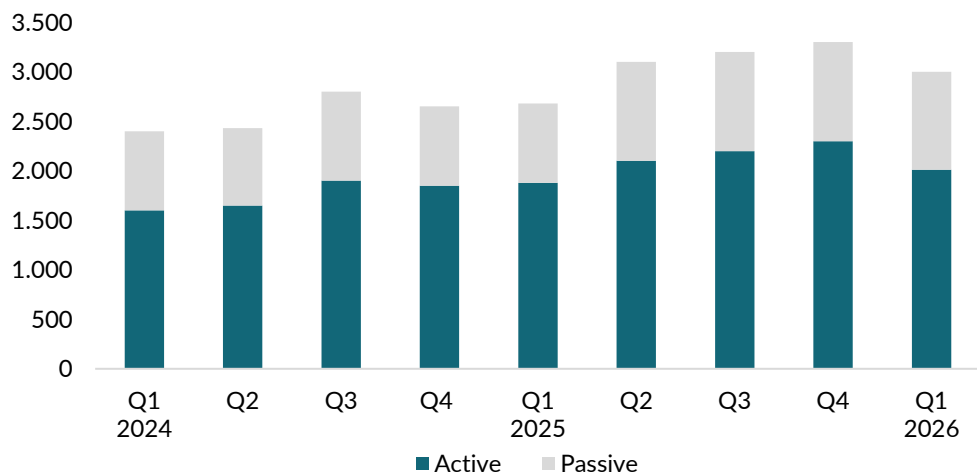
Sustainable Funds Flows – Active vs Passive (\$ bn)



Sustainable Fund Flows by Asset Class (\$ bn)




AuM Active vs Passive Sustainable Funds (\$ bn)



Top 10 Asset Managers by Sustainable Fund AuM (\$ bn)


Firm	\$ bn
BlackRock (incl. iShares)	407.4
Amundi (incl. Lyxor)	219.5
UBS (incl. Credit Suisse)	207.2
BNP Paribas	122.9
Swisscanto	120.2
DWS (incl. Xtrackers)	101.5
Nordea	94.7
Natixis	74.4
Northern Trust	62.9
Allianz Global Investors	58.8

**Piero Munari** – *Founder & Managing Partner*

 +39 331 5700319


 [piero.munari@arwinpartners.com](mailto:piero.munari@arwinpartners.com)

**Mara Milani** – *Managing Partner*

 +39 391 1099685


 [mara.milani@arwinpartners.com](mailto:mara.milani@arwinpartners.com)


**Alessandro Sorci** – *Director*

 +39 346 6749957

 [alessandro.sorci@arwinpartners.com](mailto:alessandro.sorci@arwinpartners.com)

**Antonio Graus** – *Manager*

 +39 333 4824052

 [antonio.graus@arwinpartners.com](mailto:antonio.graus@arwinpartners.com)

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[arwinpartners.com](http://arwinpartners.com)

Via San Vittore 36  
20123 Milano