

SECTORAL

UPDATES

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ESG

The European Securities and Market Authority (ESMA) calls for regulation of ESG ratings

The European Securities and Markets Authority said ESG rating companies should be regulated by a public authority to mitigate the risk of greenwashing. The intervention from the ESMA comes after Dutch and French regulators called for ESG rating providers to be regulated, under ESMA's supervision, last month.

BASF and Siemens Energy Form Strategic Partnership on Carbon Reduction Initiatives

Chemical giant BASF and leading energy technology company, Siemens Energy announced a new strategic partnership, with the aim of accelerating commercial implementation of new technologies designed to lower GHG emissions in chemical production. The companies will collaborate on a series of pilot projects, combining BASF's technological expertise with Siemens Energy's innovative product and services portfolio. The collaboration will focus on hydrogen production, heat pumps and power grid upgrades.

Nordea's Entire \$425 Billion Wealth Unit Is Going ESG

The entire wealth and asset management business of Nordea Bank Abp – which currently oversees about \$425 billion – may exclude all investments that aren't deemed sustainable in as little as half a decade and will probably be "100% ESG" in 5 to 10 years.

IFRS Takes Next Steps Towards Establishing Global Sustainability Standards

The International Financial Reporting Standards Foundation (IFRS) announced that it will take the next steps towards establishing global sustainability reporting standards, possibly leading to an announcement on the establishment of a sustainability standards board at the United Nations Climate Change Conference, COP26 in November 2021. The announcement follows a three-month consultation period initiated in October 2020, with the release of a paper seeking input on the issue. The foundation stated that its trustees met this week to review the responses to the first three questions on the paper, encompassing demand for global sustainability standards, whether the IFRS Foundation should play a role, and, if so, the requirements for success in doing so.

ESG Enterprise Delivers World's First SaaS Solution to Help Companies Transition to Net Zero Carbon Emissions

ESG Enterprise announced the launch of the world's first Carbon Neutrality Risk Management solution. As more companies are showcasing a trend towards pledging net zero emission by 2050, the demand for a carbon neutrality solution will rise. The ESG Enterprise SaaS is designed to stay ahead of this trend by providing a solution to create a future-fit carbon neutrality management system. The solution creates transformative opportunities to align business models with climate change policies and changing consumer behaviour.



S&P Global makes over 9,000 ESG Scores publicly available

S&P Global has made its ESG scores on 9,200 companies free to view to help increase transparency of corporate sustainability performance. Based on market demand for increased transparency into a company's ESG profile, users can now search the widest coverage of ESG scores in the market. The publicly available S&P Global ESG Scores are a performance-based score ranging from 0-100 and include "E," "S" and "G" dimension scores, peer comparisons, historical changes, and material ESG criteria data by industry.

Bank of America Announces Actions to Achieve Net Zero Greenhouse Gas Emissions

The Bank of America outlined initial steps to achieve its goal of net zero GHG emissions in its financing activities, operations and supply chain before 2050.

The bank achieved carbon neutrality in its operations in 2019, a year ahead of schedule, and increased the number of vendors that measure and publicly report GHG emissions through the CDP Supply Chain survey. It plans to establish interim science-based emissions targets for high-emitting portfolios, including energy and power.

As part of its transition to net zero emissions, the bank joined the Partnership for Carbon Accounting Financials (PCAF), a global partnership of financial institutions in July 2020 with a mission to develop and implement a harmonized approach to assess and disclose the GHG emissions associated with their loans and investments.

S&P DJI Launches ESG Versions of S&P MidCap 400 and S&P SmallCap 600 Indices

The world's leading index provider S&P Global announced the debut of its latest S&P ESG Indices, the S&P MidCap 400 ESG Index, and the S&P SmallCap 600 ESG Index. The new indices' methodologies are consistent with S&P DJI's Global ESG Index family and are designed to closely replicate the risk and return profile of their underlying benchmarks, the S&P MidCap 400 and the S&P SmallCap 600, while providing a significant boost in ESG score performance.

**SUSTAINABLE FINANCE**

Macquarie raises €1.6 billion for renewable energy investment

Leading alternative asset manager and the world's largest infrastructure manager, Macquarie Infrastructure and Real Assets (MIRA) has raised more than €1.6 billion for investment in renewable energy with the final close of the Macquarie Green Investment Group Renewable Energy Fund 2 (MGREF2). MGREF2 is a 25-year closed-end fund which invests in a diversified portfolio of assets including platforms and construction and operational stage wind and solar projects in Western Europe, the United States, Canada, Mexico, Japan, Taiwan, Australia and New Zealand.

M&G Allocates £5 Billion to Sustainable Private Assets

International savings and investment company M&G announced that it will allocate up to £5 billion from its £136 billion With-Profits Fund to invest in sustainability-focused privately owned enterprises. According to M&G, the initiative will help meet the rising global demand for capital from innovative responsible enterprises, which are currently underserved by providers of institutional finance.

M&G has created a new global investment team called Catalyst that can invest in private credit, real and financial assets and private equity. Catalyst will have a broad impact focus that flexibly encompasses ESG risk management through to positive impact for vulnerable groups.

SUSTAINABLE FINANCE

Mirova Launches Fundraising for New Energy Transition Infrastructure Fund

Sustainability-focused investment manager Mirova announced the launch of fundraising for Mirova Energy Transition 5 Fund (MET5), the firm's fifth energy transition infrastructure fund, focused on the renewable energy and low-carbon mobility sectors. According to Mirova, the new fund will invest in current and emerging clean energy technologies, including onshore wind, solar power, hydroelectricity, biogas, and offshore wind farms, as well as in the low carbon mobility sector, supporting the growth of the electric vehicle sector and hydrogen. A new feature of the fund is the addition of geographic diversification, with the ability to invest up to 10% of the fund's assets outside of Europe.

Prada Signs €90 Million Sustainability-Linked Loan

Leading luxury goods company Prada has signed a five-year, €90 million sustainability-linked loan with pan-European Commercial Bank UniCredit. Sustainability linked securities and loans are an emerging form of sustainable finance, with attributes including interest payments tied to an issuer's achievement of key performance indicators (KPIs) and associated sustainability performance targets. As per the agreement, Prada will gain the benefits of a lower interest rate on the loan if it reaches KPI targets relating to regeneration and reconversion of production waste in clothing, leather goods and footwear, and increasing the share of self-produced energy.



UK joins the International Platform on Sustainable Finance

The UK's commitment to strengthening international cooperation on environmentally sustainable finance by becoming a signatory to the Joint Statement on the International Platform on Sustainable Finance. The UK will contribute to the IPSF's goals to scale up the mobilisation of private capital towards environmentally sustainable finance at a global level and promote integrated markets for environmentally sustainable finance which aim to deliver on UK's domestic and international commitments to tackle climate change.

London Stock Exchange to Launch Transition-Bond Segment, Commits to Net-Zero

London Stock Exchange Group PLC, outlined new sustainability commitments, said it will launch a segment dedicated to bonds of companies that have targets to achieve net-zero emissions and pledged to halve the carbon emissions from its operations and its supply chain over the next ten years and bring them to net-zero by 2050 at the latest.

Amundi Launches investment funds with a strategy to invest in "ESG Improvers"

Leading European asset manager Amundi announced the launch of the Amundi Funds ESG Improvers range, a new strategy aiming to invest in companies with ESG-related growth potential at an early stage. The new actively managed strategy will initially kick off with two equity funds, European Equity ESG Improvers and Pioneer US Equity ESG Improvers, with more to follow including both equity and fixed income strategies. European Equity ESG will be benchmarked against the MSCI Europe Index, and its US counterpart will be indexed against the S&P 500.



AB InBev Makes History with Largest-Ever Sustainability-Linked Revolving Credit Facility

Beer giant Anheuser-Busch InBev entered the sustainable finance market with to bang today, signing the largest-ever Sustainability Linked Loan Revolving Credit Facility (SLL RCF). The new \$10 billion facility, which replaces the company's existing credit facility, is also the first to be issued among publicly listed alcohol beverage companies.

Goldman Sachs Issues its First Sustainability Bond in \$800 Million Offering

Leading global investment banking, securities and investment management firm Goldman Sachs announced the issuance of its first sustainability bond, in an \$800 million offering, with proceeds to be allocated towards projects and initiatives aimed at accelerating the climate transition and advancing inclusive growth. Goldman Sachs issued the new bonds under its Sustainable Issuance Framework, which outlines the eligible categories for allocating funds raised through the issuance for sustainability securities. The firm's framework specifies five eligible green categories include Clean Energy, Sustainable Transport, Sustainable Food and Agriculture, Waste and Materials, and Ecosystem Services, along with four social categories including Accessible and Innovative Healthcare, Financial Inclusion, Accessible and Affordable Education, and Communities.



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