

**SECTORAL**

**UPDATES**

**auctusESG**

**SEP 2023**





## Nasdaq launches comprehensive ESG data and reporting platforms

*Fintech Global, September 20th, 2023*

Nasdaq has unveiled two ESG data products, Nasdaq Metrio and eVestment ESG Analytics, tailored to corporates and investors. Nasdaq Metrio, targeted towards corporates, seeks to help them collect and disclose investor-grade and audited ESG data. This information can further be shared with auditors, rating agencies, investors and other stakeholders where necessary. Its innovative carbon accounting feature allows companies to effectively manage their scope 1,2, and 3 emissions data.

eVestment ESG Analytics is intended for investors. It quantifies a portfolio's ESG impact and enables the communication of the same. It also makes possible the comparison of asset managers' policies with investment outcomes, thus allowing asset owners to ensure that investments are in line with ESG policies. The two products are good indicators of technology and data being leveraged within ESG for transparency.

<https://fintech.global/2023/09/20/nasdaq-launches-comprehensive-esg-data-and-reporting-platforms/>

## ESG ETFs fail to shine over past 10 years

*Financial Times, September 27th, 2023*

Despite claims over the past 3 years that investing on the basis of environmental, social and governance factors ensures higher returns, recent research has revealed otherwise. Scientific Beta, an index provider and consultancy linked to the Edhec-Risk Climate Impact Institute in Europe, conducted a study which has shown that ESG exchange traded funds (ETFs) have underperformed marginally, when compared with their traditional peers.

Based on an analysis of every US equity ETF domiciled in North America and Europe from 2012 to 2022, and classified by Bloomberg as ESG or “socially responsible”, the average annual returns for these funds were found to be 0.2 percentage points lower than for comparable non-ESG ETFs. The study implies the need for more accurate and data-based predictions over a longer period of time, to validate the performance of ESG funds.

<https://www.ft.com/content/68c033be-542a-4d2e-ba72-e043946002b6>



## Fitwel Announces Certified Metrics Pilot to Substantiate Value & Risk

*Yahoo Finance, September 13th, 2023*

While voluntary ESG reporting is becoming popular, investors are finding it increasingly hard to incorporate the social factor of ESG within investment analyses and strategies. Fitwel, a healthy building certification platform, aims to meet this need with the pilot launch of Certified Metrics. Launched in partnership with EVORA Global, a sustainable technology and services company, this new tool will validate real estate data and establish a standardized approach for integrating 'social' factors, such as health and well-being measures into ESG reporting.

The tool is an entity-level solution that connects health outcomes with economic value and can be used across funds and portfolios containing various asset types. Real estate firms will now be able to evaluate their funds and portfolios against an evidence-based standard. The social outcomes measured can be quantified and verified, and firms will be able to compare their performance with their peers.

<https://finance.yahoo.com/news/fitwel-announces-certified-metrics-pilot-100000693.html>

## EU opens door to revamping its landmark sustainable finance disclosure regulations

*The Star, September 18th, 2023*

The European Commission is launching a public consultation to assess how the Sustainable Finance Disclosure Regulation (SFDR), EU's ESG investment framework, is working in practice. The SFDR has come under considerable criticism since its launch in March 2021, from asset managers as well as national regulators.

Chief among its drawbacks is the lack of clarity on what is meant by a sustainable investment, making it necessary for the Commission to provide regular updates on the same. The public consultation, set to last till December 15th, will seek to assess the relevance of SFDR for helping the EU shift to a climate neutral economy, its costs to the financial markets, and its success in channeling capital towards sustainability, amongst other things.

<https://www.thestar.com.my/business/business-news/2023/09/18/eu-opens-door-to-revamping-its-landmark-esg-investing-rules>



## Deutsche Bank and EIB cooperate to give mid-caps easier access to sustainable finance

*Deutsche Bank, September 13th, 2023*

Deutsche Bank and the European Investment Bank (EIB) have come together to support mid-sized companies realise their sustainable transformation goals. They will facilitate medium-sized companies' investments in renewable energy, energy efficiency, and other sustainable projects (fulfilling the EU taxonomy criteria) through a new €400 million loan portfolio.

Firms based out of Germany and the EU, with employee sizes between 250 and 3,000 can apply for long-term loans through Deutsche Bank to finance their transition to more sustainable business models. Up to half of the loan sum will be covered by the guarantees provided by the EIB, benefiting the borrowers in full. Strong partnerships are crucial to sustaining such a significant financing volume, particularly partnerships that bring promotional and commercial banks together. This new partnership provides corporate clients with much-needed reliable support for their transformation projects.

[https://www.db.com/news/detail/20230913-deutsche-bank-and-eib-cooperate-to-give-mid-caps-easier-access-to-sustainable-finance?language\\_id=1](https://www.db.com/news/detail/20230913-deutsche-bank-and-eib-cooperate-to-give-mid-caps-easier-access-to-sustainable-finance?language_id=1)

## New fintech targets AI product to scale sustainable finance in debt markets

Ipe.com, September 7th, 2023

ClimateAligned, a London-based fintech start-up, has launched an AI-based sustainable investment platform aimed at the debt capital markets. The product uses artificial intelligence to enable institutional investors to identify opportunities for accelerating finance aligned with climate and emission targets. It further utilises machine learning technology to gather, process and analyse data from multiple sources. This will ensure that the climate and sustainability credentials of bonds and issuers become transparent and allows for comparison.

The technology and its application can be “infinitely” adapted to assess financial assets against proprietary or regulatory frameworks, guidelines and other metrics with changeable parameters, as claimed by ClimateAligned. It has raised £1.5m of funding from venture capital investors including Pale blue dot and Frontline Ventures, and strategic angel investors.

<https://www.ipe.com/news/new-fintech-targets-ai-product-to-scale-sustainable-finance-in-debt-markets/10068720.article>



## TNFD releases final recommendations

*ESGClarity, September 18th, 2023*

The Task Force on Nature-Related Financial Disclosures (TNFD) has released 14 disclosure suggestions that will provide financial institutions and companies with the tools they need to act on nature-related loss. The publication of these final recommendations is the culmination of two years of design and development, which will now be followed by encouragement of voluntary adoption. Decisions on making these disclosures mandatory will fall under the purview of individual governments, similar to the TCFD recommendations.

The TNFD framework follows the 4-pillar approach adopted in TCFD – governance, strategy, risk and impact management, and metrics and targets. The recommendations are also consistent with the GRI and ISSB standards, accounting for the different approaches to materiality taken by them. Akin to TCFD's impact, TNFD is likely to mainstream disclosures of nature-related impacts, exposures, risks and opportunities, across the corporate and financial sectors.

<https://esgclarity.com/tnfd-releases-final-recommendations/>



## HSBC Unleashes US\$1 Billion to Fuel Climate Tech Startups Worldwide

*SME10x, September 25th, 2023*

In an environment where venture capital funding for climate start-ups experienced a 40% dip in the first half of 2023, HSBC has announced its intention to commit US\$1 billion to early-stage climate tech companies. Many technologies that are required for achieving net-zero emissions by 2050 are in the prototype phase. This initiative seeks to fund the scaling up of such critical climate tech innovations in areas including EV batter storage and charging infrastructure, carbon removal, and sustainable food and agricultural systems.

While most funding of climate tech has thus far been focused on the US and Europe, HSBC's fund is designed to have a more global focus. HSBC plans to fast-track the entry of market-ready critical climate tech innovations and intends to leverage its global reach and network and climate tech expertise to do so.

<https://www.sme10x.com/10x-industry/hsbc-unleashes-us1-billion-to-fuel-climate-tech-startups-worldwide>

## AI tool launched to help asset managers evaluate transition plans

*ESGClarity, September 27th, 2023*

An AI tool set to be launched by the World Wildlife Fund (WWF) will enable asset managers and financial supervisors to assess the transition plans for net-zero charted by the companies they invest in. The tool will assess whether the targets that have been set are science-based, and if the companies have identified a credible pathway for achieving net-zero by 2050.

WWF, in collaboration with University of Zurich and Oxford, will pilot test the tool with multiple companies between September and December 2023. While current regulatory measures to curb greenwashing focus on product information disclosures to ensure consumer awareness, this tool will enable better regulation by screening for companies that lack ambition in their transition plans.

<https://esgclarity.com/wwf-ai-net-zero-tool/>





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