



●●● **YOUR COMPLIANCE, ESG & SUSTAINABILITY IN ACCORD**

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Hello from ESG Accord

Yes, I realise I say this every Newsletter; a busy couple of weeks here in the world of ESG Accord!

Those of you with eagle eyes will have noticed already that we have launched a new opinions section on our website to answer the growing number of industry questions and themes related to ESG and Sustainable Finance - if not, here it is - <https://esgaccord.co.uk/some-thoughts/>

Lee and I have been researching and typing away, let us know what you think!

OK, here is the news update:

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The FCA has released an Insight article on their recent research - Sustainable investing: objective gradings, greenwashing and consumer choice.

<https://www.fca.org.uk/insight/sustainable-investing-objective-gradings-greenwashing-and-consumer-choice>

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This should be read in conjunction with the following:

(and that's after you have of course read the TCFD Consultation Paper <https://www.fca.org.uk/publications/consultation-papers/cp-21-17-climate-related-disclosures-asset-managers-life-insurers-regulated-pensions> ! )

New HM Treasury document 'A new chapter for financial services'

<https://www.gov.uk/government/publications/a-new-chapter-for-financial-services>

This includes the wording "Enable consumers to quickly and easily see the environmental impact of their investments. The government will work with the FCA to introduce a sustainable investment label. This will cover retail investments using information provided through the SDR.

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And here is the annual HM Treasury Sustainability Reporting Guidance (Aug 2020 for 20/21 so we are due the new SDR soon!)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/907011/Sustainability\\_Reporting\\_Guidance\\_2020-21.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907011/Sustainability_Reporting_Guidance_2020-21.pdf)

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Within a speech last Oct 2020 by Richard Monks, Director of Strategy FCA, here is some info on building the guiding principles for firms for product design and disclosure.

<https://www.fca.org.uk/news/speeches/building-trust-sustainable-investments>

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Just in last week we have had guidance via the FCA; Authorised fund managers' assessments of their funds' value:

<https://www.fca.org.uk/publications/multi-firm-reviews/authorised-fund-managers-assessments-their-funds-value>.

Perhaps of relevance to the categorisation of funds into Article 8&9 funds, the release of the publication shows the FCA preparing for uptick in reporting needed to accommodate all the new ESG/SF funds and TCFD requirements. The FCA expects; "all AFMs to consider these findings and use them to assess their AoV processes".

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This NextWealth report came out in April, some thought provoking stats -

NextWealth ESG Tracker Study <https://www.nextwealth.co.uk/esg-tracking-study-2021-update/nextwealth-esg-report-april-2021/>

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Investment industry at 'tipping point' as \$43tn in funds commit to net zero!

Almost half of global assets under management now linked to emissions pledge/ climate change goals in a shift that could have huge corporate implications.

Catherine Howarth (Chief Exec, ShareAction); "But pledges are the easy part. They need to be backed by forceful engagement with the many high emitters in the corporate community that have been dragging their feet."

<https://on.ft.com/3qPm5Dr>

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Social factors. The pandemic has hit women investors hard — some silver linings include better-run companies, more sustainable investments and home/remote work is now normal and tested. Good news for those who have to choose jobs that fit around children and elderly relatives.

<https://www.ft.com/content/f4bf23b8-341b-4b5a-bce5-805e002787d0?segmentId=6faa8072-922c-4fbf-5b33-45a1342b0cc3>

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EU institutions have agreed to open the way for the public to challenge environmental wrongdoings in EU courts. Under the new deal, set to amend EU access to justice law the Aarhus Regulation, many more EU decisions that break environmental law could now be subject to challenge by NGOs and members of the public. Until now, only NGOs could use the Aarhus Regulation to challenge EU decisions – and even then, only those concerning individual companies.

<https://www.clientearth.org/latest/press-office/press/eu-pulls-down-barriers-for-public-to-challenge-environmental-wrongdoing-in-court/>

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Always Interesting points made by Gillian Tett - for the FT-

Five things the G20 must do to tackle climate change. The article stresses at point number 5, for effective progress to be made, that consumers need to be mobilised to join climate action, and explains that many are not due to politicisation or 'turned off' by bad news and 'at fault' feeling.

<https://www.ft.com/content/Oe416145-7ce3-4cee-8fe0-2586c18689dc>

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\$4.2tn investors call on leading banks to strengthen climate ambitions before COP26

115 investors representing \$4.2tn have written to 63 banks including JPMorgan Chase, Deutsche Bank and Standard Chartered calling on them to strengthen their climate and biodiversity strategies in the run-up to the Kunming Conference (CBD COP15) and the UN Climate Talks (COP26) in Glasgow this year.

The investors, including Aviva Investors, Fidelity International, EOS at Federated Hermes and M&G Investments, say the banks are in a powerful position to drive the low-carbon transition and to help avert the worst consequences of climate change and biodiversity loss. They also argue that the banks are exposed to a range of climate and nature-related risks, including physical and transition risks that could have a significant impact on the value of assets and liabilities.

<https://shareaction.org/investors-call-on-banks-to-strengthen-climate-ambitions-before-cop26/>

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Interesting survey result here; not surprising, but what it does bring to mind are the Sustainability Preferences of potential beneficiaries - investing long term for the world they will grow into.

Bring on the Bank of Grandma and Grandad - A survey by Killik & Co, the financial adviser, shows that 48 per cent of grandparents have increased financial support to grandchildren under Covid.

<https://www.ft.com/content/d6fd9bb4-d4d8-40fe-9993-d66466c3d8b8?segmentId=6faa8072-922c-4fbf-5b33-45a1342b0cc3>

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Opinion piece: Climate change should already be in the company accounts

<https://on.ft.com/3ytb1P3>

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Deloitte's new fund to drive responsible climate choices

&

BlackRock moves to ESG-screened indices

[https://www.pensions-expert.com/ESG/Deloitte-s-new-fund-eyes-sustainable-options-BlackRock-adds-ESG-exclusions?utm\\_campaign=PE%20Newsletter%20July%201%202021&utm\\_source=emailCampaign&utm\\_medium=email&utm\\_content=](https://www.pensions-expert.com/ESG/Deloitte-s-new-fund-eyes-sustainable-options-BlackRock-adds-ESG-exclusions?utm_campaign=PE%20Newsletter%20July%201%202021&utm_source=emailCampaign&utm_medium=email&utm_content=)

This publication is intended merely to highlight issues, it is not meant to be comprehensive, nor is it regulatory advice. Should you have any questions on issues raised here or on other areas of ESG or Sustainability, please contact us [admin@esgaccord.ci.uk](mailto:admin@esgaccord.ci.uk)

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The Pensions and Lifetime Savings Association is consulting on a new set of standards designed to help pension savers identify whether their schemes are meeting the highest standards for incorporating environmental, social and governance factors.

A recent PLSA survey of more than 2,000 adults found that while 80 per cent of those surveyed said global warming was an important issue to them, just one in seven think that their schemes are taking action on the subject.

Furthermore, 68 per cent of respondents said that pension schemes should be transparent about whether they invest in a climate-aware way.

[https://www.pensions-expert.com/ESG/PLSA-launches-new-RI-standards-at-first-ever-ESG-conference?ct=true?utm\\_campaign=PE%20Newsletter%20July%201%202021&utm\\_source=emailCampaign&utm\\_medium=email&utm\\_content=](https://www.pensions-expert.com/ESG/PLSA-launches-new-RI-standards-at-first-ever-ESG-conference?ct=true?utm_campaign=PE%20Newsletter%20July%201%202021&utm_source=emailCampaign&utm_medium=email&utm_content=)

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NS&I Green Savings Bond

[https://www.investmentweek.co.uk/news/4033695/sunak-announce-gbp15bn-green-savings-bonds-scheme-public-reports?  
utm\\_medium=email&utm\\_content=%0A%20%20%20%20%20%20%20%20Sunak%20to%20announce%20%C2%A315bn%20green%20savings%20bonds%20scheme%20for%20public%20-%20reports%0A%20%20%20%20%20%20&utm\\_campaign=IW%20Daily%2009&utm\\_source=IW%20New%20Newsletters&utm\\_term=ESG%20ACCORD&uid=b736e7645fc9bae9b3ff2af50d41c5f1](https://www.investmentweek.co.uk/news/4033695/sunak-announce-gbp15bn-green-savings-bonds-scheme-public-reports?utm_medium=email&utm_content=%0A%20%20%20%20%20%20%20%20Sunak%20to%20announce%20%C2%A315bn%20green%20savings%20bonds%20scheme%20for%20public%20-%20reports%0A%20%20%20%20%20%20&utm_campaign=IW%20Daily%2009&utm_source=IW%20New%20Newsletters&utm_term=ESG%20ACCORD&uid=b736e7645fc9bae9b3ff2af50d41c5f1)

<https://www.gov.uk/government/publications/uk-government-green-financing>

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We'd love to hear from you! Please get in touch via [admin@esgaccord.co.uk](mailto:admin@esgaccord.co.uk) if you have any topics or questions you'd like covered in our newsletter.