



# ESG ACCORD

●●● YOUR COMPLIANCE, ESG & SUSTAINABILITY IN ACCORD

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## Newsletter 19th January 2022

### Hello from ESG Accord

News from us:

We submitted our response to the FCA DP21/4 Sustainability Disclosure Requirements (SDR) and investment labels, read our submission in full here - [https://esgaccord.co.uk/wp-content/uploads/2022/01/DP21\\_4-Feedback-ESG-Accord.pdf](https://esgaccord.co.uk/wp-content/uploads/2022/01/DP21_4-Feedback-ESG-Accord.pdf). Our work on this subject continues as part of the FCA's Disclosures and Labels Advisory Group (DLAG). We will provide ongoing feedback, technical advice and constructive challenge alongside other relevant stakeholders, industry experts and consumer representatives.

We are excited to share that ESG ACCORD is now a Member of The Association Of Professional Compliance Consultants (APCC) - <https://apcc.org.uk/>

If you enjoy a good podcast: Lee was a special guest for the The London Institute of Banking & Finance Sustainable ESG podcast last week. The podcast is part of the LIBF #sustainablefinanceinaction project bringing together key players in the finance sector. Click here to listen: <https://lnkd.in/djnPfdtT>

If you are in London: ESG Accord/Lee Coates OBE will be speaking at the Enterprise Investment Scheme Association (EISA) 'Plan To Grow' event this Thursday 20th Jan at the Queen Elizabeth II Centre SW1P 3EE. An essential event for financial planners and regulated advisers interested in the EIS and BR market. CPD qualifying and free to attend. Click through for info - <https://www.eventbrite.co.uk/e/plan-to-grow-2022-get-up-to-date-with-eis-br-trends-tickets-181897519377>

Time is ticking towards the release of our ESG Accord: ESG & Sustainable MPS Report. Please stay tuned, we plan to include a special section in this newsletter for ESG & Sustainable MPS updates. We've added an info page to our website - <https://esgaccord.co.uk/esg-sustainable-mps-report/> and if you'd like to register for a copy 'pre-launch' or have questions, please email us - [admin@esgaccord.co.uk](mailto:admin@esgaccord.co.uk)

From 'the news':

Some big thinking news over the last couple of weeks about the 'tragedy of the horizon' (this denotes a behavioural / economic phenomenon where certain risks may exceed the management (Risk Horizon) of most actors, imposing a cost on future generations of actors that the current generation has no direct incentive to fix).

Failure to meet legal carbon budgets (policy failure) would contravene the Human Rights Act due to the impact on young peoples lives

UK government sued over 'pie-in-the-sky' net-zero climate strategy. ClientEarth and Friends of the Earth say strategy fails to include policies needed to ensure emissions cuts

<https://www.theguardian.com/environment/2022/jan/12/net-zero-climate-strategy-uk-government-sued>

The World Economic Forum. Global Risks Report 2022

A "global risk" is the possibility of the occurrence of an event or condition that, if it occurs, could cause significant negative impact for several countries or industries. For the purposes of WEF Global Risks Report, the scope is over the next 10 years.

Figure 1.3 "Identify the most severe risks on a global scale over the next 10 years"

- 1 Climate action failure
- 2 Extreme weather
- 3 Biodiversity Loss
- 4 Social cohesion erosion
- 5 Livelihood crises
- 6 Infectious diseases
- 7 Human environmental damage
- 8 Natural resources crises
- 9 Debt crises
- 10 Geoeconomic confrontation

<https://www.weforum.org/reports/global-risks-report-2022/digest>

Other industry responses to the DP21/4:

The Investment Association

<https://www.theia.org/sites/default/files/2022-01/FINAL%207%20Jan%20-%20IA%20Response%20to%20FCA%20DP21-4%20Sustainability%20Disclosure%20Requirements%20%28SDR%29%20and%20investment%20labels%20.pdf>

SRI Services

<https://www.fundecomarket.co.uk/help/wp-content/uploads/FCA-SDR-DP-21-4-SRI-Services-response-to-questions-FINAL.pdf>

UKSIF

[https://www.linkedin.com/posts/jamesdominicaalexander\\_uksif-response-fca-discussion-paper-on-sdr-activity-6886329650511917056-Sbrg](https://www.linkedin.com/posts/jamesdominicaalexander_uksif-response-fca-discussion-paper-on-sdr-activity-6886329650511917056-Sbrg)

Views and info about the ISSB

<https://www.forbes.com/sites/shivaramrajgopal/2022/01/15/unsolicited-advice-for-the-issb/>

Rising expectations leaves a mixed picture for investment managers on ESG issues

<https://wealthdfm.com/article/rising-expectations-leaves-a-mixed-picture-for-investment-managers-on-esg-issues/>

COP26. In November 2021, the Glasgow Climate Pact was agreed. In 2022 the commitments made must be delivered. COP President Alok Sharma will outline the UK's Presidency year priorities at Chatham House 24th Jan, 12pm, watch live:

[https://www.linkedin.com/posts/cop26uk\\_chatham-house-activity-6888776021412192256-6ixb](https://www.linkedin.com/posts/cop26uk_chatham-house-activity-6888776021412192256-6ixb)

Fossil gas should be excluded from Europe's list of sustainable investments, according to a group of investors with €50trn worth of assets. The group added it was still considering whether to accept the classification of nuclear as a sustainable investment.

<https://www.edie.net/news/11/Investors-worth-EUR50-trillion-call-on-EU-to-exclude-gas-from-green-finance-taxonomy/>

Prices for the most common type of recycled plastic have doubled in a year to hit fresh records as companies vie for limited supplies, threatening ambitious targets set out by drinks and consumer goods groups

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

Recycled plastic prices double as drinks makers battle for supplies

UK's first bond to address sustainable housing issues launched  
L&Q – one of the UK's leading housing associations – has launched a £300m bond focusing on reducing carbon emissions and improving energy efficiency in residential homes, while creating more affordable homes for people at the same time.

<https://www.investmentweek.co.uk/news/4043209/uk-bond-address-sustainable-housing-issues-launched>

The Association of Investment Companies (AIC) has called for demanding standards for funds with environmental, social and governance (ESG) claims.

<https://www.moneymarketing.co.uk/news/aic-calls-fca-to-set-a-high-bar-for-sustainable-funds/>

5 biodiversity guidelines to watch in 2022

<https://www.greenbiz.com/article/5-biodiversity-guidelines-watch-2022>

Does divestment work? A recent study claims to show that divestment strategies help to fight climate change. But careful analysis shows how important it is to look beyond the headlines.

<https://www.tom-gosling-com.cdn.ampproject.org/c/s/www.tom-gosling.com/blog/does-divestment-work?format=amp>

The Board of the International Organization of Securities Commissions (IOSCO) has published its Investment Funds Statistics Report, which provides new insights into the global investment funds industry and the potential systemic risks this industry may pose to the international financial system.

<https://www.iosco.org/news/pdf/IOSCONEWS630.pdf>

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Private climate investment needs to get intentional about gender and equity — here's how

<https://www.greenbiz.com/article/private-climate-investment-needs-get-intentional-about-gender-and-equity-heres-how>

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2022: Trustees set to be inundated with ESG work  
With the TCFD requirements due to hit the biggest schemes in October, and the broader requirements of net zero putting a premium on good-quality advice, trustees will have their work cut out for them in 2022.

<https://www.pensions-expert.com/Special-Features/2022-Trustees-set-to-be-inundated-with-ESG-work?ct=true>

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Crypto cannot easily be painted green

<https://on.ft.com/3n48jw1>

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Net Zero: Where do we stand now?

<https://www.moneymarketing.co.uk/features/net-zero-where-are-we-standing-now/>

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How VCs Can Help Startups Set (and Meet) ESG Goals

<https://hbr-org.cdn.ampproject.org/c/s/hbr.org/amp/2022/01/how-vcs-can-help-startups-set-and-meet-esg-goals>

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BOE told it could be bolder in green tilt for QE asset purchases

<https://www.bloomberg.com/news/articles/2022-01-07/bank-of-england-told-it-could-be-bolder-in-green-tilt-for-qe-asset-purchases>

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The EU's green-investing "taxonomy" could go global. But will it steer capital towards deserving projects?

<https://www.economist.com/finance-and-economics/2022/01/08/the-eus-green-investing-taxonomy-could-go-global>

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ISSB will be chaired by Emmanuel Faber, the former head of Danone and advocate of sustainable business

<https://www.reuters.com/business/environment/former-danone-ceo-chair-global-climate-disclosures-body-2021-12-16/>

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2021: The Year in Climate in 5 Numbers

<https://www.worldbank.org/en/news/feature/2021/12/16/2021-the-year-in-climate-in-5-numbers>

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Brussels proposes green label for nuclear and natural gas

<https://on.ft.com/3FKS2n8>

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UNEP: "We live on a blue planet, with oceans and seas covering more than 70 per cent of the Earth's surface. Oceans feed us, regulate our climate, and generate most of the oxygen we breathe.

In October 2021, the UN Human Rights Council recognized for the first time that a clean, healthy, and sustainable environment is a human right - a landmark move in the fight against the triple planetary crisis of climate change, nature and biodiversity loss and pollution and waste"

<https://www.unep.org/news-and-stories/story/5-reasons-why-healthy-ocean-linked-human-rights>

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Commentary/opinion - Could the Blockchain help save the Amazon?

<https://news-mongabay-com.cdn.ampproject.org/c/s/news-mongabay.com/2021/12/could-the-blockchain-help-save-the-amazon/amp/>

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Clear thinking for 2022 - Cognitive Bias Codex

<https://www.visualcapitalist.com/wp-content/uploads/2021/08/all-188-cognitive-biases.html>

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PS21/24: Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers

<https://www.fca.org.uk/publications/policy-statements/ps-21-24-climate-related-disclosures-asset-managers-life-insurers-regulated-pensions>

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Hargreaves Lansdown is pushing UK regulators for a freer hand to use big data to target customers with personalised messages as the investment platform steps up efforts to guide clients in their investing decisions.

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

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10 events to look out for in the new year - Why 2022 will matter for climate action

As the world picks up speed in its race against climate change and moves forward from the 2021 Glasgow Climate Change Conference, let's look at ten key global events in 2022 that will shape critical conversations and influence public policy decisions around one of the most defining issues of our time.

<https://www.un.org/en/climatechange/why-2022-will-matter-climate-action-0>

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Venezuela's environmental crisis: 'the beginning of a wave of destruction'

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

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Response to WEF Global Risks Report: Don't deride the Davos prophets of doom

<https://on.ft.com/3qo1K9G>

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Shell climate case winner targets dozens more companies

<https://on.ft.com/31TGqPV>

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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.

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