



ESG ACCORD

●●● YOUR COMPLIANCE, ESG & SUSTAINABILITY IN ACCORD

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Newsletter June 2022

Hello from ESG Accord

We sometimes get asked about having ESG in our name. Yes, yes, shouldn't we be using Sustainability? Perhaps, but let us offer some insight. E, S and G are processes and metrics. They are risk and opportunity related and together they are the necessary requirements which, when done properly, bring all of the different parts together, in accord, to be genuinely Sustainable.

We have high hopes that the incoming SDR and labels system will pull the industry together with one accord. We look forward to the FCA publishing the Sustainable Labelling Consultation Paper expected this July. As members of the Disclosures and Labels Advisory Group, we've loved being part of the discussions and feedback and can't wait to discuss the details of the CP in depth with you all soon!

More on Sustainability... the Media is in frenzy mode. ESG fatigue is real, some of us are poised and ready to welcome in pre-empted regulatory change, others wait for explicit instruction. With the industry now awash with free flow data overload many advisers will take the path of least resistance and will wait and defer difficult decisions. Stay tuned for some developments in our plans - we have some exciting solutions!

We are excited to share that we are about to send out the Due Diligence Questionnaires to providers of Tax Efficient Vehicles for our next ESG & Sustainable deep-dive report. We will release the names of the Report Sponsors soon.

Also excited to share our latest article in IFA Magazine: Greenwashing The detail is in the due diligence. "Is a sustainable fund really a sustainable fund?"

From the article: "At the end of the day, advice on ESG and Sustainable funds needs a robust due diligence process. This challenges funds, their marketing, their objectives and supports the market with feedback on matching client outcomes to funds. Without this there is a market failing."

<https://ifamagazine.com/article/ifa-magazines-june-edition-the-summertime-blues-is-live-now/>

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MPS Report Hub:

The 'Report' is a large online database that is searchable and based on all of the questions in our Due Diligence Questionnaire. Once you have access it will be possible to;

- It contains over 45 MPS providers and shows the answers to over 70 ESG & Sustainable questions
- View and compare over 30 fully completed MPS DDQs
- The Due Diligence Questions span across 8 headings which cover the full ESG & Sustainable spectrum
- The report has been designed for functionality and it helps advisers match the most appropriate MPS to each client's ESG & Sustainability objectives and preferences

If you haven't registered for access yet please do so from here:
<https://esgaccord.co.uk/esg-sustainable-mps-report/>
Or email us on admin@esgaccord.co.uk

MPS Report Hub. News from some of the report participants:

Psigma: Thematic Spotlight, Natural Capital

https://www.psigma.com/wp-content/uploads/SRI_Spotlight_Natural-Capital_FINAL.pdf

Tribe: What to think about when markets are volatile

<https://tribeimpactcapital.com/what-to-think-about-when-markets-are-volatile/>

Waverton:

2021 Engagement and Voting > [responsible-investment-engagement-and-voting-21.pdf](#) (waverton.co.uk)

2021 Stewardship Report > [responsible-investment---stewardship-2021.pdf](#) (waverton.co.uk)

Betafolio: Cryptocurrencies - An asset class?

Page 9-13, Other Considerations section includes Environmental Considerations, Nefarious Activities, Scalability, Regulatory Framework and Governmental Stance.

<https://go.timelineapp.co/crypto>

Castlefield: Annual Stewardship Report

Please find a link to our latest Annual Stewardship Report which demonstrates the importance of stewardship and engagement throughout Castlefield. The report includes activities such as our collaborative engagement, positive investment themes, net zero commitments, a measure of our fund's impact, and goes some way to explain why we're known as the thoughtful investor®.

<https://www.castlefield.com/news-media/company-news/launch-of-the-latest-castlefield-annual-stewardship-report/>

PortfolioMetrix: New ESG report is very data-rich...but not everyone wanted to take part

<https://www.portfoliomatrix.com/our-blogs/new-esg-report-is-very-data-rich-but-not-everyone-wanted-to-take-part>

Square Mile:
Register now: Responsible Pathway

As an industry, we are still very much on the Responsible Investment (RI) journey. Whilst we await clarification on further requirements for advisers on RI matters, the regulator's view is that this is already in scope. As consumer interest and the number of investment options available continues to grow, the need to understand this area of investing has never been greater. To help support you and your business, we are excited to be hosting Responsible Pathway Live, an event focussing exclusively on RI.

Join on the 4th and 5th July for our exclusive 2-day conference designed to inform, update and prepare you and your business for the regulatory challenges which lie ahead. Hosted at Cambridge University, Hear from 16 leading funds groups and independent experts on all areas of RI – from climate and impact, to what this means in practice for you.

Register now <https://www.bonhillevents.com/EN/Responsible-PathwayLive-July2022>

Whitechurch: Latest Blog: Immoral Money

<https://www.whitechurch.co.uk/financial-advisors/news-and-updates/in-the-press/wsl-blog-immoral-money/>

From 'the news':

An Advisers Guide to ESG

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<https://intelligent-partnership.com/research-hub/an-advisers-guide-to-esg/>

Can we have economic growth and tackle climate change at the same time?

<https://www.lse.ac.uk/granthaminstitute/explainers/can-we-have-economic-growth-and-tackle-climate-change-at-the-same-time/>

UK celebrate as a global leader in green finance
The UK government has received two awards from the Climate Bonds Initiative, celebrating its work as a global leader in green finance.

<https://www.gov.uk/government/news/uk-celebrate-as-a-global-leader-in-green-finance>

Multilateral development banks' chance to become climate champions

<https://www.e3g.org/news/multilateral-development-banks-chance-to-become-climate-champions/>

Know your ecosystems The need for freshwater, ocean and land ecosystems to sit alongside climate change on the nature agenda has never been greater, warns the TNFD

<https://view.ceros.com/bonhill/esg-clarity-may-2022-uk/p/4>

How ESG disclosures impact IPO valuation. IPO-ready companies will see higher valuation and growth with robust ESG disclosure practices.

https://www.ey.com/en_gl/ipo/how-esg-disclosures-impact-ipo-valuation

Aviva explores using shareholder money to fund infrastructure projects

<https://www.ft.com/content/e25b60fd-1a75-41e4-957a-d8de06eb2e8d>

UNEP

How policymakers can promote sustainable lifestyles to protect the planet

<https://www.unep.org/news-and-stories/story/how-policy-makers-can-promote-sustainable-lifestyles-protect-planet>

S.Africa needs \$250 bln over three decades for clean energy transition - report

<https://www.reuters.com/business/sustainable-business/safrica-needs-250-bln-over-three-decades-clean-energy-transition-report-2022-05-26/>

In the race against time to cut emissions, companies' supply chains are key

<https://www.reuters.com/business/sustainable-business/race-against-time-cut-emissions-companies-supply-chains-are-key-2022-05-30/>

Vanguard refuses to end new fossil fuel investments
World's second-largest asset manager cites its duty to maximise returns for clients

<https://www.ft.com/content/435a9384-8711-4b99-95a8-d55e962343c6>

Explained: the SBTi net zero standard for financials

<https://www.southpole.com/en/blog/explained-the-sbti-net-zero-standard-for-financials>

The Topology Of Hate For ESG
Robert G. Eccles

<https://www.forbes-com.cdn.ampproject.org/c/s/www.forbes.com/sites/bobeccles/2022/06/03/the-topology-of-hate-for-esg/amp/>

Why is climate change such an interesting investment space over the next 5 years? OnePlanet Capital's Matt Jellicoe explains

Why is climate change such an interesting investment space over the next 5 years? - IFA Magazine

MPs launch inquiry into role of financial sector in UK's net-zero transition

EAC calls for 'explicit commitments'

<https://www.professionaladviser.com/news/4050504/mps-launch-inquiry-role-financial-sector-uk-net-zero-transition>

G7 commits to decarbonizing electricity by 2035 but leaves wiggle room for fossil fuels

<https://amp-cnn-com.cdn.ampproject.org/c/s/amp.cnn.com/cnn/2022/05/27/energy/g7-energy-decarbonization-power-climate-intl/index.html>

UK Sustainable Investment and Finance Association:

UKSIF's Knowledge Hub is a digital resources library with news, articles, research papers, videos, blogs, webinars, events and reports. The aim is to help UKSIF members share and showcase their work, innovations and good practices with peers in sustainable finance and learn from the innovations, successes and insights of others.

The Hub's resources are divided into two main themes: the Big Picture in ESG, sharing the latest developments across the ESG space, and the Sectoral Dimension, showcasing the challenges, opportunities and risks facing different industry sectors in the transition to a sustainable economy. For more information and a list of further benefits visit UKSIF's website.

<https://uksif.org/membership/>

Three Cambridge engineers, Dr Cyrille Dunant, Dr Pippa Horton and Professor Julian Allwood, have filed a patent and been awarded new research funding for their invention of the world's first emissions-free route to recycle Portland cement.

<http://www.eng.cam.ac.uk/news/cambridge-engineers-invent-world-s-first-zero-emissions-cement>

BOE. Climate capital – speech by Sam Woods

We recently tested the UK's largest banks and insurers on how prepared they are for financial risks caused by climate change. Sam Woods talks about the results.

<https://www.bankofengland.co.uk/speech/2022/may/sam-woods-speech-on-the-results-of-the-climate-bes-exercise-on-financial-risks-from-climate-change?sf165164930=1>

Separating Green From Greenwash: Key Questions For Evaluating Net-Zero Commitments: Part 3

David Carlin

<https://www.forbes.com.cdn.ampproject.org/c/s/www.forbes.com/sites/davidcarlin/2022/04/30/separating-green-from-greenwash-key-questions-for-evaluating-net-zero-commitments-part-3/amp/>

Sackers launches net zero guide for trustees

<https://www.sackers.com/sackers-launches-net-zero-guide-for-trustees/>

Why climate change angst is not just an HSBC issue
The banking and asset management sector has much work to do to win the argument internally

<https://www.ft.com/content/a4afe409-50ed-45ed-a946-3abc8ee24de>

Comment: How the UK can deliver on its promise of becoming a 'net-zero financial centre

By James Alexander James Alexander is chief executive of the UK Sustainable Investment and Finance Association (UKSIF)

<https://www.reuters.com/business/sustainable-business/comment-how-uk-can-deliver-its-promise-becoming-net-zero-financial-centre-2022-05-23/>

ISSB: Company's impact and enterprise value do overlap
The vice chair of the International Sustainability Standards Board, Sue Lloyd, outlines its plans and progress, as pressure and spending grow around ESG reporting.

<https://capitalmonitor.ai/strategy/sustainable/issb-companys-impact-and-enterprise-value-do-overlap/>

In face of soaring gas prices, UK Government urged to reconsider support for blue hydrogen
With natural gas prices more than twice as high as they were when the Government drew up its Hydrogen Strategy last year, Ministers should re-assess whether supporting blue hydrogen production is a sound economic choice, analysts are warning.

<https://www.edie.net/in-face-of-soaring-gas-prices-uk-government-urged-to-reconsider-support-for-blue-hydrogen>

Nations in need seek more help on 'green deal' loans
Access to finance to tackle climate change remains tight

<https://www.ft.com/content/6cc3db13-de3f-483b-8c5f-ee3f9ccd6d5f>

HSBC suspends banker over climate change comments
Executives criticise Stuart Kirk despite speech's theme and content having been agreed internally

<https://www.ft.com/content/8e1a16ea-bf63-45f8-81af-dc41c0df4e06>

HSBC AM's 'head of irresponsible investment' condemned over climate speech

<https://www.investmentweek.co.uk/news/4050061/hsbc-head-irresponsible-investment-condemned-climate-speech>

LGIM / Citywire: MPS in Focus, Models limber up for 2022 and beyond

https://digital.citywire.com/citywire-mps-in-focus-2022/p/1?utm_campaign=In-Focus&utm_source=NMA&utm_medium=email&utm_content=MPS-in-focus

Aviva Investors appoints new head for sustainable outcomes

<https://www.investmentweek.co.uk/news/4049963/aviva-investors-appoints-head-sustainable-outcomes>

Carbon Bankroll: Emissions from corporate cash far greater than across operations and supply chains
Major businesses are failing to account for the "hidden climate impacts" of their finances and investments, with a new report warning that emissions from these areas can far exceed traditional Scope 1,2 and 3 emissions combined.

https://www.edie.net/carbon-bankroll-emissions-from-corporate-cash-far-greater-than-across-operations-and-supply-chains/?utm_campaign=Auto%20Draft&utm_source=Adestra-Campaign&utm_medium=Email&utm_content=Read%20more

Parmenion adds Tatton and LGT portfolios to platform
<https://www.ftadviser.com/platforms/2022/05/16/parmenion-adds-tatton-and-lgt-portfolios-to-dfm/>

<https://www.msci.com/www/webcast/esg-reporting-in-long-short/03175496367>

UN Environment Programme Finance Initiative (UNEP FI) & National Institute of Economic and Social Research (NIESR): Economic Impacts of Climate Change: Exploring short-term climate related shocks for financial actors with macroeconomic models

<https://www.unepfi.org/publications/economic-impacts-of-climate-change-exploring-short-term-climate-related-shocks-with-macroeconomic-models/>

Climate Disclosure Convergence: TCFD, SEC, and ISSB May 2022. In light of publications by the SEC and ISSB on climate-related disclosure that incorporate the TCFD recommendations, the TCFD hosted a one-hour webinar in conjunction with representatives from the SEC and ISSB. The webinar consists of a 10-15 minute overview from each speaker, followed by a moderated Q&A session.

<https://www.fsb-tcfid.org/videos/>

Update to Green Finance Strategy: call for evidence

<https://www.gov.uk/government/consultations/update-to-green-finance-strategy-call-for-evidence>

Advisers recognise that responsible investment does not compromise returns

<https://ifamagazine.com/article/advisers-recognise-that-responsible-investment-does-not-compromise-returns/>

BlackRock set to vote against more climate resolutions

<https://www.investmentweek.co.uk/news/4049486/blackrock-set-vote-climate-resolutions>

Oxford University & Bank of America to tackle climate change and transform sustainability in financial services

<https://ifamagazine.com/article/oxford-university-bank-of-america-to-tackle-climate-change-and-transform-sustainability-in-financial-services/>

JPM: War in Europe will supercharge the net zero agenda
The corporate sector's problem-solving skills are also coming to the fore

<https://www.moneymarketing.co.uk/opinion/russia-ukraine-investing/>

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