



# ESG ACCORD

●●● YOUR COMPLIANCE, ESG & SUSTAINABILITY IN ACCORD

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## Newsletter July 2022

### Hello from ESG Accord

Here we are at the end of July and what a month it has been. Extreme heat and record temperatures, a host of regulatory updates (see below) and the race for No.10. School's out for summer and the juggling game for many of us between work and kids activities intensifies!

The Financial Services and Markets Bill was introduced to Parliament on 20 July 2022. Alongside this, the eight months clock for the High Court ruling deeming the Government's Net Zero strategy unlawful and insufficient is now ticking. Policymakers will be hard at work to expand the Strategy... This signals time for all market participants to get Net-Zero strategies in order for fear of reputational damage and litigation.

The record temperatures bring to the forefront that climate change risks are here now. But what is harder to compute and get our heads around is the scale, size and timing of the change. The interconnected and inter-related feedback loops between climate and biodiversity incorporating people, planet and profit bring considerable challenges and uncertainty. Our ongoing attention, learning and action is needed now.

#### Updates from us:

Award winner! We received some very exciting news earlier this month. At the Professional Adviser 2022 Women in Financial Advice Awards, Elly won *Woman of the Year for ESG!* See her post here:

[https://www.linkedin.com/posts/elly-dowding\\_womeninfinancialadvice-wifa2022-mps-activity-6950756770352906240-VgMq?utm\\_source=linkedin\\_share&utm\\_medium=member\\_desktop\\_web](https://www.linkedin.com/posts/elly-dowding_womeninfinancialadvice-wifa2022-mps-activity-6950756770352906240-VgMq?utm_source=linkedin_share&utm_medium=member_desktop_web)

Tax Efficient Vehicles Report: The DDQs have now been sent out to participants and sponsors (Stellar, Calculus Capital, Blackfinch, British Robotics, Vala Capital, GrowthInvest, Sapphire, Regenerate Ventures). The report includes VCTs,

SEIS, EIS and IHT/BR Portfolios and will be a searchable database (similar to the MPS Report).

The Tax Efficient Vehicles Report will sit alongside our Compliance Framework services and our MPS Report/database as part of an advice and planning tool-kit for advisers who are looking to fully include the full spectrum of ESG & Sustainable preferences and objectives in their processes.

Later this year, we will be producing a deep-dive MultiAsset & MultiManager Report. Our continuing aim is to provide the industry with solutions!

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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;

- View and compare over 30 fully completed MPS DDQs
- It contains over 45 MPS providers and shows the answers to over 70 ESG & Sustainable questions
- 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](mailto:admin@esgaccord.co.uk)

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

Aviva: ESG Regulation - "Don't wait, act now!"

James Dalby, ESG Lead at Aviva Wealth, shares his thoughts on ESG regulatory developments, and his top tips to help you get ahead of the curve.

<https://connect.avivab2b.co.uk/adviser/articles/news/platform-and-investments/ESG-regulation-act-now/>

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Brooks Macdonald: New MPS brochure is now live, including Responsible Investing portfolios

<https://www.brooksmacdonald.com/~media/Files/B/Brooks-Macdonald-V6/documents/uk-adviser/managed-portfolio-service-for-uk-clients.pdf>

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EQ Investors:

We have just launched our carbon calculator: <https://eqinvestors.co.uk/advisers/carbon-calculator/>

At EQ we have been working on understanding the carbon footprint of all the investments we manage. Every investment has an associated carbon footprint, but minimising this is possible and desirable. Carbon emissions are the largest driver of climate change, and to limit their damaging impact, we need to reduce them. Carbon emissions also are a good proxy for some investment risks in portfolios – such as incoming regulation or reputational damage. In line with our commitment to provide transparency to our clients on the sustainability of their investments, we are excited to launch the EQ Carbon Calculator.

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Psigma: Helping to Build a Better World with CGWM: ESG Breakfast at The Ivy City Garden, Thursday 4th August 2022, 8:30am-10:00am

Mike Myers, Psigma's Head of SRI, joined by Patrick Thomas, Canaccord Genuity Wealth Management's Head of ESG Portfolio Management, will discuss the best way to introduce clients to SRI and ESG, and how these portfolios can enable your clients to achieve positive outcomes.

As two well-known SRI/ESG specialist firms in the IFA market now working together, we will be providing you with latest updates on the basics of ESG and Sustainability, and provide an overview of our combined thematic approach.

Sign up Here: <https://bit.ly/ESG-Breakfast>

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Waverton: Responsible Investment and ESG Due Diligence Information

[https://www.waverton.co.uk/assets/financial\\_advisers/due-diligence-pack/waverton-esg-due-diligence.pdf](https://www.waverton.co.uk/assets/financial_advisers/due-diligence-pack/waverton-esg-due-diligence.pdf)

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Square Mile: Differentiating impact from ESG

"ESG is doing the thing right. Impact is doing the right thing."

Impact investing: What do investors need to consider when investing in this way? Square Mile's Steve Kenny spoke with three industry experts at Responsible Pathway Live to dig a little deeper into impact investing. Drawing on the expertise of Caroline Cantor, Mohsin Ahmad, and Simon Bond this panel established how investors can enable a just transition, from both a societal and environmental perspective.

Listen now: <https://www.squaremileresearch.com/Insights-Resources/Articles/ArticleID/254/Impact-Investing-in-mega-trends>

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## Regulatory news:

FCA environmental sustainability targets and metrics

Our targets and metrics show the steps we're taking to become a more sustainable organisation and keep us accountable for our progress.

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<https://www.fca.org.uk/data/environmental-sustainability-targets-metrics>

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The Financial Services and Markets Bill was introduced to Parliament on 20 July 2022

<https://www.gov.uk/government/collections/financial-services-and-markets-bill>

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FCA response to HM Treasury's remit letters

<https://www.fca.org.uk/publication/correspondence/fca-response-treasury-remit-letters.pdf>

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FCA: Our climate-related financial disclosure 2021/22

<https://www.fca.org.uk/publication/annual-reports/climate-financial-disclosures-2021-22.pdf>

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Supporting the commitment towards a net zero economy

Sacha Sadan

Sacha Sadan Director of ESG at Financial Conduct Authority

The journey towards net zero is one we are all on together and the FCA is playing a leading role in driving change.

<https://www.linkedin.com/pulse/supporting-commitment-towards-net-zero-economy-sacha-sadan>

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Government taskforce to support pension schemes with social factors in ESG investing

<https://www.moneymarketing.co.uk/news/government-taskforce-support-pension-schemes-social-esg/>

Consultation outcome, Government response: Consideration of social risks and opportunities by occupational pension schemes

<https://www.gov.uk/government/consultations/consideration-of-social-risks-and-opportunities-by-occupational-pension-schemes/outcome/government-response-consideration-of-social-risks-and-opportunities-by-occupational-pension-schemes>

High Court deems Government's Net-Zero Strategy unlawful  
In a landmark ruling the High Court has ordered that the UK Government's Net-Zero Strategy is "unlawful", with an order now in place for policymakers to flesh out the Strategy with new details.

<https://www.edie.net/high-court-deems-governments-net-zero-strategy-unlawful>

FCA:How the UK will regulate for the future

Includes Trust in ESG and UK Consumer Duty

<https://www.fca.org.uk/news/speeches/how-uk-will-regulate-future>

ISSB Exposure Drafts on IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures): FCA response

<https://www.fca.org.uk/publication/corporate/fca-response-issb-exposure-drafts.pdf>

### **From 'the news':**

Market value alone is selling nature short, governments told

<https://www.reuters.com/business/environment/market-value-alone-is-selling-nature-short-governments-told-2022-07-11/>

The chief executive of the Financial Conduct Authority has said the incoming consumer duty will "break new ground" in regulating the retail financial markets.

<https://www.moneymarketing.co.uk/news/fca-consumer-duty-regulation/>

Tata threatens to close Port Talbot steelworks without £1.5bn of aid

<https://on.ft.com/3zokHO4>

Oxford sustainable finance hub launches to scale climate innovation

<https://www.investmentweek.co.uk/news/4053420/oxford-sustainable-finance-hub-launches-scale-climate-innovation>

Sustainable MPS launches outweigh advisers' demand

<https://www.moneymarketing.co.uk/news/most-investors-unaware-of-esg/>

Most investors unaware of ESG, finds report

<https://www.moneymarketing.co.uk/news/most-investors-unaware-of-esg/>

From CDP to UN PRI: edie's A to Z of ESG standards and disclosure frameworks

Investors are increasingly asking businesses to disclose information relating to their plans and performance regarding environmental, social and governance (ESG) topics. Here, edie lists the most popular disclosure frameworks, with a focus on the 'E', to help readers navigate this jargon-heavy landscape.

<https://www.edie.net/from-cdp-to-un-pri-edies-a-to-z-of-esg-standards-and-disclosure-frameworks>

IA Report INVESTING FOR THE FUTURE

Three potential paths for a tech-powered UK fund industry  
<https://www.theia.org/Investing-for-the-future>

Georgia Stewart: Clients will pay you to be their voice on ESG  
The emergence of voting and engagement solutions offers advisers an opportunity to harness client interest in ESG and promote their service as enabling their voice to be heard

<https://www.moneymarketing.co.uk/opinion/esg-wealth-management/>

Financial services must make economic case for responsible investment

<https://www.moneymarketing.co.uk/news/responsible-investment-the-industry-has-to-highlight-the-economics-of-this-space>

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## Global Gender Gap Report 2022

Gender parity is not recovering, according to the Global Gender Gap Report 2022. It will take another 132 years to close the global gender gap. As crises are compounding, women's workforce outcomes are suffering and the risk of global gender parity backsliding further intensifies.

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

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## Water and sewerage company performance on pollution hits new low

Latest annual Environmental Performance Assessment shows environmental performance of England's nine water and sewerage companies has declined.

<https://www.gov.uk/government/news/water-and-sewerage-company-performance-on-pollution-hits-new-low>

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## Opinion: The UN General Assembly must back the right to a healthy environment

Inger Andersen is Executive Director of the UN Environment Programme

<https://news.trust.org/item/20220713062530-gjuet/>

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## Demystifying climate transition scenarios

<https://www.pwc.co.uk/services/sustainability-climate-change/insights/wbcd-demystifying-scenarios.html>

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## The "Crying Wolf" Hypothesis: Hyperbole Before Any Major Regulatory Initiative

<https://www.forbes.com/sites/shivaramrajgopal/2022/07/12/the-crying-wolf-hypothesis-hyperbole-before-any-major-regulatory-initiative/?sh=43f988855445>

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## SIF 2022: Regulator confirms SDR rules set for September FCA's Sacha Sadan

<https://www.investmentweek.co.uk/news/4052887/sif-2022-regulator-confirms-sdr-rules-set-september>

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SIF 2022: Jonathon Porritt warns of 'massive amount of greenwashing'  
'The judgement is pretty damning'

<https://www.investmentweek.co.uk/news/4052881/sif-2022-jonathon-porritt-warns-massive-greenwashing>

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## Failure of US climate leadership compounds fears for COP27 summit

<https://on.ft.com/3lj10Kg>

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## Calls for a just energy transition in Africa carry echoes of elite panic

<https://on.ft.com/3c6dl3f>

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## Eurozone banks are underestimating the hit from climate change, warns ECB

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

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## FPC pushes for the BoE to build understanding of nature risks

<https://www.responsible-investor.com/fpc-pushes-for-bank-of-england-to-build-understanding-of-nature-risks/>

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## European Commission Q&A on SFDR - Five Key Takeaways for Investment Managers

<https://www.sidley.com/en/insights/newsupdates/2022/06/eu-commission-q-and-as-on-sustainable-finance-disclosure-regulation-5-key-takeaways>

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## The Morning Briefing: Good time for paraplanners and walking the ESG talk

<https://www.moneymarketing.co.uk/news/the-morning-briefing-good-time-for-paraplanners-and-walking-the-esg-talk/>

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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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