



ESG ACCORD

●●● YOUR COMPLIANCE, ESG & SUSTAINABILITY IN ACCORD

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Newsletter November 2022

Hello from ESG Accord

What a busy few weeks!

We have been re-reading the CP22/20 and the corresponding Occasional Paper no.62 (yes, you read that right: re-reading) to fully digest the proposals and to formulate our feedback. We have been following COP27. We have been attending webinars, organising webinars and making arrangements for our upcoming Accord Initiative industry website!

Alongside all this, we have been finalising our updated triage process and questionnaires for full spectrum investment preferences and objectives... Our new updated compliance framework will be FCA Sustainable labels ready and Consumer Duty friendly. Our ongoing mission is a template for industry best practice incorporating clients' investment preferences and objectives:



Join us:

We would like to invite you all to join us on Tuesday 29th November at 10am (60mins) for a free webinar!

ESG ACCORD



Louise Chandler
Senior Associate, Sustainability
Financial Conduct Authority



Miranda Beacham
Head of ESG - Equity & M.
Argon Asset Management



Ben Palmer
Investment Director, Head,
Brooks Macdonald



James Blackstock
Researcher & Product Mgt.
Ethical Screening



Lee Coates OBE
Director
ESG Accord



Martin Fox
Managing Director
Saville Marketing

Now that the FCA Consultation Paper Sustainability Disclosure Requirements (SDR) and investment labels (CP22/20) is here, we have set up this follow up event with a keynote from the Financial Conduct Authority and a panel discussion with leading industry experts to consider the changes that are coming and how the investment industry needs to respond.

Please register here:

<https://events.zoom.us/j/917WLVThU0lh6B-mThZ1bHH0JqxpCd-AggLXsr32QYFjq8BIYLZ5106Dg?lmt=1668014986000>

Other upcoming events:

- PIMFA webinar on Sustainable Investments - The Compliance Essentials. Wednesday 30th November at 10am (60mins), FREE to attend. Lee Coates OBE ESG ACCORD and Julia Dreblow SRI Services will discuss sustainable investment related compliance essentials for intermediaries. <https://www.pimfa.co.uk/event/pimfa-webinar-sustainable-investments-the-compliance-essentials/>
- FE FUNDINFO – Lee will be speaking in London at the face-to-face 'Aligning sustainability with suitability' REGISTER HERE <https://www.fefundinfo.com/en-gb/events/aligning-sustainability-with-suitability-london/>
- Aviva webinar 'Trends in regulation in financial services' – Lee will be speaking at this 2 hour CPD event on 23 November at 10:00 REGISTER HERE <https://event.on24.com/wcc/r/4021044/DEF2DCE8615459F39BEA4D9EB1BFC8E3?partnerref=connect>

Tax Efficient Vehicles Report update:

Recommending Tax Efficient Vehicles? DEEP-DIVE into our industry database and match client preferences and objectives to tax efficient outcomes.

Financial advisers can register for FREE access.

LAUNCHING SOON, pre-register now!

Release ETA: December 2022!

<https://www.linkedin.com/feed/update/urn:li:activity:6997914094854938624>

Report sponsors: Blackfinch, British Robotics, Calculus Capital, Committed Capital, GrowthInvest, Haatch, Regenerate Ventures, Sapphire, Stellar Asset Management, Vala Capital

The report will include VCTs, SEIS, EIS and IHT/BR Portfolios and will be a searchable database (similar to the MPS Report). It will be free for Advisers to access because of the generous support of the sponsors who share our ethos for transparency and raising market participation.

MPS Report Hub:

The MPS '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

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

Tribe Impact Capital (Sponsor):

- Global investment into ESG funds grew to over £35 trillion in 2020. Bloomberg estimates that by 2025 ESG funds will make up one third of the projected \$140.5 trillion global total¹
- However, the increased interest and demand for sustainable investments has seen many existing funds simply re-label themselves. 2020 saw the launch of

505 new sustainable funds in the UK, [250 were simply repurposed existing funds that previously had not marketed themselves as having any sustainable credentials](#)²

- Tribe's Chief Impact Officer, Amy Clarke, spoke to the FT's Charlotte Middlehurst about ESG ratings and rankings and a framework that could help investors discern if there is greenwashing in their portfolios.
- Watch on <https://www.ft.com/video/3f967a12-5535-4922-9649-413b5db2773e?playlist-name=latest&playlist-offset=0>

Sources

1. <https://www.bloomberg.com/professional/blog/esg-assets-may-hit-53-trillion-by-2025-a-third-of-global-aum/>
2. https://www.morningstar.com/content/dam/marketing/emea/uk/European_ESG_Fund_Landscape_2020.pdf

Castlefield:

Equality isn't a reward, it's a right. In his latest thematic piece, "Will board rooms 'come home'?", Castlefield Partner Simon Holman looks at the broader issue of inequality, comparing the disparity within women's sport to that found in board rooms across the UK.

<https://www.castlefield.com/home/media/blog/will-board-rooms-come-home/>

Regulatory:

FCA Occasional Paper October 2022 Matter of fact-sheets: improving consumer comprehension of financial sustainability disclosures

<https://www.fca.org.uk/publication/occasional-papers/occasional-paper-62.pdf>

FCA: FCA proposes new rules to tackle greenwashing

<https://www.fca.org.uk/news/press-releases/fca-proposes-new-rules-tackle-greenwashing>

FCA Letter, Sacha Sadan to Rt Hon Alex Burghart MP

An update on the FCA's response to the Taskforce on Pension Scheme Voting Implementation's (TPSVI) report and recommendations

"Effective investor stewardship is a key priority for the FCA. As noted in our ESG Strategy, published last November, one of our target outcomes for the market is "active investor stewardship that positively influences companies' sustainability strategies, supporting a market-led transition to a more sustainable future".

Annex shows TPSVI recommendations addressed to the FCA

<https://www.fca.org.uk/publication/correspondence/letter-to-dwp-tpsvi-actions.pdf>

Sacha Sadan FCA : Stopping the cycle of greenwashing
The FCA is proposing new measures including investment product sustainability labels and restrictions on how terms can be used

<https://www.linkedin.com/pulse/stopping-cycle-greenwashing-sacha-sadan/?trackingId=x1kSYJbm9fiDxNQgFikwSg%3D%3D>

FCA: Matter of fact-sheets: improving consumer comprehension of financial sustainability disclosures

<https://www.fca.org.uk/publications/research/matter-fact-sheets-improving-consumer-comprehension-financial-sustainability-disclosures>

From 'the news':

Lee quoted in Money Marketing:

Behind the Headlines: Are we any closer to cutting out greenwashing?

<https://www.moneymarketing.co.uk/analysis/behind-the-headlines-are-we-any-closer-to-cutting-out-greenwashing/>

European FMs less carbon intensive

<https://www.investmentweek.co.uk/news/4060214/us-fund-houses-pollute-european-peers>

Pension in a world on fire

<https://www.sustainable-investment.com/analysis/4059999/point-inheriting-pension-world-biggest-uk-pensions-lacking-climate-action>

Devlin Mambo, Client briefing: IOSCO Good Practices: A call to action

<https://www.devlinmambo.co.uk/news-and-insights/posts/iosco-good-practices/>

Enabling an ecosystem that supports increased impact investing by those with private wealth.

<https://www.beaconcollaborative.org.uk/enabling-an-ecosystem-that-supports-increased-impact-investing-by-those-with-private-wealth/>

Explainer: Decoding COP27: the many shades of green bonds

<https://www.reuters.com/business/cop/decoding-cop27-many-shades-green-bonds-2022-11-09/>

Updated MSCI Temperature rise tool for investors

<https://www.investmentweek.co.uk/news/4059834/msci-expands-implicit-temperature-rise-tool-funds-indexes>

Plight of Egyptian dissident Alaa Abdel Fattah overshadows COP27

<https://www.ft.com/content/d4d07560-1ef4-4858-916e-49c57710e4ff>

Aviva seeks to avert climate catastrophe

<https://www.investmentweek.co.uk/news/4059951/aviva-investors-calls-private-capital-push-avert-climatic-catastrophe>

UK company AGMs face climate proposals

<https://www.investmentweek.co.uk/news/4059949/agm-season-uk-companies-continue-climate-proposals>

Brown Advisory Expanding Sustainable Fixed Income Team

<https://www.investmentweek.co.uk/news/4059946/brown-advisory-makes-hires-global-sustainable-fixed-income-team>

Lombard Odier targets Carbon markets

<https://www.investmentweek.co.uk/news/4059935/lombard-odier-targets-carbon-markets-fund>

ISSB at COP27: Financial Reporting Council of Nigeria to adopt IFRS Sustainability Disclosure Standards

<https://www.ifrs.org/news-and-events/news/2022/11/issb-at-cop27-frc-of-nigeria-to-adopt-ifrs-sustainability-disclosure-standards>

Gene-edited crops: ' Frankenfoods' or a fix for climate change?

<https://www.ft.com/content/337ba132-cc33-42a9-9df3-cd53114200bc>

Pension funds after the gilts crisis: the big asset allocation rethink

<https://www.ft.com/content/1854d64f-491d-432e-9899-2fd565e7ff06>

Delay only makes climate action more urgent
A huge acceleration in investment is necessary to help
emerging and developing countries

<https://www.ft.com/content/5198e3ba-997f-4db5-8310-3a68ae91d9f2>

90% of advisers recommend Sustainable funds

<https://www.investmentweek.co.uk/news/4059812/90-intermediaries-recommend-sustainable-funds-despite-greenwashing-concerns>

RLAM launches Transition Fund
<https://www.investmentweek.co.uk/news/4059794/rlam-launches-global-equity-transitions-fund>

More progress on international data standards:

https://www.linkedin.com/posts/emmanuelfaber_a-big-good-news-to-start-our-day-at-cop27-activity-6995689963191156736-FIEY?utm_source=share&utm_medium=member_desktop

Should you care about COP27?

<https://www.moneymarketing.co.uk/opinion/leader-should-you-care-about-cop27/>

Forest finance commitments and heart-wrenching speeches:
Seven things you need to know from Day One at COP27

<https://www.edie.net/forest-finance-commitments-and-heart-wrenching-speeches-seven-things-you-need-to-know-from-day-one-at-cop27>

World Meteorological Organization:
Eight warmest years on record witness upsurge in climate
change impacts

<https://public.wmo.int/en/media/press-release/eight-warmest-years-record-witness-upsurge-climate-change-impacts>

From COP26 to COP27: 4 climate laws passed in the last year

<https://www.cpahq.org/knowledge-centre/blogs/cop27-climate-laws/>

Robert G Eccles From “Who Cares Wins” To Pernicious
Progressivism: 18 Years Of ESG

<https://www.forbes.com/sites/bobeccles/2022/11/05/from-who-cares-wins-to-pernicious-progressivism-18-years-of-esg-amp/>

Nordea AM ends Brazil bond ban after Lula pledges
conservation
Deforestation reversal

<https://www.investmentweek.co.uk/news/4059501/nordea-brazil-bond-ban-lula-pledges>

Why enabling the energy transition is a great investment
Five reasons

<https://www.investmentweek.co.uk/opinion/4059456/enabling-energy-transition-great-investment>

Investor warning for air polluting sector returns
More than four million deaths annually

<https://www.investmentweek.co.uk/news/4059434/investor-warning-air-polluting-sector-returns>

Why double materiality is important to pension funds

<https://drcaroladams.net/why-double-materiality-is-important-to-pension-funds/>

GFANZ unveils new voluntary guidelines on reaching net-zero

<https://www.edie.net/gfanz-unveils-new-voluntary-guidelines-on-reaching-net-zero/>

The International Sustainability Standards Board (ISSB)
unanimously confirmed that companies will be required to use
climate-related scenario analysis to inform resilience analysis

<https://www.ifrs.org/news-and-events/news/2022/11/issb-confirms-requirement-use-climate-related-scenario-analysis/>

Mandate nature impact disclosures from corporates, 300+
businesses urge world leaders
Companies with combined annual revenues of \$1.5trn are
calling on world leaders to mandate that all large businesses
and financial institutions should assess their impacts and
dependencies on nature by the end of the decade.

<https://www.edie.net/mandate-nature-impact-disclosures-from-corporates-300-businesses-urge-world-leaders>

IEA forecasts fossil fuel demand will peak this decade

<https://www.ft.com/content/1fd06f38-ec60-4043-bcdd-adc8a8beb006>

The SBTi launches the world's first standard method to cover land-related emissions and removals

<https://sciencebasedtargets.org/news/the-sbti-launches-the-worlds-first-standard-method-to-cover-land-related-emissions-and-removals-2>

The Sir Roger Gifford Lecture Mon 24th October

Mark Carney OC, Co-Chair, GFANZ and UN Special Envoy for Climate Action and Finance.

<https://www.theglobalcity.uk/sustainable-finance/sir-roger-gifford-lecture>

PRI update to the Freshfields Bruckhaus Deringer 'A Legal Framework for Impact' Report: INTEGRATING SUSTAINABILITY GOALS ACROSS THE INVESTMENT INDUSTRY UK

<https://www.unpri.org/a-legal-framework-for-impact/uk-integrating-sustainability-goals-across-the-investment-industry/10582.article>

'A dire warning': National climate pledges aligned with 2.5C pathway, UN reveals

If Governments deliver their Paris Agreement pledges in full, they will still produce emissions far beyond the level of reduction needed this decade to deliver the Agreement's 1.5C pathway.

<https://www.edie.net/a-dire-warning-national-climate-pledges-aligned-with-2-5c-pathway-un-reveals>

In numbers: The major climate 'U-turns' needed for a 1.5C world

A major new 'State of Climate Action' report has been published this week, revealing that no high-emission sectors are decarbonising rapidly enough to align with the Paris Agreement's 1.5C pathway. Here, edie rounds up the key calls to action in numbers.

<https://www.edie.net/in-numbers-the-major-climate-u-turns-needed-for-a-1-5c-world/>

Bridging the gap between sustainability and fiduciary duty

<https://globalreportinginitiative.medium.com/bridging-the-gap-between-sustainability-and-fiduciary-duty-e441967a4163>

China's climate goals need \$14tn for power and transport, says World Bank

President Xi reinforces commitment to green energy despite severe pressures on economy

<https://www.ft.com/content/2505e060-6ff1-42e2-ac4d-931bf54ee217>

Advisers responsible for ESG fund labels in greenwashing crackdown

<https://citywire.com/new-model-adviser/news/advisers-responsible-for-esg-fund-labels-in-greenwashing-crackdown/a2400740?re=102306&refea=1817878>

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