



ESG ACCORD

●●● YOUR COMPLIANCE, ESG & SUSTAINABILITY IN ACCORD

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Newsletter February 2023

Hello from ESG Accord

Free to access compliance framework for ESG & Sustainability? No, it is not a rumour!

In the summer we are responding to the industry and launching our **Accord Initiative**. To cut a long story short, this will be a web site, supported by a very broad range of large and small financial services business, that will deliver the following:

- The ESG Accord full spectrum of capital compliance framework (Consumer Duty and SDR friendly) on a free to access basis. All financial advisers in the UK can access the entire framework, with ongoing updates, at no cost
- Full CPD, training, education support for advisers
- Find a Sustainable Adviser - a public facing database of advisers that can demonstrate a robust compliance process for proving advice on ESG/Sustainable Finance. Free to be listed for all advisers able to meet our Code of Conduct
- Information on how to advise on workplace pensions, advise charities, provide Consumer Duty compliant mortgage advice and a whole section looking at FCA regulations and how they relate to the advice process and ESG/Sustainable advice

That's all we can share right now, please stay tuned, this is really happening!

Excited to be a FINALIST at International Compliance Association (ICA) Awards 2023

The ICA Awards 2023 recognises outstanding dedication and exemplary work in the financial crime and regulatory compliance landscape.

We entered to highlight the Accord Initiative compliance framework. Our goal is to provide full spectrum of capital compliance framework on a free to access basis for all financial advice firms. We believe a free to access compliance framework will play a key part in ensuring advisers meet the 'best client outcomes' requirements of the Consumer Duty. Many advice firms would like to offer advice on ESG and Sustainability, but don't know how - the Accord Initiative is our industry solution.

https://www.linkedin.com/posts/elly-dowding_icaawards2023-compliance-esginvesting-activity-7033468338655612928-Gn_4?utm_source=share&utm_medium=member_desktop

CP22/20

Sharing our ESG ACCORD response to the Financial Conduct Authority's CP22/20: Sustainability Disclosure Requirements (SDR) and investment labels.

We'd like to say a massive thank you to everyone we have met with for your valuable input and time.

We worked hard to prepare a concise and constructive response that we hope highlights our support and enthusiasm for the SDR. We look forward to the Policy Statement and the anti-greenwashing rules being activated in the Summer.

And... We are no longer in 'waiting time'! The Consumer Duty countdown is on and it is bringing a shift in focus to consumer outcomes with an emphasis on crosscutting. We look forward to working with financial advisers, our Report Sponsors and Accord Initiative Partners to support them with the new crosscutting landscape of SDR, ConsumerDuty, PROD & COBS.

LinkedIn post with the Feedback Doc (or email us to request the Feedback Doc direct):

https://www.linkedin.com/posts/elly-dowding_cp2220-activity-7026477747816267776-c65v?utm_source=share&utm_medium=member_desktop

Hot off the press:

Transition Fund Mapping, mapping existing funds to the SDR and investment labels PDF

Our compliance framework aligns with the proposed investment labels due in June 2024. We have produced the Transition Fund Mapping to help advisers recommend ESG/Sustainable/Ethical etc funds now. The document maps existing funds across to the most likely fund label under the new regime.

When using the document with clients, it is a perfect opportunity for advisers to engage with clients about their preferences and objectives and the forthcoming Fund Label regime. Begin the conversation now and you'll also be fully compliant with Consumer Duty too!

LinkedIn post with PDF (or email us to request the PDF):

https://www.linkedin.com/posts/elly-dowding_transition-fund-mapping-activity-7031641979595694080-vXeV?utm_source=share&utm_medium=member_desktop

Lee will be presenting at the Association of Professional Compliance Consultants - Annual Spring Conference 15th March:

<https://apcc.org.uk/event-calendar/apcc-spring-conference-2023/>

London Institute of Banking & Finance Event: Speakers include Green Finance Institute Rachael Hunnisett, Chloe T. The Association of Mortgage Intermediaries and ESG ACCORD Lee Coates OBE

Tickets and registration details: <https://www.libf.ac.uk/TMC>

Deep Dive Reports HUB - Tax Efficient Vehicles & MPS, (Multi-Asset ETA Q3!)

How do Tax Efficient Vehicles and MPS manage ESG, sustainability and climate-related factors? Good question. Deep dive into our MPS and TEV databases! Each holds the answers to Climate, ESG & Sustainable focussed questions tailored to each space. Both databases are FREE TO ACCESS. The aim of the database is to help advisers match the most appropriate products and services to client investment preferences and objectives.

Register here: <https://esgaccord.co.uk/registration-page/>

Tax Efficient Vehicles. We went live in December and the database is already growing! Log in to check out the new entrants. We will continue to welcome in TEV providers.

MPS. Our Due Diligence Questionnaire has now been updated to send out to the MPS participants for the next version of the MPS database (ETA end of Q1!).

TEV Report Hub. News from the database participants:

Thorntons Investments:

Our Chief Investment Officer Matt Strachan recently featured in a Citywire podcast 'Sustainable AIM gems the ratings agencies miss'. Matt is discussing our Sustainable Future AIM IHT Portfolio Service, an IHT planning solution for investors wishing to leave a broader lasting legacy, and make a real difference to the lives of future generations.

The podcast includes why we chose AIM for a sustainable portfolio, companies which populate the strategy - with examples, and how we manage the risk that comes with investing in smaller companies.

You will find a link to the podcast here <https://citywire.com/wealth-manager/news/sustainable-aim-gems-the-ratings-agencies-miss/a2404329>

MPS Report Hub. News from the database participants:

LGT Wealth Management (Report Sponsor):

The most important number no one has heard of

<https://www.lgtwm.com/en/news/the-most-important-number-no-one-has-heard-of>

Tribe Impact Capital (Report Sponsor):

Tribe Investment Update and Outlook 2023 – webinar replay

Walk through the latest investment performance and outlook for the Tribe portfolios, including:

- The macro-economic environment and what is driving financial markets
- Review of performance in 2022 and outlook for 2023
- Asset allocation and portfolio changes

Hosted by Christopher Toy, Business Development Manager and Jamie Innes, Investment Manager

Eligible for 30 minutes of unstructured CPD.

For a replay of the webinar, please email advisers@tribeimpactcapital.com

Castlefield:

We recently submitted our response to the Financial Conduct Authority's (FCA) consultation on Sustainability Disclosure Requirements (SDR) - the FCA's attempt to make it easier for investors to 'navigate an increasingly complex investment product landscape, protect them from greenwashing and rebuild trust.'

Castlefield Partner, Ita McMahon, shared her thoughts with FT Adviser on our response to the SDR consultation, calling for greater clarity and guidance from the FCA. Read the interview here:

<https://www.ftadviser.com/investments/2023/01/27/esg-specialist-castlefield-urges-greater-clarity-from-fca/>

Parmenion:

What could the new sustainability labels mean for fund due diligence?

<https://www.parmenion.co.uk/insight-and-resources/news-and-insights/what-could-the-new-sustainability-labels-mean-for-fund-due-diligence/>

Square Mile:

New Series: A Spotlight On

Each month, Square Mile will be bringing together leading fund managers for a 45-minute virtual panel session to explore the main market drivers and sector trends that are shaping portfolios. Join us on the 23rd February for the first in the series where we'll be exploring sustainable investing and SDR.

Register now:

https://us02web.zoom.us/webinar/register/6016756827346/WN_726rXr-8SrGmilK2ft7PWw

Regulatory:

FCA DP23/2 Updating and improving the UK regime for asset management

<https://www.fca.org.uk/publication/discussion/dp23-2.pdf>

FCA hit with claim over prospectus climate risk disclosure

<https://www.ft.com/content/a98c4050-6222-40da-b897-ada20059cbe8>

Sacha Sadan: Finance for positive, sustainable change

<https://www.fca.org.uk/news/blogs/finance-positive-sustainable-change>

FCA:

Portfolio strategy letter for Financial Advisers and Intermediaries 02/12/22

<https://www.fca.org.uk/publication/correspondence/portfolio-strategy-letter-for-financial-advisers-and-intermediaries-2022.pdf>

FCA:

Implementing the Consumer Duty in the Consumer Investments sector 30/01/23

<https://www.fca.org.uk/publication/correspondence/consumer-duty-letter-consumer-investments.pdf>

From 'the news':

Treasury sub committee in 'shock' over FCA's sustainable mis-selling omission

<https://www.investmentweek.co.uk/news/4076507/treasury-sub-committee-shock-fcas-sustainable-mis-selling-omission>

Sustainability bond market stumbles as investors get picky

<https://www.ft.com/content/309a703a-3a5f-420e-afea-38a142a2f21a>

CDP:
Plastic pollution harms our ecosystems, economies and communities. CDP is expanding its global environmental disclosure system to help solve the plastic pollution problem.

<https://www.cdp.net/en/plastics>

AGM season to focus on quantifying climate impacts within company accounts

<https://www.investmentweek.co.uk/news/4074680/2023-agm-season-focus-quantifying-climate-impacts-company-accounts>

The struggle for the soul of the B Corp movement

<https://www.ft.com/content/0b632709-afda-4bdc-a6f3-bb0b02eb5a62>

Simba Mamboinga (Devlin Mambo): Are the consolidation of ESG data firms worrying?

<https://www.linkedin.com/pulse/consolidation-esg-data-firms-worrying-simba-mamboinga>

The ISSB "has taken its final decisions on all the technical content of its initial Standards" and "agreed that its initial IFRS Sustainability Disclosure Standards, S1 and S2, will become effective starting January 2024. Given sustainability disclosure is new for many companies globally, the ISSB will introduce programmes that support those applying its Standards as market infrastructure and capacity is built. The decision on effective date is answering the strong demand from investors for companies globally to disclose comprehensive, consistent and comparable sustainability-related information. IOSCO and governments around the world, including G20 leaders and others, have been vocal about the urgent need for standards that enable companies to disclose information about sustainability-related risks and opportunities, starting with climate, to support systemic financial stability and for investor protection."

<https://www.ifrs.org/news-and-events/news/2023/02/issb-ramps-up-activities-to-support-global-implementation-ahead-of-issuing-inaugural-standards-end-q2-2023/>

SDR: The implications for DFMs

<https://esgclarity.com/sdr-the-implications-for-dfms/>

French regulator to ban fossil fuels from Article 9 funds in landmark move

<https://www.investmentweek.co.uk/news/4074374/french-regulator-ban-fossil-fuels-article-funds-landmark>

ISSB Corporate Reporting Webinar Series

<https://www.ifrs.org/news-and-events/news/2023/01/issb-corporate-reporting-webinar-series/>

10 Questions Companies Should Ask Their Banks about Climate Risk Before Depositing Money with Them

<https://www.ceres.org/news-center/blog/10-questions-companies-should-ask-their-banks-about-climate-risk-depositing-money>

Invesco to exclude companies with missing ESG data from clean energy ETF range

<https://www.investmentweek.co.uk/news/4074311/invesco-exclude-companies-missing-esg-clean-energy-etf-range>

FCA DP21/3 Finance for positive sustainable change: governance, incentives and competence in regulated firms

<https://www.fca.org.uk/publication/discussion/dp23-1.pdf>

Aviva Investors Asks Portfolio Companies for Climate Transition Plans, Nature-Related Reporting

<https://www.esgtoday.com/aviva-investors-sets-expectations-for-companies-to-provide-climate-transition-plans-nature-related-reporting/>

Prioritising net-zero or ignoring non-energy emissions? UK's green economy reacts to Sunak's department shake-up

<https://www.edie.net/prioritising-net-zero-or-ignoring-non-energy-emissions-uks-green-economy-reacts-to-sunaks-department-shake-up/>

World's biggest investment fund warns directors to tackle climate crisis or face sack

<https://amp-theguardian-com.cdn.ampproject.org/c/s/amp.theguardian.com/business/2023/feb/03/worlds-biggest-investment-fund-warns-directors-to-tackle-climate-crisis-or-face-sack>

The biggest mistake advisers make on due diligence – and why it's more important than ever to avoid

<https://www.moneymarketing.co.uk/analysis/the-biggest-mistake-advisers-make-on-due-diligence-and-why-its-more-important-than-ever-to-avoid/>

Aviva helps restore rare native British rainforests

<https://www.aviva.com/newsroom/news-releases/2023/02/aviva-helps-restore-rare-native-british-rainforests/>

WHEB Group 2022 carbon commitments review and 2023 goals

<https://www.whebgroup.com/our-thoughts/2022-carbon-commitments-review-and-2023-goals>

Shell hit with damages claim by 11,000 Nigerians in UK High Court

<https://www.ft.com/content/7356e0c4-47eb-483c-9732-e3cd84d83a75>

Water company prosecutions fall in England despite thousands of pollution warnings

<https://www.ft.com/content/f05b7a5e-0445-47ed-968e-ce75ee14ce48>

Global elite produce almost half greenhouse emissions, UN says

“Carbon inequalities” within countries were now greater than those between countries, said the researchers from the Paris-based World Inequality Lab.

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

ESGgen/ Dr Marc Lepare: ‘Get ESG-ready’ Series: Why does ESG data need to be assured to International Accounting Standards

<https://www.cityam-com.cdn.ampproject.org/c/s/www.cityam.com/get-esg-ready-series-why-does-esg-data-need-to-be-assured-to-international-accounting-standards/?amp=1>

Lack of attention given to climate change in TPR's funding code a 'glaring omission'

<https://www.pensionsage.com/pa/Lack-of-attention-given-to-climate-change-in-TPRs-funding-code-a-glaring-omission.php>

ESG Is Not About Ethical Standards And Ethical Values

https://www.linkedin.com/posts/robert-eccles_esg-is-not-about-ethical-standards-and-ethical-activity-7014131002436374528-OIV6?utm_source=share&utm_medium=member_desktop

Research showing that through the critical credit risk channel, climate-related transition risk can have short-term consequences.

How can we better understand the threat that climate risk poses to financial stability?

<https://www.lse.ac.uk/granthaminstitute/news/how-can-we-better-understand-the-threat-that-climate-risk-poses-to-financial-stability/>

Aviva to deliver new capabilities for platform ESG tool

<https://www.moneymarketing.co.uk/news/aviva-to-deliver-new-capabilities-for-platform-esg-tool/>

COP15 marked a decisive moment for central banks and supervisors to address nature risks in the Anthropocene

<https://www.lse.ac.uk/granthaminstitute/news/cop15-marked-a-decisive-moment-for-central-banks-and-supervisors-to-address-nature-risks-in-the-anthropocene/>

UK pension schemes search out forestry investments

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Nest and Cushon schemes with 26bn under management look to put funds into trees as a growth area

<https://on.ft.com/400d6k5>

Industry calls for more clarity on FCA SDR proposals

https://www.responsible-investor.com/industry-calls-for-more-clarity-on-fca-sustainability-disclosure-proposals/?utm_source=newsletter-daily&utm_medium=email&utm_campaign=ri-daily-bronze&utm_content=26-01-2023

Future of the SASB Standards: What you need to know for 2023 disclosure

<https://www.sasb.org/blog/future-of-the-sasb-standards-what-you-need-to-know-for-2023-reporting/>

Consumer Duty implementation plans

<https://www.fca.org.uk/publications/multi-firm-reviews/consumer-duty-implementation-plans>

The U.K. FCA And The U.S. GOP: A Potential Strategic Alliance

<https://www.forbes.com/sites/bobeccles/2023/01/25/the-uk-fca-and-the-us-gop-a-potential-strategic-alliance/?sh=728f606d509c>

Is philanthropy the next big thing for advisers?

<https://www.moneymarketing.co.uk/analysis/january-mag-2-page-feat-is-philanthropy-the-next-big-thing-for-advisers>

Revealed: more than 90% of rainforest carbon offsets by biggest provider are worthless, analysis shows

<https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider-worthless-verra-aoe>

World Economic Forum Global Risks Report 2023

Key Findings

<https://www.weforum.org/reports/global-risks-report-2023/digest>

Full Report

<https://www.weforum.org/reports/global-risks-report-2023/>

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