

Weekly ESG News January 2023 (09.01. – 15.01.)

The Weekly ESG News provide you with all relevant sustainable finance information of the last week. We cover the Insurance- and Financial Services Industry. No sign-up or mail address required.

Products and Services

Euronext launches CAC SBT 1.5° Index

Euronext announced this week the launch of the CAC SBT 1.5°, an index investing solely in companies within the SBF 120 Index that have approved emissions reduction targets. The CAC SBT 1.5° Index is designed to support the adoption of ESG investment approaches by institutional and private investors.

Goldman Sachs raises \$1.6 Billion Private Capital for Climate Fund

Goldman Sachs Asset Management announced that the firm has raised \$1.6 billion for its first private equity fund focusing on investments in companies which provide climate and environmental solutions. The fund, originally launched in 2021, provides growth capital to companies active in the field of developing solutions in clean energy, sustainable transport, waste and materials, sustainable food and agriculture and ecosystem services.

PNC Financial Services Group increases financing commitment to \$30 billion

PNC increased its environmental finance commitments to \$30bn. This represents an increase of \$10bn from the last announcement back in August 2021. The financial services company will mainly support its customers in the transition to a low carbon economy with this financing.

Solactive acquires Minerva Analytics to offer proxy voting and stewardship services

Solactive announced last week the acquisition of Minerva Analytics, an ESG research, stewardship and proxy voting agency, in order to further strengthen its product offering. The services of Minerva Analytics are considered complementary to the current offering of Solactive. The two companies reach together a client base of 500 customers. The acquisition is the consequence of an increasing pressure of investors to actively vote and engage with portfolio companies.

Regulatory And Law

Korea issues guidelines to improve transparency of ESG Bond Ratings

The lack of comparability and transparency in the ESG Bond rating space was tackled by the regulator of Korea (KOFIA) with a new ruleset. The guidelines reflect IOSCO's recommendations and will be implemented as KOFIA best practice from 1 February 2023.

Sustainable Finance Disclosure Regulation (SFDR) in the EU

On January 01, 2023 the so-called level 2 of the Sustainable Finance Disclosure Regulation entered into force. Asset Managers are required to provide more granular information on financial products which are marketed under an Art. 9 or Art. 9 label. The regulatory uncertainty and lack of clear guidance triggered a downgrade from Art. 9 to Art. 8 which becomes now more visible after asset managers are obliged to publish the respective information.

Leadership Announcements

Peter Cashion joined CalPERS as Managing Director for Sustainable Investments

The California Public Employee's Retirement System (CalPERS) has appointed Peter Cashion to define the vision and strategy for CalPERS' sustainability efforts. In his new role, he will be also responsible for introducing ESG research and data frameworks into the investment decision processes. Cashion joins from the World Bank's International Finance Corporation.

SBTi appoints Maria Outters as Chief Impact Officer

Outters will be responsible for overseeing the engagement strategy on a global level, strengthening the initiative's governance and accelerate SBTi's 2025 goal of inter alia 10,000 companies. Furthermore, the incorporation of SBTi as a stand-alone NGO later this year is another agenda item.

Triodos Investment Management appoints Rosl Veltmeijer

Veltmeijer will take over a new role within the company and will manage the Triodos Sterling Bond Impact Fund. Rosl Veltmeijer has already been with Triodos for more than 20 years in various roles in Research and Portfolio Management.

Green Bond and Sustainability-linked Bond Issuances

India will test the Green Bond market with a \$2 billion sale

India plans to hold two auctions in January and February according to a government official with the goal to raise \$2 bn. The bonds will be issued in the local currency rupee with five- and ten-year maturities. The proceeds are planned to be used for larger infrastructure projects to support the transition to a low carbon economy.

Air France-KLM issued high yield sustainability-linked bond

Air France-KLM sold bonds worth one billion euros last week. The three-year EUR 500m bond comes with a coupon of 7.25% and the five-year EUR 500m bond has a coupon of 8.125%. Both bonds are part of the company's Sustainability-linked bond framework which targets a reduction of emission intensity of 10% by 2025 and 30% by 2030.