



### ...YOUR COMPLIANCE, ESG & SUSTAINABILITY IN ACCORD

Hello from ESG Accord

A lot of thought provoking and industry shaping pieces in the news this last week.

“As we learned during our stewardship of the Paris Agreement, if you do not control the complex landscape of a challenge (and you rarely do), the most powerful thing you can do is change how you behave in that landscape, using yourself as a catalyst for overall change.”

From ‘The Future We Choose’ by Christiana Figueras (former UN Secretary for Climate Change for the Paris Agreement) and Tom Rivett-Carnac (Senior Political Strategist for the Paris Agreement).

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UK failing to plan for impact of climate change despite warnings

In its quinquennial stock take of climate risks facing the UK published on Wednesday 16th June the Climate Change Committee (CCC) said the recent focus on reducing emissions has not been accompanied by adaptation planning, which has failed “to keep pace with the effects of a warming planet”.

<https://on.ft.com/2RZd4L3>

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Kensington Mortgages, has issued the first green bond from a UK residential mortgage-backed securities lender, the company has said.

The deal will help Kensington finance mortgages secured by eco-friendly properties or refurbished homes that have improved their energy savings.

The £472m bond will fund the purchase of loans from self-employed, first-time home buyers and other people with difficult credit histories

<https://www.ft.com/content/8d29224c-9639-4f6c-a3aa-e226e5ed11ec>

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Good explainer on how Carbon Trading will drive emission cuts in commodity supply chains  
Transparent standards and a liquid carbon market could play a role in climate transition

<https://www.ft.com/content/41db22de-8933-4d4e-b050-583e1c2c2dd3>

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ETF providers have been leading buyers of new fossil fuel bonds, finds study

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

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FTSE Russell threatens to expel 208 ESG offenders from FTSE4Good

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

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UK and Norway complete world's longest subsea electricity cable

<https://on.ft.com/3zsoF6f>

Interconnectors are a key part of the UK strategy for cutting emissions and boosting offshore wind because they allow the UK grid to share or import power depending on supply and demand. This means to maximise the use of renewables and access the extensive hydro power network in Norway replacing electricity from fossil fuels. The cable can carry as much as 1.4GW of power — about the capacity of a nuclear reactor.

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Aid to the developing world is the key to fighting climate change, interesting overview

The World Bank suggests climate change will push between 32m and 132m additional people into extreme poverty by 2030.

<https://on.ft.com/3vhD7uE>

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Good comments about stock concentration.....

[Trium Capital forms new sustainable range with ESG strategies managed by Raphael Pitoun \(investmentweek.co.uk\)](https://investmentweek.co.uk)

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LGIM will divest holdings from four companies. This is because of unsatisfactory responses to engagement, breaches of 'red lines' around coal involvement, carbon disclosures or deforestation.

[LGIM to divest its holdings from four companies | Money Marketing](https://www.money-marketing.com)

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87% of savers do not understand the importance of having their pension investments aligned with net-zero goals, according to LGIM

The research polled 3,056, currently in WPS, also showed that 25% have never heard of the term net-zero, a further 31% have heard of it but could not say what it means. When members were explained its meaning most were in favour of their pension moving in this direction, LGIM stated.

70% of DC members prefer remaining invested in non-complying companies to use engagement to align their businesses with global climate change efforts, or prepare them for a low-carbon economy. LGIM found that millennials were the stronger supporters of engagement, with 79% supporting providers with stewardship activities.

[https://www.pensions-expert.com/ESG/Majority-of-savers-not-aware-of-net-zero-pension-goals?ct=true?utm\\_campaign=PE%20Newsletter%20June%2015%202021&utm\\_source=emailCampaign&utm\\_medium=email&utm\\_content=](https://www.pensions-expert.com/ESG/Majority-of-savers-not-aware-of-net-zero-pension-goals?ct=true?utm_campaign=PE%20Newsletter%20June%2015%202021&utm_source=emailCampaign&utm_medium=email&utm_content=)

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Governance. Miners' troubles - The transition to net zero may need new models to quarantine 'stranded' toxic assets and run them down, "bad bank" structure to manage the demise of pariah climate assets

<https://www.ft.com/content/284f063b-cebe-4eff-9445-7c488451bbfb>

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Key elements of the 2021 Climate Biennial Exploratory Scenario (CBES) - financial risks from climate change, resilience of UK financial system, physical and transition risks of different pathways

<https://www.bankofengland.co.uk/stress-testing/2021/key-elements-2021-biennial-exploratory-scenario-financial-risks-climate-change>

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New independent group established to advise on standards for green investment - The Green Technical Advisory Group (GTAG) will oversee the Government's delivery of a "Green Taxonomy" – a common framework setting the bar for investments that can be defined as environmentally sustainable.

With hundreds of new sustainable investment funds coming to market each year and sales to UK retail investors tripling from 2019 to 2020, consumers and investors of all sizes will be able to make more informed decisions, and businesses will be supported as they plan to transition to net zero.

<https://www.gov.uk/government/news/new-independent-group-to-help-tackle-greenwashing>

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The DWP is pressing ahead with new rules that require trustees to report on schemes' climate change investment risks by October, but has introduced changes and easements to the regulations after industry concerns.

Amendments include changes to scope and timing of the reporting requirements, as well as scenario analysis risk management, metrics, targets and penalties. The intention is to make sure the added regulatory burden is "reasonable and proportionate whilst still retaining the wider benefits of the measures".

Guy Opperman, Pensions Minister; "By October 2022 we will have captured more than 70 per cent of assets under management, and over 80 per cent of members," he said.

[https://www.pensions-expert.com/DB-Derisking/DWP-presses-ahead-with-TCFD-rules-in-time-for-COP-26?ct=true?utm\\_campaign=PE%20Newsletter%20June%209%202021&utm\\_source=emailCampaign&utm\\_medium=email&utm\\_content=](https://www.pensions-expert.com/DB-Derisking/DWP-presses-ahead-with-TCFD-rules-in-time-for-COP-26?ct=true?utm_campaign=PE%20Newsletter%20June%209%202021&utm_source=emailCampaign&utm_medium=email&utm_content=)

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UK electric car motorway charging network sold to Hitachi venture - increasing the number and speed of charging is key to increasing confidence for motorists - the government wants at least 6 superfast charging points at each service area by 2023.

<https://on.ft.com/2SIHk2P>

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Re the G7 deal to set a global minimum corporate tax rate.

“Having an effective tax system is important for governments’ ability to take progressive steps in terms of climate action,” said Alex Cobham, chief executive of Tax Justice Network.

The move will tackle what one [study found](#) is more than \$400 billion lost annually to tax havens. If the policy is adopted globally without being watered down very much, it could help fill government coffers that many countries, especially poor ones, desperately need. With 132 countries having set or looking to set a net-zero goal, according to the [London School of Economics](#), there’s a good chance that some of that money will end up supporting climate policies.

<https://www.bloomberg.com/news/articles/2021-06-08/the-g-7-deal-to-tax-corporations-more-is-good-climate-policy>

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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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