

A COLLABORATION BETWEEN GET INVOLVED & VELOS ADVISORY



# ESG INSIGHTS

## IMPACTFUL AWARENESS



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# FINANCING THE FUTURE

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### **US Federal Government to achieve Net Zero Emissions by 2050**

The President of the United States, Joe Biden, signed an executive order that included a series of short and long-term goals for the US federal government to achieve net zero emissions by 2050. The White House released the “The Federal Sustainability Plan” which outlines the 5 key objectives, namely achieving net-zero carbon electricity by 2050, 100% zero emissions from purchased new vehicles by 2035, net-zero building portfolio, and net-zero emissions from federal procurement and federal operations by 2050.

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### **EU Taxonomy to begin being implemented by 2022**

The EU Council approved the first delegated act of the EU Taxonomy, thus making the objectives for climate change mitigation and adaptation law. With the approval of the EU Taxonomy Climate Delegated Act, by the 1st of January 2022, corporations will report using the EU Taxonomy framework, providing transparency to regulators, investors, and firms.

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### **EIOPA releases its Sustainable Finance Action Plan for 2022 to 2024**

The insurance and pension-focused financial regulator of the European Union has released its report on Sustainable Finance Activities 2022-2024. The objectives outlined in the report are to include ESG parameters, placing most emphasis on the climate-related ones, and the risk management of insurers, re-insurers, and occupational pension funds. With this Action Plan EIOPA emphasizes the need for the transition to a more sustainable economy.



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### **Commission pushes back SFDR disclosure requirements to 2023**

The Sustainable Finance Disclosure Regulations [SFDR] is a series of rules that aim for the investors to better understand the sustainability profile of funds. According to SFDR, financial market participants should be required to disclose how sustainability risks are integrated into their investment decisions and assess how these risks can impact their financial returns. The Commission decided to delay its implementation until January 2023, as it wants to implement the Regulatory Technical Standards [RTS] first, which will supplement SFDR. The RTS sets guidelines for financial market participants and financial advisors to align their products with their desired labels.

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### **Bloomberg U.S. Municipal Impact Index is launched**

Bloomberg announced the launch of the U.S. Municipal Index, developed to track the bonds that are categorised as Green, Social, or Sustainability. To be eligible, a bond should have principal and interest denominated in US dollars, have maturity of at least a year and be investment-graded. At its launch, the index has 2,800 securities.

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### **UBS divests on 5 energy corporations**

UBS Asset Management has excluded 5 energy corporations from its climate funds; Exxon Mobil, Imperial Oil, Kepco, Marathon Oil, and Power Assets. The decision was made after a 3-year engagement program with 49 oil and gas companies that were found to be lagging behind on climate change performance. These five corporations were found to be “unresponsive”.



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### **Moody's ESG Credit Impacts Scores to cover more industries**

Moody's ESG Credit Impacts Scores was expanded to include the car, oil and media industries as well as financial institutions. The more than 17,000 companies that are now affected will be subject to two types of ESG Scores, namely the Issuer Profile Scores [IPS] and Credit Impact Scores [CIS]. IPS measures exposures to ESG considerations that can materialize into credit risk, whereas the CIS measures the impact of these considerations on issuers' credit rating. Moody's initially launched the scores at the beginning of 2021 and focused on sovereign issuers, but through 2021 Moody's kept adding more sectors in the service.

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### **Alibaba to eliminate 1.5 gigatons of emissions by 2035**

The Chinese tech giant announced a series of climate objectives to reach carbon neutrality in its operations by 2030, as well as eliminating 1.5 gigatons of emissions by 2035. The objective of carbon neutrality by 2030 includes emissions under the firm's direct control and of its electricity and energy suppliers (Scope 1 and 2 emissions). A 50% reduction of emissions generated by the company's value chain is aimed by 2030 (Scope 3 emissions). Finally, Alibaba targets Scope 3+ emissions, which include emissions generated by a broader range of participants in the firms' ecosystem.



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### **Sectoral Report of the National Bank of Greece on the Greek role in the Green Revolution**

According to a sectoral analysis of the National Bank of Greece [NBG], there is a growing need for more focused policies that aim to reduce CO<sub>2</sub> emissions to achieve carbon neutrality by 2050. The energy sector is responsible for about 75% of the carbon emissions. The EU objectives of phasing out fossil fuels and for Renewable Energy Sources [RES] to cover 2/3 of energy consumption by 2050 are cornerstones of the EU environmental policies. To achieve these objectives, there is a dire need for significant investments, around \$4.4 trillion per year from 2020 to 2050. The Greek energy target is to have RES responsible for 83% of overall electricity. To accomplish this, annual investments of €8.5 billion up to 2030 and €10.6 billion from 2030 to 2050 are required.

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### **Eurobank offers ESG Deposit solution**

Eurobank S.A. announced an ESG Timed Deposits scheme for its business clients. The capital that will be allocated to this scheme will be used to finance sustainable development initiatives. To participate in this scheme, a corporation has to deposit at least €1 million for a fixed term of 6 to 12 months. Participation in the ESG Deposits solution is certified by the bank. With the launch of this service, Eurobank accumulated more than €200 million.

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### **Hellenic Cables to commit to the SBTi Net-Zero**

The subsidiary of Cenergy Holdings group has committed to developing scientific objectives according to the Science Based Targets initiative framework for net-zero carbon emissions. By committing to the SBTi Net-Zero, the firm has to achieve certain requirements in the next 5 to 10 years and to accomplish net-zero carbon emissions by 2050, at the latest



## ESG DEVELOPMENTS - GREECE

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### **CDP awards leadership status on climate change to TITAN**

The global environmental impact non-profit organization Disclosure Insight Action [CDP] recognized that, in 2021, TITAN Cement Group belonged in the global upper 15% of corporations with the most transparent environmental disclosures and risks as well as with strong governance and risk management procedures on these risks. The Greek group was one of the overall 27 corporations that were evaluated with “A-”, where only 5 of them were in the cement industry. In 2021, TITAN made progress on these issues, as it had its CO<sub>2</sub> validated by the Science Based Targets initiative and signed the “Business Ambition for 1.5°C”, among other initiatives.

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### **Hellenic Petroleum are included in the “eFuel”**

Hellenic Petroleum is the first Greek corporation to participate in the “eFuel Alliance” for the development of a zero-emissions synthetic fuel. The objective of this Alliance is to develop and promote the global industrial production of renewable fuels, such as synthetic fuels composed of water, CO<sub>2</sub>, and renewable electric energy. eFuel Alliance is composed of more than 155 firms, start-ups, academic representatives from Europe and around the globe.



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**Get Involved** is a youth-led initiative based in Athens, set up in 2017, which organises events and projects for university students. Its goal is to promote economic literacy by developing hybrid events that use experimental education as its main axis. Moreover, **Get Involved** aims to popularise an interdisciplinary approach to contemporary economic issues and strategically organises events in conjunction with various stakeholders.

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