

**ESG Standards in Securities Services -
Resource Centre for Non-ISSA Collateral**

ESG



Intro

Welcome to the ISSA ESG Resource Centre – a comprehensive compilation of non-ISSA material crafted for professionals in the Securities Services industry. As Co-Chairs of the ESG Standards in Securities Services working group, we proudly present this curated collection of articles, white papers, and webinar links focusing on Environmental, Social, and Governance (ESG) topics. Tailored to support those seeking a deeper understanding of ESG concepts, and their influence on the Securities Services sector, this resource stands as a valuable repository of knowledge.

We invite you to actively contribute to the growth of this resource by sending suggestions for additional documentation to the following email address issa@issanet.org. Your insights and contributions will play a vital role in expanding the scope and richness of this ESG knowledge hub, ensuring its ongoing relevance over time. Let's collectively navigate the dynamic landscape of ESG and collaboratively shape the future of Securities Services!

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Whitepaper and Articles

Title	Topic	Summary	Keywords	Date	URL
ESG ratings: whose interests do they serve?	All	This article explores the growing scrutiny of ESG ratings, which assess companies' sustainability performance. Regulators and politicians in Europe, Asia, and the US are seeking transparency and addressing potential conflicts of interest in these ratings. European lawmakers are considering legislation to enhance transparency, while US politicians are questioning ratings' agencies' methods. ESG ratings, unlike traditional credit ratings, are not yet subject to regulatory scrutiny on conflicts of interest and often rely on unaudited data.	ESG ratings; sustainability; transparency; conflict of interest; regulators; financial industry;	3 October 2023	ESG ratings: whose interests do they serve? Financial Times (ft.com)
Investors turn to AI for ESG data (<i>subscription required</i>)	All	How AI can support companies to manage the ESG data challenges	Data; ESG Solutions; AI; Artificial intelligence; Sustainable finance	October 2023	Investors turn to AI for ESG data Special Report IPE
Climate-Related Disclosures/ESG Investing	All	Why the right name of an ESG fund is so important. Video incorporated in an introductory article.	Fund naming; ESG; SEC	11 September 2023	https://www.sec.gov/securities-topics/climate-esg
ESG Global Survey 2023	All	This BNP Paribas survey of 420 asset owners and managers, hedge funds and private equity firms shows that institutional investors are mobilising capital towards investments that will deliver measurable positive impacts alongside financial returns. This first report focuses on ESG data and reporting, and the challenges with consistency, quality and cost of data faced by investors	ESG, Institutional investors, data, reporting, integration, vendors, net zero	September 2023	Global ESG Survey 2023 - Report - Securities Services (cib.bnpparibas)

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Reuters Impact: Global Sustainability Report 2023	All	This report highlights the key challenges and disruptions that sustainability practitioners are facing in their day-to-day jobs, exploring their specific priorities, their strategies to address them, which metrics for success they are chasing, and the tools and technologies they are procuring – and planning to procure – to help them meet their business goals.	ESG, ESG data, Institutional investors, decarbonization, reporting, integration, vendors, net zero, sustainability	September 2023	https://financialit.us17.list-manage.com/track/click?u=990cd5a224354dbacb7039aa9&id=1ddad2b771&e=d083301f18 File also available
Nature in Green Finance: Bridging the gap in environmental reporting	Environmental	This report looks at how financial institutions are considering nature-related risks and opportunities alongside recent progress on climate-related initiatives and net zero targets.	Nature; reporting; TCFD; climate; TNFD	20 August 2023	https://www.cdp.net/en/research/global-reports/financial-services-disclosure-report-2022
Should investors stay and fight for green change — or divest?	Environmental	This article summarizes the findings of academic researchers who looked at the pros and cons of divestment versus engagement investment approaches and how effective they really are. Links to the full paper are included.	Divestment; engagement; voting; SEC	6 July 2023	https://www.ft.com/content/54750a26-1f3e-4714-9d28-b9a5e677d454 (subscription required)
JPMorgan Launches Sustainable Data Solutions to Simplify ESG Investments	All	JPMorgan Chase & Co's Securities Services division is launching a sustainable investment data solutions initiative for institutional investors in a bid to make investments in ESG easier.	Environmental; social; governance; ESG; environmental social governance; JPMorgan; data; data solutions; investment data; ESG investing; US; institutional investing;	13 June 2023	https://www.reuters.com/sustainability/embargo-jpmorgan-launches-sustainable-data-solutions-simplify-esg-investments-2023-06-13/
<i>Biodiversity Loss: An Introduction for Risk Professionals</i>	Environmental	<i>This paper seeks to explain what biodiversity is and how it presents a financial risk – risks that include credit, market and operational risks. It is written specifically for finance professionals.</i>	<i>Biodiversity; nature; measurement; disclosure; frameworks</i>	02 March 2023	https://www.garp.org/sustainability-climate/biodiversity-loss-climate-risk

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UNEP FI: The 2023 Climate Risk Landscape	Environmental	This UN report is the latest in a series of publications that tracks the growing range of tools available for measuring and tracking climate risks of investments. The project is supported by 44 banks who the UNEP FI have convened as part of their program.	Climate risk; measurement; physical risk; transition risk	March 2023	https://www.unepfi.org/themes/climate-change/2023-climate-risk-landscape/
Climate-Related Financial Risk: An FMI's Perspective – A DTCC Systemic Risk White Paper	Environmental	Climate change is expected to have a dramatic impact on our environment over the next few decades – and quite possibly beyond. DTCC's white paper, Climate-Related Financial Risk: A Financial Market Infrastructure's Perspective , presents the financial market utility's thoughts on how climate-related financial risk applies to DTCC and, by extension, other Financial Market Infrastructures (FMIs) – and how the industry currently has the necessary resources to address these risks in a proactive manner.	Risk; environmental; Europe; US; systemic risk; climate change; climate-related; financial risk; physical risk, transition risk; climate concern; climate; FMI; business continuity; green bonds; DTCC	1 February 2023	https://www.dtcc.com/-/media/downloads/climate-change-white-paper/Climate-Change-White-Paper-2023
The Essentials of CSRD: A Quick Guide to Accelerate your Green Transition	All	What and when do you need to report in the context of CSRD? Key milestones in the CSRD and ESRS framework. Link to Greenomy.	ESG reporting; CSRD; ESRS; Greenomy	2023	https://greenomy.io/blog/csrd-ebook
The Essentials of SFDR: a Complete Guide to Accelerate Your Green Transition	All	What does SFDR mean in practice? Key insights into who is affected, what and how to report, key milestones and link to Greenomy.	ESG reporting; SFDR; sustainable finance; ESG transparency; Greenomy	2023	https://greenomy.io/blog/sfdr-ebook
NextGenerationEU green bonds	All	Green bonds issuance in the EU: the importance and framework of NextGenerationEU green bonds.	Next generation green bonds; NextGenerationEU, Capital markets; European Commission	2023	https://commission.europa.eu/strategy-and-policy/eu-budget/eu-borrower-investor-relations/nextgenerationeu-green-bonds_en

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Sustainable Finance under Global Securities Financing	All	The role of market infrastructures in sustainable finance: triparty collateral and securities lending services in sync with ESG-oriented financing. Clearstream point of view.	Sustainable finance; global securities financing; Clearstream	2023	https://www.clearstream.com/clearstream-en/securities-services/collateral-lending-liquidity/sustainable-finance-under-global-securities-financing
Non-banks contagion and the uneven mitigation of climate risk	Environmental	The paper develops a framework for the short-term modelling of market risk and shock propagation in the investment fund sector. It tackles in particular climate risk.	climate finance; investment funds; systemic risk; stress testing	December 2022	https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2757~80ba1bf7dd.en.pdf
Financial Innovations Lab: Integrating ESG Data to Improve Risk Management and Municipal Resilience	All	Sustainable debt investments and the market for ESG data continue to expand. But without effective measuring and tracking of the ESG risks specific to each community, there is a limit to that growth. If the municipal bond market is to capitalize on this momentum, it will require coordinated efforts from all stakeholders to standardize data about material risks and look at ways to “upstream” ESG risk detection by embedding these concerns into existing government practices on budgeting, asset management, planning, and procurement.	ESG; Milken Institute; financial innovation; innovation; financial innovations lab; ESG data; data; risk; risk management; resilience; municipal resilience; ESG risk; sustainable investment; investment; investments; ESG investing; financial reporting; data aggregation; strategy; platform; data solutions; accessibility; budgeting; innovating financing; energy and environment; data repository	25 October 2022	https://milkeninstitute.org/report/esg-data-integration-municipal-resilience-risk
ESG Data Services for securities finance and collateral markets	All	As ESG investing continues to gather momentum, firms are seeking to incorporate ESG guidelines into their collateral management. The article focuses on a number of Euroclear solutions as a triparty agent.	ESG; data services; securities finance; collateral markets	08 September 2022	https://www.euroclear.com/newsandinsights/en/Format/Articles/esg-data-services.html

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UNPRI: What is responsible investment?	All	A useful introduction to responsible investment provided by one of the key framework bodies operating globally. It provides summary information and further links to help readers understand the key what, why and how questions.	Responsible investment; ESG; materiality	September 2022	https://www.unpri.org/introductory-guides-to-responsible-investment/what-is-responsible-investment/4780.article
Pricing of green bonds: drivers and dynamics of the greenium	Environmental	The paper focuses on the greenium (a premium for green bonds) and its implications. The presence of a greenium can point investors' confidence for green bonds, as the green bond market needs continuous growth.	climate change; sustainable finance; impact investing; corporate sustainability; greenium	September 2022	https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2728~7baba8097e.en.pdf?ce6b04544ba34e74e06e8dcc5a48b874
Important Role for Securities Services Firms in ESG Metrics	All	Data and analytics will remain a key challenge for custodians to integrate and comply with ESG regulations. There are still too many disparate sources and ESG scores. Custodians are building solutions individually and by partnering with Fintech firms	Environmental; social; governance; ESG; environmental social governance; data; ESG scores; Europe; net zero; ESG goals; ESG targets; goals; targets; ESG fund; regulation; regulations; benchmarks; benchmark; benchmarking; securities services; Fintech; IPE	July/August 2022	https://www.ipe.com/esg/important-role-for-securities-services-firms-in-esg-metrics/10060773.article (subscription required)
<i>Important role for securities services firms in ESG metrics</i>	All	<i>An article that looks at the role of securities services or asset servicing firms with regards helping clients measure, monitor and disclose their ESG performance. It has a particular focus on the European market.</i>	<i>Securities services; asset servicing; compliance; regulations</i>	July/August 2022 (Magazine)	https://www.ipe.com/esg/important-role-for-securities-services-firms-in-esg-metrics/10060773.article (subscription required)

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Aggregate Confusion: The Divergence of ESG Ratings	All	This paper studies the variation in ESG ratings between different market providers that are commonly used by investors. It looks to understand the different methodologies employed and the challenges that a lack of transparency and consistency present.	ESG data; ratings; correlation; measurement	23 May 2022	https://academic.oup.com/rof/article/26/6/1315/6590670
Can the SEC Make ESG Rules that are Sustainable?	All	Commissioner Roisman’s personal views on the questions one may ask, looking at ESG rules by the SEC.	ESG rules; SEC	22 June 2021	https://www.sec.gov/news/speech/can-the-sec-make-esg-rules-that-are-sustainable
Amplifying the “S” in ESG: Investor Myth Buster	Social	Investors are under increased pressure to consider the “S” (social) performance component in their investments. Yet, in the world of Environmental, Social and Governance (ESG) investing, the integration of social performance assessment has seen insufficient progress	Social; Myths; Risks; Data; Investors; Scoring;	April 2021	https://esg.trust.org/
How Financial Services Can Use ESG Initiatives to Help Build a Brighter Future for All	All	<i>As the importance of environmental and social responsibility gains momentum, the financial services industry is stepping to the forefront. Learn more about the need for action on environmental, social, and governance (ESG) topics, and explore the unique challenges, opportunities, and responsibilities that rest with the financial services industry.</i>	ESG; environmental; social; governance; environmental social governance; environmental responsibility; social responsibility; corporate social responsibility; frameworks; framework; equity; trust; stability; Deloitte; climate adaptation; additive manufacturing; role of work; inequality; climate change; climate risk; climate; risk; tools; collaboration	2021	https://www.deloitte.com/global/en/Industries/financial-services/perspectives/qx-esg-in-financial-services-industry.html

News and Trends

Title	Topic	Summary	Keywords	Date	URL
Business school research round-up: sustainability	All	A summary round-up item that contains links to several studies covering topics such as macroeconomic impacts of climate change & how activist investors target companies with established corporate social responsibility policies.	Climate risk; sustainability; CSR; activism	6 July 2023	https://www.ft.com/content/279362ad-9a11-4ee3-b201-2e53bcad660d <i>(subscription required)</i>
Opening up ESG data	All	The integration of ESG into the investment process is accelerating, yet challenges with accessing reliable ESG data continue to hinder progress. Leveraging an open-architecture approach may offer a solution. BNP Paribas point of view.	ESG; ESG data; Sustainable finance; sustainable investment; BNP Paribas	05 August 2022	https://securities.cib.bnpparibas/opening-up-esg-data/

Webinar

Title	Topic	Summary	Keywords	Date	URL
Stepping up on biodiversity: how are investors taking action since COP15?	Environmental	A webinar that includes speakers from leading investors who have a strong focus on biodiversity and reversing biodiversity loss. Case studies are included to help understand different approaches currently adopted to help achieve these goals.	Biodiversity; COP15;	18 April 2023	https://www.unpri.org/biodiversity/stepping-up-on-biodiversity-how-are-investors-taking-action-since-cop15/11355.article
How Successful Leaders Will Take ESG Further: Blackrock's Alternative Investment Chief Pam Chan	All	Pam Chan, the Chief Investment Officer of BlackRock explains what's needed to take ESG (Environmental, Social, Governance) further. She indicates that partnership and thinking differently are key attributes to advancing ESG.	ESG; environmental; social; governance; environmental social governance; WEF; World Economic Forum; BlackRock; Meet The Leader; podcast; Spotify; alternative solutions; investing; ESG investing; innovation; thought leadership; collaboration; collaborate; video	9 August 2022	n.org/agenda/2022/08/pam-chan-blackrock-esg-how-leaders-think-innovate/

Regulation and Standards

Title	Topic	Summary	Keywords	Date	URL
International Financial Reporting Standards (IFRS) S1: IFRS Sustainability Disclosure Standard – General Requirements for Disclosure of Sustainability-related Financial Information	Governance	The objective of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	Governance; strategy; risk; risk management; IFRS; disclosure; regulation; standard; standards; reporting; ISSB	June 2023	https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf?bypass=on
International Financial Reporting Standards (IFRS) S2: IFRS Sustainability Disclosure Standard – Climate-related Disclosures	Governance	This Standard requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium, or long term.	Governance; strategy; risk; risk management; IFRS; disclosure; regulation; standard; standards; reporting; climate change; climate; climate-related; physical risk; transition risk; cash flow; climate resilience; carbon credit; transition plan; financed emissions; ISSB	June 2023	https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s2-climate-related-disclosures.pdf
Your guide to the European Commission's Sustainable Finance Action Plan	All	Our quick guide summarises the latest developments of the European Commission's Sustainable Finance Action Plan and the impact for institutional investors and their providers	European Commission, EU, Sustainable finance, taxonomy	12 April 2023	Your guide to the European Commission's Sustainable Finance Action Plan - Securities Services (cib.bnpparibas)

