

INDOS is proud to provide a range of services for clients who incorporate environmental, social and governance (ESG) considerations into their investment businesses. Our monthly newsletter 'ESG Insight' will provide you with the latest news and views on ESG, helping you to stay on top of developments in this increasing area of focus.

BP TO BE NET-ZERO BY 2050

BP chief executive, Bernard Looney, has pledged to cut the oil and gas company's greenhouse gas emissions to net-zero by 2050 or sooner, as he believes the company needs to reinvent itself in a changing world. The plan would bring BP to net-zero emissions while still producing oil and gas in 2050. To achieve this its scope 1,2 and 3 emissions would be offset with a heavy reliance on carbon capture utilisation and storage.

Other BP pledges included plans to:

- halve the carbon intensity of the products BP sells by 2050 or sooner
- install methane measurement at all the company's major oil and gas processing sites by 2023 and reduce methane intensity of operations by 50 %
- increase the proportion of investment into non-oil and gas businesses "over time." ■



BRUNEL PENSION PARTNERSHIP TO REMOVE NON-COMPLIANT PORTFOLIO MANAGERS

Brunel Pension Fund announced their intention to remove non-ESG-compliant fund managers from their portfolio. Mark Mansley stated, "If you are a director of a large company and you are not thinking about climate risk strategically and seriously, then I do question whether you are fit to be a director of that company". Brunel plans to use its pool of £30bn to create "a financial system which is fit for a carbon-zero future".

Brunel will require all companies where it has a material holding to ascend the Transition Pathway Initiatives' framework each year with all material holdings achieving the highest standard by 2022. Added to this, Brunel have committed to conduct portfolio carbon foot printing and scenario analysis by the end of the year. ■



CORPORATE ACTIVITY

Nasdaq has acquired OneReport for an undisclosed sum to "accelerate the delivery of its ESG reporting and workflow solution" to be named Nasdaq OneReport. Nelson Griggs, President of the Nasdaq Stock Exchange, said Nasdaq OneReport will help issuers who seek clarity on ESG reporting.

\$3bn Trillium Asset Management to be acquired by Australian financial group Perpetual for US\$36m.

Joan Bavaria, seen by many as a founder of socially responsible investing, founded Trillium in 1982 and was Founding Co-Chair of sustainability advocacy group Ceres.

The planned acquisition is designed to bring Trillium's ESG products, which covers US equity and fixed income and global equity investments, to a broader investor base in Australia.

Trillium is a prolific filer of ESG shareholder proposals, including one at Facebook requesting that the social media platform separate Mark Zuckerberg's CEO and Chair roles. ■



CENTRAL BANK CLIMATE STRESS TESTS SPREAD

The Australian Prudential Regulation Authority ("APRA") has announced that it will introduce mandatory climate stress tests for banks, insurers and pension funds. This comes as economists believe the Australian wildfires will reduce GDP growth by 0.1-0.4 percentage points with agriculture, retail, tourism and construction among the worst hit.

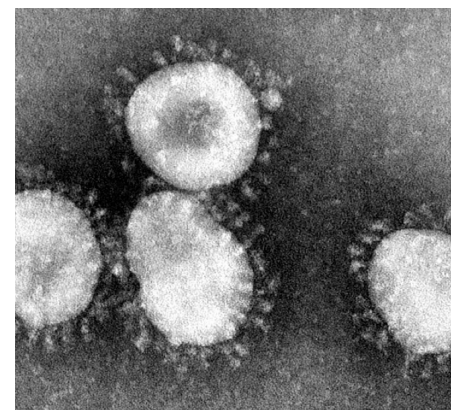
Reuters stated that the stress tests would be run on the loan books and business models under certain climate scenarios and the APRA said "We intend to release a letter to the industry outlining the next phase of our regulatory response to climate risk in a few weeks". ■

DISEASE EPIDEMIOLOGY AND CLIMATE CHANGE

A growing area of interest for scientists in the past years has been the effect of climate change on disease outbreaks.

Rising temperatures can cause the spread of disease through increasing a pathogen's resilience to heat via natural selection. This new gained resilience allows easier transmission to humans via disease vectors such as mosquitos and tics.

These climate physical risks are among just some of the non-linear physical climate risks highlighted in the new McKinsey climate report. ■



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