

Latest Developments in Governance, Stewardship and Sustainability

September 23, 2022

Two separate Coalitions of NGOs and Greenpeace organizations sue the EC for including biomass & forestry and fossil gas & nuclear energy activities respectively in the list of sustainable investments in the EU taxonomy

1. On September 15, 2022 seven NGOs from all over the EU have filed an annulment action to block the inclusion of forest bioenergy and forestry projects under the Taxonomy ('the Projects') [The NGOs are Save Estonia's Forests, ROBIN WOOD (Germany), Clean Air Committee (Netherlands), Workshop for All Beings (Poland), ZERO (Portugal), 2Celsius (Romania), and Protect the Forest (Sweden)]. Their filing is supported by an open letter signed by 50 NGOs. The coalition argues that the Projects' qualification criteria violates the EU Law since many scientific studies find that such activities cause significant harm to the environment and fail to mitigate climate change [[Forest Defenders Alliance](#); [NewCutters](#)].
2. On September 19, 2022 Greenpeace Germany, France, Spain, Italy, Belgium, Luxembourg, Central and Eastern Europe and the Greenpeace European Unit as well as four environmental NGOs filed a lawsuit against the EC for the inclusion of gas and nuclear in the list of sustainable activities, claiming that it violates the Taxonomy Regulation, the European Climate Law, and the 2015 Paris Agreement [[Greenpeace](#)].



New data and findings do not support the announced ESG commitments made by some of the largest private equity firms

The private equity climate risk scorecard

Private equity firm	Share of energy portfolio companies invested in fossil fuels	Number of fossil fuel companies	Disclosure of fossil fuel exposure, emissions and impacts	Rating
Carlyle / NGP	76%	42	Partial	F
Warburg Pincus	97%	28	Partial	D
KKR	78%	28	No	D
Brookfield / Oaktree	53%	40	Partial	D
Ares	76%	16	No	D
Apollo	74%	14	Partial	D
Blackstone	52%	11	Partial	D
TPG	25%	2	Partial	B

Guardian graphic. Source: Private Equity Climate Risks Scorecard 2022. Note: See full report for methodology.

A new report issued by the Private Equity Stakeholder Project and Americans for Financial Reform Education Fund issued a report in September 2022 reveals that top eight private equity buyout firms (with a combined \$3.6 trillion in assets under management) investing billions in in greenhouse-gas-emitting projects, which increases the risks in their portfolios and harms the environment [[The report](#)]. This urges investors and regulators to pay attention to the actual efforts made by private equity firms and their contribution to a just green transition. These firms include Carlyle Group, Warburg Pincus, KKR, Brookfield, Ares, Apollo, and Blackstone Group.



Increased efforts to overcome language, geographical and quality barriers regarding ESG data and information from the Chinese market

Several ESG data and service providers have announced redirecting or expanding their ESG data collection and analysis to the Chinese market. This comes as a response to investors seeking more information on Chinese ESG data. MSCI and Bloomberg are among the first to team up to launch on a new suite of ESG indices covering China fixed income [[Fund Selector Asia](#)]. Deutsche Börse also announced on September 20th its addition of historical ESG data from the Chinese market (e.g., ESG information from Chinese listed companies, bond issuers and mutual funds) to its data offering [[Press Release](#)].