

MONITORING ESG Implementation

2022/11



Demand for sustainable financial products remains strong. Investors are increasing their allocation to sustainable investment products and vehicles. According to Morningstar data, the net asset value of ESG funds increased by 17 % between March 2021 and March 2022. Net inflows into ESG equity funds have amounted to EUR 218 billion over the last 3 years, compared to EUR 55 billion in their non-ESG peers. Meanwhile, the regulatory framework is only slowly adapting to this increasing demand for, and also supply of, sustainable investment funds. SFDR constitutes a key building block of the European sustainable finance framework. While the rules already became applicable in March 2021, the detailed technical rules are unfortunately still awaiting publication in the Official Journal.«

ESG IMPLEMENTATION

UPDATES

BAFA issues first handout on risk analysis

The Federal Office of Economic Affairs and Export Control (BAFA) has published its [handout on risk analysis](#) (in German) according to the German Supply Chain Act (LkSG).

In the document you will find practical tips and important information for a proper implementation of the risk analysis.

As there are still several gaps in understanding and ambiguities for the implementation of the LkSG, BAFA will publish further handouts soon. We will keep you up to date!

“S” in ESG - Szabina Altsach is TÜV-certified Human Rights Officer

The German Supply Chain Act (LkSG) obliges companies to deal more intensively with human rights and the establishment of the function of a human rights officer is strongly recommended. Our colleague, [Szabina Altsach](#), has successfully completed the training of the TÜV and can therefore support companies in the implementation of the LkSG as a certified human rights officer.

ESG implementation: A day zero priority for next generation unicorns

“Founder management of most early-stage ventures often commit a disproportionate share of their bandwidth towards cash flow management and go-to-market related concerns. Implementation of ESG (Environmental, Social and Governance) related policies and practices find a place in their pecking order of priorities only when an Initial Public Offering (IPO) is around the horizon. This view is founded on a widely held premise that only publicly listed corporations need to respond to investor pressures and regulatory guidelines around ESG. Emerging research in the private market space challenges this notion.”

8 August 2022 – The Times of India [Link](#)

Why deep metrics and a strong learning culture are needed to drive effective ESG performance

“Sustainability seems to be on the lips of every executive today. But for all the rhetoric, the results are somewhat disappointing. This is largely because companies have difficulty operationalising and measuring what sustainability means in practice. Even when metrics are defined and data is collected, leadership teams often struggle to use this information to inform strategy. Decision-making without data is akin to going on a hike up a mountain without a map to show you where you are going or how far you have gone.”

11 August 2022 – World Economic Forum [Link](#)

The importance of ESG transparency in capital markets

“For most companies, a commitment to upholding a high standard of environmental, social, and governance (ESG) disclosures has evolved from a “nice to have” to a “must have”: consumers are demanding transparency from companies, employees are showing greater interest in working for sustainable companies and regulators are enforcing policies that incentivizes ESG.”

19 August 2022 – National [Link](#)

The new push to mandatory ESG regulations for banks and FIs

“The European Union (EU) recently released a set of [European Sustainability Standards](#) for up to 49,000 large companies located within member countries. These are proposed regulations that are currently under consultation with a first draft expected to be delivered by November 2022 and implementation by 2025. What is interesting about these standards is the fact that it includes double materiality.”

29 August 2022 – FinTech [Link](#)

Does ESG really matter—and why?

“A second critique of ESG is that, beyond meeting the technical requirements of each of the E, S, and G components, striking the balance required to implement ESG in a way that resonates among multiple stakeholders is simply too hard. When solving for a financial return, the objective is clear: to maximize value for the corporation and its shareholders.”

10 August 2022 – McKinsey [Link](#)

You need help with your ESG implementation?

Check our website, we will be happy to help you with a tailor-made offer for your company. We help you operationalise your sustainability strategy – from the right management system to strategic partnerships and funding.

Beceptum international GmbH [Link](#)



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11 August 2022 – World Economic Forum [Link](#)

The curse of the one-dayer in ESG

“The concept of intentions is central to describing and explaining human goal directed behaviour. In everyday life we constantly plan, store and implement intentions. In many cases, such implementations are immediate; for instance, having a drink, but in other cases they are delayed, one day I will travel to Mexico. Unsurprisingly, therefore the phenomenon of converting intention into action has been widely studied and researched and is a major element in several theories including the theory of reasoned action, Goliath (goal-directed behaviour), the theory of planned behaviour and implementation intention theory to name but a few.”

19 August 2022 – Customer Think [Link](#)



The ESG Term Sheet

“Over the last five years we have been fortunate to see some of our portfolio companies grow from early-stage investments all the way to public market listings. During that journey, we’ve seen increasing excitement and acceptance of Environmental, Social, and Governance (ESG) practices in investing, with the meaning behind those three letters changing substantially across investment stages.

In public markets, ESG factors are used for risk analysis and reporting, as well as a filtering mechanism for building mutual funds and exchange-traded funds (ETFs). In growth equity, meaningful ESG measurement is occurring around late-stage companies that have measurable areas such as greenhouse gas emissions and diversity metrics across their lines of business. In contrast, ESG for early stage venture capital is largely undefined, with the language of Venture ESG still being written.

24 August 2022 – LinkedIn – James Joaquin [Link](#)

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