

Scope ESG Insight October 2022

Paradigm shift in ESG ratings necessary; airlines face near insurmountable net-zero challenge; gaps in DAX-40 GHG reporting show pitfalls for investors; article 9 equity funds invest heavily in conventional companies

Scope Group's regular round-up of its latest research related to the environment, society and governance, providing authoritative views on European sustainable finance and investing.



Impact instead of risk: paradigm shift in ESG ratings necessary

“Many investors and users of ESG ratings are unaware that the impact dimension in conventional ESG ratings is missing. This creates misunderstandings.”



Bernhard Bartels

Managing director,
Scope ESG Analysis

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Schuldschein private debt: ESG-linked, SME deals drive market toward record annual volumes

“The private-debt segment is again demonstrating its appeal in uncertain times as activity dries up in the market for European non-financial corporate public bond issuance.”



Sebastian Zank

Deputy head of Corporate Ratings,
Scope Ratings

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Airlines face near insurmountable net-zero challenge, entailing regulatory and carbon-tax risk

“As pressure from investors and other stakeholders has grown for airlines to place more emphasis on sustainable growth, airlines have increasingly tried to address environmental, social and governance (ESG) issues...”



Azza Chammem

Senior analyst, Corporate Ratings,
Scope Ratings

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ESG orientation of open-ended real estate funds – challenges in sales and in the portfolio

“Energy-saving buildings and energy-efficient renovations are gaining in importance dramatically - not only against the backdrop of the debate about climate change, but also for economic reasons.”



Sonja Knorr
Head of Alternative Investments,
Scope Fund Analysis

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ESG disclosure: gaps in DAX-40 GHG reporting show pitfalls for investors ahead of EU’s SFDR

“Inconsistent ESG reporting makes it hard, if not impossible, for fund managers invested in these companies to comply with the SFDR or make consistent decisions in putting together sustainability-linked portfolios.”



Bernhard Bartels
Managing director,
Scope ESG Analysis

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Europe ESG-linked bond issuance to stabilise after near 30% H1 increase; utilities take lead

“In Europe, we expect the proportion of the overall market made up by ESG-linked bonds to continue to hold steady for the rest of the year at around 29%, with issuance in North America and Asia set to settle at around 5-6%.”



Eugenio Piliego
Director, Corporate Ratings,
Scope Ratings

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ESG Quarterly Q3 2022 – Top holdings of article 9 equity funds

“Many equity funds that are considered particularly sustainable according to SFDR regulations invest heavily in conventional companies like Microsoft, Alphabet or ASML.”



Simone Schieg
Director,
Scope Fund Analysis

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ECB 2022 climate risk stress test: a sense of urgency but a long way to go

“Findings confirm that most European banks have not yet developed sufficiently robust risk management capabilities to measure, hence address, climate-related risks.”



Nicolas Hardy
Deputy Head Financial Institutions
Ratings, Scope Ratings

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ESG Integration Study 2022 – notable differences between asset managers

“None of the providers achieved flawless ESG integration. However, some large companies are on the right track and are proving that they can keep pace with the growing requirements for sustainable investment.”



Said Yakhloufi
Group Managing Director,
Scope Fund Analysis

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Scope Group's ESG analysis in the media

A selection of headlines from articles citing Scope from top media outlets in Q3 2022

FAZ: [CO₂-Bilanz im Dax weist noch viele Lücken auf](#)

IFR: [Scope 3 emissions data not yet consistent or comparable](#)

Börsen-Zeitung: [Dax-40-Konzerne berichten lückenhaft über Treibhausgase](#)

La Repubblica: [Europa, emissioni bond ESG-linked si stabilizzano dopo boom 2021](#)

Der Treasurer: [Step-ups bei ESG-Schuldscheinen zu gering?](#)

IPE: [Scope ESG integration study shows wide differences between asset managers](#)

Börsen-Zeitung: [Blue Chips dominieren „dunkelgrüne“ Fonds](#)

The Global Treasurer: [German companies' struggles with Scope 3 emissions](#)

Handelsblatt: [Nachhaltige Fonds: Wer meint es ernst?](#)

Capital Monitor: [Germany's top brands failing to report Scope 3 emissions](#)

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