

“DESTRUCTIVE
FORCE”



ROUND #7

The ESG investment backlash is beginning to have an impact

Source: FT Moral Money

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※ 문의 070 8246 0570

1. Vocabulary *Check the meaning of these words/expressions in the dictionary.*

💡 Today's Expression(오른쪽 링크 클릭) - [To Go with the Flow](#)

- Definition
- Example

QR코드를 통해
'To go with the flow' 의
설명 영상을 보실 수 있습니다.



1. **Unobjectionable**(adj.) not causing or likely to cause objection
ex) The new policy proposal seems **unobjectionable** and is likely to be approved.

"Over the past couple of years, ESG investment has taken the financial and corporate world by storm. Now you might think that sounds **unobjectionable**"

2. **Gather steam**(idiom) to start working much more effectively
ex) After the first three months, the fundraising project really started to **gather steam**.

" In recent months, an anti-ESG backlash has been **gathering steam**, and that's creating big headaches for some of the most powerful corporate leaders. So what don't people like about ESG? "

3. **Rightwing**(adj.) supporting the political right and traditional ideas about society; relating to the belief that there should be low taxes, and that property and industry should be privately owned
ex) "The **rightwing** political party has been gaining popularity in recent years.

"Controversial **rightwing** TV host Tucker Carlson has made ESG a recurring theme in his popular Fox News show. In fact, he calls it a – quote – "destructive force" pressuring governments to "sabotage their own economies". "

4. **Sabotage**(verb) to damage or destroy equipment, weapons, or buildings in order to prevent the success of an enemy or competitor:
ex) The group was accused of **sabotaging** the government's efforts to stabilize the economy.

"In fact, he calls it a – quote – "destructive force" pressuring governments to "sabotage their own economies". "

5. **a slew of**(informal)a large number of things
ex) **A slew of new** restaurants have opened up in the city center.

"And **a slew of** other red states have followed suit, cutting off official business with financial companies over their ESG policies."

6. **Fiduciary**(adj.)relating to the responsibility to take care of someone else's money in a suitable way
ex) The **fiduciary** is required to act in the best interest of the clients and manage their assets accordingly.

"What they argue is that by focusing too heavily on environmental and social concerns, companies risk neglecting their **fiduciary** duty to maximize returns for their clients and shareholders. "

7. **Phony**(noun) not sincere or not real
ex) All salespeople seem to have the same **phony** smile.

"Meanwhile, Elon Musk has called ESG a "scam" that's been "weaponized by **phony** social justice warriors" after ratings agency S&P removed Tesla from a major ESG index."

2. Listening Drill

Over the past couple of years, ESG investment has taken the financial and corporate world by storm. Now you might think that sounds *unobjectionable* – not so.

In recent months, an anti-ESG backlash has been *gathering steam*, and that's creating big headaches for some of the most powerful corporate leaders. So what don't people like about ESG?

The loudest criticism of the so-called “woke capitalism” agenda has come from America, and in a variety of forms. Controversial rightwing TV host Tucker Carlson has made ESG a recurring theme in his popular Fox News show. In fact, he calls it a – quote – “destructive force” pressuring governments to “sabotage their own economies”. And that reflects a much wider movement against ESG on the right of US politics.

Florida's governor Ron Desantis, for example, has been in a high-profile *battle with* Disney over the company's criticism of a bill to ban “classroom instruction” on sexuality and gender identity in the state's public elementary schools.

Texas has banned government agencies from dealing with financial firms that it accuses of boycotting the gun and fossil fuel industries. And *a slew of* other red states have followed suit, cutting off official business with financial companies over their ESG policies.

What they argue is that by focusing too heavily on environmental and social concerns, companies risk neglecting their *fiduciary duty* to maximize returns for their clients and shareholders.

These complaints are having an impact. Some US banks have warned they may actually *pull out of* the corporate alliances that have promised to cut carbon emissions across entire industries.

But it's not just conservative politicians criticizing the ESG agenda. Tariq Fancy, the former head of sustainable investing at BlackRock, the world's biggest asset management company, is *claiming that* by exaggerating what can be achieved by voluntary corporate action, leading financial companies are actually undermining efforts towards serious government measures that could really make a difference.

Meanwhile, Elon Musk has called ESG a “scam” that's been “weaponized by phony social justice warriors” after *ratings agency* S&P removed Tesla from a major ESG index.

The controversy around ESG, in fact, has become so intense that some are predicting the term could actually *fall out of use* altogether.

But the key point to understand is this: whatever the language we use, the challenges around sustainability in business are not going to disappear. On the contrary, they are becoming more urgent than ever.

3. Summary

Summarize what you have seen/heard in two or three sentences

Tip.

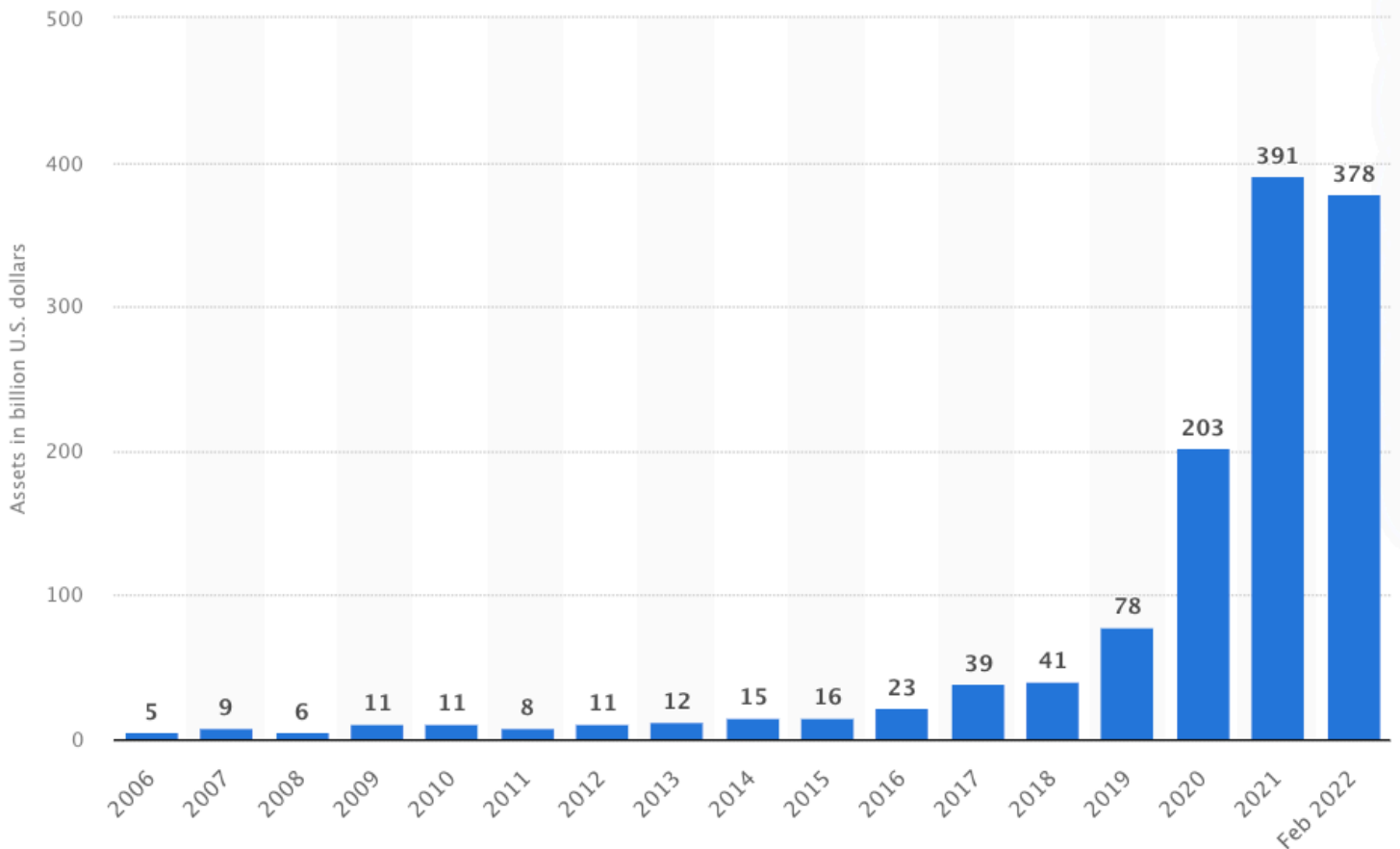
Answer the questions using vocabularies that you learned in the vocabulary section.

4. Describing The Chart

Describe what is the general idea being expressed by the graph. Discuss it to your class. Try to interpret what you see in the chart.

Global ESG ETF assets from 2006 to February 2022

(in billion U.S. dollars)



Global ESG ETF assets 2006-2022

Published by Statista Research Department, Aug 17, 2022

The value of assets allocated to ETF funds, which included environmental, social, and governance (ESG) goals in their strategy, increased markedly from five billion U.S. dollars in 2006 to 391 billion U.S. dollars in 2021. As of February 2022, allocated assets reached 378 billion U.S. dollars. [Investment in sustainable funds](#), including ETFs, was primarily driven by developed markets mainly in Europe and the United States.

What is environmental, social, and governance (ESG) investing?

The ESG criteria is a set of principles used by investors to evaluate a company's performance when considering potential investments. The environmental aspect looked at the business's engagement in safeguarding the environment. From a social perspective, investors evaluated the business's impact on the local community and its relationships with stakeholders. Governance was reviewed by looking at internal controls, stakeholder rights, and executive pay. [ESG factors have been an important component of investment decision-making](#). From a survey of 356 participants the majority of investors expected ESG to be a part of a firm's core strategy.

The impact of ESG

As ESG relevance has increased over recent years, many firms aimed to achieve higher ESG scores, yet the difference between the [ESG scores of the largest 25 companies by market cap](#) remains vast. Companies such as Visa and Mastercard had a ranking of 60 points or above. [Commitment to ESG by high level executives](#) had become a priority worldwide as approximately half of the senior management in France, Japan, Singapore, and Germany noted a commitment to ESG. ESG's importance had also grown among investors as approximately one-third of investors noted a willingness to divest from a firm if they felt the company had taken insufficient [action to focus on ESG-related goals](#).

Questions

1. What 's the take away of the graph?
2. What extra information can help you understand the graph even better?
3. Do you have any interesting findings? What's your guess about it?

5. Discussion Questions

Let's begin at the easy category. You are expected to have prepared your answers already before the class begins.

Easy

1. How has ESG been evaluated in Korea or within your company? Are there any similar criticisms of ESG?

Average

1. Can you provide examples of companies that are leaders in each of the E, S, and G areas, and how have they demonstrated their commitment to these issues?

5. Discussion Questions

Let's begin at the easy category. You are expected to have prepared your answers already before the class begins

Average

2. Should companies be forced to prioritize ESG concerns through government regulations? Elon Musk has suggested that this could stifle innovation and progress. What are the potential benefits and drawbacks of government intervention in ESG practices?

Difficult

1. Do you think ESG investing is a passing trend or will it become a permanent feature of the financial industry? Why?

Note1

Date: _____ Topic _____

Expression of the Day

Write Down idioms/ phrasal verbs that you learned in the sessions

Have you used today?

Week 1.

Yes

No

Week 2.

Yes

No

Words of the Day

Please write down vocabularies and idioms that you have learned at Talksharp and try to practice them in your own sentences today. Once you use any of them today? Please cross them out.

Useful Sentences

Video Script is a good source to enhance your verbal sentences. Put a note of sentences that you want to learn

Today's Correction

Write down today's correction.

Note 2

Please write down Korean sentences difficult for you to convey in English

Sentence1

Sentence2

Sentence3

Please write sentences above in English so that you could never fail again

Sentence1

Sentence2

Sentence3

Put a note of vocabularies or idioms that you want to learn