

Your monthly sustainability digest – December 2025

"In a year marked by regulatory shifts and geopolitical tension, sustainable investing remained resilient, supported by investors' continued commitment and the accelerating momentum of the energy transition. Despite debates, scrutiny, and political pushback, institutional sentiment remains strong: most investors still view ESG integration as a source of alpha, as highlighted in Natixis IM's latest institutional investor survey, even though the growth of the green economy remains insufficient to reach net-zero by 2050. Electrification and renewables continue to surge, yet public support still falls short of the challenge. Nevertheless, the green economy – highlighted in this newsletter – shows how financial and extra-financial performance can be successfully combined. As we approach the festive season, we wish you wonderful holidays and look forward to another promising year together! Thank you for your trust and have a great start to a happy and healthy New Year!"



Laura Kaliszewski

Global Head of Client Sustainable Investing

In the news this month

1 SFDR 2.0 in Figures: Impact Analysis

The EU Commission proposes new product categories and simplified disclosure, replacing the current Article 8/9 regime. This reclassification will significantly reduce the number of funds deemed "sustainability-related," with the ESG Basics category shrinking considerably. Funds not classified as sustainability-related (Article 6) are projected to dominate the EU market (52-70% AUM), though several key details still require clarification.

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2 One in five investors say Trump made them more favourable to ESG

Despite President Trump's anti-ESG rhetoric, 20% of UK private investors became more favourable towards it. While greenwashing and performance remain concerns, FCA sustainability labels are expected to enhance investor trust.

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3 US sustainable investing outlook: Another year of lawfare

The US sustainable investment sector faces ongoing legal and political challenges, with major financial institutions retreating from net-zero commitments under regulatory and partisan pressure. Despite these headwinds, investors remain optimistic about clean energy and climate-related investments, driven by favorable economics and market demand.

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4 Are companies actually scaling back their climate commitment?

Despite headlines suggesting a corporate retreat from ESG, many companies are quietly maintaining or even expanding their sustainability efforts ("greenhushing") due to political pressure. However, this strategic silence and the dissolution of collective coalitions risk undermining broader systemic progress on climate action.

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5 EU regulation outlook 2026: The times, they are a-changin'

The EU is streamlining its sustainability regulations. Political shifts and intense lobbying, especially from US interests, are influencing the regulatory landscape and accelerating changes. Investors remain cautious, noting that while simplification may ease compliance, it could prolong data shortages and have a neutral impact on competitiveness.

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6 NYC comptroller urges city pensions to pull \$42bn mandate from BlackRock over climate

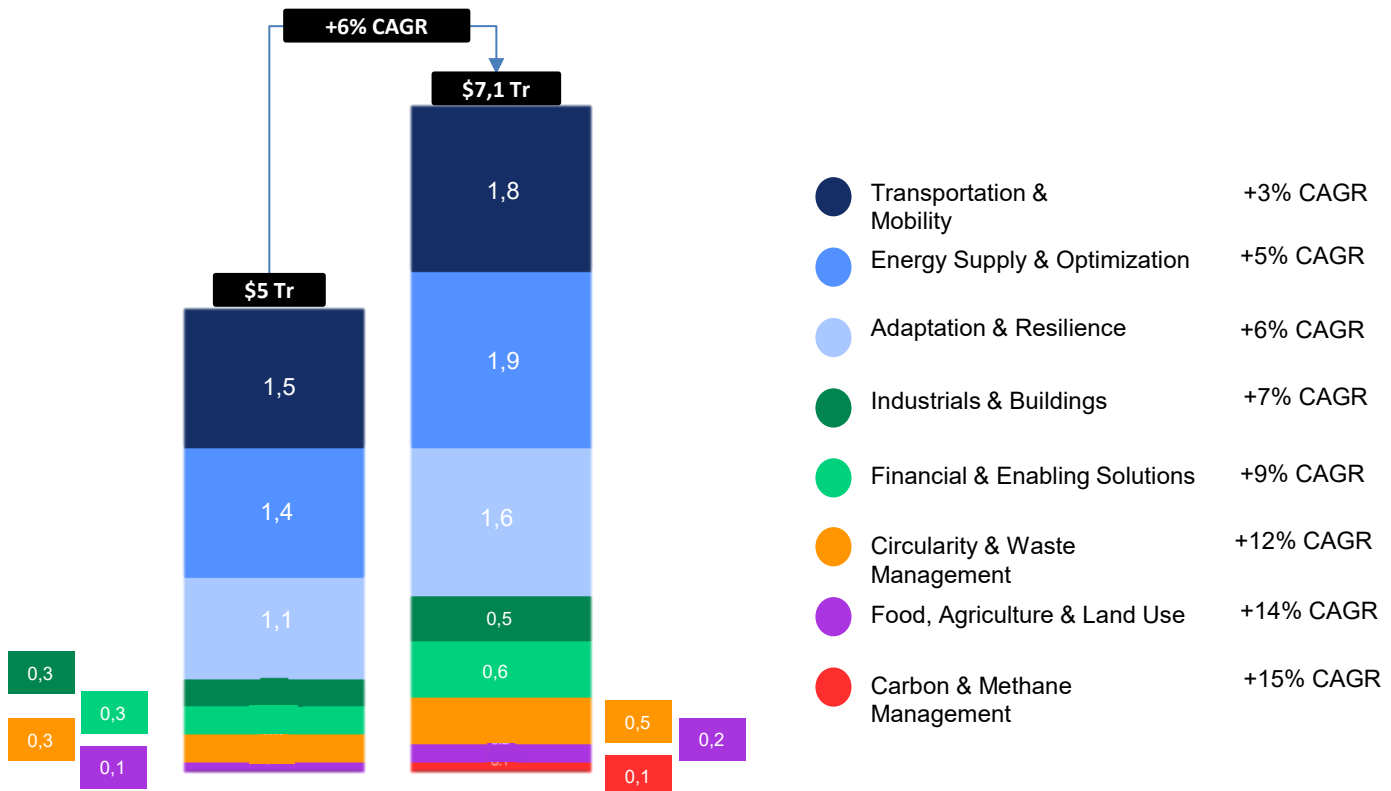
New York City Comptroller criticized some asset managers for failing to adequately address climate risk and implement sufficient decarbonization plans. This move reflects a growing trend of elected officials using pension fund investments to influence environmental and social causes.

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Chart of the month

The Green economy has surpassed \$5 trillion annually and is set to exceed \$7 trillion by 2030

Expected evolution of green economy size (\$ trillion, 2024 – 2030)



Source: Temasek and Boston Consulting Group (BCG)

What does these charts show?

The “*Green Economy*”, defined by the United Nations Environment Programme (UNEP) as “economic activity that results in improved human well-being and social equity, while significantly reducing environmental risks and resource scarcity”, continues to show growth potential (\$5 trillion in 2024, \$7 trillion expected in 2030), representing an annual growth of 6% between now and 2030). It is the second most dynamic sector after technology over the last 10 years, according to the annual report published by the World Economic Forum's Alliance of CEO Climate Leaders.

Why is this important?

Beyond its environmental and social impact, investing in the green economy is undoubtedly financially beneficial: analysis of thousands of publicly listed global companies by the London Stock Exchange Group (LSEG) revealed that, on average, green revenues grew two times faster than conventional revenues (12% vs 6%) between 2020 and 2024. Mitigation has driven the majority (78%) of this value to date – led by transportation and mobility, which account for 30% of total revenue from green markets.

While the green economy contributes positively to the global goal of carbon neutrality by 2050, the commitments made by governments in terms of carbon dioxide equivalent by 2035 - as formalised in the Nationally Determined Contributions (NDCs) of the various countries - remain insufficient to achieve the most ambitious goal of the Paris Agreement (+1.5 degrees). The gap (28 GtCO₂e) between the commitments made by governments and what is expected remains substantial. The NDCs submitted so far achieve less than 14% of the additional emissions reductions needed by 2035 to close the gap to 1.5 degrees.

If you have a question about the newsletter, contact the Client Sustainable Investing Team clientsustainableinvesting@natixis.com

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The Big Picture



Already a Multi Trillion-Dollar Market: CEO Guide to Growth in the Green Economy

- The green economy is a rapidly growing global market, valued at over \$5 trillion annually and projected to surpass \$7 trillion by 2030, making it the second most dynamic growth sector after technology.
- Companies succeeding in the green economy outperform, achieving faster growth, easier capital access, and higher valuations by prioritizing tech maturity, cost efficiency, and smart capital utilization.

Source: World Economic Forum

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Reuters Impact: Global Sustainability Report 2025



- Decarbonization is still the top priority - but the focus is shifting to Scope 3, with 25% of organizations now prioritizing supplier incentivization.
- Regulatory uncertainty has become the biggest challenge, but the leading organizations are turning compliance pressure into competitive advantage.
- DEI targets are holding strong - 45% still prioritize workforce DEI despite political backlash. Organizations aren't retreating. They're reframing.

Source: Accenture

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See the Big Picture for Sustainability in 2026

- Global sustainability and climate action strategies are shifting towards adaptation and economic resilience, as the 1.5°C Paris Agreement goal seems increasingly unattainable amid geopolitical volatility.
- This pragmatic pivot is driven by the significant and rising financial costs of climate hazards; extreme weather could cost S&P Global 1200 companies \$1.2 trillion annually by 2050 without adaptation.
- Despite these substantial risks, corporate adaptation efforts are uneven, with only 35% of companies assessed having adaptation plans, posing critical risks to the global economy.

Source: SnP

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What will the new SFDR rules mean for investors?


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Source: Responsible Investor

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Key insights from our investment managers



“Ten years after Paris - Trust is the strategic asset that will drive the transition”

Mirova

- Ten years after the Paris Agreement, sustainable finance has undergone a profound, multi-dimensional transformation, evolving from a niche concept into a structured and regulated core component of the global economy.
- The report outlines ten key areas of progress in sustainable finance from 2015-2025, including financial innovation, data utility, redefined risk, and active ownership.
- For the next decade, the document identifies ten corresponding challenges, such as standardizing innovation, better quantifying climate risk, and scaling development finance.

Source: Mirova

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Additional publications from our investment managers

> [ESG Newsletter](#)

(Flexstone Partners)

> [MySustainableCorner](#)

(Ostrum)

> [Tomorrow's Sustainability Opportunities from Metropolis](#)

(Loomis Sayles)

> [Launch of the Climate Contribution Framework](#)

(Mirova)

> [Dancing in the dark: Markets move to the beat of uncertainty](#)

(Natixis Investment Managers)

Quote of the month :

“Shorter disclosures, consideration of expected data-availability challenges and the introduction of three product categories that leave some room to accommodate a variety of products for investors” cited as positive developments regarding SFDR 2.0

- Désirée Doenges, a senior vice president at the Association of the Luxembourg Fund Industry

Sustainable Investing at Natixis Investment Managers.

One goal, many paths.

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