

EMEA Sustainability Insights is produced by the **Sustainable Solutions team** in J.P. Morgan's Global Advisory group. Our team of investment bankers offers advice and transaction support to help clients access capital focused on energy transition and sustainability across equity, debt and private markets.

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Sustainability Fund Performance and Flows

Sustainability-focused assets under management (AUM) reached approximately \$3.2 trillion in March 2025, a 2% increase since March 2024.

Source: Based on Morningstar Global Sustainable Fund data

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Global equities were volatile due to U.S. tariffs, with U.S. markets declining and European equities showing resilience; Emerging markets struggled with investor outflows amid geopolitical tensions.

April performance data:

- MSCI World: 0.74%
- MSCI USA: (0.59%)
- MSCI EAFE: 4.17%
- MSCI EM: 1.31%

MSCI World SRI and MSCI USA SRI underperformed their traditional counterparts, while MSCI EAFE SRI and MSCI EM outperformed.

Source: Based on Morningstar Global Sustainable Fund data

Fixed income markets experienced volatility driven by economic uncertainty, including tariff concerns and potential recession fears in the US and Europe. While the outlook remains uncertain, investors are likely to continue allocating to 'safe haven' asset classes.

April performance data:

- Bloomberg Global Aggregate: 2.94%
- J.P. Morgan EMBI Global Diversified: (0.22%)
- J.P. Morgan CEMBI Broad Diversified: 0.43%

J.P. Morgan ESG EMBI Global Diversified and Global Aggregate ESG outperformed their traditional counterparts, while J.P. Morgan ESG CEMBI Broad Diversified slightly underperformed its vanilla counterpart.

Source: Based on Morningstar Global Sustainable Fund data

April saw the launch of 43 new sustainability funds totalling \$1.5 billion in AUM. These included 28 equity funds and 15 other types of funds.

Fund Name	Asset Class	Fund manager	Domicile	AUM (US\$ mm)
Amundi MSCI Semiconductors UCITS ETF	Equity	Amundi Luxembourg S.A.	Luxembourg	778
JPMorgan Funds - US Sustainable Equity Fund	Equity	JPMorgan Asset Management (Europe) S.à r.l.	Luxembourg	297
Pictet CH Quest - Swiss Sustainable Equities	Equity	Pictet Asset Management SA	Switzerland	167
K 70:30 Thailand ESG Extra Fund	Allocation	Kasikorn Asset Management Co. Ltd	Thailand	39
Praxis Impact Large Cap Value ETF	Equity	Praxis Investment Management, Inc.	United States	36
Praxis Impact Large Cap Growth ETF	Equity	Praxis Investment Management, Inc.	United States	34
Bualuang Mixed Dividend Thailand ESG Extra Fund	Allocation	BBL Asset Management Co., Ltd.	Thailand	28
Bualuang Mixed 70/30 Thailand ESG Extra Fund	Allocation	BBL Asset Management Co., Ltd.	Thailand	20
SCB Mixed 70 Thailand ESG Extra Fund	Allocation	SCB Asset Management Co., Ltd.	Thailand	18

Source: Based on Morningstar Global Sustainable Fund data

Policy

EU policies nearly on track to achieve 2030 climate goals: The projected 54% reduction in GHG emissions and 41% renewable energy shares show positive progress, yet still highlighting the need for improved energy efficiency and land sector carbon removal efforts. [European Commission](#)

EU lawmakers adopt rules giving automakers more time to meet emissions targets: Under the new rules, manufacturers can meet their emissions targets for 2025, 2026, and 2027 by averaging their performance over the three-year period instead of meeting separate annual benchmarks. Ursula Von der Leyen explained that the proposed amendments emerged in response to a strong call from industry leaders for greater flexibility on CO₂ targets. [European Parliament](#)

EBA streamlines disclosure requirements: The EBA's consultation on CRR3 amendments proposes enhanced, proportionate ESG disclosure requirements, including shadow banking and equity exposures, with simplified reporting for smaller banks and transitional measures to ease implementation, running until August 22, 2025. [EBA](#)

Ratings & Reporting

ESMA consults on rules for ESG Rating Providers: ESMA has unveiled a Consultation Paper on draft Regulatory Technical Standards for ESG rating providers, aiming to enhance transparency and integrity by detailing authorization protocols, innovative conflict of interest mitigation strategies, and robust disclosure requirements to better inform stakeholders. [ESMA](#)

EFRAG progresses in aligning the European Sustainability Reporting Standards (ESRS) with the International Sustainability Disclosures Board (ISSB): The measure applies for common disclosures, following a mandate from the European Commission for restructuring content, reducing mandatory datapoints and adopting principles-based approach to narrative disclosure. [EFRAG](#)

CDP reports 30% jump in companies achieving top environmental disclosure scores: In 2024, CDP saw 515 companies achieve A List status, a 30% increase, with A scores rising for Climate and Water Security, while Forests scores slightly declining. Additionally, “A List” companies have showed 6% higher stock returns over the past decade. [CDP](#)

Asset Managers

European asset managers signal concerns over US clean energy capital appeal:

European asset managers, overseeing \$650 billion, warn that US may lose its clean energy investment appeal due to efforts to repeal the 2022 Inflation Reduction Act. [Bloomberg](#)

Dutch pension fund PME challenges US asset managers on ESG commitment:

Dutch pension fund PME, managing €5 billion with BlackRock, warns US fund managers against succumbing to Trump-era pressures, emphasizing stewardship principles in climate change and diversity, and revises its screening process to ensure alignment with European ESG standards. [Bloomberg](#)

Norway's wealth fund faces hurdles in defense investment shift: Norway's \$1.8 trillion wealth fund faces opposition in efforts to invest in major defense companies, due to ethical rules decided by the national parliament against nuclear arms. The fund can invest in non-nuclear defense firms, but is barred from major defense companies. Recently, the Conservatives and Progress Party have urged lawmakers to revise the fund's guidelines, coinciding with increased military investment in Europe. [Reuters](#)

Corporates

Euronext launches indexes targeting defense and energy security: The initiative will target energy, security and geostrategy, a set of themes that Euronext Chief Executive Officer Stephane Boujnah described as the “new ESG”. To further support strategic autonomy, Euronext is offering tailored financing solutions to boost innovation and production in European aerospace and defence companies. [Euronext](#)

Octopus launches new fund to give investors access to clean energy investment opportunities: Octopus Energy Group launched the Astris fund with a \$220 million investment, enabling pension funds and private investors to access over 50 renewable projects in 15 countries. [Octopus Energy](#)

Schneider Electric launches agentic AI ecosystem to transform sustainability and energy management: Schneider's new AI-native ecosystem integrates intelligent agents for real-time adaptation and continuous optimization. The ecosystem will feature decarbonization strategy, scenario analysis, emissions management, reporting, climate risk, energy management, and data integration and automation. [Schneider Electric](#)

What's Interesting

- **UK and EU agree to link carbon markets in post-Brexit reset**
 - The EU and UK will link their emissions trading systems, allowing mutual recognition of allowances and enhancing climate cooperation.
 - The linkage aims to stabilize carbon prices, expand the market, reduce costs, and encourage green investments across both jurisdictions.
 - The agreement covers sectors including electricity, industry, maritime, and aviation, with UK targets set to match or exceed EU ambitions.
 - Dispute resolution will be handled through arbitration, with mutual CBAM exemptions potentially saving UK exporters £800 million by 2030.

Source: BNEF News

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