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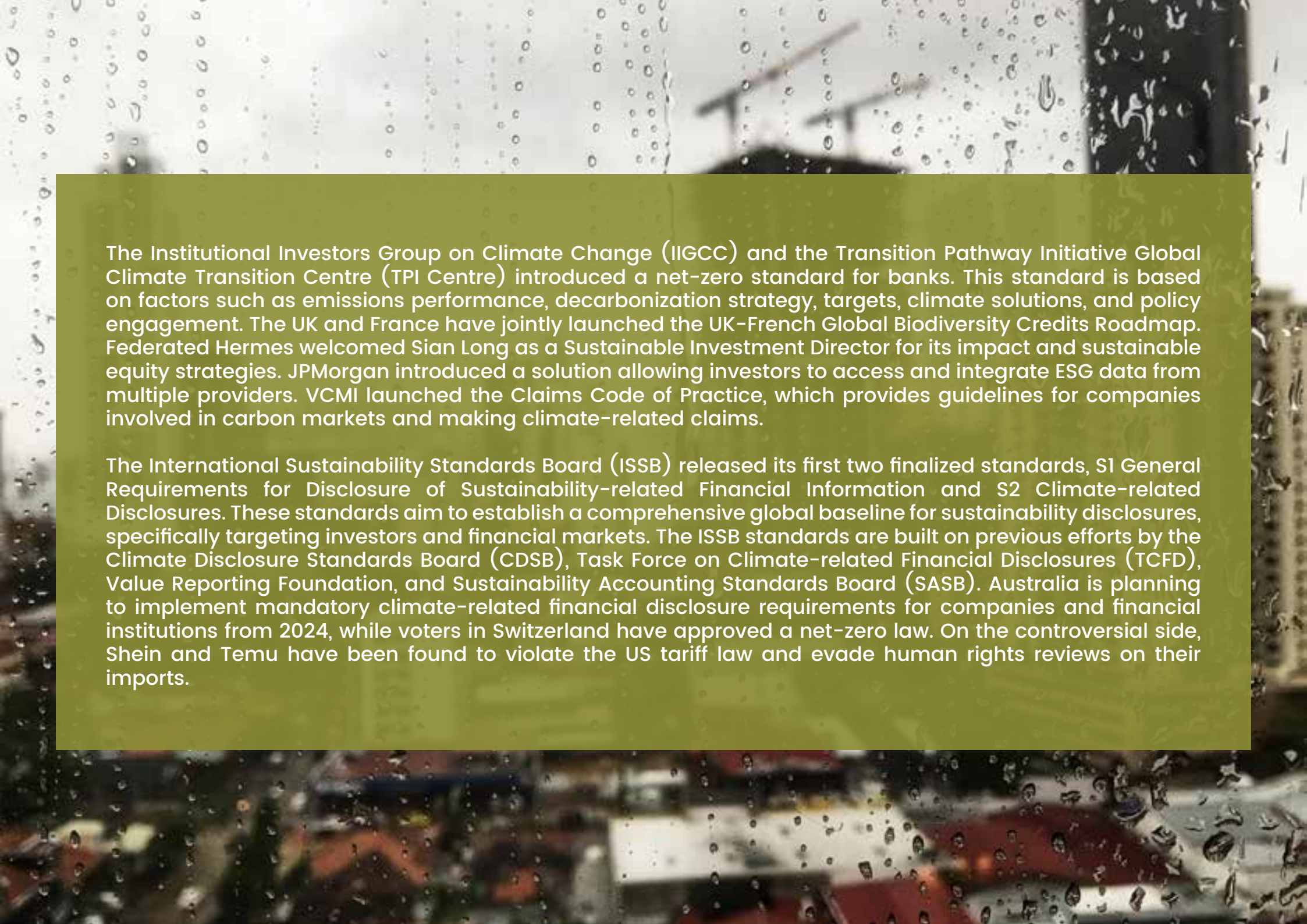
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ESG Newsletter

2023 began with key framework providers for sustainability disclosure upgrading their frameworks to enable better ESG disclosure and many securities commissions making watertight norms to avoid greenwashing. The Science Based Targets initiative (SBTi) has developed scope 3 target setting while EU's expert advisors openly opposed the inclusion of gas and nuclear energy into the EU Taxonomy guidelines.





The Institutional Investors Group on Climate Change (IIGCC) and the Transition Pathway Initiative Global Climate Transition Centre (TPI Centre) introduced a net-zero standard for banks. This standard is based on factors such as emissions performance, decarbonization strategy, targets, climate solutions, and policy engagement. The UK and France have jointly launched the UK-French Global Biodiversity Credits Roadmap. Federated Hermes welcomed Sian Long as a Sustainable Investment Director for its impact and sustainable equity strategies. JPMorgan introduced a solution allowing investors to access and integrate ESG data from multiple providers. VCMI launched the Claims Code of Practice, which provides guidelines for companies involved in carbon markets and making climate-related claims.

The International Sustainability Standards Board (ISSB) released its first two finalized standards, S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures. These standards aim to establish a comprehensive global baseline for sustainability disclosures, specifically targeting investors and financial markets. The ISSB standards are built on previous efforts by the Climate Disclosure Standards Board (CDSB), Task Force on Climate-related Financial Disclosures (TCFD), Value Reporting Foundation, and Sustainability Accounting Standards Board (SASB). Australia is planning to implement mandatory climate-related financial disclosure requirements for companies and financial institutions from 2024, while voters in Switzerland have approved a net-zero law. On the controversial side, Shein and Temu have been found to violate the US tariff law and evade human rights reviews on their imports.

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MARKET TRENDS

Trends driving positive environmental and social change

Businesses, financial institutions, and regulatory bodies have realized the significance of addressing ESG risks and capitalizing on the underlying opportunities to adopt sustainability. Catch the latest developments in industries from government mandates to revolutionary initiatives in this section.

IIGCC and TPI publish net-zero banking standards



The Institutional Investors Group on Climate Change (IIGCC) and the Transition Pathway Initiative Global Climate Transition Centre (TPI Centre) introduced a net-zero standard for banks. This standard is built on factors such as emissions performance, decarbonization strategy, targets, climate solutions, and policy engagement. The standard is intended to supplement the net-zero investment framework and foster constructive dialogue with banks on ongoing climate commitments.

► Source: ESGCLARITY

EU Parliament requires companies to implement climate transition plans



The European Parliament approved new regulations requiring companies to establish and implement climate transition plans and identify and address the impact of their activities and their value chain on human rights and the environment. The law applies to businesses with over 500 employees and more than USD160.25mn in revenue, eventually expanding to companies with over 250 employees and USD42.73mn in revenue.

► Source: ESG Today

Hong Kong proposes green taxonomy



The Hong Kong Monetary Authority (HKMA) intends to create a green taxonomy to facilitate Hong Kong's role in connecting green financial flows between Mainland China and the rest of the world. It aims to develop a prototype for four initial sectors—electricity, gas, steam, and air conditioning supply, transportation and storage, water supply, sewage, waste management, and cleanup activities, and construction.

► Source: Eye on ESG

EU ESG rating proposal draws attention



The European Union (EU) required that ESG rating companies be authorized to provide ESG ratings in the EU. To continue serving the EU market, non-EU ESG rating providers must reevaluate their organizational structures. They can do this by either creating an EU-authorized entity to issue own their ratings or by implementing the new “endorsement” proposal, which would enable an EU-authorized entity to certify ratings issued by its non-EU affiliate.

► Source: ESGCLARITY

EU relaxes sustainability reporting regulations



The European Commission (EC) recommended a series of amendments for enterprises subject to the European Sustainability Reporting Standards (ESRS). The proposals aim to reduce the reporting burden for small enterprises and first-time reporters by extending the phase-in dates for key sustainability indicators. Furthermore, firms now have greater flexibility in the ‘disclosure requirements’ regarding the financial implications of sustainability concerns and stakeholder engagement..

► Source: Minerva Analytics

FCA worries over greenwashing in the sustainability-linked loans market



The Financial Conduct Authority (FCA) wrote to banks raising “its concerns regarding potential greenwashing in the sustainability-linked lending (SLL) market.” While these loans are critical finance tools for the transition to a low-carbon economy, numerous issues are impeding widespread adoption and market expansion. Conflicts of interest may occur if banks accept weak targets and include the loan in their sustainable finance quota.

► Source: FStech



The UK and France launch an initiative to expand the biodiversity credits market

The UK and France announced the UK-French Global Biodiversity Credits Roadmap, to expand the market for companies to buy biodiversity credits and mobilize finance for projects contributing to nature recovery. Companies will be able to fund initiatives that help preserve and restore natural habitats, such as grasslands, oceans, and rain forests, alongside measuring environmental activity and identifying its location and source.

► Source: ESG Today



COLLABORATION



Companies joining forces to shape sustainable solutions

ESG issues continue to grow in relevance, be it employee health & safety or climate change. The impact is multi-fold in current times. Investor groups and corporates are increasingly collaborating to address such issues and drive sustainability. Following are the major coalitions in the ESG space.

Brookfield acquires Duke Energy's commercial renewables business



Brookfield Renewable acquired Duke Energy Renewables in a USD2.8bn deal, solidifying its position as a major renewable energy player in the US. The acquisition provides Brookfield with a large-scale renewable platform and a robust development pipeline, while Duke Energy can focus on its regulated businesses and renewable energy

integration.

► Source: ESG Today

Iberdrola and EIB sign USD1.3bn financing deal to build renewable energy projects



Iberdrola signed a USD1.3bn financing agreement with the European Investment Bank (EIB) to fund the construction of 22 renewable energy projects across Europe. The projects, including solar plants and wind farms, will have a total capacity of 2.2 GW and aim to power over 1 million homes while advancing the region's energy transition and

economic growth.

► Source: ESG Today

Finastra and Green RWA unveil climate risk management platform



Finastra and Green RWA launched the Climate-Extended Risk Model (CERM) Sandbox, an interactive platform for banks. CERM is a risk framework that integrates physical and transition risks, enhancing financial institutions' resilience to climate change.

The solution helps banks identify long-term, global, and evolving climate risks, allowing for more accurate risk calculations.

► Source: ESG Today





PEOPLE MOVEMENTS

Thought leadership through key hires

Companies across the globe are demanding analysts, strategists, and knowledgeable professionals to understand and drive their ESG data, strategies, and solutions for a range of stakeholders. This section brings you the latest movements of such highly skilled professionals in the ESG sector.

Federated Hermes welcomes Sian Long as a Sustainable Investment Director



Federated Hermes hired Sian Long as its Sustainable Investment Director for its impact and sustainable equity strategies. She will be a client-facing representative, working on Federated Hermes Sustainable Global Equity, Impact Opportunities, SDG Engagement, and Biodiversity strategies.

► Source: ESG Clarity

LOIM appoints Dr. Marc Palahí as the Chief Nature Officer



Lombard Odier Investment Managers (LOIM) welcomed Dr. Marc Palahí as the Chief Nature Officer to develop the firm's recently launched dedicated sustainable investment platform, holistiQ Investment Partners. He is an expert on forests, global change, and circular bioeconomy. Dr. Palahí will be working on the nature strategy within the platform and integrating nature considerations across the firm.

► Source: ESG Clarity

Pemberton hires Niamh Whooley as the Managing Director and Head of Sustainable Investing



Pemberton named Niamh Whooley, from Goldman Sachs, as its Managing Director and Head of Sustainable Investing. She would be responsible for expanding the firm's sustainability strategy, developing Pemberton's sustainable investments, and coordinating with clients and stakeholders.

► Source: ESG Clarity

AXA IM Alts names Laurent Lavergne as its pioneer Global Head of Sustainability



AXA IM Alts hired Laurent Lavergne as its first Global Head of Sustainability. He will oversee the company's ambitious decarbonization strategy and sustainability strategy across all its business lines. He will take over the responsibilities of the current Global Head of Responsible Investment and serve as a voting member of the investment committee for direct investments.

► Source: ESG Today

Standard Chartered appointed Dana Barsky as the Global Head of Sustainability Strategy and Net Zero



Standard Chartered appointed Dana Barsky as the Global Head of Sustainability Strategy and Net Zero. She would drive key sustainability agenda items that include overseeing the Group's delivery of its Net-Zero commitments across Scope 1, 2, and 3 emissions and accelerating sustainability integration across the Group's global businesses. She will also help in creating new sustainable partnerships.

► Source: Standard Chartered

Howden hires Rowan Douglas as the CEO, Climate Risk & Resilience



Howden appointed Rowan Douglas as the CEO, Climate Risk & Resilience. His "role is to build an expert, full spectrum function to support the group worldwide, embedding climate and resilience across its specialities and regions." He would prelude further significant investment to create a platform for the future that meets the opportunity and scale of market demand over the coming decades.

► Source: Howden

FINTECH



Innovation in sustainable investing

The fintech section captures various innovations in the data analytics, software solutioning, and technology space that benefit both investors and data providers. Learn about the most groundbreaking technologies leading their way to ESG.

J.P. Morgan introduces data solutions for institutional investors



J.P. Morgan Securities Services launched its Sustainable Investment Data Solutions, a platform for institutional investors to extract and maximize the value of ESG data from multiple providers, addressing the challenges of using internal and external Sustainable Investments (SI) data. The solution includes partnerships with leading data providers and features data normalization, hierarchy management, screening, and calculation capabilities.

► Source: yahoo!finance

Microsoft improves its sustainability platform with enhanced features for ESG reporting and data management



Microsoft debuted numerous features for its sustainability platform. These features include Scope 3 emissions calculation, collecting and managing diverse ESG data, and compliance support. Notably, it introduces a specialized template for the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainable Reporting Directive (CSRD).

► Source: ESG BROADCAST

Sphera debuts a corporate sustainability management tool



Sphera introduced SpheraCloud Corporate Sustainability-Portfolio Management, a solution enabling financial institutions to measure and manage their portfolio's carbon footprint, assess climate-related risks and opportunities, and meet ESG reporting requirements. Sphera's AI-powered solution allows financial institutions to efficiently collect, calculate, report, and manage financed emissions using automated data collection, robust calculations, and audit-proof reporting while following industry standards like PCAF and GHG Protocol.

► Source: Environment + Energy Leader

Fitch introduces the 'ESG Regulations and Reporting Standards Tracker'



Fitch launched an innovative tool, the ESG Regulations and Reporting Standards Tracker, to monitor key regulatory advancements in the ESG realm. It covers sustainable taxonomies, disclosure regulations related to climate and ESG, and ESG fund requirements and tracks reporting frameworks and standards.

► Source: ESG BROADCAST

Persefoni launches the latest Scope 3 data collection exchange solution



Persefoni's latest module tackles the reporting challenges companies encounter while disclosing their value chain climate data. This innovative solution aims to transform supplier engagement by facilitating the collection of precise Scope 3 emissions data and providing valuable insights into supplier climate goals. As regulatory requirements for supply chain emissions disclosure intensify, Persefoni's solution is poised to address the associated reporting challenges that companies face.

► Source: Fintech Global

GenZero and BCG collaborate on climate impact measurement framework



GenZero and Boston Consulting Group (BCG) jointly developed a comprehensive Climate Impact Measurement Framework, incorporating four crucial elements. These include assessing the nature of climate impact, determining the share of impact across the value chain, establishing the period for impact measurement, and implementing a balancing mechanism to evaluate the interplay between quality, quantity, and cost of climate impact over time.

► Source: Fintech Global



PRODUCTS & SERVICES

Industry demands met with sustainable investment products and ESG data & services

As businesses work toward getting ESG-compliant and investors channel their funds into ESG products, the market is gearing up to facilitate all forms of products and services. In this section, you will find news on key products and services including the launch of climate change-targeted funds as well as ESG data and services.

VCMI launches a new carbon market claims rulebook



The Voluntary Carbon Market Integrity Initiative (VCMI) introduced the Claims Code of Practice to provide guidelines for companies engaging in carbon markets and making climate claims. The code aims to build companies' market confidence to accelerate corporate participation in voluntary carbon markets as part of their net-zero strategies. It introduces three tiers of claims (Platinum, Gold, and Silver) and outlines the steps for making credible claims, including meeting criteria, selecting high-quality carbon markets, disclosing information to support the claim, and conducting independent validation.

► Source: ESG Today

MAPFRE launches a USD128mn biomethane fund



Spanish insurance company, MAPFRE launched MAPFRE Energías Renovables II, FCR, a fund focused on investing in biomethane projects in Spain. To raise USD128mn in its first phase, it is the first biomethane mutual fund in Europe. The fund will play a crucial role in the transition to cleaner energy sources and decarbonization efforts.

► Source: ESG Today

BlackRock launches new climate-focused ETFs anchored in collaboration with Ilmarinen

BlackRock Finland's largest pension insurance company, Ilmarinen, invested USD3bn in BlackRock's iShares Climate Conscious & Transition MSCI USA ETF to align with its climate-focused investment goals. The ETF tracks an MSCI index comprising US companies with favorable ESG factors, such as current emissions intensity, emissions reduction targets, green business revenue, and climate risk management.

► Source: ESG News

BNP Paribas AM introduces its pioneer ETF on the Irish platform



BNP Paribas Asset Management (BNP AM) launched the BNP Paribas Easy S&P 500 ESG UCITS ETF (SPEEU), the first ETF on its Irish fund platform. The ETF tracks the S&P 500 ESG index, providing exposure to the largest US stocks with a focus on ESG factors. This launch is part of BNP's plan to expand its sustainable ETF offerings to investors in multiple countries.

► Source: ETF Stream

Absolut launches paper-based bottle trial in the UK



Absolut Vodka introduced a trial of paper-based bottles in the UK to reduce its carbon footprint and move toward sustainable packaging. The 500ml bottles, made with 57% paper and a recyclable plastic barrier, are lighter than traditional glass bottles and support Absolut's goal of becoming carbon-neutral by 2030.

► Source: Packaging Gateway



LAWS, POLICIES, AND REGULATIONS



Major policies that pave the way to disclosure in the industry

Policy reformation and amendments in the ESG reporting space are at an all-time high. What started as a voluntary disclosure is now making its way to becoming mandates. Be it sustainable investments standards or climate change reporting mandates and transparency in governance practices, we bring you the latest regulatory updates in this section.

The first ISSB reporting standards are here — what that means for investors

Investor implications of ISSB standards

The International Sustainability Standards Board (ISSB) published its first two finalized standards, S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures. These standards aim to provide a comprehensive global baseline of sustainability disclosures, catering to investors and financial markets. The ISSB standards are built on previous work from the Climate Disclosure Standards Board (CDSB), Task Force on Climate-related Financial Disclosures (TCFD), Value Reporting Foundation, and Sustainability Accounting Standards Board (SASB).

► Source: GreenBiz



Australia mandates climate reporting from 2024

Australia planned to implement mandatory climate-related financial disclosure requirements for companies and financial institutions starting in 2024. The requirements include disclosure of transition plans, monitoring processes, scenario analysis, and reporting Scope 1 and 2 and material Scope 3 emissions. The proposed phased approach covers larger entities, medium-sized companies, and smaller entities.

► Source: ESG Today



Swiss Voters approve net-zero law

Switzerland approved the Climate and Innovation Act in a national referendum, with 59% support. The law sets targets for reducing emissions, energy consumption, and fossil fuel usage. It requires companies to achieve net-zero emissions by 2050, targeting carbon-intensive sectors with USD3.6mn in funding.

► Source: ESG Today

European Commission proposal on ESG rating activities

EC proposes ESG rating rules

The European Commission (EC) planned to regulate ESG rating providers to improve transparency and integrity in the market. The proposal aimed to prevent conflicts of interest and align ESG views with assessments. Approval from the European Parliament and EU leaders is required for implementation.

► Source: LEXOLOGY

IPSASB BEGINS DEVELOPMENT OF CLIMATE-RELATED DISCLOSURES STANDARD FOR THE PUBLIC SECTOR

IPSASB develops a climate reporting standard for the public sector

The International Public Sector Accounting Standards Board (IPSASB) developed a public sector-specific climate-related disclosure standard to improve transparency, accountability, and comparability in combating climate change and other sustainability challenges. The standard will establish a Climate-related Topic Working Group and Sustainability Reference Group, requiring global community engagement for its development.

► Source: IPSASB

Biden-Harris Administration Releases First-Ever National Clean Hydrogen Strategy and Roadmap to Build a Clean Energy Future, Accelerate American Manufacturing Boom

The US introduces a clean hydrogen strategy

The Biden-Harris administration released the U.S. National Clean Hydrogen Strategy and Roadmap, aiming to accelerate clean hydrogen production, processing, delivery, storage, and use. The strategy aligns with President Biden's goals of a carbon-free grid and net-zero emissions economy by 2050.

► Source: Energy.Gov





CONTROVERSIES

Global sustainability watchdogs chasing wrongdoers

Do companies follow their ESG commitments? Tracking corporate controversies helps in investment decisions and enables stakeholders to determine whether the companies are being fair to their commitments or merely greenwashing. We bring you the top controversies in this section.



Shein and Temu violate the US tariff law and evade human rights reviews on imports

A House committee issued a report revealing that Shein and Temu have exploited loopholes for importing goods into the US. The report also states that both e-commerce giants are bringing products into the US under Section 321 of the Tariff Act of 1930, which waives import tariffs on goods if their retail value does not exceed USD800. The companies are also facing allegations of human rights abuses in the Uyghur region. According to the committee, Shein is alleged of forced labor in its supplier factories while Temu is allegedly failing to adhere to the Uyghur Forced Labor Prevention Act.

► Source: CNBC

Bread maker pays Can\$50 mln in Canada price fixing settlement

Canada Bread pays fine for price fixing allegations

Canada Bread agreed to pay a fine of USD28mn (CAD50mn) over allegations of fixing the price of various breads, such as sandwich bread, hotdog buns, and rolls. The company was accused of colluding with its competitor Weston Food, as per the Competition Bureau.

► Source: Economic Times



Chemours, DuPont, and Corteva pay to settle 'forever chemical' claims

Chemours, DuPont, and Corteva agreed to pay USD1bn to settle claims that 'forever chemicals' contaminated public US water systems. The forever chemicals, also known as PFAS, are hazardous to human health. The three companies are facing thousands of lawsuits alleging that toxic chemicals were used in manufacturing, which later polluted the environment.

► Source: CNN Business

Home Depot to pay \$72.5 million to settle California labor suit

US regulator alleges Amazon of deceiving consumers into enrolling in Prime

The U.S Federal Trade Commission charged Amazon for deceiving consumers into enrolling for its paid subscription program, Amazon Prime, through a secret project internally called 'Iliad'. According to the commission's complaint, Amazon tricked consumers into automatically renewing Prime subscriptions. The company also faced lawsuits accusing its Prime cancellation process of being too complicated.

► Source: The Guardian



Home Depot settles California labor lawsuit

Home Depot agreed to settle USD72.5mn over allegations of violations of wage theft. The company was accused of not paying the employees for time spent in the store where they would clock in and for time spent in the store at closing. Home Depot denied any wrongdoing and said, "it agreed to the settlement to avoid the burden, expense, and uncertainty of litigation."

► Source: Fox40

JPMorgan Chase is fined by SEC after mistakenly deleting 47 million emails

SEC fines JPMorgan Chase for deleting 47 million emails

The U.S. Securities and Exchange Commission (SEC) levied a fine of USD4mn against JPMorgan Chase for mistakenly and permanently deleting 47 million emails belonging to its retail banking group. The emails were deleted in June 2019 from about 8,700 mailboxes, including those of as many as 7,500 employees. The company neither admitted nor denied any wrongdoing in agreeing to the civil settlement and adopted its email procedure to avoid a reversion.

► Source: Inquirer.net



SGA BLOGS



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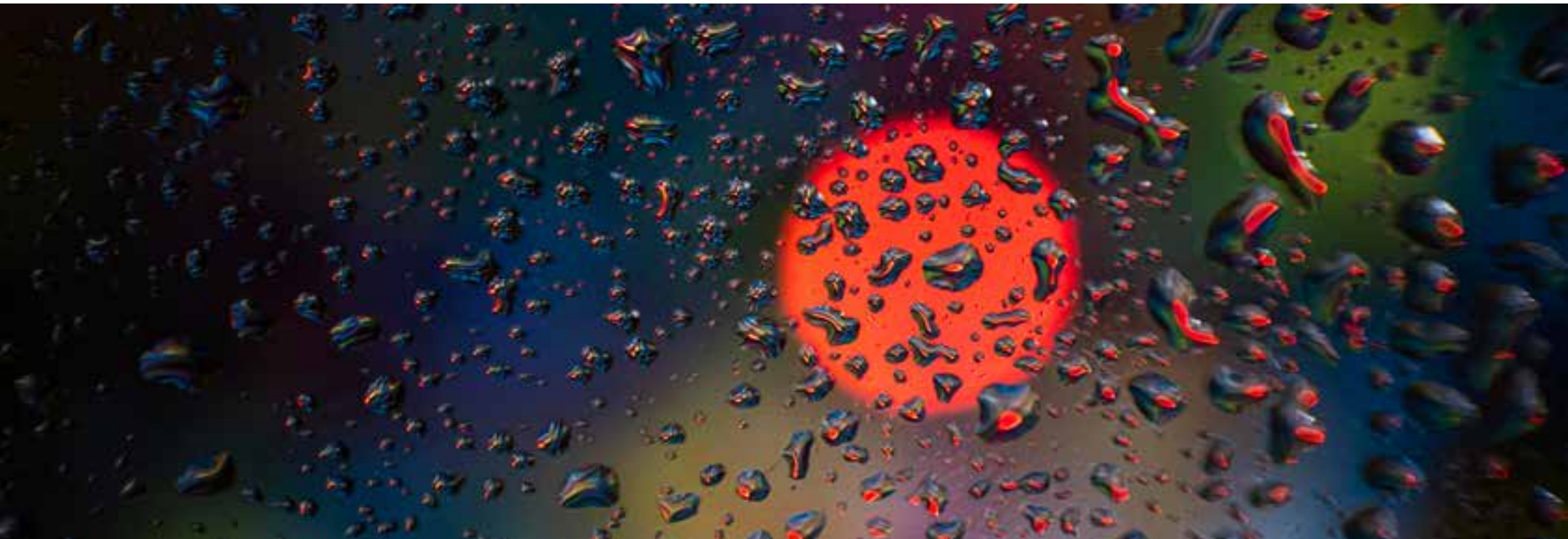
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