



Tattva.

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CDP AND EFRAG

streamline climate reporting with ESRS E1

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Introduction

The 51st edition of Tattva highlights significant developments in corporate sustainability and environmental action. The Science Based Targets initiative (SBTi) has released a draft of its revised net-zero standard (v2) for public feedback, aiming to accelerate corporate decarbonization and improve Scope 3 emissions management. Meanwhile, Google has launched global partnerships to replenish 8 billion gallons of water annually by 2030, employing Artificial Intelligence (AI)-driven solutions and precision irrigation in regions like Chile, California, Taiwan, and France. Other notable updates include Morningstar Sustainalytics' hiring of David Pagliaro as Global Product Strategy Lead and Clarity AI's introduction of an AI-powered tool to streamline sustainability research for asset managers and investors.

In the world of motorsport and regulation, Mercedes plans to integrate sustainable carbon fiber composites into its 2025 Formula 1 car as part of its goal to achieve net-zero by 2040. Additionally, the Australian Securities and Investments Commission (ASIC) has released a new regulatory guide for mandatory climate reporting, focusing on transparency and enforcement. Lastly, Canadian Prime Minister Mark Carney has signed an order eliminating the controversial consumer carbon tax, although the carbon price on businesses remains intact, signaling a shift in Canada's climate policy direction. These stories reflect a global push toward sustainability, innovation, and regulation in the fight against climate change.



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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.

US rejects UN SDGs, exits climate damage fund



The US has denounced the United Nations (UN)'s Sustainable Development Goals (SDGs), citing concerns over sovereignty and "globalist" agendas, and voted against related resolutions. It also withdrew from the UN's Loss and Damage Fund, stepping down from its board. These moves mark a sharp shift in US climate and development policy under the Trump administration.

► Source: ESG Dive

Senate Republicans push to block EU sustainability rules



Senate Republicans, led by Senator Bill Hagerty, introduced the 'PROTECT USA' Act to shield US companies from the European Union (EU) Corporate Sustainability Due Diligence Directive. The legislation opposes foreign sustainability mandates, aiming to protect sectors like agriculture and manufacturing from compliance, penalties, or recognition of related foreign court rulings.

► Source: ESG Today

IFAC updates training standards to include sustainability reporting skills



The International Federation of Accountants (IFAC) has updated its global education standards to embed sustainability reporting, analysis, and assurance skills into the training of new accountants. The changes aim to equip future professionals with the skills needed to meet growing global demands for high-quality sustainability disclosures and integrate financial and sustainability information effectively.

► Source: ESG Today

SBTi releases draft net-zero standard V2 for feedback



SCIENCE
BASED
TARGETS

The SBTi has released a draft of its revised corporate net-zero standard (Version 2.0) for public consultation. The update aims to accelerate corporate decarbonization, improve Scope 3 action, support emerging economies, and scale carbon removals. Stakeholders can provide feedback until June 1 to help shape the final standard.

► Source: Science Based Targets initiative

CDP and EFRAG streamline climate reporting with ESRS E1



Carbon Disclosure Project (CDP) and European Financial Reporting Advisory Group (EFRAG) have aligned CDP's climate disclosure questions with the EU's European Sustainability Reporting Standard (ESRS) E1 standard, streamlining sustainability reporting for businesses. This alignment reduces complexity, enhances data usefulness, and supports compliance with the EU's Corporate Sustainability Reporting Directive. A detailed mapping highlights overlaps in key climate metrics, boosting transparency and reporting efficiency.

► Source: ESG News

ISSB roadmap tool aids jurisdiction adoption plans



The International Financial Reporting Standards (IFRS) Foundation has launched the jurisdictional roadmap development tool to help jurisdictions plan the adoption of International Sustainability Standard Board (ISSB) Standards. Unveiled at the IFRS Foundation Implementation Partners Workshop, the tool supports informed decision-making on regulatory processes, reporting scope, and timelines, reinforcing the ISSB's commitment to global sustainability reporting and regulatory alignment.

► Source: IFRS Foundation



COLLABORATIONS

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 multifold in current times. Investor groups and corporates are increasingly collaborating to address such issues and drive sustainability. The following are the major coalitions in the ESG space.

Lululemon teams up with ZymoChem to expand the use of sustainable materials



Lululemon has entered a multiyear partnership with biotech firm ZymoChem to scale the use of sustainable, bio-based nylon in its products. ZymoChem produces biodegradable polymers with near-zero CO2 emissions from renewable feedstocks. Nylon makes up 31% of Lululemon's materials, and the company aims to source 100% renewable or recycled nylon by 2030. This collaboration supports Lululemon's broader sustainability goals and the development of eco-friendly, high-performance apparel.

► Source: ESG Today

Amazon, Google, and Meta commit to global initiative to triple nuclear energy capacity



Amazon, Google, and Meta have joined the 'Large Energy Users Pledge', committing to help triple global nuclear energy capacity by 2050.

Led by the World Nuclear Association, the initiative supports rising clean energy demand driven by AI-powered data centers. Meta received over 50 nuclear Request for Proposal (RFP) submissions, while Amazon invested over USD1bn in nuclear projects, aligning with their net-zero goals and shifting energy strategies to meet growing electricity needs sustainably.

► Source: ESG Today

Delta collaborates with JetZero to develop blended-wing aircraft with 50% greater fuel efficiency



Delta Air Lines has partnered with JetZero to develop blended-wing aircraft that are up to 50% more fuel-efficient than current jets. The collaboration supports Delta's net-zero emissions goal by 2050 and its focus on sustainable aviation. Through its Sustainable Skies Lab, Delta will contribute technical and operational expertise and assist in designing the aircraft's interior, leveraging the new design's flexibility to enhance passenger experience and sustainability efforts.

► Source: ESG Today

Google forms four new global alliances to replenish 8 billion gallons of water annually by 2030



Google formed four new global partnerships in Chile, California, Taiwan, and France to promote sustainable agriculture and water conservation, aiming to replenish 8 billion gallons of water annually by 2030. The initiatives include infrastructure upgrades, precision irrigation, and AI-driven solutions to aid farmers and protect watersheds. In 2024, 112 projects across 68 watersheds replenished ~4.5 billion gallons. Google aims to offset 120% of its freshwater use by 2030.

► Source: ESG News

Microsoft and RMI introduce new frameworks to improve Scope 3 emissions reporting in the construction industry



Microsoft and RMI have launched a new 'Impact Accounting Methodology for Building Construction' to improve Scope 3 emissions reporting, particularly for embodied carbon in building materials. The dual-path framework combines process-based data from Environmental Product Declarations (EPDs) with supplemental spend-based data. It aims to drive strategic, climate-positive investments, and accurate emissions tracking. This will help companies make informed decisions and significantly reduce Greenhouse Gas (GHG) emissions in construction projects.

► Source: ESG News

JTC collaborates with Novata to strengthen sustainability solutions



JTC has formed a strategic partnership with sustainability tech firm Novata to enhance its services for asset managers and investors. The collaboration merges JTC's compliance and advisory capabilities with Novata's AI-powered platform, offering improved ESG data management, carbon accounting, and regulatory compliance. Novata's automation tools simplify ESG reporting, and its support for USD9tn in assets ensures scalable, high-quality sustainability solutions for JTC's global client base.

► Source: ESG News



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.

Puro.earth welcomes Jan-Willem Bode as President



Puro.earth, a carbon credit platform, has welcomed Jan-Willem Bode as its new President. Bode holds extensive expertise in climate financing and project development, with a focus on sustainability criteria. In his new role, he will oversee the company's strategic decisions and improve client and customer relations to support growth. His appointment is expected to bolster the company's internal systems and enhance carbon removal projects.

► Source: ESG Today

Morningstar Sustainalytics recruits David Pagliaro as Global Product Strategy Lead



David Pagliaro joined Morningstar Sustainalytics to lead Global Product Strategy. In his role, Pagliaro will be responsible for orchestrating the company's global product strategy. He has profound experience in finance and product strategy development. His pivotal leadership will influence the company's strategic growth in the sustainable investing market.

► Source: ESG Today

BDO names Jonathan Szoke as its new Director



BDO welcomed Jonathan Szoke as its new Director to head its growing ESG due diligence services. He has a strong background in sustainability consulting, managing health and safety, and environmental control operations. It is anticipated that Szoke's appointment will enable the company's clients to achieve higher valuations, mitigate potential risks, and draw in responsible investors.

► Source: ESG News

OX2 appointed Rebecca Karlsson as Chief Sustainability Officer



Rebecca Karlsson joined OX2 as its new Chief Communication and Sustainability Officer. This new role reflects the company's commitment to the integration of communication strategies with its sustainability goals. Karlsson will oversee both internal and external communication, as well as the company's existing sustainability initiatives. Her extensive experience in strategic communication is believed to be crucial for this role.

► Source: ESG News

NorthStandard welcomes Kate Kwiatkowska as Head of Sustainability



NorthStandard recruited Kate Kwiatkowska as its Head of Sustainability. Kwiatkowska will be responsible for shaping the company's sustainability strategy. She brings commendable experience in mapping, shaping, and implementing sustainability initiatives. Her proficiency in stakeholder engagement and data analysis will create new opportunities for the company, ultimately contributing to its sustainable growth.

► Source: ESG News

KPMG announced its changes in leadership



KPMG named Timothy J. Walsh and Atif Zaim as the new US Chair and Deputy Chair, respectively.

Both have crucial experience in shaping client relations. It is anticipated that these appointments will drive the company's strategic decisions, resulting in greater proficiency. Their input and leadership will enhance client relations, market management, and expansion. They will also contribute to building internal culture and the development of its professionals.

► Source: KPMG



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.

Intertek launches solutions for EUDR compliance



Intertek introduced tools to help companies comply with the EU's new Deforestation Regulation (EUDR), effective by 2025. Their offerings include EUDRtrace, a blockchain-based supply chain mapping tool, and assurance services such as consulting, audits, and risk assessments, ensuring that products meet EUDR standards and helping with due diligence and regulatory compliance.

► Source: ESG Today

Equifax unveils its Financed Emissions Calculator



Equifax UK launched its Financed Emissions Calculator to help financial institutions automate and track financed emissions for sustainability reporting. The tool uses data from multiple sources, ensuring accurate and transparent emission calculations for credit lines, aligned with the latest Partnership for Carbon Accounting Financials (PCAF) methodology. It aims to improve reporting by addressing up to 95% of a financial institution's carbon emissions.

► Source: ESG Today

Clarity AI introduces AI-powered sustainability research tool



CLARITY AI

Clarity AI introduced an AI-driven tool for asset managers and investors to streamline sustainability research. The tool offers real-time data on key sustainability issues such as climate transition plans and ESG risks, replacing outdated reports and manual processes. It also includes an AI Assistant for customized research from Clarity AI's database of over 200,000 company reports.

► Source: ESG Today

Assent sustainability platform boosts efficiency



Assent Inc. launched the Assent Sustainability Platform (ASP) to streamline supply chain compliance, reducing supplier labor and errors. Early users saw a 92% time savings, with suppliers submitting declarations five times faster. The platform centralizes compliance management, automates data-sharing, and eliminates redundant processes, improving efficiency and supplier relations across the supply chain.

► Source: Assent

EcoVadis unveils Carbon Data Exchange



EcoVadis launched the Carbon Data Network to help companies track Scope 3 emissions and reduce their carbon footprint. With data from over 150,000 organizations, the platform offers tools to build carbon capabilities and accelerate decarbonization. Partnerships with Sweep and Normative enhance data sharing, improving Scope 3 calculations and reducing reporting burdens.

► Source: ESG today

Snugg introduces carbon cashback platform



Snugg launched its carbon cashback platform in the UK, offering homeowners financial rewards for reducing carbon emissions. Using smart meter data, verified savings are converted into carbon credits, providing up to GBP2,000 (USD2,563) over 10 years. The initiative aims to promote energy efficiency while helping businesses meet sustainability goals and net-zero targets.

► Source: Fintech Global



PRODUCTS AND 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.

EU platform introduces voluntary standard to enhance SME access to sustainable finance



The EU's 'SME Sustainable Finance Standard' is designed to simplify sustainability disclosures. Small and Medium-sized Enterprises (SMEs), which play a crucial role in Europe's green transition, contribute over half of the EU's GDP and account for more than 63% of enterprise emissions. This initiative will facilitate SME access to sustainable finance by streamlining reporting requirements and loan classifications.

► Source: ESG News

Fideuram launches eurozone equity ETF



FIDEURAM

Fideuram Asset Management introduced its seventh Exchange Traded

Fund (ETF), the D-X MSCI EMU Screened UCITS ETF (DXEZ), on Borsa Italiana with a 0.29% Total Expense Ratio (TER), tracking large and mid-cap Eurozone equities with strong ESG traits. The move aligns with renewed European equity interest as Fideuram, Italy's largest wealth manager, integrates ETFs into its multi-asset strategies.

► Source: ETF Stream

Mercedes to integrate sustainable carbon fiber composites in 2025 F1 Car



Mercedes-Benz

Mercedes is set to debut sustainable carbon fiber composites in its 2025 Formula 1 car – the W16 – marking a major step in motorsport sustainability. With carbon fiber making up 75% of the car's materials, this shift supports the team's goal of achieving net-zero by 2040.

► Source: ESG News

L&G Introduces new strategy for nature conservation and sustainable development



L&G has launched the USD235mn Nature and Social Outcomes strategy to support conservation and sustainable development projects in emerging markets, aiming for both strong commercial returns and positive environmental and social impacts. This initiative targets habitat and biodiversity conservation, as well as infrastructure for education, healthcare, and clean water access.

► Source: ESG Today

Amazon unveils carbon credit investment service



Amazon has launched a new service offering high-quality carbon credit investments to companies within its value chain that have net-zero climate targets. This initiative focuses on combating deforestation, restoring forests, and advancing technological carbon removal, aiming to enhance transparency and credibility in the voluntary carbon market.

► Source: ESG Drive

LEGO's new bricks uses more renewable materials



LEGO Group has nearly tripled its use of renewable materials in bricks to 33% in 2024, up from around 12% in 2023, advancing its sustainability commitments. This initiative supports LEGO's goal to use 100% sustainable materials by 2032 and achieve net-zero emissions by 2050, alongside investments in alternative materials and improved recycling processes.

► Source: ESG Today



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.

ASIC releases new regulatory guide on mandatory climate reporting



ASIC
Australian Securities & Investments Commission

The ASIC released Regulatory Guide 280 (RG 280), a new guide for companies required

to prepare sustainability reports under Australia's mandatory climate reporting law. The guide outlines ASIC's approach to supervision and enforcement, focusing on serious or reckless misconduct and engaging with companies if they identify incomplete or misleading information.

► Source: ESG Today

UK regulators drop diversity and inclusion rules for the financial sector



UK financial regulators, the Financial Conduct Authority (FCA) and the Bank of England's Prudential Regulation Authority (PRA), have withdrawn plans to introduce new rules promoting diversity and inclusion in the financial services sector. The move follows feedback from industry respondents, who urged alignment with existing initiatives to reduce regulatory burdens.

► Source: ESG Today

EU introduces action plan for steel and metals industry



The European Commission (EC) unveiled an action plan to bolster the steel and metals sectors, addressing high energy costs, global competition, and decarbonization challenges.

Measures include energy price relief, carbon leakage protections, and increased recycling targets to secure industrial capacity and competitiveness.

► Source: Mining Technology

SEC ends defense of climate disclosure rules



The Securities and Exchange Commission (SEC) voted to end its defense of climate-related risks and GHG emissions disclosure rules, which have been challenged by states and private parties. The decision follows consolidated litigation.

► Source: US Securities Exchange and Commission

Japan finalizes sustainability disclosure standards for listed companies



The Sustainability Standards Board of Japan (SSBJ) released finalized sustainability disclosure standards aligned with ISSB guidelines, forming the basis for mandatory

reporting by listed companies. The standards enhance transparency on climate and sustainability risks, supporting Japan's broader regulatory push for internationally comparable corporate disclosures.

► Source: ESG Today

EU extends CO₂ compliance deadline for automakers



The EC granted automakers three years instead of one to meet new CO₂ emission targets, easing industry concerns over heavy fines. While the targets remain

unchanged, compliance now spans 2025–2027, giving carmakers flexibility to boost EV sales amid global competition.

► Source: Reuters



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.



Swiss drugmakers Novartis and Roche scale back diversity programs due to US concern

Swiss drugmakers Roche and Novartis have scaled back their diversity programs in response to recent US executive orders. Roche has abandoned its global workforce diversity targets, focusing instead on inclusion and belonging. Novartis has also stopped using diverse panels for US hiring. These changes reflect broader shifts as companies navigate evolving US laws on Diversity, Equity, and Inclusion (DEI). Other firms like GSK have made similar moves, while AstraZeneca and Novo Nordisk continue their DEI commitments.

► Source: Reuters



Australia court fines Active Super for greenwashing ESG investment claims

Australia's Federal Court has fined Active Super's trustee, LGSS, USD6.7mn for greenwashing. The penalty follows allegations by ASIC that Active Super misrepresented its ESG investment practices from 2021 to 2023, continuing to invest in areas such as gambling, coal, and Russian assets, despite claims to the contrary. The court ruled that LGSS misled investors about the ethical nature of its investments, benefiting from misleading ESG claims.

► Source: ESG Today



UBS delays net-zero target by 10 years after Credit Suisse acquisition impact

UBS has delayed its net-zero GHG emissions target for its operations from 2025 to 2035, mainly due to its acquisition of Credit Suisse. The bank also withdrew its 2030 target to align 20% of Assets under Management (AUM) with net-zero, citing the integration of Credit Suisse. While UBS remains committed to decarbonizing its financed emissions, its revised targets now include reducing Scope 1 and 2 emissions by 57% by 2030. The bank also aims for 100% renewable electricity by 2026.

► Source: ESG Today



Carney cancels Canada's Consumer Carbon Tax

In his first act as Canada's new Prime Minister, Mark Carney signed an order eliminating the controversial consumer carbon tax, known as the 'fuel charge', effective April 1, 2025. Introduced in 2019, the fuel charge aimed to reduce emissions by taxing carbon for businesses and consumers. Despite previously supporting the tax, Carney acknowledged that it became divisive and pledged to cancel it. However, the carbon price on businesses will remain, alongside plans to tighten regulations for large emitters and implement a Carbon Border Adjustment Mechanism.

► Source: ESG Today



SEBI's Amarjeet Singh voices concerns of greenwashing by India Inc

Securities and Exchange Board of India (SEBI)'s whole-time member Amarjeet Singh expressed concerns over greenwashing and misleading ESG disclosures at the Federation of Indian Chambers of Commerce and Industry (FICCI) ESG Summit. He highlighted instances where companies falsely claimed minimal environmental impact while facing legal action for violations. Singh emphasized the need for transparent, accurate 'true-to-label' disclosures and stressed that companies must ensure their ESG claims are valid. He also advocated using AI to track emissions and improve sustainability efforts, urging regulators to enhance oversight as the sustainable finance market grows.

► Source: Business Standards





SGA BLOGS

“The ESG Data Dilemma: Challenges in ESG Data Accessibility and Quality”

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SGA ESG DATA INSIGHTS REPORT

How are top financial institutions leveraging ESG data to make smarter investments and stay ahead of evolving regulations? In this special **51st edition of Tattva**, we're excited to unveil our latest report, "**Bridging ESG and Finance | ESG Data Insights Report.**" It explores cutting-edge trends in AI-driven ESG analytics, risk assessment strategies, and regulatory shifts shaping the future of sustainable finance.

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