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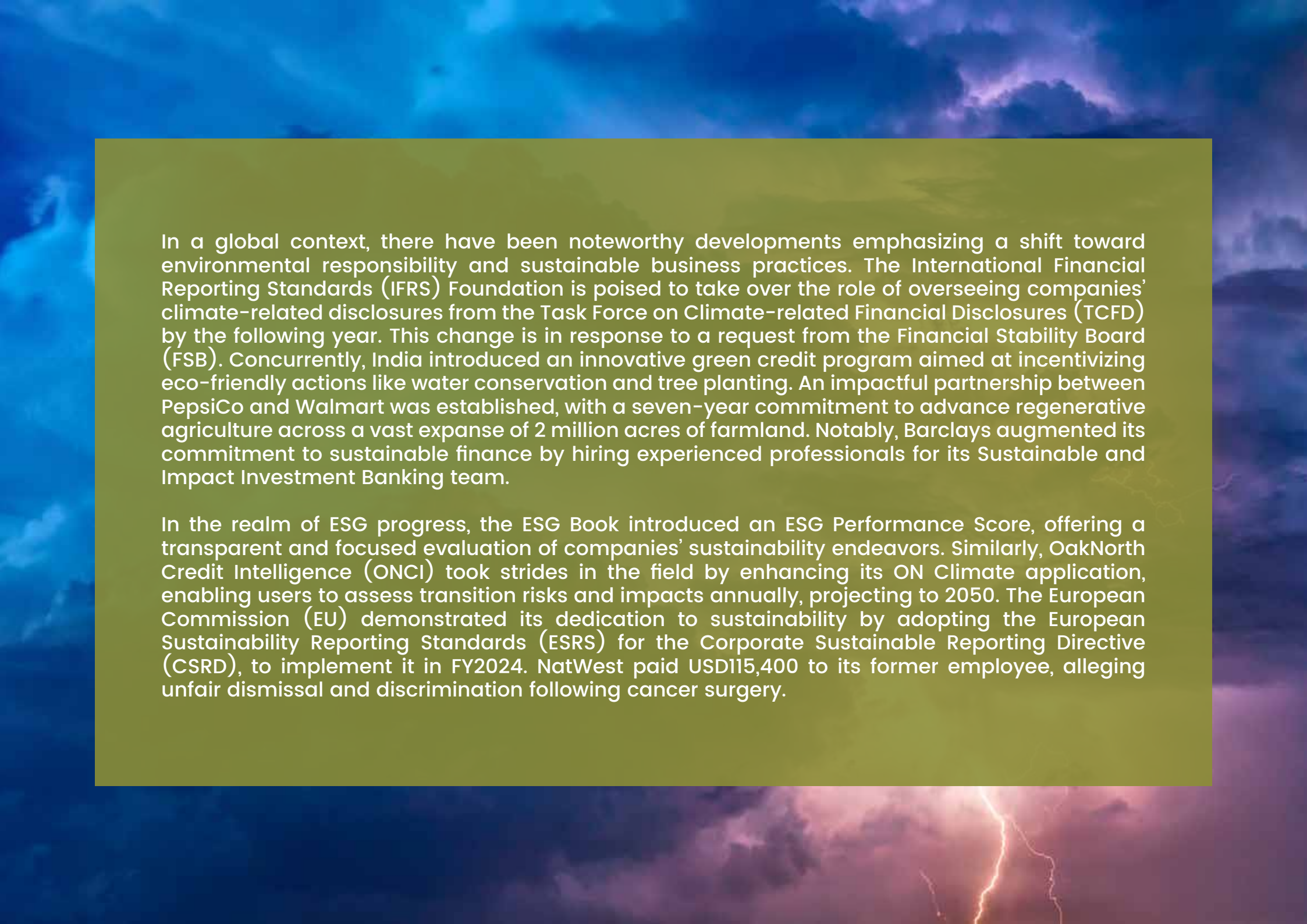
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ESG Newsletter

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.





In a global context, there have been noteworthy developments emphasizing a shift toward environmental responsibility and sustainable business practices. The International Financial Reporting Standards (IFRS) Foundation is poised to take over the role of overseeing companies' climate-related disclosures from the Task Force on Climate-related Financial Disclosures (TCFD) by the following year. This change is in response to a request from the Financial Stability Board (FSB). Concurrently, India introduced an innovative green credit program aimed at incentivizing eco-friendly actions like water conservation and tree planting. An impactful partnership between PepsiCo and Walmart was established, with a seven-year commitment to advance regenerative agriculture across a vast expanse of 2 million acres of farmland. Notably, Barclays augmented its commitment to sustainable finance by hiring experienced professionals for its Sustainable and Impact Investment Banking team.

In the realm of ESG progress, the ESG Book introduced an ESG Performance Score, offering a transparent and focused evaluation of companies' sustainability endeavors. Similarly, OakNorth Credit Intelligence (ONCI) took strides in the field by enhancing its ON Climate application, enabling users to assess transition risks and impacts annually, projecting to 2050. The European Commission (EU) demonstrated its dedication to sustainability by adopting the European Sustainability Reporting Standards (ESRS) for the Corporate Sustainable Reporting Directive (CSRD), to implement it in FY2024. NatWest paid USD115,400 to its former employee, alleging unfair dismissal and discrimination following cancer surgery.

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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.

IFRS Foundation replaces TCFD as the climate-related disclosures overseer

 **IFRS**® The International Financial Reporting Standards (IFRS) Foundation will take over monitoring progress on companies' climate-related disclosures from the Task Force on Climate-related Financial Disclosures (TCFD) next year. This change was at the request of the Financial Stability Board (FSB). The transfer was made public following the foundation's formal announcement of the IFRS S1 and IFRS S2 global standards, which fully incorporate the TCFD benchmark's recommendations.


► Source: IR magazine

India proposes a green credit program

 The Indian government launched a consultation for a new green credit scheme that aims to reward eco-friendly actions like water conservation and tree planting. Individuals, farmers, local governments (both urban and rural), and private sector enterprises can buy and sell green credits in a marketplace, facilitating the transfer of environmental benefits associated with sustainable activities.

► Source: ESGCLARITY

The EU reveals plans for cleaner freight transportation

 The European Commission (EC) intends to remove red tape and tighten greenwashing in freight transportation to reduce emissions. As part of the European Union (EU)'s attempts to meet its net-zero emissions and Green Deals, the proposed regulations will be the first substantial adjustments to the size of trucks operating in the bloc.

► Source: THE STRAITS TIMES

Singapore to make climate reporting mandatory



Singapore's top two regulators seek public input on mandating listed and large non-listed companies to report climate-related financial information. Starting in FY2025, the public consultation on the Sustainability Reporting Advisory Committee (SRAC)'s 'recommendations will require listed companies to lead the way and report climate-related disclosures (CRDs)'. These disclosures should align with the globally recognized standards set by the International Sustainability Standards Board.

► Source: THE STRAITS TIMES



Biden releases USD20bn from a green bank for clean energy initiatives

The Biden administration is allocating USD20bn from a federal 'green bank' toward renewable energy initiatives, including domestic heat pumps, electric vehicle charging stations, and community cooling centers. Two initiatives, totaling USD14bn and USD6bn, respectively, will provide competitive grants to nonprofits, community development banks, and other entities to invest in sustainable energy projects, with an emphasis on underprivileged communities.

► Source: The Associated Press

IOSCO urges regulators to adopt new IFRS sustainability reporting standards



The International Organization of Securities Commissions (IOSCO) approved the new IFRS sustainability and climate-related disclosure guidelines. IOSCO plans to invite its member countries to explore incorporating the new standards into their existing regulatory systems. The endorsement comes after the IFRS Foundation's International Sustainability Standards Board (ISSB) published its new global standards for sustainability and climate reporting, IFRS S1 and IFRS S2, during the month of July.

► Source: ESG Today



Republicans introduce new anti-ESG reporting and investing laws

Republicans announced the initiation of a series of laws aimed at limiting the impact of ESG activities in capital and financial markets. The new measures propose mandating firms to report only on topics that they deem important, enabling companies to exclude ESG-related shareholder suggestions from proxy materials, and limiting authorities' ability to collaborate on climate-related financial risk.

► 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.

Walmart and PepsiCo unite to invest in Regenerative Agriculture practices in the US and Canada



PepsiCo and Walmart partnered for seven years to advance regenerative agriculture over 2 million acres of farmland. This USD120mn initiative aims to promote sustainable farming practices, enhance water and soil health, and reduce environmental impacts like water usage and greenhouse gas emissions in their supply chain.

► Source: PR newswire

TotalEnergies to acquire Total Eren for USD4.2bn



TotalEnergies plans to acquire full control of renewable energy firm Total Eren, 'increasing its stake from 30% in the company to full ownership'. The acquisition, valued at USD4.2bn, aims to boost TotalEnergies' presence in the renewable energy sector and strengthen its commitment to clean energy solutions.

► Source: Reuters

ING and EIB commit USD673mn to boost sustainable finance for SMEs



Global banking giants, ING and the European Investment Bank (EIB), partnered to support sustainable finance for small- and medium-sized enterprises (SMEs) across the Netherlands, Belgium, and Luxembourg. The USD673.9mn funding aims to bolster environmental and climate initiatives, advancing the transition to a more sustainable economy.

► Source: Fintech Global

ExxonMobil acquires Denbury for USD5bn to advance emissions reduction efforts



ExxonMobil acquired Denbury, a carbon capture and utilization-focused energy firm, for USD5bn. Post the acquisition, ExxonMobil will own the world's largest CO2 pipeline network of 1,300 miles and utilize it to advance technologies for carbon capture, storage, and utilization.

ExxonMobil will also enhance its carbon management capabilities and support its commitment to reducing emissions.

► Source: ESG Today

IFC and Absa join forces to boost green building financing in South Africa



International Finance Corporation (IFC) and Absa, a South African bank, collaborate to expand financing for green buildings in South Africa. The partnership seeks to promote sustainable construction practices and increase funding for environment-friendly building projects, supporting the country's green development goals.

► Source: ESG News

IFC and BASA partner to enhance climate finance in the country



IFC collaborates with the Banking Association South Africa (BASA) to strengthen climate finance in the country. The partnership aims to increase funding for sustainable projects and promote climate-friendly investments, in line with South Africa's National Development Plan and its commitments to the Paris Agreement.

► 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.

Barclays appoints several seniors to its Sustainable and Impact Investment Banking team



Barclays welcomed Arnoud Boksteijn as the Managing Director, Cindy Quan as a Director and the Head of Americas ESG advisory, and Bogdan Oprea as a Director. All new seniors will advise and raise capital for companies focused on addressing environmental and social issues. They will also support 'larger-cap companies to transition their businesses through ESG-related financing and strategic transactions'.

► Source: ESG Today

TPI hires David Russell as Chair



The Transition Pathway Initiative (TPI) board appointed David Russell the Chair. He was formerly the Head of Responsible Investment for the Universities Superannuation Scheme. He has been serving on the TPI board since its inception and was previously a member of its steering committee.

► Source: ESG Clarity

State Street welcomes the Head of Global Investment Insights



State Street hired Jessica Donohue as the Head of Global Investment Insights. She will oversee sustainability efforts with a focus on delivering insights to the company's clients and the industry. Her role is to lead and coordinate across State Street's investment services, aiming to deepen relationships with chief investment officers at client organizations.

► Source: ESG Clarity

Delta News Hub hires Amelia DeLuca as the Chief Sustainability Officer



Delta's Global Sustainability team appointed Amelia DeLuca as the Chief Sustainability Officer. She will lead the airline on its commitment to reach net-zero emissions by 2050 while delivering a more sustainable and elevated travel experience along the way. DeLuca will replace the current CSO Pam Fletcher, who was the first to hold the role at the airline.

► Source: Delta News Hub

Securian Financial appoints Pete Berlute, Wen Nannen, and Mike Dominowski



Securian Financial welcomed Pete Berlute as the Senior VP of Affinity Solutions, Wen Nannen as the Chief Investment Officer, and Mike Dominowski as the Head of Sustainability. Berlute now leads Securian Financials' Affinity Solutions Division. Nannen is responsible for all aspects of Securian Financials' and Securian Asset Management's investment decision-making processes. Dominowski is responsible for leading the strategy, governance, and performance of the company's sustainability initiatives.

► Source: Business Wire

Volkswagen Group welcomes Giovanni Palazzo as the new Head of Charging and Energy



Volkswagen Group appointed Giovanni Palazzo as the Senior VP, who will be responsible for the Group's global charging and energy business. He will also lead the Elli brand as the CEO and Head of Sales.

► Source: ESG News

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.

ESG Book debuts an in-depth company ESG performance scores



ESG Book introduces its new ESG Performance Score, providing a clear, in-depth evaluation of company sustainability. It addresses challenges like transparency, standardization, and industry-specific metrics in current ratings. Regulators in the EU and the UK are stepping in, proposing supervision by European Securities and Markets Authority (ESMA) and unveiling a Code of Conduct for ESG data providers, in response to the Financial Conduct Authority's request.

► Source: ESG Today

OakNorth launches pioneer climate risk analysis tool for commercial banks till 2050



OakNorth Credit Intelligence (ONCI) enhanced its ON Climate app for annual transition risk assessment until 2050. This empowers banks to integrate climate scenarios, align risk scores with loan terms, and manage climate-related risks in commercial loan portfolios. The update allows lenders to report emissions trajectory and comprehend transition risk-adjusted financials annually, facilitating dynamic credit analysis and fostering a climate-conscious credit culture.

► Source: fintech global

WTW debuts a new tool to boost board-level climate skills



Willis Towers Watson (WTW) unveiled Climate Vista, a powerful tool promoting alignment between board members and management on climate action. The tool helps companies understand ESG and climate-related risks and opportunities, addressing concerns raised by a recent survey about a lack of expertise and skills in tackling climate issues.

► Source: fintech global

IDL unveils Barbatus, the world's first ESG AI assistant



Iceberg Data Lab (IDL) launched Barbatus, the world's first ESG AI assistant, to simplify ESG data analysis for financial institutions.

The revolutionary product uses generative AI to provide real-time, text-based explanations from unstructured data, helping professionals interpret results effectively and accelerate sustainability efforts. With a comprehensive dataset covering over 2,300 products, Barbatus enhances benchmarking and aids Corporate Social Responsibility teams in analyzing their environmental impact.

► Source: fintech global

Deloitte, Salesforce, and AT&T partner for IoT-powered ESG data management solution



Deloitte, Salesforce, and AT&T announced a strategic collaboration to simplify ESG data collection using an Internet of Things (IoT)-powered connectivity-based approach. This partnership combines AT&T's asset management solutions, providing direct connectivity to emission sources, with Deloitte's Sustainability 360 management solution, powered by Salesforce's Net Zero Cloud platform. This integration aims to alleviate challenges in ESG data collection across the value chain, improving the accuracy of reports and disclosures and accelerating sustainability improvements and risk management identification for organizations.

► Source: ESG Today



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.

ELC debuts responsible store design framework



Estée Lauder Companies (ELC) launched a new Responsible Store Design program, which evaluates new and existing stores based on sustainability factors like waste reduction and energy conservation. The initiative includes specific goals for reducing greenhouse gas emissions, transitioning to electric vehicles, and increasing recycled packaging materials while involving customers in their sustainability efforts.

► Source: ESG Broadcast

NITI Aayog launches ICED 3.0



Launched by NITI Aayog, India Climate Energy Dashboard (ICED) 3.0 is an innovative platform providing near real-time data and analytics to track climate action in India. With its user-friendly interface and extensive resources, ICED 3.0 empowers stakeholders and the public alike to make informed decisions, fostering transparency and driving sustainable practices in India's journey toward a greener future.

► Source: ESG Broadcast

SEBI introduces a new category of mutual fund schemes for ESG investing



The Securities and Exchange Board of India (SEBI) took steps to promote ESG investing in India's Mutual Fund industry by allowing multiple ESG schemes with diverse strategies and mandating investment in companies with comprehensive ESG disclosures. Specific disclosure requirements have been set to ensure transparency and asset management companies will need to obtain independent assurance of compliance with ESG strategies.

► Source: SEBI



Coca-Cola debuts decarbonization solutions-focused venture capital fund

The Coca-Cola Company introduced a sustainability-focused venture capital fund worth USD138mn, aiming to invest in startups with solutions to reduce the carbon footprint of the Coca-Cola System. The fund will prioritize areas like packaging, heating, and cooling, facility decarbonization, distribution, and supply chain.

► Source: ESG Today

Crédit Agricole introduces a division to lead environmental and social initiatives



Crédit Agricole launched its Societal Commitment Division, a new unit to promote responsible and sustainable practices in all its activities and relationships with stakeholders. The division will oversee the integration of responsible practices into its operations, environment-friendly policies, risk management, and financing projects with positive societal and environmental impact across its various brands and services.

► Source: ESG Today

Invesco unveils Article 8 commodity carbon-tilted ETF



Invesco introduced Invesco Bloomberg Commodity Carbon Tilted UCITS ETF (CMOC). Listed on multiple stock exchanges, the ETF adjusts individual commodity weights based on the greenhouse gas emissions generated during their production lifecycle. This ETF aims to reduce GHG emissions by 20% compared to the standard Bloomberg Commodity index, making it the first broad commodity ETF classified under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR).

► Source: ETF Stream

BlackRock debuts Euro Stoxx 50 ESG ETF

BlackRock

BlackRock expanded its sustainable investing range with the iShares EURO STOXX 50 ESG UCITS ETF (ES50). The ETF tracks the EURO STOXX 50 index with ESG criteria, excluding certain companies based on controversial activities and ESG scoring. Classified as Article 8 under SFDR, the ETF offers exposure to the 50 largest European companies that comply with STOXX's ESG criteria.

► Source: ETF Stream



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.



EC approves sustainability reporting rules

The European Commission (EC) adopted the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainable Reporting Directive (CSRD), with plans to implement the law in FY2024. Investor groups have raised concerns about the removal of mandatory sustainability disclosures. 'The CSRD is aimed as a major update to the 2014 Non-Financial Reporting Directive (NFRD), the current EU sustainability reporting framework'.

► Source: ESG Today

Australia Releases Rules for Sustainability Claims to Fight Greenwashing by Companies

Australia enacts rules against greenwashing

The Australian Competition and Consumer Commission (ACCC) published draft guidance to improve the integrity of environmental and sustainability claims. The guidelines aim to protect consumers from greenwashing and ensure that the green claims made by companies are accurate. The ACCC will also investigate companies for potential greenwashing, conduct educational activities with businesses, and update guidance to improve environmental claims' integrity.

► Source: ESG Today

Government of Canada delivers on key climate commitment to phase out inefficient fossil fuel subsidies

Canada takes action to eliminate fossil fuel subsidies

Canada takes decisive action to eliminate inefficient fossil fuel subsidies, support clean energy, and create jobs while combating climate change. The Canadian government released guidelines and a transparent assessment framework to ensure compliance with the Paris Agreement and promote renewable energy sources. Canada leads by example, as it 'is the only G20 country to phase out subsidies ahead of the 2025 deadline'.

► Source: Government of Canada



EU plans to hold textile producers accountable for waste

The EC proposed new rules to combat textile waste and fast fashion's impact. The EU generates 12.6 million tons of textile waste annually, with only 22% collected for reuse or recycling. The proposal aims to implement the circular economy principle, requiring producers to cover waste management costs and encourage waste reduction. The funds will support initiatives for waste collection, sorting, reuse, and recycling.

► Source: Impakter



SEBI announces new disclosure and investment rules for ESG funds

SEBI introduced new investment and disclosure rules for ESG funds, requiring at least 80% of assets to align with individual strategies. Asset managers must provide monthly ESG scores and offer multiple ESG schemes under different strategies. New disclosure requirements include fund names, Business Responsibility and Sustainability Report (BRSR) scores, and names of ESG rating providers.

► Source: Fintech Global

27 JUL EU COUNCIL PASSES LAWS AIMED AT REDUCING EMISSIONS FROM TRANSPORT

EU Council approves laws to remove transport emissions

The European Council approved new laws to reduce emissions from road transport, airports, and ports. It aimed to promote electric vehicle recharging stations and hydrogen refueling stations, alongside encouraging the adoption of zero-emission vehicles. The laws support the "Fit for 55" climate policy package, which aims to reduce the EU's greenhouse gas emissions by 55% by 2030 and achieve climate neutrality in 2050.

► Source: Seneca





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.



NatWest pays USD115,400 to an ex-employee for cancer-related discrimination

NatWest paid USD115,400 to an ex-employee after she was unfairly dismissed and discriminated against days after cancer surgery. The employee was made redundant in April 2020 after a bowel cancer diagnosis.

► Source: MarketScreener



Barclays fires director for sexual harassment

A former Barclays director lost an employment lawsuit over a sexual harassment case where he had sought USD770,000 in compensation. The ex-director was dismissed in September 2020 over allegations of sexual discrimination and other misconduct. However, he claimed that the female colleagues fabricated allegations against him and that his dismissal was unfair.

► Source: Reuters



Italy's antitrust authority AGCM closes investigation on energy groups

Italy's antitrust authority AGCM dropped the probe against Eni and Exxon Mobil's ESSO Italiana unit over allegations of fuel price violations. The investigation started in January 2023 and involved companies like Italiana Petroli, Kuwait Petroleum Italia, and Tamoil.

► Source: MSN



Binance and its CEO file motion to dismiss CFTC complaint

The U.S. Commodity Futures Trading Commission (CFTC) filed a complaint against Binance and its CEO, Changpeng Zhao, alleging violations of the Commodity Exchange Act and certain related federal regulations. Binance requested the dismissal of the complaint against the cryptocurrency exchange arguing that it sought to regulate foreign individuals and corporations residing and operating outside the US.

► Source: Reuters



The U.S. Federal Reserve fines UBS Group for Credit Suisse's misconduct

The U.S. Federal Reserve fined USD268.5mn UBS Group AG for Credit Suisse's misconduct around its dealings with the investment firm Archegos Capital Management. The authority commented, "Credit Suisse repeatedly failed to address risk management shortcomings in its dealings with the firm, and lost USD5.5bn when it collapsed in 2021."

► Source: Reuters



Deutsche Bank to pay a fine for unsafe practices

The U.S. Federal Reserve levied a USD186mn fine on Deutsche Bank for continuing its "unsafe and unsound practices" despite committing to fix them in 2015. The authority found that the bank did not make enough progress since 2018 to secure its anti-money laundering controls, improve customer due diligence, and ensure compliance with sanctions, among other failures.

► Source: CNN Business



Norwegian authority fines Meta Platforms over privacy breaches

The Norwegian Data Protection Authority (Datatilsynet) would impose a fine of USD100,000 per day on Meta Platforms over privacy breaches unless the company 'takes remedial action'. The authority mentioned, 'Meta cannot harvest user data in Norway, such as users' physical locations, and use it to target advertising at them'. Meta said it would review Datatilsynet's decision.

► Source: ThePrint



SGA BLOGS



“Unlocking the Value of ESG Data: How Analytics Drives Responsible Investing” [Read More...](#)

“The Future of ESG in Financial Services in the UK” [Read More...](#)

“ESG Investing Practices, Responsible Strategies, Progress, and Challenges: An Ultimate Guide” [Read More...](#)

“Sustainable Finance: How Companies are Going Green by Integrating Sustainability Strategies?” [Read More...](#)



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