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 European Union (EU) made a significant breakthrough in tackling false claims of environmental benefits, or “greenwashing”, in the bond market. The Carbon Disclosure Project (CDP) highlighted that supply chain emissions were 11.4 times higher than operational emissions, but only 41% of the firms disclosed this information.

EY and IBM collaborate to help their clients adopt sustainable business strategies focused on creating value. The Global Sustainability Standards Board (GSSB) appointed Carol Adams as the new Chair. Bloomberg introduced a new dashboard as part of its Sustainable Finance Disclosure Regulation (SFDR) solution. This tool enables fund managers to monitor and select investments that meet SFDR’s requirements for reporting on principal adverse impacts.

The EU proposed regulations to combat greenwashing and classified nuclear power as environmentally sustainable under its green taxonomy. Sun Pharma and its subsidiary Taro Pharmaceutical agreed to pay USD75mn to settle allegations of price-fixing for digoxin and doxycycline drugs.
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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.

MARKET TRENDS
EU reaches monumental agreement to combat greenwashing in the bond market

The European Union (EU) negotiators struck an agreement to establish a green bond standard, giving investors the confidence that their money is linked with the region’s climate ambitions. Companies implementing the standard must demonstrate that their green bond proceeds are aligned with taxonomy activities. A 15% ‘flexibility pocket’ will be provided for activities that are not yet covered by the regulation.

Source: Bloomberg

CDP reports minimal progress on Scope 3 nature-related disclosure

The Carbon Disclosure Project (CDP) reported that although supply chain emissions were 11.4 times higher than operational emissions, only 41% of firms reported them. Moreover, very few companies have adopted Scope 3 targets and only 5% have targets based on the Science Based Targets initiative. However, over 60% do not engage their supply chain on climate-related concerns.

Source: LEXOLOGY

Biden–Harris administration declares USD250mn to boost net-zero federal building projects

Biden pledged USD250mn to assist federal agencies in implementing net-zero construction projects as part of the country’s transition to clean energy and tackling climate change while saving taxpayers money. The funding would be used to upgrade federal buildings’ energy and water efficiency and achieve net-zero status through efficiency and conservation measures, as well as sustainable design.

Source: ENERGY.GOV

SEC Chair announces that the Commission is reviewing climate disclosure rules

US Securities and Exchange Commission (SEC)’s new proposal requires companies in the US to provide information on climate risks relating to their operations, mitigation strategies, and measurements tracking their actual climate impact. The Commission received feedback on a policy requiring disclosure of climate expenditures that exceed 1% of a financial statement line item, as well as reporting of Scope 3 emissions in some cases.

Source: ESG Today

High Seas Treaty evokes interest, access, and issuance of blue bonds

The High Seas Treaty intends to create and head marine protected areas in international waters and contribute to the Global Biodiversity Framework 30x30 objective (protecting 30% of the planet’s lands and inland waters by 2030). The Treaty requires environmental impact assessments (EIA) for deep-sea operations such as mining and encourages international collaboration on ocean governance.

Source: ESGCLARITY

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.
IASB unveils project to strengthen climate-related financial transparency

The International Accounting Standards Board (IASB) announced a new initiative to investigate ‘the nature and causes of stakeholder concerns about the reporting of climate-related risks in financial statements’ through research and communication. It incorporated the work of the International Sustainability Standards Board (ISSB) for sustainability-related financial reporting and climate-related disclosures.

Source: ESG Today

TNFD final draft recommends a ‘Scopes’ approach for nature

The Taskforce on Nature-related Financial Disclosures (TNFD) recommended a tiered approach of leading indicators, many of them derived from existing standards, to make disclosures consistent across industries and offer flexibility. It has adapted the concept of ‘Scopes’ (Scopes 1, 2, and 3 in climate reporting) to the natural setting as ‘direct’ operations, ‘upstream’, ‘downstream’, and ‘financed’.

Source: ESGCLARITY
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.

Google and LevelTen collaborate to accelerate clean energy PPAs

Google partnered with LevelTen, a renewable transaction infrastructure provider, for easier and faster Power Purchase Agreements (PPA). Under this partnership, the purchase of clean energy through a new process will reduce the typical period of negotiation of one year by 80% to just 2 months. The new process will provide sellers greater flexibility to customize their offset risk methods and monitor how their proposals are evaluated by the buyers.

Source: ESG Today

EY and IMB partner to tackle clients’ transform businesses through value-led sustainable strategies

EY and IBM collaborate to provide tools to their clients for managing environmental, social, and governance (ESG) factors alongside their businesses. They will be integrating EY’s consultancy experience on sustainability strategies and transformation with IBM’s innovative technology capabilities with a software portfolio to measure, deliver, and report against sustainability goals.

Source: EY

Microsoft signs an agreement with CarbonCapture on DAC carbon removal

Microsoft and CarbonCapture, a California-based climate tech company, collaborate to remove carbon from the atmosphere using Direct Air Capture (DAC) technology. This partnership aims at using DAC to permanently remove carbon by permanently storing or utilizing the extracted emissions.

Source: ESG Today

L’Oréal joins Geno-led venture for sustainably developed surfactants

L’Oréal is the last global founding partner after Unilever and Kao Corporation to join the Geno-led venture to streamline sustainably sourced ingredients. The venture aims at developing, producing, and commercializing eco-designed formulations using Geno’s propriety-engineered microbes to manufacture sustainable alternatives to critical ingredients used in the formulations of daily cosmetics, personal care, and cleaning products.

Source: PR news wire

Nestle invests in 1,482-acre Texas solar project

Nestle to invest in the Texas solar project, Ganado, and will purchase 100% of the 333,000MWh electricity generated from it for the next 15 years. This investment will also assist Ganado in adding 208MWh to the US supply grid.

Source: Food Business News

Microsoft partners with Running Tide on an ocean carbon removal system

Microsoft signed an agreement with Running Tide to remove 12,000 tons of CO2 through an Ocean Carbon Removal system. This technology enhances the ocean’s natural ability to remove and sink CO2 into the deep ocean through photosynthesis and ocean alkalinity enhancement.

Source: Global Consulting Company
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.

GSSB confirms Carol Adams as the new Chair

The Global Sustainability Standards Board (GSSB) appointed Carol Adams, a professor of Accounting at Durham University Business School, as the new Chair. Adams is a globally renowned researcher in sustainability accounting and reporting, with a particular focus on the impact of climate change and its relevance to both practical and policy aspects. She is also a member of the Institute of Chartered Accountants of Scotland and chairs their Sustainability Panel.

Source: Yahoo Finance

Michelle Davies joins EY as the new Global Sustainability Legal Services Leader

EY hired Michelle T. Davies as the new Global Sustainability Legal Services Leader. Davies joined the Law business of EY UK in May 2022 as a partner, concentrating on ESG, sustainability, and decarbonization. In her new role, she will lead a team of legal experts from EY’s network of member firms spanning 95 countries worldwide. The team, known as EY Global Sustainability Legal Services, comprises individuals with specialized knowledge in sustainability.

Source: EY

Aegon AM hires Anne Scott as its Global Climate Solutions Lead

Aegon AM welcomed Anne Scott as its Global Climate Solutions Lead. Anne’s responsibilities include promoting Aegon AM’s climate transition strategy, ensuring the consistency and implementation of its climate research, and collaborating with the company’s 19-strong global responsible investment team.

Source: Aegon AM

Persefoni names Kristina Wyatt as its Chief Sustainability Officer

Persefoni announced the appointment of Kristina Wyatt as its Chief Sustainability Officer. In her new role, she will aid the company’s customers and partners. This includes guiding stakeholders on changing ESG climate-related disclosure requirements and ensuring that companies and investors have the necessary tools for measuring, managing, and reporting their carbon emissions.

Source: ESG Today

Franklin Templeton welcomes James Andrus as the Vice President of Sustainability Global Markets

James Andrus joined Franklin Templeton as the Vice President of Sustainability Global Markets. In his new role, he is responsible for supervising the implementation of the company’s sustainability and stewardship initiatives. Additionally, he will represent the firm as an advocate and spokesperson for clients, external organizations, policymakers, regulators, and internal stakeholders.

Source: FranklinTempleton

J.P. Morgan hires Alex Bell as a Partner in its Sustainable Growth Equity Team

J.P. Morgan appointed Alex Bell as a Partner in the Sustainable Growth Equity Team. With almost twenty years of private equity experience in energy and climate technology, Bell will assist the platform’s climate solutions investing efforts.

Source: J.P. Morgan
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.

Bloomberg launches a new dashboard within its SFDR solution

Bloomberg launched a new dashboard within its Sustainable Finance Disclosure Regulation (SFDR) solution. This dashboard enables fund managers to track and choose investments that align with SFDR’s principal adverse impact reporting requirements. The new dashboard will also allow companies to analyze and track the underlying firms within their invested funds against a peer group of companies and across diverse ESG criteria.

Source: Bloomberg

Deloitte debuts the GreenLight solution for decarbonization

Deloitte launched a decarbonization software tool, GreenLight Solution. It enables businesses to prioritize projects, understand the potential financial impacts of climate initiatives, and build a complete picture of their decarbonization roadmap. The tool helps to achieve decarbonization targets while balancing business goals.

Source: ESG Today

Baker Hughes and HIF Global collaborate on carbon capture technology

HIF Global and Baker Hughes agreed to collaborate on the development of technology for capturing carbon dioxide directly from the atmosphere (CO2 Direct Air Capture or DAC). Their focus will be on testing the pilot units of Baker Hughes’ Mosaic DAC technology, to accelerate its deployment at a commercial scale. Mosaic technology has the potential to capture CO2 efficiently and cost-effectively from our atmosphere.

Source: Carbon Capture Technology EXPO

SESAMm expands its AI-powered ESG and sentiment analytics

SESAMm, a leader in natural language processing (NLP), secured USD37mn in a Series B2 funding round, to expedite its plans to actively expand into the US and Asian markets. The funding will enable SESAMm to develop technology to create AI-powered ESG and sentiment analytics and recruit crucial talent in sustainability, technology, sales, and marketing.

Source: ESG NEWS
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.

Allbirds debuts the pioneer zero carbon footprint shoe

Allbirds, a San Francisco-based lifestyle brand, developed a shoe called “M0.0NSHOT”. The company describes it as the world’s first net-zero carbon shoe, as it is made from carbon-negative regenerative merino wool. Product packaging is made from sugarcane-derived, carbon-negative Green PE and transportation will use biofuel-powered ocean shipping and electric trucking.

Source: ESG Today

Yara and Enbridge to launch a low-carbon blue ammonia project

Yara Clean Ammonia (Yara) and Enbridge Inc. (Enbridge) announced the joint development and construction of a world-scale low-carbon blue ammonia production facility. The facility will be able to supply low-carbon ammonia to meet the growing global demand, with an expected annual capacity of 1.2–1.4 million tons.

Source: Yara

Siemens Energy successfully introduces USD1.85bn Green Bond

Siemens Energy successfully launched its first-ever Green Bond showing the company’s efforts toward integrating sustainability in its line of business. The Green Bond has two tranches: one with a 4% fixed rate and a maturity of 3 years and the second with a 4.25% fixed rate and a maturity of 6 years. The proceeds from the bond will be used to refinance the existing debt of Siemens Gamesa Renewable Energy (SGRE).

Source: ESG News

European Solar PV Industry Alliance launches an industrial action plan to reshape the industry

The European Solar PV Industry Alliance with the help of EIT InnoEnergy attracted over 110 new members across 17 countries to launch an industrial action plan. The Alliance has four focus projects: Non-Pricing conditions, Supply Chain, Financing, and Skills. "These actions will support the EU Green Deal Industrial ambitions to develop an industry to supply an annual capacity of 30 GW by 2025."

Source: InnoEnergy

UBS AM introduces a ‘carbon compensated’ gold ETF

UBS Asset Management (UBS AM) launched a physically backed ‘carbon compensated’ gold ETF, which will hold carbon-neutral certified gold bars. The UBS Carbon Compensated Gold ETF is listed on the Six Swiss Exchange with a total expense ratio (TER) of 0.30%. The company has partnered with MKS PAMP, which will provide carbon-neutral gold bars certified by the Carbon Trust.

Source: ETF Stream

J.P. Morgan AM debuts an active social sustainable bond ETF

J.P. Morgan Asset Management (JPMAM) launched the JPMorgan Green Social Sustainable Bond UCITS ETF (JGRN), ‘an actively-managed green, social and sustainable bond ETF’. JGRN will be benchmarked against the Bloomberg Global Aggregate Green Social Sustainability Bond 1–10-year index. It is classified under Article 9 of the Sustainable Finance Disclosure Regulation (SFDR) and is listed on several stock exchanges worldwide.

Source: ETF Stream

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.
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.

EU proposes rules to combat greenwashing

The executive arm of the European Union (EU) proposed rules to protect consumers from businesses selling green-labeled goods. Companies that claim that their product packaging is made of 30% recycled plastic would have to prove it with scientific evidence under the proposal.

Source: Business-Standard

SEBI approves ESG regulatory framework

The Securities and Exchange Board of India (SEBI) authorized the ESG regulatory framework, disclosures, ratings, and investments. The SEBI board approved the amendments that were made to SEBI (Mutual Funds) Regulations 1996 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, respectively.

Source: The Economic Times

RBNZ seeks feedback on guidance for managing climate-related risks

RBNZ solicits feedback for managing climate-related risks

Te Pūtea Matua (RBNZ), the Reserve Bank of New Zealand, is seeking feedback on a draft set of guidelines for managing climate-related risks in the financial industry. The Guidance is meant to assist in managing and evaluating climate-related risks and opportunities and applies to all entities that the RBNZ prudentially controls.

Source: Lexology

EU to conduct a climate-related stress test

The EU’s financial regulators will perform a comprehensive system-wide analysis of the financial sector’s resilience to climate-related risks. The test would provide a better understanding of any potential vulnerabilities in the financial sector, as well as how the financial system’s stress could impact the transition to the 2030 climate goals.

Source: Seneca
UK categorizes nuclear power as “environmentally sustainable”
Under the UK’s upcoming green taxonomy, the Chancellor of the Exchequer Jeremy Hunt announced that nuclear power will be classified as “environmentally sustainable.” Nuclear energy will be eligible for the same investment incentives as renewable energy to encourage private investment. Nuclear energy, according to Jeremy Hunt, would be “a critical source of cheap and reliable energy.”

Source: ESG Today

OSFI issues disclosures for banks
The Office of the Superintendent of Financial Institutions (OSFI) published disclosures for financial institutions related to climate risk to increase transparency. The ‘two-chapter framework’ will be effective fiscal year-end 2024 for domestic banks and internationally active insurance groups headquartered in Canada.

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.

Sun Pharma agrees to settle USD75mn in price-fixing allegations

Sun Pharma and its subsidiary Taro Pharmaceutical have agreed to settle for USD75mn in drug digoxin and antibiotic doxycycline price-fixing allegations. The lawsuit began in 2016 and alleged that they used trade shows, industry dinners, golf outings, and other events to collude.

Source: Fierce Pharma

US shareholders file a lawsuit against Credit Suisse over losses

A lawsuit was filed by US shareholders against Credit Suisse alleging that the bank defrauded them by failing to disclose problems with its finances. The company has declined to comment regarding the lawsuit.

Source: Business Today

San Mateo education board files lawsuit against social media companies

The San Mateo County Board of Education filed a lawsuit against YouTube, TikTok, and Snapchat over allegations of designing their products to target youth at the expense of their mental health. According to the suit, it is alleged that the platforms of social media giants ‘harm schools, inhibit education, increase absenteeism, and are even responsible for physical damage to school property.’

Source: CBS Bay Area

Investors take Amgen to court for not disclosing USD 10.7bn tax bill

A Detroit-based pension fund filed a lawsuit against Amgen Inc. for artificially inflating its stock price by hiding the dispute over its international tax strategy between July 2020 and April 2022. The Internal Revenue Service (IRS) accused the company of underreporting taxes from 2010 to 2015. Amgen owes the authority USD10.7bn in taxes and penalties.

Source: U.S.News
ASIC asks four banks to pay compensation for wrongly charged fees

The Australian Securities and Investments Commission (ASIC) asked the Commonwealth Bank of Australia (CBA), Westpac Banking, ANZ Group, and National Australia Bank (NAB) to compensate for wrongly charging fees to customers. It was noted that NAB paid USD0.98bn in compensation as of the end of 2022, followed by CBA and Westpac paying USD0.74bn and USD0.68bn, respectively.

Source: CNA

Court orders TEPCO to pay Fukushima evacuees

The Fukushima District Court ordered Tokyo Electric Power Company Holdings Inc. (TEPCO) to pay USD11.44mn in damages to the residents near its tsunami-stricken nuclear plant. The plaintiffs demanded compensation after they were forced to evacuate due to the March 2011 triple reactor meltdown at the Fukushima No. 1 nuclear plant.

Source: Arab News
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