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TATTVA

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.





This issue of Tattva sees the Science Based Targets Network's (SBTN) groundbreaking program of science-based environmental targets aimed at assisting businesses align their operations with a net-zero and nature-positive future. We also see an increasing demand for EV batteries in the US leading to a joint venture between Hyundai Motor Group and LG Energy Solution (LGES). In the appointments segment we see Archana Jagannathan being hired as Chief Sustainability Officer at PepsiCo Europe. EY has introduced the EY OpsChain ESG solution, which enables businesses to accurately measure and track their carbon footprint, ensuring transparency and traceability for carbon credits.

In other news, MSC has launched the first-ever net-zero cruise. Paris plans to prohibit the use of single-use plastic at the 2024 Olympic Games. Starting from 2026, New York aims to prohibit the use of fossil fuels in newly constructed buildings. On a controversial note, Jaguar Land Rover has been reported to recall 6,400 electric I-PACE vehicles in the US due to battery overheating issues.

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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.

SBTN publishes corporate science-based targets for nature goals



The Science Based Targets Network (SBTN) has developed a first-of-its-kind program of science-based environmental targets to help businesses align their operations with both a net zero and a nature-positive future. SBTN's initial release focuses on freshwater- and land-based targets. It helps businesses to examine their environmental impacts and create goals for improvement to reduce negative impacts while enhancing the positive ones for nature and people.

► Source: Science Based Targets Network

DeSantis passes anti-ESG regulations



Florida, US Governor Ron DeSantis has signed a slew of anti-ESG legislation into law, including laws forbidding the use of any ESG criteria in state and local investment decisions or procurement processes. In addition, the new law prohibits state and local governments from employing ESG factors in bond issuances, including a contract prohibition on rating firms whose ESG ratings negatively impact the issuer's bond ratings.

► Source: ESG Today

New York forbids fossil fuels in new buildings starting 2026



New York has become the first state to propose a ban on the use of gas stoves and heaters. Governor Kathy Hochul's 2024 Budget includes measures to decarbonize buildings and invest in new renewable energy projects to meet the state's climate targets. The budget establishes requirements to accelerate zero-emission building development, with rules phasing out the use of fossil fuels in new structures up to seven floors by 2026 and all other new buildings by 2029.

► Source: ESG Today

France prohibits short-haul flights where railroads are available



To cut GHG emissions, France has implemented a new law that prohibits short domestic flights for routes that can be accomplished in two and a half hours by rail. The European Union insisted that there be enough early and late-running trains to enable travelers to spend at least eight hours at the destination for the ban to be effective.

► Source: Cable News Network



EU Parliament opts to restrict carbon neutral claims, early obsolescence

The European Parliament has voted to implement new measures to enhance product durability by combating greenwashing and false claims on consumer labels such as 'CO2 neutral' or 'carbon neutral'. The guideline prohibits the use of unsubstantiated general environmental claims like 'biodegradable', 'natural', or 'eco', as well as deceptive practices such as making green claims over the entire product, which is only partially sustainable.

► Source: EURACTIV

G7 leaders encourage ISSB's sustainable and climate-related reporting standards



At a summit in Hiroshima, Japan the Group of Seven (G7) leaders reaffirmed their commitment to the Paris Agreement by pledging assistance for the International Sustainability Standards Board's (ISSB) development of corporate reporting standards for sustainability and climate change. Furthermore, they expressed their opposition to the continued construction of new coal-fired power plants and promoted initiatives to improve climate transition finance for developing nations.

► Source: Fintech Global

Solar power to outpace oil production investment for first time ever: IEA



According to the International Energy Agency (IEA), renewable energy investment will continue to outperform spending on fossil fuels in 2023, with solar projects set to surpass spending on oil extraction for the first time. In 2023, global energy investment is predicted to exceed USD2.8tr, with over USD1.7tr going to renewables, nuclear power, and electric cars, and the remaining USD1tr going to oil, gas, and coal.

► Source: Reuters



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.

Hyundai and LGES partner to build EV battery plant for USD4.3bn



Hyundai Motor Group and LG Energy Solution (LGES) have announced a joint venture to cater to the rising EV battery demands in the US. The plant will be capable of supporting the production of 300,000 vehicles per year with an expected investment of USD4.3bn.

► Source: Interesting Engineering

Accenture acquires sustainability consultancy firm Green Domus



Accenture has acquired Green Domus to integrate into its repertoire Green Domus's range of sustainability services such as lifecycle assessments, materiality assessments, sustainability measurement and performance, and sectoral analytics projects. Accenture aims to provide its clients with the facility to embed carbon data and access deep knowledge of ESG frameworks.

► Source: ESG Today

ERM to provide satellite image services for sustainability strategies



ERM has announced a partnership with satellite imagery and earth data provider Planet Labs to enable its clients across sectors, to make smarter and data-driven decisions. Planet's geospatial data will include the identification of optimal locations for nature-based solutions, quantification of methane emissions, and the monitoring of sensitive landscapes. The move is expected to address the increasingly complex sustainability challenges faced by companies.

► Source: SG Voice

Microsoft and Ørsted announce world's largest carbon removal deal



Microsoft and Ørsted have recently entered a significant agreement for the acquisition of 2.76mn tons of carbon removal. This deal stands out as one of the most substantial carbon removal offtake agreements in terms of volume to date. As part of this new agreement, Ørsted will be responsible for capturing and storing biogenic carbon emissions, which are produced through the combustion of biomass, at its Asnæs Power Station in Denmark for a duration of 11 years.

► Source: WORLD-ENERGY

Daimler, NextEra, BlackRock partner to develop USD650mn EV charging network for trucks



Daimler Truck North America (DTNA), NextEra Energy Resources, and BlackRock Alternatives have launched a joint venture, Greenlane. Greenlane is the joint venture unveiling aimed at creating a nationwide EV charging network for commercial vehicles in the United States. With an investment exceeding \$650 million, the venture seeks to address the need for a publicly accessible charging infrastructure designed specifically for commercial vehicles, ultimately promoting widespread electric truck adoption.

► Source: ESG Today

Dow, New Energy Blue to develop renewable plastic materials from corn residue



Dow has signed a long-term supply agreement to purchase bio-based ethylene manufactured from agricultural residues from New Energy Blue to produce renewable plastics across fast-growing end-markets. Dow expects this move to reduce its carbon emissions and use bio-based plastic in recyclable applications across transportation, footwear, and packaging.

► 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.

PepsiCo Europe hires Archana Jagannathan as Chief Sustainability Officer



PepsiCo Europe has hired Archana Jagannathan as Chief Sustainability Officer. She will be responsible for overseeing and accelerating sustainability goals across PepsiCo Europe, as well as bringing an integrated approach to sustainability planning and execution.

► Source: ESG Today

Fidelity International appoints Emilie Goodall as head of stewardship for Europe



Fidelity International has appointed Emilie Goodall as head of stewardship for Europe to lead Fidelity's collaborative and thematic engagement with companies. Emilie Goodall and her team will closely work with Fidelity's investment professionals to support ESG analysis and engagement activities.

► Source: ESG Clarity

Legal & General Capital welcome Julia Goldsworthy as head of Social Impact Investment



Legal & General Capital welcomed Julia Goldsworthy as head of Social Impact Investment. She will reinforce L&G's commitment in investing society's capital for society's benefit by supporting the real economy and transformative projects in partnership with local leaders and experts across the UK and US.

► Source: Legal & General Capital

AXA Investment Managers welcomes Marie Luchet as Head of ESG and Sustainability



AXA Investment Managers have hired Marie Luchet as Head of ESG and Sustainability at AXA IM Prime. She will be responsible for overseeing AXA IM Prime's sustainability strategies including the advancement of ESG integration in investment decision-making, funds and asset manager's selection, as well as reporting and product design.

► Source: AXA Investment Managers

BNY Mellon welcomes Meaghan Muldoon as first Chief Sustainability Officer



BNY Mellon has appointed Meaghan Muldoon as its first Chief Sustainability Officer to lead a team responsible for driving the firm's sustainability strategy across all lines of business and corporate functions.

► Source: ESG Today

Goldman Sachs appoints Kara Succoso Mangone as head of Sustainable Finance Group



Goldman Sachs has appointed Kara Succoso Mangone as Head of its Sustainable Finance Group. She will emphasize on advancing an integrated approach to sustainability through central coordination of the company's policies, deepening of its sustainable finance expertise, continued partnership with firms to drive client impact, and delivery of sustainability commitments along with its sustainable finance target of USD750bn.

► Source: ESG Today

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.

EY introduces carbon tracking solution utilizing blockchain technology



EY has launched the EY OpsChain ESG solution built on the Ethereum blockchain. This platform allows businesses to measure and monitor their carbon footprint while ensuring transparency and traceability for carbon credits. Currently in beta on EY's blockchain SaaS platform, this solution will assist enterprises in obtaining verifiable insights into their CO2 standings by tokenizing emissions.

► Source: PR Newswire

IBM launches cloud-based solution for CO2 emissions tracking



IBM has introduced the IBM Cloud Carbon Calculator, a comprehensive solution that empowers organizations to monitor and tackle GHG emissions linked to their IBM Cloud workloads. Leveraging AI capabilities, this dashboard-based tool allows users to analyze emissions trends over time, including monthly, quarterly, and yearly data based on location, cloud service, and organizational workstreams.

► Source: Green Start Up

Clarity AI, GIST Impact launch investor solution for biodiversity impact assessment & reporting



Clarity AI and GIST Impact are collaborating to create a comprehensive solution enabling investors to assess and quantify their exposure to biodiversity risks. By leveraging Clarity AI's expansive coverage and product ecosystem along with GIST Impact's expertise in biodiversity and impact metrics, the solution incorporates up-to-date regulatory requirements such as the Sustainable Finance Disclosure Regulation (SFDR) and the Taskforce on Nature-related Financial Disclosures (TNFD).

► Source: GIST IMPACT

KPMG unveils circularity tracker solution on Microsoft sustainability platform



KPMG and Microsoft have introduced a Circularity Tracker, which allows for comprehensive monitoring at the product, location, and material levels, facilitating comparisons and providing valuable insights to reduce resource usage and waste generation. The tool also automates data collection from various sources and utilizes model-based calculations based on industry standards and regulatory metrics, revolutionizing circular performance measurement.

► Source: KPMG

FedEx introduces tracking tool for shipping emissions monitoring



FedEx has launched a tool that provides shippers with estimated carbon emissions data at the package and account levels. Customers can evaluate and manage their shipping's carbon impact, review shipping history, and generate customized reports for stakeholders.

► Source: Business Wire

Boeing launches tool to assess aviation's net-zero goals



Boeing has released 'Cascade', a data modeling tool, open to the public, which aims to assess various solutions aimed at decarbonizing aviation and its net-zero goals. It assesses the climate impact of aviation by examining the effects of decarbonization solutions, including alternative energy sources, fleet renewal, operational efficiency, and future aircraft.

► Source: ESG Today

Diligent unveils ESG reporting platform for board-level insights



Diligent, a provider of governance, risk, and compliance (GRC) SaaS solutions, has introduced Board Reporting for ESG. This cutting-edge platform offers executives and directors a holistic view of an organization's ESG data, including insights on sustainability performance, carbon targets, peer benchmarking, and emissions across scope 1, 2, and 3.

► Source: Diligent



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.

MSC launches first-ever net zero cruise



The Cruise Division of MSC Group has introduced 'MSC Euribia', a new cruise ship that will operate on liquefied natural gas (LNG). This is the first-ever net-zero cruise plan to show that net-zero cruising can be achieved. The ship will operate between France and Denmark.

► Source: ESG Today

Lombard Odier launches equity strategy to capture electrification opportunities



Asset management firm Lombard Odier Investment Managers (LOIM) has introduced 'Future Electrification' an equity strategy aimed at capturing opportunities in electrification trends emerging from the global

energy transition. The approach will be to look at market tipping points and invest in companies that financially outperform peers.

► Source: ESG Today

Nike launches first-ever hydrogen-powered inland container ship



Nike has launched H₂ Barge 1, the first-ever hydrogen-powered inland container ship. The ship was transformed into a zero CO₂ emissions vessel by replacing the old combustion engine with new hydrogen technology. The barge will reduce 2,000 tons of CO₂ emissions annually.

► Source: SGB Media

TDK launches USD150mn climate tech venture fund



Electronic solutions company TDK Corporation has announced the launch of a new climate tech-focused venture fund 'EX1'. The fund will target early-stage investments in energy, cleantech, and climate technology startups, focused on energy transition, electrification, and decarbonization, across the US and Europe.

► Source: PR Newswire

Honeywell to turn hydrogen and CO2 into new class of sustainable aviation fuel



Honeywell has developed a new technology, 'UOP eFining technology', which combines green hydrogen and CO₂ to produce eMethanol, which can then be converted to a wide range of sustainable fuels, including low-carbon sustainable aviation fuel, eGasoline, and eDiesel. The company plans to deploy the new technology in its second US eFuels facility.

► Source: Reuters

Emirates launches USD200mn aviation sustainability fund



Emirates, the world's largest international airline, has announced USD200mn to fund research and development (R&D) projects. The fund will focus on reducing the impact of fossil fuels in commercial aviation and will be disbursed over a period of three years.

► Source: Reuters

LAWS, POLICIES, AND REGULATIONS

The background of the slide is a photograph of a desert landscape. It features rolling sand dunes in shades of orange and brown. The sky is a pale, hazy orange, suggesting a sunrise or sunset. The overall mood is serene and expansive.

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.



Paris to ban single-use plastic at 2024 Olympic Games

Paris Mayor Anne Hidalgo has announced that the 2024 Olympic Games will be the first major event in the city without single-use plastic. Coca-Cola KO.N, the sponsor of the Games, will distribute its products in reusable glass bottles and more than 200 soda fountains, which will be redeployed after the games.

► Source: ESG News



California bans new diesel trucks by 2036

California regulators have voted to ban the sale of new diesel big rigs by 2036 and require all trucks to be zero-emissions by 2042, putting the state at the forefront of mitigating tailpipe pollution. The Advanced Clean Fleets rule is estimated to deliver USD26.5bn in public health benefits.

► Source: CNBC News



EU Parliament supports stricter rules for reducing industrial emissions

EU's Environment Committee has adopted rules to reduce pollution and steer large agro-industrial installations in the green transition. Large industrial installations and livestock farms will be required to reduce air, water, and soil pollution. Obligations will apply to large cattle farms, mines, and battery factories, providing significant health and environmental benefits for citizens.

► Source: ESG News



Australia Regulator cautions superannuation fund promoter of greenwashing

The Australian Securities & Investments Commission (ASIC) has issued an infringement notice to Future Super over alleged greenwashing in a social media post. ASIC has warned providers of investment funds and financial products to keep clear of misleading sustainability claims and has launched its first greenwashing court action against Marsh McLennan Company Mercer Superannuation. The government is providing USD4mn in funding to ASIC to expand its surveillance and enforcement functions to crack down on greenwashing.

► Source: ESG Today

A new national Net Zero Authority

Government of Australia establishes new net-zero authority

The Australian Government is establishing a new Net Zero Authority to support workers, industries, and communities in net-zero transformation. The Authority will work with all levels of the government to support the transition to a clean energy economy.

► Source: Australian Government



Dubai RTA plans to achieve net-zero emissions transport by 2050

Dubai Road and Transport Authority (RTA) has planned to reduce CO2 emissions by 10mn tons and save USD0.90bn by 2050. The RTA has announced plans to convert 30% of taxis and limousines to electric and hydrogen vehicles by 2030, 50% by 2035 and 100% by 2040. Waste management programs will be implemented to reuse and recycle 100% of municipal waste by 2030.

► Source: The Nation News



EU lawmakers call for more stringent rules to reduce methane emissions

The European Parliament has adopted a new law to reduce methane emissions, part of the European Commission's 'Fit for 55' roadmap to cut GHG emissions by 55% by 2030. It also takes a stronger stance on methane leak detection and repair.

► Source: ESG Today





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.



Jaguar Land Rover recalls 6,400 I-PACE vehicles due to fire risk

Jaguar Land Rover has reported that it would recall 6,400 electric I-PACE vehicles in the US because of overheating of the batteries. The company commented that "the battery energy control module software will be updated, and battery modules will be replaced as necessary in certain 2019–2024 model year vehicles." The National Highway Traffic Safety Administration said that no accidents or injuries had occurred so far.

► Source: Reuters



Oil workers in Argentina launch strike after accidents

The Private Oil and Gas Union of Rio Negro, Neuquen and La Pampa commenced a strike against companies in Vaca Muerta demanding better working conditions after a series of accidents left workers injured. Argentina's state oil company YPF would be one of the companies that will be affected greatly due to the strike. The union represents almost 25,000 workers.

► Source: XM



Bank of America to face class action for benefit card fraud

Bank of America Corporation may face a class action lawsuit for issuing cards in 2020, which lacked standard security measures. The cardholders alleged that the company was not able to adhere to the Electronic Fund Transfer Act and also violated California's Consumer Privacy Law by issuing cards with outdated magnetic stripes, leading to fraud.

► Source: U.S. News

CCEP Wakefield workers to strike in June over pay

Workers of Coca Cola Europacific Partners to strike over pay issues

Almost hundreds of workers of Coca Cola Europacific Partners (CCEP) are set to carry out a strike at the Wakefield plant for 14 days between June 14 and June 22, 2023, over remuneration issues. The workers demand an increase in pay, in line with the soaring levels of inflation. The company said that there will be no disruption to their trade customers and that they have robust contingency measures in place.

► Source: Nasdaq



U.S. Justice Department investigates California refinery over emissions

The U.S Department of Justice has started an investigation against a unit of PBF Energy over its emissions release. It is alleged that the refinery released a 'powdery substance' containing aluminum, barium, chromium, nickel, vanadium, and zinc higher than permitted levels and failed to notify the county about the release.

► Source: The Print



Walgreens Boots Alliance reaches settlement over opioids with San Francisco

Walgreens Boots Alliance has agreed to settle the opioids lawsuit for USD230mn with the San Francisco government. The settlement includes payment of USD57mn in the first year, which the authorities will use to mitigate the impact of opioid on its citizens.

► Source: Retail Touchpoints



SGA BLOGS



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“Is ESG & Sustainability the Next Big Thing in the Finance Industry” [Read More...](#)

“How to Improve Indoor Environmental Quality?” [Read More...](#)

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