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Tattva.

SWISS GOVERNMENT

mandates companies to disclose 2050-net zero plans

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Introduction

Issue 48 of Tattva highlights recent global efforts in sustainability, focusing on emissions reduction, carbon accounting, and environmental governance. Canada has set a new carbon emissions reduction target of 45–50% to achieve emissions lower than 2005 by 2035, aligning with the Paris Agreement's 2050 net-zero commitment. While some climate groups advocate for more ambitious actions, this target is a crucial step toward sustainability. In the carbon accounting sector, Sumday, an Australian platform, has partnered with Forvis Mazars to provide advanced carbon accounting solutions to help businesses manage and reduce CO_2 emissions, aligning with international sustainability standards. Robin Hodess has been appointed as CEO of the Global Reporting Initiative (GRI), where she will lead sustainability strategies and governance across the organization's global operations.

Abu Dhabi launched Maritime Sustainability Data and Networking Analytics (MARSDNA), a free digital tool developed by Maqta Technologies, to help maritime organizations track and improve their ESG performance. The European Commission will also construct its first net-zero emissions building at the Joint Research Centre in Seville, Spain. The building will be powered by solar energy and using locally sourced materials to offset its carbon footprint. In Switzerland, the Federal Council introduced updates to sustainability-related disclosure rules to support climate goals and enhance transparency. Lastly, global ESG funds invested USD1.4bn in electric vehicles and solar companies linked to forced labor in Xinjiang, sparking concerns about due diligence and the ethical standards of green investments.

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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.

EU commission releases FAQ to streamline EU taxonomy reporting

The European commission has released Frequently Asked Questions (FAQs) to simplify the EU taxonomy's implementation, providing clarity on sustainability reporting for investors and companies. The guidance covered all six environmental objectives, with new criteria for non-climate goals effective from 2024. It also aligns with the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), aiming to streamline sustainable investments.

- Source: ESG News

EU lawmakers reject proposal to ease deforestation-linked product ban

Lawmakers in the European Parliament and Council have agreed to delay the EU Deforestation Regulation (EUDR) by 12 months. The law, aimed at preventing the EU market from contributing to global deforestation, was initially set for implementation in December 2024. The delay responds to concerns about preparedness, particularly from global partners. However, a proposal to create a 'no risk' category, exempting certain countries, was rejected. The new regulations will now be applicable in December 2025 for large companies and June 2026 for small enterprises, ensuring smoother implementation.

- Source: ESG Today

Canada targets 45–50% emissions cut by 2035

Canada has set a new carbon emissions reduction target of 45–50% to achieve emissions lower than 2005 by 2035, building on its 2030 target. This target aligns with the Paris Agreement's 2050 net-zero commitment. While some climate groups argue for more ambitious action, the target is seen as achievable and crucial for a sustainable future.

- Source: Reuters

IOSCO forms network to aid emerging markets in ISSB adoption

The International Organization of Securities Commissions (IOSCO) has launched a 32-jurisdiction network to support emerging markets in adopting International Sustainability Standards Board (ISSB) sustainability disclosure standards. Representing over 4.3 billion people and 90% of Brazil, Russia, India, China, South Africa (BRICS)'s GDP, the initiative focuses on capacity building and alignment with global capital markets to streamline trade, investment, and climate action.

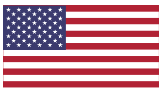
- Source: ESG News

EFRAG introduces sustainability reporting standard for SMEs

The European Financial Reporting Advisory Group (EFRAG) has unveiled a voluntary sustainability reporting standard for non-listed small and medium enterprises (SMEs) to simplify ESG reporting and meet growing data demands from larger entities and banks. This initiative replaces fragmented ESG questionnaires, reduces reporting burdens, and supports access to green financing, thereby facilitating SMEs' transition to a sustainable economy. Implementation support begins in 2025.

- Source: ESG Today

Biden targets major US GHG emissions reduction



President Biden has set an ambitious goal to cut 61–66% US greenhouse gas (GHG) emissions by 2035, aiming for net zero by 2050 under the Paris Agreement. Submitted to the UN, this target underscores Biden's climate legacy, prioritizing clean energy, innovation, and jobs, despite challenges posed by a changing administration.

- Source: CBS News

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.

CITI, BOA follow Goldman Sachs and Wells Fargo in exiting net-zero banking alliance

Citigroup and Bank of America have exited the Net-Zero Banking Alliance (NZBA), an UN-backed coalition promoting net-zero financing by 2050, following similar moves by Goldman Sachs and Wells Fargo. The NZBA, part of the Glasgow Financial Alliance for Net Zero (GFANZ), has faced pressure from U.S. Republican politicians amid anti-ESG campaigns. Despite leaving, both banks reaffirmed their commitment to net-zero goals, emphasizing continued efforts in emissions reductions and low-carbon transitions.

- Source: ESG Today

Forvis Mazars collaborates with Sumday on carbon solutions

Sumday, an Australian carbon accounting platform, has partnered with global consulting firm Forvis Mazars to offer advanced carbon accounting solutions to businesses. The collaboration aims to help clients effectively track, manage, and reduce CO_2 emissions, aligning with international sustainability standards. By combining expertise, the partnership simplifies carbon accounting, enabling businesses to address environmental challenges and prioritize sustainability in their operations.

- Source: Know ESG

Tata, JCB forge agreement for low-carbon steel supply

Tata Steel UK and Joseph Cyril Bamford (JCB) have signed a memorandum of understanding (MoU) for the supply of low-carbon steel, leveraging a GBP1.25bn (USD1.5bn) UK government investment in Tata's Port Talbot site. The initiative includes building an electric arc furnace (EAF) to produce green steel from UK-sourced scrap metal, reducing carbon emissions by 90%. JCB, committed to sustainability, supports the partnership as it transitions to low-carbon innovations. Green steel production is set to begin in 2025.

- Source: Know ESG

JAL partners with Heirloom for CO_2 removal

Japan Airlines (JAL) has partnered with Heirloom Carbon Technologies to support JAL's net zero emissions goal by 2050. Heirloom's innovative Direct Air Capture (DAC) technology uses limestone to absorb and remove CO_2 from the atmosphere in a scalable, cost-effective process. This collaboration complements JAL's earlier investment in Captura and aligns with its broader strategy to decarbonize operations through sustainable innovations and advanced carbon removal technologies.

- Source: Know ESG

Google signs an agreement with Terradot to capture CO_2 in crushed rocks and soil

Google has signed its largest carbon removal agreement with startup Terradot, committing to purchase 200,000 tons of CO_2 removal credits starting in 2029. Terradot uses enhanced rock weathering (ERW) process to accelerate CO_2 absorption by crushing basalt rock and spreading it on farmland, improving soil health. The deal supports scalable ERW solutions and aligns with Google's USD35mn carbon removal commitment.

- Source: ESG Today

PEOPLE MOVEMENTS

Thought leadership through key hires

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

Trane Technologies welcomes Maura Atalla as the new Chief Sustainability Officer

Trane Technologies appointed Maura Atalla as its new Chief Sustainability Officer. He has exceptional experience in managing sustainable strategies. In his new role, Mr. Atalla will be responsible for driving the company's sustainability objectives for achieving the company's sustainable commitments. He will significantly contribute to driving the sustainable approach of the company.

- Source: ESG News

GRI hires Robin Hodess as the new CEO

Robin Hodess joined Global Reporting Initiative (GRI) as the Chief Executive Officer. She holds a great background in mapping sustainable strategy and governance fields. She will focus on influencing the company's sustainability strategies across its global operations based on key aspects such as sustainable strategies and fundamental governance, which will define the company's sustainable growth and strengthen the company's sustainability framework.

- Source: ESG News

Vanguard Renewables welcomes Michael O'Laughlin as new CEO

Michael O'Laughlin was appointed as the new Chief Executive Officer by Vanguard Renewables. Mr. O'Laughlin is an ESG expert with specialization in the renewable energy sector and has over 20 years of experience in global industries. He will be responsible for facilitating the growth of Vanguard's farm powered Anaerobic digestor platform and leading the ESG innovation team.

- Source: ESG News

Hyewon Kong joins Gresham House as Sustainable Investment Director

Hyewon Kong was appointed as the new Sustainable Investment Director by Gresham House. She holds expertise in sustainable financing and investments, ESG initiatives, and driving sustainable strategies. At Gresham House, she will focus on mapping the company's sustainable investment strategies and will reflect on her 20+ years of experience in her work.

- Source: ESG today

EBRD welcomes Harry Boyd-Carpenter as Managing Director of Sustainable Infrastructure Group

The European Bank for Reconstruction and Development (EBRD) appointed Harry Boyd-Carpenter as the Managing Director of its Sustainable Infrastructure Group. With his diverse experience in climate strategy management, energy utility, and laws, he focusses on accelerating the company's sustainable transition. He will be leading SIG and working to strengthen the company's approach to dealing with climate-related challenges and addressing such issues simultaneously supporting the development of infrastructure.

- Source: EBRD

Cambridge Institute of Sustainability Leadership welcomes Lindsay Hooper as its new CEO

Cambridge Institute of Sustainability Leadership hires Lindsay Hooper as Chief Executive Officer. She holds remarkable experience in implementing sustainable strategies. In this role, she will lead and oversee the collective efforts of the company in key aspects such as political, economic, and technological advancements, based on which the sustainable strategy of the company will be channelized.

- Source: cisl

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.

SAP launches carbon accounting solution

SAP has launched SAP Green Ledger, a new solution to help companies track and report the carbon footprint of their products, services, and business units. Integrating with financial data, it helps businesses comply with regulatory frameworks such as EU CSRD and ISSB standards, while enabling forecasting, budgeting, and auditing of carbon emissions.

- Source: ESG Today

Holtara introduces CSRD compliance platform

Holtara has launched Holtara.io, a platform designed to help companies comply with the EU's Corporate Sustainability Reporting Directive (CSRD). The platform offers advisory services; tools for data organization; and features such as contextual help, workflow management, and audit-ready reports. Additionally, it aids businesses in meeting CSRD's complex requirements and regulatory standards.

- Source: ESG Today

Speeki unveils AI-powered carbon reporting solution

Speeki has introduced Carbon Lens, an AI-driven solution designed to automate the collection of Scope 1, 2, and 3 GHG emissions data. The solution helps companies streamline carbon management, ensure compliance with international standards such as the GHG Protocol, and produce audit-ready reports aligned with frameworks such as ESRS, IFRS S2, and GRI.

- Source: ESG Today

ACA Group rolls out advanced ESG data management platform

ACA Group has introduced the enhanced ACA Vantage for ESG platform, designed to help financial firms manage ESG data and monitor risks effectively. Featuring AI-powered tools for data verification, integration, and carbon footprint visualization, the platform supports compliance with evolving regulatory requirements and industry standards, helping firms mitigate greenwashing risks.

- Source: Fintech Global

Abu Dhabi releases MARSDNA ESG tool for maritime sector

Abu Dhabi has launched Maritime Sustainability Data and Networking Analytics (MARSDNA), a free digital tool to help maritime organizations track and improve their ESG performance. Developed by Maqta Technologies, the tool aligns with global standards such as the UN Sustainable Development Goals (SDGs) and International Maritime Organization (IMO) metrics, offering tailored reports and recommendations. The tool is designed for SMEs as well as larger entities in the maritime sector.

- Source: ESG News

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 Commission builds first net-zero emissions building in Seville

The European Commission will construct its first net-zero emissions building at the Joint Research Centre in Seville, Spain. Featuring a solar-powered design and locally sourced materials, the building aims to offset its carbon footprint and promote sustainability, innovation, and community collaboration.

- Source: ESG News

Meta, WRI, and Land & Carbon Lab unveil AI-powered global tree canopy height map

Meta, World Resources Institute (WRI), and Land & Carbon Lab introduced a high-resolution, AI-powered global tree canopy height map. This 1-meter resolution map enables detailed forest monitoring, improves carbon credit verification, and supports conservation efforts, offering open access data to enhance forest management and transparency in carbon markets.

- Source: ESG News

SGS launches new climate and energy transition services

SGS has introduced a suite of new climate action services under its IMPACT NOW sustainability offering. These services include emissions reduction consulting, carbon footprint verification, compliance with climate regulations, and energy transition services such as asset decarbonization and renewable energy assurance, supporting companies' sustainability goals.

- Source: ESG News

DP World introduces carbon inset program to assist importers in reducing value chain emissions

DP World has launched a Carbon Inset Program at its UK logistics hubs to help cargo importers reduce their emissions. Unlike traditional carbon offsets, the program generates carbon credits through DP World's subsidiary, Unifeeder, by using lower-carbon fuels in Northern European shipping. The trial, starting in January 2025, will reward importers with verified carbon credits for each loaded container moved through the company's UK terminals. This initiative targets to reduce Scope-3 emissions within supply chains.

- Source: ESG Today

Microsoft unveils new datacenter design that eliminates water use for cooling

Microsoft has introduced a new datacenter design that eliminates water use for cooling, aligning with its sustainability goals. The design will be piloted in new datacenters in Phoenix, Arizona, and Mt. Pleasant, Wisconsin, using next generation cooling technology to save up to 125 million liters of water annually per site. This initiative supports Microsoft's pledge to be carbon negative, water positive, and zero waste by 2030, while improving water efficiency by 39% over the past fiscal year.

- Source: ESG Today

Invesco introduces new climate ETF with USD2.4bn investment, setting a record

Invesco has launched the Invesco MSCI North America Climate ETF (KLMN), a new fund designed to reduce exposure to GHG emissions and focus on companies with science-based emissions reduction targets. The launch, backed by a record-breaking USD2.4bn investment from Varma, a Finnish pension insurer, helps track the MSCI Global Climate 500 North America Selection Index. This ETF reflects the growing demand for thematic investments targeting emissions reduction and climate-focused strategies.

- 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.

EU mandates 100% recyclable packaging by 2030

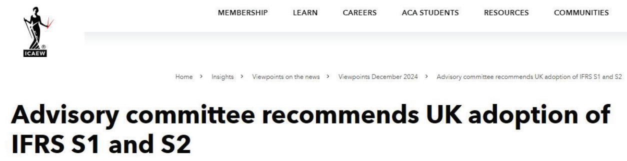
The European Union (EU) member states adopted new rules to reduce packaging waste, requiring all market-placed packaging to be recyclable by 2030. The regulation proposed by the European Commission in 2022 aims to reduce plastic packaging waste by 5% by 2030, 10% by 2035, and 15% by 2040. It also bans single-use plastic packaging and requires takeaway businesses to offer reusable packaging.

▶ Source: ESG Today

Swiss Government mandates companies to disclose 2050-net zero plans

The Swiss Federal Council launched a consultation on proposed updates to its sustainability-related disclosure rules, which aimed to align with international developments and Switzerland's climate targets. Key updates included net-zero roadmaps for businesses, compliance with internationally recognized frameworks, and streamlined digital reporting formats. The proposals aim for harmonization with global frameworks and EU standards, enhancing transparency and accountability for companies while supporting Switzerland's ambitious climate goals.

▶ Source: ESG News



Adoption of IFRS sustainability standards

The UK Sustainability Disclosure Technical Advisory Committee (TAC) recommended the adoption of International Financial Reporting Standards (IFRS) S1 and IFRS S2 with minimal amendments. The committee unanimously voted that these standards are conducive to the long-term public good in the UK. The committee proposed minor amendments to the International Sustainability Standards Board's standards, such as extending IFRS S1's 'climate-first' transition relief, removing transition relief in IFRS S1, and mending IFRS S2's requirement for Global Industry Classification Standard (GICS) use.

▶ Source: ICAEW

EU postpones deforestation regulation for better implementation

The Council and the European Parliament have agreed to postpone the EU deforestation regulation application date by 12 months, allowing third countries, member states, operators, and traders to prepare for due diligence obligations on deforestation-free commodities and products. This move minimized the EU's contribution to deforestation and forest degradation.

▶ Source: European Council: Council of the European Union

EPA grants California waiver for stricter truck emissions rules

California was granted a waiver by the Environmental Protection Agency (EPA) to proceed with its low-nitrogen oxide (NOx) emissions rule for heavy-duty trucks, allowing the state to implement tougher rules for heavy-duty engine and vehicle manufacturers. The waiver allowed California to increase the number of zero-emission passenger vehicles and achieve a 100% change in sales by 2035.

▶ Source: ESG Dive

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.

UK controller bans Lloyds advertisement over deluding climate claims

The UK's Advertising Standards Authority (ASA) has banned a Lloyds Bank LinkedIn ad for misleading climate claims. While highlighting Lloyds' clean energy financing, the ad omitted key information about its continued support for carbon-intensive industries, which significantly contribute to GHG emissions. The ASA ruled that the ad likely misled consumers and ordered its removal. Activist group Adfree Cities challenged the ad, accusing Lloyds of greenwashing. Lloyds pledged to enhance transparency and reiterated its commitment to achieving net-zero emissions by 2050.

- Source: ESG Today

U.S. Justice Department files complaint against fintech firm Dave

The U.S. Justice Department and Federal Trade Commission filed a civil enforcement action against fintech company Dave and its CEO, Jason Wilk, for alleged deceptive practices. The complaint accuses Dave of misleading users with promises of USD500 cash advances, charging hidden fees, misrepresenting tip usage, and making it difficult to cancel recurring fees. The government seeks monetary penalties and an injunction to prevent future violations. Dave denies the allegations, citing a revised fee structure implemented for new and existing users.

- Source: Reuters

California lawmakers demand action on climate reporting law enforcement

California Senators Scott Wiener and Henry Stern criticized the California Air Resources Board (CARB) for delaying enforcement of new climate disclosure laws: SB 253 and SB 261. These laws mandate large companies to report emissions and climate-related financial risks. CARB plans to ease first-year reporting requirements, citing companies' need for preparation time. The senators called this 'unacceptable' and threatened legislative oversight. They urged timely implementation to maintain California's leadership on climate action amid potential federal opposition.

- Source: ESG Today

ESG funds face scrutiny over Xinjiang forced labor links

Global ESG funds have invested USD1.4bn in 14 electric vehicles and solar firms linked to forced labor in Xinjiang, with USD1.1bn invested in battery giant Contemporary Amperex Technology (CATL), according to Ignites Asia. CATL denies the allegations, but scrutiny continues. Critics argue ESG investments fail to prioritize human rights. Experts call for improved due diligence or divestment, warning that green investments shouldn't compromise ethics. The lack of transparency and pressure from China complicates ethical oversight, leading some asset managers to quietly exit implicated firms.

- Source: Financial Times

House Judiciary Committee targets investment firms over 'Woke ESG Cartel'

The House Judiciary Committee, led by Rep. Jim Jordan, targeted 60 US asset management companies, including BlackRock and JPMorgan, over their participation in the Net Zero Asset Managers (NZAM) initiative. Jordan alleges their climate efforts may violate antitrust laws, claiming ESG strategies detract from shareholder profits. Republicans previously pressured firms to leave Climate Action 100+. While Grand Old Party (GOP) members criticize ESG, proponents argue climate risk is essential to fiduciary duty. NZAM includes 325 signatories managing USD57.5tn globally.

- Source: New York Post

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