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COP28

UN Climate Change Conference in Dubai makes historic deal to address climate crisis

2024 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.



Introduction

In this issue, we see the UK government's plan to implement a Carbon Border Adjustment Mechanism (CBAM) by 2027, imposing a carbon tax on imports originating from industries with high emissions. The COP28 UN Climate Change Conference was held in Dubai from November 30 to December 12, 2023. Its goal was to address the climate crisis by transitioning from fossil fuels, tripling renewable energy, and boosting climate finance for the Paris Agreement's 1.5°C target. The World Meteorological Organization's Early Warnings for All initiative is crucial for tackling the accelerating pace of climate change. The European Financial Reporting Advisory Group (EFRAG) and the Global Reporting Initiative (GRI) have strengthened their partnership on sustainability reporting, building upon their initial 2021 agreement to create EU sustainability reporting standards. This collaboration includes the introduction of the GRI-ESRS Interoperability Index, streamlining alignment between European Sustainability Reporting Standards (ESRS) and GRI standards to minimize duplicative reporting. Ahold Delhaize, a Dutch-Belgian multinational retail and wholesale holding company, has appointed Alex Holt as Chief Sustainability Officer and a member of the executive committee. With experience in food retail, business leadership, and sustainability, she will lead the group's sustainability strategy.

In the world of Fintech, Mastercard and MDP, a prominent financial services provider in Egypt, have collaborated to unveil a groundbreaking Carbon Calculator tool. In response to growing consumer interest in eco-friendly options, this tool empowers users to assess the carbon footprint associated with their card transactions, providing valuable insights and comparisons. Meanwhile, the UAE government unveiled ALTERRA, a USD30bn investment platform to drive private capital toward global climate initiatives, focusing on emerging markets. Furthermore, the European Council (EC) agreed to regulate ESG rating providers, bringing them under the European Securities and Markets Authority (ESMA's) authorization. The agreement aims to develop transparency, prevent conflicts of interest, and ensure quality. Regarding adverse business practices, a federal judge has certified a class-action lawsuit against Johnson and Johnson for fraudulently concealing the presence of cancer-causing asbestos in its talc products.



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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 proposes enhanced social, climate disclosures for financial products



The European Supervisory Authorities (ESAs) have finalized proposed amendments to the draft Regulatory Technical Standards (RTS) under the Sustainable

Finance Disclosure Regulation (SFDR). The changes include mandatory reporting on social factors like tobacco exposure and inadequate wages, as well as new disclosures for financial products on GHG emission reduction targets. The European Commission will decide on endorsing the proposed RTS within three months.

► Source: ESG Today

DNB aligns investments with Paris Agreement goals



The Netherlands' central bank, De Nederlandsche Bank (DNB), commits to align its EUR9bn investment portfolio with the Paris Agreement, aiming for a 50%

carbon footprint reduction by 2030. DNB introduced a Paris Aligned Benchmark (PAB), excluding fossil fuel firms and companies violating United Nations (UN) or European Union (EU) principles. The bank plans to appoint new asset managers, emphasizing its commitment to a carbon-neutral economy and responsible investing.

► Source: IPE International Publishers Limited

MAS releases code of conduct for ESG rating and data products



The Monetary Authority of Singapore (MAS) has issued a finalized code of conduct for ESG rating and data product providers, setting industry standards for

transparency and governance. Providers are urged to disclose their adoption, promoting market confidence and informed investment decisions. The code aims to enhance comparability and align with climate transition goals.

► Source: Monetary Authority of Singapore

ACCC unveils principles for transparent environmental marketing



The Australian Competition and Consumer Commission (ACCC) has released eight principles as part of its final guidance on

environmental claims, urging businesses to ensure truthful and transparent environmental marketing. The principles aim to empower consumers and align with the Australian Consumer Law by use of clear language, avoiding any omissions, and using

evidence-backed communication. The ACCC plans to release additional guidance on emission claims and trust marks in early 2024.

► Source: ESG BROADCAST

COP28 concludes with historic deal to address climate crisis



Conference of the Parties (COP28) was held from November 30, 2023, till December 12, 2023, in Dubai, United Arab Emirates (UAE)

and was the 28th United Nations Climate Change conference (UNFCCC), which focuses to address the climate crisis. The agreement aims to shift from fossil fuels, triple renewable energy, and boost climate finance to meet the Paris Agreement's 1.5°C goal. The declaration emphasizes deep emissions cuts, tripling global renewable energy, phasing out unabated coal power, and reducing non-CO2 emissions. The world meteorological organization's (WMO) emphasis on Early Warnings for All initiative is crucial for tackling the accelerating pace of climate change.

► Source: World Meteorological Organization

US grants up to USD890mn for carbon capture projects



The US Department of Energy (DOE) allocated USD890mn for gas and coal plants for carbon capture projects, seeking to reduce

CO2 emissions. Critics expressed concerns about viability, citing past failures and potential fossil fuel reliance. Funded projects aim to prevent 7.75mn metric tons of CO2 annually, but uncertainties persist regarding carbon capture and storage (CCS) adoption, influenced by costs and pipeline network availability, according to the Congressional Budget Office.

► Source: Reuters

UK to introduce carbon levy on imports



The UK government is set to introduce a Carbon Border Adjustment Mechanism (CBAM) by 2027, imposing a carbon tax

on imports from emissions-intensive industries. Targeting sectors like aluminum, cement, and steel, the CBAM aims to prevent carbon leakage and equalize carbon prices for UK-produced goods. The government plans to engage in consultations for finalizing the CBAM's design and minimizing trade impacts.

► Source: ESG today



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.

EFRAG, GRI to partner in development and training of sustainability reporting standards



EFRAG and GRI have announced a renewed collaboration, enhancing their partnership on sustainability reporting. This follows their initial agreement in 2021 to develop EU sustainability reporting standards. As part of this collaboration, they introduced the GRI-ESRS

Interoperability Index, facilitating alignment between European Sustainability Reporting Standards (ESRS) and GRI standards, reducing the need for duplicative reporting. The ESRS, adopted by the European Commission, outlines rules for corporate sustainability reporting under the Corporate Sustainable Reporting Directive (CSRD) starting in 2024.

► Source: ESG Today

Abu Dhabi, BlackRock, HSBC launch climate finance think tank at COP28



BlackRock



At COP28 which was held in November 2023 in Dubai, President Dr. Sultan Ahmed Al Jaber announced the establishment of the Global Climate Finance Centre (GCFC), a think tank and knowledge hub focused

on advancing global climate finance. Founding members, including Abu Dhabi Global Market (ADGM), BlackRock, HSBC, and others, aim to accelerate the growth of climate finance, enhance green finance markets, and overcome financial barriers to investment. The GCFC, headquartered at ADGM, will offer research, policy innovation, and advisory services, along with a Climate Finance Academy providing training in the UAE.

► Source: ESG today

KKR purchases Smart Metering for USD1.7bn

KKR

KKR has entered into an agreement to acquire Smart Metering Systems (SMS), an energy and

electrification solutions company, for an enterprise value of GBP1.4bn (USD1.75bn). The Glasgow-based company, offering smart meters, battery energy storage systems, EV charge points, and cloud-based data platforms, aligns with KKR's focus on energy transition investments. The transaction will be funded primarily through KKR's USD17bn Global Infrastructure Investors IV fund.

► Source: ESG today

BCG signs 15-year 80,000-ton DAC carbon removal deal



Boston Consulting Group (BCG) has entered into a 15-year purchase agreement with Climeworks, a Direct Air Capture (DAC) company. This marks Climeworks' largest corporate

purchase of CO2 removal at 80,000 metric tons. DAC is recognized by the International Energy Agency (IEA) as a crucial carbon removal method for achieving a net-zero energy system. BCG aims to support Climeworks' development and its own net-zero strategy through the carbon removal agreement.

► Source: ESG today

Meta signs deal for 330MW of renewable energy in Illinois and Arkansas

Meta



Adapture Renewables has inked three Environmental Attributes Purchase Agreements with Meta, securing 330MW of renewable energy from solar projects in

Illinois and Arkansas. As one of the leading corporate buyers of renewable energy, Meta aims to achieve net-zero emissions in its value chain by 2030 and plans to contribute 9.8GW of renewable energy to US grids by 2025.

► Source: ESG today

Microsoft secures nature-based deal to remove 1.5mn tons of carbon

Microsoft



Microsoft and carbon removal startup Mombak have struck one of the largest nature-based carbon removal deals, with Mombak providing carbon removal credits

from its Amazon reforestation projects. Mombak aims to re-establish 25 forests in deforested areas, with 30mn trees of over 100 native species. The initiative is expected to remove 1.5mn tons of carbon by reforesting degraded Brazilian pastureland.

► 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.

Generate Capital appoints William Sonneborn as new President



Sustainable infrastructure focused Generate Capital announced the appointment of William Sonneborn as new President. He joins the company from the World Bank Group's International Finance Corporation. He has an extensive background investing

across multiple asset classes and industries, including sustainable infrastructure, energy, and disruptive technologies. His role aims to strengthen Generate Capital's market leadership and enhance its capacity to support the diverse stakeholders involved in the net-zero transition.

► Source: ESG Today

Ahold Delhaize appoints Alex Holt as Chief Sustainability Officer



Ahold Delhaize has appointed Alex Holt as Chief Sustainability Officer and a member of the Executive Committee. She will drive the vision and strategy on sustainability in line with our group strategy and accelerate focus and collaboration across the organization and our

supply chain. She is accountable for building and developing sustainability capabilities and mindsets within the firm's brands and support organizations.

► Source: Ahold Delhaize

Evenlode Investment welcomes Lily Postlethwaite as Stewardship Analyst



Evenlode Investment hired Lily Postlethwaite as Stewardship Analyst. She will be responsible for aiding the stewardship team in incorporating ESG risks into the investment process on Evenlode's Income, Global Income, and Global Equity funds. She previously worked at

Whitley Asset Management for five years.

► Source: ESG Clarity





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.

Qatar Islamic Bank (QIB) unveils its carbon tracker



Qatar Islamic Bank (QIB) has collaborated with Visa and ecolyftiq – a global sustainability service solutions provider – to introduce a groundbreaking Carbon Emission Tracker feature in its mobile app. This innovative tool discloses the environmental impact of each transaction, encouraging users to adopt eco-friendly spending habits. With features like monthly emissions tracking and personalized insights, QIB aims to lead the way in promoting sustainability within digital banking, demonstrating its commitment to environmental responsibility, and offering customers a more conscious banking experience.

► Source: Know ESG

MDP and Mastercard introduce innovative carbon calculator in Egypt



Mastercard and MDP, a leading financial services provider in Egypt, have joined forces to launch an innovative Carbon Calculator tool. The tool is a response to increasing consumer demand for environmentally conscious choices and allows users to estimate the carbon footprint of their card transactions, offering insights and comparisons. Aligned with Egypt's Sustainable Development Strategy – Vision 2030, the initiative leverages MDP's network to promote responsible practices and supports Mastercard's commitment to achieving net-zero emissions by 2040, showcasing their dedication to sustainability and eco-consciousness.

► Source: Fintech Global

Nasdaq introduces AI-driven sustainable lens for mastering ESG data



Nasdaq has launched Nasdaq Sustainable Lens, an AI-powered SaaS platform aiming to transform the management and interpretation of ESG data for companies and investors. Focused on simplifying the complex ESG data landscape, the platform offers streamlined access to sustainability disclosures from thousands of companies.

► Source: Fintech Global

Stripe launches platform enabling businesses to pre-order carbon removal



Stripe has launched Climate Orders, a platform allowing businesses to pre-order carbon removal tons through an advance market commitment coalition called Frontier. This initiative aligns with the Intergovernmental Panel on Climate Change (IPCC) mitigation study based on climate change, emphasizing the need for scaling carbon removal methods. Businesses can purchase specific carbon removal tons from Frontier's growth-stage portfolio, receiving a certificate upon delivery. Notable users include Watershed, Patch, and Terraset.

► Source: ESG today

Terrascope launches solution for measuring and managing emissions from forests, land, agriculture



Terrascope, a climate tech startup, has introduced a module on its decarbonization platform focusing on Forest, Land, and Agriculture (FLAG) emissions. Acknowledging the sector's substantial contribution to global GHG emissions, the module offers screening, measurement tools, and support for setting Science Based Targets initiative (SBTi)-aligned FLAG targets. It aligns with the GHG Protocol for land sector removals, aiding enterprises in their decarbonization efforts through improved land management.

► Source: ESG today



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.

UAE introduces USD30bn climate fund



At the COP28 climate conference in Dubai, the UAE government unveiled ALTERRA, a USD30bn investment platform to drive private

capital toward global climate initiatives, focusing on emerging markets. BlackRock, Brookfield, and TPG are launch partners, with ALTERRA aiming to mobilize USD250bn by 2030. It comprises ALTERRA ACCELERATION, anchoring institutional capital in climate investments, and ALTERRA TRANSFORMATION, providing risk capital for climate projects in the Global South.

► Source: ESG Today

FAB introduces UN SDG-aligned ESG fund to promote impactful investing



First Abu Dhabi Bank (FAB) launches the FAB SDG Fund for private banking clients, managed by FAB Private Bank (Suisse) SA. Aligned with the

UN SDGs, it utilizes 17 exchange-traded funds (ETFs), each corresponding to an SDG, incorporating robust ESG criteria. FAB commits 17 basis points (bps) of annual fund management fees to support non-profit programs or projects aligned with the SDGs.

► Source: ESG News

Sprott AM and HANetf collaborate on copper miners ESG ETF



Sprott Asset Management (Sprott AM) and HANetf have debuted Sprott Copper Miners ESG-Screened undertakings for collective investment in transferable securities

(UCITS) ETF on the London Stock Exchange as CPPR. With a 0.59% expense ratio, CPPR tracks the Nasdaq Sprott Copper Miners ESG Screened index, offering global copper mining equities exposure. The ETF undergoes ESG and controversy reviews, meeting the rising demand for ESG-screened copper exposure among European investors during the energy transition.

► Source: ESG Stream

Mizuho introduces new framework to support green projects



Mizuho launched a new framework to support green projects for clients in high-risk areas in carbon-related

sectors. They also announced to expand their interim financed emissions reduction targets to the automotive and maritime transport sectors. The new framework is focused on enabling support for clients by verifying that their transition strategies met Mizuho's credibility and transparency criteria, the update expands the framework to allow for more engaged support for projects that can be confirmed as 'green projects'.

► Source: ESG today

BlackRock launches pair of Paris-aligned high yield bond ETFs

BlackRock. BlackRock has introduced two new Paris-Aligned Benchmark (PAB) ETF with high-yield range. These funds seek broad, representative exposure to high yield bonds, while achieving improved transition outcomes and environmental goals, including carbon reduction. This will encompass screens for business involvement, which will exclude companies engaged in coal, oil and gas, electricity generation, controversial weapons, and violations of the United Nations Global Compact (UNGC).

► Source: ETF Stream

Commonwealth initiates e-learning course for climate finance access



The Commonwealth launched the 'Commonwealth Climate Finance Essentials E-learning Course' to assist small and vulnerable states in accessing climate finance

efficiently. The course helped 17 small and vulnerable states access over USD322mn in climate finance for projects. It aimed to streamline the funding application process, addressing challenges in securing timely support for climate projects. The course is developed by the Commonwealth Secretariat to support its 56 member countries in tackling the global climate crisis.

► Source: ESG News



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.



Canada mandates 100% zero emission vehicles by 2035

Canada published a new standard mandating annual increases in zero emissions light-duty vehicle sales, with a target of reaching 100% by 2035. The standard, part of the government's 2030 Emissions Reduction Plan, is aimed to address Canada's transportation sector's significant emissions. It aligned with North American regulations and international standards and plans to support the Canadian auto industry's battery and automotive supply chain.

► Source: ESG Today



European Council approves regulation for ESG rating providers

The European Council agreed to regulate ESG rating providers, bringing them under the European Securities and Markets Authority (ESMA's) authorization. The agreement aimed to increase transparency, prevent conflicts of interest, and ensure quality. The Council's proposal required ESG rating providers to obtain authorization from ESMA, separate business activities from ESG ratings, and establish a temporary optional three-year regime for smaller providers. Anticipated commencement of negotiations is in early 2024.

► Source: ESG today



UK targets global carbon leadership

The UK Government aimed to lead the Global Carbon Capture market with ambitious plans for emission reductions. Plans released by the Department of Energy Security & Net Zero show that GBP20bn (USD25bn) funding, regulatory framework, and industry collaboration were key components in a blueprint for a competitive and sustainable carbon capture sector.

► Source: upstream



EU overhauls eco-design for sustainable products

The European Parliament and Council reached a provisional agreement to amend the EU's eco-design framework for sustainable products. The goal was to enhance product life cycles, reduce resource, energy, and water usage, and tackle premature obsolescence. The agreement prioritizes specific product groups, implements digital product passports, and introduced reporting requirements for economic operators discarding unsold goods.

► Source: ESG Broadcast

Green Deal: agreement on reform of EU gas and hydrogen market governance

EU advances green gas reforms

EU legislators reached an agreement on sweeping reforms for renewable gases, prioritizing hydrogen and biomethane. The legislation aims to decarbonize the gas sector, enhance energy security, and allow member states to restrict gas imports from Russia.

► Source: European Parliament



EU mandates corporate sustainability due diligence

The European Parliament and Council reached a provisional agreement on the EU's proposed corporate sustainability due diligence directive (CSDDD), which required large businesses to assess and address human rights and environmental impacts in their supply chains. The new rules apply to EU companies with over 500 employees and EUR50mn in global revenues, as well as non-EU companies with EUR300mn net revenue.

► 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.



Tesla seeks temporary pause in US agency lawsuit alleging race bias

Tesla Inc has requested a US judge to temporarily halt a federal agency's lawsuit accusing the electric carmaker of serious harassment against black workers at its California assembly plant. The company argued that the US Equal Employment Opportunity Commission (EEOC) hastily filed the lawsuit in September as part of a "toxic interagency competition" with a California civil rights agency that had made similar claims the previous year. The EEOC's allegations include incidents of racist slurs, graffiti with symbols like swastikas and nooses, and retaliatory actions against black workers at the California plant from 2015 to date.

► Source: The Economic Times



Climate activists block highway near ING Bank headquarters around Amsterdam

Climate activists staged a roadblock on a section of the main highway near Amsterdam, close to the former headquarters of ING bank, to protest the institution's financing of fossil fuels. This protest persisted despite the banks' recent announcement

of an accelerated phase-out of loans for fossil fuel exploration. Extinction Rebellions' spokesperson said that the phase-out plan was not fast enough.

► Source: Voa News



Indonesia to impose fines on palm oil companies operating in forested areas

Indonesia announced its intention to impose fines totaling IDR4.8tr (USD310.1mn) on palm oil companies operating within forested areas. While over IDR475bn (USD30.7mn) in fines have been issued so far, details and the identities of the fined companies were not disclosed by Firman Hidayat, an official from the Ministry of Maritime Affairs and Investment.

► Source: Climate Change News



Wirecard lawsuit seeks EUR1.5bn in damages from EY

EY is facing a lawsuit seeking EUR1.5bn in damages for its role in auditing Wirecard's financial records prior to the 2020 collapse of the German payments company. The lawsuit filed by Michael Jaffé seeks

damages from EY for its alleged failure to identify the fraudulent activities that led to Wirecard's downfall, per the report. EY has consistently refuted any allegations of misconduct and rejected claims for damages associated with Wirecard.

► Source: CNBC

BNP Paribas caught up in French money laundering investigation - Le Monde

BNP Paribas involved in Cyprus money laundering investigation

The French prosecutors are investigating potential "aggravated money laundering" involving transfers by a Cypriot brokerage firm associated with BNP Paribas. The inquiry focuses on transactions worth hundreds of millions of euros and dollars conducted by TCR International Limited between 2019 and 2021. BNP Paribas and TCR International Limited did not respond. The investigation, triggered by an alert from France's anti-money laundering unit, carries severe penalties, including imprisonment and substantial fines.

► Source: Market Screener



Class action lawsuit certified against J&J over talc disclosures

A federal judge certified a class action lawsuit against Johnson and Johnson alleging that the company fraudulently concealed the presence of cancer-causing asbestos in its talc products. Shareholders, including the lead plaintiff San Diego County Employees Retirement Association, did not promptly respond to comment requests.

► Source: Medical Dialogue





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