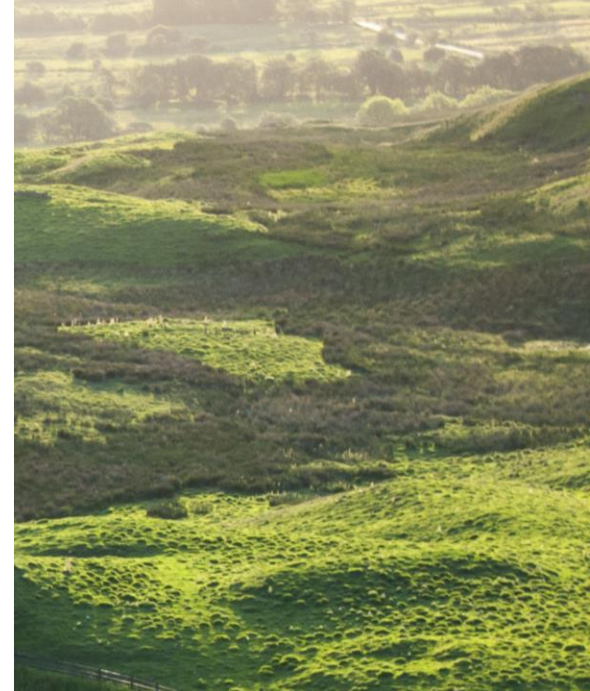




ESG Digest #24

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A recent PwC Global CSRD Survey highlights that the Corporate Sustainability Reporting Directive (CSRD) is significantly influencing companies' integration of sustainability into their business decisions. The survey, which included responses from more than 540 executives and senior professionals across more than 30 countries and various industries, indicates that 75% of companies are increasingly integrating sustainability into their decision-making.

While firms anticipate benefits like better environmental performance, improved engagement with stakeholders and risk mitigation, they face challenges such as data quality and availability, staff capacity and the need for investment in technology. Many companies still rely on spreadsheets for sustainability reporting. Despite these obstacles, most companies are confident they will be ready to report under the CSRD by the 2025 and 2026 deadlines.

[Read more](#)

PwC Research: Three quarters of companies say CSRD leading to increased sustainability integration in business decisions

CDP Research: Number of companies with 1.5°C-aligned Climate Transition Plans jumps 44% in a year

CDP's report "The State of Play: 2023 Climate Transition Plan Disclosure" assessed disclosures by over 23,200 companies reporting through research provider and environmental disclosure system CDP.

According to the report, the number of companies disclosing 1.5°C-aligned climate transition plans through CDP has increased by 44% from 2022. This means that over 5,906 companies (1 in 4) reported having climate transition plans in place. A further 36% (8,200) disclosed that they expected to create one by 2025.

FTSEurofirst 300 (Europe) and KOSPI 200 (Korea) listed companies outperform G20 peers, with 77% and 75% of companies respectively including data on most key indicators.

But the number of companies fully disclosing data to all 21 climate transition plan indicators in CDP's questionnaire remains low at 1% (140).

[Read more](#)



CDP launches new Sustainability Reporting Platform aligned with IFRS Climate Disclosure Standard

Environmental disclosure system CDP launched a new sustainability reporting platform aligned with the IFRS Foundation's climate disclosure standard, IFRS S2. This platform aims to streamline reporting for companies and enhance compliance with global standards.

CDP's updated questionnaire now reflects IFRS S2 requirements, as a foundational baseline for CDP's climate disclosure, and brings forest, water, biodiversity and plastic issues together in one questionnaire. The initiative aligns with various global frameworks, including the Taskforce on Nature-related Financial Disclosures (TNFD) and European Sustainability Reporting Standards (ESRS), promoting efficient environmental action through comprehensive data collection.

[Read more](#)

GRI launches update of standards to report on impact on workers

The Global Reporting Initiative (GRI) has launched a review of its labor-related standards to enhance companies' reporting on their impact on workers. This includes updates to the following standards: GRI 402: Labor/Management Relations, GRI 401: Employment and GRI202: Market Presence.

The revised disclosures will cover employment types, data protection, hiring metrics, remuneration, working time, and significant changes for workers. The review process involves consultations with various stakeholders, including the International Labour Organization (ILO). Further consultations on additional standards are planned over the next 12 months. In total, updates will be made to 11 GRI Standards.

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The EU has approved the Nature Restoration Law, requiring member states to restore at least 30% of degraded habitats by 2030, increasing to 60% by 2040, and 90% by 2050. This legislation aims to restore ecosystems and habitats, improve biodiversity, and implement measures for various ecosystems, including wetlands and forests.

This approval came after Austria changed its stance, providing the necessary votes. Member states must submit National Restoration Plans to the Commission within two years of the Regulation coming into force (by mid 2026) to outline their strategies for achieving these targets.

[Read more](#)

EU approves Nature Restoration Law

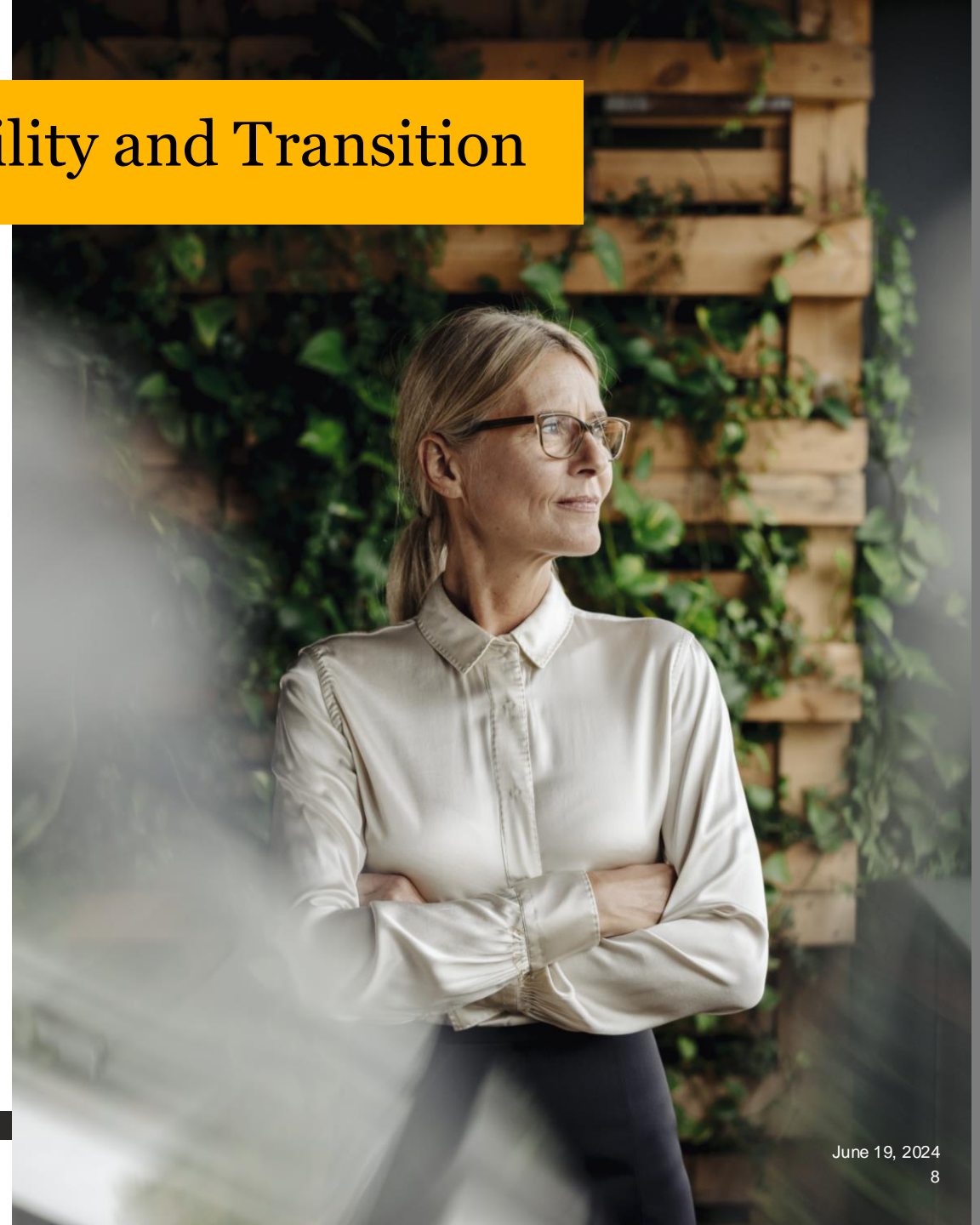
EU Regulators propose new Sustainability and Transition categories for financial products

The three European Supervisory Authorities (EBA, EIOPA, and ESMA – ESAs) proposed a Joint Opinion on new assessments to the Sustainable Finance Disclosure Regulation (SFDR), introducing "Sustainable" and "Transition" categories for financial products such as investment funds, life insurance and pension products to enhance transparency and reduce greenwashing.

The "Sustainable" category included products investing in already sustainable activities, aligning with the EU Taxonomy, and respecting the "Do No Significant Harm" principle. The "Transition" category targeted investments in activities not yet sustainable but on a path to sustainability, focusing on improvement over time and supporting measurable transition plans.

The proposal aimed to provide clarity and transparency for investors, encouraging more sustainable investment choices across Europe's financial markets.

[Read more](#)



Swiss Government allows financial sector to self-regulate greenwashing prevention

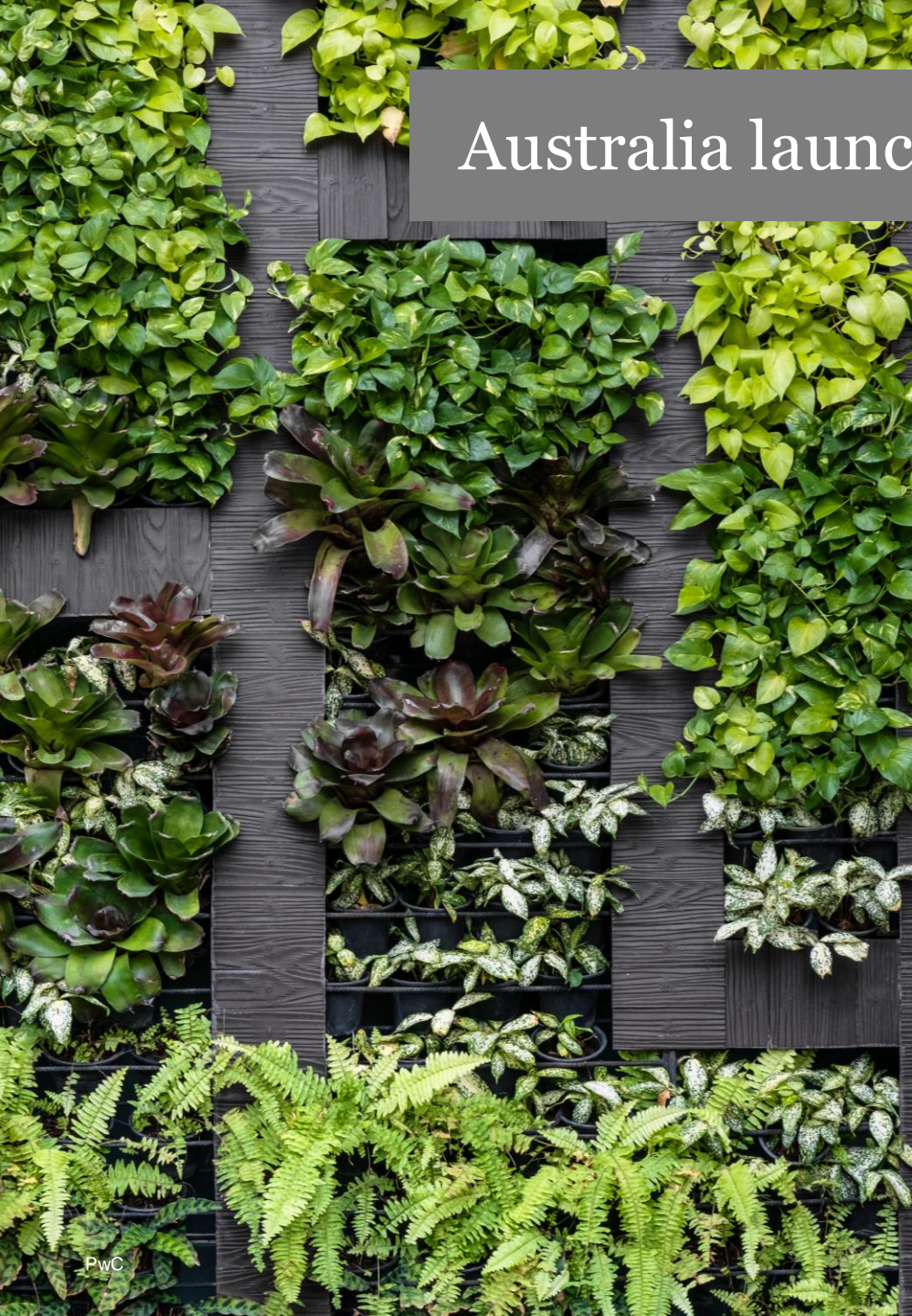
The Swiss government decided to allow the financial sector to self-regulate in preventing greenwashing, foregoing immediate state regulation.

This decision comes after industry associations, including Asset Management Association Switzerland (AMAS), the Swiss Bankers Association (SBA), and the Swiss Insurance Association (SIA), developed self-regulatory measures. These include defining sustainable investment objectives, describing sustainability approaches, and ensuring independent third-party audits. These self-regulatory provisions will soon be published and come into force, with transitional periods for implementation up to 1 January 2027.

The Federal Council acknowledged progress but noted some unresolved issues, including compliance with EU law. The situation will be reassessed following potential amendments to the EU's Sustainable Finance Disclosure Regulation (SFDR).

[Read more](#)





Australia launches plans for mandatory Climate Reporting, Taxonomy, Sustainable Investment labels

Australia's Treasury department has launched its Sustainable Finance Roadmap, which mandates climate-related reporting and the development of a sustainable finance taxonomy and investment labels. This initiative aims to enhance financial markets to attract private capital essential for transitioning to a net zero economy.

Key aspects of the roadmap include mandatory climate-related disclosures for large companies starting in 2025. The Australian Accounting Standards Board (AASB) is set to finalize climate reporting standards by August 2024, with the Australian Auditing and Assurance Standards Board (AUASB) expected to develop climate disclosure assurance standards by late 2024.

The Australian Sustainable Finance Institute (ASFI) will finalize a taxonomy for "green" and "transition" activities by the end of 2024, focusing on sectors such as electricity and energy, industry, built environment, transport, resources, agriculture, and land.

Further steps include the introduction of sustainable investment labels by the Treasury in 2026, set to take effect in 2027.

[Read more](#)

EFRAG, TNFD release Guide mapping connections with CSRD and TNFD nature-related reporting

The Taskforce on Nature-related Financial Disclosures (TNFD) and the European Financial Reporting Advisory Group (EFRAG) released a guide to help companies align with both the European Sustainability Reporting Standards (ESRS) and TNFD's nature-related recommendations.

The guide also includes a mapping of the correspondence that illustrates the high level of commonality achieved. This assessment highlights that all 14 TNFD recommended disclosures are reflected in the ESRS.

[Read more](#)





The European Commission announced the launch of the European Solar Academy, the first in a series of new Net-Zero Academies designed to equip workers with skills for net zero technologies. The academy aims to train 100,000 workers in the solar photovoltaic value chain over the next three years, addressing labor and skills gaps in the sector. It will focus on renewable energy, hydrogen, batteries, and carbon capture and storage.

This initiative is part of the European Green Deal to promote green jobs and support the transition to a sustainable economy.

[Read more](#)

EU launches first “Net-Zero Academy” to train 100,000 workers for the Solar photovoltaic systems

Canada passes new Corporate Greenwashing Rules into law

The government of Canada passed bill C-59, which among other things, is geared toward regulating environmental claims and combating greenwashing. These regulations mandate that businesses substantiate any environmental claims made in their marketing with credible evidence. They specifically prohibit false or misleading statements regarding environmental benefits or impacts.

Under the new laws, companies are required to provide clear and accurate information to consumers about the environmental attributes of their products or services. Failure to comply with these regulations can result in significant penalties, including fines that vary depending on the severity and impact of the misleading claims.

[Read more](#)



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