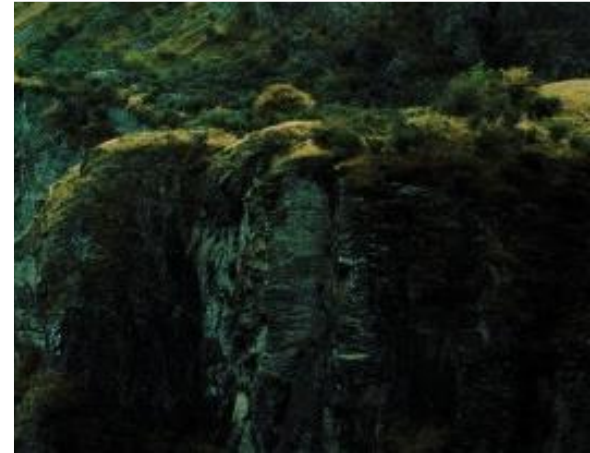




# ESG Digest #27

September 2024



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# CDP Report: 94% of investors use ESG ratings monthly, but regulatory fragmentation risks undermining their effectiveness

The CDP report highlights that 94% of investors use ESG ratings monthly, reflecting their growing importance in financial markets. However, there are raising concerns about regulatory fragmentation, which could undermine the effectiveness of these ratings. Different jurisdictions are developing varied regulatory frameworks for ESG ratings, leading to potential market confusion and increased compliance complexities.

The report emphasizes the need for a common baseline and interoperability across policy initiatives to ensure that ESG ratings are used effectively for public good, avoiding greenwashing and promoting transparency.

[Read more](#)

# I-REC Renewable Energy Certificates to Be Listed on AIX Astana International Exchange

AIX Astana International Exchange (“AIX”) is introducing I-REC (International Renewable Energy Certificate) renewable energy certificates to its portfolio of responsible finance products. These changes have been made to the Exchange Trading Rules.

I-REC certifies that 1 MWh of clean electricity was generated from renewable sources. The certificate is valid in more than 50 countries, promoting the development of renewable energy and helping companies offset their carbon emissions.

[Read more](#)



# ADB Targets USD 100bn in Climate Finance by 2030

The Asian Development Bank (ADB) has approved a new roadmap and committed to over USD 100bn in climate finance by 2030, aiming for climate finance to make up 50% of its annual financing by 2030. The new roadmap, part of the Strategy 2030 Midterm Review, focuses on climate finance, private sector development, regional cooperation, digital transformation, and resilience.

ADB also plans to triple private sector financing to USD 13bn by 2030, with at least USD 4.5bn in direct private capital mobilization.

[Read more](#)

# FCA Delays New Naming and Marketing Rules for Sustainable Investment Products to April 2025

The Financial Conduct Authority (FCA) the conduct regulator for financial services firms and financial markets in the UK has delayed the implementation of new naming and marketing rules for sustainability-related investment products to April 2025.

These rules, part of the FCA's Sustainability Disclosure Requirements (SDR) introduced in November 2023, aim to help investors assess the sustainability of investment products and avoid greenwashing.

Initially set to take effect in December 2024, the delay gives firms more time to comply with the new standards.

[Read more](#)







# EPA Proposes Update to Federal Purchasing Recommendations for Sustainable Products

The U.S. Environmental Protection Agency (EPA) has proposed an update to its Recommendations of Specifications, Standards, and Ecolabels for Federal Purchasing. This update aims to help buyers identify environmentally sustainable products. The new proposals expand the recommendations to include healthcare, laboratories, and clothing sectors, adding 14 new standards and ecolabels.

It also expands the food service ware category to cover reusable, compostable, and recyclable products. Additionally, seven standards or ecolabels that no longer meet the criteria will be removed.

[Read more](#)



# Japan Hydrogen Fund Launched with USD 400mln to Develop Low-Carbon Hydrogen Value Chain

A group of Japan-based financial and industrial companies, along with French-based energy company TotalEnergies, have launched the Japan Hydrogen Fund to develop a low-carbon hydrogen value chain. The fund starts with USD 400mln in commitments from initial investors, including Toyota, Iwatani, Sumitomo Mitsui Banking, MUFG Bank,

Tokyo Century, Japan Green Investment Corp. for Carbon Neutrality, and the Bank of Fukuoka.

[Read more](#)





# IEA report: Power grid problems could hamper renewable energy development

The International Energy Agency (IEA) has published a report emphasizing the need to integrate solar and wind energy into global energy systems to achieve decarbonization goals by 2030. The expansion of renewable energy sources could face significant challenges due to existing grid issues, including overload, outdated infrastructure, and slow approval processes for grid connections.


The report notes that without substantial integration measures and investments in grid infrastructure, renewable energy generation could decrease by 15% by 2030.

The IEA also presents examples of successful integration measures from 50 energy systems worldwide, covering nearly 90% of global solar and wind energy production, and provides recommendations for policymakers on energy supply issues.

[Read more](#)







# Shopify Launches Carbon Commerce, a New CO<sub>2</sub> Credits Platform

Shopify, a digital commerce platform, has launched Carbon Commerce, a new platform designed to facilitate the purchase and sale of carbon credits. The platform is expected to empower businesses of all sizes to participate in the carbon credit market and provides tools for various transaction types, including pre-purchase agreements and long-term offtakes.

This initiative is part of Shopify's broader commitment to sustainability, which includes a USD 50mln investment in carbon removal technologies.

[Read more](#)



# MSCI Launches Groundbreaking Carbon Project Ratings

MSCI has launched the MSCI Carbon Project Ratings, a tool designed to assess the integrity of over 4,000 carbon credit projects globally. This initiative aims to enhance transparency and reliability in the carbon credit market. The ratings consider multiple criteria, including the project's impact on climate, environment, and society, and use a seven-point letter rating scale from AAA to CCC.

It is expected to provide investors, buyers, and developers with a more comprehensive understanding of carbon projects, thereby supporting better investment decisions and fulfilling disclosure requirements.

[Read more](#)



Starting from the financial year 2025, the Singapore Exchange Regulation (SGX RegCo) will incorporate the IFRS Sustainability Disclosure Standards into its climate reporting rules. This new requirement mandates all issuers to report their Scope 1 and Scope 2 greenhouse gas (GHG) emissions.

SGX RegCo has revised its sustainability reporting requirements, delaying mandatory Scope 3 emissions reporting for smaller companies. Larger companies will still need to report Scope 3 emissions starting in 2026, while smaller issuers will have more time to prepare.

[Read more](#)

## Singapore Exchange to Implement IFRS Sustainability Disclosure Standards into its climate reporting rules





# Net Zero Tracker Report: Over 40% of Companies, Regions, and Cities Have Not Set Emission Reduction Targets

Despite an increase in net-zero pledges, over 40% of major companies, cities, and regions still lack emission reduction targets, according to a report by the Net Zero Tracker Net Zero Stocktake 2024. The report examines commitments and action plans for achieving net-zero emissions in 198 countries, 706 subnational regions, 1,186 cities, and 1,977 public companies.

Only 5% of regions, cities, and companies meet all the reliability criteria of the Net Zero Tracker, which includes having detailed plans for phasing out fossil fuels.

[Read more](#)





# Azerbaijan aims to introduce 7 GW of “green” capacity by 2030

Azerbaijan plans to introduce 7 GW of “green” capacity by 2030 produced by renewable sources of energy. According to the plan, 2 GW will be directed to the domestic market, 4 GW will be exported through the Azerbaijan-Georgia-Europe “green” energy corridor via the Black Sea, and 1 GW will be exported through the Nakhchivan Autonomous Republic to Turkey and Europe.

[Read more](#)



# EU Commission Issues Warnings to 17 Member States for Non-Compliance with CSRD Sustainability Reporting Requirements

The European Commission has opened infringement procedures by sending letters to 17 EU member states for not fully transposing the Corporate Sustainability Reporting Directive (CSRD) into their national laws by the July 6, 2024, deadline.

Member states have been given two months to respond and complete the transposition. This move underscores the EU's commitment to enforcing stringent sustainability reporting standards to ensure transparency and accountability in corporate practices.

[Read more](#)

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