



TCB Digest for Executives

July 31st, 2023

Welcome to the 6th edition of The Climate Board's Digest for Executives – a summary of key climate-related events, publication activities, and other insights for cross-functional corporate leaders.

Recent TCB insights can be found [here](#).

TCB's Key Takeaways from these events and publications can be found below the fold.

Regulatory/Disclosure Updates:

- [United Nations Biodiversity Beyond National Jurisdiction Treaty](#) - The first legally binding international treaty was approved by 193 United Nations Members in June, which will aim to protect biodiversity and track environmental impact in the high seas. The treaty will come into effect 120 days after the U.N. Ocean Conference in June 2025, if 60 U.N. member countries choose to ratify it.
- [United Nations Plastics Treaty](#). - An agreement to draft a plastics treaty, which should become the first legally binding international instrument aimed at curbing plastic pollution on a global scale, was reached last month. Some 170 countries agreed to develop a first draft by November.
- [U.S. Carbon Utilization Procurement Grants program](#) (July 24) - The U.S. Department of Energy announced \$100M in funding to support and encourage states, local governments and public utilities to purchase products derived from converted carbon emissions. This program will promote more sustainable product alternatives that reduce net carbon emissions and encourage a market for environmentally sustainable alternatives in fuels, chemicals, and products sourced from captured emissions.
- [New IFRS Sustainability Reporting Standards endorsed by IOSCO](#) (July 25) - In a significant development in the global ESG arena, the International Organization of Securities Commissions (IOSCO) announced the official endorsement of the ISSB Standards, which were published last month. This endorsement encourages IOSCO's 130 member jurisdictions, which together regulate over 95% of global financial markets, to consider incorporating the new standards into their regulatory structures.
- [PepsiCo & Walmart Support Regenerative Agriculture](#) - PepsiCo and Walmart announced a 7-year collaboration to work towards \$120 million worth of investments focused on supporting U.S. and Canadian farmers in improving soil health and water quality, with the goal being to encourage and accelerate the adoption of regenerative agriculture and reduce greenhouse gas emissions by 4 million metric tons by 2030.

Industry-Relevant Events

- [Bloomberg: Building a Green Economy for All](#) (July 28) - Panelists discussed the biggest risks to climate inequity, including availability of finance, extreme weather, and unequal distribution of transition benefits. Transition, especially in developing countries, poses massive opportunity alongside massive risk. A second panel also discussed electric-vehicle advancements in auto sports.

Publications

- [International Energy Agency: Tracking Clean Energy Progress 2023](#) (July) - This report tracks recent developments across 50 components of the energy system, and rates them “on track,” “more efforts needed,” or “not on track.” The report found that behavioral changes - actions that energy consumers take to reduce energy waste - are not on track.
- [What Should Norway Do with an Extra \\$170 Billion from Oil and Gas Revenues?](#) (Reuters opinion article, July 24, by Robert Eccles, professor at Oxford and Harvard and an authority in ESG-related reporting issues.) - With Norway earning increasing amounts from high oil prices due to the Ukraine war, some are pushing for this money to be put towards mobilizing private investment into green technologies and renewable energy in developing countries. This article posits that private capital plays a critical role in the energy transition in developing countries and suggests that Norway de-risk investments into developing countries in order to leverage this capital.
- [Sustainability in the Spotlight: Has ESG Lost Momentum in the Boardroom?](#) (Harvard Law School Forum on Corporate Governance, July 27) - A survey found that ESG is still at the forefront of corporate leaders’ minds. In general, boards in the EU are more likely than their U.S. counterparts to view ESG in terms of opportunity and discuss progress at meetings. Overall, 45% of respondents reported needing better insights around how ESG goals link to overall company strategy” as the biggest obstacle to ESG progress.
- [Inside the ESG Software Arms Race](#) (Financial Times “Moral Money” newsletter, July 26) - With new, worldwide corporate sustainability regulations, the market for sustainability software is growing. New tools are becoming critical for compliance, sparking an arms race for the best software solutions. See TCB’s input on the ESG software market [here](#).

More must-reads

- FinTech Global (July 27) - [US Republicans on the offensive against ESG investing and reporting](#) (see legislation [here](#))
 - Politico (July 27) - [The war on ESG isn’t moving shareholders](#)
 - Financial Times (July 27) - [ESG put to the test in a high-inflation world](#)
 - ESG News (July 27) - [IBM Cloud Carbon Calculator Helps Organizations Advance Sustainability Objectives and Address Greenhouse Gas Emissions](#)
 - [Home Depot 2023 ESG Report](#) (July 27)
 - Reuters (July 30) - [Banks vote to limit accounting of emissions in bond and stock sales](#)
-

Key Takeaways

Bloomberg: Building a Green Economy for All

Panel 1: Driving Climate Equity

Lolade Abiola, Programme Manager, ETO Nigeria, Sustainable Energy for All (SEforALL)

Annika Brouwer, Sustainability Specialist, Ninety One

Zoisa North-Bond, CEO, Octopus Energy, Generation & Octopus Energy for Business

- Audience poll: What is the biggest risk to climate inequity worldwide?
 - Unequal distribution of transition benefits: 35%
 - Availability of finance: 32%
 - Extreme weather: 30%
 - Stranded assets: 3%
- Finance is outflowing from emerging markets, which is worrisome from a climate perspective.
- It is important to diversify global supply chains and localize manufacturing. Decentralizing energy systems is necessary since every country and region has different characteristics.
- There will always be unintended consequences to climate action - for example, in South Africa, every individual coal miner could have ten dependents. This highlights the importance of demonstrating clear benefits to those whose jobs and livelihoods will be directly impacted by the energy transition.
- People who will live with a project should be the first to benefit from that project, whether in the form of better jobs, integral skills, or more affordable energy access.
- Technology used for solutions should benefit everyone, not just those who can afford it.
- Different states are starting their energy transitions at different points. These different starting points should not penalize investment - the concern surrounding starting points is a big risk to finance flowing to developing countries.

Panel 2: In Conversation with Andretti Autosport

Marissa Andretti, Vice President, Andretti Autosport; Managing Director, Andretti Technologies

Catie Munnings, Driver, Andretti United Extreme E

- There have been significant advancements in EV technology in racing - 10 years ago, a battery could not make it through a single race and would need to be replaced midway through.
- Extreme E racing brings electric vehicle racing to remote parts of the world, demonstrating the potential and ability of EVs.
- Progress in racing technology can trickle down to vehicles in the consumer market.
- In Extreme E, there are physical differences for the driver. For example, the sounds and feel of the engine are different.
- The competitive mindset in the sport extends to sustainability.

**Thank you,
The TCB Team**



THE CLIMATE BOARD

CORPORATE SUSTAINABILITY MADE REAL.

July 31st, 2023