



TCB Digest for Executives

October 31st, 2023

Welcome to the 11th edition of The Climate Board's Digest for Executives – a summary of key climate-related events, publications, and insights for cross-functional corporate leaders. A few key highlights:

The United Nations' COP28 is rapidly approaching and will take place from Nov. 30 to Dec. 12 in the United Arab Emirates. Some of the world's biggest multinationals are calling for a more concrete timeline on decarbonization to be unveiled at the conference. But there is potential for rancor at the summit: rich and poor nations are disagreeing on how to manage a "loss and damage" fund and whether the World Bank should be involved.

The International Energy Agency published its annual outlook. Notably, it's expecting a thirty-fold increase in electric vehicles in just seven years.

October has come to a close with no final rules on climate disclosures released by the SEC. As observers speculate the finalization may be delayed well into 2024, Congresswoman Maxine Waters took SEC Chair Gary Gensler to task.

Finally, the devastation of Acapulco is notable for how it surprised even the experts last week, posing a concern for hoteliers and real-estate firms exposed to the hurricane belt. Tropical Storm Otis suddenly became a deadly Category 5 hurricane, and as the Washington Post reports, this summer's record heat was likely a factor in the unexpected intensification. [Some of the resort's hotels may take more than a year to rebuild.](#)

Regulatory & Government Updates

- [U.S. Department of Agriculture Releases Assessment on Agriculture and Forestry in Carbon Markets](#) (USDA, October 23) - This [report to Congress](#) is the USDA's first deliverable as part of the Growing Climate Solutions Act signed last year. The report looks at current voluntary market activity and barriers to participation for farmers, tribal communities, forest landowners, and other groups with a goal of improving access to the carbon market for these communities.
- [Ranking Member Maxine Waters Urges SEC Chair Gensler to Move Quickly to Finalize Climate-Risk Disclosure Rule](#) (U.S. House Committee on Financial Services, October 30) - As the Securities and Exchange Commission [appears to further delay](#) the official release of climate disclosure rules, Congresswoman Waters wrote a letter pressing Chair Gary Gensler to finalize the regulator's proposals. These include requirements to disclose Scope 3 emissions. Waters highlighted the current inconsistency of disclosures and pointed out California's recent environmental regulation as a sign of momentum and desire for more standardization.

Corporate Updates

- [Nestle, Volvo Among 131 Companies Urging COP28 Agreement to Ditch Fossil Fuels](#) (Reuters, October 23) - The group of companies, including other multinationals like Heineken and IKEA, signed a letter urging political leaders to set a concrete timeline at COP28 to phase out fossil fuels. The letter calls on COP28 attendees to pledge to achieve 100% decarbonized power systems by 2035, and financially assist developing countries to phase out fossil fuels by 2040.
- [Bloomberg & Riskthinking.AI Launch Physical Risk Indicators to Reveal Exposure to Severe Climate Events](#) (Bloomberg, October 26) - These indicators will account for every single climate scenario endorsed by the Intergovernmental Panel on Climate Change (IPCC). Riskthinking.AI's algorithms will be applied to Bloomberg's physical assets data on almost 50,000 companies. This tool will allow users to evaluate exposure to extreme climate events and calculate investment risk.
- [Carbon Offset Market Faces Chaos as African Mega-Project Collapses](#) (Bloomberg, October 27) - Kariba, a massive forest protection program in Zimbabwe, is at high risk of total collapse as South Pole, the seller of most of the carbon credits from the project, ended its contract with the company that owns and develops the site, Carbon Green Investments. Business practices at Kariba have been under repeated scrutiny; most proceeds have not gone to the rural communities who fight deforestation. With its collapse, all corporate emissions backed by Kariba's credits will be disrupted, which could pose a serious threat to the entire carbon market.

Climate & Environmental Updates

- [How Hot Seas May Have Fueled Hurricane Otis's Sudden Intensification](#) (The Washington Post, October 26) - Hurricane Otis, which struck Mexico as a category 5 storm, intensified more quickly than any other tropical cyclone ever observed in eastern Pacific waters; wind speeds increased by 110mph over 24 hours. Although it will take time to study the linkage, scientists also think that the record global heat this summer may have contributed to the rapid intensification.
- [In Early 2029, Earth Will Likely Lock into Breaching Key Warming Threshold, Scientists Calculate](#) (Associated Press, October 30) - A new [study](#) found that we are unlikely to stay below the internationally agreed temperature limit (a 1.5 degrees Celsius rise from the 1800s) if we continue to burn fossil fuels at our current rate and moved the critical climate threshold date three years earlier to 2029. The authors of the study emphasized that this does not mean we have only 6 years to halt climate change altogether - but "we still need to fight for every tenth of a degree."

Publications

- [World Energy Outlook](#) (International Energy Agency, October 24) - The IEA's 350+ page report detailed how [the energy world is set to change significantly by 2030, based on today's policy settings alone](#). With current policies, the IEA projects that there will be 30 times as many electric vehicles on the road by 2030, and renewable energy will be responsible for 50% of the world's electricity, up from 30%. Nevertheless, stronger policies - and enforcement of these policies - are needed to avoid 1.5 degrees Celsius warming, the IEA says.
- [Tensions Soar Over New Fund for Climate "Loss and Damage" Ahead of COP28](#) (Reuters, October 23) - At COP27, after years of wealthy nations rejecting the idea of

paying compensation, the [Loss and Damages Fund](#) was established to address impacts caused by extreme weather and sea level rise in poorer nations. However, the committee working out its details has encountered clashes on whether the fund should be based at the World Bank, as developed nations would prefer. Developing countries argue that this will make it harder for them to access the funding.

- [Al Gore on Why the “Deck is Stacked Against” COP28](#) (Financial Times, October 25)
- Speaking at the Moral Money Summit Americas, former Vice President Al Gore emphasized the threat that fossil fuel industries’ ties with politicians pose in hindering progress on climate. Gore also criticized the fact that the President of COP28 (Sultan al-Jabar) is the chief executive of Abu Dhabi National Oil Company.

More Must-Reads

- The New Yorker, October 20 - [The Supreme Court Looks Set to Deliver Another Blow to the Environment](#)
- New York Times, October 23 - [Gavin Newsom Wants to Export California’s Climate Laws to the World](#)
- The Washington Post, October 24 - [Earth’s Climate Shatters Heat Records. These 5 Charts Show How.](#)
- New York Times, October 26 - [House Speaker Mike Johnson Champions Fossil Fuels and Dismisses Climate Concerns](#)
- Harvard Business Review, November-December 2023 Issue - [Middle Management is the Key to Sustainability](#)
- Robert Eccles for RealClearEnergy, October 24 - [U.S. Federal Debt and Carbon Emissions Create the Perfect Storm for a Carbon Tax](#)

**Thank you,
The TCB Team**



THE CLIMATE BOARD

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