



TCB Digest for Executives: SBTi's latest update on carbon credits; CSDDD is now law; hurricane season gathers pace

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Welcome to the 24th edition of our Digest for Executives – a summary of key climate-related events, publications, and insights for cross-functional corporate leaders.

The Science Based Targets initiative (SBTi) has been in the news again. The UN-backed organization, a de facto regulator that confers credibility on corporations' net zero plans, released two more publications. Media coverage [speculated](#) whether SBTi was signaling a [changed view on the efficacy of carbon credits](#), or [backtracking from previous communication](#).

TCB's view is that SBTi's latest update takes a much more critical view and cautionary approach to the use of carbon credits than an earlier announcement led many to believe. We have prepared a Q&A for our members, and invite you to read our analysis [here](#).

Separately, The Climate Board is currently researching a best-practice study on how sustainability leaders can effectively collaborate across departments to advance their goals. If you hold a sustainability role, or interact with the sustainability function within your organization, and you would like to contribute to the study, please sign up for a 30-minute research interview slot [here](#) – or email research@theclimateboard.com with your availability. As a thank you for participating, you will receive a copy of the report upon completion, which is normally reserved for TCB members.

Government & Regulatory Updates

- [Spain Greenlights Almost 300 Renewable Power Projects with \\$18-Billion Investment](#) (Reuters, July 29) - The Spanish government authorized the construction of about 300 renewable power plants (made up of mostly solar farms, as well as wind farms and one hydropower plant) to help reach the country's green energy targets. Spain aims to increase the percentage of renewably generated electricity from the current 50% to 81% of total energy by 2030.

Corporate & Disclosure Updates

- [FAQ on Corporate Sustainability Due Diligence Directive \(CSDDD\)](#) (EU Commission, July 25) - As of July 25, the [CSDDD is officially law](#), after being [approved in the EU](#)

[Parliament in April](#). EU member states have until July 2026 to cement the rule into national laws. The European Commission released a [sheet of frequently asked questions](#) to summarize these rules.

- [Summary of SBTi's Latest Updates on Scope 3](#) (The Climate Board, August 2) - On July 30, the Science Based Targets initiative released its much-anticipated update on considerations for a "more effective approach to Scope 3 emissions;" this was a key step as SBTi prepares to update its Corporate Net Zero Standard. SBTi published 1) a discussion paper on Scope 3 (supply chain) emissions target setting, and 2) an assessment of how effective carbon credits are for corporate climate targets. Of the five scenarios that SBTi outlines for the use of EACs to address value chain emissions, only one presents a significant departure from SBTi's current stance on carbon credits. However, even this scenario takes a conservative approach - limiting the use of carbon credits to those that can be traced to emission abatement within a company's value chain. SBTi's summary on the effectiveness of carbon credits was decidedly critical, though the organization's lack of strong conclusions and call for additional research leaves room for the organization to maneuver. TCB members can read the full report [here](#).

Climate & Energy Updates

- [Solar and Wind Overtake Fossil Fuels on the EU Power Grid](#) (Canary Media, August 2) - A [report](#) from Ember, a global energy think tank, demonstrated that wind and solar accounted for 30% of the EU's electricity generation in the first half of 2024, while fossil fuels accounted for 27%. The shift towards wind and solar was helped by permitting reforms that allow renewables to be put into use much faster. Almost 62 gigawatts of solar capacity and 16gw of wind capacity are set to be installed in the EU this year. The fossil fuel side was impacted by the Russian invasion of Ukraine, which disrupted the region's gas supply and sent energy prices soaring.
- [More Intense Atlantic Hurricanes Coming as Saharan Dust Eases](#) (Bloomberg, August 5) - Exceptionally high levels of dust from the Sahara Desert blanketed the Atlantic this summer, protecting the ocean from heating and providing dry air that can help subdue storms. Nevertheless, we are still seeing an early start to hurricane season as Hurricane Debby makes landfall. (The Atlantic basin usually doesn't produce its second storm with winds reaching Category 1 strength until the end of August.) The dissipation of the Saharan dust clears the way for more strong storms as we head into the peak of hurricane season.

More Must-Reads

- ESG News, July 31 - [81% of Sustainability Leaders Emphasize the Need to Reduce AI's Emissions Footprint: Salesforce Survey](#)

- The New York Times, August 2 - [Inside the Petrostate Hosting This Year's Global Climate Negotiations](#)
- Bloomberg, August 2 - [China to Start Setting Hard Targets for Cutting Emissions](#)
- National Oceanographic & Atmosphere Administration, August 5 - [Biden-Harris Administration, NOAA to Provide \\$600,000 for Citizen Science](#)

Upcoming Events

- [Prepping the Power Grid for the Future](#) - Barron's, September 16

**Thank you,
The TCB Team**