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Tattva.

New EU rules target

FASHION INDUSTRY'S WASTE PROBLEM

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Introduction

In this landmark 50th issue of Tattva, significant developments in climate action, sustainability, and corporate governance are highlighted. The Science Based Targets Initiative (SBTi) has announced new Expert Working Groups and a second public consultation for its Corporate Net-Zero Standard revision. This process, designed to ensure effective climate action, includes pilot testing and stakeholder engagement, focusing on emissions categorization, transparency, and the challenges of scope 3 emissions. Additionally, MSCI and Swiss Re Reinsurance Solutions have partnered to offer financial institutions tools to assess and manage physical climate risks. Combining AI-powered GeoSpatial Asset Intelligence with Swiss Re's CatNet tool, the collaboration provides detailed asset-level insights, helping financial firms evaluate and mitigate climate risks. In line with the growing need for expertise in climate finance, Columbia University has introduced a master's degree in climate finance to address the pressing climate crisis, aiming to cultivate professionals skilled in capital allocation for climate solutions.

Other notable developments include a provisional agreement by the European Parliament and Council to reduce waste in the textile and food sectors, including extended producer responsibility schemes for fashion brands and food waste reduction targets. HSBC has appointed Julian Wentzel as its new Chief Sustainability Officer to lead the bank's sustainability objectives and net-zero transition. Meanwhile, Apple shareholders voted against a proposal to end the company's DEI policies by highlighting the importance of compliance and diversity in response to shifting legal landscapes following the U.S. Supreme Court's ruling on affirmative action. Additionally, this Tattva issue provides coverage on new tools for financial institutions to comply with Europe's sustainable investment regulations, including Clarity AI's new solution to simplify monitoring across complex regulations. As climate and sustainability concerns continue to shape corporate and financial strategies, these updates reflect the ongoing push for more transparent, inclusive, and climate-conscious business practices.

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MARKET TRENDS

Trends driving positive environmental and social change

Businesses, financial institutions, and regulatory bodies have realized the significance of addressing ESG risks and capitalizing on the underlying opportunities to adopt sustainability. Catch the latest developments in industries from government mandates to revolutionary initiatives in this section.

Investors urge EU to uphold green finance rules

Global investors managing USD6.36tn worth assets under management (AUM) warn the European Union (EU) against weakening sustainability regulations, cautioning that major revisions could disrupt green investments. While Brussels aims to simplify reporting rules, investors stress that regulatory stability is crucial to accelerating Europe's clean energy transition and maintaining its edge in the global market.

- Source: Reuters

EU commits USD439mn to clean transport infrastructure

The EU is investing USD439mn in 39 projects to expand alternative fuel infrastructure. Investments include electric charging stations, hydrogen refueling sites, and port and airport electrification. The initiative aims to accelerate zero-emission transport, adding nearly 5,000 new charging points and supporting the transition to cleaner mobility across Europe.

- Source: ESG Today

SBTi invites feedback on corporate net-zero standard update

SCIENCE BASED TARGETS

Science Based Targets Initiative (SBTi) has announced new Expert Working Groups and a second public consultation to gather feedback on its Corporate Net-Zero Standard revision. The process includes pilot testing and broad stakeholder engagement to ensure the revised standard is effective, inclusive, and accelerates climate action. Key focus areas include emissions categorization, reporting transparency, and scope 3 challenges. The first consultation is expected to begin in March 2025.

- Source: Science Based Targets Initiative

Canada postpones climate disclosure requirements to 2028

The Office of the Superintendent of Financial Institutions (OSFI) has postponed mandatory scope 3 emissions reporting for banks and insurers to 2028, aligning with Canadian Sustainability Standards Board (CSSB) guidelines. Off-balance sheet asset disclosures are now set for 2029. While the delay provides transition relief, OSFI urges institutions to continue managing climate risks under Guideline B-15 expectations.

- Source: AUQUAN

EU scales back CSRD reporting for 80% of companies

The EU proposes easing sustainability reporting rules, removing 80% of companies from Corporate Sustainability Reporting Directive (CSRD) requirements. Key changes include reduced data points, voluntary SME reporting, and delayed compliance timelines. The reforms aim to cut administrative costs by USD6.7bn annually, while maintaining key environmental and corporate due diligence standards.

- Source: ESG Today

COLLABORATIONS

Companies joining forces to shape sustainable solutions

ESG issues continue to grow in relevance, be it employee health & safety or climate change. The impact is multifold in current times. Investor groups and corporates are increasingly collaborating to address such issues and drive sustainability. The following are the major coalitions in the ESG space.

MSCI and Swiss Re collaborate to enhance climate risk assessment for financial sector

MSCI and Swiss Re Reinsurance Solutions have partnered to help financial institutions assess and manage physical climate risks. The collaboration combines MSCI's artificial intelligence (AI)-powered GeoSpatial Asset Intelligence with Swiss Re's CatNet tool, which analyzes natural catastrophe and climate risks using maps and satellite imagery. This partnership will provide asset-level insights, enabling financial firms to evaluate and mitigate climate-related risks across portfolios, loan books, and individual assets.

- Source: ESG Today

Mizuho and GenZero partner to develop transition credits for accelerating clean energy shift

Mizuho Bank and GenZero have partnered to develop transition credits to fund the early retirement of coal-fired power plants. Transition credits quantify CO2 reductions from early coal plant closures, converting them into carbon credits for sale in carbon markets. This initiative aims to accelerate the shift to clean energy by helping operators cover transition costs. The partnership seeks to drive investments in transition credit projects and raise awareness of their role in decarbonization.

- Source: ESG Today

Ramboll and IBM collaborate to provide sustainability strategy and reporting solutions

Ramboll and IBM have announced a collaboration for sustainability strategy and reporting solutions. The partnership combines Ramboll's sustainability consulting expertise with IBM's ESG data platform, Envizi, to help organizations manage emissions data and meet sustainability targets. IBM acquired Envizi in 2022 to enhance its AI-powered ESG solutions, adding features for supply chain emissions tracking and CSRD reporting to support corporate decarbonization efforts.

- Source: ESG Today

EY and Microsoft partner to launch AI skills training program for social impact

EY and Microsoft have launched AI Skills Passport (AISP), a free program to address the AI skills gap by providing employable AI experience to young people above 16. Part of their 2022 social impact collaboration, the 10-hour online course covers AI fundamentals, ethics, and applications. Available in multiple countries, it offers a completion certificate and career resources, with plans for further expansion and translations by 2025.

- Source: ESG news

Sasol and partners sign joint development agreement to pilot renewable diesel feedstock

Sasol and its partners have signed a joint development agreement at the Investing in African Mining Indaba event to explore the viability of crops such as Solaris and Moringa for renewable diesel production. Sasol's existing infrastructure enables a cost-effective transition to renewable diesel without new facilities. De Beers will provide land for test crops. This pilot could drive South Africa's renewable fuel market and help industries reduce carbon emissions sustainably.

- Source: Know ESG

SIDBI and AFD sign USD100mn credit agreement to enhance green financing for MSMEs

Small Industries Development Bank of India (SIDBI) and the French Development Agency (AFD) have signed a USD100mn credit agreement to enhance green finance for India's Micro, Small, and Medium Enterprises (MSMEs). The funding aims to support energy-efficient technologies, renewable energy, and climate-friendly practices, accelerating India's transition to a low-carbon economy. SIDBI will deploy the funds to help MSMEs reduce their carbon footprint, aligning with India's goal of cutting emissions intensity by 45% by 2030 and achieving net-zero emissions by 2070.

- Source: ESG Times

PEOPLE MOVEMENTS

Thought leadership through key hires

Companies across the globe are demanding analysts, strategists, and knowledgeable professionals to understand and drive their ESG data, strategies, and solutions for a range of stakeholders. This section brings you the latest movements of such highly skilled professionals in the ESG sector.

Georgina Campbell Flatter joins Greentown Labs as new CEO

Greentown Labs, a climate-tech incubator, welcomed Georgina Campbell as the new Chief Executive Officer. She has extensive expertise in climate philanthropy, social impact, and entrepreneurship. She has taken initiatives for several global scale programs. She is expected to play a crucial role in enhancing the company's mission of supporting startups in developing climate-centric solutions.

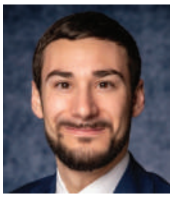
- Source: ESG Today

Julian Wentzel appoints Chief Sustainability Officer at HSBC

With the increasing focus on net-zero goals, HSBC welcomed Julian Wentzel as its new Chief Sustainability Officer. In his new role, Wentzel will lead HSBC's sustainability objectives and net-zero transition agenda. He has profound experience in global banking and client relations.

- Source: ESG Today

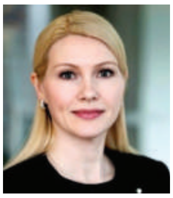
Climate First Bank welcomes Christ Castro as Chief Sustainability Officer



Christ Castro joined Climate First Bank as the new Chief Sustainability Officer. Castro holds a strong record of sustainability and clean energy. In his new role, he will be leading the bank's sustainability initiatives. He will provide sustainability-centric finance solutions, which will help the bank in driving positive environmental impact. The other key areas where he will play a significant role are improving operations efficiency, sustainability consulting, market expansion, and business development.

- Source: ESG Today

BlackRock recruits Louise Kooy-Henckel as EMEA Head of Sustainable and Transition Solutions



Louise Kooy-Henckel joined BlackRock as EMEA Head of Sustainable and Transition Solutions. Louise holds expertise in asset management and sustainable financing. At BlackRock, she will strengthen the company's focus on sustainable investment solutions in the EMEA region. She will oversee the mapping of investment strategies in key areas such as energy transition and physical climate risks and resilience.

- Source: ESG today

Mika Kania joins Cushman & Wakefield as Head of Sustainability Advisory

Cushman & Wakefield welcomed Mika Kania as Head of Sustainability Advisory for the Asia Pacific region. The appointment signifies the company's commitment to providing sustainability advisory and consultancy services in the Asia Pacific region. In her new role, she will aid the clients in navigating materiality assessments, climate-related risks and challenges, sustainability strategy development, and more.

- Source: ESG News

BDO welcomes Hannah Routh as Head of Sustainability and ESG

Hannah Routh joined BDO as Head of Sustainability and ESG. She will add value to the company by expanding their ESG services. Routh will oversee client advisory functions, and her responsibilities will cover broad areas such as sustainable financing, supply chain due diligence, ESG reporting and assurance, and climate advisory.

- Source: Consultancy.uk

FINTECH

Innovation in sustainable investing

The fintech section captures various innovations in the data analytics, software solutioning, and technology space that benefit both investors and data providers. Learn about the most groundbreaking technologies leading their way to ESG.

Clarity AI launches tool for sustainable fund compliance

Clarity AI launched a tool to help fund managers comply with Europe's new sustainable investment naming rules. The solution simplifies monitoring across complex regulations, supporting labels such as UK Sustainability Disclosure Requirements (SDR), German Forum für Nachhaltige Geldanlagen (FNG), and screening for Paris-Aligned Benchmark exclusions, with plans for more labels to be added.

- Source: ESG Today

Achilles launches analytics tool for real-time supply chain sustainability

Achilles launched Achilles Analytics, an easy-to-use tool for tracking supply chain performance on carbon, ESG, and other metrics. It helps businesses meet regulatory requirements, report to stakeholders, and manage risks such as political instability and climate disasters. The tool provides detailed ESG insights, enabling effective supply chain risk management and progress tracking.

- Source: Achilles

Greenly launches CBAM solution to reduce supply chain emissions

Greenly introduced a Carbon Border Adjustment Mechanism (CBAM) solution to help companies comply with the EU's carbon tax on imported goods. The platform identifies suppliers at risk for CBAM tariffs, integrates with purchasing software, and enables cost anticipation. It also suggests alternative suppliers to minimize emissions and CBAM costs, supporting more sustainable supply chains.

- Source: ESG Today

TNFD introduces capacity-building platform for nature-related issues

The Taskforce on Nature-related Financial Disclosures (TNFD) launched two new capacity-building tools – a Learning Lab for individuals and a Trainer Portal for third-party providers. These platforms offer self-paced learning and educational materials to help businesses and financial professionals understand, assess, and report on nature-related issues, addressing growing market demand for nature-related skills.

- Source: tnfd.global

Bloomberg launches MARS Climate for portfolio climate risk assessment

Bloomberg launched the Multi-Asset Risk Management (MARS) Climate solution to help financial firms assess and manage climate risks and opportunities in their portfolios. Integrated with BloombergNEF's Transition Risk Assessment Company Tool (TRACT), which allows users to analyze climate scenarios based on Network for Greening the Financial System (NGFS) frameworks. It provides reports on the financial impact of climate risks, including physical and transition risks, at the security level.

- Source: ESG today

PRODUCTS AND SERVICES

Industry demands met with sustainable investment products and ESG data & services

As businesses work toward getting ESG-compliant and investors channel their funds into ESG products, the market is gearing up to facilitate all forms of products and services. In this section, you will find news on key products and services including the launch of climate change-targeted funds as well as ESG data and services.

CFM raises EUR150mn for green hydrogen in emerging markets

Climate Fund Managers (CFM) has secured EUR150mn (USD162mn) in initial capital commitments for the Climate Investor Three (CI3) fund, aiming to accelerate green hydrogen and energy transition projects in emerging markets. The fund is used as a risk-balancing finance model to attract both public and private investments, focusing on Namibia and South Africa.

- Source: ESG News

Microsoft secures renewable energy from new solar projects in US

Microsoft has secured 389MW of renewable energy from three new solar projects in Texas and Illinois, developed by EDP Renewables North America. The projects will support local economies through job creation, tax revenue, and environmental justice initiatives. This move aligns with Microsoft's goal of achieving 100% clean energy by 2030.

- Source: ESG Today

Sylvera's new ratings system unearths true value in biochar carbon removal

A new ratings system launched by Sylvera – carbon dioxide removal (CDR) ratings – will bring transparency to the carbon credit market, which will help build trust among carbon removal project investors. The new rating framework will cover key aspects including carbon removal effectiveness, permanence of carbon storage, and economic feasibility. This system is anticipated to be crucial for the growing sector of the carbon removal market.

- Source: ESG Today

IKEA strengthens supplier program for 100% renewable energy transition

IKEA is expanding its renewable electricity program to 14 new countries, including the US, in a bid to cut supply chain emissions. The initiative supports IKEA's goal of 100% renewable energy by 2030. Since its launch, the program has significantly increased renewable electricity use among suppliers, driving progress toward IKEA's climate-positive commitment.

- Source: ESG Today

Columbia introduces master's degree in climate finances

Columbia University has launched a master's degree in climate finances, which reflects the growing need for financial expertise to address climate challenges. This step will help in building a space where financial expertise will grow and help in navigating the solutions for climate crisis. The curriculum will cover a wide range of climate-related concepts, which will enable professionals with key skills to deal with capital allocation toward climate solutions.

- Source: ESG Today

LAWS, POLICIES, AND REGULATIONS

Major policies that pave the way to disclosure in the industry

Policy reformation and amendments in the ESG reporting space are at an all-time high. What started as a voluntary disclosure is now making its way to becoming mandates. Be it sustainable investments standards or climate change reporting mandates and transparency in governance practices, we bring you the latest regulatory updates in this section.

New EU rules target fashion industry's waste problem

The European Parliament and Council reached a provisional agreement to reduce waste in the textile and food sectors. Fashion brands must fund product collection and recycling based on sustainability. The EU will implement extended producer responsibility schemes and set food waste reduction targets. Member states have 20 months to update their laws.

- Source: ESG Today

EU launches 'clean industrial deal' for decarbonization

The EU introduced the Clean Industrial Deal, a strategy to accelerate decarbonization and support manufacturing in Europe. The deal focuses on energy-intensive industries, the clean tech sector, and circularity. Key elements include lowering energy costs, introducing sustainability criteria, and launching voluntary carbon intensity labels. The deal also includes financing for renewable energy and clean tech manufacturing.

- Source: ESG Today

California climate law challenge continues despite court setback

The Chamber of Commerce's lawsuit challenging California's climate disclosure laws has been narrowed by Judge Wright. The court rejected the Chamber's arguments that the laws violated the supremacy clause and improperly applied extraterritoriality. The decision may encourage other states to implement mandatory climate disclosure regimes like California's. However, the Chamber's challenge remains unresolved.

- Source: JD Supra

Legal challenge filed against SEC's climate disclosure mandate

The U.S. Securities and Exchange Commission (SEC)'s Enhancement and Standardization of Climate-related Disclosures for Investors rule, adopted in 2024, is being challenged in the Eighth Circuit. Critics argue it lacks statutory authority, imposes unnecessary costs, and oversteps regulatory boundaries. The SEC previously maintained its effectiveness, but recent leadership changes and a regulatory freeze impacted the litigation. The Commission will notify the court of these developments and delay arguments while reassessing its position.

- Source: US Securities Exchange and Commission

UK submits climate plan, targets 81% emissions cut by 2035

Britain has submitted its climate action plan to the United Nations Framework Convention on Climate Change (UNFCCC), aiming to cut greenhouse gas (GHG) emissions by 81% by 2035. The submission promises a comprehensive cross-economy plan in the future, integrating sustainability into key industries. The UK's plan is seen as a strong example for G20 nations.

- Source: Seneca

CONTROVERSIES

Global sustainability watchdogs chasing wrongdoers

Do companies follow their ESG commitments? Tracking corporate controversies helps in investment decisions and enables stakeholders to determine whether the companies are being fair to their commitments or merely greenwashing. We bring you the top controversies in this section.

UK's People's Pension moves USD34.16bn away from State Street over ESG concerns

The People's Pension, one of the UK's largest pension funds, has moved USD34.16bn away from State Street in response to its retreat from ESG principles. The fund transferred USD24.4bn to Amundi for developed market equities and USD9.76bn to Invesco for fixed-income assets, prioritizing sustainability and long-term value creation. The shift follows growing tensions over ESG investment approaches between the US and European asset managers. The People's Pension aims to keep global warming below 1.5°C.

- Source: fintech magazine

BlackRock resumes meetings with portfolio companies following SEC ESG guidance

BlackRock resumed meetings with portfolio company leaders after reviewing new SEC guidance. The firm had temporarily paused engagements while assessing the rules, which require more disclosures when fund firms push for ESG changes. The SEC's move aims to give corporate leaders more power on issues such as climate and governance. BlackRock, managing USD11.6tn, emphasized its role as a 'passive' investor and compliance with new requirements.

- Source: Reuters

Republican treasurers threaten to block Vanguard board nominees over ESG concerns

A group of Republican US state treasurers plan to withhold votes for Vanguard fund board nominees, criticizing the slate as 'tone-deaf' on sustainability issues. Despite overseeing a small portion of Vanguard's USD10.1tn assets, their objections highlight the political challenges asset managers face as they adapt to shifting priorities. Vanguard has recently scaled back its ESG initiatives, including boardroom diversity and net-zero goals. The treasurers, including Missouri's Vivek Malek, argue that the board lacks ideological balance. Vanguard is seeking increased participation in its trustee election to avoid extra proxy solicitation efforts.

- Source: Reuters

Apple shareholders reject proposal to end DEI policies

Apple shareholders voted against a proposal to end the company's DEI policies. While CEO Tim Cook emphasized support for these efforts, he acknowledged the need to adapt to the changing US legal landscape, particularly after the Supreme Court's ruling on affirmative action. The resolution, filed by a conservative think tank, raised concerns about potential legal risks. Apple's board opposed the proposal, highlighting its commitment to compliance and diversity in its workforce and business strategies.

- Source: ESG Today

U.S. Commerce Department to impose fines for illegal technology shipments to China

The U.S. Commerce Department is expected to impose significant fines on companies for illegally shipping technology to countries like China, according to Matthew Axelrod, former Commerce official. Axelrod, who advocated for tougher penalties on violations related to China, Russia, and Iran, highlighted ongoing investigations, including probes into Cadence Design Systems and Applied Materials over shipments to Chinese companies. He anticipates these investigations will likely resolve by 2025, as enforcement of export controls continues under the Biden and Trump administrations.

▶ Source: Reuters

22 U.S. State Attorneys General sue over New York's climate change superfund act

A coalition of 22 U.S. State Attorneys General, led by West Virginia AG JB McCuskey, has filed a lawsuit in federal court challenging New York's Climate Change Superfund Act. The law, introduced by Governor Kathy Hochul, would require fossil fuel companies to pay about USD75bn by 2050 for infrastructure to address climate change. The lawsuit argues the law is unconstitutional, violating federal law, the U.S. Constitution, and the New York Constitution, while also potentially harming energy producers and increasing costs. The coalition warns it could set a dangerous precedent for other states.

▶ Source: ESG Today

SGA BLOGS

“Decarbonizing Industries: Breakthrough Technologies for Net-Zero” Read More...

“Top 10 Most Sustainable Companies for 2025” Read More...

“The Power of Data Analytics in Sustainability Initiatives” Read More...

SGA ESG DATA INSIGHTS REPORT

How are top financial institutions leveraging ESG data to make smarter investments and stay ahead of evolving regulations? In this special **50th edition of Tattva**, we're excited to unveil our latest report, **"Bridging ESG and Finance | ESG Data Insights Report."** It explores cutting-edge trends in AI-driven ESG analytics, risk assessment strategies, and regulatory shifts shaping the future of sustainable finance.

Unlock exclusive insights—read the full report now! Read More...

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