

For What It's Earth

Global ESG Headlines from Step toe

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Litigation

Greenpeace Canada has filed a complaint against Suncor Energy, Canada's second-largest oil producer, with the Alberta Securities Commission, alleging Suncor is not adequately disclosing climate-related risks to its shareholders. The complaint focuses on Suncor's removal of warnings about the potential for its oil sands projects to become stranded assets in a low-carbon emissions scenario. The matter demonstrates the increased legal and shareholder scrutiny that major corporates are facing with regard to their climate-risk disclosures.



Legislation

This month, the European Council adopted two pieces of legislation: one to nearly double renewable energy consumption in the EU by 2030 and another to promote sustainable aviation fuel (SAF). In a related development, DHL, Neste, and sustainability-focused supply chain certification provider ISCC are collaborating to pioneer and test a new system, the ISCC Credit Transfer system, to track and transfer SAF usage and associated emission reductions, which could enhance transparency and credibility for SAF adoption.



Policy

The US Supreme Court rejected a challenge to the estimated "Social Cost of Carbon," a key metric in US climate policy that quantifies the value of changes in GHG emissions that result from regulations and other policy decisions. This decision paves the way for the Biden administration to expand the metric's use in climate-related regulations to help assess the benefits and costs of alternative approaches. It is understood that use of the metric will help justify more expansive (and expensive) regulations to reduce emissions. Likely industries to be impacted include agriculture, power generation, and fossil fuels.



Standards

The CFA Institute, a global financial sector qualifications body, has introduced its first diversity, equity and inclusion code in the UK. This move aligns with increasing regulatory pressure for the finance industry to hire more women and ethnic minority staff. The code focuses on principles such as expanding a diverse talent pool, promoting diversity in hiring, ensuring progression of diverse staff, and monitoring progress. Code signatories will provide annual progress reports.



Statement

This month, DNV, an independent assurance and risk management provider, launched their report 'The Energy Transition Outlook' forecasting the energy transition globally.

"Globally, the energy transition has not started, if, by transition, we mean that clean energy replaces fossil energy in absolute terms. Clearly, the energy transition has begun at a sector, national, and community level, but globally, record emissions from fossil energy are on course to move even higher next year."