



GLOBAL UPDATES ON ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

AUSTRALIA COURT FINDS VANGUARD GUILTY IN GREENWASHING SUIT

- Vanguard Investments Australia has been found guilty of providing misleading claims about its Ethically Conscious Global Aggregate Bond Index Fund. Despite claims in communication materials and disclosures, the fund failed to exclude investments in fossil fuel-related companies.
- Launched in 2018, the fund aimed to offer investors international fixed income investments, screened to exclude companies involved in industries like fossil fuels, alcohol, and tobacco, among others. The fund's assets under management exceeded A\$1 billion.
- The matter has been listed for further hearing on 1 August 2024, at which the Court will consider the appropriate penalty to impose for the conduct.

EU COUNCIL FAILS TO APPROVE LANDMARK NATURE RESTORATION LAW

- A key piece of legislation in the EU aimed at protecting and restoring natural ecosystems, the Nature Restoration Law, suffered a major blow as it was taken off the European Council's voting agenda due to lack of sufficient support from member states.
- The legislation included a mandated target for EU countries implement measures to restore at least 20% of the EU's land and sea areas by 2030, and for all ecosystems in need of restoration by 2050.
- The failure of the Nature Restoration Law at the Council puts the future of the legislation at risk, with limited scope for renegotiation due to the given the upcoming EU elections in June.

CANADA RELEASES PROPOSED IFRS-BASED SUSTAINABILITY REPORTING STANDARDS

- The Canadian Sustainability Standards Board (CSSB) announced the new proposed standards for companies to report sustainability and climate-related information, which are based on the recently released sustainability disclosure standards by the IFRS Foundation's International Sustainability Standards Board (ISSB).
- The introduction of these new standards could be a significant move towards mandatory climate-related reporting for Canadian companies.
- The Canadian Securities Administrators (CSA), a Canadian securities regulatory body, stated that it would consider implementing these final CSSB standards, potentially with modifications focused on capital markets, into a CSA rule, thereby making them mandatory under Canadian securities law.

CANADA ISSUES \$4 BILLION GREEN BOND

- The Canadian Government has completed a C\$4 billion green bond issuance, marking the country's second such issuance and the first by a sovereign issuer to include nuclear energy expenses as an eligible use for proceeds.
- This follows the government's updated Green Bond Framework last year, which added certain nuclear energy expenditures to the list of eligible investment areas.
- The bond received robust demand from environmentally and socially responsible investors making up 66% of buyers, and international investors who accounted for over 33% of the investor base, resulting in a final order book of over \$7.4 billion.

WALMART INVESTS IN NEARLY 1 GW OF NEW CLEAN ENERGY PROJECTS ACROSS THE U.S.

- Retail giant Walmart announced a series of new clean energy investments and purchase agreements, aimed at adding nearly 1 gigawatt (GW) of renewable energy capacity across the U.S.
- These commitments include long-term renewable energy purchase deals with providers such as NextEra Energy Resources, EDP Renewable North America and Invenergy, expected to add 842 MW of capacity to the grid in Arkansas, Louisiana, and Mississippi.
- Additionally, Walmart has invested in 26 community solar and distributed generation portfolios, which will produce 70 MW of clean energy in six states.
- These commitments come post Walmart's January announcement of plans to accelerate its energy transformation strategy, aiming to facilitate 10 GW of clean energy projects by 2030. The company currently derives nearly half of its energy from renewable sources and aims to achieve 100% renewable energy by 2035.