



uniquus **ESG Corner**

Our Monthly Newsletter

August 2024

Foreword

Greetings, and welcome to the latest edition of Uniquus' ESG Corner! This month, we explore the significant role of data and analytics in driving ESG excellence. Our analysis will examine how robust data systems and advanced analytics support compliance and empower organizations to make a measurable impact across environmental, social, and governance dimensions.

We are excited to announce our first interview series featuring industry experts. In this issue, we share insights from our conversation with Mr. Jiji Thomas, the Head of ESG and Sustainability at Nucleus Office Parks. His perspectives on the changing ESG landscape offer valuable guidance for organizations in the rapidly evolving field of sustainability in real estate.

As always, we aim to keep you informed about regulatory shifts, best practices, and emerging trends to help you stay ahead in the ever-changing world of ESG. We hope you find this edition both insightful and actionable.

Enjoy the read!



Anu Chaudhary
Partner, Global Head of
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In the News

This section focuses on key developments globally, in the US, India, and the Middle East, dissecting the most recent news and analyzing its potential to influence regional landscapes, businesses, and consumers. Uniquus provides our insights into how these developments may shape current market dynamics and set the stage for future opportunities and challenges.

Global

IASB Guidance to Facilitate Climate Risk Reporting

The accounting standards-setting body of the IFRS Foundation, The International Accounting Standards Board (IASB), recently released a consultation document to assist companies in providing investors with information on climate-related risks. The IASB has proposed eight illustrative examples to be used as guidance, focusing on materiality judgments and assumptions to help strengthen the connections between the information an entity provides in its financial statements and the information it provides in other parts of its general-purpose financial reports. The IASB's initiative underscores the increasing importance of climate risk reporting in the corporate landscape. It highlights organizations' need to integrate climate-related considerations into their strategic decision-making processes.

The SBTi's Focus on Scope 3 Emissions

The Science-Based Targets Initiative (SBTi) plays an active role in advancing Corporate Net-Zero standards. SBTi urges companies to set science-based targets that align with limiting global warming to 1.5 degrees Celsius above pre-industrial temperatures. The SBTi has recently released four technical documents aimed at reviewing the Corporate Net-Zero Standard, focusing on enhancing Scope 3 emissions. This emphasis on Scope 3 emissions is essential as these emissions often make up the majority of a company's carbon footprint, coming from sources not directly owned or controlled by the company, making these relatively more challenging to calculate and disclose. By addressing Scope 3 emissions, companies can comprehensively reduce their overall environmental impact.

While many companies invest in carbon credits to offset their emissions, a new report from the SBTi reveals that these credits often do not lead to real emissions reductions and are ineffective in addressing Scope 3 emissions. SBTi aims to enhance the current practices regarding reporting of Scope 3 emissions, and hopes to further align with best practices and address any current challenges. SBTi has released a draft of the Corporate Net-Zero standard aimed at receiving public consultation and feedback by Q4 2024. While guidance around the Corporate Net-Zero standard has not yet changed, this is one of the first steps SBTi is taking to revise and update the standard welcoming feedback from government, business, and stakeholders.

Uniquus' POV

As global ESG reporting and regulations continue to evolve, there is a need for increased focus on data transparency and reliability. To help companies report climate risks, the IASB has released a proposed guide for reporting, emphasizing the importance of openness of climate-related financial information. The SBTi's recent activities to review the Corporate Net-Zero standard focusing on Scope 3 emissions reflect a growing emphasis on addressing indirect emissions throughout the value chain. While reporting on Scope 3 emissions has been more difficult for companies, the SBTi has reviewed current guidance to better align with the best practice.

03 UNDP Collaborations with GRI, GSG Impact, IFRS Foundation, and ISO

The United Nations Development Programme (UNDP) has joined forces and collaborated with various organizations to establish Sustainability Disclosure and Management Hubs. These hubs aim to enhance sustainability reporting practices, aligning with national development priorities, providing stock exchange guidance, and assisting companies in integrating sustainability into their strategies. The UNDP has partnered with the Global Reporting Initiative (GRI), the Global Steering Group for Impact Investment (GSG), the International Financial Reporting Standards (IFRS) Foundation, and the International Organization for Standardization (ISO) across fourteen developing and emerging economies. In collaboration with the UNDP Financial Centres for Sustainability (FC4S), these hubs will be distributed across Latin America, the Caribbean, Africa, and Asia from 2024 through 2025. This initiative reflects a broader global trend towards greater accountability and transparency in ESG practices. As companies increasingly recognize the value of sustainable business operations, initiatives like the Sustainability Disclosure and Management Hubs are crucial in guiding organizations toward more responsible and impactful practices.

04 GRI emphasizes that its existing reports are well aligned with the new EU CSRD rules, offering resources and a new linkage service to ensure smooth compliance.

The European Sustainability Reporting Standards (ESRS), introduced under the EU Corporate Sustainability Reporting Directive (CSRD), now require comprehensive disclosures from thousands of companies. A new publication by GRI highlights the high degree of interoperability between the ESRS and the GRI Standards, ensuring that companies already using GRI for impact reporting can seamlessly meet ESRS requirements. The ongoing collaboration between GRI and EFRAG, solidified by a renewed MoU, supports this alignment, offering resources like an interoperability index, training courses, and the new GRI-ESRS Linkage Service to assist companies in their reporting efforts. This collaboration underscores GRI's relevance in the evolving sustainability reporting landscape, both within the EU and globally.

Uniquus' POV

The alignment between the European Sustainability Reporting Standards (ESRS) and the GRI Standards represents a significant milestone in global sustainability reporting. For companies already reporting with GRI, the interoperability ensures a smooth transition to meeting the new EU disclosure requirements under the CSRD. As we had covered in our previous edition of this newsletter, interoperability is an important aspect in ensuring that corporates adopt sustainability reporting without undue effort and cost. This development reflects the growing importance of standardized, comprehensive impact reporting and reinforces the role of GRI as a cornerstone in global sustainability practices. The ongoing cooperation between GRI and EFRAG, alongside new support tools and training, positions companies to stay ahead in a rapidly evolving regulatory environment, ensuring full compliance and enhanced transparency in their sustainability efforts.



01 The U.S. Projects Dedicated to Reducing Greenhouse Gas Emissions

The U.S. Environmental Protection Agency (EPA) has recently announced funding of over USD 4 billion in grants for projects to reduce greenhouse gas emissions across key sectors amongst thirty states by 2030 and beyond. This funding is significant in advancing sustainability initiatives and combating climate change by investing in technologies and practices that decrease carbon footprints. The projects supported by this funding focus on fostering innovation and driving the transition towards a more sustainable future. Some projects include improving and expanding urban and community forests, adopting climate-smart and precision agriculture, and leveraging carbon sequestration outlets. This financial commitment underscores a growing recognition of the importance of addressing environmental challenges on a systemic level and underscores efforts to shape a greener economy.

02 Better Managed Companies Have More Climate Jobs

As sustainability reporting and regulations evolve and advance, companies are beginning to educate employees on sustainable practices. Companies prioritizing strong management practices and operational efficiencies are more likely to have more climate-related positions. This correlation is seen as a positive sign of these companies' role in addressing environmental concerns and sustainability. By actively hiring individuals for roles focused on climate-related issues, these companies are demonstrating a commitment to environmental stewardship and potentially gaining a competitive advantage in anticipating and adapting to changing climate dynamics. Such roles indicate a strategic alignment with sustainable business practices and a proactive approach towards managing climate risks and opportunities.

Uniquus' POV

Many well-managed companies are increasingly incorporating climate-related roles within their organizational structure to address the growing concerns related to climate change. These roles include positions focused on sustainability, emissions reduction, and environmental impact assessment. By incorporating these jobs, companies are not only demonstrating their commitment to combating climate change but also preparing themselves to comply with future regulations and consumer demands. In another effort to reduce greenhouse gas emissions, the U.S. government recently announced funding for various projects across key sectors. This substantial investment aims to support initiatives focused on reducing carbon emissions and transitioning towards a more sustainable future. Overall, these developments highlight the increasing importance being placed on environmental considerations and sustainability efforts in various aspects.



India

01 Indian Budget 2024 Unveils Plans for Climate Finance Taxonomy

The Union Budget highlights India's commitment to fighting climate change by removing customs duties on essential minerals needed for renewable energy and boosting support for solar panel production. By creating a clear set of rules for climate finance, India hopes to attract more investment, make financial processes more transparent, and ensure that money flows towards green initiatives. Along with a small increase in environmental ministry funding, these efforts show India's thoughtful approach to tackling climate issues and its dedication to leading the way in global climate action.

Uniquus' POV

The Union Budget's emphasis on developing a climate finance taxonomy is pivotal in driving climate-focused investments in India. This initiative will help channel funds into genuinely sustainable projects by providing clarity and consistency. The decision to exempt customs duties on critical minerals demonstrates the government's commitment to building a green economy and advancing India's transition to a low-carbon future. We expect these measures to accelerate sustainable development and to create new business opportunities aligned with ESG principles.

02 Indian Budget 2024 Mandates Emission Targets for Polluting Industries and Paves the Way for Carbon Market Transition

Finance Minister Nirmala Sitharaman's Budget speech marks a significant shift in India's approach to regulating emissions in polluting industries like iron, steel, and aluminum. For the first time, these sectors must meet specific emission targets, transitioning from energy efficiency goals to stricter emission norms under the upcoming Indian Carbon Market. This includes tightening regulations for small and micro-scale industries, with government support for energy audits and cleaner energy transitions. These measures align with global standards, such as the EU's Carbon Border Adjustment Mechanism, and signal India's commitment to reducing industrial emissions.

Uniquus' POV

The move towards emission targets for traditionally high-polluting industries is a crucial development in India's environmental policy. Transitioning these sectors from energy efficiency to emission targets will drive meaningful reductions in industrial emissions and enhance global competitiveness. The focus on supporting small and micro industries at scale with energy audits and cleaner energy solutions is a positive step towards inclusive sustainability. This approach aligns with global standards and positions Indian industries to meet emerging international regulations, such as the EU's Carbon Border Adjustment Mechanism, ensuring they remain competitive in global markets.



03 India to lose 0.05 pc of GDP due to CBAM, should impose 'historical polluter tax' on EU

The European Union's Carbon Border Adjustment Mechanism (CBAM) will impose a 25% tax on carbon-intensive goods exported from India to the EU, affecting industries such as iron, steel, cement, fertilizers, and aluminum. According to a report by the Centre for Science and Environment (CSE), this tax could represent 0.05% of India's GDP. The report also suggests that India should consider imposing a counter-tax on wealthy nations historically contributing to climate change, highlighting the need for a fair and equitable global approach to addressing climate-related trade regulations.

Uniquus' POV

The introduction of the EU's CBAM highlights the growing importance of integrating climate considerations into international trade. While this tax presents challenges for India's carbon-intensive industries, it also underscores the need for India to strengthen its emissions standards and align with global climate expectations. The idea of a counter-tax on historically high-emission countries brings to light the critical issue of climate justice, emphasizing the need for a fair global response that holds all nations accountable while supporting sustainable economic development.

04 The Securities and Exchange Board of India (SEBI) proposes expanding sustainable finance framework

SEBI is proposing to expand India's sustainable finance framework by introducing ESG Debt Securities, including social, sustainable, and sustainability-linked bonds. These bonds will fund projects with social and environmental benefits, aligning with global sustainability standards adapted for India. SEBI also plans to introduce sustainable securitized debt instruments (SDIs), which would package sustainable finance credit facilities into tradable securities, offering investors direct exposure to ESG-driven projects. To ensure transparency, issuers will need to appoint independent external reviewers to verify compliance. This initiative underscores SEBI's commitment to integrating ESG principles into India's financial markets, providing investors with more opportunities to support sustainable development.

Uniquus' POV

SEBI's proposal to expand the sustainable finance framework marks a critical advancement for facilitating India's commitment to net-zero. The introduction of ESG Debt Securities, including social, sustainable, and sustainability-linked bonds, along with sustainable securitised debt instruments (SDIs), broadens the financing options for projects that deliver both environmental and social benefits. This move is aligned with global sustainability trends and demonstrates India's growing commitment to ESG principles. This development, coupled with the RBI defining climate taxonomies, will provide an enabling framework and impetus for companies to make targeted borrowings in the critical area of ESG. The requirement for independent external reviewers will enhance transparency and accountability, ensuring that these instruments effectively contribute to sustainable development. This regulatory shift is expected to accelerate ESG adoption across sectors, encouraging businesses to align more closely with sustainability goals and offering investors new avenues for impact-driven investment.

Middle East

01 UAE Leads the Charge in Environmental Sustainability Across the MEA Region

A new report from Agility Global highlights the United Arab Emirates (UAE) as the regional leader in environmental sustainability and climate action across the Gulf and Africa. The UAE excels in green investment, infrastructure, climate financing, and renewable energy, outperforming other GCC countries. Key initiatives include investment in mass transit, electric vehicle infrastructure, nuclear and solar energy, and a strong focus on air quality, waste management, and circularity. The report also underscores the UAE's commitment to sustainability through significant investments in renewables and clean energy, positioning it as a global leader in the green economy.

Uniquus' POV

The UAE's leadership in environmental sustainability demonstrates a comprehensive and forward-thinking approach, balancing government initiatives with private sector participation. The country's focus on green investment, infrastructure, and regulatory enhancements sets a strong example for the region. However, there is room for growth in areas like green finance and lowering energy market entry barriers. The UAE's ambitious goals, including significant investments in renewables and commitments to net-zero targets, will likely attract global investors and create substantial business opportunities aligned with sustainable development. This holistic approach positions the UAE as a pivotal player in the global sustainability landscape.

02 Ministry of Energy and Infrastructure launches 'National Green Certificates Programme'

The UAE's Ministry of Energy and Infrastructure (MoEI) has launched the National Green Certificates Programme to promote sustainable building practices aligned with national environmental goals. The Programme establishes standards for energy efficiency, water management, indoor air quality, and using sustainable building materials. It supports the UAE's commitment to reducing the carbon footprint of commercial buildings and achieving net-zero emissions by 2050. The MoEI signed Memorandums of Understanding (MoUs) with First Abu Dhabi Bank, Aldar Properties, Pact Carbon, and Meagle Energy to enhance the initiative, focusing on green finance, carbon credit trading, and energy auditing.

Uniquus' POV

The National Green Certificates Programme represents a significant advancement in the UAE's efforts to integrate sustainability into its built environment. By setting clear standards for energy efficiency and sustainable building practices, the Programme aligns with the UAE's broader environmental objectives and net-zero goals. The involvement of key financial and industry players through strategic MoUs underscores the importance of collaboration in driving green innovation. These partnerships will not only help reduce the carbon footprint of the building sector but also foster a culture of sustainability, positioning the UAE as a leader in sustainable infrastructure development.

03 UAE outlines sustainability roadmap beyond 2030 in latest report

The UAE unveiled its visionary report, “XDGs 2045: Navigating the Future of our World,” at the United Nations High-Level Political Forum on Sustainable Development in New York. Developed by the UAE’s National Committee on Sustainable Development Goals, this forward-looking roadmap extends 21 years beyond the UN’s 2030 Agenda, addressing the transition from SDGs to XDGs. The report emphasizes the need for a globally inclusive approach to tackle emerging challenges such as climate resilience, technology inclusion, economic inequality, and health crises. It is a strategic guide for fostering innovation and international cooperation, ensuring sustainable and equitable development beyond 2030.

Uniquus’ POV

The UAE’s “XDGs 2045” marks a pivotal evolution in global sustainability discourse. This transition from goal-specific SDGs to a more comprehensive XDG framework reflects the need for adaptive, cross-cutting strategies to address complex global challenges. The emphasis on inclusivity, innovation, and strategic partnerships is essential for building resilient and sustainable systems. Proactive engagement in shaping the post-2030 agenda is crucial to ensure sustainability remains a core focus in global development efforts.



In-depth Analysis

This section delves deep into a significant ESG development, offering comprehensive insights and a nuanced perspective. We break down the critical facets of this development, analyzing its implications for businesses, investors, and regulators. Our in-depth analysis clarifies the potential impact on global markets and how this change may influence strategic decisions across sectors. Join us as we explore this development, shedding light on the opportunities and challenges in the evolving ESG landscape.

Driving ESG Excellence through Data and Analytics

In today's global landscape, organizations are under increasing pressure to transparently report on their sustainability performance. ESG factors have become strategic imperatives for businesses, driven by expectations from stakeholders, investors, consumers, and regulators. Companies must comply with evolving ESG reporting frameworks and ensure data authenticity and accuracy. According to a survey by [BlackRock](#), over half (53%) of global respondents were concerned about "poor quality or availability of ESG data and analytics."

Robust data management and analytics are crucial for monitoring, measuring, and disclosing ESG performance while supporting decision-making and continuous improvement. Prioritizing data-driven approaches can help organizations enhance transparency, meet regulatory demands, and establish leadership in sustainability.

ESG encompasses a broad range of impact areas, e.g., if your organization follows the Sustainable Development Goals (SDG) framework and its 17 SDG goals. Data-driven insights help organizations understand their current state, prioritize critical improvement areas, and identify quick wins across these impact areas:

Measuring Environmental Impact

Companies can leverage data to monitor their carbon footprint, circularity, water usage, and waste production. By historical data analysis and predictive forecasting, businesses can identify inefficiencies, set reduction targets, and take proactive actions based on leading indicators.

Studies conducted highlight that companies using data to track their environmental performance can reduce energy costs by up to 20%. This not only supports sustainability goals but also improves the bottom line.

Enhancing Social Responsibility

Organizations can assess and act on their social impact by analyzing metrics such as workforce diversity, employee training and development, and other policies.

A study shows that organizations with strong diversity and inclusion programs are 35% more likely to outperform their competitors.

Strengthening Governance Practices

Data analytics supports ethical business practices, transparency, and accountability by enabling organizations to monitor compliance failures and risk violations and ensure ethical standards are upheld across business operations.

A Harvard Business Review study revealed that companies using advanced data analytics to monitor ethics and compliance were 25% more likely to detect unethical behavior before it caused significant harm.

To effectively exploit the power of data and analytics for ESG initiatives, organizations should undertake the select critical activities based on their current stage of ESG maturity:

1. Establish clear ESG metrics

Organizations should define clear metrics and Key Performance Indicators (KPIs) aligned with their ESG strategy and goals. Metrics must be defined based on the outcome of a materiality assessment, industry-specific, and in line with organization objectives.

2. Benchmarking

ESG benchmarking enables organizations to measure and compare their ESG performance against industry peers, set realistic and aligned goals, and enhance transparency and accountability. Identifying strengths and weaknesses informs strategic planning, risk management, and continuous improvement efforts. Additionally, benchmarking supports regulatory compliance and helps build trust with stakeholders by demonstrating a commitment to sustainable and ethical practices.

3. Data harvesting from Enterprise systems

Robust data collection and management systems are essential for assessing ESG maturity assessment, regulatory reporting, and continuous monitoring. Organizations must use existing technologies that automate data collection from various sources, including sensors, ERP systems, documents, and external databases. Ensuring the data is correct, complete, and consistent is crucial for reliable analysis and business decisions.

4. Deploy Advanced Analytics and AI

Implement tailored Artificial Intelligence (AI) and Machine Learning (ML) use cases specific to your industry and business operations to unlock deeper insights from ESG data. For example, predictive analytics can forecast emissions based on the increase in the production forecast, while AI can identify patterns in social data to predict employee turnover. These insights enable proactive decision-making and long-term planning.

5. Ensure Transparency and Reporting

ESG is a continuous improvement journey that drives positive change throughout an organization. Transparent reporting ensures accountability, allows stakeholders to make informed decisions, and demonstrates the organization's commitment to ethical practices and sustainable development. By fostering open communication and regularly disclosing ESG metrics, organizations can enhance their reputation, attract responsible investors, and drive long-term value creation.

Data and analytics are essential for organizations aiming to meet their ESG goals. By harnessing data, companies can gain valuable insights into their environmental, social, and governance impacts, fostering continuous improvement and meeting stakeholders' rising expectations. As ESG becomes increasingly essential, organizations that adopt data-driven strategies will be better equipped to thrive in an ever-changing business landscape.



In Conversation with ESG Pioneers

This section features exclusive interviews with industry leaders at the forefront of ESG transformation. These experts share their experiences, challenges, and visions for a sustainable future in these candid discussions. Their valuable insights can inspire and guide others on their own ESG journeys.

Nucleus Office Parks is the operating platform for fully owned Blackstone Offices in India. It currently manages an industry-leading portfolio of over 20 million square feet of Grade A commercial assets across all key markets.

We interviewed

Mr. Jiji Thomas

Head of ESG and Sustainability

Nucleus Office Parks

Jiji spearheads ESG and Sustainability initiatives across their marquee properties. An expert in sustainable and smart building solutions, Jiji leads a team of cross-functional professionals with an outlook that aligns with the organization's. He believes in a strength-based workplace, which increases the efficiency of the teams working with him and helps improve service delivery and regulatory compliance across assets. In a career of over 20 years, Jiji has managed Grade A+ commercial complexes, Facility Management Services, and Property Trusts.

Here is an excerpt from our conversation with Jiji:



Q1 How have you embedded ESG within your organization structure?

In 2021, we started our ESG journey by forming an ESG Committee of senior leadership and functional leads. We hired a consultant and conducted a materiality assessment under their guidance to shape our roadmap, focusing on four key areas: ecosystem, human capital, community and governance. We established 14 focus areas with clear goals and began publishing sustainability reports from FY 2022. Our sustainability initiatives have resulted in notable certifications, such as LEED ZERO, and increased adoption of renewable energy, with 79% of our energy consumption now coming from renewable sources. Currently, our portfolio is LEED certified with 17 of our buildings are LEED Platinum certified, and 1 is LEED Gold certified under LEED O&M rating

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The first and most crucial element regarding ESG is a commitment from the leadership. In our case, it was amply demonstrated by giving us the resources and effort required from that perspective.

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Q2 What are your biggest challenges in transforming into an ESG-driven organization?

Our main challenge is navigating the various ESG standards and certifications, which can be confusing. Additionally, collecting ESG data is complex and error-prone. To tackle this, we felt the need for a robust tool and identified Uniquus' ESG UniVerse tool. While our leadership's commitment and resource allocation have been robust, the economic benefits of ESG investments, particularly in real estate, are not always clear, mainly when translating energy efficiency investments into investor value.

Another challenge plaguing the real estate industry is the structure of lease agreements where utility costs are mostly a pass through and which leaves no economic incentive for developers or asset manager to make buildings more efficient.

03 What are the most significant opportunities you foresee when transforming into an ESG-driven organization?

- The most important in this perspective is alignment with the global sustainability goals. We believe in the butterfly effect, and any contribution, however small, will add to the global sustainability objectives on decarbonization, net-zero, etc.
- On the economic front, resource efficiency projects on water, energy, waste, etc, can lead to significant cost savings and reduced emissions.
- The investors keenly consider ESG performance a key criterion, and good performance can provide easy access to capital and possibly at a lower cost, too.
- From a business perspective, it helps to attract good-quality tenants who value ESG performance. I am happy to see that ESG has become a talking point in leasing discussions, though direct economic benefits in the form of a green premium appear to be too far.
- Employees and the adjunct community regard such companies with more respect, which results in a better reputation and consequential benefits like talent acquisition, retention, etc.
- Improved risk management and compliance is also an outcome.

All in all, an ESG driven organization adds benefits to stakeholders – be it employees, investors, tenants, supply chain, etc., and thereby creating more value for the enterprise.



Real estate has been one of the significant industries embracing ESG from a larger perspective. Our tenant base is typically multinational companies who are very aligned with the ESG thought process and very familiar with it.



04 What could be enabling factors for facilitating an organization's ESG journey? What is the role of regulators, and what, in your view, is needed from them?

Regulatory frameworks should establish a common minimum program for the industry to follow, ensuring that ESG efforts are not just voluntary. This includes setting resource efficiency standards and creating guidelines to address industries' unique challenges in different geographies. Additionally, reporting requirements should be expanded to include smaller companies, making ESG practices more inclusive and impactful.



Typically, most of an organization's functions are largely independent, whereas ESG calls for the involvement of most internal functions and is, therefore, highly human resource-intensive. On the flip side, ESG can be the unifying thread between functions.



05 What are some ESG best practices in your view?

Environmental (E):

Focus on renewable energy adoption and resource efficiency, particularly in reducing energy and water consumption and waste management.

Social (S):

Promote diversity and inclusion within the workforce, with targets for gender diversity and integrating physically challenged employees.

Governance (G):

Embrace technology for better data management and decision-making, such as implementing digital platforms for business transactions and ESG reporting.

Regulatory Watch

Regulation around ESG continues to evolve rapidly. This section summarizes some of the latest regulatory developments across critical global markets, including the US, EU, UK, India, and the Middle East. Our analysis captures the nature of the legislative changes or updates and our high-level assessment of broader implications on business practices and compliance strategies.

Global

Governing Body	Update	Uniquus' Impression
<u>Ministry of Trade and Industry</u>	Singapore's Ministry of Trade and Industry (MTI) recently introduced the Energy Transition Measures and Other Amendments Bill to Parliament. The Bill aims to amend the Energy Market Authority Act (EMA), Electricity Act, and Gas Act to reach Singapore's 2050 net-zero target. The amendments will provide a Future Energy Fund for low-carbon investments, diversify energy sources, manage costs, access infrastructure, and handle emergencies.	It is important to continue evolving and amending current regulations and policies to create a sustainable future and economy. Singapore's Energy Transition Measures and Other Amendments Bill highlights how countries are making changes to prioritize meeting their sustainability goals.

US

Governing Body	Update	Uniquus' Impression
<u>US Government</u>	On 19 July, the Biden Administration released an executive order phasing out single-use plastics in procurement by 2035. The mandate aims to tackle plastic waste throughout the entire lifecycle of plastic.	With plastic pollution becoming one of the most pressing environmental issues, Biden's mandate to phase out single-use plastics across all federal operations is a positive step towards the administration's goal of reaching net-zero procurement by 2050.

Middle East

Governing Body	Update	Uniquus' Impression
<u>Oman's Ministry of Commerce, Industry, and Investment Protection (MoCIIP)</u>	Oman's Ministry of Commerce, Industry, and Investment Promotion (MoCIIP) has announced the implementation of Ministerial Decision No. (519/2022), effective from September 1, 2024, banning the importation of biodegradable and non-biodegradable plastic bags. This is part of a national strategy to combat plastic pollution and aligns with environmental protection laws.	Oman's ban on plastic bag imports shows a strong commitment to environmental sustainability. It aligns with global trends and demonstrates dedication to protecting the natural environment. The ban covers both biodegradable and non-biodegradable plastics, addressing the root of the problem and fostering a more sustainable future for Oman.

EU

Governing Body	Update	Uniquus' Impression
<u>European Parliament</u>	The EU's Right-to-Repair Law came into effect on 30 July 2024. The mandate requires manufacturers to promote repair services instead of replacing an item. Businesses must offer customers the option of repairing a product at a reasonable price, regardless of the warranty period unless repairing the item is more expensive than replacing it.	The EU's repair initiative aims to minimize e-waste and extend a product's lifecycle by repairing an item instead of replacing it. This legislation encourages consumers to reduce their environmental impacts. By providing a monetary incentive and requiring businesses to inform customers about repair options, the aim is to reduce unnecessary waste and disposal.
<u>The European Securities and Markets Authority (ESMA)</u>	ESMA recently published its opinion on creating long-term improvements for the Sustainable Finance Regulatory Framework. While the EU's framework is already established and aims to prevent greenwashing, the EU has made suggestions for its future development. The long-term goals aim to allow investors access to sustainable investments and support the effective functioning of the Sustainable Investment Value Chain.	ESMA's opinion on the Sustainable Finance Regulatory Framework highlights the dedication to promoting a sustainable economy by creating long-term goals and improvements to ensure that policies and frameworks continue to evolve and adapt to the changing ESG landscape.

UK

Governing Body	Update	Uniquus' Impression
<u>UK Parliament</u>	The UK is set to introduce a mandate for sustainable aviation fuel (SAF) to promote sustainable air travel. Beginning January 2025, the new mandate will require 2% of all UK jet fuel to be sustainable. These targets are set to increase to 10% by 2030 and 22% by 2040. Not only is this mandate expected to create thousands of jobs, but emissions are projected to be reduced by up to 2.7 MtCO ₂ e in 2030 and 6.3 MtCO ₂ e in 2040.	The UK is among the first countries to introduce legislation mandating sustainable aviation practices. The UK's commitment to its economic growth and establishing itself as a clean energy leader positions it as a global leader and sets a precedent for other countries to follow.
<u>UK Government</u>	UK Chancellor Rachel Reeves recently announced that she plans to introduce a new law that will come into effect next year. The law will regulate agencies that evaluate a company's ESG performance. The sustainability ratings industry remains unregulated, and Reeves hopes to bring more transparency to this sector and position the UK as a leader in sustainable finance.	As investors integrate ESG information more and more into their investment decisions, ESG ratings have become increasingly important. Creating transparency is essential to validate ESG ratings and generate trust in the industry.

ESG Best Practices Around the Globe

Uniquus has observed and summarized leading ESG practices worldwide, aiming to inspire governments, businesses, and individuals. We highlight exemplary initiatives and strategies that set environmental stewardship, social responsibility, and governance excellence standards. Learn how these best practices achieve sustainable outcomes and drive meaningful change across various sectors and communities.

Netherlands: Creating Sustainable Materials

Natural language processing, the foundation of advanced AI-driven chatbots like ChatGPT, utilizes word data to establish novel linguistic associations. At the University of Amsterdam, a research initiative employs this technology to produce innovative, environmentally friendly materials.

Bernd Ensing, the lead professor of the Artificial Intelligence for Sustainable Molecules and Materials project, mentioned that applying generative modeling to materials aligns closely with the work of chemists. He explained that chemists develop new molecules and materials, and implementing AI to aid or perform these tasks will revolutionize their scientific practices by reducing reliance on "chemical intuition."

The team at AI4SMM is initially concentrating on creating energy storage salts, sustainable steel, safe plastic, and new plant proteins.

ESG Encyclopedia

Dive into the essentials of ESG with our monthly spotlight on key topics, themes, and concepts shaping the landscape of sustainable business practices. In each issue of our newsletter, we select a new focal area to give you an in-depth understanding of its significance and application.

Social Sustainability

Social sustainability involves recognizing and managing the impact that businesses, both positively and negatively, have on individuals. The quality of a company's relationships and engagement with its stakeholders is essential. Companies influence the well-being of employees, workers in the value chain, customers, and local communities, and it's vital to manage these impacts proactively.

Businesses' social license to operate heavily relies on their efforts towards social sustainability. Conversely, lacking social development, poverty, inequality, and weak rule of law can impede business operations and growth.

Conversely, actions taken to achieve social sustainability may open new markets, help retain and attract business partners, or lead to innovation in new product or service lines. Internal morale and employee engagement may improve, while productivity, risk management, and company-community conflict could also show improvement.

The first six of the UN Global Compact's principles prioritize the social dimension of corporate sustainability, with human rights as the linchpin. Their work on social sustainability also addresses the human rights of specific groups: labor, women's empowerment, gender equality, children, Indigenous peoples, and people with disabilities, as well as people-centered approaches to business impacts on poverty. In addition to covering groups of rights holders, social sustainability encompasses issues that impact them, such as education and health.

While governments primarily must protect, respect, fulfill, and progressively realize human rights, businesses can and should play their part. At the very least, firms should conduct due diligence to avoid harming human rights and address any adverse impacts on human rights related to their activities.

In addition to respecting rights, businesses can also take further steps:

Contribute in other ways to improve the lives of the people they affect, such as by creating decent jobs, producing goods and services that help meet basic needs, and developing more inclusive value chains.

Make strategic social investments and advocate for public policies that promote social sustainability.

Collaborate with other businesses, combining strengths to make a more significant positive impact.

Sources

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About Uniquus Consultech:

Uniquus Consultech is a global tech-enabled consulting company that specializes in Accounting & Reporting, ESG and Tech Consulting. The Company was co-founded in December 2022 by consulting veterans Jamil Khatri and Sandip Khetan and backed by marquee investors such as Nexus Venture Partners, Sorin Investments, and other angel investors. Anu Chaudhary, a global ESG specialist with over 20 years of experience, serves as the Global Head of ESG. Abhijit Varma, a veteran technology specialist, leads Tech Consulting globally.

Uniquus now has a global team of 400+ professionals led by 50+ Partners & Directors across eight offices in the USA, India, and the Middle East. The company serves more than 200 clients, including marquee names such as HDFC Bank, Reliance Industries, Flipkart, Zomato, GE, GAP, Grammarly, AI Rajhi Group, and Tawal. Uniquus is committed to leveraging technology and an integrated global delivery model to provide best-in-class consulting services that drive measurable results and create long-term value for its clients.

In April 2024, Uniquus raised Series B funding of USD 10 million from its existing institutional investors, to expand its solutions portfolio, explore new markets, and further accelerate its growth plans.

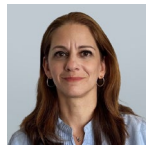
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Feedback

We encourage you to share this newsletter with your colleagues and networks, and to provide us with feedback on topics that you would like to see covered in future issues. Uniquus is here to support you in navigating this evolving landscape. [Contact us](#) to learn more about how we can help you on your ESG journey.

