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WEEKLY NEWSLETTER

November 09, 2021, Vol. 15

EDITORIAL

News from COP26 that is halfway through comes in with mixed signals. Entry to the UN climate summit is taking so long that officials are missing meetings, a BBC reporter said, as she was surrounded by officials "all missing meetings they are supposed to be in by now." Another reporter said that country ambassadors were stuck in the rain for three hours.

Most say that that COP26 is a failure and that no deal will be reached and there has not been a wow moment. Yet, such negotiations are always meant to be momentum low.

The Greek climate law will be open to consultations shortly, with a focus on low-carbon energy, as the government steps up efforts to tackle the effects of the global environmental crisis. However, it remains to be seen if the climate emergency is approached in an integrated manner, touching upon all aspects of climate change and relevant need for preparedness and resilience in the economy and everyday life. In the meantime, the IFRS Board announced the formation of a new International Sustainability Standards Board (ISSB) to develop comprehensive, global, high-quality sustainability disclosure standards.

On other exciting news, the EPLO Institute for Sustainable Development and Delphi Economic Forum are organizing for the second year the Blue Economy Forum II, an event that aims to explore the crossroads of the EU Blue Green Deal and the UN endeavours for sustainable livelihoods and the opportunities arising from the ocean. Mark your calendars and stay tuned for more information soon!

by Christina Deligianni

THE ESG GLOSSARY

SDG

There are 17 inter-linked Sustainable Development Goals, or SDGs, which focus on challenges ranging from clean energy access, to poverty reduction and responsible consumption.

Together, the SDGs make up the 2030 Agenda for Sustainable Development, the UN's blueprint for peace and prosperity for people and the planet.

Climate Change is one of the Goals (SDG 13), but t's becoming increasingly clear that climate change plays a role in many, if not all of the SDGs, and that achieving the 2030 Agenda will be impossible without making serious inroads into tackling the problem.

IFRS FOUNDATION ANNOUNCES INTERNATIONAL SUSTAINABILITY STANDARDS BOARD

As world leaders meet in Glasgow for COP26, the UN global summit to address the critical and urgent issue of climate change, the IFRS Foundation Trustees (Trustees) announce three significant developments to provide the global financial markets with high-quality disclosures on climate and other sustainability issues:

The formation of a new International Sustainability Standards Board (ISSB) to develop—in the public interest—a comprehensive global baseline of high-quality sustainability disclosure standards to meet investors' information needs;

A commitment by leading investor-focused sustainability disclosure organisations to consolidate into the new board. The IFRS Foundation will complete consolidation of the Climate Disclosure Standards Board (CDSB—an initiative of CDP) and the Value Reporting Foundation (VRF—which houses the Integrated Reporting Framework and the SASB Standards) by June 2022;

The publication of prototype climate and general disclosure requirements developed by the Technical Readiness Working Group (TRWG), a group formed by the IFRS Foundation Trustees to undertake preparatory work for the ISSB. These prototypes are the result of six months of joint work by representatives of the CDSB, the International Accounting Standards Board (IASB), the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), the VRF and the World Economic Forum (Forum), supported by the International Organization of Securities Commissions (IOSCO) and its Technical Expert Group of securities regulators. The TRWG has consolidated key aspects of these organisations' content into an enhanced, unified set of recommendations for consideration by the ISSB.

Together, these developments create the necessary institutional arrangements, set out in the Foundation's revised Constitution, and lay the technical groundwork for a global sustainability disclosure standard-setter for the financial markets. They fulfil the growing and urgent demand for streamlining and formalising corporate sustainability disclosures.

The ISSB will sit alongside and work in close cooperation with the IASB, ensuring connectivity and compatibility between IFRS Accounting Standards and the ISSB's standards—IFRS Sustainability Disclosure Standards. To ensure public interest legitimacy, both boards will be overseen by the Trustees, who are in turn accountable to a Monitoring Board of capital market authorities responsible for corporate reporting in their jurisdictions. The ISSB and the IASB will be independent, and their standards will complement each other to provide comprehensive information to investors and other providers of capital.

Proven demand

Financial markets need to assess the risks and opportunities facing individual companies which arise from environmental, social and governance (ESG) issues, as these affect enterprise value. This is driving significant demand for high-quality information. Investors and other providers of capital want global sustainability disclosure standards that meet their information needs. Voluntary reporting frameworks and guidance have prompted innovation and action, although fragmentation has also increased cost and complexity for investors, companies and regulators.

Many investors and regulators have called for the IFRS Foundation to build upon market-led initiatives and to use its experience in creating accounting standards used in more than 140 jurisdictions to bring globally comparable reporting on sustainability matters to the financial markets.

The Trustees' decision to create the ISSB is informed by the feedback received in their two public consultations, discussions with advisory groups, frequent dialogue with the IFRS Foundation Monitoring Board and with support from IOSCO and others.

Comprehensive global baseline

The ISSB will develop IFRS Sustainability Disclosure Standards, including disclosure requirements that address companies' impacts on sustainability matters relevant to assessing enterprise value and making investment decisions. The ISSB's standards will enable companies to provide comprehensive sustainability information for the global financial markets. The standards will be developed to facilitate compatibility with requirements that are jurisdiction specific or aimed at a wider group of stakeholders (for example, the European Union's planned Corporate Sustainability Reporting Directive as well as initiatives in the Americas and Asia-Oceania).

The G20 Leaders and the Financial Stability Board have both welcomed the IFRS Foundation's work programme to develop global baseline standards for sustainability disclosures.

Consolidating and building on existing initiatives

Consistent with feedback received through consultation, the ISSB will build on the work of existing investor-focused reporting initiatives to become the global standard-setter for sustainability disclosures for the financial markets. To achieve this goal, the IFRS Foundation has reached commitments with the CDSB, whose secretariat is hosted by CDP, and the VRF to consolidate their technical expertise, content, staff and other resources with the IFRS Foundation. It is intended that the technical standards and frameworks of the CDSB and the VRF, along with those of the TCFD and the Forum Stakeholder Capitalism Metrics, will provide a basis for the technical work of the new board.

Recognising the urgency and the desire to provide the ISSB with a solid foundation on which to start its work, the Trustees created the TRWG—comprising representatives from the CDSB, TCFD, IASB, VRF and the Forum—to provide recommendations to the ISSB. The TRWG has concluded its work on two prototype documents published today—one which focuses on climate-related disclosures that build on the TCFD's recommendations and includes industry-specific disclosures, and a second that sets out general sustainability disclosures. The ISSB will consider the prototypes as part of its initial work programme.

Informed by expert advice

The ISSB will draw upon expertise from several advisory groups. Technical advice on sustainability matters will be provided to the ISSB by a new Sustainability Consultative Committee, whose members will include the International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, the World Bank and additional expert members drawn from public, private and non-governmental organisations.

The remit and expertise of the IFRS Advisory Council will be extended to provide strategic sustainability-related advice and counsel to the ISSB, as well as the Trustees and the IASB. Finally, the Trustees have formed a working group to create a mechanism for formal engagement on standard-setting between the ISSB and jurisdictional representatives, including from emerging markets (similar to the Accounting Standards Advisory Forum, which fulfils this role for the IASB).

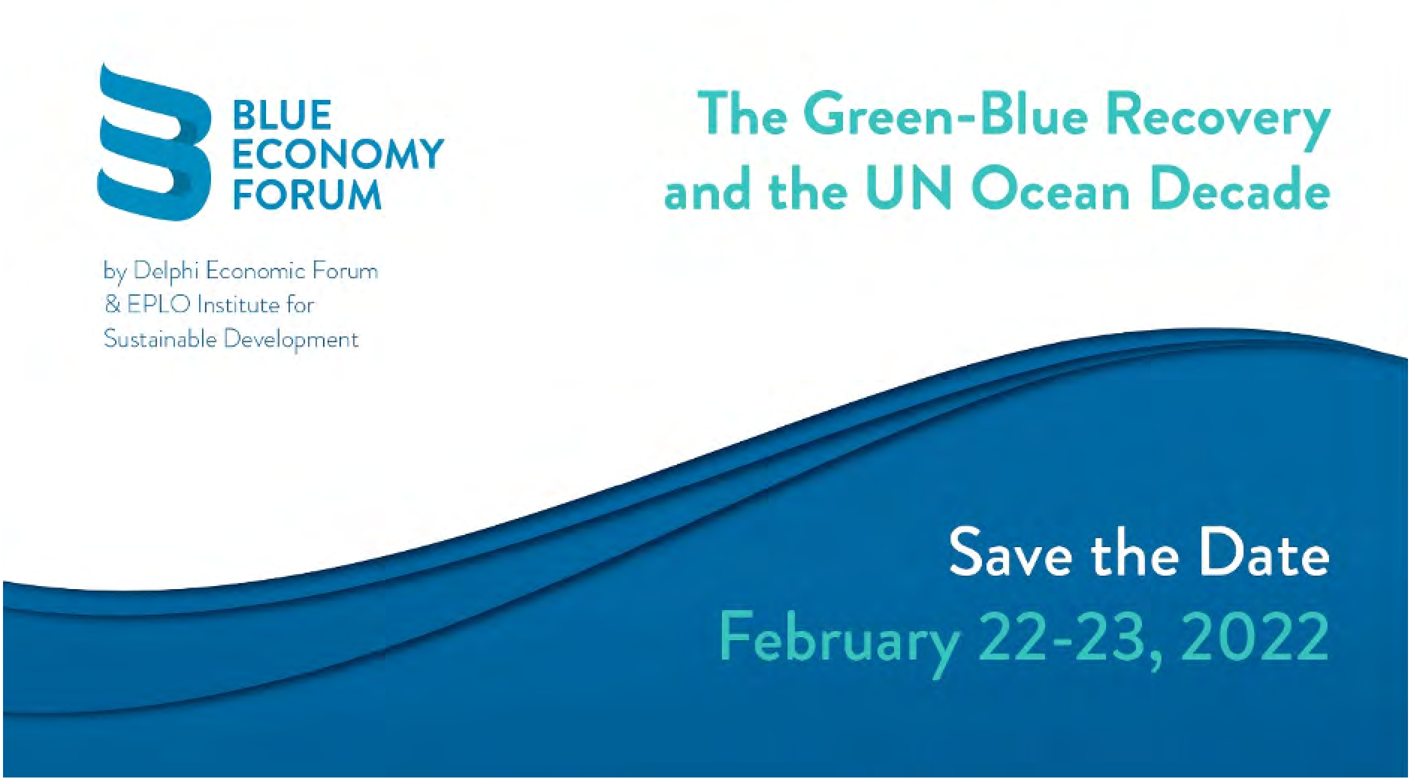
The Foundation intends to leverage the existing CDSB and VRF advisory groups, which include investors and other experts who have demonstrated long-standing support for improved sustainability disclosure. As well, the Forum's private sector coalition will be engaged. The Foundation also intends to use the International Integrated Reporting Council to provide advice on establishing connectivity between the work of the IASB and the ISSB via the fundamental concepts and guiding principles of integrated reporting.

Global footprint

The ISSB will have a global and multi-location presence. All regions—the Americas, Asia-Oceania and EMEA (Europe, the Middle-East and Africa)—will be covered. Engagement with developing and emerging economies will be an important priority.

Offices in Frankfurt (the seat of the Board and the office of the Chair) and in Montreal will be responsible for key functions supporting the new Board and deeper co-operation with regional stakeholders. Offices in San Francisco, following the consolidation with the VRF, and London will also provide technical support and platforms for market engagement and deeper cooperation with regional stakeholders.

Based on expressions of interest received, the IFRS Foundation will engage without delay with Frankfurt and Montreal to make the necessary arrangements to enable the ISSB to commence work early in 2022. Further discussions will continue with proposals for offices from Beijing and Tokyo to finalise the new Board's footprint in the Asia Oceania region. Timely actions are needed to respect the urgency expressed by IOSCO and other important stakeholders.



BLUE ECONOMY FORUM II DATES ANNOUNCED

The EPLO Institute for Sustainable Development and Delphi Economic Forum are organizing for the second year the Blue Economy Forum II, an event that aims to explore the crossroads of the EU Blue Green Deal and the UN endeavours for sustainable livelihoods and the opportunities arising from the ocean. The Forum that will take place in Athens on February 22-23, 2022, will focus on the Green-Blue Recovery and the UN Ocean Decade.

WHY ARTICLE 6 MATTERS

COP President Alok Sharma says climate talks in Glasgow are about to get tough. That's because negotiators are trying to nail down a deal they've spent six years of their lives chasing.

Clinching an agreement on international carbon-market trading is a key benchmark of success at COP26, and would be a major win as the issue has been pending ever since the Paris accord was signed in 2015.

The buzzword is Article Six, and it's about two kinds of carbon trading. One is about country-to-country exchanges of carbon credits — where one nation essentially pays another to cut emissions on its behalf. The other is about offsets traded by public and private players.

For the planet, no deal is better than a bad deal.

A well designed agreement would help cut emissions, spur up to $1 trillion of investment in poorer nations, and encourage low-carbon innovation. But if the rules are too lax, it will merely give a free pass to companies and countries to emit more than they should. (Think of it as paying someone else to go on a diet for you.)

But there is a sense of urgency to nail down the rules — and not just because the planet is warming fast. Demand is booming for offsets: more credits changed hands in the first eight months of this year than in all of 2020, according to BloombergNEF, as corporations and governments spend billions of dollars to meet their net-zero targets.

But there are no unified standards or international oversight, leaving room for abuse. Low-quality offsets do little — or nothing — to slow climate change. The aim in Glasgow is to bring transparency and rigor to a market that's growing in a messy sprawl across the globe.

Companies are watching carefully — and lobbying too. They want clarity on the rules as they map out how to implement their net-zero strategies.

The chances of a deal had been looking up in recent weeks. Brazil, reluctant to compromise at the last round of negotiations, signaled it would be more flexible. But the first week of the conference was a reminder that finding a landing zone will be no easy task. Countries are stuck on the issue of how much revenue from trading should be siphoned off to help poor countries adapt to climate change.

Another key point of contention is how the accounting rules should work to avoid emission-reductions being counted twice. A badly drawn deal could allow the credit to be booked both in the country that buys it and the one that sells it. There's also a fight over whether credits from a now defunct carbon regime should continue to be valid or rather phased out. The fewer old credits in the system, the more effective the market will be.

The three most contentious issues mostly pit developing countries against rich nations. Brazil wants to be able to use at least some of the old credits and the African group of countries seek a bigger share of revenues to be channeled toward regions that need funds. The European Union, a key player, has been repeatedly urging robust accounting rules, and opposes the African bloc's proposal on revenues.

Sharma is cranking up the pressure to get a deal done. He warned delegates on Friday that people will be "astonished" if the summit once again fails to produce an agreement. "We've been discussing this for six years."

NEW REPORT BY THE CAMBRIDGE INSTITUTE FOR SUSTAINABILITY LEADERSHIP ON CLIMATE RISK SHARING

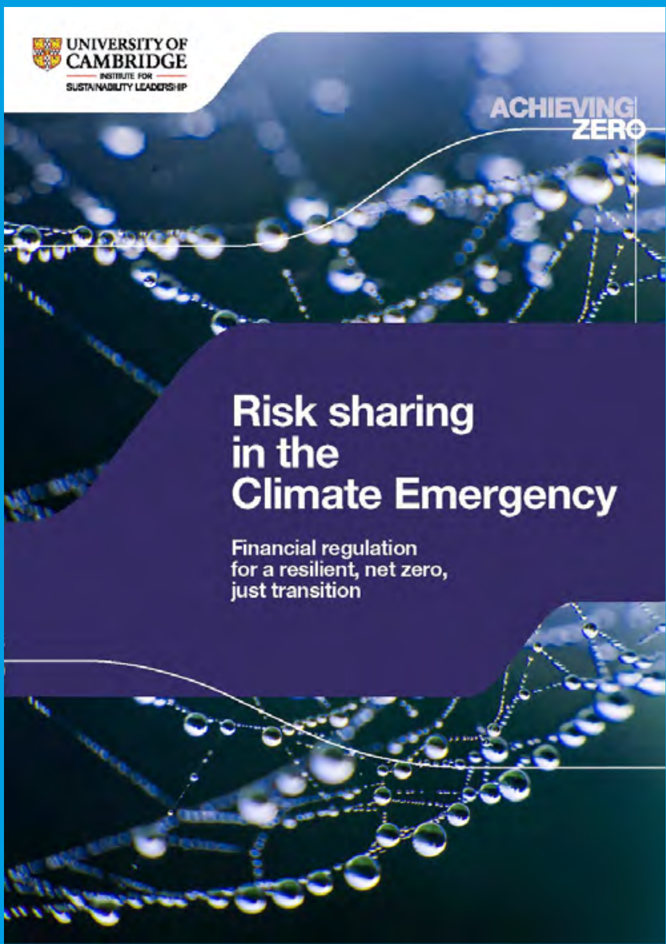
The Cambridge Institute for Sustainability Leadership launches its latest report with Clyde & Co entitled 'Risk Sharing in the Climate Emergency: Financial regulation for a resilient, net zero, just transition' urging policymakers, financial regulators and industry to expand risk sharing systems at scale to tackle the Climate Emergency.

The report proposes twenty immediate actions needed from policymakers, financial regulators and industry to expand risk sharing systems as an essential policy response to the Climate Emergency. The aim is to:

• Govern, manage and reduce climate risks, urgently, for a just-transition to resilience and net zero for all.

• Further integrate climate policy and financial regulation to ensure developing and developed economies achieve their climate objectives.

The Climate Emergency is described as the product of multiple systemic risks (human, social, financial, economic and environmental) resulting from the carbon-based economy affecting the climate system. All countries and communities face growing and ultimately existential risks from the Climate Emergency, some more than others, but ultimately we all, together, face a collective systemic risk management challenge.



The Report calls on key economic, policy, industry and advocacy actors to support a just, resilient net zero transition in the following ways:

• Policymakers - reinforce financial inclusion and sustainable development priorities within insurance regulators' mandates to meet the climate objectives;

• Financial markets beyond insurance - accelerate consistent physical climate risk quantification through insurance experience, methods, metrics and resources;

• Public and private financial authorities - massively expand risk-sharing pools across financial systems to manage global-to-local and intergenerational climate risks;

• Insurance regulators and climate authorities - explore ways for UNFCCC and IAIS members to co-operate on shared climate risk objectives;

• Insurance sector - become pioneers of climate-related disclosures, prudential supervision and climate stewardship;

• Academia and NGOs - research the role of the insurance system in managing the social risks of the net zero transition.

[Click here to download the report in full](report in full).

Norman Foster made the comments during the COP26 climate conference

NORMAN FOSTER CALLS FOR "HIGHER STANDARDS" ON EMBODIED CARBON AT COP26

Norman Foster has joined a growing number of architects calling for green building certifications that take embodied emissions from materials into account in order to meet net-zero carbon goals.

Speaking in a talk with US climate envoy John Kerry during the COP26 climate conference, Foster pointed out that sustainability standards such as LEED and BREEAM focus on user wellbeing and operational omissions but neglect embodied carbon.

"Many of the standards that can rate a building environmentally, like LEED and BREEAM, are to be encouraged," he said.

"What we're realising now is that none of these ratings assess the embedded carbon in the materials that make the building."

To create sustainable cities, Foster argued we need to pursue "higher standards" for buildings that take into account their whole-life emissions.

"The building itself is part of a wider sequence, which involves transport, movement, operating and eventually decommissioning," he added. "So in that sense, we have to take a much broader, wider look.

Whole-life emissions underregulated

Embodied carbon emissions account for half of an average building's carbon footprint.

But currently, no standardised certifications or regulations existto measure and reduce these emissions.

The UK government's net-zero strategy, which was released last month ahead of COP26, similarly prioritises decarbonising buildings' heating and electricity while neglecting to set targets for reducing emissions from the construction supply chain.

Other architects including Andrew Waugh have been lobbying for embodied carbon standards, alongside industry groups such as the Royal Institute of British Architects, the Architects Climate Action Network (ACAN) and environmental advocacy group Part Z.

Foster + Partners has itself been criticised for ignoring embodied carbon in favour of operational carbon in the sustainability assessment of its projects.

The firm's Bloomberg Building in London, which was awarded the Stirling Prize in 2018, was dubbed "the world's most sustainable office building" and certified with the highest possible BREEAM rating.

But according to Open City director Phineas Harper, the firm's internal sustainability analysis failed to consider the embodied emissions of the building's sandstone cladding, bronze facade fins and deep concrete foundations, which generally make up an outsized part of the footprint.

Architecture represented at COP for first time

The built environment is set to be discussed by world leaders during a dedicated half-day at COP26 this month, in a bid to tackle the 40 per cent of global emissions that can be attributed to the sector.

Waugh, who is attending the conference hoped the event would encourage governments to set "confident embodied carbon regulations" and requirements to disclose a project's carbon footprint.

"How about published carbon emissions on the front of every project, planetary health warnings like on a cigarette packet," he said.

PM MITSOTAKIS ON HALKI: GREECE'S STRATEGIC LOCATION TURNS IT INTO AN ENERGY TRANSFER HUB

Prime Minister Kyriakos Mitsotakis inspected the works included in a programme that will turn the island of Halki into a model of sustainability in the context of the GR-eco islands project, during his visit to the island last Friday.

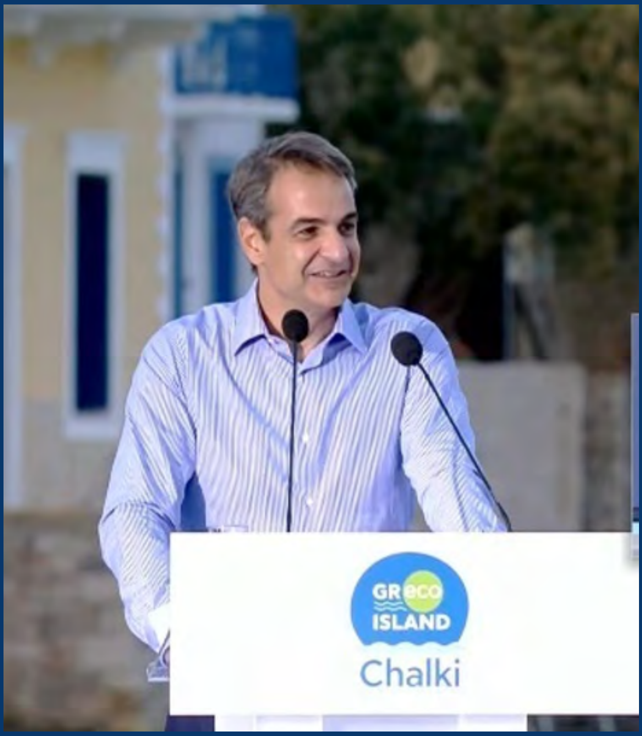
The GR-eco islands initiative, in which Halki is the first island to be included, foresees actions to increase the penetration of renewable energy sources, the creation of digital infrastructure, the promotion of better energy performance, sustainable management of water resources and waste, the green transformation of farming and tourism and the development of the port and other infrastructure.

The works on Halki were implemented by a group of companies (PPC, Akuo Energy, Omexom/Vinci Energies, Citroën, ALD Automotive and Vodafone Greece, with the contribution of Aegean) based on a momerandum of cooperation signed in the summer at the environment and energy ministry. It included the installation of a 1MW photovoltaic system, which will produce green energy able to cover the energy demand of the islanders. As a result, the locals that participate in the energy community, which has been already established, will have lower energy rates via the Virtual Net Metering method.

Part of the project includes the donation of six electric vehicles to strengthen the fleets of the island's police, coast guard and municipal authority.

Mitsotakis was present at the delivery of the vehicles and he afterwards boarded an electric-powered boat donated by the Papastratos company to the energy community of Halki.

The Prime Minister was accompanied by Energy and Environment Minister Kostas Skrekas, Tourism Minister Vassilis Kikilias, State Minister responsible for the coordination of the government's work Akis Skertsos and ruling New Democracy deputies elected to the Dodecanese, along with the regional governor of the Southern Aegean Giorgos Hatzimarkos and Halki Mayor Evangelos Fragakis.



PM's address

Halki and the Dodecanese Islands will become sites of dynamic investments in green and cyclical economies, Mitsotakis said, which means cheap electricity and new jobs for the residents.

Residents will work with municipalities to produce the energy they consume, practically nulling the cost of the energy, he explained. "This model of energy democracy can and must become an example for every island, reducing costs on residential bills," ushering in the era of prosumers, or producers/consumers who take advantage of natural energy sources without additional expense, Mitsotakis noted. For example, he said, a power bill of 407 euros will drop to 157 euros, "a bold response to the challenge of climate change and to the rise in prices of oil and natural gas."

The crisis can become an opportunity under these circumstances, while Greece's strategic location makes it a hub of energy transfer. "This is the meaning of the recent agreement with Egypt - such agreements turn into shields defending our borders as well," the premier underlined, urging additional islands and their councils to join the GR-eco islands model.

Source: Athens State News Agency

CIVIC ENGAGEMENT WILL ACCELERATE THE DECADE OF ACTION

***By: Erika Spagakou** and **Lia Papazoglou**, Co-founders of Ecogenia*

The long-awaited COP26 is happening and the world is watching as leaders convene in Glasgow. A COP summit has never before gained so much mainstream attention and traction outside climate negotiation rooms.

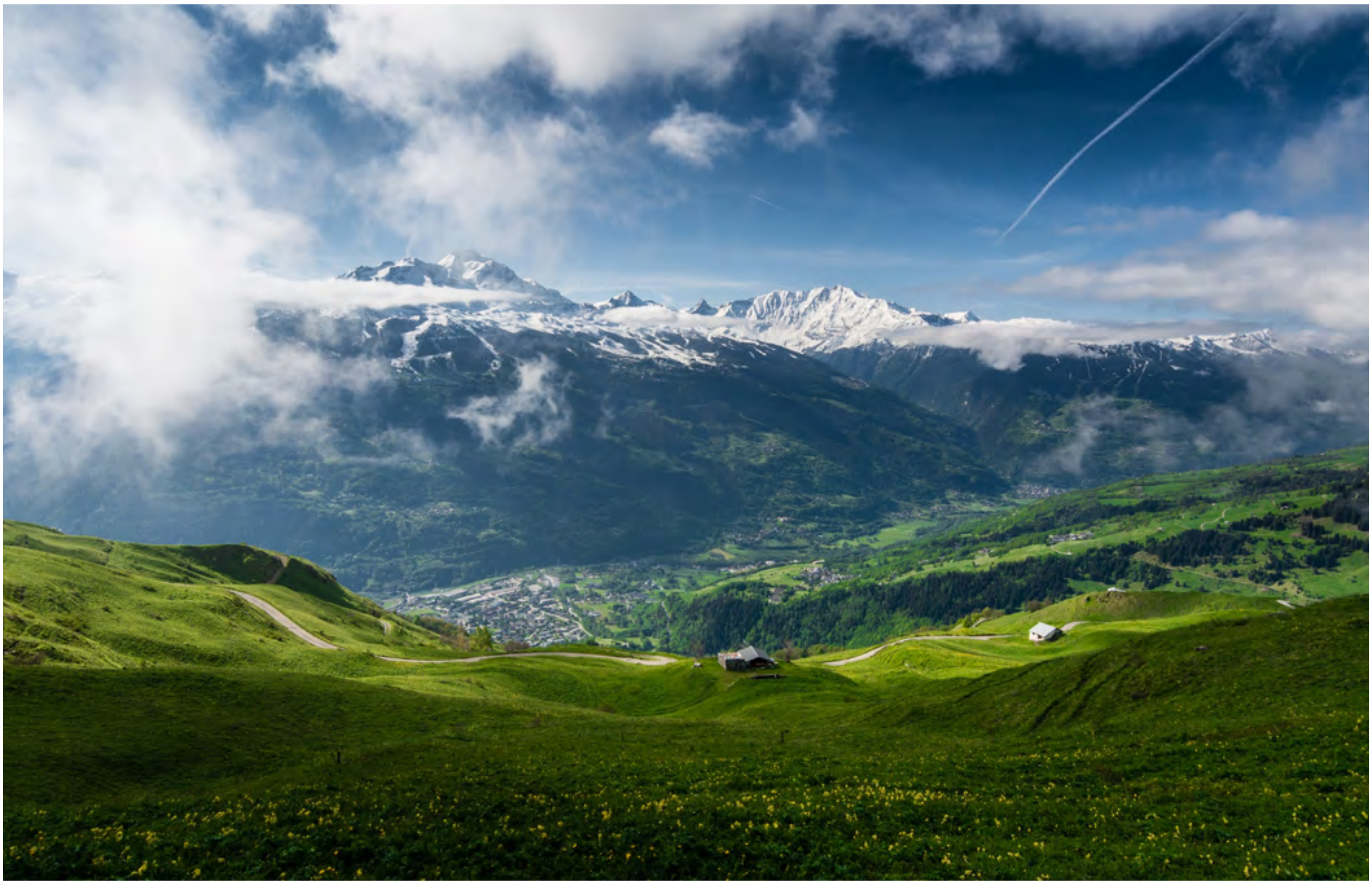
Regardless of how this increased public awareness was intrigued, what is of interest to explore is the story it tells about who should be behind the wheel of this accelerated action; for the people, for the planet and for prosperity.

Civil society organizations (CSOs) have been gaining seats at the table of multilateral institutions. Likewise, youth have in recent years been elevated as important stakeholders to involve in the process, in many cases being recognized as official constituencies in intergovernmental arenas. While the global community is faced with an incredible challenge – that of raising climate ambition urgently – it is also presented with a significant opportunity; that of the brewing democratization of global governance structures.

As the Decade of Action progresses, CSOs like Ecogenia will admittedly have a catalyst role to play in convening stakeholders, translating climate finance into impact on the ground, facilitating knowledge exchange, and accelerating individual action.

We are humbled to be a part of this very mission for Greece. As we think about a more aware society, we are inspired by the vision of activating Greek youth through civic service to address national and local sustainability needs, while securing a viable future for themselves and future generations. We see civic engagement as an entry point to elevating the country's climate and sustainability agenda, and we are guided by the belief that an activated civic corps will be pivotal in Greece's trajectory to becoming a lighthouse of sustainable growth for Southern Europe.

For placing youth and eager citizens behind the wheel might just be the key to accelerating the transition to what our future could look like.



Breakwave Advisors LLC, based in New York, offers asset management and advisory services to the shipping and commodities industries. Breakwave is the Commodity Trading Advisor (CTA) for the Breakwave Dry Bulk Shipping ETF (NYSE: BDRY) and a sponsor of the ETFMG Breakwave Sea Decarbonization Tech ETF (NYSE: BSEA).

SHIPPING DECARBONIZATION WEEKLY INSIGHTS HOW SHIPPING MOVES AHEAD TO RUN ON ZERO CARBON FUELS

Last weekend, the heads of the world's 20 biggest economies met to discuss how to tackle climate change at the G20 Leaders' Summit in Rome. The Group of 20 Leaders' Summit in Rome finalized a joint document that promised to "pursue efforts" to limit temperature rises. A 'Zero Emission Blueprint for Shipping' report by the International Chamber of Shipping (ICS) and the environmental consulting company Ricardo has pointed out that massive scaling up of finance for research and development (R&D) is essential to achieve zero-carbon emissions by 2050 in the shipping industry.

Industry Actions

EUROPEAN SHIPOWNERS CALL FOR SECTOR-DEDICATED FUND TO STABILIZE THE CARBON PRICE: In a new policy paper, European shipowners have supported a dedicated fund to be set up under the EU Emission Trading System (EU ETS) to stabilise the carbon price. The paper was published on 2 November by the European Community Shipowners' Associations (ECSA). ECSA believes that any revenues generated under the EU ETS should be used to financially support R&D projects and should contribute to lowering the price differential between cleaner and conventional fuels.

MINING GIANTS EYE CARBON NEUTRAL SHIPPING BY 2040: UK-based mining giant Anglo American has set an ambition to achieve carbon neutrality across its controlled ocean freight activities by 2040, with an interim 30% reduction in emissions by 2030.

Fuels

PORTS NEED TO PROACTIVELY PRIORITIZE SPATIAL SAFETY FOR FUTURE FUELS: A report developed by Dutch Port of Amsterdam and classification society DNV has concluded that ports looking to supply new zero or carbon-neutral fuels to ships will need to pay special attention to spatial safety when planning ahead for locating and building bunkering infrastructure. The report coincides with COP26 and the increasing focus on future fuels at the upcoming MEPC77 meeting of the IMO. This includes examining short-to-medium term measures to decarbonize and reduce emissions, including market-based measures to fund the acceleration of research into zero-carbon fuels.

Ports

ROTTERDAM WORLD GATEWAY TO OFFSET THE CO2 EMISSIONS AND BECOME COMPLETELY CARBON-NEUTRAL BY 2024: The Rotterdam container terminal is also investing in Shell's Nature-Based Solutions program which has been validated by Kiwa. These are projects aimed at protecting and restoring natural areas, thus allowing CO2 emissions to be absorbed by nature. However, a number of modifications are required to achieve carbon-neutral by 2024.

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