

Latest Developments in Governance, Stewardship and Sustainability

December, 2022

The new, serious focus on biodiversity will alter the scope of non-financial disclosures

As anticipated by several analysts and law firms, new biodiversity disclosure frameworks are going to increase in importance and number. December 2022 proves this anticipation, as it brings life to newly or soon to be launched biodiversity frameworks. On December 8th, Global Reporting Initiative (GRI) published an exposure draft for its revised biodiversity standard. On December 19th, the EU along with 188 countries committed to the landmark Kunming-Montreal Global Biodiversity Framework at the UN Biodiversity conference COP15 in Montréal, Canada. This latter framework has 4 overarching goals and 23 measurable targets to be achieved by 2030 and 2050. In line with this agreement, all countries are expected to create or update their National Biodiversity Strategies and Action Plans as well as National Biodiversity Finance Strategies before the 2024 COP. [COP15: Nations Adopt Four Goals, 23 Targets for 2030 In Landmark UN Biodiversity Agreement ; COP15: historic global deal for nature and people]



Recent US SIF report reveals the shrinking market for ESG

The recent SEC proposed rules about the usage of the term 'ESG' in fund names along with more rigorous attempts to define ESG in the investment industry are believed to be the reasons behind the current drastic change in sustainable investing. The sustainable investing organization, US SIF, released on December 13th the 14th edition of the Report on US Sustainable Investing Trends. This Report documents that by early 2022 only \$8.4 trillion in U.S. investment assets were held by firms that integrated ESG into their investment decisions. This is less than half the size of such investment assets in early 2020, which was recorded at \$17.1 trillion in the previous report. [US SIF Trends Report 2022; Corporate Knights' U.S. sustainable investing assets plunge by more than US\$8 trillion]



New and updated Corporate Governance (CG) Codes around the world: Ghana and the Netherlands

On December 13th , the Institute of Directors-Ghana in partnership with the Bank of Ghana and other key stakeholders launched the National Corporate Governance Code (NCGC). This code has become the CG reference for good CG for all stakeholders in Ghana. [National Corporate Governance Code launched to serve as rallying point for extant sector frameworks] Also, on December 20th , the updated Dutch Corporate Governance Code was published. Its updates cover long-term value creation, diversity, and the role of shareholders, which should be accounted for in 2023 management reports. [Update of the Dutch Corporate Governance Code finalised]