

JANUARY 2026



"ESGrite" Your rite - We write



ESG DIGEST

"The genesis of new era is unfolding"





Inside this Newsletter

1

Editorial

2

ESG Events: Highlights in Sight

3

Regulatory updates

4

Future of ESG

5

Did You Know?

EDITORIAL

Welcome to the ESG Digest Newsletter, your essential guide to corporate governance, sustainability, and responsible business practices. As Environmental, Social, and Governance (ESG) factors continue to shape the corporate landscape, the need for effective governance strategies that integrate these principles has never been more critical.

In this newsletter, we offer valuable insights, practical advice, and in-depth discussions on how companies can align their governance frameworks with ESG considerations. We explore how ESG factors can drive decision-making, enhance risk management, and strengthen board governance structures. We firmly believe that robust corporate governance, combined with strong ESG principles, is key to sustainable growth, resilience, and ethical leadership.

The journey ahead is both exciting and challenging, but with your support, we are confident in our ability to succeed. This year's theme, "YEAR OF TRANSITION – What to do what", reminds us that change is not just about moving forward, but about transforming challenges into meaningful outcomes.



J Sundharesan

Founder and Sustainability Visionary



Key Highlights in Sight

**Japan Approves Restart
Of World's Largest
Nuclear Plant After
Niigata Vote**





Japan has taken a decisive step toward restarting the 8.2 GW Kashiwazaki-Kariwa nuclear plant after Niigata prefecture's assembly backed Governor Hideyo Hanazumi's support for the project. The vote removes the last regional hurdle, marking a turning point in Japan's energy strategy as it seeks to cut fossil fuel imports, stabilize power prices, and meet climate goals nearly 15 years after the Fukushima disaster. Located 220 km northwest of Tokyo, Kashiwazaki-Kariwa was among 54 reactors shut down in 2011. Of 33 still operable, 14 have since restarted. This would be the first restart under Tokyo Electric Power Co. (TEPCO), operator of Fukushima Daiichi.



Political divisions remain sharp. Opponents argue the process ignored local sentiment, while about 300 protesters gathered outside the assembly building, reflecting enduring public unease. Governor Hanazumi stressed that safety for Niigata residents must remain paramount. The plant's scale is significant: one reactor of 1.36 GW could be online as early as January 20, with another targeted by 2030. Even partial operation would strengthen Japan's power balance amid volatile global fuel markets and reliance on imported LNG and coal.

To secure community backing, TEPCO pledged 100 billion yen (\$641 million) in local investment over the next decade. Financial markets welcomed the move, with TEPCO shares rising 2 percent, outperforming the Nikkei.



Globally, the restart underscores nuclear power's contested role in decarbonization. Japan's cautious path highlights that energy policy depends not only on regulatory approval but also on regional politics, corporate accountability, and rebuilding public trust.



Norway Pushes Electric Vehicles to Nearly All New Car Sales in 2025





Norway has cemented its position as the world's most advanced electric vehicle (EV) market, with EVs accounting for 95.9 percent of new car registrations in 2025 and nearly 98 percent in December. The surge reflects a policy mix of tax relief for affordable EVs and rising charges on petrol and diesel cars, reshaping consumer demand and manufacturer strategy.



The Norwegian Road Federation reported EV penetration jumped from 88.9 percent in 2024, as buyers rushed to register vehicles before new taxes took effect. While Norway began taxing EVs in 2023, it simultaneously increased costs for internal combustion engine (ICE) cars, effectively "taxing them out of business," according to Christina Bu of the Norwegian EV Association. Non-EV registrations are now limited to niche uses such as emergency vehicles, hybrids, and sports cars.

Tesla led the market for the fifth year, capturing 19.1 percent share and selling 27,621 cars—an annual record for any automaker in Norway. Volkswagen followed with 13.3 percent, and Volvo with 7.8 percent. Manufacturers including Ford redirected supply chains to meet demand ahead of tax changes. From January 2026, EVs priced above \$30,000 face new value-added tax charges, while smaller models remain exempt. Industry leaders expect this to accelerate a return of compact cars, with Volkswagen, Audi, Skoda, and CUPRA preparing new launches.



Norway's trajectory contrasts sharply with the European Union, where weak demand has prompted a rollback of the planned 2035 ICE ban. For policymakers and investors, Norway demonstrates how consistent regulatory pressure—beyond subsidies—can rapidly realign entire industries toward zero-emission mobility.



Ammonia Energy Under the Microscope: Costs, Emissions, and Choices





Ammonia is gaining momentum as a carbon-free energy carrier, but its climate benefits hinge on how it is produced. Long used as a fertilizer input, ammonia is now being explored as a fuel and hydrogen carrier thanks to its high energy density, carbon-free combustion, and established global infrastructure. Yet, most current production relies on fossil fuels, creating a heavy carbon footprint.



New research from the MIT Energy Initiative (MITEI), published in *Energy and Environmental Science*, provides the most detailed global analysis to date of ammonia's economic and environmental impacts. Researchers compiled data across 63 countries, comparing costs and lifecycle emissions for conventional and emerging low-carbon production pathways. By factoring in energy prices, financing, and transport routes, the study enables global comparisons that were previously impossible.

The findings reveal stark tradeoffs. Gray ammonia, produced via the Haber-Bosch process with fossil fuels, is cheapest at around \$0.48/kg in the U.S. but emits 2.46 kg CO₂e per kg of ammonia. Cleaner alternatives—such as carbon capture, renewable-powered green ammonia, and nuclear-based production—can slash emissions by 71–100%, though costs rise by 23–46%. Blue ammonia pathways, combining natural gas with carbon capture, offer more balanced tradeoffs.



Geography is critical: China could emerge as a major green ammonia supplier, while the Middle East benefits from low-cost natural gas. Countries like Japan and South Korea are already integrating ammonia into national energy strategies, with global trade expected to dominate supply by 2050.

As senior author Guiyan Zang notes, "Governments can use this to compare options and set future policies."





GoodWe ESG Leadership Gains Global Boost With EcoVadis Gold Medal



GoodWe, a leading provider of solar inverters and smart energy solutions, has achieved two major sustainability milestones, reinforcing its position as a global ESG leader in the clean energy sector.

EcoVadis Gold Medal - The company earned a Gold Medal from EcoVadis with a score of 82/100, placing it in the top 5% of companies worldwide for sustainability performance. The assessment highlights GoodWe's strong practices across environmental management, labour and human rights, business ethics, and sustainable procurement. Achieving Gold status under EcoVadis' increasingly strict criteria reflects the maturity of GoodWe's sustainability systems and readiness for evolving global ESG regulations.



CDP Climate Change Score Upgrade - GoodWe also improved its CDP Climate Change score from B - to B, advancing to the Management level. This upgrade signals stronger climate governance, better integration of climate risks, and more comprehensive disclosure aligned with CDP's demanding framework. Oversight of climate strategy sits with an ESG Strategy and Management Committee, while execution is led by the Sustainable Development Research Institute.

Commitment to Sustainability - The company continues to invest in low-carbon manufacturing, lifecycle-based product design, and energy efficiency. It is among the early solar industry players to complete Scope 3 emissions verification, enhancing transparency across its value chain. Beyond climate action, GoodWe emphasizes ethical conduct and responsible sourcing through supplier ESG standards, a Supplier Code of Conduct, and regular risk assessments.



Looking ahead, GoodWe plans to strengthen climate governance, expand carbon management, and collaborate with industry partners to accelerate the global clean energy transition.



REGULATORY UPDATES



The ISSB logo is a dark blue circle containing the letters 'ISSB' in white, bold, sans-serif font. The background of the entire image is a landscape of rolling green hills under a clear blue sky, with numerous white wind turbines scattered across the terrain.

ISSB

**Eases Financed Emissions Rules Under IFRS S2,
Giving Banks And Asset Managers Reporting
Relief**



The International Sustainability Standards Board (ISSB) has introduced targeted amendments to its IFRS S2 climate disclosure standard, narrowing how financial institutions report financed emissions. The changes respond to industry concerns about the complexity of Scope 3 category 15 emissions, which cover investments, lending, and other financing activities.

Under the revised guidance, banks and insurers may limit reporting to emissions from loans and direct investments, while asset managers focus on assets under management. Facilitated emissions from investment banking, underwriting, reinsurance, and derivatives are explicitly excluded. This clarification resolves long-standing uncertainty over responsibility for complex capital markets activities.



The amendments also provide flexibility in classification and measurement. Institutions are no longer required to use the Global Industry Classification Standard and may adopt systems aligned with internal risk management. Jurisdictional differences are recognized: firms can apply local Global Warming Potential values or measurement approaches mandated by regulators, even if they diverge from the Greenhouse Gas Protocol.

ISSB Vice Chair Sue Lloyd emphasized that the revisions are pragmatic adjustments, not a retreat from transparency. By focusing on emissions that institutions can reasonably measure and influence, the changes aim to improve data quality while reducing operational burden. For investors, the core objective of IFRS S2 remains intact: decision-useful information on climate risks and opportunities. With around 40 jurisdictions moving toward adoption, the amendments reinforce IFRS S2's role as a global baseline, balancing climate transparency with market readiness.





**Securities and
Exchange
Commission**
PHILIPPINES

**Launches Mandatory IFRS-Based Sustainability
Reporting Standards**



The Philippine Securities and Exchange Commission (SEC) has announced the adoption of the Philippine Financial Reporting Standards (PFRS) on Sustainability Disclosures, aligning with the International Sustainability Standards Board (ISSB) of the IFRS Foundation. These new guidelines—PFRS S1 (sustainability-related) and PFRS S2 (climate-related)—will serve as the foundation for mandatory sustainability and climate-related reporting for large and listed companies in the Philippines. The ISSB released its inaugural global sustainability and climate standards in June 2023, and over 40 jurisdictions have begun adopting them.




Within ASEAN, Singapore, Thailand, Malaysia, and Indonesia are also moving toward IFRS-based sustainability reporting. The SEC will implement the standards in phases. Publicly listed companies with market capitalization of at least ₱50 billion (US\$840 million) must begin reporting in 2027, covering fiscal year 2026. Those above ₱3 billion will follow in 2028, while all other listed firms and large non-listed companies with annual revenues exceeding ₱15 billion (US\$250 million) will start in 2029, covering fiscal year 2028. To strengthen credibility, companies will be required to obtain limited assurance on Scope 1 and 2 greenhouse gas (GHG) emissions from independent assurance practitioners two years after their reporting begins.



The SEC has also introduced transitional reliefs to ease compliance. These include a two-year exemption from Scope 3 emissions reporting, and phased disclosure requirements—allowing tier 1 and 2 companies to initially report only climate-related risks and opportunities, with tier 3 firms granted two years of similar relief. This landmark move positions Philippine companies to meet global sustainability standards while supporting transparency and accountability in climate-related disclosures.



Future of ESG

A futuristic cityscape with solar panels in the foreground and modern skyscrapers in the background, symbolizing sustainable development. The scene is set during a golden hour, with a warm sunset sky. In the foreground, rows of solar panels are laid out on a green field. A large, circular green park area with a central garden is in the middle ground. The background is dominated by a dense cluster of modern, glass skyscrapers, including a prominent, very tall tower. The overall atmosphere is one of progress and environmental consciousness.

From Green Claims to Real Gains

ESG disclosures are no longer just box-ticking exercises. In today's markets, they drive investor trust, influence access to funding and even shape company valuations. Large investors and asset managers now expect meaningful insights from ESG data. They want to understand how prepared a business is to manage risks and identify long-term opportunities. When a company is transparent about its ESG performance, it reflects its leadership, values and genuine commitment to sustainability.

Investor expectations have also evolved. They are no longer satisfied with attractive promises and marketing narratives. What they seek is proof reliable data, clearly defined policies and measurable outcomes. Investors closely examine climate risks, carbon footprints, employee practices, governance structures, and the effectiveness of ethical standards. This information helps them assess whether a company can navigate regulatory changes, climate-related risks, supply chain disruptions and potential reputational challenges.

Consistency and credibility in ESG reporting are critical. Frameworks such as India's BRSR, global standards like GRI and climate disclosures under TCFD enable investors to compare companies across sectors. When a company's actions do not align with its disclosures, it raises serious concerns. Several high-profile companies that announced ambitious net-zero targets without credible implementation pathways later faced regulatory scrutiny, loss of investor confidence, and declining share prices. These cases highlight that honest and verifiable ESG reporting is no longer optional.

Governance disclosures are equally important. Investors pay close attention to board oversight of ESG matters, whistleblower mechanisms, enforcement of ethical standards and whether executive remuneration is linked to ESG performance. From an environmental perspective, they expect concrete details on climate action, emission management, and renewable energy initiatives. Social indicators including employee well-being, diversity, safety and data privacy also remain under strong scrutiny. Increasingly, investors prefer ESG information that is independently assured, as verified disclosures build trust, reduce perceived risk and encourage long-term investment relationships.

**DID YOU
KNOW?**



National Birds Day

January 5th



IT IS CELEBRATED TO RAISE AWARENESS OF THE VALUE OF TINY TWEETS IN THE ECOSYSTEM. IT'S A CALL TO CHERISH FREEDOM, NATURE, AND THE VITAL ROLE BIRDS PLAY IN OUR WORLD.

National Geographic Day

January 27th



IT IS A DAY SET ASIDE TO HONOUR THE "NATIONAL GEOGRAPHIC MAGAZINE," WHICH HAS BEEN PUBLISHED CONTINUOUSLY FOR MORE THAN A CENTURY.