

ESG in Five

30th January 24.



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- **Sustainable Food System Could Yield \$10 Trillion Benefits**
- **HSBC Unveils Net Zero Transition Plan to Align with Climate Goals**
- **Rio Tinto Secures 25-Year Solar Power Purchase Agreement to Slash Carbon Emissions**
- **TotalEnergies Boosting Battery Storage Portfolio in Germany**

Market Recap

It was another strong week for markets as the MSCI ACWI Index gained 0.96%, followed by the MSCI ACWI ESG Focus Index, which added 0.88%.

Move to sustainable food systems could bring \$10tn benefits a year, study finds



A shift towards a more sustainable global food system could create up to \$10tn (£7.9tn) of benefits a year, improve human health and ease the climate crisis, according to the most comprehensive economic study of its type. Redirecting the food system would be politically challenging but bring huge economic and welfare benefits, said the international team of authors behind the study, which aims to be the food equivalent of the Stern review, the 2006 examination of the costs of climate change. Johan Rockström, of the Potsdam Institute for Climate Impact Research and one of the study's authors, said: "The global food system holds the future of humanity on Earth in its hand."

HSBC Launches Net Zero Transition Plan

HSBC has announced the launch of its first Net Zero Transition Plan, outlining the global bank's strategy to finance and support the transition to net zero, and to meet the climate goals it has set over the past few years. The launch of the plan follows HSBC's initial 2050 net zero target which included a commitment to align its financing activities with the goals of the Paris Agreement, with the carbon emissions of clients and projects financed by HSBC reduced to net zero by 2050 or sooner.



Rio Tinto to Buy all Power from Australia's First Gigawatt-scale Solar Farm



Global mining and metals company Rio Tinto has announced a new 25-year power purchase agreement (PPA), buying all of the electricity from Australia's first gigawatt scale solar project, the Upper Calliope Solar Farm, with renewable energy developer European Energy.

According to Rio Tinto, once approved and developed, the giant solar farm would have the potential to reduce the company's operating carbon emissions by 1.8 million tonnes per year, supporting its goal of cutting its Scope 1 and 2 emissions in half by 2030. This could help power Rio Tinto's three Gladstone production assets, including the Boyne aluminium smelter, the Yarwun alumina refinery and the Queensland Alumina refinery.

TotalEnergies Acquires Battery Storage Developer

France-based energy giant TotalEnergies has announced an agreement to acquire Kyon Energy, one of Germany's leading developers of battery storage system, from its three founders. The consideration consists of a €90 million upfront payment, plus some earn out payments linked to the achievement of development targets.



Founded in 2021, Munich-based Kyon Energy develops and operates grid-connected battery storage systems. To date, the company has developed 770 MW of projects, including 120 MW which are already in operation. The company's pipeline includes 2 GW of advanced-stage products.

Sources:

Anthony Walters - Head of ESG at Clever Adviser Technology Ltd (Clever)

Market recap - Data sourced from FE FundInfo & Koyfin (quoted in Pounds Sterling).

Move to sustainable food systems could bring \$10tn benefits a year, study finds, by Jonathan Watts, Guardian, 29/01/24

HSBC Launches Net Zero Transition Plan by Mark Segal, ESG Today 25/01/24

Rio Tinto Signs 25-Year Deal to Buy all Power from Australia's First Gigawatt-scale Solar Farm, by ESG Today, 24/01/24

TotalEnergies Acquires Battery Storage Developer by ESG Today, 23/01/24

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