

"ESGrite" Your rite - We write



ESG DIGEST

"THE GENESIS OF NEW ERA IS UNFOLDING"

JULY 2026

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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 so what ", reminds us that change is not just about moving forward, but about transforming challenges into meaningful outcomes.



J Sundharesan

Founder and Sustainability Visionary

JULY 2026



ENVIRONMENT

SOCIAL

GOVERNANCE

Key Highlights in Sight



AMAZON EXTENDS POSITION AS THE WORLD'S LARGEST CORPORATE BUYER OF RENEWABLE ENERGY





Amazon has announced 37 new renewable energy projects worldwide, expanding its clean energy portfolio by nearly 30% to a total of 15.7 gigawatts (GW). This expansion solidifies Amazon's position as the world's largest corporate buyer of renewable energy for the second consecutive year.

With these additions—comprising three wind farms, 26 solar farms, and eight rooftop solar installations—Amazon now manages 310 projects across 19 countries. The company is now on track to power 100% of its operations with renewable energy by 2025, hitting its target five years ahead of the original 2030 schedule.



Once fully operational, the 310 projects are expected to generate 42,000 gigawatt-hours (GWh) of clean electricity annually. This is enough to power 3.9 million U.S. homes and offset 17.3 million metric tons of carbon emissions each year—the equivalent of removing 3.7 million cars from the road.

Notably, Amazon is doubling down on storage capacity by doubling its solar-plus-storage capabilities from 220 MW to 445 MW. This includes a new 300 MW solar project with 150 MW of battery storage in Arizona, and a 150 MW solar project with 75 MW of storage in California. These hybrid systems ensure clean energy can be deployed during evening hours and peak demand periods.

The generated energy will power Amazon's corporate offices, fulfillment centers, and Amazon Web Services (AWS) data centers, supporting its overarching Climate Pledge goal to reach net-zero carbon by 2040.



Brookfield, Mitsubishi Launch New European Renewable Energy Platform





Mitsubishi HC Capital and Brookfield Asset Management have announced a new joint venture to acquire and operate a diversified portfolio of contracted, operational renewable energy assets across Europe.

The privately held company launches with a seed portfolio totaling approximately 570 megawatts (MW) of installed capacity. With an equity value nearing €400 million (\$461 million USD), the initial assets include onshore wind, utility-scale solar, and battery energy storage projects spread across Finland, France, Ireland, Spain, Sweden, and the UK. The portfolio's assets are backed by long-term power purchase agreements (PPAs) with an average remaining duration of roughly 10 years. These commercial arrangements are expected to insulate the platform against market cycles, providing stable and predictable cash flows.

Moving forward, the platform is positioned for significant growth. The joint venture will actively evaluate pipeline opportunities to deploy additional capital and acquire operational renewable assets, expanding its footprint across Europe and into Australia.

The joint venture will be jointly controlled by both partners, with future asset acquisitions requiring mutual approval and funding contributed on a pro rata basis. However, Brookfield will directly oversee the day-to-day operations of the new company. The partnership aims to combine Mitsubishi HC Capital's financial and investment expertise with Brookfield's global asset management capabilities to drive long-term value creation and support global energy security.





Microsoft's Carbon Footprint Jumps 25% as AI Buildout Challenges Climate Goals



Microsoft's newly released 2026 Environmental Sustainability Report reveals a 25% year-over-year surge in greenhouse gas emissions. Despite the spike, the tech giant reaffirmed its ambitious commitment to becoming carbon negative, water positive, and zero waste by 2030.

The emissions increase is driven by two main factors:

- The AI Boom: Massive datacenter infrastructure expansion pushed Scope 3 emissions up by 12%, primarily driven by capital goods.
- A Strategy Shift: Microsoft intentionally paused purchasing unbundled, non-additional Energy Attribute Certificates (EACs). This strategic pivot toward investing in net-new carbon-free energy (CFE) caused a nearly 10-fold jump in reported Scope 2 emissions, which Microsoft accepts as a necessary step to drive genuine, long-term grid decarbonization.



To mitigate these impacts, Microsoft expanded its renewable energy portfolio to 40GW and introduced stricter supplier guidelines, including requesting that suppliers utilize Sustainable Aviation Fuel (SAF) for Microsoft-related travel by 2030.

Addressing rumors of a pause in carbon removal, the report highlights an active Carbon Dioxide Removal (CDR) program. Microsoft added 29 projects in 2025 across 10 distinct pathways—including direct air capture and nature-based solutions—contracting over 45 million metric tons of removal over the next three decades.



Google Reuses WWII Timber for Mass Timber Offices





Google has successfully diverted historic timber from the landfill, transforming a World War II-era airfield hangar into low-carbon material for its modern real estate portfolio. Hangar 3 at Moffett Federal Airfield—originally built by the U.S. Navy in 1943 from old-growth Douglas fir—was slated for removal due to severe, progressive structural damage. Rather than opting for standard demolition, Google's sustainability and real estate teams treated the structure as a "material bank," carefully dismantling it to salvage roughly 119,000 board feet (178 tons) of the structurally sound wood.

Reusing historic lumber at a commercial scale introduces complex challenges regarding building codes, contamination, and performance grading. To address this, Google collaborated with wood scientists, structural engineers, and mass timber manufacturers to establish a rigorous testing process. After planing away contaminated outer layers and conducting structural assessments, approximately 66,000 board feet met the strict requirements for mass timber remanufacturing.

The reclaimed Douglas fir is now destined for showcase installations across Google's Bay Area campuses and a mass timber office prototype in Oregon. For corporate real estate and ESG leaders, the project provides a proven blueprint for circular construction. It demonstrates how aging physical assets can be integrated into high-value corporate supply chains—significantly reducing embodied carbon, cutting construction waste, and proving that sustainability can practically translate into capital procurement.



Airbus and MTU To Develop First Fully Electric Hydrogen Aircraft Engine





In a major leap forward for sustainable aviation, Airbus and MTU Aero Engines have finalized an agreement to launch a specialized joint venture. Their mission? To design, test, and commercialize the world's first fully electric, hydrogen fuel cell engine for commercial aircraft. Building on a preliminary roadmap introduced at the June 2025 Paris Air Show, the venture is projected to officially begin operations in 2027, pending standard regulatory and European Union clearances. The partnership perfectly bridges corporate expertise: Airbus will contribute its commercial scale and advanced liquid hydrogen storage technologies, while MTU handles engine mechanics, testing, certification, and life-cycle maintenance.



The Tech Behind Zero-Emission Flight Rather than burning fuel, this revolutionary propulsion system utilizes fuel cells to generate electricity through an electrochemical reaction between hydrogen and oxygen. The system completely eliminates carbon dioxide and nitrogen oxides during flight, emitting only clean water vapor. The venture builds on successful recent milestones, including Airbus's cryogenic research and MTU's proprietary "Flying Fuel Cell" design, which recently completed its first electric motor tests in Munich.



A 2035 Vision for Clean Skies This partnership serves as a cornerstone of Airbus's ambitious ZEROe initiative, which aims to enter a fully zero-emission commercial aircraft into global service by 2035. While the industry—responsible for 2% to 3% of global emissions—currently relies heavily on Sustainable Aviation Fuels (SAF), both companies view hydrogen as the ultimate long-term solution due to its massive energy capacity by weight. Beyond hardware, the joint venture will collaborate directly with European authorities to write the safety frameworks and regulatory standards required to build a viable global hydrogen aviation market from the ground up.



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ECB Begins Applying Climate Risk Factors in Collateral Framework





The European Parliament has taken a bold step by proposing the classification of carbon fibre as a hazardous material, causing ripples across the automotive and aerospace industries. Once revered for its lightweight properties, energy efficiency, and vehicle performance enhancements, carbon fibre is now under scrutiny due to potential health hazards posed to humans.



EU policymakers have raised concerns that carbon fibre particles may irritate the skin and become airborne during vehicle recycling, which poses health risks. The proposed amendment to the End-of-Life Vehicles Directive will require manufacturers to completely phase out carbon fibre by 2029. This directive ensures proper recycling and disposal of vehicles across Europe while meeting health and environmental standards.



The announcement's immediate fallout is evident. Stock prices of major Japanese carbon fibre suppliers like Teijin, Toray Industries, and Mitsubishi Chemical have sharply declined. These companies account for nearly half of the global carbon fibre supply, with European car manufacturers forming a significant portion of their customer base.

Luxury and electric vehicle brands, including Ferrari, BMW, Hyundai, Lucid, and Tesla, now face production hurdles. With carbon fibre integral to their designs, finding alternatives could disrupt operations and inflate costs. Considering the global carbon fibre market's valuation of \$5.5 billion in 2024, industry leaders are gearing up for a lobbying effort against the proposal, citing risks to innovation, sustainability, and profitability.



EU Regulators Propose EU Taxonomy Simplification Measures





Europe's three primary financial regulators—the European Supervisory Authorities (ESAs)—have released a landmark series of joint proposals aimed at simplifying disclosure requirements and reducing the reporting burden under the EU Taxonomy. Part of the European Commission's broader administrative relief agenda, these targeted reforms aim to streamline compliance for companies, asset managers, banks, and insurers alike.



Under the new framework, each regulator has focused on easing burdens within its respective sector alongside joint cross-sector recommendations. The European Securities and Markets Authority (ESMA) proposes limiting the highly complex Operational Expenditure (OpEx) KPI strictly to R&D spending, introducing a voluntary "OpEx+" category for other green investments. Meanwhile, the European Banking Authority (EBA) recommends narrowing or outright eliminating low-relevance metrics like the Fees & Commissions and Trading Book KPIs. For the insurance sector, the European Insurance and Occupational Pensions Authority (EIOPA) plans to redesign key underwriting metrics to better track long-term green insured activities while cutting redundant disclosures.



Jointly, the ESAs are also proposing simplified reporting rules for corporate groups with multiple business lines and have strongly advised against expanding complex OpEx metrics that offer little value to investors. Stakeholders and industry players have until August 12, 2026, to provide feedback, as the ESAs have officially opened a public consultation period on these proposed reforms.



Future of ESG

A vibrant, futuristic cityscape under a sunset sky. In the foreground, rows of solar panels are visible. A large, circular green park with a central tree island sits in the middle ground. The background is filled with a dense cluster of modern skyscrapers, including a prominent, very tall, thin tower. The sky is a mix of orange, pink, and blue, with soft clouds.

**BEYOND THE GREEN LABEL : HOW EVIDENCE IS REWRITING
CORPORATE COMMUNICATION AND ACCOUNTABILITY**

For nearly a decade, sustainability reporting in India meant a glossy paragraph in the annual report, a list of aspirational goals, and solar panel on the cover. Companies highlighted tree plantation drives, recyclable packaging, and ambitious net-zero commitments while disclosures remained largely qualitative under SEBI's Business Responsibility Report (BRR) framework. While these claims were not necessarily inaccurate, they often lacked context, measurable outcomes, or independent verification, allowing selective sustainability storytelling to thrive. India is witnessing the transition from narrative-based sustainability to evidence-based sustainability. The real story is not that companies have stopped making claims, but it is that they are increasingly required to substantiate them."

ASCI's own research found 79% of green claims made by organisations were exaggerated or misleading, and its 2025 complaints report found 98% of scrutinised ads required modification, with most violations originating in digital media

India's approach to preventing greenwashing is evolving into a three-layer regulatory ecosystem: disclosures to investors under SEBI's BRSR and BRSR Core, environmental claims made to consumers under the ASCI and CCPA guidelines, and scrutiny of whether green products actually deliver the outcomes they promise.

The change is already visible in India's corporate reporting. Comparing ITC's sustainability communication from a decade ago with its recent BRSR disclosures, you'll notice a clear evolution. Earlier it emphasized achievements such as being "carbon positive," and "water positive". Today, those statements are accompanied by methodologies, emissions inventories, renewable energy data, governance structures. Tata Steel's reporting now extends beyond climate ambitions to explain its decarbonisation roadmap, hydrogen pilots, and transition risks. Across sectors, investors now expect net-zero targets to be backed by credible transition plans.

Greenwashing is unlikely to disappear overnight, but stronger disclosure standards and assurance requirements are encouraging companies to align sustainability narratives with operational reality through transparent, measurable progress.

**-Dhevsena, Trainee at
J Sundharesan and Associates**



SUSTAINABILITY BEGINS WITH ME!!

It's easy to get lost in big corporate commitments, net-zero targets, and global climate policies. But while we wait for organizations to move mountains, the real groundwork of sustainability happens right where we stand. True environmental stewardship isn't just about what happens in the boardroom; it's about the choices we make at our own desks, in our breakrooms, and during our daily commutes.

Instead of waiting for grand solutions, let's start small. See a piece of plastic on the floor? Pick it up. Carrying a single-use bottle? Switch to a reusable one. By focusing on immediate, micro-actions, we turn passive compliance into active culture. Big change is simply the sum of millions of individual choices. Let's stop talking about saving the planet from a distance and start making an impact right here, one small step at a time.

This week's personal challenge: Skip one single-use plastic item today and replace it with a sustainable alternative. Small acts, collective impact



TURNING BIG GREEN TALKS INTO SMALL DAILY STEPS



BUILDING A GREENER WORLD, ONE STEP AT A TIME.



Did You
KNOW?

World Population Day

July 11th

IT RAISES AWARENESS ABOUT GLOBAL POPULATION CHALLENGES AND THEIR IMPACT ON DEVELOPMENT, HEALTH, AND THE ENVIRONMENT.



World Nature Conservation Day

July 28th

IT IS OBSERVED GLOBALLY EVERY YEAR ON JULY 28 TO RAISE AWARENESS ABOUT THE CRITICAL IMPORTANCE OF PROTECTING EARTH'S NATURAL RESOURCES AND ADOPTING SUSTAINABLE HABITS TO SAFEGUARD THE ENVIRONMENT FOR FUTURE GENERATION.



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