



## TCB Digest for Executives: Wildfires, Carbon Markets, Materiality

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Welcome to the 25<sup>th</sup> edition of our Digest for Executives – a summary of key climate-related events, publications, and insights for cross-functional corporate leaders.

If you are in the Northern Hemisphere, we hope you are having a good summer. Unfortunately, the hot temperatures have exacerbated wildfires from Canada to Greece. On the west coast of the US, one of the region's largest ever wildfires has raised concern that [Californian carbon-credit forestry projects might not be sustainable](#).

The carbon market continues to be in the news for other reasons. An integrity watchdog is critical of about a third of existing carbon credits; [observers continue to digest the SBTi's latest guidance](#), with some remaining optimistic that the voluntary carbon market can play an important role in reducing emissions.

### Climate & Energy Updates

- [Californian Fires Destroy Trees Used in Carbon Credit Scheme](#) (Financial Times, August 8) The Park Fire, one of the largest wildfires in the state's history, has burned about 45,000 acres of trees that are part of California's carbon offset program. This follows fires earlier in the year that impacted forests involved in carbon offsets in Washington and New Mexico. Such programs give forest owners credits for preserving trees in an effort to absorb carbon; the credits are then sold to business to offset their pollution. Buyers involved in the program include Chevron, Shell, and BP.
- [The Summer Olympics Can't Keep Up with Rising Temperatures](#) (Vox, August 9) – With 2024 on track to be the hottest year on record, temperatures during the Paris Olympics surpassed 90F (32C). A report from a sustainability nonprofit highlighted concerns for athletes as temperatures continue to rise globally. [CNN reported](#) that at least half of the cities bidding for the 2036 Summer Games will likely experience unsafe temperatures during the typical Olympic months (July and August). The President of the International Olympic Committee has [mentioned that the games could be moved to cooler months of the year](#).
- [Solving the Carbon Market 'Integrity Crisis'](#) (Financial Times, August 7) - The voluntary carbon market (VCM) has slumped in recent years amid concerns about the integrity of various projects. (Just this month, [the Integrity Council for the Voluntary Carbon Market found that about a third of existing carbon credits do not meet its new VCM standard](#)). However, the VCM still holds potential to play an important role in

emissions reduction; this article argues that the key might be to stop thinking about carbon credits as “offset” tools. Earlier this year, the Science Based Targets Initiative (SBTi) suggested that companies could apply an internal price of carbon to their operations and supply chain, and put the proceeds into a fund allocated to carbon credits or climate-positive initiatives.

## Publications

- [Moving Beyond ESG](#) (Harvard Business Review, September/October Edition) - In this article, Robert Eccles discusses the impact that recent political debates have had on ESG and emphasizes the need for corporate transparency. Eccles argues that companies need to be clear and specific about how ESG contributes to value creation for shareholders; mission statements should not be so broad that they could apply to any organization. He discusses the debate between advocates of single materiality (which limits ESG to measuring financial impacts on the company) instead of double materiality (which includes sometimes hard-to-measure societal impacts, as well). He argues that single materiality is more compatible with clarity of purpose. He also maintains the importance of differentiating what a company’s efforts are able to achieve from issues that fall into the public policy realm.

## Corporate & Disclosure Updates

- [Meta Signs PPAs with RWE to Power Data Centers, Offices from New U.S. Solar Farms](#) (ESG Today, August 15) - Meta is one of the largest corporate buyers of renewable energy and has set a [net-zero target for 2030](#). It signed two long-term purchase agreements with the power producer RWE; the renewable power is anticipated to come from two solar farms currently under construction in the U.S.

## More Must-Reads

- CNBC, August 7 - [Clean energy tax breaks more popular than expected; U.S. households claimed \\$8.4 billion in Inflation Reduction Act credits for 2023](#)
- Bloomberg, August 9 - [The Risky Business of Predicting Where Climate Disaster Will Hit](#)
- The New York Times, August 11 - [How Close Are the Planet’s Climate Tipping Points?](#)
- Bloomberg Law, August 12 - [Environmental Attorneys See Windfall After Biden Climate Law](#)
- Financial Times, August 11 - [It’s In Companies’ Own Interests to Adopt Global Sustainability Standards](#)
- The Hill, August 15 - [Judge Strikes Down Anti-ESG Rule in Missouri](#)
- Bloomberg, August 15 - [Deutsche Bank Executive Says ESG Backlash Is Losing Its Bite](#)

**Thank you,  
The TCB Team**