# Sustainability Snippets

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## EU votes to cut car emissions

**The EU has finalised a voted to cut emissions from all new cars sold from 2035 onwards by 100%.**

Originally interpreted as prioritising the sale of new electric vehicles (EVs) from 2035, a group of car-friendly countries including Germany, Italy, and Poland, argued successfully for the inclusion of "carbon neutral" synthetic e-fuels which can power internal combustion engine vehicles.

It is unlikely to make much of a difference, however, to the roll-out of EVs – both Audi and Volkswagen executives have re-affirmed commitments to EVs, and Hyundai aims to be one of the world's top three EV manufacturers by 2030.

Additionally, synthetic fuels are complicated and expensive to produce, with limited technological progress on the horizon. The NGO, Transport & Environment found that EVs can travel six times further than synthetic e-fuel cars on the same amount of renewable energy, and by 2035 there will only be enough synthetic e-fuel production for just 2% of Europe's cars.

With many car manufacturers focused on being competitive in the EV market, the discussion around automobile synthetic e-fuels looks to have been nothing more than a distraction.

## Banks funding fossil fuel

**The 2023 edition of Banking on Climate Chaos has been released, which is a great tool for tracking major banks' lending to the fossil fuel industry.**

One highlight from this year is that Canada's major banks have sunk $1 trillion into fossil fuels since 2016 — and risk becoming 'overexposed' in the energy transition, despite pledging to reach net-zero greenhouse gas emissions.

The world's 60 largest banks provided $7.4 trillion over the same period, meaning Canada's largest banks are responsible for approximately 15 per cent of global investment in fossil fuels since 2016. As a reminder, greenhouse gas emissions from fossil fuels are the primary driver of climate change. Canadian banks are financing the oil sands as foreign banks divest from the region. In 2022, oilsands companies received $28 billion from banks, with nearly 90 per cent of those funds coming from Canada's Big five.

## Feeding us Greenwashing

**The food sector has come under scrutiny from the NGO, Changing Markets Foundations.** Its research, Feeding Us Greenwashing, found that greenwashing in the food sector is 'rampant'. It states that companies are making misleading claims about their carbon emissions and sustainability, and that it is "urgent that regulators start taking a closer look at food products and companies, regulate green claims, and ensure rules are properly enforced across different markets".

Meat and dairy companies, such as JBS, Nestlé, Arla, Danone and Fonterra, were found to be some of the worst offenders and responsible for high greenhouse gas emissions. Amazon was also found guilty of greenwashing by including meat and dairy products in their 'Climate Pledge Friendly' range, despite scientific assessments showing them to be the most carbon-intensive food products. Additionally, 'significant greenwashing' was discovered in dairy products, with misleading claims like 'carbon neutral' being made only in reference to packaging, and vague claims such as 'planet-friendly' and 'sustainable future' being unsubstantiated in most cases.

Findings from the research highlights that consumer behaviour is significantly influenced by green claims on labels. In the UK, 42% of consumers were found to be more likely to purchase products with a 'carbon neutral' label, with 29% willing to pay slightly - or much more - for these products. In Germany the picture is much the same, with 35% of consumers more likely to buy a meat or dairy product labelled 'carbon neutral' and 36% more likely to buy meat or dairy labelled 'climate positive', with 32% and 36% willing to pay more for these labels respectively. Whilst it's positive that consumers are considering the environment while shopping, the risk of greenwashing is becoming ever more likely.

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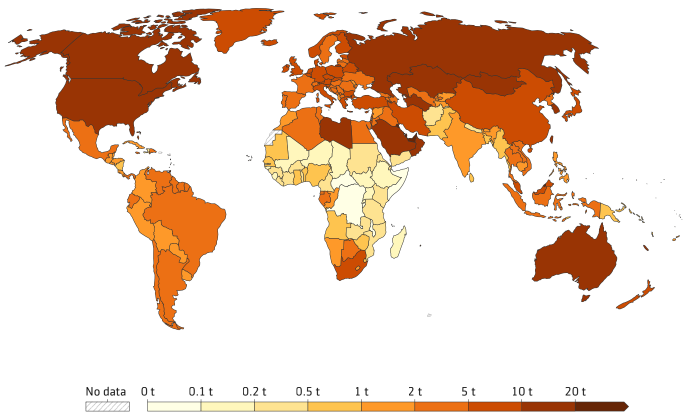
## *Australia walking the walk?*

**Australia has passed tougher laws that will force its largest emitters to reduce or offset their emissions in line with the country's national decarbonisation targets.** The "Safeguard Mechanism" will require over 200 oil, gas, mining and manufacturing facilities that annually emit more than 100,000 tonnes of carbon dioxide-equivalent to cut their emissions by 30% over the next seven years.

As a result of these limits, producers will require strong abatement solutions to achieve net zero emissions. This will result in greater costs for companies and is expected to boost carbon capture and storage projects across Australia (controversial as they currently may be…).

Whilst it has a relatively low population, Australia has one of the highest levels of total emissions and is particularly vulnerable to the effects of global warming. For a country that has seen significant protests, climate-related shareholder resolutions at Company AGMs, and an increasing frequency of extreme weather events, the introduction of stronger climate regulation is a welcome move.

**Per capita $CO_2$ emissions, 2021**




Source: Our World in Data based on the Global Carbon Project (2022)



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