

RECAP: KEY POINTS FROM COP26



Plus, we look into the potential of hydrogen and why it is essential to enable the net-zero journey of hard-to-abate industries such as steel and shipping.

During the first two weeks of November, many world leaders met at the COP26 climate summit in Glasgow, and reached a new global agreement - the Glasgow Climate Pact. Though not legally binding, the pact aims to reduce the worst effects of climate change. Countries also agreed to meet again next year to pledge further cuts to emissions of carbon dioxide. This is because current pledges, even if met, will limit global warming only to about 2.4° C, whereas most scientists warn we need to keep temperature rises within 1.5° C to prevent a catastrophe.

The agreement aimed to help poor countries make the switch to clean energy, with the potential of a trillion dollars a year from 2025. And over 40 leaders joined a ten-year plan to make clean technologies the most affordable and attractive option before 2030. For the first time, there was an explicit plan to reduce use of coal, which is responsible for 40% of annual CO2 emissions. 42 countries set coal phase-out dates, and international public finance for coal is ending.

JTC published a video recapping the big highlights and can be viewed [here](#).



Alok Sharma

COP26 President Alok Sharma [remarked](#): "We can now say with credibility that we have kept 1.5 degrees alive. But, its pulse is weak and it will only survive if we keep our promises and translate commitments into rapid action. I am grateful to the UNFCCC for working with us to deliver a successful COP26".

"From here, we must now move forward together and deliver on the expectations set out in the Glasgow Climate Pact, and close the vast gap which remains. Because as Prime Minister Mia Mottley told us at the start of this conference, for Barbados and other small island states, 'two degrees is a death sentence'....

...After the collective dedication which has delivered the Glasgow Climate Pact, our work here cannot be wasted."

The world's biggest carbon-dioxide emitters, the US and China, pledged to cooperate more on clean energy over the next decade, and also on methane emissions. Methane is currently responsible for a third of human-generated warming, and the Global Methane Pledge saw over 100 countries committing to reduce collective global methane emissions by 30% by 2030. However, China, Russia and India haven't yet joined this. In addition, over 120 countries that between them cover more than 90 per cent of the world's forests promised to stop deforestation by 2030, which is seen as vital, as trees absorb vast amounts of carbon dioxide.

At the conference's [Sustainable Innovation Forum](#), leaders discussed at length carbon pricing mechanisms. It's a hot topic at the moment, especially with China launching a contentious new [carbon market](#) last summer, and with similar talks on carbon trading collapsing at the previous summit in Madrid, in 2019. According to the International Monetary Fund in its recent [article](#) about how carbon pricing can help fight climate change: "Only about one-fifth of global emissions are covered by pricing programs, and the global average price is only \$3 a ton. That's a far cry from the global carbon price of about \$75 a ton needed to reduce emissions enough to keep global warming below 2° C."

Environmental Défense Fund Vice President for Global Climate, Kelley Kizzier, [remarked](#) that COP26 has provided a strong rulebook for international cooperation through carbon markets which, while not perfect, gives countries the tools they need to avoid double counting and ultimately to clear a path to get private capital flowing to developing countries. "The broader agreement at COP26 also represents good progress. In a process typically defined by general and broad calls for action, the decisions at COP26 take a new and welcome direction highlighting specific and urgent climate action."

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The Forum also identified that for heavy carbon users, carbon-pricing incentives were only part of the solution, and that decarbonisation measures, such as carbon-capture technologies, would be important. Lord Adair Turner, head of the UK Energy Transition Commission, pointed out that we know how to produce low-cost hydrogen, but the challenge is bringing forward demand. This could include encouraging the manufacture of hydrogen-powered ships and trains, and creating incentives for companies to buy goods from suppliers using these forms of transport.



The possibilities were highlighted by the appearance at COP26 of world's first hydrogen double-decker bus from Wrightbus, which had travelled on a 600-mile Hydrogen Roadshow tour of the UK, stopping at companies who are pioneering the use of hydrogen in boilers, heavy machinery and aviation. The bus travelled via hydrogen distribution firm Ryze Hydrogen, and hydrogen production company INEOS through its INOVYN subsidiary, according to a [Wrightbus press release](#).

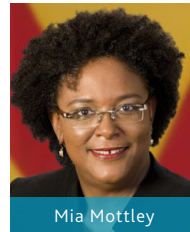
UNABATED RISE IN THE HEALTH IMPACTS OF CLIMATE CHANGE PREDICTED



The latest *Lancet* Countdown [report](#), has outlined the potentially catastrophic health consequences of the delayed and inconsistent response of countries to climate change. The report's authors, who are leading researchers from 43 academic institutions and UN agencies stated: "Despite years of scientific reporting on the impacts of climate change, efforts to build resilience have been slow and unequal, with countries with low levels of Human Development Index (HDI) being the least prepared to respond to the changing health profile of climate change and funding remaining a consistent challenge."

Key points for global health include:

- > The unequal response of countries to climate change is resulting in an uneven realisation of the health benefits of a low-carbon transition.
- > Agricultural workers in countries with low and medium HDI scores were among the worst affected by exposure to extreme temperatures, bearing almost half of the 295 billion potential work hours lost due to heat in 2020.
- > Rising average temperatures and altering rainfall patterns are beginning to reverse years of progress in tackling the food and water insecurity that still affects the world's most underserved populations, denying them an essential aspect of good health.



[Mia Mottley](#), prime minister of Barbados, made a telling contribution to proceedings at COP26 on behalf of smaller countries, including saying that failure to provide enough funding to small island nations on the frontline of climate change is "measured in lives and livelihoods," and asking: "Can there be peace and prosperity in one third of the world if two thirds are under siege...leaders must not fail those who elect them to lead."

EDITOR'S NOTE



With the big COP26 climate change conference under wraps, it's now time to take all of the action items discussed for everyone to do their part and fight climate change.

As part of JTC's commitment to sustainability and lowering carbon emission, not only do we have our first corporate electric vehicle to drive around St. Helier, Jersey, where our HQ is based, but our global team voted for Durrell Wildlife Conservation Trust to be the chosen charity to support this holiday season. We will be making a £5,000 donation to help recover the Atlantic Rainforest in Brazil and our money will be used to plant 1,000 trees in one of the richest and most biodiverse ecosystems on the planet, creating a healthier world for people and wildlife.

Additional, JTC actively supports and participates in the International Platform on Climate Finance (IPCF), an organization committed to a number of direct actions that will ultimately lead to the creation of a platform to operationalise, facilitate and track global progress against the objectives of Article 2.1.c of the Paris Climate Agreement. JTC recently met with the IPCF team to discuss how we can lend our support to the Green

Climate Fund, which is the largest global fund dedicated to help fight climate change.



Victoria Gillespie of JTC's ESG Services, remarked on the IPCF meeting: "As highlighted during COP26, resources to low-emission and climate-resilient projects and programmes in developing countries is crucial for all of us to meet the goals set in Glasgow. JTC and the IPCF have the perfect opportunity to deliver and support the investment needed to spur innovation and create thriving markets for climate, spanning across clean energy, sustainable transport, green infrastructure or climate-resilient agriculture."

For more information about the Green Climate Fund, please click [here](#).



REGULATIONS AND STANDARDS

REVEALED: A LACK OF TRUST IN WHAT COMPANIES SAY ABOUT ESG

The latest [annual survey](#) by global communications firm Edelman, into the major issues shaping investor's investment criteria, has found that investors don't trust company ESG disclosures or commitments.

The study shows that investors now subject ESG to the same scrutiny as operational and financial considerations – and most are sceptical of organisations' sustainability goals or reporting. Many companies are becoming aware of this trend, and we're seeing measures such as independent assurance reports and ESG related reviews being introduced to build investors' confidence.

This issue wasn't the only finding of the survey. A [summary in ESG Today](#) also highlights investors' increased interest in activism, and in engaging companies on environmental concerns.



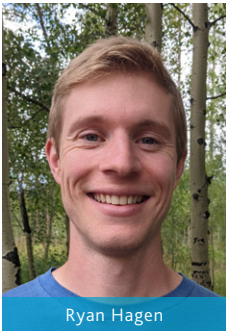
THE DEPARTMENT OF LABOR'S RECENT ESG PROPOSAL

What does it mean for retirement committees?

In the US, a proposed regulation, called 'Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights', will affect the duties of retirement-plan fiduciaries when considering investments that take into account ESG factors.

Adding to the wide range of factors involved in investment decisions facing retirement committees, the proposed rule would substantially change earlier rules on the subject. A [National Law Review article](#) examines it from a retirement committee perspective, and considers its likely effects – including the impact it will have on the process of creating a plan's menu of investment options, and how it will make choosing between competing investments easier.

PICK OF THE MONTH



Ryan Hagen

Climate and sustainability are increasingly popular topics for documentary films – and Ryan Hagen, founder of [Crowdsourcing Sustainability](#), has compiled a [list](#) of his favourites. Together, they offer a mixture of essential information, new perspectives, future visions and ideas on how to achieve them. We've picked a few examples:

- › [2040](#) is a story of hope that considers how humanity could reverse global warming and improve lives in the process.
- › [Breaking Boundaries](#) features David Attenborough and an investigation of the thresholds we must not exceed – for the stability of our planet and the future of humanity.
- › [Fire in Paradise](#) is a first-hand account of the fire that broke out near the town of Paradise, California, in November 2018 – and of how it grew into the country's deadliest wildfire in over a century.
- › [Planetary](#) is a provocative exploration of our cosmic origins and our future as a species, reminding us that now is the time to rethink our relationship with the world around us.

For more information email:

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