



ESG Working Group

Overview

ESG Working Group Overview

The crypto and digital asset sector is not the climate disaster that is often presented. Nevertheless, the sector's carbon footprint is not inconsequential. The GDF community recognises that regulatory and policymakers will soon demand that the industry is fully aligned with Net Zero targets.

This community responds actively to internal and external pressures and is already highly engaged on this topic. As a proactive sector, we can establish the industry standards to help guide appropriate co-regulation for this space and meaningful compliance.

Creating a robust assessment of the industry's carbon footprint and wider environmental impact is difficult due to a lack of data. Through cross-industry collaboration and data sharing, we can provide a better view of the full impact, and understand how to decarbonize.

ESG Working Group Structure:

- The ESG Working Group will be co-chaired by DLA Piper and RFI Foundation. GDF is a member-led community, and values the input and direction of the working group participants as a whole.
- Sessions will be built around presentations from working group participants, followed by opening to the floor for roundtable-style discussions on the relevant topic.
- When it comes to drafting the output of the working group, the group may split into sub-groups to focus on one key area.
- Sessions are held in Chatham-House style over zoom. Participants can choose whether or not to be publicly affiliated with the output of the group, either as individual participants or on behalf of a company.

Working Group Objectives

One

Build on the work of the Crypto Climate Accord to further industry commitment to improving the sectors' sustainability and decarbonisation by adopting 2030 Science-Based Targets (SBT) tailored to the cryptoasset sector

Two

Develop a Best Practice Framework for GDF Digital Assets businesses to adopt Net Zero Targets and Science-Based Pathways (including measurement, reporting and verification aspects)

Three

Develop a Best Practice Framework for GDF Digital Assets businesses to assess and integrate all relevant broader sustainability factors and outline a market leading practice for the sector's sustainability reporting

Four

Serve as a forum for industry collaboration on sharing data and reporting/inventory tools, and set a communications strategy for engagement with key stakeholders, including public interest bodies, NGOs, regulators, and policymakers

Working Group Timeline

Session 1: Kick-Off Meeting

w/c 4 April 2022

- Climate-first objectives, then focus on wider ESG elements
- Working Group outputs
- Intention to publish outputs with a view to launch by COP 27 in Nov 2022, and to create increased regulator engagement on the potential for integration of practices in licensing / supervision processes etc.
- Discuss the potential for working group to have sub-groups to focus on specific sectors within cryptoassets value chain
- Discussion on the journey so far, and any other key objectives for consideration

Session 2: Regulatory and Policy focus on ESG

w/c 11 April 2022

- Presentation from the GDF Regulatory team on the references to energy and sustainability in recent announcements from global agencies
- Discussion on anticipated timeframes and engagement opportunities
- Open floor to participants on particular local / jurisdictional / sector experiences

Session 3: Net Zero and SBTi general knowledge sharing

w/c 18 April 2022

- Presentation on typical approaches to net zero commitments, choosing frameworks and the pathway methodology, monitoring, reporting, verification (including relevant service providers)
- Relevant milestones for the industry

Session 4: SBTi and Cryptoassets

w/c 25 April 2022

- On the basis of the previous week, draw together the relevant highlights for scope for the cryptoasset industry
- Discuss proposal to pursue best practice outputs via subject-specific sub-groups

Session 5: Sustainability Beyond Climate

w/c 2 May 2022

- Looking more broadly at nature, biodiversity, and nature-related best practices
- Integration of Social and Governance credentials
- Identifying sustainability reporting best practices

Session 6-9: Drafting mode

w/c 9-30 May

- Group splits into 3 subgroups:
 - Carbon-Focus for service providers
 - Carbon-Focus for miners
 - Broader Sustainability focus (total value chain)

Session 10: Review Session

w/c 6 June 2022

- Regroup for a plenary session to gain feedback from working group
- Engagement with standard-setting bodies for review and input

Session 11: Drafting mode

w/c 13 June 2022

- Groups integrate comments for final reviews

Session 12: Final Review Session

w/c 20 June 2022

- Group has final input before releasing for public consultation and peer review

Key dates for the Working Group

