



# FINPUBLICA

## ESG NEWS YOU CAN USE

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### *Environmental*

[Business leaders have launched Chapter Zero Southern Africa, a group of board chairs and senior directors aiming to spur boardroom discussions to halve fossil carbon emissions by 2030.](#) Developed in collaboration with the World Economic Forum, this is the twenty-ninth chapter worldwide and the second in Africa.

## **Social**

**The American Alliance for Equal Rights, founded by conservative activist Edward Blum, has filed a lawsuit against the Atlanta-based venture capital fund Fearless Fund, alleging racial discrimination.** Fearless Fund is being sued for supposedly violating the Civil Rights Act by creating a small business grant competition for Black women. This legal action comes after Blum's previous success in challenging affirmative action admissions policies at Harvard University and the University of North Carolina. This suit appears to be another prong in well-funded and coordinated attacks against companies' and investors' freedom to consider environmental, social, and governance as part of their business and investments.

## **Regulation/Reporting**

**Over the past seven months, Anti-ESG legislation in U.S. states faced considerable opposition.** Despite a coordinated effort to pass 165 anti-ESG laws in 37 states, nearly 85% of the proposals have failed. Only 14 states approved any anti-ESG measures (many of which are far narrower than what had been initially proposed). Many of the bills faced criticism for being poorly defined and potentially detrimental to investors' financial returns -- with Texas's boycott bill, for example, reportedly costing hundreds of millions in higher borrowing costs for municipalities.

**The UK government plans to introduce UK Sustainability Disclosure Standards (SDS) based on the recently published IFRS/ISSB Sustainability Disclosure Standards.** These standards aim to provide globally comparable and useful sustainability reporting for UK companies, aligning with international corporate reporting efforts. The government intends to consider endorsing the IFRS Sustainability Disclosure Standards to create UK SDS by July 2024.

**The International Auditing and Assurance Standards Board (IAASB) has proposed a new standard, International Standard on Sustainability Assurance (ISSA) 5000,** which focuses on assurance for sustainability reporting. The standard aims to enhance confidence and trust in such reporting, takes a principles-based approach, and is intended to align with a variety of reporting frameworks (including those issued by the EU, ISSB, and GRI).

## Investing

[The European Commission has approved a €1.5 billion French measure to support the research and development of a new generation of solid-state EV batteries by ProLogium.](#) The grant was made under the 2022 RDI Framework, which aims to facilitate research, development, and innovation that would not occur without public support.

[IFC, the private sector arm of the World Bank, has entered an agreement with the Swiss government for the second phase of its Sustainable Cities program, aimed at promoting green urban infrastructure development in emerging markets.](#) The program supports subnational governments and private sector partners in attracting investments for various urban infrastructure sectors. Switzerland's State Secretariat for Economic Affairs (SECO) is providing \$19 million to complement its earlier support, with the goal of facilitating over \$500 million in commercial financing for urban infrastructure projects in sectors like transportation, water, waste, and energy.

## Resources & Membership

[You can watch \(or rewatch\) Finpublica and The ESG Exchange's panel on Fulfilling Fiduciary Experts While Embracing ESG by clicking here.](#) Our global panel of experts, including Delaware State Treasurer Colleen Davis, Columbia Business School Professor Shiva Rajgopal, Paul Lee (Head of Stewardship at Redington), and Fiona Darroch (Director of Law at Protimos), explored fiduciary duties across jurisdictions and how ESG investing is consistent with (and in some cases even required by) those duties.

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