

# ESG NEWS YOU CAN USE

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## *Happy Holidays from Finpublica*

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## *Environment*

[Microsoft has entered a deal to remove up to three million tons of carbon through a nature-based startup focused on U.S. based afforestation projects.](#) The startup (Chestnut), which was launched by an alternative asset manager, will purchase and repair depleted crop and pasture lands -- to plant native species to develop biodiverse systems.

[The UK government's Department for Energy Security and Net Zero unveiled its new "CCUS" Vision, aiming to establish the UK as a global leader in carbon capture, usage, and storage.](#) The plan aims to increase CCUS in the UK to 20-30 million tons of CO2 by 2030 and create a competitive, self-sustaining CCUS market by 2035. The government also provided updates on the development of its carbon storage clusters (which bring together multiple storage locations through a shared transportation infrastructure). [You can learn more about carbon capture technology by visiting Finpublica's website here.](#)

## *Regulation and Reporting*

[The UK government announced plans to implement a carbon import levy on certain products starting in 2027.](#) The carbon border adjustment mechanism (CBAM) will be applied to carbon-intensive goods in such sectors as iron, steel, cement, and aluminum, and will be determined based on the carbon emissions associated with the imported products' production. This strategy hopes to protect domestic businesses from cheaper imports with less stringent climate policies, as well as support the UK's goal of achieving net-zero emissions by 2050.

[BlackRock is facing a lawsuit against the state of Tennessee for allegedly violating consumer protection laws by issuing supposedly "misleading" statements about its ESG investment strategy.](#) Rather than alleging greenwashing, the state's Attorney General claims that BlackRock's funds that do not consider ESG factors are adversely affected by the firm's membership in climate groups, its proxy voting record, and its influence on companies to meet environmental goals. BlackRock rejects the claims and plans to contest the accusations.

[The European Council has agreed on a proposal to negotiate the regulation ESG ratings providers under the supervision of the European Securities and Markets Authority \(ESMA\).](#) Under the Council's proposal, ESG ratings providers operating in the EU would be required to obtain an authorization from ESMA, while those outside the EU would require an equivalent endorsement. The new regulations aim to improve the reliability and comparability of ESG ratings by enhancing transparency and integrity among ESG rating providers.

Next steps will include Interinstitutional negotiations expected to start in January 2024.

## *Investing*

**KKR has listed the “brown-to-green” transition of asset heavy sectors as a key “mega-theme” for 2024.** While many recent decarbonization efforts focus on “asset light” advances driven by technology, KKR sees increased investment opportunities targeting more emissions intensive sectors – such as power generation, transportation, property, and heavy industry.

**ING has committed to stop financing oil and gas production by 2040 and triple its lending to renewable energy within the next two years.** ING plans to decrease loans to upstream oil and gas by 35% by 2030 to cut 50% of its portfolio’s current emissions. The company’s renewable financing target is set to reach €7.5 billion by 2025, an increase from €2.5 billion in 2022. This announcement mirrors steps by other banks in the region, such as Credit Agricole, to cease financing fossil fuel extraction projects and increase investments in renewables.

## *Resources & Membership*

In the most recent **episode of Armchair ESG**, Finpublica’s **Adam Wasserman** sat down with **Owl ESG’s Rob Yates** to discuss current trends in ESG and how Finpublica works to empower leaders to focus on sustainable finance from both a value and values perspective. Listen on either **YouTube** or **Spotify**.

Finpublica’s **membership portal** is live. If you are interested in joining a community more than 250 finance leaders focused on sustainable finance and ways to implement initiatives inside their organizations and across the industry, we invite you to apply.

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