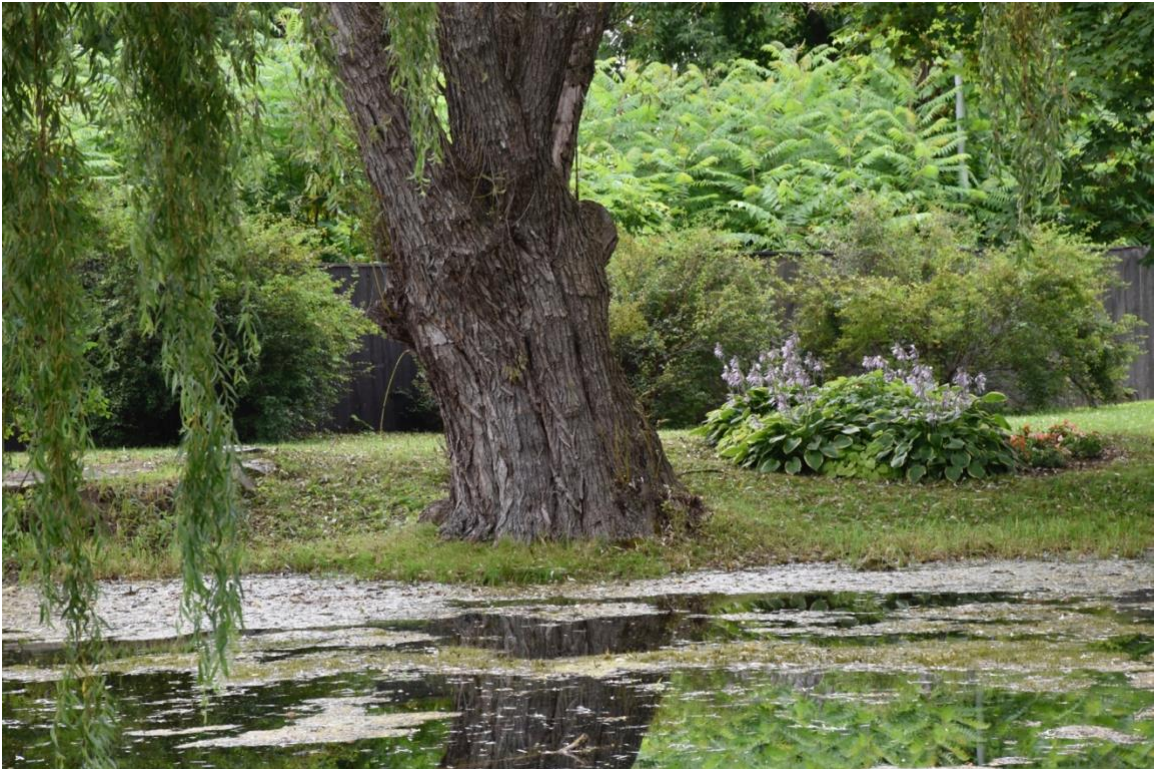




FINPUBLICA

ESG NEWS YOU CAN USE

May 5, 2024



Environmental

[The European Parliament passed the Net Zero Industry Act to support the manufacturing of key decarbonization technologies by the EU.](#) The legislation focuses on 19 specific technologies – including solar, thermal, geothermal, carbon capture, nuclear, and more. It will work to streamline permitting processes, set an annual CO2 storage objective of 50 million tons by 2030, introduce sustainability and resilience criteria for public procurement and auctions, and establish Net-Zero Industry Academies. The legislation, which will now go to the EU Council for approval, aims for the EU to meet at least 40% of its deployment needs for the technologies required to achieve the union’s climate and energy targets.

The Net Zero Insurance Alliance, created to reduce the insurance sector's GHG emissions, will be disbanded and replaced with the Forum for Insurance transition to Net Zero ("FIT"). This new group has loosened its requirements – with members no longer needing to set and annually report on emissions targets. Instead, members will be expected to adopt four sustainable insurance principles focusing on processes to measure emissions, set optional targets, develop transition plans, engage with different sectors, and address climate solution barriers. This pivot occurred after Republican-run states threatened legal action leading to half the group's members leaving. FIT will launch with more than 45 member organizations and will be backed by a team of antitrust experts.

Investing

A study done by Stanford University's Graduate School of Business and the MSCI Sustainability Institute found that nearly all investors surveyed believe that climate change will impact investment performance over the medium term. More than 90% of the asset owners and managers surveyed believe that climate issues are most likely to affect investment performance over the next two to five years. Additionally, more than 75% of North American and European investors said that integrating ESG criteria lowers the risks of unknown invests. And, more than 60% of respondents believed that using ESG factors in decision-making gives a stronger holistic view of company risk and that ESG integration lowers volatility.

According to a report from Moody's Investors Service, the issuance of green, social, sustainability, and sustainability-linked bonds (GSSS bonds) rose 36% in the first quarter of 2024 to \$281 billion. Investment in green, sustainability, and social bonds all increased, while sustainability-linked bond (SLB) issuances declined as a result of scrutiny over the bonds' linked sustainability targets. Overall, GSSS issuances accounted for 12% of total bond issuances in first quarter 2024 (down 2% from 2023). Moody's is projecting a total of \$950 billion in GSSS Issuances by the end of 2024 as macroeconomic conditions remain relatively soft.

Citigroup reported that it has financed \$441.2 billion toward sustainable finance, nearly reaching half of its goal of \$1 trillion by 2030. Specific areas of investment in 2023 included renewable energy (\$14 billion) and affordable housing (\$7.1 billion). According to the bank, its green, social, and sustainable bonds business continued to grow, as did its services business (including export agency and sustainable supply chain financing). Citi also announced that the bank exceeded its \$1 billion Action for Racial Equity financing goal and has reached five out of its eight goals to reduce its own carbon footprint -- including reduced location-based GHG emissions, increased usage of renewable energy, and reductions in waste and water consumption.

[The world's largest sovereign wealth fund, Norway's \\$1.6 trillion Norges Bank Investment Management, stated that it sees the anti-ESG backlash in the U.S. as an opportunity to lean into sustainable investing.](#) According to the fund's CEO, the ESG pushback has made green investing more attractive since it has reduced competition for such projects.

[During a Special Meeting of the World Economic Forum in Riyadh, the Minister of International Cooperation, Rania Al-Mashat, highlighted the disparity in climate finance flows and the critical need for climate investment in developing countries.](#) Despite \$1.3 trillion in climate financing for 2021-2022, only 13% of the funds went to developing and emerging countries, with just 2% going to the global south.

Events & Membership

[Join Finpublica on May 9th \(12pm ET\) for a webinar on Planning for Multiple Futures – Sustainable Investing for Retirement.](#) Our experts will discuss how retail investors, retirement plan sponsors, pension funds, and other key players are (and are not) working to incorporate sustainable investing into the trillion-dollar retirement industry. Topics will include the federal and state regulatory framework, different approaches to incorporating sustainability into retirement investments, ways to educate plan sponsors and participants on the benefits of sustainable retirement options, and more. We look forward to hosting [Marina Severinovsky](#) (Head of Sustainability – Americas at Schroders); [Brian Mizoguchi](#) (Senior Financial Advisor & Portfolio Manager at Merrill Lynch); [Mary Cerulli](#) (Executive Director of Climate Finance Action); and [Chris Walker](#) (Senior Advisor – Retirements & Manager of the Sustainable Retirements Initiative at the Intentional Endowments Network).

[Finpublica is looking forward to hosting a virtual fireside chat on May 23rd \(12pm ET\) with the leaders of two organizations who recently received \\$8 billion in funding from the EPA to promote clean energy locally throughout the United States.](#) Join us as Aspen Finance Leader's Fellowship Executive Director [Erika Karp](#) sits down with [Harold Pettigrew](#) (CEO of Opportunity Finance Network) and [Tucker Bartlett](#) (Executive Vice President of Self-Help) for an engaging discussion on how the EPA's Greenhouse Gas Reduction Fund will support tens of thousands of climate and green energy projects across America – especially among low income and historically disadvantaged communities.

[Finpublica has been invited to host a panel discussion at GreenFin 24 on How to Maintain Momentum on Diversity, Equity, and Inclusion.](#) We hope you can join us in NYC (June 17-19) at this premier event that convenes more than 1,000 professionals across institutional investors, corporate finance and sustainability executives, financial institutions, and sustainable finance and investing policymakers.

Finpublica's [membership portal](#) is live. If you are interested in joining a community more than 350 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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