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Finance Leaders For The Public Good

ESG NEWS YOU CAN USE January 22, 2023

Environment

According to a **new sustainability report** released by Deloitte, **97% of companies surveyed were negatively by climate change**, and 79% of C-suite executives believe the world is at a tipping point when it comes to responding to climate change. Two-thirds of these executives are using more sustainable materials and increasing their energy efficiency. The **report identifies five additional “needle moving” actions** for companies to take: (1) developing new climate friendly products/services; (2) requiring suppliers to meet sustainability criteria; (3) updating/relocating facilities to make them more climate resistant; (4) incorporating climate into political donations/lobbying, and (5) linking executive compensation to sustainability.

<https://www.deloitte.com/global/en/about/press-room/new-deloitte-research-highlights-increasing-business-concern-about-climate-change.html>

The UN Environment Programme (UNEP) and S&P Global launched the **Nature Risk Profile**, a new methodology for analyzing companies’ impacts and dependencies on nature. With half the world’s GDP dependent on nature, the methodology’s goal is to help the financial sector to measure and address nature-related risk by providing scientifically robust and actionable analytics. The methodology comes as biodiversity loss concerns have grown as the fourth greatest environmental risk, according to the [World Economic Forum](#).

<https://www.unep.org/news-and-stories/press-release/unep-and-sp-global-sustainable1-launch-new-nature-risk-profile>

Social

Fidelity **committed \$250 million** to helping underserved minority college students with scholarships, mentorship, and other forms of support over the next five years in their new “**Invest in My Education**” program. The initiative will focus on increasing Black, Latinx, and other historically underserved students’ college completion rates, their ability to graduate without student debt, and their success in securing good-paying jobs after college.

<https://www.forbes.com/sites/michaelnietzel/2023/01/17/fidelity-commits-250-million-to-support-50000-minority-college-students/?sh=639bec0a52e5>

Regulation/Reporting

The U.S. **Federal Reserve** released a “**climate risk analysis exercise**” (due by July 31) for six major banks to assess their readiness for a changing climate and severe weather events, as well as for the transition to an economy less reliant on fossil fuels. This pilot program will involve (1) “physical risk shocks” analysis for real estate, (2) corporate loans and real estate portfolios based on a net-zero timeline by 2050, and (3) other variables such as inflation around the world and housing prices.

<https://www.cnbc.com/2023/01/17/fed-directs-big-banks-to-disclose-how-they-are-preparing-for-climate-change-risks.html>

The CEO of **Bank of America** says that efforts to create a set of **global ESG standards** are vital to “**align capitalism with what society wants from it**” and is supporting efforts of the new International Sustainability Standards Board (“ISSB”).

<https://www.cnbc.com/2023/01/18/bank-of-america-ceo-says-capitalism-needs-cleaning-up-with-new-global-esg-rules.html#:~:text=Bank%20of%20America%20Chief%20Executive,new%20International%20Sustainability%20Standards%20Board.>

The International Sustainability Standards Board (**ISSB**) stated that it will release its first global **standards** for climate and sustainability reporting in **June**.

<https://www.esgtoday.com/ifrs-chair-global-sustainability-and-climate-reporting-standards-to-be-released-in-june/>

Investing

BlackRock's CEO says that the firm's **inflows are 100x anti-ESG out-flows**, despite certain states' political attacks on sustainable investing.

<https://www.esgtoday.com/larry-fink-says-blackrock-inflows-are-100x-esg-outflows-despite-political-backlash/>

Some Good News

Numerous **banks**, including Bank of America, Citigroup, Deutsche Bank, Goldman Sachs, and JP Morgan, have **established teams of bankers** dedicated to **financing clean energy transition** estimated to be worth **\$7 trillion** a year.

<https://www.fnlondon.com/articles/bank-of-america-ceo-brian-moynihan-esg-transition-is-a-big-business-opportunity-20220524>

Finpublica Resources

Did you know that Finpublica's website has compiled more than **20 free ESG tools** to research companies, funds, and government programs?

Check them out at <https://www.finpublica.org/esg-tools>.

Finpublica Membership

We are bringing together finance leaders interested in ESG and ways to implement environmental, social, and governance initiatives inside and outside their organization. If you would like to **join Finpublica**, please apply at:

<https://finpublica.wildapricot.org/join-us>

This Friday: Cutting Edge ESG

We invite you to join us on January 27, 2023 (11am ET) for our **Cutting-Edge ESG** event. Join our panel of experts as they discuss the intersection between ESG and blockchain/digital assets, artificial intelligence, and open-sourced environmental data. Please **REGISTER HERE**



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