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ESG NEWS YOU CAN USE
March 31, 2023 – Spring Break Edition

Regulation/Reporting

The **United Kingdom published its updated net-zero Green Finance Strategy**. Developed by the Departments of Treasury, Energy, and Environment, the strategy focuses on leveraging green investment and opportunities to help the UK reach its target for Net Zero by 2050. It focuses on such topics as greening finance, financing green, transition financing, and sustainability disclosure requirements. The government also announced its intent to consult on proposals that would: (1) require large companies to disclose transition plans, and (2) bring ESG ratings providers into the Financial Conduct Authority’s regulatory remit.

Summary: <https://www.lexology.com/library/detail.aspx?g=5609af7f-3be0-4c3c-8cfc-fa0525b8a2ae>

The Strategy:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147377/mobilising-green-investment-2023-green-finance-strategy.pdf

The **European Commission** released new **proposed anti-greenwashing rules**. The Directive on Green Claims proposes “minimum requirements for business to substantiate, communicate and verify their green claims.”

<https://www.esgtoday.com/eu-launches-green-claim-rules-to-protect-consumers-from-greenwashing/>

The **United Kingdom's** Financial Conduct Authority will **delay implementation of its anti-greenwashing rule and sustainability disclosure requirements**, with the policy statement being pushed to third-quarter 2023 and the effective dates adjusted accordingly.

<https://www.investmentweek.co.uk/news/4089244/fca-delays-implementation-initial-sustainability-disclosure-requirements>

Investing

The **European Central Bank (ECB)** published its **inaugural climate disclosures** for its corporate sector and non-monetary policy portfolios. According to the reports, the Eurosystem's corporate bonds are "on a decarbonization path," the "ECB has more than halved emissions from corporate and equity investments in its staff pension fund since 2019," and the ECB has increased the share of green bonds in its portfolio from 1% in 2019 to 13% in 2022. While the portfolios' absolute greenhouse gas emissions have increased as a result of more securities purchases, the issuers' carbon intensity has declined due to, among other things, portfolio companies lowering their emissions.

<https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.pr230323~05efc3cf49.en.html>

The U.S. Inflation Reduction Act's (IRA's) investment in a green economy continues to spur similar efforts globally -- with **Canada announcing proposals for more than \$80 billion in clean technology and energy investments** (including more than \$60 billion in tax credits and \$20 billion in sustainable infrastructure investments as part of the 2023 budget).

<https://www.esgtoday.com/canada-announces-over-60-billion-clean-tech-energy-investments-to-compete-with-u-s-inflation-reduction-act/>

Republican legislatures in **Kansas, Wyoming, North Dakota, and Indiana have terminated or significantly watered down anti-ESG bills** that would limit ESG investing practices or the ability to do business with Wall Street firms that consider such issues. Some Republicans are breaking with the party saying that politicians should not dictate how businesses may operate, while others are balking at the projected billions of dollars that such anti-ESG proposals could cost taxpayers.

<https://www.bloomberg.com/news/articles/2023-03-28/anti-esg-crusades-in-gop-states-stumble-amid-pension-pushback>

Proposed Texas anti-ESG legislation that would prohibit allow the state to bar certain investment managers from working with state pension systems **could cost the state’s retirees billions of dollars**. According to the Executive Director of the Texas Country and District Retirement system, **the bill “would keep us from partnering with some of the best investment managers in the world,”** and could cost the system more than \$6 billion over the next decade.

<https://www.esgtoday.com/texas-anti-esg-investing-bill-faces-pushback-over-6-billion-cost-to-pensions/>

Some Good News

The **United States** government announced **\$250 million in funding to help federal agencies implement net-zero building projects**, with the funds coming from the Bipartisan Infrastructure Law.

<https://www.energy.gov/eere/femp/articles/biden-harris-administration-announces-250-million-federal-agencies-advance-net#:~:text=WASHINGTON%2C%20D.C.%20%E2%80%94%20The%20Biden%2D,as%20the%20nation%20works%20to>

Events, Resources, and Membership

The **video replay** of **Between a Rock and a Hard Place: How to Navigate Between ESG and Anti-ESG Regulatory Actions** is now available. Watch as our panel of legal experts discuss the current state of ESG enforcement globally and provide practical guidance on ways to reduce regulatory risk at the federal and local levels: <https://www.finpublica.org/march292023event>

Our friends at **The ESG Exchange** (which is focused on global knowledge exchange and the development of how-to playbooks for sustainability reporting) are hosting a **ESG and Sustainability Reporting webinar on April 4, 2023 (10am ET)**. You can learn more about The ESG Exchange and their efforts to promote collaboration and help firms avoid reinventing the wheel at <https://theesgexchange.org/>. And, you can register for Tuesday’s event at:

<https://theesgexchange.org/first-tuesdays-esg-and-sustainability-reporting-standards-frameworks-and-guidelines/>

Finpublica's **membership portal** is live. If you are interested in joining a community of more than 120 leaders focused on responsible investing and ways to implement ESG initiatives inside their organizations and across the industry, we invite you to apply at: <https://finpublica.wildapricot.org/join-us>

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