



FINPUBLICA
Finance Leaders For The Public Good

ESG NEWS YOU CAN USE October 30, 2022

Regulation

The UK's Financial Conduct Authority (FCA) on Tuesday published proposed rules for funds and their managers to restrict greenwashing. The proposed rules, among other things, introduce "criteria-based sustainable investment product label categories" and "restrictions on the use of terms such as 'ESG', 'green' or 'sustainable' for products that do not qualify for the sustainable investment labels." <https://www.esgtoday.com/fca-targets-greenwashing-with-new-sustainable-investment-labeling-and-disclosure-rules/>

The EU reached a deal last week to ban the sale of combustion engine cars by 2035 – which includes a 55% CO2 emission target for new cars by 2030. The provisional agreement will be sent to the Parliament and Council for formal adoption. <https://www.euronews.com/my-europe/2022/10/28/eu-to-phase-out-new-combustion-engine-cars-by-2035>

Governance

In this article, KPMG explains how ESG reporting offers companies an opportunity for strategic differentiation. It discusses how leaders can help companies focus on ESG education, governance, strategy, risk assessment, and reporting. The article further suggests specific steps firms can take now, including: (1) assessing what your company is doing in connection with climate reporting; (2) educating management and the board on the ESG reporting landscape; (3) forming a working group to focus on environmental reporting; and (4) calculating Scope 1 and 2 GHG emissions. <https://www.forbes.com/sites/insights-kpmg/2022/10/26/from-compliance-to-strategy-how-finance-can-lead-the-way-in-esg/?sh=a8793791fc1b>

Products

The Hong Kong Exchange launched "Core Climate, a new marketplace for trading of voluntary carbon credits and instruments . . . aimed at connecting capital with

climate-related products and opportunities in Asia and international markets.” Core Climate joins similar initiatives by the London Stock Exchange (a Voluntary Carbon Market launched earlier in October) and Salesforce’s Net Zero Marketplace (introduced in September). <https://www.esgtoday.com/hong-kong-exchange-launches-voluntary-carbon-market/>

Some Good News

RBC became the fifth of Canada’s Big Five banks to outline 2030 targets to help its clients reduce carbon emissions in the oil + gas, power generation, and automotive sectors. The bank also released an updated framework for how it plans to provide \$500 billion to finance green projects by 2025.

<https://www.theglobeandmail.com/business/article-rbc-releases-2030-targets-to-reduce-emissions-intensity-from-carbon/>

Apple announced that it will require its suppliers to report on their progress towards achieving carbon neutrality (including reducing Scope 1 and 2 emissions). Although outside the financial services space, Apple has set an example that financial firms can follow. <https://www.apple.com/newsroom/2022/10/apple-calls-on-global-supply-chain-to-decarbonize-by-2030/>
