



FINPUBLICA
Finance Leaders For The Public Good

ESG NEWS YOU CAN USE December 18, 2022

Environment

The **CDP**, an environmental disclosure platform, announced the release of its **company scores** for 2022. More than 330 companies were placed on an A List of either Climate Change, Forests, or Water Security—an increase from 2021. (Though only around 1% of companies were awarded a triple A score across all three sectors). Since CDP regularly raises the bar for what qualifies as environmental leadership, companies must continuously improve on their ambition and action to stay on A Lists every year.

<https://www.cdp.net/en/articles/media/just-1-point-3-percent-of-companies-leading-across-all-environmental-issues-cdp-disclosure-scores-reveal>

Regulation/Reporting

The **EU** reached a preliminary agreement to adopt a **carbon tax**, aiming to protect countries with stricter carbon laws and encouraging more countries to adopt similarly ambitious climate goals. Under the new law, only countries adopting similar emissions curbs would be able to export to EU countries without paying additional fees (which would seek to level out the playing field for carbon pricing). It is expected to be implemented in October 2023, with a transition period until 2026 or 2027.

<https://www.nytimes.com/2022/12/13/world/europe/eu-carbon-tax-law-imports.html>

The **European Banking Authority** (EBA), the EU banking supervisor, announced its new **ESG/sustainable finance roadmap** detailing its priorities over the next three years. Key focus areas include: (1) improving transparency on ESG issues; (2) ensuring that ESG-related risks are integrated in financial institutions' risk management frameworks; and (3) addressing greenwashing risks. The roadmap

comes as “ESG risks are changing the risk picture” and with initiatives to “transition to a more resilient and sustainable European financial sector.” The full roadmap can be found [here](#).

<https://www.esgtoday.com/eu-bank-regulator-outlines-plans-to-address-esg-risks-disclosure-greenwashing/>

Australia released a consultation paper regarding a **climate risk disclosure framework** -- with plans to make the reporting rules mandatory for large entities. The move was welcomed by leaders at some of the country’s largest financial institutions and investors. The consultation contemplates a phased approach, which could commence in 2024.

<https://www.smh.com.au/business/banking-and-finance/a-logical-step-finance-industry-backs-push-on-mandatory-climate-disclosure-20221212-p5c5kt.html>

Investing

HSBC announced that it will **stop financing new oil and gas fields** in hopes of driving down global greenhouse gas emissions. This follows a previous criticism when it was revealed the bank had invested an estimated \$8.7bn (£6.4bn) into new oil and gas in 2021 despite having a “net zero” pledge in 2020. The bank will continue their investments already in oil and gas as they recognize that “that fossil fuels, especially natural gas, have a role to play in the transition.” However, the move still sends “a strong signal” to fossil fuel giants that investment is waning, according to environmental groups.

<https://www.bbc.com/news/science-environment-63975173>

S&P Dow Jones announced its annual **rebalancing of the Dow Jones Sustainability Indices** (DJSI). Top additions include: Moody’s, Hess, Dow, Eli Lilly, Merck, PepsiCo, Walmart, Disney, Schneider Electric, Capgemini, Hong Kong and China Gas, Tata, and Macquarie. Deletions included: Caterpillar, Sanofi, Amgen, UPS, Starbucks, BMW, and Woolworths (among others).

<https://www.esgtoday.com/dow-jones-sustainability-indices-results-announced-walmart-disney-in-starbucks-ups-out/>

Some Good News

This week’s **nuclear fusion** breakthrough – which allows scientists to replicate conditions found only in the sun and stars -- is a milestone for clean energy!

<https://www.cnn.com/2022/12/13/us/energy-officials-announce-nuclear-fusion-climate-scen/index.html>

Finpublica Resources

At members' request, we've added **sample ESG policies and guidelines** to the website, including from CalPERS, CalSTRS, Blackrock, and Sequoia – as well as articles on key considerations when drafting such policies for your organization.

<https://www.finpublica.org/sample-policies>

Finpublica Membership

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

(For those who may have issues with last week's link, this new link takes you directly to our membership portal. Registration only takes a minute!)

You are receiving this email because you have been identified as being interested in the Finpublica community. If you would like us to use a different email address, or if you would prefer not to receive communications from Finpublica, please email awasserman@finpublica.org.