



# FINPUBLICA

## ESG NEWS YOU CAN USE

July 30, 2023



### *Environmental*

[The UK High Court has rejected an attempt by ClientEarth to overturn the dismissal of its climate-focused legal action against Shell's board of directors.](#) ClientEarth argued that Shell's energy transition strategy was flawed because the company could not achieve its goal of net zero emissions by 2050. The court ruled in favor of Shell, stating that ClientEarth failed to prove that the directors were in breach of their duties.

## Regulation/Reporting

**The International Organization of Securities Commissions (IOSCO) has officially endorsed the new International Sustainability Standards Board (ISSB) sustainability and climate-related disclosure standards.** This endorsement is a significant step towards achieving consistent, comparable, and reliable sustainability information. IOSCO is urging its 130 member jurisdictions, which regulate over 95% of global financial markets, to consider incorporating the ISSB standards into their regulatory frameworks.

**The U.S. Federal Energy Regulatory Commission (FERC) has approved a new rule to speed up the connection of energy projects to the power grid,** which could help alleviate delays hindering renewable energy development. The rule aims to promote more efficient grid connection processes and imposes firm deadlines and penalties for delays in processing connection requests.

**House Republicans introduced a series of bills to restrict the ability of the U.S. capital and financial markets to consider ESG issues in investments.** The proposed bills seek to severely limit ESG and climate-related disclosure requirements, reduce investors' ability to engage on sustainability issues with companies, and restrict regulators' collaboration on climate-related financial risk. While unlikely to become law, the bills are part of the Republican Party's concerted anti-ESG attacks.

**The Government of Canada has unveiled initiatives aimed at reducing support for the fossil fuel sector, in line with its commitment under the Glasgow Statement.** The initiatives include a new framework to eliminate "inefficient" fossil fuel subsidies (that benefit the fossil fuel sector or solely support fossil fuel consumption and development), and outlines criteria that subsidies must meet to be considered efficient.

**India's Securities and Exchange Board (SEBI) has announced new rules for ESG funds, requiring them to invest at least 80% of their assets in securities aligned with their strategies and provide monthly ESG scores for holdings.** The rules also introduce a new ESG investment sub-category for mutual funds, allowing them to offer multiple ESG frameworks (such as integration, exclusion, best-in-class, transition, and impact) to investors. The rules also require asset managers to explain their voting decisions, including whether a vote was made based on ESG factors.

**The Australian Securities & Investments Commission (ASIC) has initiated a court action against Vanguard Investments Australia for supposed greenwashing,** alleging that the investment manager made false and misleading claims about one of its ESG funds. The Vanguard Ethically Conscious Global Aggregate Bond Index Fund was marketed as excluding companies with fossil fuel activities, but ASIC alleges that the screening and research were limited, exposing investors to such fossil fuel issuers as Chevron and the Abu Dhabi Crude Oil Pipeline.

## *Investing*

**Walmart and PepsiCo have announced a strategic collaboration to promote regenerative agriculture practices on over two million acres of farmland in the U.S. and Canada.** The initiative involves a \$120 million investment to support farmers in improving soil health and water quality, aiming to achieve four million metric tons of greenhouse gas emission reductions and removals by 2030. The collaboration seeks to enhance farmer livelihoods, increase sustainability, and serve as a model for other brands to invest in regenerative agriculture.

**The U.S. Department of Energy (DOE) will allocate \$100 million to support states, local governments, and public utilities in purchasing products made from converted carbon emissions.** The initiative aims to accelerate the adoption of advanced carbon management technologies and create a market for sustainable alternatives in fuels, chemicals, and building products sourced from captured emissions.

## *Resources & Membership*

Finpublica's **membership portal** is live. If you are interested in joining a community of nearly 200 finance leaders focused on sustainable finance and ways to implement initiatives inside their organizations and across the industry, we invite you to apply.

Thanks to the efforts of Finpublica's fabulous interns, we invite you to follow Finpublica on your favorite social medial platforms, including **LinkedIn**, **Instagram**, **Threads**, and **TikTok**.

\*\*\*

You are receiving this email because you have been identified as being interested in the Finpublica community, followed Finpublica on LinkedIn, or registered for a Finpublica event. If you would like us to use a different email address, or if you would prefer not to receive this newsletter, please email [awasserman@finpublica.org](mailto:awasserman@finpublica.org). Finpublica is a 501(c)(3) organization located in Hastings on Hudson, NY, 10706.