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## ESG NEWS YOU CAN USE

July 9, 2023



### *Environmental*

**[The International Maritime Organization \(IMO\) has adopted the "2023 IMO Strategy on Reduction of GHG Emissions from Ships,"](#)** setting new goals to achieve net zero emissions from international shipping by 2050 and promote the use of low GHG emission fuels by 2030. The strategy includes targets for emission reductions by 2030 and 2040, as well as plans for implementing measures such as a marine fuel standard and an emissions pricing mechanism.

**[The California Air Resources Board \(CARB\) has formed a Clean Truck Partnership with leading truck manufacturers and the Truck and Engine Manufacturers Association to promote zero-emission vehicles for commercial trucks.](#)** The partnership aims to meet California's vehicle standards, increase the adoption of zero-emission technology, and provide flexibility for

manufacturers. The agreement, which will ban the sale of new diesel big rigs by 2036, aligns with EPA regulations to help harmonize federal and state programs.

**Portugal has increased its targets for solar energy and green hydrogen production, aiming to decommission natural gas-fired power plants by 2040 and potentially achieve carbon neutrality by 2045.** The country plans to reduce greenhouse gas emissions by 55% by 2030 and generate 85% of electricity from renewable sources by 2030. The goals require an estimated €75 billion (\$82 billion) of investment in green energy projects.

**Insurance group AXA has announced decarbonization targets for its investment and insurance activities.** The goals include reducing emissions of its largest commercial insurance clients by 30% and cutting the carbon footprint of its general account investment assets by 50% by 2030 – despite the company’s recent exit from the Net Zero Insurance Alliance. The company also aims to increase its business in renewable energies and sectors transitioning to lower-carbon and to bolster dialogue with corporate customers and external stakeholders to support them in the transition.

**A survey by Fidelity International reveals that while companies are increasingly incorporating ESG considerations into their operations and governance, fewer than 60% are on track to achieve net-zero emissions by 2050.** Much of this comes from weak economic global conditions creating increased pressure to focus on immediate results rather than long-term sustainability issues, as well as gaps in global technology. Still, the survey revealed an upward trend in companies' commitments to sustainability and net-zero emissions.

## ***Regulation/Reporting***

**The United Kingdom’s ESG Data and Ratings Working Group (DRWG) has introduced a draft voluntary Code of Conduct for ESG ratings and data providers, aiming to enhance transparency, improve market integrity, and foster competition in the ESG data and ratings space.** The code comes in response to increasing demand for ESG ratings and data and growing calls for regulation. It aligns with recommendations from the International Organization of Securities Commissions (IOSCO) and the European Commission's proposal for ESG ratings supervision. The consultation on the draft code will remain open until October 5, 2023.

## *Investing*

[The U.S. Department of Energy plans to invest \\$1 billion in a clean hydrogen demand side initiative](#), supporting the development of Regional Clean Hydrogen Hubs and reducing investment risks for clean hydrogen projects. This investment aligns with the Biden Administration's National Clean Hydrogen Strategy and Roadmap, aiming to accelerate the production, use, and distribution of low carbon hydrogen.

[According to a report by McKinsey & Company, an estimated \\$3-\\$4 trillion in investments will be required by 2030 to scale up the materials supply chain and address upcoming shortages of key metals and materials necessary for global decarbonization](#). The report highlights the greater material intensity of renewable energy and electric vehicle technologies compared to conventional technologies, and emphasizes the need for increased investment in mining, refining, and smelting, as well as innovation and recycling practices, to address the materials gap.

[Tokyo-based banking company Mizuho has set a new goal to facilitate JPY 100 trillion \(\\$USD 700 billion\) in sustainable finance between 2019 and 2030, with JPY 50 trillion dedicated to environment and climate change-related finance](#). This target is a significant increase from the firm's previous goal and aligns with its medium-term business plan focused on personal well-being, a sustainable society, and supporting the transition to a low-carbon economy. Mizuho has also issued a \$1.4 billion green bond, which will finance green projects, including renewable energy.

## *Opportunities, Resources & Membership*

Please join Finpublica and The ESG Exchange for [a virtual discussion on Fulfilling Fiduciary Experts While Embracing ESG](#). We will be exploring fiduciary duties across jurisdictions and how ESG investing is consistent with (and in some cases even required by) those duties. Our global expert panelists include Delaware State Treasurer Colleen Davis, Columbia Business School Professor Shiva Rajgopal, Paul Lee (Head of Stewardship at Redington), and Fiona Darroch (Director of Law at Protimos). [You can register for the July 20, 2023 \(10 am ET\) webinar by clicking here.](#)

Check out the [Finpublica website's tools](#) page, which provides links to a variety of free ESG research tools from around the web. [Click here for guidance on calculating Scope 3 emissions.](#)

Finpublica's [membership portal](#) is live. If you are interested in joining a community of more than 180 finance leaders focused on sustainable finance and ways to implement initiatives inside their organizations and across the industry, we invite you to apply.

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