



FINPUBLICA

ESG NEWS YOU CAN USE

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An Interview with Finpublica's Founder

November is a season of gratitude and reflection. We are grateful for our Finpublica community of more than 250 members across 20 countries. As we reflect on what we've accomplished together in our first year, we sat down with Finpublica Founder and Executive Director, Adam Wasserman, to hear about what's on the horizon for next year and what about Finpublica inspires him.

Q: We have some readers who are new here – what led you to start Finpublica?

A: I began Finpublica to provide a community to support individual finance leaders at all stages of their sustainable finance journey in pursuing the environmental, social, and governance issues that they are most interested in. Unlike other “ESG” organizations that focus on funds and corporations, Finpublica’s aim is to work with current and emerging leaders – since it is people who are most passionate about these issues and who ultimately can pull the levers of change. We are continuously working to create a more close-knit community and provide our members with opportunities to connect, learn from, and support one another. Our ultimate goal – in addition to cultivating a generation of sustainable finance leaders – is to enable our members to pursue those specific environmental, social, and governance initiatives that make the most sense for them and their organizations. As Finpublica begins its second year, we will be concentrating on collaborating with our members to create working groups focused on those projects they are most interested in pursuing. And a huge thank you to all of our members who make Finpublica what it is today.

Q: What are you excited about in 2024?

A: While we have a number of new developments in the works for 2024, one thing I’m very excited about today is the launch of our first two member working groups – focused on sustainable finance in Africa. Indeed, nearly 30 of Finpublica’s members come from the continent and they are extremely enthusiastic about working together! At our first Finpublica Africa Salon, members decided to form two working groups: one focusing on specific Africa-focused ESG initiatives on which members can collaborate, and a second that will research and summarize the state of ESG regulation in the region. I am thrilled to see our members come together to make a difference and am looking forward to launching several more working groups next year on a variety of environmental, social, and governance topics.

Q: You have created a community of more than 250 finance leaders around the world, what inspires you right now about Finpublica and our community?

A: One of the fantastic things about founding Finpublica has been the opportunity to meet with so many of our members who are senior leaders doing amazing (and profitable) things to leverage the finance industry in support of a more sustainable economy and society. But, something that I didn’t expect when I started the organization was that I’d be collaborating closely with at least a dozen university and post-graduate students from Generation Z – who have been absolutely integral to getting Finpublica off the ground. The talent, knowledge, commitment, and energy that this next generation brings to the table is incredible. Working with these future leaders – and knowing that there is a whole new generation that sees finance and sustainable finance as one and the same – is incredibly inspiring.

Environmental

[The latest meeting of a 24-member U.N. committee has broken the impasse on the creation of a "loss and damage fund," finalizing a proposal to help particularly vulnerable nations affected by climate-driven disasters.](#) The "take-it-or-leave-it" deal would establish the World Bank as the interim fund home and urge developed countries to lead the funding and inviting others to contribute. The voluntary nature of the fund reflects a compromise, as developing nations had lobbied for obligatory payments from developed countries responsible for most emissions. The proposal will be presented at COP28 for approval.

[Indonesia's President Joko Widodo inaugurated a \\$108 million floating solar power plant with a peak capacity of 192 megawatts.](#) Located on Cirata reservoir, the plant is the third largest of its kind and may be expanded up to 1,000 megawatts. While Widodo said this represents a major step in renewable energy usage for Indonesia, the country still faces challenges in meeting its energy goals and 2025 renewable energy target (of 23% total energy mix).

Regulation and Reporting

[The UK government is moving forward with plans to regulate ratings agencies that evaluate companies' ESG performance.](#) This action follows the European Commission's proposed rules for ESG rating providers that were first announced in June. Currently, the Treasury is evaluating whether to achieve these goals through existing laws or to introduce new legislation entirely. They are also considering whether to create a new ESG ratings watchdog or (more likely) to expand the remit of the Financial Conduct Authority. The government expects to reveal formal proposals as early as January 2024.

[CDP and the EFRAG are collaborating to align CDP's disclosure system with the EU's recently adopted European Sustainability Reporting Standards \(ESRS\).](#) The organizations hope to expedite market uptake of the ESRS, as well as help companies prepare for the EU's upcoming Corporate Sustainable Reporting Directive (CSRD), which will go into effect in 2024.

Investing

[According to a survey by Bloomberg Intelligence, 89% of investors view ESG metrics as mainstream, believing they lead to higher returns, more resilient portfolios, and improved fundamental analysis.](#) Despite a recent decrease in sustainable investing and promotion of anti-ESG legislation in some U.S. states, most investors worldwide remain confident in the long-term profitability of ESG.

[**KKR has raised \\$2.8 billion for its Global Impact Fund II, which targets investments that increase sustainability and social equity.**](#) The fund focuses on key [**themes:**](#) Climate Action, Sustainable Living, Lifelong Learning, and Inclusive Growth. Launched in 2021, the fund is more than double the size of its predecessor, which closed at \$1.3 billion in 2020. According to KKR, the strategy's growth reflects "the tailwinds in our business," including cleaner energy, the recycling of supply chain resources, and companies' efforts at workforce development.

[**Legal & General Investment Management \(LGIM\) has launched the first of a new series of funds to provide investors with comprehensive sovereign ESG exposure integrating ESG across sovereign debt.**](#) This initiative aims to combat income bias in sovereign ESG scores, which directs investments to developing nations instead of developed countries. The funds will also consider "geopolitical stability/risk," and a "sovereign ESG score momentum factor" to reward positive trends.

Resources & Membership

[**Click here for a video replay of the November 1, 2023 Finpublica and Wall Street Block Chain Alliance panel regarding the intersection of ESG and blockchain.**](#) Learn more about how blockchain is being used to balance the energy grid, mint carbon credits, measure GHG, and more.

[**The Shareholder Commons has announced a new initiative to help investors and activists apply system stewardship to their engagement efforts: *Portfolios on the Ballot*, which is now live on the PRI collaboration platform.**](#) During the 2024 proxy season, *POTB* will flag shareholder initiatives that feature a strong systemic argument. TSC is available to help craft initiatives from a system perspective. [**This fact sheet**](#) explains how system stewardship can further protect the long-term value of investors' portfolios, while supporting the environment and social institutions. If you are contemplating an action that might be appropriate for *POTB*, whether a proposal, a vote-no campaign, or something else—or if you just want to learn more—please reach out to Rick Alexander (rick@theshareholdercommons.com).

Finpublica's [**membership portal**](#) is live. If you are interested in joining a community of 250 global leaders focused on sustainable finance and ways to implement environmental, social, and governance initiatives inside their organizations and across the industry, we invite you to apply.

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