



# FINPUBLICA

## ESG NEWS YOU CAN USE

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### *Environmental*

[White hydrogen, hydrogen that is naturally produced or present in the Earth's crust, could supercharge energy transition efforts.](#) Geoffrey Ellis, a geochemist with the US Geological Survey, said there may be tens of billions of tons of white hydrogen globally – if scientists know where to look. Several startups working to commercialize white hydrogen production are beginning to

receive significant investments and are predicting that success can be achieved in years rather than decades.

**A new United Nations Environment Programme (UNEP) report identified seven ways to increase international financing for climate adaptation programs that are essential to enhancing resilience – especially for low-income countries and disadvantaged groups.** Indeed, adaptation is far more cost effective than reaction, with studies indicating (for example) that every billion invested in adaptation against coastal flooding can save \$14 billion in economic damages. The **Report's** recommendations focus on international and private sector finance, increased financing for small and medium enterprises, domestic expenditures, and the creation of a Loss and Damage fund.

**If fossil fuels continue to be burned at their current rate, the world will surpass the 1.5 degrees Celsius temperature threshold by early 2029, three years earlier than previously calculated, according to a new study.** Global warming beyond that threshold will increase the risk of natural disasters – including irreparable damage to coral reefs and ice sheets, heat waves, water shortages, and extreme weather events. According to the study, hitting the threshold temperature earlier than originally calculated may be a result of progress in cleaning up aerosols, a type of air pollution. Although dangerous to human health, aerosols slightly cool the planet and mask the effects of burning fossil fuels.

## ***Regulation and Reporting***

**SEC Chair Gary Gensler stated that investors are backing the agency's proposal for Scope 3 value chain emissions reporting by public companies,** saying that it provides investors with important information to evaluate company risk. That said, Gensler also stated that he is receptive to concerns raised by issuers, SMEs, and agricultural entities and is working to take them into consideration. Gensler's comments suggest that the SEC's final climate rule will include some Scope 3 disclosure requirements.

**The leadership of next month's COP28 summit urged governments to set the goal to triple their renewable energy capacity by 2030** as part of efforts to stop global warming from exceeding dangerous temperatures. However, European nations and climate-vulnerable states argue that the solution must go beyond increasing renewable energy capacities to include an agreement to

phase out fossil fuels, which they say has faced resistance from Russia, Saudi Arabia, and other fossil-fuel reliant countries.

**[Hong Kong's securities regulator is supporting the development of non-mandatory guidelines for ESG rating and data products providers](#)**. The guidelines will have four key elements: (1) transparency, (2) governance, (3) systems of control, and (4) management of conflicts of interest. The code of conduct will be created by a 14-member working group whose goal is to issue a draft of the code for public consultation in the first quarter of 2024.

## *Investing*

**[New York Governor Kathy Hochul announced the largest state investment in renewable energy in U.S. history](#)**. The investment will support three off-shore wind and 22 land-based renewable energy projects. This announcement demonstrates tangible progress towards New York's goal to have 79% of the State's electricity to be from renewable sources by 2030.

**[Although average support for U.S. ESG shareholder proposals was down this year, support for anti-ESG proposals was virtually nonexistent](#)** according to Digital Market Intelligence's 2023 annual stewardship report. The National Center for Public Policy Research filed 57 anti-ESG proposals, but most received less than 2% of support from shareholders. Additionally, certain pro-ESG proposals gained traction this past year – including those requiring companies to create climate reports, human rights policies, and charitable contribution reports. Read the full report [here](#).

## *Resources & Membership*

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

**[The Shareholder Commons](#)** and **[ShareAction](#)** are hosting a webinar launching new research on the systemic risk of low wages and income inequality to diversified portfolio value, which depends on critical social and environmental systems. Among these is a stable and healthy workforce, which itself depends on Living Wages. The webinar will highlight the role of System Stewardship in addressing this risk, as well as how investors are using System Stewardship to engage companies on paying a real Living Wage and why doing so improves

overall portfolio returns for diversified shareholders. The webinar is scheduled on Thursday, November 9, at 10:30 a.m. EST. Click [here](#) to register.

**[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](mailto:rick@theshareholdercommons.com)).

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