



FINPUBLICA

ESG NEWS YOU CAN USE

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Environmental

Most Americans, regardless of party, income level, geographic location, age, and gender, want to purchase sustainable products. The NYU Stern Center for Sustainable Business (CSB) found that sustainability-marketed products are growing twice as fast as conventionally marketed products and also selling at an average price of 28% more.

Social

The Fifth Circuit U.S. Court of Appeals ruled to uphold Nasdaq's board diversity rule. The rule requires companies in the exchange to have one director who identifies as female, a member of an underrepresented racial or ethnic minority, or LGBTQ+ by the end of the year or explain why they do not. By 2026, companies will generally need two diverse directors under the same rule.

The Eleventh Circuit U.S. Court of Appeals has granted a preliminary injunction reversed the trial court and granted a preliminary injunction in the Fearless Fund case. In a 2-1 decision, the appellate court reversed the trial judge's ruling and has temporarily halted the venture capital firm and its foundation from awarding grants exclusively to Black women during the pendency of the litigation.

Regulation and Reporting

Although the SEC's recently released list of exam priorities did not specifically include ESG (unlike the two prior reports), experts opine that this does not mean that the topic is out-of-mind at the agency. Indeed, ESG remains a subject of SEC rulemaking and enforcement and is expected to continue to be a part of routine examinations.

The Taskforce on Climate-related Financial Disclosures (TCFD) released their final status report of the year. The report found that while most of the world's largest companies are committed to reporting on climate-related risks and opportunities, very few of those companies are reporting in line with all 11 recommendations set out by the TCFD. In FY 2022, companies on average reported in line with 5.3 of the recommendations, compared with 3.2 in 2020. Read the full report [here](#).

The European Banking Authority (EBA) published a new report assessing the role of environmental and social risks in its supervision framework for banks and investment firms. The report includes short-term, near-term, and long-term action recommendations to increase the incorporation of risk and increase forward-looking elements. These include incorporating environmental risks into stress testing and including environmental and social factors as part of credit assessments and collateral due diligence. Access the report [here](#).

The EU Council reached an agreement on a proposal that aims to further reduce CO2 emission levels of heavy-duty vehicles and to introduce new targets for 2030, 2035, and 2040. The proposal expands the current regulation to include all new heavy-duty vehicles with certified CO2 emissions, like smaller trucks and urban buses, subject to emission reduction targets.

Dish Network agreed to pay a first-of-its-kind fine to the U.S. Federal Communications Commission for leaving a retired satellite near the orbit where working satellites function. The action highlights the fact that mismanagement of space debris can lead to collisions between satellites, which can have sustainability implications -- including the release of hazardous chemicals into the upper atmosphere.

Investing

John Goldstein, the global head of sustainability and impact solutions for asset and wealth management at Goldman Sachs said that he is focusing on companies in the circular economy space – which can help dull the impact of inflation by enabling a more efficient use of resources. Noting that inflation has created a bit of a headwind for traditional renewables, Mr. Goldstein said that his team is looking at companies in “the ‘second phase’ of the energy transition” who are focused on such issues as waste management and recycling with business models that allow the use of fewer new materials.

According to PwC’s 2023 State of Climate Tech report, while the need for innovative climate technologies continues to rise, venture and private equity funding for such start-ups has fallen for the second year in the row - 40.5% (year over year) -- bringing the funding to levels last seen five years ago. Still, this decline is less than the total declines in venture and PE investment (50.2%) and climate tech’s share of private market equity and grant investment is tracking at a rate of 10% YTD, with first time funders continuing to sign on to deals in large numbers.

Resources & Membership

Finpublica has added additional [research demonstrating the business case for diversity, equity, and inclusion \(DEI\)](#). You can check these studies out by clicking this link and opening “Social” tab in the Research section of our website.

A video replay of Finpublica’s September 2023 Climate Week event (co-hosted with K&L Gates) is now live! [Click here to learn about Reducing Risk While Navigating Pro and Anti-ESG Regulatory Actions](#), with a panel of highly regarded attorneys including [Linda Kleftodimou Smith](#) (Nuveen), [Ed Burbach](#) (Foley), [Lance Dial](#) (K&L Gates), [Howard Fischer](#) (Moses Singer), and [Chul Pak](#) (Wilson Sonsini).

Finpublica’s [membership portal](#) is live. If you are interested in joining a community of nearly 250 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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