

October 27, 2022 Edited by: **Martin Wennerström**



U.S. financial regulator launches climate-related advisory group

The U.S. Financial Stability Oversight Council has now launched the new dedicated “Climate-related Financial Risk Advisory Committee” (“CFRAC”) that it had previously announced in its 2021 report on climate risks. The CFRAC’s exclusively advisory mandate is to identify information gaps and data inconsistencies, make recommendations on addressing them, gather and analyze information on climate-related risks to the financial system, and provide advice on identifying, assessing, and mitigating climate-related risks to the financial system. Members will come from the financial services industry, non-governmental research institutions, climate-related data and analytics providers, NGOs, and academia. They will serve terms of one to three years and meet at least twice per year. Secretary of the Treasury Janet Yellen has described the new group as a benefit for policymakers seeking to understand the impact of climate-change on the financial sector.

[Responsible Investor](#) | [ESG Today](#) | [U.S. Treasury \(1\)](#) | [U.S. Treasury \(2\)](#) |

EU Council approves gender quota on corporate boards

The European Council has adopted the final text regarding the directive on gender balance on corporate boards. The directive mandates that 40% of non-executive director positions on corporate boards be held by women by 2026. However, if Member States choose to impose gender quotas for both executive and non-executive boards, then the threshold will be lowered to 33% for each governing body. Companies that fail to fulfil the gender quota will be required to adjust candidate selection and adopt clear and neutrally formulated criteria.

[ESG Today](#) | [Consilium](#) | [European Views](#)

Visa avoids proxy fight on pay equity

Activist investor Arjuna Capital has withdrawn a shareholder proposal that it had recently filed with Visa, stating that the company has acceded to its demands for broadened pay gap disclosure. Visa’s disclosure is currently limited to a qualitative assurance that employees receive the “same pay for same work,” regardless of gender or (within the U.S.) ethnicity. Moreover, Visa bases this assertion on data adjusted for employee role. According to Arjuna, Visa has agreed to provide quantitative support for its assertion starting this year, and to publish data that is unadjusted by role starting in 2023.

[BNN](#) | [Business Wire](#) | [Arjuna](#) | [Yahoo](#) | [Visa](#) |

Activist investor wants Tesla’s executive pay tied to ESG metrics

Tesla shareholders, led by activist group Tulipshare, have asked for Elon Musk’s pay to be tied to ESG metrics. Currently, Musk’s pay is exclusively tied to Tesla’s financial performance. Tulipshare expects to file a shareholder proposal on ESG metrics at the 2023 AGM. Earlier this year the S&P Dow Jones indices removed Tesla from its S&P 500 ESG index following accusations of racial discrimination and crash incidents arising from its automobiles’ autopilot mode. While Musk has been an outspoken critic of ESG, Tesla has recently begun to report energy consumption and demographic data.

[Reuters](#) | [Investing.com](#) | [Market Screener](#) |

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