

ESG View

May 2023

24 May 2023



Welcome to the May edition of ESG View! We have a tapestry of ESG developments for you this month from around the world. From the ebb and flow of the ESG debate in the US to a swell of regulatory developments from the EU and some noteworthy litigation outcomes in the UK. Meanwhile momentum continues to build on the 'E' of ESG across the MENA and APAC regions.

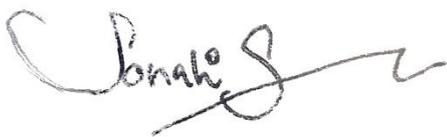
And remember, ESG is a participatory sport, so check out our monthly ESG consultation round-up for ways to join the fray.

For fellow ocean fans (we do hope you will join our upcoming **Financing the Growth of the Blue Economy** event in June!) this month held big news with the announcement of the world's biggest debt for nature swap to date in Ecuador. The deal resulted in the Ecuadorian government committing to spend \$18 million annually for 20 years on conservation in the Galapagos, including protecting a marine reserve set up last year, which is used as a migratory corridor by sharks, whales and manta rays.

In other exciting ocean news, there is potential for another historic ocean treaty this year (after the UN High Seas Treaty), with the second round of talks to finalise a plastic pollution treaty beginning next Monday (29 May), so watch this space.

And finally, we hope you are all familiarising yourselves with concepts of biodiversity and nature-related risk and opportunity, as it was announced this week that the Task Force on Nature-related Financial Disclosures (TNFD) will be publishing its final recommendations on 18 September during Climate Week in NYC. If you want to discuss this or any of the stories in this month's edition, we are just an email away.

Best wishes,



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GLOBAL DEVELOPMENTS

1. ESG and the US (multi-sector)

Given the politicised nature of ESG in the US, the debate is only set to intensify in the upcoming election year. Here are some key updates from across the pond:

- *Continued suspense surrounding SEC climate disclosure rules*

April saw news of further delays to the release of the US Securities and Exchange Commission's (SEC's) long-awaited climate related disclosure rules. Former SEC Commissioner Robert Jackson shared on a webinar that the rules should be expected in the autumn and not April as originally anticipated. The [draft climate-related disclosure rules](#) were published in March 2022 for consultation and were expected to be finalised before the end of the year. Despite the rules not being finalised, anticipation and backlash to their potential impacts persists (see our [October ESG View](#)). Interestingly, even with continued uncertainty, a [survey](#) of U.S. companies published earlier this year found that 70% of companies intend to comply with the SEC rules regardless of when they become law. Following direct conversations with the SEC enforcement team, they've confirmed a "business as usual" approach to ensuring full, accurate and not misleading disclosures. The oversight role of the regulatory body has naturally evolved to disclosure rules will impact this dynamic.

- *Florida passes legislation to restrict consideration of ESG factors*

On 1 May, Florida Governor Ron DeSantis signed [House Bill 3](#) (HB 3, also titled "An Act Relating to Government and Corporate Activism") into law after being passed by the Florida State Senate on 19 April. Broadly, HB 3 prohibits investment plans based on non-pecuniary factors, including ESG factors. It is one of the most restrictive anti-ESG laws adopted to date, limiting the consideration of ESG factors in the investment decisions of state retirement systems, as well as imposing increased compliance obligations additional to those required by the *Employee Retirement Income Security Act of 1974* (ERISA) and other state laws.



Looking ahead: HB3 is scheduled to take effect on 1 July 2023 and among other things, will require investment managers to annually certify that investment decisions are based solely on pecuniary factors and they are complying with Florida's fiduciary standards including its unsafe and unsound practices standard.

- *California - Bills on climate related disclosures*

Two Bills have been progressing through California's legislative process over the past few months which, if passed, would mandate climate-related disclosure for companies doing business in the State.

- Senator Wiener has proposed [Senate Bill 253](#) (the "Climate Corporate Data Accountability Act") that seeks to end corporate greenwashing in California. If passed into law, [Senate Bill 253](#), would require the California Air Resources Board to adopt regulations requiring public and private

companies with more than \$1 billion in annual revenues that do business in California to publicly disclose their Scope 1, Scope 2, and Scope 3 emissions to an emissions registry. The reporting requirement would commence in 2026.

- [Senate Bill 261](#) (the “*Climate-Related Risk Disclosure Act*”), introduced by Senator Stern, would require companies to prepare a climate-related financial risk report disclosing the entity’s climate-related financial risk and measures adopted to reduce and adapt to the risks identified. The new regulations would capture private companies with more than \$500 million in annual revenues that do business in California and would require annual reporting starting from 2024.

2. Net Zero Insurance Alliance (NZIA) facing antitrust action in the U.S. and the launch of the Venture Climate Alliance (VCA) (financial institutions)

It has been a turbulent few months for the Net Zero Insurance Alliance (NZIA), a sector-specific group formed under the umbrella of the Glasgow Financial Alliance for Net Zero (GFANZ). NZIA saw the departure of three key members, citing anti-trust concerns. Almost on cue, on 15 May, U.S. Attorneys General from 23 states sent a [letter](#) to NZIA members alleging violations of federal and state antitrust law and requesting documentation on the types of communications between members, types of commitments made and factors influencing member emission reduction work, among other things. It remains to be seen how robust these allegations will be and how NZIA members will respond.

On a more positive note for GFANZ, the end of April saw the launch of the [Venture Climate Alliance](#) (VCA), a new group with a current membership of 13. VCA members have committed to achieve net zero or negative emissions by 2030 and to support their portfolio firms to reach net zero-alignment by 2050. Watch this space for further developments.

3. G7 acknowledges the contribution of “avoided emissions” (multi-sector)

Climate ministers from the Group of Seven countries (G7) met in Sapporo in Japan in April and made significant progress in [agreement](#) around topics including energy security and biodiversity. A small yet notable development was the G7’s [acknowledgment](#) of the value in facilitating emission reductions through providing decarbonisation solutions, otherwise known as “avoided emissions”. There has been caution around the concept of “avoided emissions” given the challenges relating to calculating impact and the risk of overstating impact and therefore greenwashing. The G7 emphasised the need to proceed with caution and recommended the creation of a “*shared, international standard for measuring avoided emissions... to enable a common understanding and reduce the risk of inappropriate use of avoided emissions*” and noted the World Business Council for Sustainable Development [Guidance on Avoided Emissions](#) published in March 2023.



Looking ahead: We will be keeping an eye out on further international developments relating to standard setting for avoided emissions. Watch this space.

EUROPEAN DEVELOPMENTS

1. European Central Bank publishes review of institutions' climate-related and environmental risks disclosures practices and trends (banking institutions)

 **What:** The European Central Bank (ECB) published its third [review](#) of the disclosure of climate-related and environmental (C&E) risks following an assessment covering 103 significant banks under its direct supervision and 28 less significant institutions supervised by their national authorities. The review was based on the expectations set out by the ECB in its November 2020 [Guide](#) on climate-related and environmental risks, to ensure that the banking sector discloses C&E risks effectively and comprehensively.

 **Observations:** For the first time, the review compared the climate and environmental risk disclosures of the largest EU-based banks (global systemically important banks, or G-SIBs) with their non-EU based counterparts. The assessment shows that while EU-based G-SIBs are not yet fully aligned with supervisory expectations, they generally outperform their global peers in all assessment categories. Overall, the assessment shows that banks have made clear progress in various areas and most banks have now improved their public disclosures to address C&E risks, having clearly built up their capabilities in 2022; however, further improvements are needed.

 **Our view:** Non-compliance with new standards on climate-related disclosures would constitute a breach of EU law and trigger supervisory action in serious cases. Firms are encouraged to review the observations made by the ECB, noting that the ECB has set clear expectations on firms to improve “insufficient” disclosures on climate ahead of rules coming into force this year.

2. EU Parliament adopts Deforestation-Free Regulation (multi-sector)

 **What:** On 19 April, the European Parliament formally [approved](#) a new [European Union Deforestation-Free Products Regulation](#) (EUDR). The regulation puts onus on companies registered in EU member states to ensure that products imported or exported from the EU have not been produced on land that was deforested after 31 December 2020. The products covered by the new legislation include: cattle, charcoal, cocoa, coffee, palm-oil and palm-oil derivatives, printed paper products, rubber, soya and wood, including products that contain, have been fed with or have been made using these commodities (such as leather, chocolate and furniture).

The regulations will impose due diligence requirements for products in scope, including the requirement for companies to submit due diligence statements. There will be tiered risk-based controls, with the EU Commission expected to publish classifications of geographies as low-, standard- or high-risk within 18 months of EUDR entering into force. The level of due diligence required for products will be proportionate to their geographical risk level. Should products be found to be linked to deforestation, member states will empower authorities to impose sanctions or require corrective measures from companies (e.g., product withdrawal, recall and/ or destruction).

 **Timing:** The text needs to be formally approved by the EU Council and then will be published in the Official Journal of the European Union. The EUDR will enter into force 20 days after it is published, and the EUDR obligations will be enforceable 18 months later.

3. EU Parliament votes on new directive on empowering consumers for the green transition (multi-sector)

 **What:** On 11 May the European Parliament voted, with 544 votes to 18 and 17 abstentions, to approve a [proposal](#) for a new directive on empowering consumers for the green transition. Its main aim is to help consumers make environmentally friendly choices and encourage companies to offer them more durable and sustainable products.

The directive, if passed, would establish rules that would result in general, unsubstantiated environmental claims being banned, prohibiting products which limit product durability by design, and providing rules to ensure that products should still continue to function well with spare parts and consumables from different manufacturers.

 **Next steps:** Negotiations between the Parliament and the member states on the final content and wording of the directive will start soon and form the basis for a [new green claims directive](#) that will further specify the conditions for making environmental claims in the future.

4. Updated position on the EU Parliament's position on Corporate Sustainability Due Diligence Directive (CSDDD) (multi-sector)

 **What:** At the end of April, the Legal Affairs Committee of the European Parliament (JURI) [agreed](#) on their position on Corporate Sustainability Due Diligence Directive (CSDDD). By way of reminder, CSDDD was proposed by the EU Commission in February 2022 and, when it comes into force, will introduce human rights and environmental due diligence obligations for in scope companies (both EU and non-EU companies operating in Europe).

 **Key observations:** One of the key areas of contention is the application of CSDDD to financial services. The JURI position is that banks, insurers and asset managers are all within scope of CSDDD (i.e., these firms will need to conduct environmental and human rights due diligence on their clients – e.g., borrowers). Moreover, for asset managers and institutional investors, the JURI proposes new requirements to take “appropriate measures” to “induce” their investee companies to end actual adverse environmental and human rights impacts, that have been (or should have been) identified. Whereas, the Council’s adopted position in relation to financial services (adopted in December 2022) is that member states should determine whether or not financial services firms should be in scope of CSDDD.

 **Next steps:** A full plenary vote of the European Parliament will follow (expected on 1 June), after which the trialogue negotiations will begin. It is far from clear what the final position will be in respect of key areas including the impact on financial services.

5. First case filed under the German Supply Chain Due Diligence Act (multi-sector)

 **What:** April saw the first complaint filed with the Federal Office of Economics and Export Control (BAFA) under the German Supply Chain Due Diligence Act, which only came into force on 1 January 2023. The complaint was brought against Tom Tailor, Amazon, and IKEA by the National Garment Workers Federation (NGWF), with support from the European Center for Constitutional and Human Rights (ECCHR) and NGO FEMNET.

The complaint alleges that the companies failed to carry out human rights due diligence on their supply chain in Bangladesh, as required by the regulation. It's claimed that the companies failed to adequately monitor the health and safety conditions within their factories based in Bangladesh and therefore endangered the safety of the workers. The NGWF points to the companies not joining the [International Accord for Health and Safety in the Textiles and Garment Industry](#), arguably one of the most successful mechanisms for improving workplace safety in the world, as a sign of a failure to protect workers despite the companies being made aware of the working conditions.

 **Looking ahead:** BAFA will consider the case and potentially take the next step to investigate whether the companies have fulfilled their due diligence requirements under the regulation, and taken appropriate measures to prevent health and safety shortfalls within their supply chains. There is no set timeline for BAFA to consider the complaint. As the first case under the regulation, it will be interesting to see what approach and precedent BAFA will set.

6. EU MEPs and EU Council back ban on 'fast fashion' (multi-sector)

 **What:** On 27 April, Environment Committee members of European Parliament (MEPs) adopted [recommendations](#) for [legislative measures](#) within the revision of the ecodesign regulation, which among other things, would ban the destruction of unsold clothing in the EU.

To tackle overproduction and the overconsumption of clothes and footwear, the Environmental Committee called on the Commission and EU countries to adopt measures that put an end to "fast fashion", starting with a clear definition of the term based on "*high volumes of lower quality garments at low price levels*". Among other things the proposed measures would seek to:

- Ensure textile products last longer and be easier to reuse, repair and recycle.
- Ban the destruction of unsold or returned textiles.
- Ensure human, social and labour rights are respected during production.
- Establish binding targets and measures addressing the entire lifecycle of textiles.

On 22 May, the European Council adopted its [position](#) on the recommendations and included a direct ban on the destruction of unsold textiles, footwear and apparel within the [text](#).

 **Our view:** Sustainable fashion practices have been largely unregulated and influenced by consumer purchasing habits. These proposed measures, as well as the Council's position, are likely to indicate the start of more direct supervisory action from regulators. In the coming months we expect to see the European Parliament adopt its position on the text and to begin negotiations with the Council.

UK DEVELOPMENTS

1. High Court rejects ClientEarth's request for judicial review of the UK Financial Conduct Authority's (FCA) approval of environmental disclosures (multi-sector)

 **What:** The High Court has rejected a request by ClientEarth for permission to bring a judicial review claim against the FCA. We reported ClientEarth bringing the claim in our [February edition of ESG View](#). In summary, ClientEarth sought a declaration from the High Court that the FCA's approval of a prospectus by oil and gas operator and producer, Ithaca Energy PLC, was unlawful and in breach of the Prospectus Regulation. It alleged that Ithaca's prospectus failed to describe adequately the climate risks associated with the company's activities, which includes part-ownership of the Cambo and Rosebank oil and gas fields in the North Sea. ClientEarth's request was refused on the basis that the claimant lacked sufficient interest in the FCA's decision to approve the prospectus in order to bring the claim. ClientEarth has vowed to appeal the judgment.

If ClientEarth succeeds in this case and Ithaca's prospectus is found to be non-compliant, this could have serious implications for the company, as the listing of its shares could be called into question. This would no doubt add to its recent misfortunes. The company has already come under fire for its participation in new fossil projects with Shell (Ithaca's partner in the Cambo oil field), [recently announcing that it is selling its 30% stake](#) after significant public backlash against the project. [Ithaca's share price has dropped over 30%](#) since its listing in November last year, where it was floated at 250p per share. On 22 May 2023 its share price was 159p.

2. High Court refuses permission for ClientEarth's derivative action against the Directors of Shell regarding their alleged failure to manage climate risks (multi-sector)

 **What:** On 12 May, ClientEarth's ground-breaking application in England for a climate-related derivative action against the Directors of Shell was [refused](#). We reported ClientEarth bringing the claim in our [February edition of ESG View](#) and our Insights [article](#).

 **Key observations:** Of particular note is Mr Justice Trower's absolute refusal to entertain the action, which contrasts with the English Court's apparent willingness to entertain other types of ESG-related actions and stretch the boundaries of English case law to do so, such as the decisions in *Vedanta*, *Okpabi* and *Begum v Maran*, as discussed in our [article](#).

The decision maintains the principle that Courts will show deference to the business judgments of directors who act in good faith. ClientEarth's case is one of only a few to have asked a Court to opine on the application of this well-established principle to directors' considerations of ESG factors in the context of their statutory duties, albeit through the prism of an application for permission to bring a derivative action (which has its own particular rules and principles as set out in our previous [article](#)).

The Judge also noted that ClientEarth's very small stake in Shell (27 shares) "*gives rise to a very clear inference that its real interest is not in how best to promote the success of Shell for the benefit of its members as a whole*". This may serve to limit the impact that activists are able to gain from acquiring

small stakes in public companies to promote their agendas through litigious actions, at least in the English Courts.

 **Looking ahead:** ClientEarth has been granted an oral hearing at which they will ask the Judge to reconsider his decision.

3. UK issues first round of carbon storage licences (multi-sector)

 **What:** The North Sea Transition Authority (NSTA) has offered 12 companies awards for 20 carbon storage licenses in the UK's first-ever carbon dioxide (CO₂) storage licensing round at offshore sites, including some near Aberdeen, Teesside, Liverpool and Lincolnshire. The NSTA is responsible for regulated offshore carbon storage under the Energy Act 2008 (the Act) which provides for a licensing regime that governs the offshore storage of carbon dioxide. The regime applies to storage in the offshore area comprising both UK territorial sea and beyond, designated as a gas importation and storage zone (GISZ) under section 1(5) of the Act. Once the new storage sites are in operation they could make a significant contribution to the aim of storing up to 30 million tonnes of CO₂ per year by 2030, approximately 10% of total UK annual emissions, which were 341.5 million tonnes in 2021.

 **Next steps:** Following the award of a licence by the NSTA, the licensee needs to obtain a seabed lease from the Crown Estate or Crown Estate Scotland before a project can progress. Further consents and approvals will then be required before any appraisal activity takes place on carbon storage licences. This first carbon storage licensing round is likely to be the first of many as up to 100 CO₂ stores could be needed for the UK to meet the net zero by 2050 target.

MIDDLE EAST DEVELOPMENTS

1. Abu Dhabi's TAQA develops green finance framework to encourage sustainability (financial institutions)

 **What:** On 12 April, the Abu Dhabi National Energy Company (TAQA) [announced](#) a Green Finance Framework (the Framework). The proceeds raised through the issuance of green bonds, sukuk, loans and other debt instruments, will be used to finance green projects that satisfy TAQA's eligibility criteria, namely, sustainable water and wastewater management, renewable energy, energy efficiency and others (Eligible Green Projects). TAQA may also finance entities that have at least 90% of their revenues attributable to one of the Eligible Green Project categories.

The Framework includes exclusionary criteria that makes entities not eligible for funding, including coal or gas fired power generation and distribution assets, coal mining and transportation and landfill operations, among others.

APAC DEVELOPMENTS

1. Singapore and China announce Green Finance Taskforce (financial institutions)

 **What:** On 21 April, the Monetary Authority of Singapore (MAS) and the People's Bank of China (PBC) [announced](#) plans to establish a green finance taskforce (GFTF) to deepen cooperation on green finance matters. The GFTF will establish three workstreams to focus initially on the following priority areas:

- *Taxonomies and definitions:* collaborating under the International Platform on Sustainable Finance to achieve interoperability between the Singapore and China taxonomies;
- *Products and instruments:* establishing a workstream to strengthen sustainability bond market connectivity between the two countries; and
- *Technology:* establishing a workstream to leverage existing technology to facilitate sustainable finance adoption, including piloting of digital green bonds with carbon credits.

 **Looking ahead:** The work done by the GFTF is expected to deepen bilateral cooperation in green and transition finance between Singapore and China and facilitate greater public-private sector collaboration to better meet Asia's needs as it transitions to a low carbon future.

2. MAS Launches Finance for Net Zero Action Plan (multi-sector)

 **What:** On 20 April, the Monetary Authority of Singapore (MAS) [announced](#) the launch of MAS' Finance for Net Zero (FiNZ) Action Plan. The FiNZ Action Plan sets out MAS' objectives to mobilise financing to catalyse Asia's net zero transition and decarbonisation activities and aims, among other things, to achieve following four strategic outcomes:

- *Data, Definitions & Disclosures:* continuing to promote consistent, comparable, and reliable climate data and disclosures to guide decision-making by financial market participants, and safeguard against greenwashing risks.
- *Climate Resilient Financial Sector:* engage financial institutions to foster sound environmental risk management practices and deepen climate scenario analysis and stress testing to identify climate-related financial risks.
- *Credible Transition Plans:* engage international partners to support the development of credible regional sectoral decarbonisation pathways which can be used by financial institutions to set emissions reduction targets and engage their clients on initiatives to decarbonise their businesses.
- *Green & Transition Solutions & Markets:* promoting innovative and credible green and transition financing solutions and markets to support decarbonisation efforts and climate risk mitigation.

3. Australian Regulatory authority issues fine for greenwashing (financial institutions)

 **What:** The Australian Securities and Investments Commission's (ASIC) focus on "greenwashing" continues with an [infringement notice](#) issued to superannuation fund promoter, Future Super Investment Services Pty Ltd (Future Super), fining it \$13,320 AUD for overstating the fund's positive environmental impact on a Facebook post. The fine follows shortly after ASIC's recent proceedings against Mercer Superannuation (Australia) Limited (Mercer), in relation to statements on Mercer's website about its 'Sustainable Plus' investment options.

 **Our view:** This month ASIC published a [report](#) on their greenwashing interventions and reported a total of 35 made between July 2022 and the end of March 2023. Both the report findings and the actions send a message to the financial services industry that ASIC is continuing to focus on greenwashing broadly and statements in disclosures, including on social media are not immune from ASIC action.

ESG CONSULTATION ROUND-UP

Some notable ESG policy consultations in flight across the globe that are currently open for comment. Engagement is a great opportunity to influence the direction of travel for ESG matters.

1. ISSB consultation to enhance the international applicability of SASB Standards (financial institutions)

 **What:** The International Sustainability Standards Board (ISSB) is seeking feedback on its proposed [methodology](#) for enhancing the international applicability of the Sustainability Accounting Standards Board (SASB) Standards. The purpose of the enhancement of the standards is to ensure that entities can apply the SASB Standards regardless of their operating jurisdiction or the type of generally accepted accounting principles they apply. The ISSB is seeking narrow feedback on the targeted revision approaches the Methodology encompasses, and associated updates to the SASB Standards Taxonomy the revisions may require.

 **Timing:** Responses may be submitted via a [survey](#) by the 9 August 2023 deadline.

2. EBA consultation paper on draft guidelines on the benchmarking of diversity practices (financial institutions)

 **What:** On 24 April, the European Banking Authority (EBA) published a [consultation](#) on [draft guidelines](#) for the benchmarking of diversity practices under the Capital Requirements Directive IV (CRD IV) and the Investment Firms Directive. The guidelines would be intended to cover the information which should be collected from credit institutions and investment firms about diversity practices (i.e. diversity policies and the gender pay gap of management bodies). The hope is that effective benchmarking would allow for the monitoring of diversity trends over time.

 **Timing:** The consultation closes on 24 July 2023.

3. CSA proposes amendments to corporate governance disclosure rules (financial institutions)

 **What:** On 13 April, the Canadian Securities Administrators (CSA) published a [public consultation](#) on corporate governance disclosure rules and policy, relating to the director nomination process, board renewal and diversity. The regulator is requesting feedback on [two distinct approaches](#) which it has developed to build on the current disclosure requirements:

- The first approach requires issuers to disclose how they tackle diversity with respect to the board and executive officers, but would not mandate disclosure of specific groups other than women. This approach is intended to give flexibility to firms to determine the diversity objectives and methodology it deems appropriate for the firm.

- The second approach mandates reporting on five designated groups on boards and in executive officer positions, including: women, indigenous people, people from an ethnic minority background, people with disabilities and those identifying as being from the LGBTQ+ community.

The revisions would also require disclosure on written strategies, policies and measurable objectives relating to diversity on an issuer's board.

There is also proposed changes to guidelines on board nominations for all issuers requiring a written policy regarding director nomination processes, succession planning, term limits and a diversity policy with targets for board and executive officer diversity.



Timing: Deadline for feedback is by 12 July 2023.

4. Reserve Bank of New Zealand's Guidelines on climate related disclosures (financial institutions)



What: The Reserve Bank of New Zealand has issued a [consultation](#) paper on guidelines for managing climate related disclosures (the Guidelines) for firms under its prudential supervision. The Guidelines consider best practices firms should adopt with respect to managing climate related risks.

The consultation follows the External Reporting Board's (XRB) mandatory [climate reporting standards](#) which have applied since January and obliges climate reporting entities (CRE's) (namely the largest publicly listed companies, insurers, banks, investment schemes) to disclose on risks, opportunities and transition plans, which are broadly based on the international TCFD recommendations relating to the physical and transition impacts of climate change. The Reserve Bank's proposed Guidelines are intended to be closely aligned with the XRB standards but will apply, at least initially, on a voluntary basis for a wider set of firms than CREs.



Timing: Deadline for feedback is by 5pm on 7 June 2023.

5. Hong Kong Stock Exchange proposes mandatory disclosure of climate-related risks (multi-sector)



What: In April, The Hong Kong Stock Exchange published a [consultation paper](#) titled: "Enhancement of Climate-related Disclosures Under the Environmental, Social and Governance Framework". The paper proposes to mandate all issuers to make climate-related disclosures in their ESG reports, which is more onerous than current requirements to disclose on a "comply or explain" basis.

The new climate-related disclosures are formulated and give reference to the International Sustainability Standards Board (ISSB) draft climate disclosure standards and elements of TCFD reporting requirements. The new climate-related disclosures will be categorised under four core pillars, namely Governance, Strategy, Risk management and Metrics and targets.



Timing: The consultation ends on 14 July 2023 and subject to responses to the consultation and implementation of the proposed rules, the mandatory disclosure requirements are expected to come into effect on 1 January 2024 and apply to ESG reporting in respect to the financial year commencing on or after 1 January 2024.

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- [Responding to the Net Zero recommendations: tax](#) (05 April 2023)
- [Consulting on a UK CBAM](#) (03 April 2023)
- [HM Treasury consults on regulatory regime for ESG ratings providers](#) (03 April 2023)
- [UK government publishes its updated Green Financial Strategy](#) (31 March 2023)
- [UK FCA delays its final disclosure and investment labelling rules](#) (30 March 2023)
- [Carbon Markets: An introductory guide](#) (09 February 2023)

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Our ESG approach is not to have an ESG practice but to adopt an integrated, holistic, cross-discipline approach so that we can combine ESG experts and deep technical knowledge with product/business line expertise.

If you need help understanding the current and upcoming ESG legislative and regulatory landscape or your supply chain obligations or supply chain best practice, or you would like assistance in mitigating your supply chain risk, we can help.



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