

# ESG View

## October 2023

19 October 2023



Welcome to our October edition of ESG View!

This month, the International Energy Agency (IEA) released an update to its landmark report [Net Zero Roadmap](#), which outlines a pathway for achieving the 1.5 °C ambition. The good news is that this goal is still within reach if we take bold action. The IEA calls for clean energy spending to triple to \$4.5trn annually by the early 2030s. Even more stark is the IEA's view that '**no** new long-lead-time upstream oil and gas projects are needed' as fossil fuel demand needs to fall 80% by 2050. This transition mindset is essential as we look towards COP28 in Dubai in late November.

Having just returned from an insightful ESG roadshow in the Middle East and Asia, I can confirm that the 'COP effect' is certainly influencing the narrative in Dubai where both regulators and corporates are acutely aware of the spotlight on the region (see our note on MENA Climate Week below). Further east, the sustainability sun continues to rise. Whilst moderating a panel at PRI in Person in Tokyo, I was struck by how much ground ESG has gained at a policy level with Prime Minister Fumio Kishida himself choosing to open the conference to highlight Japan's ambitions to unlock sustainable investment. My final stop was Singapore, unsurprisingly leading the regional pack in its own way, with its regulators taking strident steps to set the tone on carbon and transition credits (as highlighted in our Asia update).

Staying true to our focus on the Blue Economy, this month Simmons & Simmons partnered with the [Blue Earth Summit](#) which just concluded in Bristol, UK. Also for those of you in London, we will also be hosting a panel discussion and screening of Save our Wild Isles on 1 November. Register [here](#) if you'd like to attend.

In this edition of ESG View, we have Climate Week updates from NYC and MENA and regulatory reveries from the UK, Europe and Asia. Perhaps the healthy haul of stories making our Disputes roundup will charge you up just enough for you to start drafting a colourful response to the many consultations on offer this month.

Best wishes,



**Sonali Siriwardena**

Partner, Global Head of ESG

T +44 20 7825 4595

E [Sonali.Siriwardena@simmons-simmons.com](mailto:Sonali.Siriwardena@simmons-simmons.com)



## GLOBAL DEVELOPMENTS

---

### 1. New York Climate Week (multi-sector)

 **What:** New York Climate Week is always one to watch, with global leaders in town for the UN General Assembly and civil society ready to lend its voice to climate action. This year did not disappoint, with thousands of protesters marching through the streets calling for President Biden to end approvals of new fossil fuel projects. Despite growing public pressure, the nature and speed of the “phase out” of fossil fuels continued to be contentious.

Some notable developments from NY Climate Week:

- The Taskforce on Nature Related Financial Disclosures (TNFD) published its final disclosure [recommendations](#).
- [The High Seas Treaty](#) was signed by 82 states who have agreed to follow through on ratification. On the Treaty’s ratification by 60 states, it will be in force (read more about the Treaty’s significance in our [March ESG View](#)).
- Māori leaders from the Pacific [proposed](#) a resolution for a global agreement on protecting the legal personhood of whales in international waters.
- The US Treasury announced the launch of its nine [Principles for Net Zero Financing and Investment](#), highlighting best practice for financial institutions that have made net zero pledges.
- US Members of Congress wrote an [open letter](#) to the US Federal Reserve to urge measures to be adopted to adequately address climate-related financial risk.

 **Looking ahead:** NY Climate Week was the last time world leaders would meet prior to COP28, therefore we anticipate similar momentum and tensions at the upcoming climate conference.

### 2. ICMA Sustainability-linked bonds Q&A update (multi-sector)

 **What:** On 26 September the International Capital Market Association (ICMA) and the Executive Committee of the Principles updated its [Q&A](#) related to Sustainability-Linked Bonds (SLBs).

 **Key details:** The main updates relate to selection of key performance indicators (KPIs), considerations for selecting credible sustainability performance targets (SPTs) and reporting requirements under the [Sustainability-Linked Bond Principles](#) (SLBP). Among other things, the Q&A emphasises the need for issuers to provide investors with appropriate disclosure on the impact of M&A activity on the SLB’s ambitions and characteristics and tying this activity to the overall ESG strategy, so as to maintain credibility of selected SPTs. The updates detail what types of issuer disclosure is needed under the SLBP and instances where failure to report should result in a triggering event for adjustments to bond characteristics.

 **Our view:** The ICMA Q&A is an important source of guidance particularly given the increasing appetite of global investors for green and sustainable debt. The Q&A goes some way to addressing the challenges around the disclosures, since KPIs will need to be tailored to the relevant issuer.

### 3. NGFS publishes a conceptual note on short-term climate scenarios (financial institutions)

 **What:** On 3 October, the Network for Greening the Financial System (NGFS) released a [Conceptual Note](#) on Short-term Climate Scenarios on its thinking on the range of short-term scenarios in focus and a roadmap of the analytical work to be undertaken by the NGFS.

 **Key details:** The five scenarios, span three to five years and are intended to help central banks and financial supervisors understand the broader financial repercussions of transitioning to a net zero economy and coping with major natural disasters. The NGFS intends to develop a deeper understanding of the financial system's readiness for sudden climate policy shifts and rapid technological change, which are not typically identified over longer-term scenarios.

### 4. Innovation in technology and ESG (multi-sector)

- *Global Regulators host first Greenwashing TechSprint showcase*

The [Global Financial Innovation Network](#) (GFIN), an international group of 80 financial regulators and related organisations, held its first Greenwashing TechSprint this summer, and the winners were [announced](#) on 29 September. This TechSprint is part of the GFIN's wider work to improve trust and transparency in the ESG market and shows that regulators are looking to technology to tackle greenwashing. The two problem statements were:

- Problem statement 1: How can technology, including AI and Machine Learning, enable regulators and supervisors to verify that ESG-related product claims to retail consumers are accurate and complete?
- Problem statement 2: How can technology help monitor, collate and identify examples of greenwashing from financial services firms' websites, social media platforms and other documentation or data which can also be shared across jurisdictions?

- *Innovation Hub for Data Centres*

On 28 September, leading technology companies, Danfoss, Google, Microsoft and Schneider Electric, [announced](#) the creation of a new Innovation Hub to help the green transition of data centres. The [International Energy Agency](#) has reported that data centres and data transmission networks are responsible for 1% of energy related GHG emissions, therefore progress on this front can have a large impact on the road to net zero. The Hub will bring together stakeholders, including regulators, researchers, operators, utility providers, NGOs, and grid/network services and it will first focus on developing solutions that lower or equalize the data centres' carbon emissions and contribute to the stabilising of the electricity grid.

## EUROPEAN DEVELOPMENTS

---

### 1. EU Commission adopts new rules restricting microplastics (multi-sector)

 **What:** On 25 September, the European Commission adopted amendments to the [Registration, Evaluation, Authorisation and Restriction of Chemicals \(REACH\) Regulation](#) to restrict microplastics intentionally added to products.

 **Key details:** The amendments aim to tackle the estimated 42,000 tonnes of microplastics that are intentionally added to medical, cosmetic and other products and released in the EU every year. The measures prohibit the sale of products that include microplastics, which are synthetic polymer particles below five millimetres that are insoluble and resist degradation.

To the extent products are already regulated by other EU legislation, for example certain medicinal products and food, these will not be subject to the ban, but manufacturers will have to report the estimated microplastics emissions from those products to the European Chemicals Agency (ECHA) every year. They will also have to provide instructions on how to use and dispose of the product to prevent microplastics emissions.

 **Next steps:** The first measures, including the ban on microbeads (a type of microplastic) typically found in cosmetic products, will start applying when the restriction enters into force on 17 October 2023. Other measures and products are subject to transition periods. For example, manufacturers will have five years to reformulate controlled-release fertilisers, detergents **and similar products, to comply with the new requirements.**

### 2. EU approves “European Green Bond” label standards (multi-sector)

 **What:** On 5 October, European Parliament has [voted](#) to adopt a new voluntary standard for the use of a “European Green Bond” label. As first of its kind in the world, this regulation unifies standards for issuers who wish to use the designation “European green bond” or “EuGB” for the marketing of their bond.

 **Key details:** The standards are aligned with the [EU’s taxonomy framework](#) that defines which economic activities the EU considers environmentally sustainable. Key elements include:

- **Transparency:** disclosing considerable information about how the bond’s proceeds, obligation to show how these investments feed into the company’s transition plans as a whole and engaging in a general green transition, for all companies that choose to adopt the standards.
- **External auditors:** independent bodies responsible for assessing compliance with the standards through a registration system and oversight framework for the external auditors and all actual or potential conflicts of interest of external auditors are properly identified, eliminated or managed and disclosed transparently.
- **Flexibility:** issuers of European Green Bond must ensure that at least 85% of the funds raised by the bond are allocated to economic activities in line with the EU Taxonomy Regulation, while the remaining 15% can be earmarked for other economic activities, provided the issuer meets the requirements to clearly explain the investments destination. This will occur until the taxonomy framework is fully operational.

 **Our view:** This regulation is an important step forward for the European green agenda as it provides a signal to the market as to how they can continue to develop green bonds with credibility.

### 3. EU proposes ban on unverifiable sustainability claims (multi-sector)

 **What:** On 19 September the European Parliament and Council reached [provisional agreement](#) on new rules to ban misleading advertisements and provide consumers with better product information.

 **Key details:** The aim of the new rules is to protect consumers from misleading practices and help them make better purchasing choices. Negotiators from the EU Parliament and Council agreed to measures which would preclude among other things:

- generic environmental claims, e.g., “environmentally friendly,” “natural,” “biodegradable,” “climate neutral” or “eco,” without proof of recognised excellent environmental performance relevant to the claim;
- claims based on emissions offsetting schemes that a product has neutral, reduced, or positive impact on the environment;
- sustainability labels not based on approved certification schemes or established by public authorities;
- presenting software updates as necessary even if they only enhance functionality features;
- presenting goods as repairable when they are not.

 **Our view:** These new rules are part of a wider EU effort to empower consumers and end unsubstantiated green claims. The EU Green Claims Directive is still working its way through the legislative process and are set to compliment the ban on unverifiable sustainability claims agreed upon this September. See our [March ESG View](#) for further details of the Green Claims Directive.

These new rules also come following a flurry of recent activity in the funds industry on sustainability claims; ESMA’s recent risk analysis on ESG names and claims; the Dutch regulator issuing guidelines reiterating that sustainability information must be correct, clear and non-misleading; and the Central Bank of Ireland (CBI) [calling](#) for enhancements in sustainable practices in the fund sector, including support for introducing fund naming rules.

### 4. European Commission delays certain disclosure requirements under CSRD (multi-sector)

 **What:** On 17 October, the European Commission released its [2024 Commission Work Programme](#), along with key legislative proposals which set out the Commission’s ambitions for the coming year. Notably, the Commission has said it aims to reduce the burdens associated with reporting requirements and has postponed provisions within the [Corporate Sustainability Reporting Directive](#) (CSRD). This includes a 2-year postponement for adoption of the sector-specific European Sustainability Reporting Standards (ESRS) (currently required in 2024) and for reporting requirements for certain third-party country undertakings. The full legislative proposal can be found [here](#).

 **Our view:** The ESG regulatory burden has been an increasing area of focus for the EU and it has resulted in some political push back. This month the European Parliament [voted](#) down a [motion](#) aiming to delay the introduction of ESRS. Despite the motion failing, the vote was still close, with 261 votes in favour and

359 against (with 11 abstentions). Watch this space as this could signal an emergence of an anti-ESG backlash akin to what we've seen in the U.S.

## UK DEVELOPMENTS

---

### 1. UK launches Transition Plan Taskforce disclosure framework (multi-sector)

 **What:** On 9 October, the UK Transition Plan Taskforce (TPT) issued its final [disclosure framework](#), which aims to provide a 'gold standard' for robust, credible and comparable transition plan disclosures. The framework has been designed to align with other guidance and frameworks, including the International Sustainability Standards Board (ISSB) standards.

 **Key details:** The framework is underpinned by three guiding principles:

**Ambition:** An entity should disclose its strategic climate ambition and how this is reflected in its governance and other areas.

**Action:** Among other things, a transition plan should:

- Translate objectives into concrete steps to be taken in the short, medium- and long-term.
- Set out a roadmap of planned actions that will contribute an entity's strategic ambition.
- Consider Scope 1, 2, and 3 emissions and prioritise decarbonisation through direct abatement over purchasing carbon credits.
- Seek to ensure that climate is appropriately considered to avoid the risk of “carbon lock-in” and to ensure resilience to extreme weather expected in the near future.

**Accountability:** Transition plans should be fully integrated into an entity's business, financial planning and governance processes. Entities should report material information about their transition plan within financial reports. Transition plans should be flexible, dynamic, and responsive to new information and external developments - and updated and reviewed regularly.

 **Next steps:** The FCA's [Primary Market Bulletin 45](#), published in August 2023, confirmed its plans to consult in 2024 on rules and guidance for listed companies to disclose in line with the UK-endorsed ISSB standards and the TPT Framework as a complementary package. Listed companies and regulated firms are encouraged to engage early with the TPT Framework. The TPT is currently consulting on sector guidelines, see our consultations round up below for more details.

### 2. CMA publishes Green Agreements Guidance (multi-sector)

 **What:** On 12 October the Competition and Markets Act (CMA) published the final version of [guidance](#) on the application of the Chapter I prohibition of the [Competition Act 1998](#) to environmental sustainability agreements (the Guidance).

 **Key details:** The Guidance considers what kind of environmental sustainability agreements could infringe the Chapter I prohibition, along with examples of agreements which are capable of exemption under the Competition Act. It sets out practical examples that businesses can use to inform and shape their own decisions when working with other companies on environmental sustainability initiatives. The CMA does not expect to take enforcement action against agreements that are in line with the Guidance. For FCA authorised firms, it is noteworthy that under the Financial Services and Markets Act 2000, the FCA has concurrent powers to enforce competition law in the financial services sector and it has announced it will have regard to the CMA's guidance in the application of its concurrent competition powers.

## MENA DEVELOPMENTS

---

### 1. MENA Climate Week 2023 (multi-sector)

 **What:** Held in Riyadh, Saudi Arabia during the week of 8 October, [MENA Climate Week 2023](#) brought together leaders from government and global organisations to explore opportunities and ideas to reduce greenhouse gas emissions. This was the second of four regional Climate Weeks to be held during 2023 (we reported in our [September ESG View](#) on the Africa Climate Week), with the aim to build momentum in the lead up to COP28 in Dubai later this year.

During the week, the President of the Islamic Development Bank (the IsDB) made a commitment to ensure that 35% of all IsDB financing will be allocated to climate projects by 2025, in addition to alignment with the Paris Agreement and the development of Green and sustainable Sukuk financing mechanisms. This commitment was made in collaboration with the UN Environment Programme Finance Initiative.

Another notable development during the week was the announcement of the Saudi Greenhouse Gas Crediting and Offsetting Mechanism (GCOM), which is set to launch in early 2024. GCOM is a market mechanism that aligns with Article 6 of the Paris Agreement, that will allow companies to purchase carbon credits to offset their greenhouse gas emissions in Saudi Arabia.

 **Looking ahead:** MENA Climate Week has provided a helpful lead into COP28. Look out for further updates following the remaining two Climate Weeks, to be held in Panama City during the week of 23 October, and in Johor Bahru, Malaysia during the week of 13 November.

## APAC DEVELOPMENTS

---

### 1. Singapore announces eligibility criteria for international carbon credits (multi-sector)

 **What:** On 4 October, the Ministry of Sustainability and the Environment (MSE) and the National Environment Agency (NEA) released new [eligibility criteria](#) for international carbon credits that can be used by local companies to offset the emissions they are liable for under the national carbon tax regime (under the Carbon Pricing (Amendment) Bill). The eligibility criteria aligns with Article 6 of the Paris Agreement and international standards, including the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

 **Key details:** The criteria include that credits must not be counted more than once; they must exceed any emissions reduction/ removals required by any law or regulation, that would otherwise have occurred; they must be quantified based on a realistic, defensible, and conservative estimates and be calculated in a conservative and transparent manner, and measured and verified by an accredited and independent third-party before the credit was issued.

Additional criteria requires that reductions or removals must not be reversible, or otherwise should have measures in place to monitor, mitigate and compensate any material reversal or removals. The project or programme must not violate any applicable laws, regulatory requirements, or international obligations of the host country and emissions reductions or removals must not result in a material increase in emissions elsewhere.

### 2. Monetary Authority of Singapore working paper on “transition credits” (multi-sector)

 **What:** On 26 September, the Monetary Authority of Singapore (MAS) and McKinsey & Company (McKinsey) jointly published a [working paper](#) (the Paper) setting out how high-integrity carbon credits can be utilised as a complementary financing instrument to accelerate and scale the early retirement of coal-fired power plants (CFPPs). The Paper suggests an end-to-end approach which investigates the key elements required to effectively retire a CFPP early using renewable energy, termed in the Paper as transition credits. The Paper is also accompanied with a template that provides detailed steps and sample tools for market participants to assess and execute such transactions.

 **Next steps:** The authors plan to have one or more pilot projects to test and demonstrate the concepts set out in the Paper, with the view to determining which approach, or combination of approaches, will be most powerful in pushing the early retirement of CFPPs.

MAS also invites interested parties to join a coalition of partners to further validate this transaction approach and identify suitable CFPPs to pilot integrating transition credits into the early retirement of CFPPs. Any parties interested in partaking in this coalition, or who have a potential pilot project, should write in to [transition\\_credits@mas.gov.sg](mailto:transition_credits@mas.gov.sg).

### 3. Guidance against greenwashing for Asian businesses (multi-sector)

 **What:** On 3 October, the Asia Pacific branch of the Public Relations and Communications Association (PRCA) published [Guidelines on Environmental Sustainability Claims](#). The Guidelines provide five guiding principles to communication professionals on making credible sustainability claims and avoiding greenwashing.

The principles are:

- Make accurate, science-backed statements;
- Be specific about terminology used;
- Consider context;
- Show incremental impact when making claims or comparisons; and
- Craft impactful communications that do not omit or hide information.



**Our view:** Despite the fact that regulation on greenwashing has not been as prominent in the APAC region as in Europe, the topic will only continue to grow in importance. We have seen regulators, as well as consumers, scrutinise sustainability claims for credibility. These guidelines can serve as a useful tool for marketing professionals to stay ahead of the curve on sustainability communications.

## ESG DISPUTES ROUND-UP

---

Before we dive into our main disputes stories this month, here are a few notable mentions: as the seminal [Portuguese Youth case](#) continues in the European Court of Human Rights, this month we saw young people also take a stand in the US, with over 50 high schools calling for a [Green New Deal for Schools](#). The month also saw a landmark ruling in the [Brazilian Supreme Court](#), with the court rejecting time restrictions on Indigenous People's claiming rights to their ancestral land. Finally, we saw another [aviation greenwashing case](#) successfully brought against Austrian Airlines over climate neutrality claims.

Remember, you can keep up to date with contentious ESG news as and when it happens by signing up to our [ESG Disputes Radar](#).

### 1. ESG litigation funding receives US hedge fund boost (multi-sector)

 **What:** Gramercy, a US hedge fund who manages over USD 6bn in assets, has committed over USD 550m in the form of a secured loan to a litigation specialist law firm to fund claimants in environmental litigation. This includes those pursuing the largest opt-in class action lawsuit in England and Wales against two mining firms (BHP and Vale) at the centre of a dam collapse in Brazil. The loan, which forms part of Gramercy's litigation funding offering and promises returns notwithstanding broader market movements, includes co-investments from some of its clients.

 **Our view:** The news will be a welcome boost to potential ESG claimants, particularly following the blow suffered by the litigation funding market earlier in the summer when the English Supreme Court's [ruling](#) in *R (on the application of PACCAR Inc) v The Competition Appeal Tribunal* rendered many litigation funding agreements unenforceable (see our article [here](#)). Gramercy's arrangement exemplifies a workable alternative to litigation funding agreements that entitle the funder to recover a percentage of damages.

### 2. DWS agrees to USD 19m penalty with SEC (asset management)

 **What:** The US SEC has [found](#) that DWS:

- made "*materially misleading*" statements about its controls for incorporating ESG factors into research and investment recommendations for ESG products;
- from August 2018 to late 2021, whilst marketing itself as an ESG leader, failed to adequately implement certain provisions of its global ESG integration policy as it had led clients and investors to believe it would; and
- failed to adopt policies and procedures to ensure its public statements about its ESG products were accurate.

Without admitting or denying the SEC's findings, DWS has agreed to pay a USD 19m penalty, as well as a cease-and-desist order and censure.

This is the SEC's largest ESG-related penalty yet against an asset manager and demonstrates the regulator's continued focus on greenwashing / misrepresentation. Sanjay Wadhwa, Deputy Director of the SEC's Division of Enforcement and head of its Climate and ESG Taskforce, warns that "*whether*

advertising how they incorporate ESG factors into investment recommendations or making any other representation that is material to investors, investment advisers must ensure that their actions conform to their words".

 **Our view:** As with other investigations, the SEC relied on historic legislation to pursue its investigation rather than wait for ESG-specific enforcement powers. This reflects the approach taken by regulators in other jurisdictions and we expect the trend to continue.

### 3. Criminal proceedings against Total Energies (energy sector)

 **What:** On 22 September, four NGOs (Sea Shepherd France, Darwin Climax Coalitions, Wild Legal and StopEA-COP) filed a [complaint](#) against Total Energies before the Nanterre first-level Court in France.

 **Key details:** The complaint covers four serious offences: failure to prevent a disaster, manslaughter, unintentional injury and destruction or damage of property belonging to others likely to create physical harm. In contrast to the lawsuits already brought against Total Energies in France, the four NGOs behind the claim have decided to bring it under criminal proceedings, rather than civil. The NGO's allege that Total Energies had the opportunity to take action to fight climate change, without necessarily ceasing all fossil fuel projects, by limiting its investments in this sector. According to the NGOs, by continuing to develop new oil and gas infrastructures, in contradiction with the recommendations of scientists and the International Energy Agency (IEA), Total Energies is contributing to the worsening of a crisis that is endangering a large part of the world's population, the victims of climatic catastrophes.

### 4. Shell employees spark internal debate on renewable energy strategy (energy sector)

 **What:** It has been reported that Shell employees have written an open letter addressed to Shell CEO Wael Sawan expressing concern that the company is moving its attention away from the progression of renewable sources of energy. The letter was posted on Shell's internal website last month, was viewed 80,000 times and received 1,000 "likes" from colleagues.

Shell held its annual Capital Markets Day in June 2023, during which Mr Sawan announced plans to scale back investments in renewable energy. Following this announcement, two employees from Shell's low-carbon division drafted the letter. Mr Sawan is reported to have responded directly to the letter confirming that Shell still aims to be a net zero emissions company by 2050, but acknowledging that there may not always be agreement on the way forward.

 **Our view:** Aside from the renewables debate itself, the incident is also a key illustration of the potential significance of employee activism and engagement, especially in circumstances where internal platforms allow for widespread publication and debate.

## 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. FCA and PRA Consultation Paper on DE&I (financial institutions)

 **What:** On 25 September, the FCA and the PRA published their much-anticipated consultation papers (PRA [CP 18/23](#) and FCA [CP23/20](#)) on a package of measures to promote diversity and inclusion (D&I) in the financial services sector.

 **Key details:** The consultation is released with a view to achieving healthier firm cultures, reducing ‘groupthink’, unlocking new talent and addressing consumer needs. It follows on from the regulators’ July 2021 discussion paper ([DP21/2](#)) (see [here](#) for our summary). Firms will be subject to different proposals depending on the number of employees, their Senior Managers and Certification Regime (SM&CR) categorisation and whether they are dual-regulated. Smaller firms with fewer than 251 employees will be exempt from many of the requirements. Key proposals within the consultation include:

- An annual obligation to report employee numbers;
- A requirement to set targets to address underrepresentation at Board, senior leadership and general workforce level;
- Requirement for annual D&I reporting;
- Requirement to publish D&I strategies;
- Individual accountability under the SM&CR and remuneration alignment (for dual regulated firms).

 **Next steps:** Responses to the consultation paper can be submitted until 18 December 2023. The FCA/PRA Policy Statement will be published in 2024 and the implementation date for changes will be 12 months after publication of the Policy Statement.

### 2. UK Crown Estate’s recommendations for a developing a UK Marine Nature Capital Market (multi-sector)

 **What:** The Crown Estate, Blue Marine Foundation, Finance Earth and Pollination have published a [report](#) with recommendations on key barriers and solutions to high-integrity marine natural capital markets, otherwise known as nature markets. The finance gap to meet the UK’s nature-related outcomes is estimated to be at least between £44bn and £97bn over the next 10 years. Nature credit markets could help fill this gap.

The report outlines 20 recommendations categorised under, “finance”, “science” and “policy”, all of which are open to feedback.

 **Timing:** Recommendations can be made [here](#) by 26 October.

### 3. UN call for evidence on protection of human rights in context of climate change (multi-sector)

-  **What:** The United Nations (UN) high commission Special Rapporteur on climate change has issued a [call for evidence](#) on the promotion and protection of human rights in the context of climate change.
-  **Key details:** The call of evidence is based on one of the thematic issues identified by the UN Special Rapporteur concerning corporate accountability in the context of human rights and climate change. The request includes a range of questions seeking input from states, business enterprises, civil society organisations and intergovernmental organisations on corporate accountability posing questions, including around disclosure mechanisms, climate change risks and accountability, green bonds, net zero accountability and greenwashing and fossil fuel subsidies.
-  **Next steps:** The deadline for submission is 30 November 2023, following which, all submissions will be made publicly available and posted on the Special Rapporteur’s homepage at the [OHCHR website](#).

### 4. UAE Principles for Sustainability Related Disclosures Consultation (multi-sector)

-  **What:** On 26 September, members of the UAE Sustainable Finance Working Group launched a consultation on “Principles for Sustainability-related Disclosures for Reporting Entities”, setting out four Principles that the signatories (being the Central Bank of the UAE, the UAE Securities and Commodities Authority, the Dubai Financial Services Authority of the Dubai International Financial Centre, and the Financial Services Regulatory Authority of the Abu Dhabi Global Market) will consider to be the minimum guiding principles for their respective disclosure frameworks relating to sustainability matters. The objectives are to promote transparency in sustainability-related matters, enabling investors to make informed decisions about proposed investments.
-  **Timing:** Comments can be provided on the consultation by no later than 20 October 2023, with the Principles likely to be published during November 2023, depending on the outcome of the consultation. You can view the Consultation Paper [here](#) and submit responses to the consultation [here](#).

### 5. TPT Sector Guidelines Consultation (multi-sector)

-  **What:** On 9 October, together with the launch of the Transition Plan Taskforce (TPT) disclosure framework (discussed above), the TPT also published its TPT [sector guidance](#). TPT Sector Summary outlines decarbonisation levers and metrics & targets for 40 sectors with the guidance intended to complement the TPT disclosure framework, providing further detail on why each element and sub-element is important to preparers under the framework along with additional disclosure considerations that firms may want to take into account when preparing their disclosures.
-  **Next steps:** The Sector Summary will be open for comment until Friday 24 November 2023. In November, the TPT plans to publish seven pieces of Sector Deep Dive guidance for consultation. The Sector Deep Dive guidance will cover: Asset Managers, Asset Owners, Banks, Food & Beverage, Electric Utilities & Power Generators, Metals & Mining, and Oil & Gas.

## LATEST SIMMONS ESG INSIGHTS

---

### Upcoming Webinars

- Tuesday, 24 October - 12.30-1pm BST  
[Sustainable Finance Disclosure Regulation \(SFDR\) – taking stock after 2.5 years and what’s on the horizon](#)
- Tuesday, 31 October - 12.30-1pm GMT  
[ESG ratings – UK and EU regulation proposals](#)

### Past Webinars – Watch on demand

- [Insuring the Future: ESG risks](#)
- [Taking the temperature on ESG regulation:](#)
  - [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#) - nature and biodiversity on the agenda for financial services.
  - [The EU’s Corporate Sustainability Due Diligence Directive \(CS3D\)](#) - beyond disclosure: how could this initiative impact firms?
  - [Taskforce on Climate-related Financial Disclosure \(TCFD\) under the FCA Rules](#) - What can “phase 2” firms learn from “phase 1” implementation?
  - [EU Corporate Sustainability Reporting Directive \(CSRD\) and Taxonomy disclosures](#) for banks, investment firms and asset managers

### Recent Publications

- [Central Bank of Ireland publishes Markets Update No 8 of 2023](#) (9 October 2023)
- [Whistleblowing Law Update](#) (6 October 2023)
- [ESG Disputes Radar](#) (6 October 2023)
- [Diversity, Equity and Inclusion View](#) (5 October 2023)
- [Newsflash - CSSF Circular 23/840 ESMA Guidelines on MiFID II](#) (5 October 2023)
- [Emerging Risks in Private Finance - IOSCO publishes a Thematic Review](#) (29 September 2023)

## CONTACT US

---

Simmons & Simmons is a leading international law firm with over 320+ partners and 2,500 employees throughout our network of 22 offices in Europe, Asia, the Middle East and the US\*.

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.



**Sonali Siriwardena**

Partner, Global Head of ESG

T +44 20 7825 4595

E [Sonali.Siriwardena@simmons-simmons.com](mailto:Sonali.Siriwardena@simmons-simmons.com)



**ESG Team**

T +352 26 21 16 23

E [esg@simmons-simmons.com](mailto:esg@simmons-simmons.com)

## NOT YET A RECIPIENT OF OUR ESG VIEW?

---

If you would like to receive our ESG View in your inbox on a monthly basis, please subscribe [here](#).

*\* representative office not practising US law.*

[simmons-simmons.com](https://simmons-simmons.com)

© Simmons & Simmons LLP and its licensors. All rights asserted and reserved. This document is for general guidance only. It does not contain definitive advice.

Simmons & Simmons LLP is a limited liability partnership registered in England & Wales with number OC352713 and with its registered office at Citypoint, 1 Ropemaker Street, London EC2Y 9SS, United Kingdom. It is authorised and regulated by the Solicitors Regulation Authority and its SRA ID number is 533587. The word "partner" refers to a member of Simmons & Simmons LLP or an employee or consultant with equivalent standing and qualifications. A list of members and other partners together with their professional qualifications is available for inspection at the above address.