

# ESG View

June 2025

19 June 2025



Welcome to the June ESG View!

Just when you thought we had run out of Ocean puns, the UN Ocean Conference (UNOC3) and the Blue Economic & Finance Forum (BEFF) held in France and Monaco last week created such a swell of energy that now we only talk in tidal terms. So we hope you find your sea legs and enjoy this edition, where we capture the highlights of UNOC3 and BEFF, to help you surf the wave of knowledge.

Waves are caused by three prime natural causes: wind, earthquakes and tides. Just so, the Ocean discussions in France this month were shaped by several forces. The [One Ocean Science Congress](#), provided the wind factor coalescing around ten science-based recommendations in the lead-up to UNOC3. Whereas the tectonic shifts in global leadership created an urgency for countries to unite in recognising the Ocean as a common and critical asset. This resulted in 18 additional ratifications of the High Seas Treaty (bringing it within touching distance of the 60 ratifications needed to see it enter into full force). Another noteworthy sentiment was the strong push for a moratorium on deep-sea mining.

Meanwhile, the BEFF brought together the business world in what was a tidal shift for the Ocean finance agenda. It was an acceptance that recognising the Ocean's intrinsic importance to our current economic model also means owning the duty to protect and restore it. In fact, just some of the benefits in conserving 30% of the Ocean by 2030 - also known as the '30x30' goal agreed by nearly 200 countries in 2022, could unlock nearly \$85 billion p.a. by 2050. These include reduced property damage through maintaining natural coastal defences, avoided carbon emissions by preserving marine ecosystems and an additional \$50 billion of annual revenue for the fisheries sector by adopting a science-based sustainable approach to fisheries management. For example, the blue halo effect of 'no take' zones have been shown to increase fish catch in adjacent areas by as much as 90% within five years.

However less than 10% of the annual finance needed to achieve the 30x30 target is flowing to the Ocean and it currently stems primarily from public sources. Could the private sector help bridge this gap? UNOC3 confirmed the answer to be an emphatic 'yes' and the discussions during the conference showcased the innovation already underway in financial modelling and product manufacturing linked to the Ocean.

We hope this inspires you to join the Ocean conversation. For in the words of the legendary songwriter Brian Wilson from the iconic band, the Beach Boys, who left us earlier this month ["And when you catch a wave, you'll be sittin' on top of the world"](#).

ESG View will be taking a break over the summer so here is a list of handpicked books published this year for your summer reading list. We wish all our readers a restful break. As always...enjoy responsibly.

- [The Price is Wrong: Why Capitalism Won't Save the Planet](#) (Brett Christophers)
- [Is a River Alive?](#) (Robert Macfarlane)
- [Wild Service: Why Nature Needs You](#) (Nick Hayes)
- [What the Wild Sea Can be: The Future of the World's Ocean](#) (Helen Scales)
- [Abundance: How we Build a Better Future](#) (Ezra Klein and Derek Thompson)

Best wishes,



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## GLOBAL DEVELOPMENTS

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### 1. Beyond the Waves: Highlights from UNOC3 and BEFF (multi-sector)

 **What:** The 2025 UN Ocean Conference (UNOC), co-hosted by France and Costa Rica in Nice, and the Blue Economy & Finance Forum (BEFF) in Monaco, brought a series of pledges and policy commitments aimed at restoring ocean health and scaling blue finance. The meetings catalysed support for marine protected areas (MPAs), the High Seas Treaty, a moratorium on deep-sea mining, and action on plastic pollution.

 **Key details:**

- **High Seas Treaty**
  - **51 countries** have now ratified the Agreement on Biodiversity Beyond National Jurisdiction (BBNJ).
  - 60 ratifications are required for entry into force; this is expected by UN General Assembly in September 2025.
  - The treaty enables the creation of MPAs in international waters and mandates environmental impact assessments for high seas activities.
- **Deep-sea mining moratorium**
  - Despite the absence of the United States from the conference—and its move to advance unilateral licensing under domestic law, raising concerns about regulatory fragmentation, **37 countries** publicly called for a precautionary pause or moratorium on deep-sea mining.
  - The International Seabed Authority (ISA) continues negotiations on a Mining Code, which will govern potential deep-sea mining activities in the seabed beyond national jurisdictions.
- **Bottom trawling restrictions**
  - The UK [proposed](#) a ban on bottom trawling in **41 MPAs**, covering over 30,000 km<sup>2</sup> - nearly half England's MPAs.
- **Expansion of Marine Protected Areas (MPAs):**
  - New national and regional announcements increased marine areas under strict protection from 8.4% to 11% globally.
  - Key announcements included:
    - French Polynesia has [announced](#) the creation of world's largest marine protected area, covering more than 5 million km<sup>2</sup>, including 900,000 km<sup>2</sup> strictly protected.
    - As part of its new marine spatial plan, the Samoan government has [designated](#) nine offshore marine protected areas (MPAs) covering 30% of its ocean - an area of 35,936 km<sup>2</sup>, roughly the size of Taiwan. These are the country's first MPAs beyond its coral reefs and mark a major step toward sustainably managing 100% of its marine territory by 2030.
- **Plastics treaty momentum**
  - **96 countries** supported an ambitious, legally binding treaty to tackle plastic pollution.

- The next negotiation round will be held in Geneva (5–14 August 2025) on legal obligations, enforcement mechanisms, and alignment with national extended producer responsibility (EPR) schemes.

- **Blue finance mobilised**

- BEFF and UNOC collectively mobilised over **€10 billion** in new and recycled commitments.



**Our view:** UNOC3 has now drawn to a close, and while it remains a non-binding forum, expectations for concrete progress were high. In practice, the outcomes were modest. There was productive dialogue, but limited tangible advancement. That said, it was encouraging to see Small Island Developing States (SIDS) and local communities – those most directly impacted by ocean degradation – placed firmly at the heart of discussions.

Held in parallel, the Blue Economy & Finance Forum (BEFF) helped spotlight the financing dimension, but finance did not receive the level of attention needed during the main conference itself. As pressures on the ocean intensify, sustainable finance must be more than an adjacent conversation – it must be central to future UNOC processes.

Despite these limitations, the broader direction of travel is clear. UNOC3 and BEFF 2025 reflect a decisive shift towards legal codification and institutional alignment in global ocean governance. The expected entry into force of the High Seas Treaty would represent the most significant international legal development in ocean conservation in decades – a long-overdue response to persistent governance gaps in areas beyond national jurisdiction.

Meanwhile, the growing international momentum behind a moratorium on deep-sea mining signals not only increasing concern from states, but also mounting reputational and regulatory risks for operators who choose to explore deep-sea mining projects. As legal thresholds begin to harden, corporates and investors will need to:

- assess exposure to activities in areas beyond national jurisdiction (ABNJ);
- review compliance with emerging MPA designations and seabed regulations;
- track developments in ocean-linked taxonomies, disclosure, and due diligence obligations.



### Next steps

- **September 2025** – Target date for **High Seas Treaty** to enter into force (UNGA, New York).
- **5–14 August 2025** – Next round of **Plastics Treaty** negotiations in Geneva.
- **July–October 2025** – Continued ISA deliberations on the Deep-Sea Mining Code.
- **Q4 2025** – Further WTO ratifications expected to operationalise fisheries subsidies agreement.

## 2. TNFD publishes final ocean-focused sector guidance (multi-sector)



### What:

On 6 June 2025, the Taskforce on Nature-related Financial Disclosures (TNFD) [released](#) crucial new guidance for ocean-dependent sectors – specifically fishing, marine transportation and cruise lines – along with a consultation on ocean-related metrics and measurement methods. This enhancement supports the drive to integrate ocean ecosystems into nature-related disclosures.


**Key details:**

- **Sector-specific guidance:** Finalised guides provide tailored instructions on identifying, assessing and disclosing nature-related dependencies and impacts – including overfishing, illegal/unreported/unregulated (IUU) fishing, protection of marine ecosystems (e.g. coral reefs), and transboundary marine protected areas.
- **Measurement consultation:** TNFD [released](#) a discussion paper and opened a survey (open until 1 October 2025) focused on developing reliable metrics and data sets for ocean-related risks and opportunities, supporting the LEAP (Locate, Evaluate, Assess, Prepare) assessment process.

 **Our view:** This is a significant step in embedding ocean health within corporate and financial decision-making, providing clarity for blue-economy actors. As ecosystem impacts from climate change, plastic pollution and industrial fisheries intensify, the new guidance equips organisations to adopt more robust ocean risk management and disclosure practices.

### 3. Basel Committee releases new climate risk disclosure framework (financial institutions)

 **What:** On 13 June 2025, the Basel Committee on Banking Supervision [published](#) a new voluntary framework for the disclosure of climate-related financial risks. This framework is designed for jurisdictions to consider implementing domestically, reflecting a shift towards accommodating diverse national regulatory environments.


**Key details:**

- **Voluntary Implementation:** The framework is voluntary, allowing national regulators to decide on its adoption. This decision follows significant international debate and pushback, notably from the U.S., regarding the integration of climate change into banking regulations;
- **Framework Components:** The framework includes both qualitative and quantitative disclosures, asking banks to report on climate targets, transition plans, and the linkage of performance metrics to executive remuneration; and
- **Flexibility and Monitoring:** Acknowledging the evolving nature of climate-related data, the framework incorporates flexibility. The Basel Committee will monitor developments and consider future revisions, ensuring the framework remains relevant as data quality and consistency improve.

 **Our view:** The introduction of this framework represents a cautious step forward in addressing climate risks within the banking sector. While it provides a structured approach for banks to disclose climate-related risks, the voluntary nature may limit its effectiveness in driving global consistency. Additionally, the framework does not require reporting on carbon emissions from capital markets (“facilitated emissions”), and places significant responsibility on national regulators to monitor implementation. The Basel Committee's ongoing monitoring and potential future revisions will be crucial in enhancing the framework's long-term impact.

## EUROPEAN DEVELOPMENTS

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### 1. UK and EU agree to work towards linking Emissions Trading Systems (multi-sector)

 **What:** On 19 May 2025, the European Commission and the UK Government [announced](#) their intention to link their respective Emissions Trading Systems (ETS). This agreement, part of the [Common Understanding](#) presented at the EU-UK Summit in London, marks a significant step in post-Brexit climate cooperation.

 **Key details:**

- **Linkage framework:** The proposed linkage would allow carbon allowances issued under either the EU ETS or UK ETS to be mutually recognised for compliance in both systems. This integration aims to create a unified carbon market, enhancing market stability and efficiency.
- **Carbon Border Adjustment Mechanism (CBAM) exemptions:** The agreement includes provisions for mutual exemptions from the respective CBAMs, contingent on compliance with relevant legislation. This alignment seeks to prevent double carbon pricing and reduce trade barriers between the two regions.
- **Dynamic alignment and governance:** The UK will ensure "dynamic alignment" with EU rules underpinning the ETS linkage and provide a financial contribution towards relevant EU policy development. A joint governance mechanism will oversee the implementation and operation of the linked systems.

 **Next steps:** Formal negotiations are set to begin, with the aim of finalising the linkage agreement. Both parties will need to align their respective legal frameworks and technical standards to facilitate the integration of the ETSs.

 **Our view:** This move reflects a pragmatic path toward stronger climate cooperation post-Brexit. A linked ETS could enhance market efficiency, reduce carbon leakage, and support fair competition – and potentially act as a blueprint for similar international partnerships.

### 2. Council and Parliament ready to start trilogues on CBAM simplification (multi-sector)

 **What:** On 22 and 27 May 2025, the European Parliament and the Council of the EU respectively adopted their negotiating positions ([negotiating position](#) and [general approach](#)) on the European Commission's proposed simplification of the CBAM, paving the way for trilogue negotiations to begin.

 **Key details:**

The proposal, originally published as part of the first Omnibus simplification package on 26 February 2025, aims to ease the administrative burden of CBAM, particularly for smaller importers.

Both co-legislators support the Commission's headline measure: A *de minimis* threshold of 50 tonnes of CBAM goods imported per year, per importer, which is expected to exempt 90 percent of importers from CBAM obligations.

The Parliament's position includes technical clarifications to the text, while the Council's [general approach](#) proposes additional changes to the Commission's draft. Both institutions reaffirmed support for the introduction of the 50-tonne threshold.

 **Next steps:** With both institutions aligned on the key simplification measure, trilogue negotiations are expected to commence shortly. We will provide updates as discussions progress and as a final agreement is reached.

### 3. EU Deforestation Regulation: First country risk list adopted by Commission (multi-sector)

 **What:** On 22 May 2025, the European Commission adopted an [Implementing Regulation](#) establishing the country risk classification system under the EU Deforestation Regulation (EUDR). Countries are now formally categorised as low, standard, or high risk – a key step in operationalising the EUDR's due diligence framework.

#### Key details:

The classification directly affects the level of scrutiny required from operators placing relevant commodities on the EU market. Under Article 13 of the EUDR, operators sourcing from low-risk countries benefit from simplified due diligence, while those sourcing from standard- or high-risk countries face stricter obligations and increased scrutiny. The country classification is as follows:

- **High-risk countries:** Belarus, Myanmar, North Korea and Russia;
- **Low-risk countries:** 140 jurisdictions including all EU Member States, the UK, the US, Canada, China, Japan, Australia and South Africa;
- **Standard-risk countries:** Approximately 50 countries, including Brazil, Indonesia and Malaysia.

The classification also determines the frequency of compliance checks to be conducted by national authorities, both for imports and exports of EUDR-covered commodities – namely cattle, cocoa, coffee, oil palm, rubber, soya, and wood – and their derived products.

 **Next steps:** The data is sourced from the [FAO's Global Forest Resources Assessment](#), last updated in 2020. As the FAO plans to release a new update in October 2025, a review of the country classification is expected to follow in 2026.

## UK DEVELOPMENTS

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### 1. FRC publishes revised UK Stewardship Code 2026 (asset management)

 **What:** On 3 June 2025, the Financial Reporting Council (FRC) published the revised [UK Stewardship Code 2026](#) (the 2026 Code) following a consultation earlier this year.

 **Key details:**

- The overarching definition of “Stewardship” has been amended to give greater flexibility to signatories to determine what they want to achieve from Stewardship.
- Reporting under the 2026 Code will be split into two parts:
  - Policy and Context Disclosure (P&C Disclosure) containing information on the organisation and its governance and resourcing (to be submitted every four years)
  - Activities and Outcome Report (A&O Report) reporting on how the organisation has exercised stewardship throughout the year and how they have applied the Principles of the Code through their activities and resulting outcomes (to be submitted every year).
- The 12 Principles that form part of the UK Stewardship Code 2020 (**2020 Code**) will be replaced with:
  - five disclosures that form part of the P&C disclosure
  - six principles that form part of the A&O Report.
- The FRC is introducing [guidance](#) to assist applicants with reporting. This has been published in draft form initially and the FRC is inviting comments on the draft (to be sent to the FRC by 31 August).
- The 2026 Code will be effective from 1 January 2026

 **Next steps:** Signatories should continue to report this year in line with the 2020 Code. For any existing signatories, 2026 will serve as a transition year – signatories should submit the P&C Disclosure and A&O Report but, provided they submit these, they will not be removed as a signatory.

You can read further detail on the 2026 Code in our more detailed [briefing](#). Please get in touch with us if you have any questions.

## MIDDLE EAST DEVELOPMENTS

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### 1. UAE enacts landmark climate law mandating emissions disclosure and adaptation plans (multi sector)

 **What:** On 30 May 2025, the United Arab Emirates' Federal Decree-Law No. 11 of 2024 on the Reduction of Climate Change Effects [entered into force](#). This first-of-its-kind national climate law applies across all sectors, mandating public entities and private companies – including those based in free zones – to measure and report their greenhouse gas (GHG) emissions annually, develop climate adaptation plans, and align mitigation strategies with national climate goals.

#### Key details:

- **Scope** - Applies to all government authorities and private sector entities operating in the UAE, including free zone companies, with no exemptions by size or sector.
- **GHG emissions reporting** - Annual disclosure of Scope 1 and 2 emissions is mandatory, with Scope 3 required where relevant. Reports must follow methodologies approved by the Ministry of Climate Change and Environment (MOCCAEC).
- **Climate risk adaptation** - Companies must assess exposure to climate risks (e.g. extreme weather, water scarcity) and adopt adaptation plans accordingly.
- **Mitigation obligations** - Businesses are required to implement emissions reduction strategies aligned with the UAE's national climate targets and Net Zero ambitions.
- **Climate governance** - Firms are encouraged to designate climate officers, conduct internal training, and embed climate risk into governance and decision-making structures.
- **Sanctions and enforcement** - Non-compliance may result in fines ranging from AED 50,000 to AED 2,000,000. Repeat offences within two years can trigger licence suspensions or further administrative action.
- **Timeline** - The law takes effect from 30 May 2025. A grace period runs until 28 June 2025 for initial compliance.

#### Our view:

The UAE becomes the first Gulf state to embed climate action into binding corporate law – a significant shift from voluntary commitments to enforceable obligations. The legislation represents a step-change in ESG expectations for businesses operating in the region. From emissions reporting and climate risk governance to strategic mitigation planning, the law compels companies to move beyond box-ticking and embed climate considerations into core business processes.

Importantly, the law moves the UAE closer to convergence with international climate disclosure frameworks.

## AMERICAS DEVELOPMENTS

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### 1. BRICS countries agree shared position on climate finance (financial institutions)

 **What:** At a High-Level Meeting on Climate Change and Sustainable Development on 28 May 2025, BRICS (Brazil, Russia, India, China and South Africa) [adopted](#) their first-ever joint climate finance framework. The document outlines a common position on reforming global financial institutions and mobilising private capital to support climate mitigation and adaptation in developing countries.

#### Key details:

-  • **MDB reform and concessional finance:** The declaration calls for structural reform of multilateral development banks (MDBs) to scale concessional finance and better address Global South needs. It advocates for simplified access, new instruments and greater risk-sharing mechanisms to unlock private capital.
- **Alignment with Paris goals:** The framework ties climate finance to BRICS' broader development priorities, aiming for compatibility with the Paris Agreement while maintaining flexibility to reflect national contexts.
- **Tropical Forest Forever Facility (TFFF):** One proposed innovation is Brazil's TFFF, a mechanism to attract long-term investment into forest conservation. It aims to generate permanent revenue streams for tropical forest countries using blended finance and satellite monitoring.
- **Additional tools:** The BRICS agreed to establish a climate-focused trade lab and technology-sharing platform to address trade-related climate risks and boost access to innovation.

 **Our view:** This agreement signals growing collaboration among major emerging market economies to shape climate finance on their terms, challenging existing frameworks dominated by the Global North. Financial institutions should monitor these developments closely, particularly around MDB reform, the rise of south-south instruments like the TFFF, and implications for carbon markets and climate-aligned trade. We will continue to update you on these developments on the road to COP30 in November.

### 2. SEC withdraws ESG fund name rules (financial institutions)

 **What:** On 12 June 2025, the U.S. Securities and Exchange Commission (SEC) formally [withdrew](#) its proposed rule on ESG disclosures for investment advisers and companies, originally introduced in 2022. The SEC announced it “*does not intend to issue final rules with respect to these proposals*” and that any future steps will begin with a new rulemaking process.

#### Key details:

- The withdrawn 2022 proposal would have required funds marketing themselves as ESG-focused to:
  - disclose portfolio greenhouse gas (GHG) emissions (Scopes 1–3);
  - explain targeted ESG outcomes; and
  - report on proxy voting and engagement activities.
- The SEC clarified that it may revisit these policy areas in the future, but only through fresh proposals, i.e. not by reviving prior draft rules.

### 3. Canada finalises anti-greenwashing rules (multi-sector)

 **What:** On 5 June 2025, Canada's Competition Bureau [released](#) final guidelines on *Environmental Claims and the Competition Act*, following the 2024 overhaul of its competition law. The guidelines clarify how businesses must substantiate environmental claims—including future-focused or aspirational statements—and outline expectations for testing and use of “internationally recognised methodologies”.

#### Key details:

- **Substantiation:** Environmental claims must be backed by robust, relevant, and scientifically credible evidence, taking into account the Canadian context.
- **Recognised methodologies:** Claims must rely on internationally acknowledged methodologies, typically validated in at least two countries or accepted by Canadian or international authorities.
- **Performance claims:** Assertions about recyclability, emissions or similar features must be supported by proper testing at the time of the claim.
- **Disclosure:** Businesses are not required to publish substantiation unless a claim is formally challenged—at which point the burden shifts to them.
- **Securities carve-out:** Statements under securities laws are excluded, unless reused for marketing or promotional purposes.
- **Future claims:** Aspirational statements must be tied to clear, realistic and verifiable plans with interim milestones—“wishful thinking” will not suffice.

 **Our view:** The Guidelines offer welcome clarity, but uncertainty remains, particularly given the Bureau's broad enforcement discretion and the potential for courts or the Tribunal to diverge in interpretation. From 20 June 2025, enforcement risks may rise further as private parties gain standing to challenge greenwashing claims, even where the Bureau opts not to act. In this evolving landscape, businesses should treat the Guidelines as a benchmark, ensure robust substantiation for environmental claims, and update compliance programmes accordingly.

## APAC DEVELOPMENTS

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### 1. India publishes draft Climate Taxonomy (multi-sector)

 **What:** On 27 May 2025, the Indian Government released a draft “[Framework for Climate Taxonomy](#)” – its first attempt at formally classifying economic activities based on their alignment with national climate objectives. The framework is intended to support India's sustainable finance roadmap and provide clarity for investors, policymakers, and financial institutions seeking to align with India's net-zero by 2070 target.

 **Key details:**

- **Objectives and scope:** The taxonomy outlines criteria for identifying climate-aligned activities across key sectors, starting with energy, transport, and buildings. It defines what qualifies as "climate-positive", "climate-aligned transition", and "climate-neutral" activities, with the aim of guiding investments and disclosures.
- **Alignment with India's NDCs:** The framework reflects India's Nationally Determined Contributions (NDC) under the Paris Agreement, aiming to support a “*just, orderly and equitable*” climate transition. It explicitly acknowledges India's development priorities and unique national context, including the need for inclusive growth.
- **Use cases:** The taxonomy is expected to underpin green finance instruments, including green bonds and sustainability-linked loans, and to inform climate risk assessments, ESG reporting standards, and broader investment decisions across public and private sectors.
- **Governance and next steps:** The Ministry of Finance has invited [feedback](#) until 25 June 2025. The final taxonomy is expected to be adopted later this year and will be implemented in phases, starting with voluntary application.

 **Our view:** India's move to define a national climate taxonomy is a significant step in aligning sustainable finance with national policy goals. While narrower in scope than the EU Taxonomy, the Indian framework is pragmatic and development-conscious, acknowledging the need for a tailored transition pathway. It could also serve as a template for other emerging markets seeking to build credible, science-based definitions for green and transition finance.

## BEST OF THE REST

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A round-up of key ESG regulatory and policy updates from around the globe worthy of a mention in this edition:

- **UK: Scotland proposes landmark [Ecocide Bill](#) criminalising severe environmental harm** - On 29 May 2025, the Scottish Parliament introduced the Ecocide (Scotland) Bill, which would make Scotland the first UK nation to criminalise ecocide – defined as causing widespread, long-term or irreversible damage to the environment through severe and reckless conduct.
- **EU: EU boosts water conservation via EIB** - The European Investment Bank [committed](#) €15 billion over three years to water pollution control, reduction of wastage, and innovation related to water ecosystems.
- **EU: Commission unveils European Water Resilience Strategy** - On 4 June 2025, the EU Commission [launched](#) its European Water Resilience Strategy, a roadmap to enhance water management by promoting a “water-smart economy” focused on competitiveness and innovation. On the same day, the European Investment Bank (EIB) pledged €15 billion in loans for water projects across Europe from 2025 to 2027, targeting pollution reduction, water waste minimisation, and support for innovative solutions.
- **France: France cracks down on ultra-fast fashion** - On 10 June 2025, France [approved bill](#) imposing environmental surcharges on brands like Shein, aiming to reduce overproduction and waste. Influencer advertising for these brands will also be banned, while European fast fashion companies are exempt.
- **APAC: India releases its new Framework for ESG Debt Securities** - On 5 June, Securities and Exchange Board of India (SEBI) [published](#) new rules for social, sustainability and sustainability-linked bonds, requiring enhanced disclosures and clearer use-of-proceeds criteria to prevent “purpose-washing”.
- **APAC: The Monetary Authority of Singapore (MAS) has [launched](#) a platform** enabling companies to automatically generate basic sustainability metrics using utility and water consumption data from the national agencies.
- **APAC: Australia launches its Sustainable Finance Taxonomy** - On 17 June, the Australian Sustainable Finance Institute (ASFI) [released](#) the Australian Sustainable Finance Taxonomy, which provides voluntary classification standards for green and transition investments across six high-emitting sectors.
- **Americas: Argentina to launch first digital carbon exchange** - On 5 June 2025, ACX and Bolsa Argentina de Carbono (BACX) [announced](#) a partnership to establish Argentina’s first digital carbon market, aiming to connect local credit issuers with global buyers.
- **Americas: World’s first jaguar protection insurance launched in Argentina** - On 22 May 2025, the Province of Misiones (Argentina), together with UNDP, Río Uruguay Seguros and local NGOs, introduced a [pioneering insurance scheme](#) compensating livestock owners for jaguar attacks – a first ever biodiversity insurance mechanism aimed at preventing retaliatory killings of the endangered species.

## ESG DISPUTES ROUND-UP

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### 1. French court confirms La Poste's breach of duty of vigilance obligations (multi-sector)

 **What:** On 17 June 2025, the Paris Court of Appeal [upheld](#) the first-instance ruling that found La Poste in breach of its obligations under [France's 2017 Duty of Vigilance Law](#) (*loi sur le devoir de vigilance*). The Court confirmed that the company's 2021 vigilance plan was not compliant with legal requirements, particularly with respect to the identification and prioritisation of risks.

 **Key details:**

- The Court found La Poste's plan too general, lacking severity assessment, relevant risk factors, and risk hierarchy – all required under Article L.225-102-4 of the French Commercial Code.
- The decision confirmed an injunction for La Poste to complete its plan with a detailed risk mapping.
- The ruling clarifies judicial expectations for *effective, concrete and structured* vigilance plans, particularly in relation to group operations and supply chains.

 **Our view:** This ruling is a strong signal to businesses that generic or box-ticking plans will not suffice. French courts are setting a high bar for the effectiveness and granularity of vigilance measures.

### 2. German court dismisses climate lawsuit by Peruvian farmer against RWE (multi-sector)

 **What:** On 28 May 2025, the Higher Regional Court of Hamm [dismissed](#) the climate lawsuit brought by Peruvian farmer Mr Lliuya against German energy company RWE. While the claim failed on the facts, the Court affirmed that greenhouse gas emitters can, in principle, be held liable for climate-related damage – a first in European jurisprudence.

 **Key details:** Mr Lliuya filed the claim in 2015, seeking reimbursement from RWE for flood protection measures in his Andean hometown, threatened by a melting glacier. He argued that RWE's historic emissions contributed to the glacier's retreat and resulting flood risks. The case was initially rejected by the Essen Regional Court, but allowed to proceed to evidentiary phase by the Higher Regional Court in 2017.

Although the Court ultimately found the risk to Mr Lliuya's property insufficiently concrete, it accepted that civil liability for climate damage is legally conceivable. It recognised that even partial contributions to global emissions could give rise to liability if the harm is specific, imminent, and causally linked to the emitter – and that such liability can cross national borders.

 **Our view:** This is the first time a European court has acknowledged that emitters may be held responsible for negative climate impacts. Though RWE faces no direct consequences, the ruling paves the way for future claims, including [Falys v Total](#), where a Belgian farmer is suing Total over extreme weather-related crop damage. Expect similar climate litigation to grow in number and scope.

### 3. Activists sue financial institutions over support for fossil project (financial firms)

 **What:** Civil society group Justiça Ambiental! and South Korean youth climate activists have filed a lawsuit against the Export-Import Bank of Korea and the Korea Trade Insurance Corporation, seeking to block them providing circa \$1.9 billion of financial support to the Coral North Floating Liquefied Natural Gas project in Mozambique.

 **Key details:** The groups allege that the financing would support a dramatic expansion in Mozambique's fossil fuel sector, undermining efforts to slow the pace of global warming. This, they argue, violates the company's constitutional and legal obligations, would jeopardise environmental rights both globally and locally, and would contribute to irreversible climate damage with no sufficient public interest justification.

 **Our view:** This case joins a growing trend of activists seeking to prevent the funding of fossil fuel projects by taking action against financing parties. Such claims have had mixed results in the past. For example, in 2023, the UK Court of Appeal [dismissed a challenge](#) by Friends of the Earth to the UK Government's funding of an LNG project off the coast of Mozambique. However, these cases are often fact sensitive, and much will turn on the Court's assessment of the financing party's climate plan.

Nevertheless, we anticipate that these sorts of cases will continue, either targeting financing parties' support of individual projects or, such as in [Milieudefensie's case against Dutch bank ING](#), their climate policies as a whole.

### 4. NGOs continue to challenge governments on climate policy (multi-sector)

 **What:** We are continuing to see NGOs and other activists hold governments to account to implement, or adhere to, their climate plans.

 **Key details:**

- [Activist groups are suing the New Zealand government](#) over its allegedly "*dangerously inadequate*" plan to reduce emissions to net zero by 2050 in line with national legislation. Notably, however, is that this case is one of the first to criticize the government's reliance on tree planting to achieve its climate goals. In particular, the groups allege that the government has abandoned its tools to tackle emissions and has instead relied on tree planting, which they say is "*not a substitute*" for reducing the burning of fossil fuels at source.
- In Germany, consumer group DUH has [begun legal action](#) against the state of Baden-Württemberg, saying it ignored its legal obligation to implement an immediate climate protection programme in light of the state's own prediction that it will miss its 2030 emission targets by six million tons of CO<sub>2</sub>.
- In Hungary, the Constitutional Court has recently [ordered the government to tighten up its climate targets](#) and has annulled parts of the national climate law, saying it violates principles of intergenerational justice, precaution and prevention.

 **Our view:** Whilst these cases are brought primarily against governments, they can have a significant impact for companies operating in that country. In particular, such actions can lead to accelerated emission reduction targets, and/or the government pulling back from investment in new fossil fuel projects. Therefore, companies should take note of such cases and any measures implemented in response.

## 5. Woman sues fossil fuel firms over mother's heat dome death (fossil fuel companies)

 **What:** A US woman [has brought the first-ever wrongful death lawsuit](#) against six fossil fuel firms, claiming the companies' climate negligence caused her mother's death during a major heatwave. 65-year old Juliana Leon died of hyperthermia in Seattle during the 2021 Pacific north-west heat dome – an event that killed nearly 200 people, and which meteorologists say would have been “*virtually impossible*” without human-caused global warming. The claim seeks to hold the companies accountable on the basis that they failed to warn the public about the dangers of greenhouse gas emissions.

 **Our view:** Although this is likely the first time a claim has been brought against for fossil fuel companies for a wrongful death arising from heatwaves caused by climate change, there have been other criminal complaints brought on the basis of other climate-related effects. However, there has been reluctance to establish criminal liability in these circumstances. In 2024, NGOs filed a criminal complaint against TotalEnergies' Board and its top shareholders relating to criminal wrongdoing, including manslaughter and endangering others (see our [ESG Disputes Radar](#), May 2024). However, this complaint was [dismissed in February 2025](#), lacking sufficient basis to allege that criminal conduct had occurred.

Nevertheless, the threat of criminal consequences where significant harms occur as a result of climate change-related events may be sufficient to drive change, although this will depend on the facts of individual cases.

## 6. Friends of the Earth / ING (financial institutions)

 **What:** The Dutch branch of Friends of the Earth, Milieudefensie, [filed](#) a collective action against ING in relation to its CO<sub>2</sub> emissions.

 **Key details:** The NGO filed a lawsuit before the Dutch Central Registry for collective actions, Milieudefensie being supported by 30,000 co-claimants in this legal action. Milieudefensie requests that ING cut its CO<sub>2</sub> emissions by 45% by 2030. According to the NGO, ING would be linked to over 260 megatons of CO<sub>2</sub> emissions – 1.5 times the total annual emissions of the Netherlands. As a consequence, the NGO considers that ING would be in breach with the objectives of the Paris Agreement because of ING's oil and gas projects financing.

 **Our view:** This case is another example of the increasing pressure on financial institutions to align their practices with climate objectives. By targeting a major financier of fossil fuel projects, Milieudefensie is reinforcing the idea that banks bear responsibility not just for direct emissions, but also for the environmental impact of their investments. The outcome could set a significant precedent for climate accountability in the financial sector across Europe.

## ESG CONSULTATION ROUND-UP

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In addition to the above-mentioned discussion paper on the measurement of ocean-related issues [released](#) by TNFD - opened for consultation until 1 October 2025 - and the Department of Economic Affairs, Ministry of Finance's invitation to provide [feedback](#) on India's Climate Finance Taxonomy by 25 June 2025, several other notable ESG policy consultations are currently open for comment across the globe. These consultations offer a valuable opportunity to help shape the future direction of ESG policy.

### 1. UK Government consults on BNG for nationally significant infrastructure projects (Real Estate)

 **What:** The UK Government has launched a [consultation](#) on proposed amendments to the biodiversity net gain (BNG) requirements specifically for nationally significant infrastructure projects (NSIPs). This consultation aims to clarify and simplify the [current BNG framework](#) introduced on 12 February 2024, with a focus on making the rules more workable for larger infrastructure developments, while maintaining environmental ambitions.

#### Key details:

- Under the current framework, developers must deliver at least a 10 per cent biodiversity net gain, improving the ecological value of land post-development.
- The consultation seeks views on proposals including tailored BNG requirements for NSIPs, the potential for longer timeframes to achieve net gain outcomes, and greater flexibility around off-site measures and biodiversity credits.
- The proposals aim to reduce barriers to delivery of infrastructure projects while ensuring robust environmental protections remain in place.
- The government also seeks feedback on monitoring, enforcement, and how the BNG framework interacts with existing environmental regulations.
- This consultation forms part of a broader government effort to balance ecological enhancement with infrastructure growth and to encourage private sector investment in nature recovery.

 **Next steps:** The consultation closes on **24 July 2025**. Feedback will inform possible amendments to the BNG regulations applicable to NSIPs, helping refine the framework to better support sustainable development.

The UK Government is also running a separate consultation on [improving the implementation of BNG for minor, medium and brownfield developments](#), which closes on the same date.

## 2. EU: Commission launches consultation on the Gender Equality Strategy 2026–2030 (multi-sector)

 **What:** The European Commission has opened a [call for evidence](#) to gather input on its forthcoming Gender Equality Strategy for 2026–2030. This strategy builds on the achievements of the [2020–2025 plan](#) and aligns with the [Roadmap for Women’s Rights](#) adopted in March 2025, which sets a long-term vision for advancing women’s rights across the EU.

### Key details:

- The strategy aims to reinforce the EU’s commitment to achieving a “Union of Equality,” as emphasised in President von der Leyen’s 2024–2029 Political Guidelines.
- It will continue the dual approach of targeted actions promoting gender equality alongside gender mainstreaming across all EU policy areas.

 **Next steps:** The strategy is expected to be included in the Commission’s 2026 work programme, detailing specific measures planned for the next five years. The consultation seeks stakeholder feedback to help shape the strategy and closes on **11 August 2025**.

## 3. EU: EBA consults on ESG risk disclosure standards (financial institutions)

 **What:** On 11 June 2025, the European Banking Authority (EBA) launched a [consultation](#) on draft implementing technical standards (ITS) amending the existing Pillar 3 disclosure requirements.

### Key details:

The proposed ITS aims to incorporate the new disclosure obligations introduced by the Capital Requirements Regulation 3 (CRR3), with a focus on ESG-related risks, equity exposures, and shadow banking. Key features include:

- A proportionate ESG disclosure regime, designed in line with the European Commission’s drive to simplify sustainability reporting, and tailored to the size, nature, and complexity of each institution.
- Lighter reporting obligations for small and mid-sized banks, while larger listed firms receive clarifications but no new requirements.
- Full consistency between Pillar 3 ESG disclosures and the EU Taxonomy Regulation.
- Transitional arrangements and supervisory discretion, including the possible use of no-action letters, to support smoother initial implementation. Supervisors are encouraged to apply this flexibility during the interim period before the ITS take effect.

An updated Pillar 3 mapping tool has also been published to support institutions’ implementation.

 **Next steps:** The consultation is open until **22 August 2025**, with a public hearing scheduled for 26 June 2025. The final ITS is expected to be adopted and submitted to the European Commission in Q4 2025.

#### 4. EU Commission consults on carbon removals verification framework (multi-sector/energy)

 **What:** On 3 June 2025, the European Commission launched a public [consultation](#) on a draft regulation underpinning the EU Carbon Removal Certification Framework (CRCF) – a voluntary initiative to improve the transparency and credibility of carbon removal projects across the EU.

 **Key details:**

- The proposed rules aim to simplify compliance for small carbon farming operators.
- The regulation supports a harmonised approach to third-party verification, facilitating consistent certification standards for removals.
- The CRCF is intended to build trust in carbon removal credits, thereby boosting market uptake and private investment.

 **Next steps:** The consultation is open until **1 July 2025**.

#### 5. EU seeks views on forthcoming fusion energy strategy (multi-sector/ energy)

 **What:** Also on 3 June 2025, the European Commission launched a [call for evidence](#) on the development of an EU strategy for nuclear fusion energy.

 **Key details:**

- The proposed strategy aims to accelerate the deployment of “economically viable” fusion technologies in the EU.
- It will address innovation, investment needs, and regulatory enablers to support fusion’s commercialisation.
- The strategy forms part of the EU’s long-term clean energy agenda.

 **Next steps:** Feedback period runs until **1 July 2025**. The final strategy is expected to be adopted by late 2025.

#### 6. England consults on new funding model for flood and coastal erosion resilience projects (multi-sector)

 **What:** The UK Department for Environment, Food & Rural Affairs launched a [consultation](#) on reforms to the funding framework for flood and coastal erosion resilience in England. The proposed changes aim to simplify the system, accelerate delivery, and ensure that investment better reflects the rising risks posed by climate change. The consultation also includes a call for evidence on alternative sources of funding and the role of English devolution in future flood risk management.

 **Key details:**

- **Rising climate risk** – Currently, 6.3 million properties in England are at risk of flooding, projected to rise to 8 million by mid-century; approximately 3,500 homes face loss to coastal erosion by 2055 ;

- **Simplified funding framework** – The first proposal recommends replacing the current formula with a straightforward two-step funding process: fully covering the first £3 million per project, then a 90% government contribution to remaining costs ;
- **Project prioritisation** – The second proposal outlines new criteria to rank flood resilience projects by value-for-money and outcomes for deprived communities and natural flood management;
- **Call for evidence** – Stakeholders are invited to suggest alternative funding models and insights on how greater devolution – such as Mayoral involvement – could enhance local resilience efforts; and
- **Implementation timing** – The framework is being designed to support the new flood investment programme, beginning April 2026. Transitional arrangements will be in place for ongoing projects

 **Next steps:** The consultation closes on **29 July 2025**.

## 7. UK PRA consults on updated climate risk expectations for banks and insurers (financial institutions)

 **What:** On 30 April 2025, the UK Prudential Regulation Authority (PRA) launched a [consultation](#) on a proposed replacement of Supervisory Statement 3/19 (SS3/19), which outlines expectations for managing climate-related financial risks.

 **Key details:**

- The proposals reflect enhancements to existing expectations rather than a shift in regulatory direction.
- The PRA aims to provide clearer, outcome-focused expectations for climate-related risk identification, governance and scenario analysis.
- The revised expectations emphasise:
  - Stronger integration of climate risk into governance and firm-wide risk appetite;
  - More rigorous and decision-informing use of scenario analysis;
  - The importance of high-quality disclosures aligned with emerging UK Sustainability Reporting Standards.
- The PRA encourages innovation in how firms embed climate risk within their business models and welcomes a proportionate, business-specific approach.
- These supervisory expectations remain non-binding but are intended to guide effective risk management practice.

 **Next steps:** Responses are requested by **30 July 2025**.

## 8. EU: Commission consults on integrating sustainability into merger review guidelines (multi-sector)

 **What:** On 8 May 2025, the European Commission opened a [public consultation](#) on the review of its horizontal and non-horizontal merger guidelines, with a focus on how sustainability factors could be better reflected in competition assessments.

 **Key details:**

- The consultation explores how merger reviews can support climate and environmental objectives without undermining competition.
- Specific issues include the treatment of “green killer acquisitions” and how mergers could promote clean innovation, decarbonisation and circular economy models.
- The review is part of the Commission’s broader effort to align competition policy with the EU Green Deal and 2050 climate neutrality goals.

 **Next steps:** The consultation is open until **3 September 2025**. Draft guidelines are expected in 2026, with adoption targeted for Q4 2027.

## LATEST SIMMONS ESG INSIGHTS

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### On-demand webinars

- [One Year to Go: Mastering the EU Pay Transparency Directive](#)

### Publications

- [FRC publishes revised UK Stewardship Code 2026](#) (5 June)
- [Seas of Opportunity: A Live Launch of the Blue Economy Guide](#) (5 June)  
In a groundbreaking collaboration, Simmons & Simmons and the UK ocean protection charity Marine Conservation Society have launched "[Seas of Opportunity: A Guide to the Blue Economy](#)." This comprehensive guide emerges from the insightful podcast series "[Seas of Opportunity: Navigating the Blue Economy](#)".

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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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