

SUSTAINABILITY: RECENT ESG DEVELOPMENTS NOVEMBER 2022

Environmental, Social and Governance ("ESG") factors have fast risen to the top of the board agenda across all sectors, with increasing awareness that a failure to address these matters can be detrimental both financially and reputationally. Investor pressure, internal governance and the proliferation of regulatory requirements and voluntary standards across the globe makes this a complex area to manage.

This newsletter is intended to assist banks, financial investors and corporates in keeping up to date with ESG developments.

Further details of these and previous developments can also be found on our [Green and Sustainable Finance Topic Guide](#) on the [Clifford Chance Financial Markets Toolkit](#) and further related resources can be found on our [Clifford Chance ESG page](#).

Key issues

- [Legal and regulatory developments](#)
- [Official publications](#)
- [Industry guidance, voluntary codes and publications](#)
- [Advocacy group publications](#)
- [Clifford Chance briefings and blogs](#)
- [Clifford Chance events](#)
- [Contacts](#)

HEADLINES THIS MONTH

- The [International Corporate Governance Network](#) published [Viewpoint: The Governance of Sustainability: An Investor View of Board Effectiveness](#) which considers the investor view of the board's role in the creation and oversight of the company's sustainability factors in meeting global investor expectations.
- The [European Securities and Markets Authority](#) updated its sustainable finance [implementation timeline](#), covering the Sustainable Finance Disclosures Regulation (SFDR), the Taxonomy Regulation (TR) and the Corporate Sustainability Reporting Directive (CSRD) amongst other Directives.
- The [European Central Bank](#) published two articles, [Climate transition: risks and opportunities](#) and [Climate risks for banks – the supervisory](#)

[perspective](#) highlighting the increasing risks that climate change is posing for banks and how transition plans should be evaluated for risk exposures.

- The [OECD](#) published a Corporate Governance Working Paper entitled 'Enhancing gender diversity on boards and in senior management of listed companies' looking at the progress of listed companies' existing policies and practices.

LEGAL AND REGULATORY DEVELOPMENTS

International

(24-28 October 2022) The 8th session of the [UN open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights](#) (OEIGWG) took place from 24-28 October 2022 in Geneva. The discussions for the OEIGWG meeting were based on the [Third Revised Draft of the proposed treaty on business and human rights](#) and [the proposals submitted by States during the 7th session](#) in 2021.

Environmental Social Governance | Market-wide

European Union

(31 October 2022) The [European Commission](#) adopted the [Delegated Regulation](#) amending and updating the technical standards to be used by financial market participants, financial advisers and financial products under the Sustainable Finance Disclosures Regulation (SFDR) when disclosing investments regarding nuclear and gas activities.

Environmental Social Governance | Market-wide

(17 October 2022) The [European Council](#) [approved](#) a proposed directive on improving gender balance on the board of listed companies ([Gender Balance Directive](#)). Once a year, listed companies will be required to provide information about gender representation on their boards. The Gender Balance Directive is subject to adoption by the European Parliament. | [Press release](#)

Social Governance | Corporates

(12 October 2022) The [European Commission](#) published [Regulation \(EU\) 2022/1925](#) on contestable and fair markets in the digital sector (the Digital Markets Act) in the Official Journal. The Act establishes obligations for gatekeepers of core platform services regarding advertising, data and commercial relationships between business users and end users. The Act entered into force on 3 October 2022 and will apply from 2 May 2023.

Social Governance | Market-wide

(11 October 2022) The [Platform on Sustainable Finance](#) published its [report](#) on recommendations on data and usability of the EU Taxonomy. The recommendations relate to key themes including proposed changes to Level 1 or 2 guidance on Taxonomy reporting, to support both the 2024 review period (within the Article 8 Delegated Act) and consider key usability challenges, such as differing definitions of 'sustainable investment', with the current proposals around sustainable finance disclosures. | [Appendices](#)

Environmental Social Governance | Market-wide

(11 October 2022) The [Platform on Sustainable Finance](#) has published its [final report](#) on the minimum safeguards set out in Article 18 of the Taxonomy Regulation. Under Article 18, companies are required to implement procedures to ensure they are compliant with the Organisation for Economic Cooperation and Development guidelines for multinational enterprises and with the United Nations guiding principles on business and human rights. The report lists recommendations that should be considered as signs of a company's non-compliance with the minimum safeguards.

Environmental Social Governance | Market-wide

(10 October 2022) The [European Parliament](#) published a [briefing](#) providing an initial analysis of strengths and weaknesses of the European Commission's impact assessment to the [Corporate sustainability due diligence proposal](#).

Environmental Social Governance | Market-wide

(6 October 2022) The [European Parliament](#) adopted a [resolution](#) on the outcome of the [European Commission's](#) review of the [15-point action plan](#) on trade and sustainable development. The resolution supports the Commission's plan to streamline sustainability throughout Free Trade Agreements in order to contribute to a carbon-neutral economy and prioritise market access for environmental goods and services critical to a carbon-neutral economy, provided they respect sustainable practices and do not harm human rights, labour rights and the environment in non-EU countries.

Environmental Social Governance | Market-wide

(6 October 2022) The [European Commission](#) issued Frequently Asked Questions (FAQs) [Notice](#) aiming to clarify the content of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation ([Regulation \(EU\) 2020/852](#)) on the reporting of eligible economic activities and assets. These FAQs complement the [22 FAQs](#) published 20 December 2021.

Environmental Social Governance | Market-wide

Italy

(24 October 2022) The [Italian insurance supervisory authority](#), IVASS, launched a [consultation on amendments](#) to IVASS Regulations Nos. 24/2016, 38/2018, 40/2018, and 45/2020 to ensure full compliance with the provisions of Regulations (EU) 2019/2088 (Sustainable Finance Disclosure Regulation, SFDR) and 2020/852 (Taxonomy Regulation), as well as Delegated Regulations (EU) Nos. 2021/1256 and 2021/1257 with specific reference to the insurance sector. The implementation of the new EU legislation on SFDR has involved a series of interventions to align, among others, the EU provisions provided by Solvency II and the regulations on the distribution of insurance products provided by the Insurance Distribution Directive. The consultation will end on 23 December 2022.

Environmental Social Governance | Insurers

Spain

(20 October 2022) [Organic Law 10/2022 of 6 September on the comprehensive guarantee of sexual freedom](#), establishes that female employees who are victims of sexual violence have the same rights as those recognised for victims of gender-based violence and terrorism. It also imposes new obligations on companies in terms of staff training, information and awareness-raising. The Law was published on 7 September 2022 and came into force 30 days later.

Social Governance | Market-wide

(4 October 2022) The [Spanish National Securities Market Commission](#) (CNMV) issued a [communication](#) to the management companies of collective investment undertakings stating that they are required to prepare and file with the CNMV a 'sustainability annex' to the prospectus as set out in articles 8 and 9 of [SFDR Regulation 2019/2088](#) and the [Delegated Regulation 2022/1288](#). The CNMV has designed a simplified procedure for its submission and inclusion in the CNMV register.

Environmental Social Governance | Market-wide

United Kingdom

(25 October 2022) The [Financial Conduct Authority](#) (FCA) published a consultation paper CP22/20: [Sustainability Disclosure Requirements \(SDR\) and investment labels](#), in a bid to clamp down on greenwashing. The FCA is proposing a package of new measures including investment product sustainability labels and restrictions on how terms like 'ESG', 'green' or 'sustainable' can be used. The consultation is open for comments until 25 January 2023 with final rules to be published in the first half of next year. | [AIC press release](#) | [The Investment Association response](#)

Environmental Social Governance | Market-wide

United States of America

(13 October 2022) The [Securities and Exchange Commission's](#) staff published a single FAQ and response ([the Staff Guidance](#)) confirming that, consistent with its fiduciary duty and subject to certain conditions, an investment adviser can incorporate diversity, equity, and inclusion (DEI) factors when recommending or selecting an investment adviser for its clients. The Staff Guidance reiterates that DEI factors must be consistent with the client's objectives, the scope of the relationship, and the adviser's disclosures in order for the advisor to incorporate such factors.

Social | Market-wide

(7 October 2022) [President Joe Biden](#) signed an [Executive Order on Enhancing Safeguards for United States Signals Intelligence Activities](#) (E.O.) implementing the EU-U.S. Data Privacy Frameworks, which bolsters privacy and civil liberties safeguards for U.S. intelligence efforts involving EU residents. The E.O. addresses personal data transferred from the EU to the U.S. and creates a multi-layered and independent judicial mechanism for affected EU residents to challenge these activities.

Environmental Social Governance | Market-wide

(7 October 2022) The [U.S. Environmental Protection Agency](#) (EPA) announced the first step toward regulating lead emissions from airplanes by [publishing a finding](#) that the exhaust endangers public health and welfare. The Clean Air Act endangerment finding would establish that lead emissions from aircrafts cause or contribute to air pollution that 'may reasonably be anticipated to endanger public health or welfare.' This proposed endangerment finding is supported by a study cited by the EPA that reported adults 65 and older who live near single-runway airports with more piston-engine traffic have a higher cardiovascular mortality rate than adults living near multi-runway airports. This proposal will undergo public notice and comment, and after evaluating comments on the proposal, the EPA plans to issue any final endangerment findings in 2023. The EPA also clarified that it did not plan to include aircraft engine lead emission standards within this proposal.

Environmental | Aviation financiers and lessors

[Back to top](#)

OFFICIAL PUBLICATIONS

International

(26 October 2022) The [Network for Greening the Financial System](#) published a [dashboard](#) on scaling up green finance. The [previous version](#) of this Dashboard was published in March 2021.

Environmental | Financial Institutions

(13 October 2022) The [Task Force on Climate-Related Financial Disclosures](#) (TCFD) published its [2022 status report](#). The report assesses developments and progress since the publication of the TCFD's final recommendations in 2017. Findings from the report included amongst other things, that public companies remain more likely to disclose information on their climate-related risks and opportunities than on any other recommended disclosure, with just over 60% of companies reviewed including such information in their 2021 fiscal year reports. | [Press release](#)

Environmental Social Governance | Market-wide

(13 October 2022) The [Financial Stability Board](#) published two reports as part of its work on addressing climate-related financial risks. The [report on supervisory and regulatory approaches to climate-related risks](#) focuses on reporting and data collection, analytical tools and other potential macroprudential policies and tools. The [report on climate-related disclosures](#) focuses on the progress made by the International Sustainability Standards Board in developing its global baseline standard as well as actions undertaken by jurisdictions to require or promote climate-related disclosures. | [Press release](#)

Environmental | Market-wide

(12 October 2022) The G7 finance ministers and central bank governors [issued a statement on climate issues](#) encouraging further action to implement the G20 Sustainable Finance Roadmap and the Financial Stability Board Roadmap for Addressing Climate-related Financial Risks. The statement reiterates the G7's commitment to move towards

mandatory climate-related financial disclosures and welcomes the global baseline of sustainability reporting standards currently under development by the International Sustainability Standards Board.

Environmental | Market-wide

European Union

(27 October 2022) The [European Securities and Markets Authority](#) (ESMA) is changing its [Union Strategic Supervisory Priorities](#) (USSPs) to include ESG disclosures alongside market data quality. The new priority of ESG disclosures replaces costs and performance for retail investment products and forms part of the implementation of ESMA's strategy, which gives a prominent role to sustainable finance. ESMA aims to foster transparency and comprehensibility of ESG disclosures across key segments of the sustainable finance value chain such as issuers, investment managers or investment firms and tackle greenwashing.

National competent authorities are required to take the USSPs into account when drawing up their work programme.

Environmental Social Governance | Market-wide

(24 October 2022) The [European Banking Authority](#) (EBA) published a [report](#) on incorporating ESG risks in the prudential supervision of investment firms under the Investment Firms Directive. The report, which builds on and complements the EBA's June 2021 report on the management and supervision of ESG risks for credit institutions and investment firms, sets out the EBA's views and recommendations on the integration of ESG factors and risks under the main elements of the supervisory review and evaluation process. | [Press release](#)

Environmental Social Governance | Financial institutions

(24 October 2022) [European Securities and Markets Authority](#) (ESMA) published their [Environmental Statement N°1: Reporting year: 2021](#) (dated 12 July 2022) providing all stakeholders and other interested parties information concerning ESMA's environmental performance and activities from the adoption of its first environmental policy in 2017. | [Press release](#)

Environmental | Market-wide

(20 October 2022) The [European Council](#) adopted [conclusions](#) on energy and the economy and agreed on the need to accelerate and intensify efforts to reduce energy demand, secure supply, avoid rationing and lower energy prices for households and businesses whilst preserving the integrity of the Single Market. The European Council has called upon the Council and the European Commission to urgently submit concrete decisions on additional measures and on the Commission proposals, having assessed their impact notably on existing contracts, including the non-affectation of long-term contracts, and taking into account the different energy mixes and national circumstances. | [Press release](#)

Environmental | Market-wide

(17 October 2022) The [European Banking Authority](#) (EBA) published an [opinion](#) on the European Commission's proposed amendments to its final draft implementing technical standards (ITS) on prudential disclosures of ESG information. The EBA accepts the two substantive changes proposed

by the Commission to enhance proportionality, although the EBA insists that institutions should make every effort to collect and disclose relevant information reflected in the Banking Book Taxonomy Alignment Ratio. | [Press release](#)

Environmental Social Governance | Financial institutions

(10 October 2022) The [European Securities and Markets Authority](#) (ESMA) published its [2023 Annual Work Programme](#), setting out its priority work areas for the next year to deliver on its mission to enhance investor protection and promote stable and orderly financial markets. One of ESMA's key deliverables for 2023 is to enable sustainable finance. | [Press release](#)

Environmental Social Governance | Market-wide

(10 October 2022) The [European Central Bank](#) published a Working Paper, [Gender diversity in bank boardrooms and green lending: evidence from euro area credit register data](#) finding that banks with more gender-diverse boards provide more credit to greener companies. The findings also highlighted those banks with a relatively high share of female directors display about 10% lower lending volumes towards firms with relatively high pollution compared to the other group of banks.

Environmental Social Governance | Banks

(4 October 2022) The [Council of the European Union](#) adopted [conclusions](#) ahead of COP27 to deliver on climate finance. The Council recalled that the EU and its member states are the largest contributor to international public climate finance and called upon other donors to step up efforts in this regard.

Environmental | Market-wide

Australia and Singapore

(18 October 2022) [Singapore's Ministry for Trade and Industry](#) and [Australia's Ministry for Trade and Tourism](#) signed the [Singapore-Australia Green Economy Agreement](#) (GEA). The GEA outlines a set of green economy principles and the scope of cooperation in areas including trade and investment, standards and conformance, green and transition finance, carbon markets, clean energy, decarbonisation and technology, skills and capabilities, business engagements and partnerships.

Environmental | Market-wide

The Netherlands

(24 October 2022) The [Dutch Central Bank](#) (De Nederlandsche Bank (DNB)) launched a consultation on the [Guide for the control of climate and environmental risks](#) for Dutch financial institutions. These guidelines are to assist in managing these risks. Comments are to be received by 18 December 2022.

Environmental | Financial institutions

(29 September 2022) The [Dutch Central Bank's](#) Biodiversity Working Group launched an [e-learning tool](#) (in Dutch) on biodiversity basics for

professionals of financial institutions via the Dutch Sustainable Finance Platform.

Environmental | Financial institutions

Singapore

(5 October 2022) The [Monetary Authority of Singapore](#) (MAS) announced the establishment of a [Sustainable Finance Advisory Panel](#) (SFAP) to help guide the MAS on its strategies and initiatives to build a credible and vibrant sustainable finance ecosystem.

At SFAP's inaugural meeting, the discussion focussed on the challenges around transition finance and the role of financial institutions, corporates, regulators, and governments in achieving an orderly and inclusive transition in the region.

Environmental Social Governance | Market-wide

(5 October 2022) The [Monetary Authority of Singapore](#) (MAS) launched the [ESG Impact Hub](#), which is intended to spur co-location and collaboration between environment, social, governance (ESG) fintech start-ups and solution providers, financial institutions, and real economy stakeholders. The Hub seeks to capitalise on the industry interest in Project Greenprint and expedite the growth of Singapore's ESG ecosystem by growing ESG fintechs, anchoring ESG enablers and supporting ESG stakeholders.

Environmental Social Governance | Market-wide

Switzerland

(26 October 2022) [The Swiss Federal Council](#) adopted a [report](#) on the Swiss National Bank (SNB) and Switzerland's sustainability goals in response to a postulate from the parliamentary committee for Economic Affairs and Taxation. The report indicates that the SNB takes climate, environmental and other sustainability aspects into account, to the extent that they affect price and financial stability or entail financial risks for the SNB. Accordingly, the SNB addresses climate change and its consequences in its monetary policy analysis in its duty with regard to financial stability and in the management of its assets.

Environmental Social Governance | Banks

United Kingdom

(21 October 2022) The [Prudential Regulation Authority](#) (PRA) has published [a Dear CEO letter](#) setting out thematic feedback on the PRA's supervision of climate-related financial risk and the Bank of England's Climate Biennial Exploratory Scenario exercise.

The letter also covers, among other things, how firms should prepare for the impact of climate risk on their accounting practices, and lists key resources designed to assist firms in embedding the SS3/19 expectations. The PRA notes that compliance will be assessed on an ongoing basis.

Environmental | Banks Financial Institutions

(20 October 2022) Mark Carney gave [evidence](#) at the House of Commons [Environment Audit Committee](#) on the progress of COP26 agreements on the financial sector's net zero commitments.

Environmental | Market-wide

(19 October 2022) Sir James Bevan, Chief Executive of the [Environment Agency](#) gave a [speech](#) at the London Climate Technology Show explaining that the private sector is the most powerful tool available to meet the challenges of climate change. Companies should be encouraged to invest in technology leading to growth, jobs and prosperity and securing a greener future.

Environmental | Market-wide

(18 October 2022) The UK Parliament's [Environmental Audit Committee](#) published [responses received to letters](#) written to several UK signatories of the Glasgow Financial Alliance for Net Zero (GFANZ) on their net zero investment policies as part of their work in ascertaining the financial sector's role towards the UK's environment and climate goals. | [Inquiry](#) | [Press release](#)

Environmental | Market-wide

(13 October 2022) The [Climate Change Committee](#) published a report entitled '[Voluntary Carbon Markets and Offsetting](#)' making recommendations where the Government must put in place stronger regulation and standards to ensure purchase of carbon credits while focussing on achieving direct business emissions reduction in order to support the transition to Net Zero.

Environmental | Market-wide

(4 October 2022) The [Financial Reporting Council](#) (FRC) published a report entitled '[Navigating barriers to senior leadership for people from minority ethnic groups in FTSE 100 and FTSE 250 companies](#)'. The report is based on research that was conducted by a team from Cranfield University and Delta Alpha Psi Services on behalf of the FRC. The aim of the research was to develop a greater understanding of the barriers preventing individuals from minority ethnic groups from progressing to the boards of FTSE 100 and FTSE 250 companies, with the intention of identifying good practice and assessing its effectiveness in increasing the ethnic diversity of FTSE boards, so ensuring a sustainable pipeline of talent from a range of ethnic backgrounds.

Social Governance | Corporates

(October 2022) The [Green Technical Advisory Group](#) (GTAG), an expert group chaired by the Green Finance Institute, published part one of its independent advice on the design and implementation of a Green Taxonomy entitled [GTAG: Advice on the development of a UK Green Taxonomy](#). The advice provides a summary of the first stage of analysis undertaken by GTAG and the recommendations provided to the UK Government, focusing on the following key areas: Onshoring the EU Taxonomy, International Interoperability, Do No Significant Harm and Taxonomy use cases. | [Press release](#)

Environmental Social Governance | Market-wide

(29 September 2022) Chris Skidmore, the Minister of State for the [Department for Business, Energy & Industrial Strategy](#) launched a [call for evidence](#) for the Net Zero Review. This is the first stage of the three-month review on examining how the country's legally-binding net zero

2050 target can be met while also maximising growth. He will report to the government with a set of recommendations by the end of this year to help accelerate the UK's transition to net zero by identifying key economic opportunities. The consultation closed 27 October 2022.

Environmental | Market-wide

United States of America

(17 October 2022) The [Securities and Exchange Commission's](#) (SEC) Commissioner Jaime Lizárraga made a [speech at the Future of ESG Data 2022](#) about ESG in the US. Lizárraga provided a summary on past SEC proposals including enhanced climate risk disclosures by issuers and by registered funds and investment advisers, along with modernized rules governing ESG-related fund names.

Environmental Social Governance | Market-wide

[Back to top](#)

INDUSTRY GUIDANCE, VOLUNTARY CODES AND PUBLICATIONS

International

(26 October 2022) The [ICMA Repo and Sustainability Taskforce](#) published a [paper](#) on recent market developments relating to sustainability considerations in the existing repo business and specific sustainability-related repo products that have emerged in the market. The report covers several observations on current market practice which could be used as a basis for developing future guidance.

Environmental Social Governance | Financial institutions

(17 October 2022) The [International Financial Reporting Standards Foundation](#) World Standard-setters Conference 2022 gave an [opportunity to hear](#) about the work of the recently created International Sustainability Standards Board including the process of standard-setting, taxonomy and forthcoming consultations.

Environmental Social Governance | Market-wide

(17 October 2022) The [Institutional Shareholder Services](#) (ISS) published their [Sustainability Report 2022](#) providing a comprehensive insight into the various activities, measures and goals in the different areas of Corporate Sustainability. The report is based on ISS's understanding of double materiality as well as internationally established standards such as the UN Global Compact and Sustainability Accounting Standards Board.

Environmental Social Governance | Corporates Financial investors

(7 October 2022) The [Futures Industry Association](#) responded by [letter](#) to the US Commodity Futures Trading Commission [Request for Information](#) which sought public comment on climate-related financial risk in relation to the derivatives markets and underlying commodities markets.

Environmental | Financial Institutions Financial investors

(3 October 2022) The **Institutional Shareholder Services** (ISS) released its latest global regulatory initiatives report, [The Depth & Breadth of Sustainable Finance Regulatory Initiatives: Global Developments in 2022](#). The report leverages the proprietary ISS ESG Regulation Depth and Breadth Index to provide a global comparative analysis of the number of initiatives proposed or implemented to date and continues to track the regulatory areas of taxonomies, product standards, disclosures and labelling, management and disclosure of climate risks and of ESG risks, ESG in stewardship and green bond guidelines.

Environmental Social Governance | Market-wide

(October 2022) The **International Financial Reporting Standards Foundation** published the [International Sustainability Standards Board update](#) highlighting its preliminary decisions following its discussion on the General Sustainability-related Disclosures (Agenda Paper 3), Climate-related Disclosures (Agenda Paper 4) and Industry-based Materials (Agenda Paper 6) between 18-21 October 2022.

Environmental | Market-wide

European Union

(24 October 2022) **Financial Data Exchange Templates** (FinDatEx), a platform established by representatives of the European Financial services sector industry with the view to coordinate, organise and carry out standardisation work to facilitate the exchange of data between stakeholders in the application of European financial markets legislation, updated its [European ESG template](#). FinDatEx recommends using the template as of 1 December 2022. The use of the existing version should end by 30 April 2023 at the latest.

Environmental Social Governance | Financial institutions

(19 October 2022) The **Loan Market Association** announced the publication of its second edition of the [Guide for Company Advisors to ESG Disclosure in Leveraged Finance Transactions](#), produced in conjunction with the European Leveraged Finance Association. The Guide incorporates two new chapters covering key themes relating to the adoption of ESG in the private debt market and the potential legal risks due to the increased volume of ESG-related transactions.

Environmental | Market-wide

Hong Kong

(28 October 2022) The **Hong Kong Exchanges and Clearing Limited** announced the launch of its new [Core Climate platform](#) which aims to facilitate effective and transparent trading of carbon credits and instruments to support the global transition to net zero.

Environmental | Market-wide

(17 October 2022) **The Hong Kong Mortgage Corporation Limited** (HKMC) [announced](#) the publication of its [Social, Green and the Sustainability Financing Framework](#) (SGS Framework). The SGS Framework was established as part of the HKMC's efforts to expand and implement its sustainability strategy as an integral part of its business strategy. The HKMC will use the SGS Framework as the basis to structure

and issue social, green and/or sustainability bond(s) and asset-backed securities (Sustainable Financing Instruments) and is intended to demonstrate how the HKMC and its subsidiaries support, and are aligned with, the long-term sustainability visions of Hong Kong.

Environmental Social Governance | Financial institutions

Singapore

(14 October 2022) [The Association of Banks in Singapore](#) published [a set of guidelines](#) on sustainable private banking and wealth management. The guidelines establish a baseline for sustainability practices to be integrated into private banks' business models and practices. It is envisaged that the guidelines will promote greater clarity and transparency among private bankers and their clients by including ESG factors in investment analysis and decision making to optimise ESG risk management with return expectations. Separately, the Private Banking Industry Group Sustainability Taskforce, in consultation with the [Institute of Banking and Finance Singapore](#) and the [Monetary Authority of Singapore](#) developed a [common industry training benchmark](#) to upskill private banking relationship managers in the area of sustainability.

Environmental Social Governance | Banks

United Kingdom

(25 October 2022) The [Association of Mortgage Intermediaries](#) has established [greenmortgageadvice.uk](#) in collaboration with the Mortgage Climate Action Group and the Green Finance Institute in its drive to challenge ESGwashing practices and to combat 'green hushing' where companies don't share knowledge.

Environmental Social Governance | Financial institutions

(10 October 2022) The [London Stock Exchange](#) (LSE) published a [notice](#) providing feedback on and rule changes to its admission and disclosure standards. Among other things, the amendments extend the voluntary carbon market designation to operating companies and funds that are investing in climate change mitigation projects. The [updated standards](#) take immediate effect, other than in respect of changes relating to the voluntary carbon market, which take effect 30 days from the date of the LSE notice.

Environmental | Corporates Financial institutions Financial investors Stock exchanges

[Back to top](#)

ADVOCACY GROUP PUBLICATIONS

European Union

(20 October 2022) The [Coalition Against SLAPPs in Europe](#) published [a letter](#) calling for immediate legislative and practical action to protect journalists and other public watchdogs from the growing threat of Strategic Lawsuits Against Public Participation. The statement makes specific recommendations to the EU (including that it makes it a priority to push for the implementation of the [Commission Recommendation \(EU\) 2022/758](#) to

protect journalists and human right defenders), the Council of Europe, the European Parliament, European Union Member States and all governments.

Social | Market-wide

(17 October 2022) Several organisations, including the [Ethical Trading Initiative](#), the [Sustainable Apparel Coalition](#) and manufacturer associations from the [Sustainable Terms of Trade Initiative](#) have published a [statement](#) calling for EU decision-makers to take a comprehensive due diligence approach towards human rights and environmental due diligence (HREDD) that is risk-based and setting out a number of joint recommendations, including one set of guidelines should be published at the EU level to provide clear and coherent guidance for member states and companies, and that the proposal should be aligned closely with the [UNGPs](#) and [OECD guidelines](#).

Environmental Social Governance | Market-wide

(3 October 2022) Brussels-based NGO [Finance Watch](#) published a [report](#) arguing that bank loans to the fossil fuel sector should be treated as high-risk under capital adequacy rules (i.e. banks will have to set aside more capital against such loans, and would push up the cost of borrowing for fossil fuel companies).

Environmental | Banks

United Kingdom

(18 October 2022) [UK Finance](#) published a report [on integrating climate risk into the prudential capital framework](#) working with banks that had taken part in the Bank of England's climate change stress test. The report concludes that in the short-to-medium term existing Pillar 2 regulatory tools, including stress testing, can capture these risks but in the longer-term evidence-based changes to Pillar 1 may be appropriate. | [Blog](#)

Environmental | Banks

(30 September 2022) 47 UK-based companies, investors, business associations and initiatives published a [joint statement](#) to the UK Prime Minister calling for a legal requirement on companies and investors to conduct human rights and environmental due diligence (HREDD). The statement notes the shared responsibility of businesses, investors and other financial actors towards respecting human rights and the environment and argues that the introduction of mandatory HREDD legislation would clarify what is expected of companies and encourage them to take a pro-active approach to HREDD.

Environmental Social Governance | Market-wide

[Back to top](#)

CLIFFORD CHANCE BRIEFINGS AND BLOGS

- (31 October 2022) Clifford Chance Blog: [Cementing the Reach of US Jurisdiction: Lessons from the Lafarge Case](#)
- (28 October 2022) Clifford Chance Briefing: [The EU Digital Services Act has been published in the Official Journal](#)

- (25 October 2022) Clifford Chance Briefing: [E-fuels and green ammonia – The solution for decarbonising shipping and heavy transport?](#)
- (21 October 2022) Clifford Chance Briefing: [Giving The Greenlight - The SEC Encourages Investment Advisers to Consider DEI Factors](#)
- (20 October 2022) Clifford Chance Blog: [UN treaty body finds Australia in breach of its international human rights obligations](#)
- (20 October 2022) Clifford Chance Briefing: [Women on Boards Directive - Moving forward](#)
- (7 October 2022) Clifford Chance Briefing: [ACCC crackdown on greenwashing in Australia with a sweep of websites for misleading environmental and sustainability claims](#)
- (3 October 2022) Clifford Chance Blog: [Japan publishes guidelines for corporates on the responsibility to respect human rights in supply chains](#)

CLIFFORD CHANCE RESPONSIBLE BUSINESS REPORT

Clifford Chance published its Responsible Business Report 2022 '[Acting Responsibly](#)'. The concepts that are integral to ESG are embedded in Clifford Chance's Responsible Business strategy. Clifford Chance aligns its operations to contribute towards several of the UN Sustainable Development Goals (SDGs), focusing on those areas where they can make the greatest contribution, and they intend to continue to do so through to 2030.

CLIFFORD CHANCE GLOBAL BOARD DIVERSITY TRACKER

Clifford Chance's [Global Board Diversity Tracker](#) sets the global context and provides a snapshot of legal and regulatory requirements on a jurisdiction by jurisdiction basis in key financial markets – and consequences for failure to comply. This guide helps to establish next steps for all those involved in benchmarking board diversity.

CLIFFORD CHANCE TOPIC GUIDE

ESG products and funds are becoming increasingly popular with investors, resulting in a significant increase in demand for sustainable financial products and investment funds in recent years. This trend is likely to continue, driven not only by growing institutional investor demand, but also from the retail sector.

Our new [ESG and sustainability: funds and investment Topic Guide](#) is designed to help investment managers stay up-to-date with ESG-related legal, regulatory and other developments and trends across the globe and allows you easy access to briefing notes and other materials prepared by Clifford Chance's team of funds and financial regulation experts.

If you are a registered user of the Toolkit, you can access the ESG and sustainability topic guide through this [link](#) or by searching on the [Financial Markets Toolkit](#).

If you don't already have an account, you can sign up by clicking 'Toolkits & Client Log-in' at the top of the [Client Portal](#) landing page, then click 'Sign up' and register your details.

[Back to top](#)

CLIFFORD CHANCE EVENTS - RECORDINGS (RECORDINGS OLDER THAN THREE MONTHS CAN BE FOUND ON THE [FINANCIAL MARKETS TOOLKIT](#))

COP27 Perspectives Series

- (2 November 2022) [The future of carbon credits – we'll always have Paris](#)
- (3 November 2022) Looking ahead to COP27
- (1 December 2022) What happened at COP27?

Please view the full [programme](#) and [register](#) for your preferred sessions.

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Forthcoming

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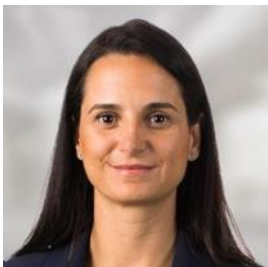
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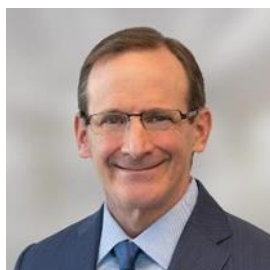
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