

## SUSTAINABILITY: RECENT ESG DEVELOPMENTS (JANUARY 2023)

### HEADLINES THIS MONTH

- The CSRD has been published in the Official Journal and entered into force 5 January 2023; it will apply in four stages.
- The Australian Government launched a consultation seeking views on requirements for the disclosure of climate related financial risks and opportunities in Australia.
- Clifford Chance published the role of the in-house lawyer in relation to ESG.
- Clifford Chance published a briefing on the increase of consumer complaints and enforcement actions in the attempt to curb greenwashing.

### LEGAL AND REGULATORY DEVELOPMENTS

#### European Union

(19 December 2022) The [European Commission](#) published two draft notices on the interpretation and implementation of certain provisions under the Taxonomy Article 8 Delegated Act ((EU) 2021/2178) and the Taxonomy Climate Delegated Act ((EU) 2021/2139). The draft FAQs on the [Article 8 Delegated Act](#) (also referred to as the Disclosures Delegated Act) seek to provide further guidance to non-financial undertakings on disclosures regarding the Taxonomy-eligibility and alignment of their activities. The draft FAQs on the [Climate Delegated Act](#) seek to provide technical clarifications on the technical screening criteria (TSC) for Taxonomy-aligned economic activities. The Commission notes that further FAQs concerning reporting by financial undertakings may be adopted in due course.

#### Environmental Social Governance | Market-wide

(19 December 2022) [Implementing Regulation \(EU\) 2022/2453](#) amending the implementing technical standards (ITS) laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks was published in the Official Journal and entered into force on 8 January 2023. Implementing Regulation (EU) 2021/637 sets out ITS on the public disclosure by institutions of the information required under Titles II and III of Part Eight of the Capital Requirements Regulation (CRR).

#### Environmental Social Governance | Market-wide

(18 December 2022) The [Council of the European Union](#) and the [European Parliament](#) reached a [provisional political agreement](#) on important legislative proposals of the 'Fit for 55' package that will further reduce emissions and

#### Key issues

- [Headlines this month](#)
- [Legal and regulatory developments](#)
- [Official publications](#)
- [Industry guidance, voluntary codes and publications](#)
- [Advocacy group publications](#)
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address their social impacts. The deal is provisional pending formal adoption in both institutions.

#### **Environmental Social | Market-wide**

(16 December 2022) The [Corporate Sustainability Reporting Directive](#) (Directive (EU) 2022/2464) was published in the Official Journal. The CSRD amends the Non-financial Reporting Directive (NFRD) to introduce more detailed reporting requirements for companies on how their business model affects their sustainability and on how external sustainability factors influence their activities. The directive entered into force on 5 January 2023 and will apply in four stages: large companies (those already subject to the NFRD) reporting in 2025 on financial year 2024; all other large companies reporting in 2026 on financial year 2025; certain listed SMEs reporting in 2027 on financial year 2026 and, finally, non-EU undertakings captured under CSRD reporting in 2029 on financial year 2028.

#### **Environmental Social Governance | Market-wide**

(13 December 2022) The [European Commission](#) welcomed the political agreement reached between the European Parliament and the Council on the [Carbon Border Adjustment Mechanism](#) (CBAM). The CBAM is part of the European Green Deal and is the EU's tool to put a fair price on the carbon emitted during the production of carbon intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries. The CBAM will enter into force in its transitional phase as of 1 October 2023.

#### **Environmental | Market-wide**

(6 December 2022) The [European Parliament](#) and the [European Council](#) reached a [provisional agreement](#) on the EU Regulation on deforestation-free supply chains. The provisional agreement sets mandatory due diligence rules for all relevant companies who place, make available or export palm oil, beef, timber, coffee, cocoa, rubber and soy - and a number of derivative products - from the EU market. Under the rules, in-scope companies will have to prove that their products are both deforestation-free (i.e. produced on land that was not subject to deforestation after 31 December 2020) and legal (i.e. compliant with all relevant applicable laws in force in the country of production). The European Parliament and the Council will now have to formally adopt the new Regulation. Once the Regulation is in force, operators and traders will have 18 months to implement the new rules.

#### **Environmental Social Governance | Market-wide**

(5 December 2022) The [European Commission](#) published the [opening remarks](#) by Commissioner McGuinness at the joint meeting of the European's Economic and Monetary Affairs and Environment, Public Health and Food Safety Committees. The speech notes an intention to focus on consolidating and implementing the EU's sustainable finance framework and addressing usability concerns, including:

- an intention to publish early next year a set of Q&As aimed at clarifying the Sustainable Finance Disclosure Regulation (SFDR);
- an intention to carry out a comprehensive assessment of the implementation of SFDR focusing on legal certainty, usability and greenwashing;

- consideration of a proposal to introduce rules on ESG rating agencies' operations;
- an intention to publish FAQs aimed at providing additional guidance on the reporting obligations under the Taxonomy Regulation;
- improving access to data; and
- an intention to bring forward next year delegated acts on the Corporate Sustainability Reporting Directive (CSRD).

#### **Environmental Social Governance | Market-wide**

(30 November 2022) The [European Commission](#) proposed new rules on [packaging](#) to tackle the increasing growth of waste both for consumers and businesses. The proposals are key building blocks of the European Green Deal's Circular Economy Action Plan and to make sustainable products the norm. The proposal will be considered by the European Parliament and the Council. | [Press release](#)

#### **Environmental | Market-wide**

### **Australia**

(12 December 2022) The [Australian Government](#) launched a [consultation](#) seeking initial views on key considerations for the design and implementation of its commitment to standardised, internationally aligned requirements for the disclosure of climate related financial risks and opportunities in Australia. The Government has committed to ensuring large businesses provide Australians and investors with greater transparency and accountability when it comes to their climate-related plans, financial risks, and opportunities. Comments on the consultation are due by 17 February 2023.

#### **Environmental | Corporates Financial investors**

(28 November 2022) The [Australian Government](#) released the exposure draft legislation [Treasury Laws Amendment \(Measures for Consultation\) Bill 2022: sustainability standards](#) for public consultation. The exposure draft legislation amended parts of the Australian Securities and Investment Commission Act 2001 that will empower the Australian Accounting Standards Board to deliver sustainability standards to meet the Government's commitment of ensuring that entities provide Australians and investors with greater transparency and accountability in relation to their climate-related plans, financial risks, and opportunities. Comments on the consultation were due by 16 December 2022.

#### **Environmental | Financial investors**

### **France**

(28 December 2022) The French resolution and prudential control authority (the [Autorité de contrôle prudentiel et de résolution](#)) published a [recommendation](#) (in French) on the promotion of extra-financial characteristics in relation to specific life insurance or capitalisation policies or related investments, or life insurance generally, such as on the promotion of sustainability related undertakings or actions. The recommendation varies depending on the matter to which the promotion relates. In addition to clarity or balance requirements, the recommendation notably requires, depending on the marketing purposes, the addition of mandatory provisions in relevant marketing materials, or certain thresholds being met for referring to extra-

financial characteristics. The recommendation will apply to any advertisement issued after 1 April 2023.

## **Environmental Social Governance | Insurers**

### **Japan**

(19 December 2022) The [Financial Services Agency](#) (FSA) launched a [public consultation](#) (in [Japanese](#)) on proposed [partial amendments](#) (in [Japanese](#)) to the comprehensive supervisory guidelines for financial business operators regarding environmental, social and governance (ESG) investment trusts. In light of the increasing number of investment products that incorporate ESG factors in their names and investment strategies, and the risks of greenwashing, the FSA conducted a survey of 225 publicly offered investment trusts managed by 37 asset managers in Japan since November 2021 and compiled seven expectations for asset managers of ESG investment trusts in its May 2022 progress report on enhancing asset management business. Based on these seven expectations, the FSA is proposing to revise the supervisory guidelines in order to define specific points for supervisors to check disclosure of information on publicly offered investment trusts and organisational resources and due diligence of asset managers regarding ESG. Comments on the consultation are due by 27 January 2023.

## **Environmental Social Governance | Asset management**

(15 December 2022) The [Financial Services Agency](#) (FSA) published the [final version](#) (in [Japanese](#)) of its code of conduct for ESG evaluations and data providers. The [code of conduct](#) (in [Japanese](#)) comprises six principles which ESG evaluation and data providers need to take on, and recommendations to investors and companies. They are not legally binding but apply on a 'comply or explain' basis. In addition to the code of conduct, the FSA is proceeding with new disclosure requirements, the Stewardship Code, under which Japanese companies will need to disclose sustainability information from June 2023. In addition, the Corporate Governance Code stipulates that listed companies should appropriately disclose their sustainability initiatives when disclosing their management strategies.

## **Environmental Social Governance | Market-wide**

### **Switzerland**

(16 December 2022) The [Swiss Federal Council](#) issued a [position paper](#) on greenwashing in the financial sector. According to the position paper:

- financial products or services should only be advertised as being sustainable if they are compatible with at least one specific sustainability goal or contribute to achieving a sustainability goal;
- providers of sustainable products or services should be able to disclose how they intend to achieve the sustainable investment goal they pursue;
- providers should report regularly on the selected sustainable investment goals, and compliance with the transparency requirements should be verifiable by an independent third party; and
- clients should have recourse to legal remedies.

Based on these activities, the FDF will present the Federal Council with proposals on the next steps by the end of September 2023.

## Environmental Social | Market-wide

(16 December 2022) The [Swiss Federal Council](#) approved the report [Sustainable Finance in Switzerland – Areas for Action 2022-2025](#). The report makes 15 recommendations in the areas such as, sustainability data, transparency, impact investments and green bonds. | [Press release](#)

## Environmental Social | Market-wide

### United Kingdom

(14 December 2022) The [House of Lords Treasury](#) Minister, Baroness Penn, issued a [Written Ministerial Statement](#) stating that having received advice from the Green Technical Advisory Group, the Government will review its approach to taxonomy development and will therefore not make secondary legislation under the Taxonomy Regulations this year.

## Environmental Social Governance | Market-wide

### United States of America

(27 December 2022) The [U.S. Customs and Border Protection](#) (CBP) announced it was [barring imports](#) from three Chinese companies due to possible use of North Korean forced labour in violation of the Countering America's Adversaries Through Sanctions Act (CAATSA). The enforcement action evidences CBP's broad attempt to crackdown on goods made with forced labour and stems in part from the Uyghur Forced Labor Prevention Act, which presumes that all items produced in China's western region of Xinjiang are made with forced labour.

## Social | Market-wide

(22 December 2022) The [U.S. Senate Finance Committee](#) (the Committee) opened an [investigation](#) into eight car manufacturers to determine whether they are using parts and materials made with forced labour in China's Xinjiang region. The Committee is asking the car manufacturers to provide detailed information on their supply chains to help determine links to Xinjiang. The U.S. bans most imports from the region due to a presumption under the Uyghur Forced Labor Prevention Act that all items produced in that region are made with forced labour.

## Social Governance | Market-wide

(6 December 2022) Members of the [U.S. House of Representative Committee](#) on the Judiciary issued a [letter](#) requesting documents from steering committee members of Climate Action 100+ to determine whether the group's work in coordinating how companies pursue environmental, social, and governance goals may violate antitrust laws. Climate Action 100+ describes itself as an investor-led initiative committed to ensuring that large greenhouse gas emitting corporations take necessary action on climate change. The six Republican members that signed the letter said Climate Action 100+ 'seems to operate like a cartel' and argued that encouraging 'progressive policy goals' aided anticompetitive and unlawful agreements and behaviour.

## Environmental Social Governance | Corporates

(2 December 2022) The [U.S. Federal Reserve](#) released a [proposal](#) inviting public comment on guidance for financial institutions regarding appropriate management of exposure to climate-related financial risks. The proposed

principles would apply to banks with more than \$100 billion in total assets and aim to provide a set of general principles for incorporating climate change-related considerations into their existing frameworks for controlling risk. Public comments will be accepted for 60 days.

**Environmental | Banks**

## **OFFICIAL PUBLICATIONS**

### **International**

(19 December 2022) Representatives from the 188 countries party to the [UN Convention on Biological Diversity](#) adopted the [Kunming-Montreal Global Biodiversity Framework](#) at COP 15. Although not a legally binding treaty, the Framework is comprised of a package of goals and measures designed to address the loss of biodiversity and restore natural ecosystems over the next decade. The Framework has four long-term goals for 2050 related to the 2050 Vision for Biodiversity and sets 23 targets for achievement by 2030, including the effective conservation and management of at least 30% of the world's water and mobilising at least \$200 billion per year in domestic and international biodiversity-related funding.

**Environmental | Market-wide**

(12 December 2022) The [International Finance Corporation](#) and [CDP](#) published a [report](#) analysing the current state of best practices in environmental disclosure against five criteria set out by CDP on mandatory disclosure requirements. The report addresses sustainability-related financial disclosures, as well as impact on people and the planet; ensuring compatibility of disclosure standards either required or recommended; providing a system of enforcement; adhering to technical quality and content and allowing space for innovation.

**Environmental Social Governance | Market-wide**

(8 December 2022) The [Basel Committee on Banking Supervision](#) published its responses to [frequently asked questions](#) (FAQs) to clarify how climate-related financial risks may be captured in existing Pillar 1 standards. The FAQs are part of the Committee's work to address climate-related financial risks to the global banking system in support of its mandate to strengthen the regulation, supervision and practices of banks worldwide with the purpose of enhancing financial stability. | [Press release](#)

**Environmental | Banks**

### **European Union**

(19 December 2022) The [European Central Bank](#) (ECB) published its report on [good practices for climate stress testing](#). The objective of the report is to provide banks with examples and suggestions on how to improve their climate stress testing capabilities based on identified good practices from the 2022 ECB climate stress test and to support banks in their transitional journey. Regarding the integration of climate-related risks into current modelling approaches, the ECB identified various good practices which allow counterparty-level analysis, while most banks only focus on transition risk and transmission to probabilities of default.

## Environmental | Banks

(13 December 2022) The [European Banking Authority](#) (EBA) [published](#) a roadmap outlining its objectives and timelines for delivering mandates and tasks in the area of sustainable finance and ESG risks. The [roadmap](#) explains the EBA's sequence and approach over the next three years to integrate ESG risks considerations in the banking framework and support the EU's efforts to achieve the transition to a more sustainable economy. Some of the key objectives of the roadmap include standards and labels, greenwashing and ESG risks and sustainable finance monitoring.

## Environmental Social Governance | Market-wide

(6 December 2022) Verena Ross, [ESMA](#) Chair, delivered a speech, [The Green Deal vs Geopolitics](#) at the DSW / Better Finance International Investors' Conference. She stressed that the transparency of ESG disclosures with their effective supervision are key to protecting investors and the CS3D obligations may provide shareholder engagement.

## Environmental Social Governance | Market-wide

(5 December 2022) The [European Insurance and Occupational Pensions Authority](#) (EIOPA) published a [discussion paper](#) on whether the prudential treatment of assets and activities associated with environmental or social objectives under Solvency II would be warranted. The discussion paper outlines the intended scope, methodologies and data sources for this assessment exercise and focuses on three distinct areas of analysis. Comments are due by 5 March 2023. Following feedback received, EIOPA intends to consult publicly on empirical findings and potential policy implications. | [Press release](#)

## Environmental Social | Insurers

(29 November 2022) The [European Commission](#) launched the [Climate Resilience Dialogue](#) as announced in its Strategy for Financing the Transition to a Sustainable Economy as well as in the new EU Strategy on Adaptation to Climate Change both of which are part of the European Green Deal. The dialogue will explore how insurance and other risk mitigation actions can contribute to climate resilience, from increasing climate risk insurance penetration to incentives and investment in good adaptation solutions.

## Environmental Social | Market-wide

## European Union and United States of America

(5 December 2022) The European Union and the United States issued a [Joint Roadmap on Evaluation and Measurement Tools for Trustworthy AI and Risk Management](#). The Roadmap aims to settle on shared definitions of key AI-related terms, and EU-U.S. collaboration in international organisations and standards bodies related to AI. They also aim to build a shared repository of metrics for measuring AI trustworthiness and risk management methods.

## Social | Market-wide

## Germany

(14 December 2022) The [German Federal Financial Supervisory Authority](#) (BaFin) published the results of its joint investigation with Deutsche Bundesbank on climate-related and environmental risks management in the [BaFinJournal](#) (in German), as part of a cross-institutional review by the

European Central Bank. The investigations revealed that German small and medium banks need to enhance their risk management in the areas of 'corporate governance and risk appetite', 'risk management framework' and 'credit risk'.

Environmental | Banks

Hong Kong

(20 December 2022) The [Green and Sustainable Finance Cross-Agency Steering Group](#) announced its [collaboration arrangement](#) with CDP, an international non-profit organisation that runs global environmental disclosure systems for companies, jointly to enhance climate data availability reporting in Hong Kong.

The Steering Group and CDP will work together to:

- enhance climate and environmental disclosure, and improve data availability and accessibility in Hong Kong;
- support capacity building and upskilling to support local companies in disclosing high-quality climate and other environmental-related data in line with existing and upcoming global standards and best practices; and
- facilitate data flow to provide financial institutions with better data resources to assess climate and environmental related risks and support the real sector in the transition towards carbon neutrality.

As part of the collaboration, the Steering Group and CDP have developed a climate environmental risk questionnaire for non-listed companies/small and medium-sized enterprises, which is aligned with the Task Force on Climate-related Financial Disclosures framework.

### **Environmental Governance | Corporates Financial institutions**

(9 December 2022) The [Hong Kong Monetary Authority](#) (HKMA) published a [circular](#) on due diligence processes for green and sustainable products. The circular states that the HKMA undertook a review to ensure that the authorised institutions examined had put in place proper systems of control to ensure that these products and the related funds were managed in a way consistent with their climate strategies, thereby reducing potential exposures to greenwashing risks.

### **Environmental Governance | Financial institutions**

#### **Italy**

(5 December 2022) The [Bank of Italy](#) has notified the European Banking Authority (EBA) of its [intention to comply](#) (in Italian) with the EBA guidelines 2022/06, 2022/07 and 2022/08 on the collection and processing of information on remuneration systems of banks and investment firms. In particular, to collect information on high earners in banks and firms, to conduct a survey for benchmarking purposes on remuneration trends and practices and to disclose the gender pay gap on said sample of banks.

### **Social | Financial institutions**

#### **The Netherlands**

(22 December 2022) The [Dutch Central Bank](#) published a report [Towards a more sustainable balance sheet for banks](#) (in Dutch) highlighting that



companies in CO2-intensive sectors to which banks extend credit are too slow to switch to sustainable alternatives to comply with the Paris Climate Agreement. | [Press release](#) (in Dutch)

### Environmental | Banks Corporates

(21 December 2022) Six years after its establishment, the [Dutch Central Bank's](#) Platform for Sustainable Finance published a [new vision and strategy](#) (in Dutch). The strategy introduces a new working group, Climate Adaptation. The Working Group will produce a study on the effects of climate adaptation on the financial sector. The platform also intends to look at the social side of ESG and how financial institutions can participate in energy transition as well as the promotion of public-private partnerships or 'blended finance'.

### Environmental Social | Financial institutions

(20 December 2022) The Dutch [Minister of Finance](#) sent the first part of the [2022 progress report](#) (in Dutch) of the Dutch financial sector's climate commitment to the Lower House of Parliament. Banks, pension funds, insurers and asset managers that signed the 2019 climate commitment, agreed to report on the carbon dioxide level of their relevant financing and investments from the 2020 financial year onwards and to publish action plans, including reduction targets for 2030, by 2022 at the latest.

### Environmental | Financial institutions

## Switzerland

(29 November 2022) The [Swiss Financial Market Supervisory Authority](#) (FINMA) published [guidance](#) on the disclosure of climate-related financial risks by the largest banks and insurance companies. In its guidance, FINMA sets out the key findings from these disclosures and shares them with all supervised banks and insurance companies. Certain findings may also be helpful for institutions that voluntarily disclose their climate risks or are preparing for this step. [Press release](#)

### Environmental | Banks Insurers

## United Kingdom

(12 December 2022) The [Financial Conduct Authority](#) (FCA) published the [latest edition](#) of its Primary Market Bulletin (No. 42). The 42nd edition sets out the FCA's observations one of which includes the ongoing monitoring of climate-related disclosure requirements.

### Environmental | Market-wide

(12 December 2022) The [Financial Conduct Authority](#) (FCA) published a [multi-firm review](#) on how financial services firms are designing and embedding diversity and inclusion (D&I) strategies. The review found that, among other things firms are not systematically tracking the effectiveness of their measures and initiatives which may mean that a holistic view of a firm's strategy is not taken and that there is variation in the range of data that is being collected on gender and ethnicity. The FCA has encouraged firms to consider these findings in the development of their D&I strategies and practices. The review also includes the results of the pilot data survey issued in 2021 to better understand the D&I data that firms were collecting.

### **Social | Market-wide**

(12 December 2022) The [Financial Conduct Authority](#) (FCA) updated its Climate Financial Risk Forum page adding a suite of guides to help the financial sector develop its approach to addressing climate-related financial risks and opportunities. The [Session 3 Guides](#) focus on the transition to net zero, scenario analysis and climate disclosure, data and metrics.

### **Environmental | Financial institutions**

(8 December 2022) The [Green Finance Institute](#) launched an online platform, [Investment Readiness Project Toolkit](#), that will accelerate the development of investment ready nature-based projects in the UK. The Toolkit is intended to help bridge the gap between project developers and investors or lenders, mobilising private finance into the restoration of nature and nature-based solutions.

### **Environmental | Market-wide**

## **INDUSTRY GUIDANCE, VOLUNTARY CODES AND PUBLICATIONS**

### **International**

(1 January 2023) The revised [Universal Standards 2021](#) issued by [Global Reporting Initiative](#) (GRI) came into effect from 1 January 2023 meaning that all GRI reporters will be required to use these key sustainability reporting standards for information published on or after this date. The 2016 version will be withdrawn. | [Press release](#)

### **Environmental Social Governance | Market-wide**

(14 December 2022) The [United Nations Sustainable Stock Exchange Initiative](#) in partnership with [International Finance Corporation](#) and UN Women launched two reports on gender equality in leadership. [Gender equality on corporate leadership: analysis of issuers on G20 stock exchanges](#) provides an analysis covering the top 100 issuers by market capitalisation on 22 major G20 stock exchanges. The [regional analysis](#) looks at 35 major stock markets from 7 different regions, organised according to the gender balance of issuers' boards.

### **Social | Market-wide**

(7 December 2022) The [Institutional Shareholder Services](#) (ISS) published its updates to the [2022 ISS benchmark proxy voting policies](#). Key policy changes in the revised ISS policies include the recommendations that: (i) Executive remuneration - it is good market practice to keep directors' annual salary increases low, and ideally lower than increases awarded to the wider workforce; (ii) Board diversity – for financial years beginning on or after 1 April 2022 in the case of ISEQ 20 and AIM companies with a market capitalisation of over £500 million, ISS will continue to generally recommend a negative vote if there is not at least one woman on the board and expects these companies to have appointed at least one director from a minority ethnic background by 2024.

### **Governance Social | Corporates**

(6 December 2022) The [International Association of Insurance Supervisors](#) (IAIS) published a report on the importance of diversity, equity and inclusion (DEI) considerations to the objectives of insurance supervision.

The [report](#) also describes the IAIS' intention to maintain its focus on DEI with two new projects in 2023. One will examine the link between DEI within an insurer's institution and its governance, risk management and corporate culture. The other will examine how DEI considerations in insurers' conduct of business, and in their supervision, may result in fairer treatment of consumers who are vulnerable, under-served or have different needs in comparison with a normative or majority consumer profile. | [Press release](#)

### **Social Governance | Insurers**

(28 November 2022) The [Business and Human Rights Lawyers Association](#) (BHRLA) was launched at the UN BHR Forum. The purpose of the BHRLA is to advance business and human rights leadership, learning, collaboration and practice among commercial law firms and business lawyers around the world. It was established by 22 global law firms and is co-chaired by Clifford Chance's Rae Lindsay.

### **Social Governance | Market-wide**

#### **European Union**

(15 December 2022) The [Association for Financial Markets in Europe](#) published an [updated set of ESG due diligence questions](#) for use by European capital markets participants. The updated guidelines follow on from the [April 2020 release](#) of the first ever set of ESG guidelines for the European high yield market.

### **Environmental Social Governance | Market-wide**

(12 December 2022) The [Association for Financial Markets in Europe](#) published a report entitled [European Green Securitisation Regulatory State of Play](#) setting out the regulatory landscape for green securitisation and highlighting the challenges preventing it from fully contributing to Europe's green transition.

### **Environmental Social Governance | Financial institutions**

#### **Japan**

(1 December 2022) The [International Labour Organisation](#) published a set of [policy recommendations](#) for Japan on national policies on the labour dimension of corporate social responsibility (CSR) and responsible business conduct (RBC). Policy recommendations to the Government of Japan include the recommendation to establish a political philosophy and objectives for labour CSR and RBC in Japan and implement a national strategic objective document that clarifies those points, along with a cross-ministerial plan; and to conduct a gap analysis of the labour CSR and RBC policies to identify priorities among human rights issues for Japanese enterprises and society.

### **Social Governance | Market-wide**

#### **Singapore**

(28 November 2022) The [Singapore Exchange](#) (SGX Group) launched a [new initiative](#) to identify green, social and sustainability fixed income securities listed on the Singapore Exchange. To be recognised under the newly named SGX Sustainable Fixed Income initiative, securities must align with recognised green, social or sustainability standards for fixed income securities and publish publicly available reports setting out the fixed income securities' alignment with the recognised standards.

**Environmental Social Governance | Market-wide**

**ADVOCACY GROUP PUBLICATIONS**

**International**

(5 December 2022) The [World Benchmarking Alliance](#) assessed almost 400 companies noting that some of them are failing to take action to prioritise and protect nature and in return respect the rights of local communities and indigenous peoples. The [Nature Benchmark Assessment](#) identifies five key findings listing a series of assessment questions which investors can use in their stewardship activities.

**Environmental Social | Corporates**

(1 December 2022) [Oxfam](#) published a [statement](#) in response to the [European Council's](#) negotiating [position](#) on the corporate sustainability due diligence directive (CS3D), which stated that the position watered down the CS3D proposal by creating loopholes allowing companies to escape their obligations.

**Environmental Social Governance | Market-wide**

**United Kingdom**

(16 December 2022) The [Institute for Public Policy Research](#) released a paper [Green investment: the prudent choice for prosperity](#) highlighting that increasing public funding on the green transition would spur economic growth, reduce the damage caused by climate change and encourage public support.

**Environmental | Market-wide**

(12 December 2022) [ShareAction](#) published a report [In Debt to the Planet](#), identifying the approach of Europe's top 25 banks to tackling climate change and the improvements that need to be made for the banks to be net-zero by 2050.

**Environmental | Banks**

**CLIFFORD CHANCE BRIEFINGS AND BLOGS**

- (6 January 2022) Clifford Chance Blog: [The EU Commission introduces proposals to ban "greenwashing" and empower consumers for the green transition](#)
- (5 January 2022) Clifford Chance Briefing: [2022/3 Corporate Reporting and AGM Season - New Developments and Practical Advice](#) (covers diversity and inclusion reporting requirements, climate reporting requirements and ESG performance measures)
- (3 January 2023) Clifford Chance Briefing: [European Commission proposes ambitious update to packaging rules](#)
- (23 December 2022) Clifford Chance Briefing: [ISDA releases new documentation for secondary market trading in voluntary carbon credits](#)
- (21 December 2022) Clifford Chance Briefing: [Revision of the Dutch Corporate Governance Code - Key Changes - December 2022](#)
- (21 December 2022) Clifford Chance Briefing: [The Digital Services Act – What is it and what impact will it have?](#)

- (16 December 2022) Clifford Chance Briefing: [UK Asset Managers face new rules to clamp down on 'greenwashing' – a new regulatory regime for sustainability labels and disclosures](#)
- (15 December 2022) Clifford Chance Blog: [Expansion of AML Whistleblowing to Include Sanctions Whistleblowing](#)
- (8 December 2022) Clifford Chance ESG Insights: [Enabling the Voluntary Carbon Market in the Context of the Paris Agreement](#)
- (5 December 2022) Clifford Chance Briefing: [Do Industry Climate Alliances Violate U.S. Antitrust Law?](#)
- (2 December 2022) Clifford Chance Briefing: [ESG – The role of the in-house lawyer](#)
- (5 December 2022) Clifford Chance Briefing: [Focus on Hydrogen: The regulation of hydrogen transportation in Europe, Belgium and Germany](#)
- (18 November 2022) Clifford Chance Blog: [The Whistle Keeps on Blowing](#)

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

### **Asia Funds Conference 2022 (Singapore)**

- (7 December 2022) ESG: [Plotting coordinates for unchartered waters](#)

### **COP27 Perspectives Series**

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

### **Global Financial Markets Perspectives Series**

- (29 November 2022) [Managing AI in an evolving legal landscape](#)
- (22 November 2022) [ESG – the role of the in-house lawyer](#)
- (6 October 2022) [Sustainable finance regulations – getting closer to the finish](#)

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## CONTACTS



**Sophie Hughes**  
Knowledge Director,  
London (Editor)

**T** +44 207006 2022  
**E** sophie.hughes  
@cliffordchance.com



**David Alfrey**  
Lawyer, London  
(Litigation & Dispute  
Resolution)

**T** +44 207006 4559  
**E** david.alfrey  
@cliffordchance.com



**Clare Burgess**  
Partner, London (Global  
Financial Markets)

**T** +44 207006 1727  
**E** clare.burgess  
@cliffordchance.com



**Alexandra Davidson**  
Global Head, London  
(Funds & Investment  
Management)

**T** +44 207006 2581  
**E** alexandra.davidson  
@cliffordchance.com



**Caroline Dawson**  
Partner, London (Global  
Financial Markets)

**T** +44 207006 4355  
**E** caroline.dawson  
@cliffordchance.com



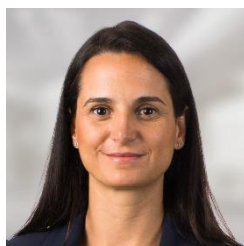
**Mathias Elspass**  
Partner

**T** +49 1702266872  
**E** mathias.elspass  
@cliffordchance.com



**Gregor Evenkamp**  
Partner, Frankfurt  
(Funds & Investment  
Management)

**T** +49 89 2163 8800  
**E** gregor.evenkamp  
@cliffordchance.com



**Thais Garcia**  
Partner, New York  
(Corporate)

**T** +1 212 878 8497  
**E** thais.garcia  
@cliffordchance.com



**Kate Gibbons**  
Partner, London (Global  
Knowledge)

**T** +44 207006 2544  
**E** kate.gibbons  
@cliffordchance.com

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London, E14 5JJ

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**Nigel Howorth**  
Practice Area Leader,  
London (Real Estate)  
**T** +44 207006 4076  
**E** nigel.howorth  
@cliffordchance.com



**Nadia Kalic**  
Partner, Sydney  
(Corporate)  
**T** +61 2 8922 8095  
**E** nadia.kalic  
@cliffordchance.com



**Daud Khan**  
Partner, London  
(Corporate)  
**T** +971 2 613 2320  
**E** daud.khan  
@cliffordchance.com



**Anna Kirkpatrick**  
Senior Associate  
**T** +44 207006 2069  
**E** anna.kirkpatrick  
@cliffordchance.com



**Roger Leese**  
Partner, London  
(Litigation & Dispute  
Resolution)  
**T** +44 207006 8710  
**E** roger.leese  
@cliffordchance.com



**Rae Lindsay**  
Partner, London  
(Litigation & Dispute  
Resolution)  
**T** +44 207006 8622  
**E** rae.lindsay  
@cliffordchance.com



**Viola Lui**  
Partner, Hong Kong  
(Funds & Investment  
Management)  
**T** +852 2825 8842  
**E** viola.lui  
@cliffordchance.com



**Steve Nickelsburg**  
Partner, Washington  
(Litigation & Dispute  
Resolution)  
**T** +1 202 912 5108  
**E** steve.nickelsburg  
@cliffordchance.com



**Jeroen Ouwehand**  
Global Senior Partner,  
Amsterdam  
**T** +31 20 711 9130  
**E** jeroen.ouwehand  
@cliffordchance.com

**C L I F F O R D**  
**C H A N C E**



**Sonya Pauls**  
Partner, Munich  
(Corporate)

**T** +49 89 21632 8550  
**E** sonya.pauls  
@cliffordchance.com



**Natsuko Sugihara**  
Partner, Tokyo  
(Corporate)

**T** +81 3 6632 6681  
**E** natsuko.sugihara  
@cliffordchance.com



**Thomas Voland**  
Partner, Dusseldorf  
(Corporate)

**T** +49 211 4355 5642  
**E** thomas.voland  
@cliffordchance.com



**Cheng Li Yow**  
Partner, London  
(Corporate)

**T** +44 207006 8940  
**E** chengli.yow  
@cliffordchance.com



**Deborah Zandstra**  
Partner, London (Global  
Financial Markets)

**T** +44 207006 8234  
**E** deborah.zandstra  
@cliffordchance.com