

**ESG and impact investing advisory with the goals of risk management and value enhancement**

Blue Dot Capital is a sustainable finance consultancy. We partner with investors and investment managers to support the end-to-end development and execution of ESG and impact investing capabilities across asset classes. Our clients and partners include asset management, alternative investment, and wealth management firms.

# Snapshot: ESG Regulations

Biannual Update | July 2022

## Introduction

We are pleased to share our 4<sup>th</sup> biannual 'Snapshot: ESG Regulations' that tracks regulatory developments and proposals across major developed and developing markets.

The first half of 2022 witnessed key proposals and the release of much-anticipated draft standards. In the United States, the Securities and Exchange Commission (SEC) proposed sweeping rules intended to enhance and standardize climate-related disclosures to address investor needs. This marks the most significant action the SEC has taken on the issue since the 2010 interpretive guidance on climate-related disclosures. You can read our key takeaways [here](#). The comment period was closely watched and ended on June 17 with major investors expressing broad agreement with the proposed Task Force on Climate-related Financial Disclosures (TCFD) framework alignment and Scope 1 and Scope 2 emission disclosure requirements. However, there was significant resistance to the proposed Scope 3 emission disclosures and other aspects of the proposed rules including the proposed 1% materiality threshold. Clarity on final rules is not expected till later this year.

In May, the SEC also proposed enhanced ESG fund disclosure rules that would require investment managers to provide additional information regarding their ESG investment integration practices.

In the EU, the European Council (EC) and European Parliament reached a provisional political agreement on the proposed Corporate Sustainability Reporting Directive (CSRD) that will extend the current sustainability reporting requirements in the EU to include more companies and topics and require more detailed disclosures.

To advance the global sustainability reporting baseline development, in April, the IFRS Foundation's International Sustainability Standards Board (ISSB) launched a public consultation on two exposure draft standards: general sustainability-related disclosure requirements and climate-related disclosure requirements. We will be closely following as the exposure drafts advance from public consultation to formalization.

It's been a busy 6 months on the ESG-related regulations front, and we look forward to monitoring the continued momentum and progress.

We hope you find this summary a helpful tool to map the progress and evolution of ESG regulations. As always, we look forward to your feedback.

- **The Network of Central Banks and Supervisors for Greening the Financial System (NGFS)** published its 2022-2024 work program, detailing the following priorities:

- Supervisory practices with respect to managing climate-related risks
- Design and analysis of climate scenarios
- Implications of climate change for monetary policy
- Guidance for central banks on the transition to net-zero
- Nature-related financial risks
- Capacity building for its membership

The program will be undertaken by four workstreams (Supervision, Scenario Design and Analysis, Monetary Policy, and Net Zero for Central Banks) and two task forces (Taskforce on Nature-related risks and Taskforce on Capacity Building and Training)<sup>1</sup>. Over H1 2022, NGFS published the following reports to aid central banks and regulators:

- Report on capturing risk differentials from climate-related risks<sup>2</sup>
- Report on credit ratings and climate change – challenges from central bank operations<sup>3</sup>
- Public consultation on its repository of climate data needs and available sources<sup>4</sup>
- Report on enhancing market transparency in green and transition finance<sup>5</sup>
- Statement on nature-related financial risks<sup>6</sup>.

- **The Financial Stability Board (FSB)** launched a consultation on supervisory and regulatory approaches to climate-related risks<sup>7</sup>.
- In March 2022, the **International Sustainability Standards Board (ISSB)** launched a public consultation on its first two proposed standards – referred to as Exposure Drafts of the IFRS Sustainability Disclosure Standards – setting forth general sustainability-related and climate-related disclosure requirements with the objective of establishing a comprehensive global baseline of sustainability disclosures. The 120-day consultation period closes on July 29, 2022<sup>8</sup>.
- **The International Organization of Securities Commissions (IOSCO)** published its 2022 Sustainable Finance work plan. IOSCO's priorities include:
  - Timely and thorough review of the ISSB Exposure Drafts as well as the final standards when they are produced
  - Development of assurance standards related to the quality of corporate reporting of sustainability information
  - In-depth review of carbon markets
  - Engagement with both national regulators and market participants to push for the implementation of its recommendations addressed to asset management and ESG ratings and data providers<sup>9</sup>.

## United States

### Corporate disclosure regulations or guidelines

- **2022 | Mandatory | US Department of Homeland Security | The Uyghur Forced Labor Prevention Act (UFLPA):** Effective from June 2022, UFLPA establishes a rebuttable presumption, considering any goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region as products of forced labor unless the Commissioner of US Customs and Border Protection determines otherwise based on importer's compliance with specific conditions and clear and convincing evidence negating the use of forced labor. Import of such goods, wares, articles, and merchandise is prohibited entry to the United States by Section 307 of the Tariff Act of 1930<sup>10</sup>.

- **May 2022 | Securities Exchange Commission (SEC) | Enforcement actions related to ESG disclosures:** The SEC Climate and ESG Task Force – launched in 2021 to develop initiatives to proactively identify ESG-related misconduct – announced enforcement actions on account of misleading ESG disclosures against investment adviser BNY Mellon and Brazilian mining company Vale S.A<sup>11</sup>.
- **March 2022 | SEC | Enhancement and Standardization of Climate-Related Disclosures:** To enhance and standardize climate-related disclosures for investors, SEC proposed rule amendments requiring corporate registrants to include certain climate-related disclosures in their registration statements and periodic reports. Disclosures include information about material climate-related risks – including greenhouse gas emissions (Scope 1 and 2 emissions, and also Scope 3 emissions if material or included in emissions targets or goals) – and certain climate-related financial statement metrics in a note to their audited financial statements<sup>12</sup>. The comment period remained open for 30 days after publication in Federal Register and was further extended till June 17, 2022<sup>13</sup>.

## Sustainable finance regulations or guidelines

- **June 2022 | Commodity Futures Trading Commission (CFTC) | Request for Information (RFI) on climate-related financial risks:** CFTC released an RFI seeking public responses on climate-related financial risks to better inform its understanding and oversight of the same pertaining to the derivatives markets and underlying commodities markets<sup>14</sup>.
- **May 2022 | SEC | ESG Disclosures for Investment Advisers and Investment Companies:** The proposed amendments to rules and disclosure forms would enhance ESG disclosure by requiring additional specific disclosures regarding ESG strategies in fund prospectuses, annual reports, and adviser brochures. The proposed amendments also implement a layered, tabular disclosure approach for ESG funds and require certain environmentally focused funds to disclose GHG emissions associated with portfolio investments<sup>15</sup>.
- **April 2022 | Federal Housing Finance Agency (FHFA) | Strategic Plan for 2022-2026:** The FHFA published its Strategic Plan 2022-2026 where it prioritized fostering housing finance markets that promote equitable access to affordable and sustainable housing among others. As part of its strategic goals, FHFA also aims to identify options for incorporating climate change into regulated entity governance<sup>16</sup>.
- **March 2022 | Federal Deposit Insurance Corporation (FDIC) | Request for Comment on the Statement of Principles for Climate-Related Financial Risk Management for Large Financial Institutions:** FDIC requested comments on draft principles that would provide a high-level framework for the safe and sound management of exposures to climate-related financial risks. The draft principles target large financial institutions with over \$100 billion in assets<sup>17</sup>.
- **March 2022 | SEC | 2022 examination priorities:** SEC Division of Examinations announced 2022 Examination Priorities, stating that it will continue its focus on ESG-related advisory services and investment products, including mutual funds, exchange-traded funds, and private fund offerings<sup>18</sup>.
- **March 2022 | The Office of the Comptroller of the Currency (OCC) | Call for Papers on Climate Risk in Banking and Finance:** OCC solicited academic-focused papers and policy-focused research on climate risk in banking and finance<sup>19</sup>.
- **February 2022 | US Department of Labor (DOL) | Request for Information (RFI) on climate-related financial risks:** The DOL's Employee Benefits Security Administration agency sought public comments on what actions, if any, DOL should take under federal law to protect retirement savings and pensions from climate-related financial risks. The RFI's comment period ran for 90 days after publication in the Federal Register<sup>20</sup>.
- **January 2022 | SEC | Staff Report on Nationally Recognized Statistical Rating Organizations (NRSROs):** SEC Office of Credit Ratings (OCR) published an annual report reviewing NRSROs mentioning ESG-related products for the first time. OCR noted the increase in ESG-related products developed by rating agencies and their affiliates and the subsequent increase in risks to rating agency compliance, driven by inconsistent methodologies, inadequate disclosures, internal control failures, and conflicts of interest<sup>21</sup>.

# EU Sustainable Finance Action Plan

- **June 2022 | European Council and the European Parliament | Corporate Sustainability Reporting Directive (CSRD):** The European Council and European Parliament reached a provisional political agreement on the CSRD. The CSRD amends the 2014 Non-financial Reporting Directive (NFRD) and introduces more detailed reporting requirements for all large companies and all companies listed on regulated markets (except listed micro-enterprises). Companies must also audit the reported information and report according to mandatory EU sustainability reporting standards developed by the European Financial Reporting Advisory Group (EFRAG). Companies already subject to the NFRD would face reporting obligations from January 1, 2024. For companies that are not subject to the NFRD, the regulation is applicable from January 1, 2025. Listed SMEs, small and non-complex credit institutions, and captive insurance undertakings will be subject to the regulation from January 1, 2026<sup>22</sup>.
- **June 2022 | European Securities and Markets Authority (ESMA) | Findings from the Call for Evidence:** ESMA published a letter to the European Commission (EC) regarding its findings from the Call for Evidence, concluding that the feedback is indicative of an immature but growing market which, following several years of consolidation, has seen the emergence of a small number of large non-EU headquartered providers<sup>23</sup>. The Call for Evidence was launched in February 2022 to gather information on the market structure for ESG rating providers in the European Union (EU)<sup>24</sup>.
- **June 2022 | European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), and ESMA | Clarifications on the draft regulatory technical standards (RTS):** EBA, EIOPA, and ESMA provided clarification on key areas of the draft RTS issued under the Sustainable Finance Disclosure Regulation (SFDR), including the use of sustainability indicators, principal adverse impact (PAI) disclosures, financial product disclosures, direct and indirect investments, taxonomy-related financial product disclosures, 'do not significantly harm' (DNSH) disclosures, and disclosures for products with investment options<sup>25</sup>.
- **May 2022 | ESMA | Supervisory briefing on sustainability risks and disclosures in the area of investment management:** ESMA published a supervisory briefing intended to further enhance convergence among the National Competent Authorities (NCAs) by addressing the potential issues arising from the supervision of sustainability-related disclosures as well as the integration of sustainability risks by fund managers and the design of common supervisory practices, thereby increasing transparency for investors as well as avoiding greenwashing<sup>26</sup>.
- **May 2022 | EBA, EIOPA, and ESMA | Consultation paper on sustainability disclosures for Simple, Transparent, and Standardized (STS) securitizations:** The European Supervisory Authorities sought input on the draft SFDR RTS with regard to the content, methodologies, and presentation of information related to the sustainability indicators for Simple, Transparent and Standardized (STS) securitizations<sup>27</sup>.
- **May 2022 | EBA | Discussion Paper on the role of environmental risks in the prudential framework for credit institutions and investment firms:** The paper explores whether and how environmental risks are to be incorporated into the Pillar 1 prudential framework for credit institutions and investment firms. It touches on key elements such as time horizon, the inclusion of forward-looking elements in the prudential framework, and the overall calibration of own funds requirements. The consultation runs until August 2, 2022<sup>28</sup>.
- **May 2022 | EIOPA | Discussion paper on physical climate change risks:** Following up on its 2020 sensitivity analysis of asset-side transition risks, EIOPA conducted an exercise studying physical risks in the second half of 2021. The paper presents the first results of the exercise, focusing on assessing the materiality of the insurance sector exposure to physical climate change risk under a financial stability perspective<sup>29</sup>.
- **May 2022 | ESMA | Paper on the drivers of the costs and performance of ESG funds:** ESMA published a study evaluating potential reasons behind the relatively lower ongoing costs and better performance of ESG funds compared to other funds between April 2019 and September 2021<sup>30</sup>.
- **April 2022 | EFRAG | Draft Sustainability Reporting Standards (ESRS):** Acting as a technical advisor to the EC in the preparation of draft ESRS or draft amendments of ESRS, EFRAG launched a public consultation on the Exposure Drafts of the first set of ESRS. The consultation is open until August 8, 2022. EFRAG aims to submit the first set of draft ESRS to the EC by November 2022<sup>31</sup>.



- **April 2022 | EIOPA | Public consultation on draft guidelines on integrating the customer's sustainability preferences in the suitability assessment under the Insurance Distribution Directive (IDD):** EIOPA sought comments on the Consultation Paper regarding its Guidelines on the integration of sustainability in the advice process under Directive 2016/97<sup>32</sup>.
- **April 2022 | EIOPA | Climate stress test for the European occupational pension sector:** EIOPA launched its first climate stress test to understand the effects of environmental risks on the European institutions for occupational retirement provision (IORPs). The 2022 IORP stress test tests the resilience of European IORPs against a climate change scenario developed together with the European Systemic Risk Board and the European Central Bank<sup>33</sup>.
- **April 2022 | EC | Adoption of the draft SFDR RTS:** EC adopted the technical standards to be used by financial market participants when disclosing sustainability-related information under SFDR. The rules are scheduled to apply from January 1, 2023<sup>34</sup>.
- **April 2022 | EC | Targeted consultation on the functioning of the ESG ratings market in the European Union and on the consideration of ESG factors in credit ratings:** The consultation will help EC better understand the functioning of the ESG ratings market as well as how credit rating agencies incorporate ESG risks in their creditworthiness assessment. Responses will feed into an impact assessment that will evaluate the need for a possible policy initiative on ESG ratings and on sustainability factors in credit ratings<sup>35</sup>.
- **March 2022 | ESMA | Final Report on the EU Carbon Market:** The report did not find any current major deficiencies in the functioning of the EU carbon market. However, ESMA's market analysis brought forward a number of policy recommendations to improve market transparency and monitoring<sup>36</sup>.
- **March 2022 | EBA, EIOPA, and ESMA | Supervisory statement on the application of SFDR:** The statement aims to promote an effective and consistent application and national supervision of the SFDR, and includes a new timeline, expectations about the explicit quantification of the product disclosures under Article 5 and 6 of the Taxonomy Regulation, and the use of estimates<sup>37</sup>.
- **March 2022 | EC | Taxonomy Complementary Climate Delegated Act:** EC formally adopted the Taxonomy Complementary Climate Delegated Act. The Delegated Act complements the Taxonomy Climate Delegated Act and lays out the technical screening criteria for climate change mitigation and climate change adaptation for additional economic activities in the energy sectors which were not included in the Taxonomy Climate Delegated Act, in particular in the natural gas and nuclear energy sectors<sup>38</sup>.
- **March 2022 | Platform on Sustainable Finance | The extended environmental taxonomy: Final report on Taxonomy extension options supporting a sustainable transition:** The Platform published the report in response to EC's request for advice on possible extensions of the EU Taxonomy on green and sustainable finance. The report aims to inform EC, capital markets, companies and other economic actors and stakeholders on the ways in which an extended environmental taxonomy can become a taxonomy for transitioning the whole European economy<sup>39</sup>.
- **February 2022 | EC | Corporate sustainability due diligence:** EC announced the adoption of a proposal for a Directive on corporate sustainability due diligence to address human rights and environmental impacts across global value chains<sup>40</sup>.
- **February 2022 | ESMA | Sustainable Finance Roadmap 2022-2024:** ESMA identified three priorities in its Sustainable Finance Roadmap: tackling greenwashing and promoting transparency; building NCAs and ESMA's capacities in the sustainable finance field; and monitoring, assessing, and analyzing ESG markets and risks<sup>41</sup>.
- **February 2022 | ESMA | Text mining ESG disclosures in rating agency press releases:** ESMA evaluated the implementation of its credit rating agency (CRA) ESG Guidelines on the disclosure of ESG factors in CRA press releases. ESMA noted that while disclosures have increased since the introduction of the Guidelines, there is still a high level of divergence across CRAs<sup>42</sup>.
- **February 2022 | ESMA | Call for evidence on climate risk stress testing for Central Counterparties (CCPs):** The call for evidence sought stakeholders' views on a proposed classification of climate risks relevant to CCPs, the methodology to build an EU-wide climate risk stress testing framework for CCPs, how to best calibrate this stress test, and the current development of climate risk assessments by CCPs<sup>43</sup>.

- **January 2022 | EBA | Draft implementing technical standards (ITS) on Pillar 3 disclosures on ESG risks:** The draft ITS showcases comparable disclosures and KPIs, including a green asset ratio (GAR) and a banking book taxonomy alignment ratio (BTAR), as a tool to show how institutions are embedding sustainability considerations in their risk management, business models and strategy, and their pathway towards the Paris Agreement goals<sup>44</sup>.
- **January 2022 | EIOPA | Paper on the methodological principles of insurance stress testing – climate change component:** The paper sets out methodological principles that can be used to design bottom-up stress test exercises that aim to assess the insurers' vulnerability to climate risks<sup>45</sup>.
- **January 2022 | European Central Bank (ECB) | Climate risk stress testing:** As part of its thematic review on climate-related and environmental risks, ECB launched a supervisory climate risk stress test to assess banks' preparedness for climate-related financial and economic shocks<sup>46</sup>. ECB aims to publish a report based on industry dialogue and feedback from institutions by October 2022<sup>47</sup>.

## United Kingdom

### Sustainable finance regulations or guidelines

- **June 2022 | Financial Conduct Authority (FCA) | Feedback statement - ESG integration in UK capital markets:** FCA summarized feedback to its discussion chapter on ESG integration in UK capital markets. The discussion chapter had sought views on issues related to green, social, sustainability, and sustainability-linked debt instruments, and ESG data and rating providers. FCA stated that it will be taking a measured approach to ESG-labelled debt instruments and saw a clear rationale for regulatory oversight of certain ESG data and rating providers – and for a globally consistent regulatory approach informed by the 2021 IOSCO recommendations on the same<sup>48</sup>.
- **June 2022 | Bank of England (BOE) | Climate-related financial disclosure 2022:** BOE's latest climate-related financial disclosure lays out BOE's approach to climate-related risk management across its policy functions and operations<sup>49</sup>.
- **June 2022 | Department of Pensions (DWP) | Climate and investment reporting – consultation on policy, regulations, and guidance:** DWP published the government's response climate and investment reporting consultation for UK occupational pension schemes that ran from October 2021 for 11 weeks. Based on the feedback received, DWP updated its statutory guidance to provide further clarity for trustees on their portfolio alignment reporting. DWP's stewardship guidance also clarifies its stewardship expectations and highlights where disclosures can align with reporting to the UK Stewardship Code<sup>50</sup>.
- **May 2022 | BOE | Results of the Climate Biennial Exploratory Scenario (CBES):** CBES explores climate-related financial risks for the largest banks and insurers operating in the UK. BOE published results for CBES conducted in 2021<sup>51</sup>.
- **April 2022 | HM Treasury (HMT) | Launch of the UK Transition Plan Taskforce (TPT):** HMT launched the UK TPT to help drive decarbonization by ensuring that financial institutions and companies prepare plans to achieve net zero, as well as to support efforts to tackle greenwashing. TPT has a two-year mandate<sup>52</sup>.
- **April 2022 | Comply or Explain | FCA | Diversity and inclusion on company boards and executive management:** The new listing rules require in-scope issuers to include a statement in their annual financial report setting out whether they have met specific board diversity targets on a comply or explain basis. FCA set the following targets: at least 40% of the board are women, at least one of the senior board positions is a woman, and at least one member of the board is from a minority ethnic background. Companies must also publish numerical data on sex or gender identity and ethnic diversity of their board, senior board positions and executive management in a standardized table format as provided by FCA. The rules apply to UK and overseas issuers with equity shares, or certificates representing equity shares, admitted to the premium or standard segment of the FCA's Official List, excluding open-ended investment companies and shell companies but including closed-ended investment funds and sovereign controlled companies. Companies are expected to make these disclosures in their annual reports for financial years starting on or after April 1, 2022<sup>53</sup>.

- **February 2022 | BOE and Prudential Regulatory Authority (PRA) | Call for papers for the Climate Capital Conference:** BOE and PRA call for research submissions on approaches for reflecting climate-related financial risks in capital requirements for banks and insurers, incorporating forward-looking data in capital requirement methodologies consistently, and alternatives to high-level categorization of assets and liabilities by sector or geography in the current capital framework. Research submissions and discussions at the Climate Capital Conference – to be held in October 2022 – will inform live policy development at BOE and PRA<sup>54</sup>.
- **January 2022 | PRA | UK deposit takers supervision - 2022 priorities:** PRA published a Dear CEO letter updating UK deposit takers on its 2022 priorities. PRA listed financial risks arising from climate change and Diversity & Inclusion among its priorities<sup>55</sup>.

## Australia

### Sustainable finance regulations or guidelines

- **June 2022 | Australian Securities & Investments Commission (ASIC) | Climate-related risk disclosures:** ASIC announced its focus areas for June 2022 reporting and touched on climate-related risk disclosures in the Other Financial Reports (OFR), specifically advising directors to consider disclosing information that would be relevant under the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)<sup>56</sup>.
- **March 2022 | ASIC | Review of ESG investment products:** As part of announcing its corporate governance priorities for the year ahead, ASIC stated that it is conducting a review to establish whether the practice and promotion of managed investment and superannuation funds that offer ESG or green products are actually aligned<sup>57</sup>.
- **March 2022 | Australian Prudential Regulation Authority (APRA) | Climate risk self-assessment survey:** APRA published a cross-industry letter to advise on the purpose and timing of a voluntary climate risk self-assessment survey with medium-to-large APRA-regulated entities. The survey aims to provide better understanding on how APRA-regulated entities identify, assess, and manage climate-related financial risks<sup>58</sup>.

## Japan

### Sustainable finance regulations or guidelines

- **June 2022 | Japan's Technical Committee for ESG Evaluation and Data Providers | Draft report on ESG evaluation and rating providers:** The Technical Committee provided a number of recommendations to the Financial Services Agency (FSA), including advising FSA to hold a public consultation on establishing a Code of Conduct for ESG evaluation and data providers in the Japanese market and subsequently encouraging the providers to publicly accept the Code<sup>59</sup>.
- **May 2022 | Bank of Japan (BOJ) | Climate change initiatives:** BOJ disclosed its climate change initiatives in line with TCFD recommendations<sup>60</sup>.
- **April 2022 | FSA | Draft supervisory guidance on climate-related risk management and client engagement:** FSA launched the public consultation responding to 2021 Expert Panel on Sustainable Finance's recommendations and accepted comments until May 2022<sup>61</sup>.
- **February 2022 | FSA | Launch of the Technical Committee for ESG Rating and Data Providers, etc.:** The Committee will focus on issues related to ESG rating and data providers, alongside companies and investors that play vital roles in ESG assessment, data provision, and finance<sup>62</sup>.

# China and Hong Kong

## Corporate disclosure regulations or guidelines

- **June 2022 | Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing Limited (HKEX) | ISSB Standards for Hong Kong listed companies:** An SFC-HKEX joint working group is evaluating readiness of listed companies to report under the proposed draft ISSB disclosure requirements and looking into the challenges they face<sup>63</sup>.
- **2022 | Voluntary | China Enterprise Reform and Development Society (CERDS) | Guidance for Enterprise ESG Disclosure:** The Guidance provides a general framework for all industries in China and lays out the interpretation of ESG in the Chinese context. Companies are encouraged to publish an ESG report on an annual basis. The Guidance took effect on June 1, 2022<sup>64</sup>.
- **March 2022 | HKEX | Consultation on ESG standards and climate disclosures:** In its 2021 Listing Committee report, HKEX announced its intentions to launch a consultation on ESG standards and climate disclosures in 2022<sup>65</sup>.

## Sustainable finance regulations or guidelines

- **June 2022 | International Platform on Sustainable Finance (IPSF) | Common Ground Taxonomy (CGT) – Climate Change Mitigation:** The IPSF Taxonomy Working Group – co-chaired by the EU and China – published an updated version of the initial CGT report including 72 climate change mitigation activities recognized by both the EU Sustainable Finance Taxonomy and China’s Green Bond Endorsed Project Catalogue<sup>66</sup>.
- **June 2022 | Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) | Progress in advancing Hong Kong’s green and sustainable finance development:** The Steering Group provided updates on a number of initiatives led by the Centre for Green and Sustainable Finance (GSF Centre), including the launch of GSF Training Information Repository, preparation for the new Pilot GSF Capacity Building Support Scheme, and plans to create a free and publicly accessible GHG emissions estimation tool. The Steering Group also announced its intent to build a local green classification framework for consultation on basis of the updated CGT report<sup>67</sup>.
- **April 2022 | China Securities Regulatory Commission (CSRC) | ESG inclusion in the guidance on Investor Relations (IR) management:** CSRC’s guidelines for IR of listed companies stipulate that ESG information should be added to IR communication<sup>68</sup>.
- **April 2022 | GSF Centre | GSF Data Source Repository:** GSF Centre launched the new GSF Data Source Repository. The repository contains a set of available data sources for assisting climate risk management and other green and sustainable finance related analysis and research<sup>69</sup>.

# India

## Sustainable finance regulations or guidelines

- **May 2022 | Securities and Exchange Board of India (SEBI) | Advisory committee on ESG matters:** SEBI launched a committee for advising on ESG-related matters in the securities market, including enhancements in Business Responsibility and Sustainability Report (BRSR), ESG ratings, and ESG investing<sup>70</sup>.
- **January 2022 | SEBI | Consultation paper on ESG rating providers:** SEBI published a consultation paper on the regulation of ESG ratings and other related products ecosystem in the securities market<sup>71</sup>.



# South Africa

## Corporate disclosure regulations or guidelines

- [2022 | Voluntary | Johannesburg Stock Exchange \(JSE\) | Sustainability and Climate Disclosure Guidance](#): Following up on its public consultation in 2021, JSE published Sustainability and Climate Disclosure Guidance that aims to promote transparency and good governance, and guide listed companies on best practices in ESG disclosure<sup>72</sup>.

## Sustainable finance regulations or guidelines

- [April 2022 | South Africa National Treasury \(NT\) | Green Finance Taxonomy](#): Developed by the Taxonomy Working Group under South Africa's Climate Risk Forum, South Africa's Green Finance Taxonomy builds on recommendations from NT's 2021 Technical Paper 'Financing a Sustainable Economy'<sup>73</sup>.

# Brazil

## Sustainable finance regulations or guidelines

- [May 2022 | Brazil Securities and Exchange Commission \(CVM\) | Study on the ESG agenda and the capital market](#): CVM published 'The ESG agenda and the capital market – An analysis of ongoing initiatives, challenges, and opportunities for future reflections by the CVM', where it addressed ESG disclosures and conducted regulatory benchmarking with international capital markets<sup>74</sup>.

# Singapore

## Sustainable finance regulations or guidelines

- [May 2022 | Monetary Authority of Singapore \(MAS\) | Information Papers on Environmental Risk Management](#): On basis of a 2021 thematic review on select banks, insurers, and asset managers, MAS published information papers that showcase the progress made in implementing the MAS Guidelines on Environmental Risk Management<sup>75</sup>.

Contributor:

**Bhavana Poosarla**  
Senior Associate

# Sources

1. <https://www.ngfs.net/en/communique-de-presse/ngfs-publishes-its-2022-2024-work-program>
2. <https://www.ngfs.net/en/capturing-risk-differentials-climate-related-risks-progress-report>
3. <https://www.ngfs.net/en/credit-ratings-and-climate-change-challenges-central-bank-operations>
4. <https://www.ngfs.net/en/communique-de-presse/ngfs-launches-consultation-its-repository-climate-related-data-needs-and-available-sources>
5. <https://www.ngfs.net/en/communique-de-presse/ngfs-publishes-report-enhancing-market-transparency-green-and-transition-finance>
6. [https://www.ngfs.net/sites/default/files/medias/documents/statement\\_on\\_nature\\_related\\_financial\\_risks\\_-\\_final.pdf](https://www.ngfs.net/sites/default/files/medias/documents/statement_on_nature_related_financial_risks_-_final.pdf)
7. <https://www.fsb.org/2022/04/fsb-launches-consultation-on-supervisory-and-regulatory-approaches-to-climate-related-risks/>
8. <https://www.ifrs.org/news-and-events/news/2022/03/issb-delivers-proposals-that-create-comprehensive-global-baseline-of-sustainability-disclosures/>
9. <https://www.iosco.org/news/pdf/IOSCONEWS635.pdf>
10. [https://www.cbp.gov/trade/forced-labor/UFLPA?language\\_content\\_entity=en](https://www.cbp.gov/trade/forced-labor/UFLPA?language_content_entity=en)
11. <https://www.sec.gov/spotlight/enforcement-task-force-focused-climate-esg-issues>
12. <https://www.sec.gov/news/press-release/2022-46>
13. <https://www.sec.gov/news/press-release/2022-82>
14. <https://www.cftc.gov/PressRoom/PressReleases/8541-22>
15. <https://www.sec.gov/files/ia-6034-fact-sheet.pdf>
16. [https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA\\_StrategicPlan\\_2022-2026\\_Final.pdf](https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA_StrategicPlan_2022-2026_Final.pdf)
17. <https://www.fdic.gov/news/financial-institution-letters/2022/fil22013.html>
18. <https://www.sec.gov/news/press-release/2022-57>
19. <https://www.occ.treas.gov/topics/supervision-and-examination/climate/index-climate.html>
20. <https://www.dol.gov/newsroom/releases/ebsa/ebsa20220211>
21. <https://www.sec.gov/files/2022-ocr-staff-report.pdf>
22. <https://www.consilium.europa.eu/en/press/press-releases/2022/06/21/new-rules-on-sustainability-disclosure-provisional-agreement-between-council-and-european-parliament/>
23. <https://www.esma.europa.eu/press-news/esma-news/esma-publishes-results-its-call-evidence-esg-ratings>
24. <https://www.esma.europa.eu/press-news/esma-news/esma-launches-call-evidence-esg-ratings>
25. <https://www.esma.europa.eu/press-news/esma-news/esas-provide-clarifications-key-areas-rtis-under-sfdr>
26. [https://www.esma.europa.eu/sites/default/files/library/esma34-45-1427\\_supervisory\\_briefing\\_on\\_sustainability\\_risks\\_and\\_disclosures.pdf](https://www.esma.europa.eu/sites/default/files/library/esma34-45-1427_supervisory_briefing_on_sustainability_risks_and_disclosures.pdf)
27. [https://www.eiopa.europa.eu/sites/default/files/publications/consultations/joint\\_consultation\\_paper\\_on\\_sustainability\\_disclosures\\_for\\_sts\\_securitisations.pdf](https://www.eiopa.europa.eu/sites/default/files/publications/consultations/joint_consultation_paper_on_sustainability_disclosures_for_sts_securitisations.pdf)
28. <https://www.eba.europa.eu/eba-launches-discussion-role-environmental-risks-prudential-framework>
29. [https://www.eiopa.europa.eu/document-library/discussion-paper/discussion-paper-physical-climate-change-risks\\_en](https://www.eiopa.europa.eu/document-library/discussion-paper/discussion-paper-physical-climate-change-risks_en)
30. <https://www.esma.europa.eu/press-news/esma-news/esma-study-looks-reasons-lower-costs-in-esg-funds>
31. <https://www.efrag.org/lab3>
32. <https://www.eiopa.europa.eu/sites/default/files/publications/consultations/consultation-paper-eiopa-guidelines-on-customer-sustainability-preferences-under-the-idd.pdf>
33. [https://www.eiopa.europa.eu/media/news/eiopa-launches-climate-stress-test-european-occupational-pension-sector\\_en](https://www.eiopa.europa.eu/media/news/eiopa-launches-climate-stress-test-european-occupational-pension-sector_en)
34. [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/sustainability-related-disclosure-financial-services-sector\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/sustainability-related-disclosure-financial-services-sector_en)
35. [https://ec.europa.eu/info/consultations/finance-2022-esg-ratings\\_en](https://ec.europa.eu/info/consultations/finance-2022-esg-ratings_en)
36. [https://www.esma.europa.eu/sites/default/files/library/esma71-99-1912\\_esma\\_publishes\\_its\\_final\\_report\\_on\\_the\\_eu\\_carbon\\_market.pdf](https://www.esma.europa.eu/sites/default/files/library/esma71-99-1912_esma_publishes_its_final_report_on_the_eu_carbon_market.pdf)
37. <https://www.eba.europa.eu/esas-issue-updated-supervisory-statement-application-sustainable-finance-disclosure-regulation>
38. [https://ec.europa.eu/info/publications/220202-sustainable-finance-taxonomy-complementary-climate-delegated-act\\_en](https://ec.europa.eu/info/publications/220202-sustainable-finance-taxonomy-complementary-climate-delegated-act_en)
39. [https://ec.europa.eu/info/sites/default/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/220329-sustainable-finance-platform-finance-report-environmental-transition-taxonomy\\_en.pdf](https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/220329-sustainable-finance-platform-finance-report-environmental-transition-taxonomy_en.pdf)
40. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_1145](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1145)
41. <https://www.esma.europa.eu/press-news/esma-news/esma-prioritises-fight-against-greenwashing-in-its-new-sustainable-finance>
42. [https://www.esma.europa.eu/sites/default/files/library/esma80-195-1352\\_cra\\_esg\\_disclosures.pdf](https://www.esma.europa.eu/sites/default/files/library/esma80-195-1352_cra_esg_disclosures.pdf)
43. <https://www.esma.europa.eu/press-news/esma-news/esma-launches-call-evidence-climate-risk-stress-testing-ccps>
44. <https://www.eba.europa.eu/eba-publishes-binding-standards-pillar-3-disclosures-esg-risks>
45. <https://www.eiopa.europa.eu/media/news/eiopa-publishes-third-paper-methodological-principles-of-insurance-stress-testing-climate>
46. <https://www.bankingsupervision.europa.eu/press/pr/date/2022/html/ssm.pr220127~bd20df4d3a.en.html>
47. [https://www.bankingsupervision.europa.eu/press/speeches/date/2022/html/ssm.sp220218\\_annex~1f075839e6.en.pdf](https://www.bankingsupervision.europa.eu/press/speeches/date/2022/html/ssm.sp220218_annex~1f075839e6.en.pdf)
48. <https://www.fca.org.uk/publication/feedback/fs22-4.pdf>
49. <https://www.bankofengland.co.uk/prudential-regulation/publication/2022/june/the-bank-of-englands-climate-related-financial-disclosure-2022>
50. <https://www.gov.uk/government/consultations/climate-and-investment-reporting-setting-expectations-and-empowering-savers/outcome/government-response-climate-and-investment-reporting-setting-expectations-and-empowering-savers>
51. <https://www.bankofengland.co.uk/news/2022/may/boe-publishes-results-of-the-2021-biennial-exploratory-scenario-financial-risks-from-climate-change>
52. <https://transitiontaskforce.net/#:~:text=The%20UK%20Transition%20Plan%20Taskforce,support%20efforts%20to%20tackle%20greenwashing>
53. <https://www.fca.org.uk/publications/policy-statements/ps22-3-diversity-inclusion-company-boards-executive-management>
54. <https://www.bankofengland.co.uk/events/2022/october/climate-and-capital-conference>

55. <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/letter/2022/january/uk-deposit-takers-2022-priorities.pdf?la=en&hash=C4AF2E8171C532EF391CF8378BEB4E94B7738BE5&fbclid=IwAR3z1b7FnHgTxXaScoYSC-jlEOHs6kM2MsQzBC9uxQPIitCSXdr1amxstM8>
56. <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2022-releases/22-124mr-asic-highlights-focus-areas-for-30-june-2022-reporting/>
57. <https://asic.gov.au/about-asic/news-centre/speeches/asic-s-corporate-governance-priorities-and-the-year-ahead/>
58. <https://www.apra.gov.au/news-and-publications/apra-releases-letter-on-upcoming-climate-risk-self-assessment-survey>
59. [https://www.fsa.go.jp/singi/esg\\_hyouka/siryuu/220519/02.pdf](https://www.fsa.go.jp/singi/esg_hyouka/siryuu/220519/02.pdf)
60. <https://www.boj.or.jp/en/about/climate/tcfd22.pdf>
61. <https://www.fsa.go.jp/en/newsletter/weekly2022/488.html>
62. <https://www.fsa.go.jp/en/news/2022/20220217.html>
63. <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2022/06/20220621-5/#1>
64. <https://www.senecaesg.com/insights/insights-chinas-first-esg-disclosure-guidance/>
65. [https://www.hkex.com.hk/-/media/HKEX-Market/Listing/How-We-Regulate/Listing-Committee/Listing-Committee-Report/AnnualRpt\\_2021dec.pdf?la=en](https://www.hkex.com.hk/-/media/HKEX-Market/Listing/How-We-Regulate/Listing-Committee/Listing-Committee-Report/AnnualRpt_2021dec.pdf?la=en)
66. [https://www.hkgreenfinance.org/wp-content/uploads/2022/06/20220605192208\\_811108\\_51311.pdf](https://www.hkgreenfinance.org/wp-content/uploads/2022/06/20220605192208_811108_51311.pdf)
67. <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2022/06/20220621-5/#1>
68. <https://www.senecaesg.com/insights/insights-signals-from-the-csrc-whats-next-in-chinas-esg-journey/>
69. <https://www.hkma.gov.hk/eng/key-functions/international-financial-centre/green-and-sustainable-finance/gsf-data-source-repository/#climate-scenarios>
70. [https://www.sebi.gov.in/media/press-releases/may-2022/sebi-constitutes-advisory-committee-on-environmental-social-and-governance-esg-matters\\_58794.html](https://www.sebi.gov.in/media/press-releases/may-2022/sebi-constitutes-advisory-committee-on-environmental-social-and-governance-esg-matters_58794.html)
71. [https://www.sebi.gov.in/reports-and-statistics/reports/jan-2022/consultation-paper-on-environmental-social-and-governance-esg-rating-providers-for-securities-markets\\_55516.html](https://www.sebi.gov.in/reports-and-statistics/reports/jan-2022/consultation-paper-on-environmental-social-and-governance-esg-rating-providers-for-securities-markets_55516.html)
72. <https://www.jse.co.za/news/news/jse-unveils-guidance-framework-aid-progress-disclosure-and-governance>
73. [http://www.treasury.gov.za/comm\\_media/press/2022/2022040101 Media statement - Green Finance Taxonomy.pdf](http://www.treasury.gov.za/comm_media/press/2022/2022040101%20Media%20statement%20-%20Green%20Finance%20Taxonomy.pdf)
74. <https://regulatory.news/cvm-publishes-study-on-esg-and-the-capital-market/>
75. <https://www.mas.gov.sg/publications/monographs-or-information-paper/2022/information-papers-on-environmental-risk-management>