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CLEARY GOTTLIEB

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Climate and the Financial Sector

This newsletter highlights climate-related regulatory, litigation and enforcement developments relevant to the financial sector.

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General

November 2024 [France] – **French H2A publishes Q&A on the nomination of auditors tasked with certifying sustainability information under CSRD**

The governing body of the French accounting profession (the *Haute Autorité de l'Audit* – H2A) has published guidance in the context of the Corporate Sustainability Reporting Directive (CSRD), which was transposed in France through a December 2023 Order and Decree. Under the newly-implemented rules, in-scope entities must publish sustainability information in their annual management report. This information must be the subject of a limited assurance report by an independent auditor.

The H2A's Q&A [available here, in French only] aims to clarify the conditions under which the auditor may be appointed. In particular, it specifies who may be appointed, for how long, whether a call for tenders is required, what due diligence requirements are imposed during certification, etc.

24 November 2024 [International] – **United Nations Climate Change publishes summary of COP29 work**

The UN Climate Change Conference (COP29), which took place in Baku, Azerbaijan and was attended by representatives of around 200 countries, closed on 24 November 2024. The discussions focused in particular on climate finance. A summary of agreements reached was published on both the UN Climate Change [here] and the European Commission [here] websites.

One highlight was the adoption of a New Collective Quantified Goal (NCQG) for Climate Finance, aimed at broadening the global contributor base for climate finance. Mobilization of funds from multilateral development banks and private finance is estimated to reach at least $1.3 trillion annually by 2035.

Additionally, COP29 participants agreed on a new UN-backed standard for high-quality carbon offsets as part of the crediting mechanism under Article 6.4 of the Paris Agreement. It is considered that the new rules for recording and tracking of international transfers will bring transparency to bilateral carbon deals between parties.

26 November 2024 [EU] – **EFRAG publishes material from its 'ESRS for non-EU groups' webinar**

The European Financial Reporting Advisory Group (EFRAG) has published presentation material from its 19-20 November 2024 webinar, aimed at discussing standard setting for non-EU groups, in the context of the Corporate Sustainability Reporting Directive (CSRD).

Under Article 40a of the CSRD, certain non-EU companies will have to report on the sustainability impacts at their group level as from financial year 2028, with the first sustainability statement to be published in 2029. A related delegated act is expected before June 2026, and EFRAG intends to deliver advice to the European Commission by the end of 2025 at the latest.

The presentation [available here] lists the non-EU in-scope entities, specifies the content of the sustainability report, the requirements for EU subsidiaries or branches of non-EU groups, as well as the publication requirements. It also provides examples on the perimeter of disclosures (either global or EU-scope).

27 November 2024 [EU] – **European Commission President announces that a Clean Industrial Deal will be put forward within the first 100 days of new mandate**

In a speech delivered before the European Parliament Plenary, European Commission's President Ursula von der Leyen announced the launch of a "Competitiveness Compass" as the new mandate's first major initiative. This Compass will apparently be built on the three pillars of the 2024 Draghi report on the future of European competitiveness [available here] i.e., (i) closing the innovation gap with the US and

China, (ii) a joint plan for decarbonization and competitiveness, (iii) increasing security and reducing dependencies.

On the second pillar, Ms. von der Leyen referred to the launch of the European Green Deal five years ago, and emphasized the increased need to continue toward its goals, while becoming more agile and better accompanying people and businesses along the way.

As such, Ms. von der Leyen announced that the Commission would be putting forward the Clean Industrial Deal within the first 100 days of the mandate, with an emphasis on lowering the price of energy and bringing costs down for households and companies, as well as investing in clean energy [full speech available here].

27 November 2024 [France] – **French NGO lodges greenwashing complaint against Coca-Cola in relation to Paris Olympics statements**

The France Nature Environnement (FNE) NGO announced that it had lodged a complaint against Coca-Cola before the Nanterre Attorney General (*Procureur de la République*), in relation with "zero-waste" claims during the Paris Olympics.

In its press release [available here], FNE claimed that while Coca-Cola had based its Olympics' communications on increased sustainability, more than six million of the beverages distributed by the group during the games were served through plastic bottles.

FNE alleges that the statements made constitute unfair commercial practices, as the French Consumer Protection Law prohibits claims that mislead consumers with respect to the environmental impact of a product.

29 November 2024 [EU] – **European Commission publishes draft notice on Taxonomy-related provisions**

The European Commission published a draft notice [available here], aimed at supporting stakeholders in the implementation of the EU Taxonomy. The notice contains a set of frequently asked questions (FAQs) on the various Taxonomy delegated regulations.

The FAQs provide technical clarifications on the EU Taxonomy, in particular on the application of general Taxonomy requirements and technical screening criteria for specific activities included in the Taxonomy Climate and Environmental Delegated Acts. They also address the generic 'do no significant harm' (DNSH) criteria and clarify the reporting obligations for activities covered by the Climate Delegated Act and the Environmental Delegated Act.

The Notice is organized based on the objective targeted, with specific sections for questions related to the objective of climate change mitigation, of climate change adaptation, of water and marine resources, of transition to a circular economy, of pollution prevention and control, etc.

30 November 2024 [International] – **GFANZ publishes 2024 progress report**

The Glasgow Financial Alliance for Net Zero (GFANZ) published its 2024 progress report [available here], highlighting the continued strengthening of the financial sector's progress towards net zero.

In particular, GFANZ notes that since its launch in 2021, membership across the financial sector-specific Alliances that comprise the coalition has more than quadrupled to over 700 firms, including 80% of the Global Systemically Important Banks.

The Report looks back on GFANZ deliverables in 2024, and lists the five strategic objectives under the 2024-2025 priorities. These objectives include promoting a common approach to transition plans, developing innovative transition finance solutions, unlocking high-integrity voluntary carbon markets, driving climate finance in emerging markets, and enhancing transparency on net-zero transition.

3 December 2024 [EU] – **European Commission adopts 2027 caps on ETS allowances for buildings, road, transport and additional sectors**

The European Commission announced that it had adopted a Decision establishing the EU-wide quantity of allowances issued under the EU Emissions Trading System for buildings, road transport, and small industry for 2027 [press release available here].

Amounting to 1,036,288,784 allowances, the cap is based on the average CO2 emissions from fuel combustion in the concerned sectors from 2016 to 2018, reduced up to 2027 (i) through a linear reduction trajectory until 2024, and (ii) through an annual linear reduction factor of 5.1% for 2025-2027. The Decision should be published shortly in the EU Official Journal.

3 December 2024 [France] – **French AMF's 2024 Report on corporate governance of listed companies analyzes trends on climate resolutions in shareholder meetings**

The French Autorité des Marchés financiers (AMF, the securities market regulatory authority) published its 2024 Report on corporate governance and on the compensation of executives of listed companies [available here]. Reflecting on listed companies' disclosures and governance changes, the Report analyzes the trends on climate resolutions during shareholder meetings.

In particular, the Report mentions the "say on climate" practice, consisting of consultative votes from shareholders on the company's climate strategy. While the practice is deemed coherent with the increase in shareholders' interest regarding corporate social responsibility matters, it remains quite rare and apparently raises some greenwashing accusations. However, whereas so-called "climate resolutions" have increased since 2020, they decreased in 2024, with only six entities having included such resolutions in their agenda (down from ten in 2023).

Additionally, the Report reflects on modifications made to the High Committee for corporate governance (HCGE) guidance on the AFEP-MEDEF governance code, as concerns climate strategy. Indeed, while the code provides that climate strategy and implementing measures are to be presented to the general meeting at least every three years, the HCGE specified that this was not linked to the aforementioned "say on climate" resolutions.

4 December 2024 [France] – **French Government publishes Green Industry Law application decree**

The outgoing French government published an application decree [available here] as part of Article 24 of the December 23 October 2023 Law (n°2023-973). The so-called "Green Industry Law" enabled the issuance of energy savings certificates for industrial operations resulting in a reduction in greenhouse gas emissions (notably following a relocation of activities).

The decree specifies the conditions to be met in this context, particularly with regard to the expected level of performance in terms of energy consumption and greenhouse gas emissions. A new article D. 221-17-1 was thus inserted in the French Energy Code. Published on 4 December in the French Official Journal, the decree entered into force on 5 December 2024.

4 December 2024 [EU] – **EU Parliament consumer and environmental committees vote to start trilogue negotiations with the Council on the Green Claims Directive**

Two of the EU Parliament's Committees have voted on the decision to start trilogue negotiations with the Council, with respect to the proposed Directive on substantiation and communication of explicit environmental claims (Green Claims Directive) [press release available here].

The Committee on the Environment, Public Health and Food Safety (ENVI) and Committee on the Internal Market and Consumer Protection (IMCO), which voted in favor of opening trilogue negotiations, had been appointed as the responsible joint committees in September 2024.

The trilogue negotiations should consequently start in the course of January 2025.

6 December 2024 [EU] – **EFRAG complements its Compilation of Technical Explanations of the ESRS**

The European Financial Reporting Advisory Group (EFRAG) published 64 new explanations to its Compilation [available here], including a mapping of sustainability matters to topical disclosures, specified in a separate document [available here].

The explanations accompany the European Sustainability Reporting Standards (ESRS), as stipulated in Article 19a and 29a of Directive 2013/34/EU (the Accounting Directive). They include guidance on double materiality, the scope of reporting and consolidation from a value chain viewpoint, or the structure of the sustainability statement. A specific section is dedicated to questions relating to environmental disclosures (climate change, pollution, water and marine resources, etc.)

The Mapping of sustainability matters to topical disclosures, which is the response to Q&A 177 of the Compilation, is aimed at supporting undertakings in determining the disclosure requirements related to a specific material sustainability matter in the corresponding topical ESRS, as required in ESRS 1 paragraph 30. It specifies that for metrics, which can be either quantitative or qualitative, there is no systematic 'one-to-one' relationship between a matter (as captured by ESRS 1 paragraph AR 16) and a topical Disclosure Requirement.

Asset management

13 November 2024 [Germany] – **German Federal Cabinet adopts revision of carbon credits in the oil industry**

The German Federal Cabinet has adopted the 38th Federal Emission Control Ordinance. As part of the new rules, the German oil industry may only use carbon credits from renewable energy and electricity generated in the same year, to comply with required cuts in greenhouse gas emissions (GHG). Under the previous regime, it was possible to compile surplus fulfilments of the GHG quota and use them as an offset at a later date (carry-over). The German government is taking this option off the table for 2025 and 2026.

Steffi Lemke, the Federal Minister for the Environment, commented as follows: "*Today the German government is sending a strong market signal to boost renewable energy in transport. With this immediate action, we are shoring up the trajectory for CO2 reduction in fuels and improving the economic situation of manufacturers of advanced biofuels and green hydrogen as well as charge point operators. If demand for climate-friendly alternatives to fossil fuels grows, it will strengthen climate change mitigation in transport, also in the long term.*" [See further here, German only]

28 November 2024 [EU] – **ESMA publishes updated compliance table for the Guidelines on marketing communications under the Cross-border distribution of funds Regulation**

ESMA published the Compliance table for the Guidelines on marketing communications under the Regulation on the cross border distribution of funds [full compliance table available here].

The Guidelines [available here] were published in August 2021, and apply in particular to managers of UCITS and AIFs, in the context of marketing communications addressed to potential investors. The Compliance table showcases a full compliance from all 27 EU Member States, and from Norway and Lichtenstein, with Iceland marked as intending to comply.

28 November 2024 [EU] – **ESMA and EFRAG publish contributions to the IASB's exposure draft on Climate-related and other uncertainties in the financial statements**

In July 2024, the Internal Accounting Standards Board (IASB) had published an exposure draft on "Climate-related and other uncertainties in the financial statements" [available here], aimed at improving the reporting of the effects of climate-related risks in the financial statements, and receiving comments until 28 November 2024.

The European Financial Reporting Advisory Group (EFRAG) responded with a Final Comment Letter on 28 November 2024 [available here], supporting the proposal to provide illustrative examples showing how an entity may apply the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements. Amongst recommendations, EFRAG suggested that the IASB consider undertaking standard-setting activity under limited circumstances and noted that examples relating to non-climate-related uncertainties could be added to the draft.

ESMA published its own contribution shortly thereafter [available here], broadly following EFRAG's suggestions on the exposure draft, and urging the IASB to finalize the project as expediently as possible, as to improve the quality of financial information disclosed.

29 November 2024 [Luxembourg] – **CSSF publishes its first SFDR-related administrative sanction**

The CSSF, Luxembourg's securities market regulatory authority, published a summary of an administrative sanction [available here] against an investment fund manager, in relation to sub-funds classified under the Article 8 nomenclature of Regulation 2019/2088 (SFDR).

One of the sub-funds, supposed to "promote environmental and social characteristics", contained several bonds issued by countries whose ESG score was below the exclusion threshold of the pre-contractual disclosures established in accordance with Article 8 of SFDR. The other sub-funds failed to comply with statements made in the funds' prospectuses by not ensuring that the funds were "primarily targeting" United Nations sustainable development goals.

The CSSF therefore concluded that the manager was in breach of the requirement to have sound administrative procedures and adequate internal control mechanisms and failed to act in the best interests of the UCITS. The Manager was assessed a fine of 56,500 euros.

6 December 2024 [EU] – **Regulation on Union certification framework for permanent carbon removals published in Official Journal**

The Regulation (EU) 2024/3012 of 27 November 2024 establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products has been published in the Official Journal of the European Union [available here].

The Regulation aims to develop a voluntary Union certification framework for permanent carbon removals, carbon farming and carbon storage in products, with a view to facilitating and encouraging the uptake of high-quality carbon removals and soil emission reductions, as well as to support the achievement of the Union objectives under the Paris Agreement.

Under the regulation, carbon removals and soil emission reductions shall be eligible for certification where they are generated by an activity that complies with certain quality criteria, and are independently verified in accordance with specific certification requirements.

The Regulation will enter into force on 26 December 2024, and will then become directly applicable in all EU member states. By 27 December 2028, the Commission shall establish a Union registry, to make publicly available the information related to the certification process.

Banking

26 November 2024 [EU] – **ECB Vice President discusses climate change's impact on financial stability**

Luis de Guindos, the ECB Vice-President, gave an interview on the main risk to financial stability in the euro area, including remarks on the impact of climate change [available here].

Mr. de Guindos outlined that climate change, in that it could affect the outlook for growth and inflation, is continuously assessed as part of the ECB's price stability mandate. Additionally, the related increase in natural disasters has a negative impact on both banks and the economy.

For example, Banco de Espana estimates that the recent floods will cost the Spanish economy up to 0.2% of GDP in the fourth quarter of 2024. They will also significantly impact the Spanish banks' balance sheets to the extent of exposures through mortgages or loans to these areas.

Mr. de Guindos also noted that the ECB has implemented concrete measures in its work, for example by "tilting" Eurosystem corporate bond reinvestments or greening its own portfolios wherever possible. He added, however, that governments should be the ones addressing climate change, as they have the right tools at their disposal, such as fiscal policies and regulation.

27 November 2024 [EU] – **EBA publishes pilot study on banks' alignment with the temperature target of the Paris agreement**

The EBA has published a Pilot study entitled "Financing the transition? Taking the temperature of European banks' corporate loan books – A pilot study on banks' alignment with the temperature target of the Paris Agreement" [available here].

The Study first notes that prudential supervisory authorities are so far primarily focused on assessing bank's resilience to climate-related financial shocks from a risk-oriented viewpoint. It then argues for a complementary perspective, i.e., banks' own contribution to global warming through their financing of climate harmful activities.

With the objective of the Paris Agreement being defined in terms of degrees Celsius, the Study examines banks' alignment with the temperature target by quantifying the implied temperature rise of banks' (non-SME) corporate loan books.

The Study notably finds that the average implied temperature rise of banks' corporate loan portfolios ranges between 3.7°C and 4.1°C, depending on the aggregation methodology. None of the reviewed banks is shown as being on a pathway compatible with the agreed target.

29 November 2024 [EU] – **EBA publishes risk assessment report, highlighting that climate and physical risks should not be underestimated**

The EBA has published its 2024 Autumn risk assessment report [available here], along with its 2024 EU-wide transparency exercise [available here], notably highlighting that climate and physical risks should not be underestimated.

The EBA relies in part on the results of the ESAs' 'Fit-For-55' climate scenario analysis [see previous edition of the newsletter for more information]. The analysis shows that transition risks alone are unlikely to threaten financial stability in the near term. However, coupled with unfavorable economic conditions, losses for the financial system will increase significantly and could potentially hamper the financing of the green transition.

The Report also highlights general market trends in sustainable loans, noting that the number of banks granting sustainable lending products to SME and retail clients is increasing across all product categories, even more than for the large corporate segment.

The EBA made some policy conclusions and suggested measures, amongst which:

- Integrating climate risk into financial institutions' risk management framework, to maintain financial stability. This includes incorporating climate risk considerations into their credit risk assessment and underwriting practices and diversifying investment portfolios to mitigate exposure to high-risk geographical areas or sectors.
- Focusing on sustainable finance while effectively managing greenwashing risks. This involves developing precise internal guidelines and frameworks to encourage sustainable finance practices and transparent reporting. Diversifying funding sources (retail deposits, wholesale funding, capital markets, etc.) is equally important to minimize reliance on a single source.

2 December 2024 [EU] – **Sustainable Finance Observatory publishes annual report on the 'net-zero' commitments of European banks**

The Sustainable Finance Observatory (SFO) published its annual report on the net-zero commitments of 19 EU banks [available here]. The report, relying on the SFO's "Net-zero donut" framework, contains an analysis of Net-Zero Banking Alliance (NBZA) signatory banks' 'net zero' transition plans, as well as related recommendations.

Amongst findings, the SFO notes that banks do not prioritize the analysis of the transition plans of the companies they finance, rather focusing on technical targets. While all banks have set sectoral greenhouse gas emission reduction targets, only one bank is planning an early phase-out of fossil fuels, with 84% still allocating new financing to oil and gas-related companies.

The SFO has therefore formulated 21 recommendations on the transparency of extra-financial reports, on the content of transition plans, on sectoral policies, on indicators for steering the transition beyond the carbon metric and on engagement strategies.

3 December 2024 [EU] – **ECB publishes staff contribution on the functioning of the EU securitization framework, including climate-related considerations**

The ECB has published a staff contribution to the European Commission's targeted consultation on the functioning of the EU securitization framework [available here], including specific remarks on the access to climate-related data in the context of transparency requirements.

In particular, the Contribution outlines that access to climate-related data is needed to adequately assess the increase in transition and physical risks arising from climate change. Climate change-related risk indicators may provide investors with valuable information to assess the impact and exposures of risks arising from climate change.

As such, introducing a minimum number of data metrics, aligning with other EU regulatory criteria (e.g., the EU Taxonomy or SFDR disclosure requirements) would allow for a better assessment of associated climate-related risks, without requiring unreasonable efforts.

Insurance

21 November 2024 [EU] – **EIOPA Chairperson discusses policy options on how to better insure against climate-related natural catastrophes**

Petra Hielkema, Chairperson of EIOPA, gave a speech on "Insurance and Pensions for the Future" during the EIOPA's 2024 Conference in Frankfurt, Germany [full speech available here].

Listing key EIOPA imperatives, Ms. Hielkema highlighted the insurance sector's responsibility in addressing growing gaps in natural catastrophe protection. In collaboration with the ECB, the EIOPA is said to be exploring policy options on how to better insure EU households and businesses against climate-related natural catastrophes. Those policy options are in particular aimed at increasing the uptake and efficiency of climate catastrophe insurance, while creating incentives to adapt to and reduce climate risks.

Ms. Hielkema pointed to several efforts that the insurance and pensions sectors will need to undertake in the future. In particular, having insurers lead the way through ex ante risk assessments and impact underwriting has the potential to incentivize people and business to keep a low exposure to natural disasters. Which in turn may help keep "NatCat risks" insurable.

21 November 2024 [France] – **French ACPR publishes best practices on insurers' duty to advise with respect to sustainability preferences**

The French insurance regulator (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR) published a recommendation on the information to be gathered in relation to insurers duty to advise [available here, in French only].

As concerns sustainability-related preferences, the ACPR advises insurers to ask potential subscribers about their interest in sustainability, and their specific preferences within the meaning of Commission Delegated Regulation 2017/2359. This includes explaining what sustainability preferences are and the distinction between them. Distributors can specify preference criteria separately for environmental, social and governance issues.

The ACPR notes that insurers should ensure that the methods used to question, collect and formalize sustainability preferences – in particular the formulations and explanations provided by the distributor – are clear, accurate and not misleading.

2 December 2024 [International] – **IAIS and FSI publish joint note on the use of parametric insurance to bridge natural catastrophe protection gaps**

The International Association of Insurance Supervisors (IAIS) and the Financial Stability Institute (FSI) have published a joint note on using parametric insurance to cover natural catastrophe (NatCat) protection gaps [available here].

While traditional insurance relies on post-event loss adjustments to calculate payouts, parametric insurance provides fixed payments as soon as predefined criteria (i.e., earthquake magnitude) are met.

The Note, which draws on insights from both supervisory authorities and market participants, sets out recommendations on improving the adoption of parametric insurance against NatCat risks. These recommendations include authorities supporting the implementation of risk-based pricing and undertaking efforts to enhance data quality and analytical capabilities by leveraging digital innovation.

In particular, the Note recommends reducing regulatory uncertainty by establishing an enabling framework that sets out clear supervisory expectations and guidance for index selection, trigger definition and payouts.

3 December 2024 [International] – **IAIS publishes 2024 Global insurance market report, including reference to climate-related risks**

The International Association of Insurance Supervisors (IAIS) has published its Global Insurance Market Report for 2024 [available here]. Section 5 of the report addresses climate-related risks to the insurance sector, highlighting in particular:

- Variations in the shares of climate-related assets across regions and economic development categories, although the combined shares of climate-related assets, equities, corporate bonds and loans are consistent across regions;
- Data availability issues, particularly in emerging market and developing economies and North America, make it difficult to monitor transition risks;
- The increasing frequency and severity of natural catastrophes (NatCat) due to climate change pose significant challenges for insurers; and
- The impact of climate change on the frequency and severity of NatCat events could also have spillover effects beyond the insurance sector.

The report also notes that, to assist supervisors, the IAIS (i) commissioned CLIMADA Technologies to develop an open source tool using the CLIMADA model to help supervisors assess the materiality of NatCat risks and the impact of climate change, and (ii) will develop more detailed materials on metrics and indicators for supervisory reporting and public disclosure related to climate risk by 2025.

28 November and 4 December 2024 [EU] – **EIOPA launches consultations on various ESG-related topics**

Consultation on blueprint for an awareness tool for natural catastrophe risks and prevention measures – EIOPA has published a consultation paper on a blueprint for an awareness tool for natural catastrophe risks and prevention measures [available here]. By understanding the potential impact of climate change on their properties, EIOPA believes that policyholders are more likely to take measures that reduce their vulnerability to extreme weather events and other climate-related hazards, thereby reducing potential damages and financial losses, but also contributing to the long-term resilience of society to climate change. The tool would provide the risk score for natural hazards (including, at this stage, earthquakes, river floods, windstorms, wildfires and potentially coastal floods) for a property based on its location, a view on possible prevention measures that can be taken to reduce the risks for the most common types of hazard, and measures related to insurance coverage. Stakeholders have until 28 February 2025 to respond to the consultation.

Consultation on a report on biodiversity risk management – EIOPA has published a consultation paper on a report on biodiversity risk management by insurers [available here], which examines how insurers identify, measure and manage biodiversity risks and assesses their own risk and solvency (ORSA) practices. EIOPA states that it has identified a significant investment exposure in the insurance sector to assets that depend on nature and ecosystem services, which may indicate exposure to biodiversity risks. It is consulting stakeholders on the definition of biodiversity and risk drivers for insurers, current market practices for biodiversity risk assessment, biodiversity risk assessment in Solvency II (including materiality assessment, financial risk assessment, and biodiversity risk management targets and actions). Stakeholders have until 26 February 2025 to respond to the consultation.

Consultation on Regulatory Technical Standards on management of sustainability risks including sustainability risk plans – EIOPA has published a consultation paper on the proposal for Regulatory Technical Standards on management of sustainability risks including sustainability risk plans [available here] drafted pursuant to Article 44 of the amended Solvency II Directive, which requires undertakings to develop and monitor the implementation of specific plans, quantifiable targets, and processes to monitor and address the financial risks arising in the short, medium, and long-term from sustainability factors. With a view to limiting the burden on companies and establishing a coherent and proportionate approach to sustainability risk management, the RTS (i) build on existing prudential requirements and integrate sustainability risk plans into companies' existing risk management practices, (ii) ensure read-across between companies' sustainability and transition plans, and (iii) enable companies, including those subject to the Corporate Sustainability Reporting Directive (CSRD), to disclose sustainability risks in a consistent and efficient manner. Stakeholders have until 26 February 2025 to respond to the consultation.

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This memorandum was intended for **Global-Client Alert**.

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