



20 February 2023

# Climate and the Financial Sector

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

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## General

### 15 February 2023 [France] – **ACPR announces its supervisory priorities in 2023**

The ACPR highlights its role as a leader in analyzing and considering the impact of physical and transitional climate risks on financial institutions as part of the announcement of its supervisory priorities for 2023. In 2023, the ACPR will also focus on the supervision of insurance activities that are highly sensitive to climate change.

[\[link\]](#)

### 15 February 2023 [France] – **The French Economic, Social and Environmental Council makes suggestions to fulfil climate ambitions**

To comply with the European “Fit for 55” package, France is preparing its next roadmap, the French Energy and Climate Strategy. In anticipation of the next French energy and climate law, the French Economic, Social and Environmental Council makes fifteen recommendations to enable France to succeed in its path to carbon neutrality. Among other things, the French Economic, Social and Environmental Council recommends modifying the environmental taxation system and including

financial institutions' climate transition plans in the scope of supervisory authorities. [\[link\]](#)

### **13 February 2023 [EU] – EBA launches industry survey on green loans**

The purpose of the survey is to collect quantitative and qualitative information on green loans, mortgages and market practices related to these loans. The industry survey is part of the EU Commission's strategy to finance the transition to a sustainable economy. The EBA has invited feedback to be provided by 7 April 2023. [\[link\]](#)

### **17 February 2023 [EU] – Updates to disclosure regime for nuclear and gas published in the EU Official Journal**

Commission Delegated Regulation No 2023/363 of 31 October 2022 was officially published on 17 February. The Delegated Regulation provides for a limited adaptation of the existing regulatory framework and harmonizes the pre-contractual information disclosure of financial products investing in sustainable activities. EU lawmaker considered changes necessary to help financial market participants and investors identify sustainable gas and nuclear activities in which financial products are invested. [\[link\]](#)

### **16 February 2023 [UK] – ClientEarth commences legal action against FCA for alleged failure to address climate risks**

ClientEarth alleges that the Financial Conduct Authority (FCA) unlawfully approved the prospectus of a UK oil and gas company, Ithaca energy plc. ClientEarth argues that the prospectus acknowledged that climate change presented a risk to the oil and gas industry, but was too general to comply with prospectus regulations, which require companies to disclose material risks. The action is being brought as a judicial review against the FCA. The High Court will decide whether to allow the claim to proceed. [\[link\]](#)

### **16 February 2023 [EU-UK] – A NGO report shows companies are behind in climate action**

The Climate Disclosure Platform (CDP), a non-profit organization that operates an environmental disclosure system for companies, released a report analyzing companies' climate disclosures. The report assesses climate transition plans against key indicators established by the CDP. While the CDP notes some progress in disclosing credible climate transition plans, the report shows that companies are not sufficiently prepared for upcoming regulations at the EU, UK and international levels. CDP warns that a lack of preparation could expose them up to a range of risks, including litigation. [\[link\]](#)

### **16 February 2023 [International] – UNEP FI strengthens its climate ambition**

The Board of the United Nations Environment Programme Finance Initiative (UNEP FI) has decided to strengthen its Principles for Responsible Banking. The UNEP FI board states that the goal of limiting global warming to 2 degrees is not sufficient. The Principles for Responsible Banking now state that all signatory banks that have a significant impact on greenhouse gas (GHG) emissions must align their portfolios with a 1.5 degree warming trajectory. [\[link\]](#)

## 16 February 2023 [International] – **The ISSB supports interoperability with EU ESG rules**

The International Sustainability Standards Board (ISSB) is set to launch programs, guidance and training materials to support companies' reports on sustainability. The ISSB Board voted to include the use of the European Sustainability Reporting Standards (ESRS) in an annex to the ISSB Rules as a source of guidance for companies. This decision addresses investor demand for comprehensive, consistent and comparable sustainability disclosures. [\[link\]](#)



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