

Sustainable Finance Regulation



- PRA has told Banks and Insurers to manage climate risk better
- Rules for pensions now say they should consider ESG risks
- Draft Stewardship Code integrates ESG
- Green Finance Strategy: more to come?



- Shareholder Rights Directive II: asset managers & owners must state a stewardship policy
- Paris-aligned Benchmarks Regulation: new ways to align portfolios with the transition
- Disclosure Regulation: all asset managers and owners will have to consider ESG risk
- ESG requirements for financial advisers (MiFID II)
- Taxonomy!

Climate change: net zero

- UK's Committee on Climate Change has recommended a net zero target
 - EU is considering setting a net zero target
 - Germany, France also considering setting net zero targets
 - Paris Agreement 'ratchet mechanism' means developed countries are looking for ways to increase ambition ahead of the 2020 UN climate summit: *a global increase in climate ambition?*
-
- Transition risk crystallising more quickly?
 - New funding models and methods?