

6th Briefing on Regulatory Trends in the European Union and at the International Level

Online | 16th May 2022 | 14.00 – 15.00 CET

A joint initiative of the
Global Compact Local Networks

Organized and hosted by



Global Compact
Network
Switzerland & Liechtenstein

in collaboration with

ECO:FACT



The Ten Principles of the UN Global Compact

Corporate sustainability starts with a company's value system. By incorporating the Ten Principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

Companies operate responsibly



HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.



LABOUR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Companies contribute to progress

SUSTAINABLE DEVELOPMENT GOALS



Let's make Global Goals Local Business



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Agenda

- Trends dashboard
- Key international regulatory developments
- Key European Union regulatory developments
- Some noteworthy country-level developments in Europe
- Some noteworthy country-level developments globally

Speakers



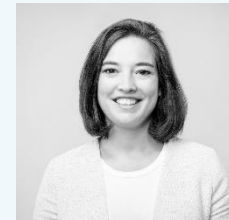
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ECOFACT Policy Outlook research and methodology

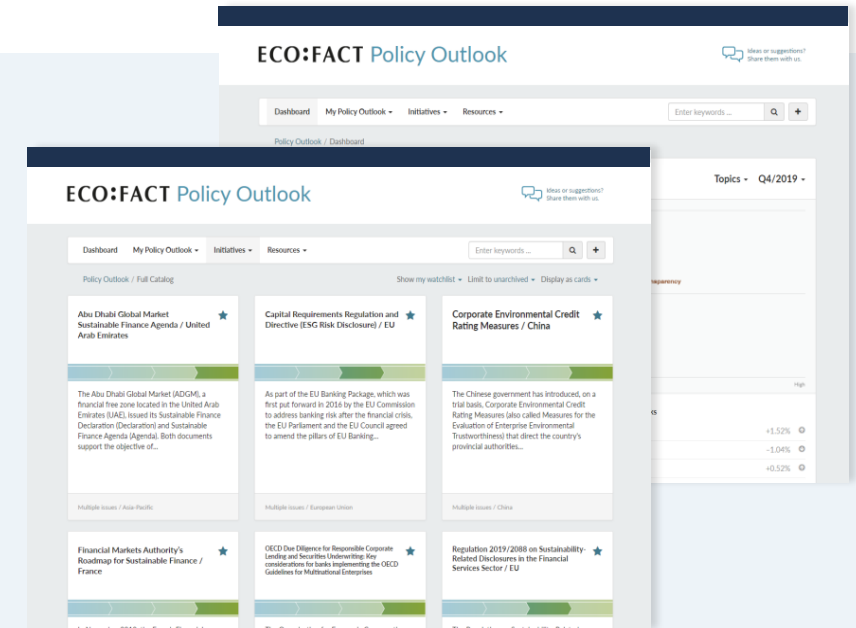
This briefing on regulatory trends in the European Union and at the international level builds on the research made available via the ECOFACT Policy Outlook.

This webinar will focus on key regulatory developments that took place in the first quarter of 2022 and on what is expected later in 2022.

The Policy Outlook is the world's largest and most comprehensive research package focusing on hard and soft law initiatives pertaining to sustainable finance and corporate responsibility across the globe.

The Policy Outlook monitors more than 30 regulatory topics in over 50 countries and the European Union; our coverage encompasses jurisdictions responsible for over 85% of global GDP.

To know more reach out to us via policy@ecofact.com



Trends dashboard



Top 5 rapidly developing topics in the last quarter

1. Transparency
2. ESG integration
3. Climate change
4. Biodiversity
5. Human rights due diligence



Key open consultation

The Swiss Federal Council opened a consultation on a proposed ordinance that would require large companies to institute climate reporting in line with the recommendations of the TCFD. If the ordinance is adopted in its current form, it would become applicable on January 1, 2023, with the first reporting to be issued in 2024.

This consultation ends on July 7, 2022.



Key highlights from the last quarter:



National and international regulators continued to shine a spotlight on transparency and disclosure requirements related to climate and biodiversity.



Social issues such as discrimination, human rights, and labor rights are a significant component of trending ESG integration.



Climate disclosure is increasingly moving from voluntary to mandatory.



Expected developments in the following months

1. EU negotiations on the proposed directive on corporate sustainability due diligence (CSDD) and the corporate sustainability reporting directive (CSRD).
2. The EU Commission is expected to adopt Technical Screening Criteria (TSC) for the remaining environmental objectives.
3. The UK government will consult on TSC for climate change adaptation and mitigation.

Key international regulatory developments



UN Secretary-General António Guterres announced the formation of the High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities. The Expert Group will develop recommendations that promote more ambitious net-zero commitments from the private-sector.



The TNFD published the beta version of its *Nature-Related Risk and Opportunity Management and Disclosure Framework*. The framework will go through several iterations before its final dissemination in September 2023.



The ISSB published two draft documents for public consultation: *Exposure Draft IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information* and *Exposure Draft IFRS S2 - Climate-related Disclosures*. The ISSB is also working together with the SEC and EFRAG to promote clear and consistent disclosure.



The FSB published its *Supervisory and Regulatory Approaches to Climate-related Risks Interim Report*. The report's recommendations will help supervisory and regulatory authorities develop approaches to monitoring, managing, and mitigating climate change risks.



Key European Union regulatory developments



The EU Commission proposed a package of regulations that support the goals of the European Green Deal and promote a circular economy in the EU.



The EU Commission published its proposed Corporate Sustainability Due Diligence Directive.



The EU Council adopted its position on the Corporate Sustainability Reporting Directive, and the European Financial Reporting Advisory Group issued its first draft of the EU reporting standard that complements the directive.



Although dormant since May 2017, the proposed directive on Improving the Gender Balance Among Directors is expected to see renewed activity during the EU Commission's 2022 negotiations. In addition, now that EU Council and Parliament have finished discussing and amending the Directive on Equal Pay, interinstitutional negotiations on the final text will now take place.

Some noteworthy country-level developments in Europe



The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CFD Regulations) came into force for accounting periods starting on or after April 6, 2022.



The Swiss Federal Council opened a consultation on a proposed ordinance that would require large companies to institute climate reporting in line with the recommendations of the TCFD.



The Swiss Federal Council issued the Action Plan on Food Waste. By 2030, it aims to reduce avoidable food waste by 50 percent compared to 2017 levels.



The German Federal Financial Supervisory Authority announced work on the Guideline for Sustainable Investment Funds was postponed due to the geopolitical situation that has developed (i.e. Russia's invasion of Ukraine).



The German Federal Ministry of Justice published a draft bill for a Whistleblower Protection Act. It implements an EU directive (Directive (EU) 2019/1937).



France's Secretary of State for Biodiversity presented the first part of the National Biodiversity Strategy (Strategy 2030).

Some noteworthy country-level developments globally



The Securities and Exchange Commission proposed rule amendments that would require US-listed companies to disclose climate-related risks in their registration statements and periodic reports.



The US National Association of Insurance Commissioners adopted a new climate reporting standard that is aligned with the recommendations of the TCFD.



Canada proposed two bills on human rights due diligence, and New Zealand proposed a modern slavery act that includes due diligence requirements.



The Australian Sustainable Finance Initiative announced it plans to develop a sustainable finance taxonomy. It will coordinate this work with similar developments in other jurisdictions.



Hong Kong's Financial Reporting Council announced it has established the Sustainability and Climate Action Task Force, which will monitor global developments in financial and sustainability reporting as well as develop a Climate Action Roadmap.

Questions and Answers



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION



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