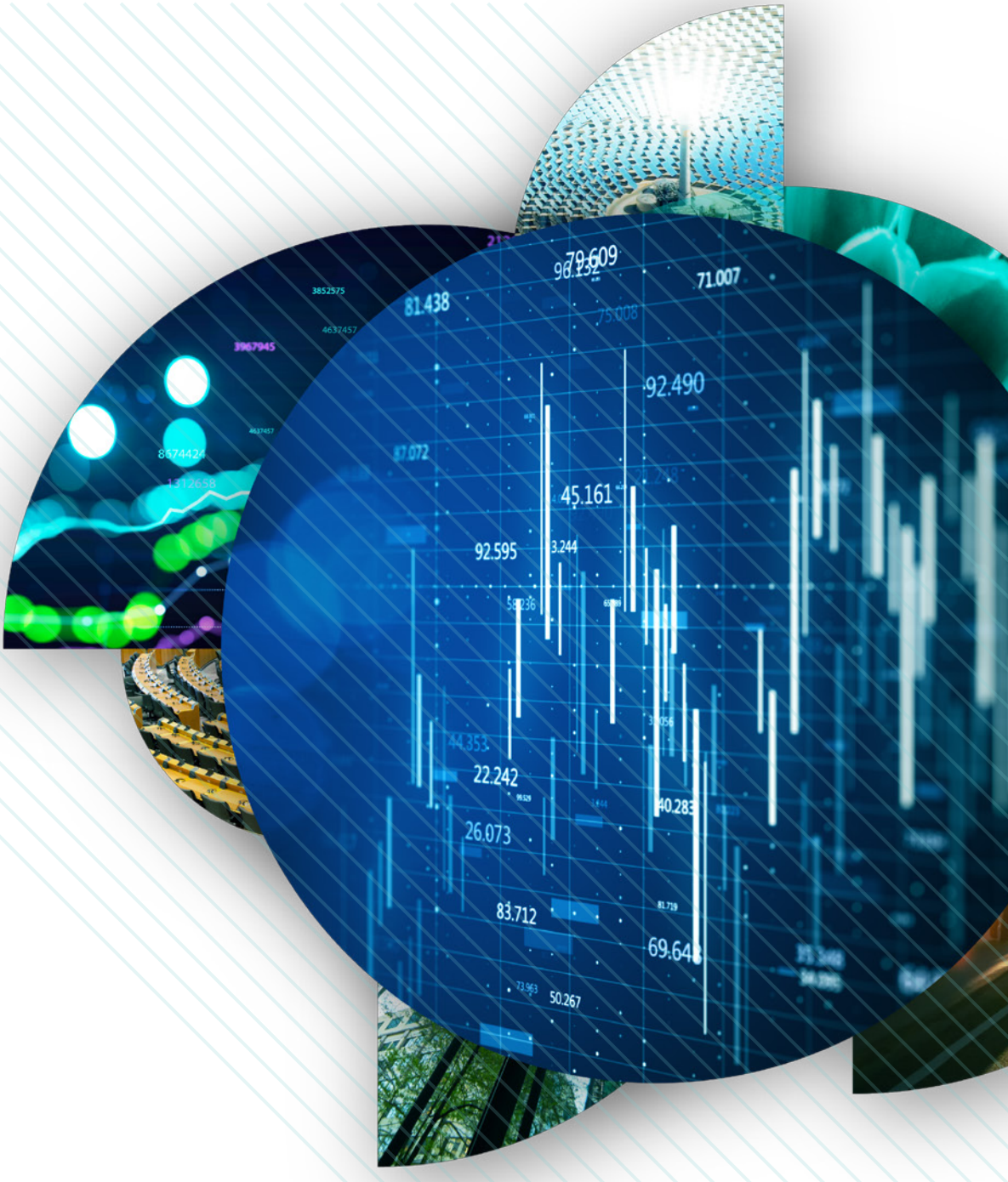
NORTON ROSE FULBRIGHT

ESG | Sustainability

Financial Services regulatory ESG updater

6 October – 3 December 2025



Introduction

ESG is changing the landscape for financial institutions as stakeholders, including investors, increasingly expect them to make their operations more sustainable.

Financial services regulators also view ESG as a priority, embedding the principles of climate-related financial risks into their supervisory frameworks and dealing with greenwashing issues.

There is limited uniformity in regulation as financial services regulators are at different stages in developing their ESG regulatory framework, particularly in relation to disclosures and taxonomy, which is a challenge for many institutions operating across borders. It is therefore critical to monitor the latest regulator updates.

To help you, we have tracked ESG regulatory developments from 6 October – 3 December, 2025, from the UK, France, EU, the Netherlands, the US, Australia as well as other key international regulators.

This month's highlights

27 November 2025 – New briefing note – 'Tis the season to set the tone: FCA update on non financial misconduct and what firms should be doing now
In a written response to a request from the Treasury Select Committee, the FCA has provided an update on its programme of work to address non financial misconduct (NFM), making it clear that the firm and its managers may also be held responsible in the event of bad behaviour anywhere in the ranks.

With the festive period approaching, firms should ensure policies, training and reporting channels in this area are robust, and that leaders can evidence that they set the right tone to prevent and address NFM. To assist with this, in our latest briefing we set out a summary of key NFM developments and initiatives and some actions that firms may wish to consider.

United Kingdom

27 October 2025 – Draft – The Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025
There was published on legislation.gov.uk a draft of the Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025 together with an explanatory memorandum.

The draft Order brings the provision of an ESG rating into regulation under the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (RAO) by making it a specified kind of activity, when that rating is likely to influence a decision to make an investment specified in Part 3 of the RAO. This will require providers of an ESG rating to be authorised and supervised by the FCA.

The FCA has also issued a press release welcoming the draft legislation. It states that it intends to consult on its proposed rules before the end of the year.

1 December 2025 – FCA consults on its proposed approach to ESG ratings regulation
The Financial Conduct Authority (FCA) published Consultation Paper 25/34 (CP25/34) on its proposed approach to Environmental, Social, Governance (ESG) ratings regulation.

Overview
Following publication of draft legislation by HM Treasury to bring ESG ratings within the FCA's regulatory perimeter, the FCA have set out in CP25/34 its approach to developing the ESG ratings regime.

The FCA explained that as this will be a newly regulated sector it proposes to apply many existing baseline rules to rating providers that apply to most other FCA-regulated firms and introduce tailored rules where existing requirements are either not appropriate or not proportionate to address the risks of harm.

Summary of the regime
The FCA are proposing to apply the following baseline standards to ratings providers:

- Threshold Conditions (COND): The FCA explained that rating providers should familiarise themselves with the Threshold Conditions (TCs) and the guidance in COND to fully understand how the TCs apply to them.
- Principles for Businesses (PRIN): In broad terms, the Principles for Businesses will apply to rating providers, except for Principle 12 (Consumer Duty).
- Systems and Controls (SYSC): The FCA proposes to apply SYSC rules to rating providers that focus on robust governance arrangements, staff competence and suitability for their roles, adequate compliance arrangements and controls for countering financial crime, managing risks, outsourcing and record keeping. The FCA do propose to make some modifications to the requirements in SYSC including that it is not proposing to apply SYSC 10 on conflicts of interest to ratings providers, but to have bespoke rules, and to apply certain outsourcing requirements as rules rather than guidance.

- Senior Managers and Certification Regime (SM&CR): The FCA is proposing to apply the existing SM&CR framework to rating providers and classifying them as 'Core Firms' and that branches of overseas rating providers will be subject to the third country branch application of the regime. The FCA also explains that it is consulting on applying this regime in its current form but that the applicable requirements will be updated to reflect any revised SM&CR requirements currently being considered.
- General Provisions (GEN): The FCA is proposing to apply GEN, which includes rules covering the administrative duties of firms, to ratings providers.

The FCA also set out that it does not propose to introduce bespoke prudential requirements to ratings providers, but to rely on the relevant TCs and Principle 4 (Financial Prudence).

The FCA are also proposing to apply tailored rules to rating providers, in relation to the following areas:

- Transparency: The FCA set out that it plans to introduce clear minimum disclosure requirements for product lines and individual ratings, with some of the rules requiring that disclosures be made public, while others must be made to ESG rating users and rated entities – with the option for ESG rating providers to make those public. The FCA also set out general expectations on how disclosures must be made.
- Governance and Systems and Controls: The FCA is proposing rules aimed at ensuring that firms have robust processes and effective systems across the ESG ratings process, to support high-quality ESG ratings, and highlights that these tailored rules build on the baseline standards set out above. The rules relate, in particular, to quality control and methodology, data quality and accuracy, record keeping and personal transactions.
- Conflicts of interest: The FCA is proposing a bespoke regime for rating providers in relation to conflicts of interest, in particular setting out expectations for rating providers to have policies and procedures in place to identify, prevent, manage and, where appropriate, disclose conflicts of interest.
- Stakeholder engagement, complaints and dispute resolution: The FCA is consulting on introducing a set of tailored rules requiring rating providers to have appropriate engagement with stakeholders and an effective and transparent complaints-management approach, and also that firms will need to publish their approach to engagement and their complaints-handling procedure. The FCA do not propose extending the Financial Ombudsman Service's compulsory and voluntary jurisdiction for complaints relating to ESG ratings nor provide Financial Services Compensation Scheme coverage.

The FCA are also consulting on new perimeter guidance (PERG in the FCA Handbook) to help firms understand the scope of the activity, which will cover what qualifies as an ESG rating and what constitutes the regulated activity of providing an ESG rating.

Next steps

The FCA has asked for feedback to CP25/34 by 31 March 2026 and aims to finalise and publish its final rules in a Policy Statement by Q4 2026.

The authorisation gateway will open in June 2027 and firms in scope of the regulation must be authorised to carry out ESG rating activity after 29 June 2028.

3 December 2025 – PRA PS25/25: Enhancing banks' and insurers' approaches to managing climate-related risks – Update to SS3/19

The Prudential Regulation Authority (PRA) published Policy Statement 25/25: Enhancing banks' and insurers' approaches to managing climate-related risks – Update to SS3/19 (PS25/25).

Background

In PS25/25 the PRA provides feedback to the responses it received to Consultation Paper 10/25: Enhancing banks' and insurers' approaches to managing climate-related risks – Update to SS3/19 (CP10/25). It also contains the PRA's final policy contained in Supervisory Statement 4/25 – Enhancing banks' and insurers' approaches to managing climate-related risks (SS4/25).

In CP10/25, the PRA proposed to:

- Strengthen governance arrangements by ensuring that firms' boards and senior management are actively engaged in overseeing climate-related risks. This includes embedding climate considerations into strategic decision-making and ensuring accountability for climate oversight.
- Enhance risk management frameworks to ensure that climate-related risks are integrated across all relevant risk types. Firms are expected to adopt robust, transparent methodologies and assumptions, with appropriate oversight, to assess and manage these risks proportionately to their business models and exposures.
- Advance the use of climate scenario analysis by requiring firms to demonstrate a strong understanding of how scenario outputs inform business decisions. The PRA emphasised the need for firms to move beyond compliance and use climate scenario analysis as a strategic tool to assess resilience under different climate pathways.
- Improve the quality and usage of climate-related data, recognising that effective risk management depends on reliable, granular and forward-looking data. Specifically, that firms should critically assess data sources and address gaps in coverage and quality to support decision-making.
- Maintain expectations around disclosures, encouraging firms to provide transparent, decision-useful information to stakeholders. This includes aligning disclosures with evolving international standards and ensuring consistency in reporting climate-related risks and opportunities.
- Outline banking-specific expectations, including the integration of climate-related risks into the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP). The PRA also proposed that banks should have appropriate processes in place to ensure timely capture of climate-related risks for financial reporting purposes, subject to effective governance.
- Set out insurance-specific expectations, including incorporating climate-related risks into the Own Risk and Solvency Assessment and stress testing frameworks. The PRA also addressed the need for insurers to consider long-term trends in mortality, morbidity and public health, particularly for life and health insurers.
- Replace SS3/19 in its entirety at the time of publication of the new Supervisory Statement (SS4/25). Following publication of the final policy, firms would be expected to conduct an internal review of their current status in meeting the expectations set out in the final policy, and to develop plans for addressing these gaps. To allow firms time to transition to the updated expectations, the PRA proposed that supervisors would not ask firms to evidence their internal assessments or action plans until at least six months after the publication date.
- Provide guidance on the proportionate application of the expectations by firms.

Final policy

The PRA states that overall the responses to CP10/25 were supportive but it has made some changes to the final policy in several areas, including the proportionate application of the expectations and the role and application of scenario analysis and reverse stress testing.

The main changes to SS4/25 are:

- Clarification of proportionate application of expectations by firms: The PRA has introduced an additional 'Overarching aims' section to the 'Proportionate application of expectations' sub-section of Chapter 3: Implementation. This explains the policy intent behind the expectations, particularly regarding how firms should determine how a proportionate application of the final policy reflects their level of exposure to material climate-related risks, as well as the size and complexity of their business. It also notes the important role of the Climate Financial Risk Forum (CFRF) in supporting implementation of the expectations through guidance and case studies.

- Recognition of litigation risk: The PRA has decided that given the evolving nature of climate-related litigation risk, firms can apply judgement to categorise it in the way that best reflects their business and risk profile, and that in some cases this may include defining litigation risk as a distinct transmission channel.
- Clarification of review period: With respect to the six-month review period proposed in CP10/25, the PRA has clarified that this is not an implementation timeline, but a period during which firms would be expected to conduct an internal review of their current status in meeting the expectations set out in the final policy. As part of this internal review, firms should identify the expectations that require further work for them to meet and develop a credible and ambitious plan for how they will address any gaps. Supervisors would not ask for evidence of firms' internal reviews and action plans until at least after the end of the six-month review period.
- Cost-benefit analysis (CBA): The PRA has clarified the core assumptions underpinning its CBA. Specifically, the cost estimates reflect the incremental costs associated with implementing the updated expectations, rather than costs of meeting the expectations that were already in place.
- Governance: In light of responses from firms, the PRA has confirmed that firms may integrate climate-related responsibilities within existing governance frameworks rather than establishing new ones if risk identification remains robust.
- Risk management: The PRA has clarified that firms may integrate climate-related risks into existing risk registers or use supplementary sub-registers if that approach supports robust risk identification. The PRA also confirms that the 'accept, manage, avoid' language in the final policy is a suggestion, rather than an expected format. Other minor edits have been made in relation to the proposed Operational Resilience expectations, to align them with SS1/21 – Operational resilience: Impact tolerances for important business services.
- Climate scenario analysis (CSA): In line with the flexibility for firms to select scenarios that best suit their risk profiles and the application of proportionality, the PRA has clarified that the number and type of CSA exercises should be commensurate with the firm's climate risk exposure. The PRA has also made a small change that firms can choose whether to use reverse stress and/or scenario-based sensitivity analysis and that analysis over longer-time horizons can rely more on narrative scenarios and less on precise quantification.
- Data: The PRA has made two changes to the final policy following responses from firms. The first reduces the expectation for firms to 'quantify' data uncertainty to an expectation for firms to understand it. The second is that firms do not need to use conservative proxies where data or models are inadequate; instead, they should select appropriate proxies and remain aware of their limitations.
- Banking-specific expectations: The PRA has confirmed that firms may align climate scenario horizons used in ICAAPs and ILAAPs with standard timeframes for those processes, while also considering longer-term scenarios for strategic planning. On financial reporting, the PRA has acknowledged challenges around data availability and maturity of firms' climate risk capabilities. However, it has reaffirmed that its expectations remain consistent with accounting standards and audit requirements.
- Insurance-specific expectations: The PRA has clarified that the existing Solvency Capital Requirement (SCR) Rules provide sufficient flexibility for an insurer to take account of climate-related risks in a way that it considers appropriate. For internal models, the PRA considers climate-related risks to be a risk driver in various components of the SCR. On credit ratings for the regulatory balance sheet, the PRA has clarified that where a firm considers that a CRA does not make sufficient allowance for risks when issuing a credit rating, including climate-related risks, it may make an appropriate adjustment. For market prices of climate-related risks, the PRA has clarified that if a firm considers these risks to be underpriced, it may reflect this in its ORSA and SCR.

Next steps

The final policy took effect on 3 December 2025.



European Union

15 October 2025 – ESMA issues draft RTS under the Regulation on the transparency and integrity of ESG rating activities

The European Securities and Markets Authority (ESMA) issued a Final Report containing draft technical standards under the Regulation on the transparency and integrity of ESG rating activities (the ESG Regulation).

Background

The ESG Regulation was published in the Official Journal of the EU on 12 December 2024 and entered into force on 3 January 2025.

The ESG Regulation contains a number of empowerments for ESMA to deliver draft regulatory technical standards (RTS) in the areas of authorisation, recognition, separation of activities and disclosures.

ESMA launched a public consultation on the draft RTS in May 2025. The consultation closed on 20 June 2025.

Final report

In the Final Report ESMA states that it has revised the draft RTS it consulted on to take into account the feedback received.

In particular, for the draft RTS on authorisation and recognition ESMA has either removed or simplified certain information requirements. For the draft RTS on separation of business, the requirement for a physical separation of staff remains but other requirements such as requirements for network segmentation have been clarified or removed when it was judged to be imposing excessive burden. For the draft RTS on disclosures certain elements have been revised to ensure they are practically achievable by ESG rating providers, while others have been removed when it was judged they did not provide sufficient added value for the burden that was imposed.

Next steps

ESMA has submitted the draft RTS to the European Commission for adoption by means of a Commission Delegated Regulation.

The draft RTS will also be subject to non-objection by the European Parliament and Council.

22 October 2025 – MEPs to vote on simplified sustainability and due diligence rules in November

The European Parliament rejected the negotiating mandate proposed by the Legal Affairs Committee on the European Commission's Omnibus proposal to reduce the scope of the Corporate Sustainability Due Diligence Directive and the Corporate Sustainability Reporting Directive.

Following the rejection and in line with Rule 72(3) of the European Parliament's Rules of Procedure, MEPs will vote on amendments to the file at the upcoming plenary session in Brussels on 13 November 2025. They will then be ready to start talks with the Council, which already adopted its position on 23 June 2025. The aim is to finalise the legislation by the end of 2025.

4 November 2025 – Consolidated Q&As on SFDR

the Joint Committee of the European Supervisory Authorities published an update to its consolidated Q&As on the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088, the SFDR) and Commission Delegated Regulation (EU) 2022/1288 (the SFDR delegated regulation), which supplements the SFDR.

Specifically, a new Q&A has been added in relation to the requirements for making principal adverse impact disclosures in Article 6 of the SFDR Delegated Regulation.

This follows an earlier update to the SFDR Q&As in August this year.

5 November 2025 – EBA Final Report – Guidelines on environmental scenario analysis

The European Banking Authority (EBA) published its final Guidelines on environmental scenario analysis, which complements the EBA Guidelines on the management of ESG risks by specifying supervisory expectations regarding how institutions should conduct environmental scenario analysis.

Background

The Guidelines, like the Guidelines on the management of ESG risks, are based on Article 87(a)5 of the Capital Requirements Directive VI. They also fulfil Article 177(2a) of the Capital Requirements Regulation 3.

For institutions using the Internal Ratings-Based Approach for calculating the own funds requirements for credit risk, the Guidelines are intended to specify the way in which ESG risks, and in particular physical and transition risks stemming from climate change, are taken into account in the scenarios used for credit risk internal stress testing.

The Guidelines provide clarifications in the following main areas:

- Section 4 outlines the various applications of scenario analysis for institutions and introduce a progressive and proportionate approach to incorporating it into their management framework.
- Section 5 provides guidance on the prerequisites for conducting scenario analysis, with a particular focus on identifying the transmission channels that translate climate risks into financial impacts and on the criteria for setting appropriate scenarios. Furthermore, the possibility to use a simplified approach in the form of sensitivity analysis is clarified.
- Section 6 elaborates on the distinctive features to be taken into account when conducting an environmental stress test–complementing the existing guidelines on institutions' stress testing – and explores how scenario analysis can be used to shape and refine the institution's strategy while testing the resilience of its business model against a range of plausible futures.

Next steps

The Guidelines will be translated into the official EU languages and published on the EBA's website. The deadline for Member State competent authorities to report whether they comply with the Guidelines will be two months after the publication of the translations.

The Guidelines will apply from 1 January 2027.

20 November 2025 – Commission's SFDR review signals pivot toward clearer, more robust sustainability reporting

Introduction

On 20 November 2025, the European Commission (Commission) published a proposal for a Regulation amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR).

The SFDR has applied since March 2021. It sets out a disclosure framework providing detailed sustainability disclosures for financial market participants and financial products on the extent to which they consider various ESG factors. The SFDR is part of the EU's sustainable finance framework, which aims at channelling more funds towards sustainable investments and ensuring a transparent and effective sustainable finance landscape.

Commission review

In 2023, the Commission took stock of how the SFDR was working in practice and reached a clear conclusion: stakeholders view the regime as overly complex, difficult to implement, and ineffective. In addition, the Commission identified inconsistencies in relation to other pieces of sustainable finance-related legislation.

Against this backdrop, the Commission's review proposal is to streamline and recalibrate the regime so it is more efficient, simpler and proportionate. The proposed amendments pursue two core objectives: simplify and reduce the sustainability-related administrative and disclosure requirements, and improve the ability of end-investors to understand and compare sustainability-linked financial products.

Proposed amendments to the SFDR

The Commission's proposed amendments to the SFDR include:

- Scope: Limiting the scope of the SFDR to financial market participants who manufacture, make available or manage financial instruments. As a consequence, financial advisors who do not carry out this activity would no longer fall within scope.
- Entity-level disclosures: Entity-level disclosure requirements regarding principal adverse impacts and remuneration policies would be removed.

- New categories for sustainability-related financial products: The current disclosures under Articles 7, 8 and 9 SFDR are removed and replaced with specific categories of sustainability-related financial products. The proposed categories are:
  - Financial products with transition feature
  - Financial products with ESG features
  - Financial products with sustainable features

A financial product can fall under one of the above categories if it meets certain criteria. The criteria include a threshold for underlying investments that have clear and measurable objectives related to sustainability factors. In addition, the proposal identifies a number of underlying investments of a given financial product that prevent the inclusion of that financial product in one or more of the categories. Each category of financial product is subject to tailored disclosure requirements.

- Combining categories: The Commission proposes a new article catering for the instances in which financial products claim to combine multiple financial products that are categorised as different sustainability-related financial products. The new provision lays down criteria under which these claims can be made, and what disclosures should be made.
- Voluntary disclosures: A new provision that ensures that financial market participants are not prevented from including information in their pre-contractual disclosures on whether a financial product considers sustainability factors, if this financial product does not fall under one of the three sustainability-related categories. This is permitted on condition that the information is not a central part of the pre-contractual disclosures, and that the information does not claim that it falls within one of the three sustainability-related categories.
- Use of data: New provisions clarifying how financial market participants should use data and estimates for SFDR purposes and sets out what information they must provide to investors, upon request, regarding the relevant data sources and the assumptions underlying those estimates.
- Do no significant harm (DNSH) criteria: Removing the DNSH criteria from the SFDR framework. The proposal contains a provision that repeals Commission Delegated Regulation (EU) 2022/1288, which contains regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of DNSH.

Next steps

The Commission's proposal has now been submitted to the European Parliament and the Council for consideration. The legislative review is expected to take at least one year. Under the Commission's proposal the amendments to the SFDR would become applicable eighteen months following the entry into force of the draft amending Regulation.



France

21 October 2025 – The AMF launches a call for applications to set up its advisory committees

The Autorité des Marchés Financiers (AMF), has launched a call for applications to set up its advisory committees. The AMF is looking for a variety of expertise likely to inform the College's decisions on the evolution of regulations and the practices of regulated professionals, listed companies and savers, as well as on sustainable finance.

Notably, the Climate and Sustainable Finance Commission will become the Sustainable Finance Advisory Commission and will now have the same status as the other advisory commissions; it will assist the AMF in carrying out its missions relating to the promotion of more sustainable finance, in particular the proper information and protection of investors against the risk of greenwashing on sustainable products and the guarantee of quality non-financial information for listed companies (in conjunction with the other relevant advisory committees). In particular, it will be responsible for providing technical expertise on market developments and practices in all ESG areas, as well as on issues related to the finalization of the European regulatory framework.

The deadline for applications was 12 November 2025.



The Netherlands

There have been no reported updates this month.



United States- SEC and CFTC

21 November 2025 – SEC Commissioner Urges Regulatory Restraint in Sustainability Disclosure

SEC Commissioner Mark T. Uyeda criticized requiring corporate issuers to provide sustainability reporting, warning against financial regulators functioning as policy activists by mandating disclosures that are not materially relevant to investors.

In remarks at the 2025 Japan–U.S. Symposium, Mr. Uyeda warned that regulatory overreach can limit the development of new ideas. He argued that financial regulators should not restrict innovation, or shape market behaviour through indirect pressure, or pursue non-financial aims within the regulatory framework. He emphasized that an open and flexible marketplace is essential to supporting innovation, healthy risk-taking, and the capital formation that drives economic growth.

Mr. Uyeda applied this principle directly to sustainability disclosure, cautioning against expansive ESG mandates that go beyond what is relevant to investors. He noted that sustainability information may be important when it affects a company's business or financial condition, but he also warned that broad, policy-driven expectations can impose heavy reporting costs, divert management attention, and push companies toward objectives better addressed by environmental regulators. Mr. Uyeda stressed that financial regulators should avoid embedding broad environmental aspirations into corporate reporting frameworks.



Australia

31 October 2025 – Federal Government issues guidance cross-border electricity trading

The Federal Government of Australia has issued a guide to cross-border electricity trading (CBET), which aligns with the electricity trading framework signed by the Singaporean and Australian governments.

The guidance includes an outline of:

- Project stages and regulatory approvals
- Common approvals and how to apply
- Project specific approvals, depending on the project's location and scope

In addition, the guide outlines the relevant regulatory approvals needed for CBET to be compliant under Australian legislation. However, as each project is unique, the guidance will need to be adapted or used alongside other guidance.

4 November 2025 – The Clean Energy Finance Corporation will provide a discount loan to a green finance company

Brighte, a leading Australian green finance company, has secured up to $40 million in investment from the Clean Energy Finance Corporation (CEFC) through the Federal Government's Household Energy Upgrades Fund. This funding will help deliver up to $150 million worth of consumer energy resources across the country.

The CEFC investment will allow Brighte to offer discounted green loans to eligible households for a wide range of home energy upgrades, including solar panels, battery storage, energy-efficient heating and cooling, insulation, and electric vehicle chargers. These upgrades will help Australian families lower their energy bills, improve home comfort, and support the nation's transition to net zero.

To date, Brighte has delivered more than $2 billion in sustainable finance to over 200,000 households, unlocking an estimated $600 million in energy bill savings. The new CEFC-backed green loan is set to further expand this impact and strengthen Brighte's role in Australia's clean energy future.

13 November 2025 – ASIC's 2026 Enforcement Priorities reflect ongoing focus on corporate governance

At the 2025 Australian Securities and Investments Commission (ASIC) Annual Forum, Australia's financial regulator reinforced governance and directors' duties failures, as an enduring enforcement priority for 2026. This reflects ASIC's view of failures in governance and directors' duties as conduct that contributes to systemic failures.

The regulator also announced it will be strengthening investigation and prosecution of insider trading in 2026. This follows the establishment of a specialist team in 2025 with exclusive focus on insider trading, whose work will continue next year.

ASIC further identified financial reporting misconduct, including failure to lodge reports, as a new enforcement priority for 2026. ASIC Deputy Chair Sarah Court noted, "reliable financial information remains more important than ever, particularly as entities with unlisted assets, such as super funds and private credit funds, play a bigger role in the economy". The new enforcement priority follows ASIC's recent Report REP 189 on oversight of financial reporting and audit. The regulator is expected to direct its enforcement towards entities that fail to comply with financial reporting obligations, to improve accountability and transparency across both unlisted and listed sectors.

24 November 2025 – Government to extend $7 billion Northern Australia Infrastructure Facility by 10 Years

Minister for Resources and Northern Australia Madeleine King has announced plans to introduce legislation extending the $7 billion Northern Australia Infrastructure Facility (NAIF) for an additional 10 years.

NAIF currently holds a portfolio of 32 project investments, 14 in Queensland, 10 in Western Australia and eight in the Northern Territory, representing approximately $4.3 billion in approved loans. According to the Minister, these projects are expected to deliver more than $33 billion in public benefits.

The Minister also tabled the latest Northern Australia Annual Statement and Progress Report in Parliament.

28 November 2025 – EPBC reforms pass both houses of Parliament

Parliament has passed a package of 7 bills reforming the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC). This follows various changes to the 30 October 2025 version of the Bill to secure the Greens' support and ensure passage through both houses.

There are four pillars of the reforms, which include:

- National Environmental Standards, binding on all decision makers
- A National Environment Protection Agency which will act as an independent regulator primarily responsible for compliance and enforcement
- Streamlined assessment and approval pathways
- Offsets, restoration contributions and a net gain requirement

Environment Minister Murray Watt noted that the reforms will not only benefit the environment but "will also be a power surge of productivity for our economy, cutting approval times for key projects and injecting up to $7 billion into the economy".

The reforms will commence in 2026 on a rolling basis, with the preparation of bioregional plans, release of draft National Environmental Standards, and negotiation of bilateral agreements with territories and states, still to come.

International regulators – FSB, IOSCO, Basel Committee, NGFS, SASB, IFRS, ISSB

7 November 2025 – NGFS publishes notes on NGFS long-term climate scenarios to enhance usability and understanding

The Network for Greening the Financial System (NGFS) published a series of explanatory notes aimed at improving the clarity and usability of its long-term climate scenarios. The notes provide detailed analyses of three NGFS scenarios: NetZero 2050 Scenario, the Current Policies Scenario, the Fragmented World Scenario which go beyond the high-level results presented in the Phase V presentation deck released in November 2024 and offer users a closer look at individual scenario outcomes. There is also an overarching note on energy investments across various scenarios which provides further insights, helping users better understand and apply the NGFS long-term scenarios in their work.

11 November 2025 – NGFS updates Guide on Climate Scenario Analysis

The NGFS published an updated version of its Guide on Climate Scenario Analysis.

The Guide serves as a practical reference for authorities and financial institutions aiming to integrate climate scenario analysis into their risk management frameworks and decision-making processes. A key addition is the emphasis on short-term scenarios, which are gaining importance for evaluating near-term financial risks arising from climate change and evolving climate policy measures.

Brochures and resources

ESG is high on the regulatory agenda.

To help our financial services clients navigate the complexities associated with embedding ESG considerations and compliance into their businesses, we have designed our ESG offering around the following 6 "Pillars": (i) Governance (ii) Risk identification, assessment and mitigation (iii) Policies and procedures (iv) Product design, labelling, manufacturing and distribution (v) Disclosures and reporting (vi) Regulatory interventions, investigations and disputes.

We have also produced a number of resources, including articles, podcasts and newsletters, to help clients navigate this evolving, complex landscape:



Global Regulation Tomorrow

Our blog, Global Regulation Tomorrow offers a convenient resource for those keeping track of the evolving and increasingly complex global financial services regulatory environment.



Financial Services Regulatory Developments in ESG

Developed by our global financial services regulatory lawyers and integrated risk advisory group, our Financial Services Regulatory Developments in ESG Hub provides resources and insights to help clients stay informed of key regulatory developments in the sector.



ESG and Sustainability Insights newsletter

Our ESG and Sustainability Insights newsletter brings together recent insights and resources on key topics affecting your business, including climate change and regulation, business and human rights, sustainable finance, energy transition and more.



US Regulatory Intelligence

Written and edited by practicing lawyers, our newsletter goes out each business day to 20,000 market participants. The news covers all significant events in U.S federal financial regulation and regulatory enforcement.

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