



# Monthly ESG Newsletter

May 2025

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# ESG Regulatory updates

April 2025

<div>  </div>	<div>  </div>	<div>  </div>	<div>  </div>	<div>  </div>
<div> <b>ESMA: Technical Standards on the European Green Bond Regulation</b> </div> <div> <ul style="list-style-type: none"> <li>ESMA is consulting the public on technical standards to implement the European Green Bond Regulation, which entered into force in November 2023</li> <li>The body of the Consultation contains six sections: <ul style="list-style-type: none"> <li>Draft on technical standards on systems, resources and procedures;</li> <li>Compliance function;</li> <li>Internal policies and procedures;</li> <li>Information used for assessment activities</li> <li>The content of recognition applications</li> <li>Procedures for reporting material changes in registration</li> </ul> </li> <li>The feedback received will be assessed to finalize the draft standards to be submitted to the European Commission by December 2025</li> </ul> </div> <div> <a href="#">Click here to download the text</a> </div>	<div> <b>European Parliament: Directive 2025/794 of the European Parliament and of the Council</b> </div> <div> <ul style="list-style-type: none"> <li>Directive (EU) 2025/794 amends Directives (EU) 2022/2464 (CSRD) and (EU) 2024/1760 (CSDDD), deferring key sustainability reporting and due diligence obligations. The goal is to ease compliance burdens for companies, particularly large non-EU groups operating within the EU</li> <li>New Deadlines: Large non-EU companies must start CSRD reporting from FY 2029 (previously FY 2028). Due diligence obligations under CSDDD are postponed by two years for all thresholds (e.g., 5,000 employees/€1.5B turnover now by 2029)</li> <li>Member States' Responsibility: Member States must transpose the directive into national legislation by 31 July 2026, adjusting their frameworks and providing clarity to affected companies</li> </ul> </div> <div> <a href="#">Click here to download the text</a> </div>	<div> <b>EFRAG delivers Work Plan to the European Commission in response to ESRS Simplification Mandate</b> </div> <div> <ul style="list-style-type: none"> <li>EFRAG aims to reduce the reporting burden for companies while keeping the ESRS standards practical and effective, drawing on the experience of companies that implemented the ESRS in 2024</li> <li>The plan includes delivering the technical advice by October 31, 2025, with a public consultation on the Exposure Drafts scheduled between late July and early September 2025</li> <li>EFRAG will conduct interviews and workshops with preparers, auditors, and users to gather feedback on the proposed revisions, focusing especially on simplifying mandatory data points and improving interoperability with other global standards</li> </ul> </div> <div> <a href="#">Click here to download the text</a> </div>	<div> <b>Landmark agreement towards achieving net-zero emissions from global shipping by 2050</b> </div> <div> <ul style="list-style-type: none"> <li>On 11 April 2025, an international agreement was reached to reduce greenhouse gas emissions from the global maritime sector to achieve climate neutrality by 2050, with strong support from the European Union</li> <li>The deal introduces global standards for the gradual reduction of the emissions intensity of marine fuels and a pricing mechanism, starting at USD 100 per tonne of CO<sub>2</sub> from 2028, to incentivize the use of cleaner fuels</li> <li>The revenues (estimated at USD 11–13 billion annually) will be used to promote zero- and near-zero emission fuels and support a just transition, with special attention to least developed countries and small island developing states</li> </ul> </div> <div> <a href="#">Click here to download the text</a> </div>	<div> <b>ESMA: Guidelines On Enforcement of Sustainability Information</b> </div> <div> <ul style="list-style-type: none"> <li>The guidelines aim to ensure that sustainability information is enforced consistently across jurisdictions and aligned with the enforcement practices used for financial information</li> <li>They help enforcers identify potential breaches, such as greenwashing, within issuers' sustainability disclosures</li> <li>While the sustainability framework covers a wide range of entities, these guidelines are specifically intended for the supervision of undertakings listed on regulated markets</li> </ul> </div> <div> <a href="#">Click here to download the text</a> </div>

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Section 1: ESG Regulatory updates




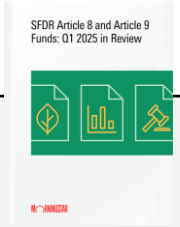

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 <p><b>EBA REPORT</b></p> <p>REPORTING ON THE REMUNERATION AND GENDER PAY GAP DATA FOR "IDENTIFIED STAFF" IN INSTITUTIONS AND INVESTMENT FIRMS</p> <p>Q1 2025</p>	 <p><b>McKinsey Sustainability</b></p> <p>How incumbents can succeed in climate-driven growth investments</p>	 <p><b>Global Sustainable Fund Flows: Q1 2025 in Review</b></p> <p>Based on data as of 31 March 2025</p>	 <p><b>SFDR Article 8 and Article 9 Funds: Q1 2025 in Review</b></p>	 <p><b>Opportunities to Finance Reduced Emissions in Emerging Markets</b></p>
<ul style="list-style-type: none"><li>Covers trends in remuneration and gender pay gap data for "identified staff" in institutions and investment firms; includes new 2023 data on all staff and gender representation</li><li>Removing the bonus cap (per Directive (EU) 2019/2034) led to variable/fixed pay ratios exceeding 500% in some investment firms, though without widespread inflation of bonuses</li><li>Gender pay gap remains significant: women earn on average 24.5% less in institutions, and 32% less in investment firms; underrepresentation in senior roles is a key driver</li><li>EBA urges closer scrutiny by entities and supervisors to address gender disparities and enforce equal opportunity obligations</li></ul> <p><a href="#">Click here to download the report</a></p>	<ul style="list-style-type: none"><li>Between 2019 and 2023, 377 major incumbent companies increased their climate-related investments sixfold, reaching \$683 billion. These funds targeted 12 key technologies capable of reducing up to 90% of man-made greenhouse gas emissions, signaling a shift toward climate-driven growth</li><li>Successful incumbents follow two paths: "pioneer scalars" invest early in emerging technologies, while "fast followers" focus on rapidly scaling proven solutions. Both approaches capitalize on incumbents' strong financial resources, operational capabilities, and established customer networks</li><li>Despite market uncertainty, climate technologies offer strong growth potential. Strategic investment is crucial to achieving net-zero goals by 2050</li></ul> <p><a href="#">Click here to download the report</a></p>	<ul style="list-style-type: none"><li>This quarterly report analyzes open-end funds and ETFs that focus on impact investing, sustainability, or ESG risk factors, detailing global and regional fund flows, asset levels, and new fund launches in Q1 2025</li><li>U.S. investors withdrew \$6.1 billion from sustainable funds, marking the 10th straight quarter of outflows, while Europe saw its first net outflows since 2018, with \$1.2 billion withdrawn compared to \$20.4 billion in Q4 2024</li><li>Global sustainable funds faced record outflows of \$8.6 billion in Q1 2025, reversing \$18.1 billion in inflows from the previous quarter, driven by geopolitical shifts and ESG backlash</li></ul> <p><a href="#">Click here to download the report</a></p>	<ul style="list-style-type: none"><li>Since the European Union's Sustainable Finance Disclosure Regulation came into force in March 2021, asset managers have been required to provide more information on the sustainability risks and impact of their investment products sold in the EU</li><li>In Q1 of 2025, Article 8 funds netted an estimated EUR 52 billion of net new money, the highest inflows since 2021, supported by increased subscriptions into fixed-income funds</li><li>This report provides an update on the landscape of Article 8 and Article 9 funds, examining aspects such as flows, assets, product launches and closures, fund name changes, sustainable investment targets, and taxonomy alignment levels</li></ul> <p><a href="#">Click here to download the report</a></p>	<ul style="list-style-type: none"><li>Institutional investors are moving beyond divestment, increasingly adopting strategies that actively support emissions reduction in carbon-intensive sectors—especially in emerging markets, where emissions are projected to grow the most in coming years</li><li>Three main approaches are emerging: selecting best-in-class companies leading the low-carbon transition, engaging with lagging firms to improve climate performance, and directly financing transition projects via debt instruments and private market investments</li><li>The Morningstar Emerging Markets Low Carbon Transition Leaders™ Index shows that systematically selecting transition-ready firms can enhance growth exposure and improve risk management in emerging markets</li></ul> <p><a href="#">Click here to download the report</a></p>



**US Supreme Court poised to revive challenge to California emissions standards**

The U.S. Supreme Court has shown openness to a lawsuit brought by Valero Energy and other fuel industry groups challenging the EPA's 2022 decision allowing California to adopt its own, stricter vehicle emission standards compared to federal regulations

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**Trump emergency move aims to cut approval times for energy projects to 28 days**

*The Trump administration announced an emergency measure to fast-track the approval of energy and mining projects on federal lands, cutting review times to 28 days, favoring fossil fuels, and drawing criticism for weakening environmental protections*

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**What is 'ESG materiality' and why does it matter to investors?**

The importance of identifying and considering environmental, social, and governance factors that can significantly impact a company's financial performance. For investors, understanding ESG materiality is crucial to assessing sustainability-related risks and opportunities and improving investment decisions

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**Banca MPS invests 450 million euros to support SMEs' green transition**

Banca Monte dei Paschi di Siena has announced a €450 million investment to support the green transition of Italian small and medium-sized enterprises (SMEs). This financing aims to promote energy efficiency, the adoption of renewable energy, and sustainable innovation within the national production sector

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**New York pension funds put asset managers on notice over climate plans**

New York City's public pension funds are threatening to revoke mandates from asset managers, such as BlackRock, who fail to present credible climate transition plans by June 2025, aligned with the city's goal of achieving net-zero emissions by 2040

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**Barteselli (Banco BPM): Despite Omnibus, ESG data remains essential for credit provision**

Banco BPM confirms that ESG data remains essential for credit granting despite regulatory simplifications and promotes sustainability by offering consulting and incentives to companies

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**Companies plan shift to green energy despite Trump-era rollbacks, survey shows**

Despite climate policy rollbacks under the Trump administration, the majority of 1,500 business executives surveyed across 15 countries support a rapid transition to renewable energy by 2035, viewing renewables as key to energy security, economic growth, and international competitiveness

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**Cutting Emissions Requires Strong Synergy Between Brands and Suppliers**

Reducing emissions in the fashion industry requires close collaboration between brands and suppliers. Since a large portion of emissions originates from the supply chain, it is essential for brands to actively engage their production partners to implement sustainable practices and achieve climate goals

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# ESG & Sustainability upcoming events

May 2025



## Reuters Net Zero USA: 6-7 May 2025

Sustainability USA 2025 is a Reuters event focused on sustainability, where leaders, policymakers, and investors come together to define sustainable strategies and solutions

[Click here to go to the page](#)

San Diego



## Annual World ESG and Climate Summit: 13-14 May 2025

In-depth discussions on various aspects of sustainability and ESG, including environmental conservation, social responsibility, and corporate governance

[Click here to go to the page](#)

Amsterdam



## Sustainability Data America 2025: 14 May 2025

Data America conference provides attendees with solutions-focused, practical insights on how to manage and use sustainability data effectively, how to ensure accurate, verifiable, traceable and consistent data

[Click here to go to the page](#)

New York



## Impact Investing Forum 2025: 14-15 May 2025

The Impact Investing World Forum, is a major global event focused on the social impact of various investment sectors, including finance, technology, sustainability, and philanthropy

[Click here to go to the page](#)

London



## Climate & Impact Summit Europe: 21-22 May 2025

The FT Climate & Impact Summit brings together senior leaders from business, finance, and policy to confront how climate change is already disrupting sustainability efforts

[Click here to go to the page](#)

London



## ESG Conference: 27 May 2025

The event will focus on environmental, social, and governance topics relevant to investors and companies, aiming to highlight the strategic importance of sustainable practices in long-term value creation

[Click here to go to the page](#)

Virtual



## Sustainability LIVE: 28-29 May 2025

Co-located with Procurement & Supply Chain LIVE, Sustainability LIVE Chicago offers a unique opportunity to explore the intersections of sustainability with procurement and supply chain management

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Chicago



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# ESG Conferences organized by Investment Banks and Brokers

Annual list

Organiser	Event Name	Mode	Location	Date	Hyperlink (if any)
	Responsible Investor Europe 2025	In-person	London, UK	11-12 June 2025	<a href="#">Responsible Investor Europe</a>
	5th annual Sustainability Week US	In-person	New York, US	11-12 June 2025	<a href="#">Energy innovation and environmental stewardship</a>
	ESG Business Conference	In-person	Milan, IT	18 June 2025	<a href="#">ESG Business Conference</a>
	The 13th ICSD 2025	In-person	Rome, IT	10-11 September 2025	<a href="#">International Conference on Sustainable Development</a>
	Sustainable Investing Summit 2025	In-person	Amsterdam, NED	18-19 September 2025	<a href="#">Sustainable Investing Summit 2025</a>
	Sustainability Europe 2025	In-person	London, UK	12-22 October 2025	<a href="#">Sustainability Europe 2025</a>

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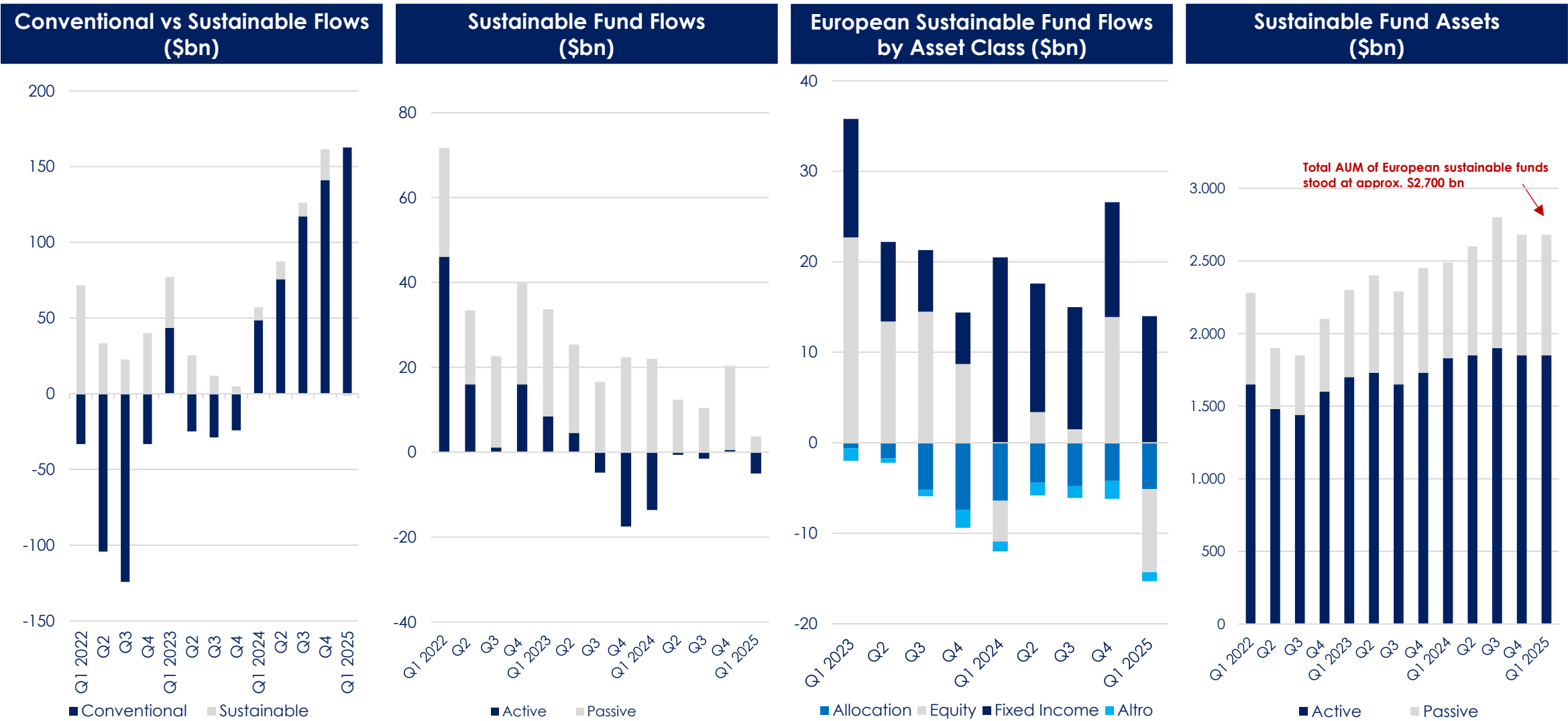
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# European sustainable fund flows in Q1 2025 recorded negative flows for the first time with \$1.2 billion withdrawn



**Note:** According to Morningstar research, the global “sustainable” fund universe encompasses open-end funds and ETFs that, by prospectus or other regulatory filings, claim to focus on sustainability; impact; or environmental, social, and governance factors. Universe of sustainable funds is based on intentionality rather than holdings

**Note:** The value of Q3 2024 fund flows classification (art. 6, 8, 9) has been updated from Morningstar’s last published report

**Source:** Morningstar



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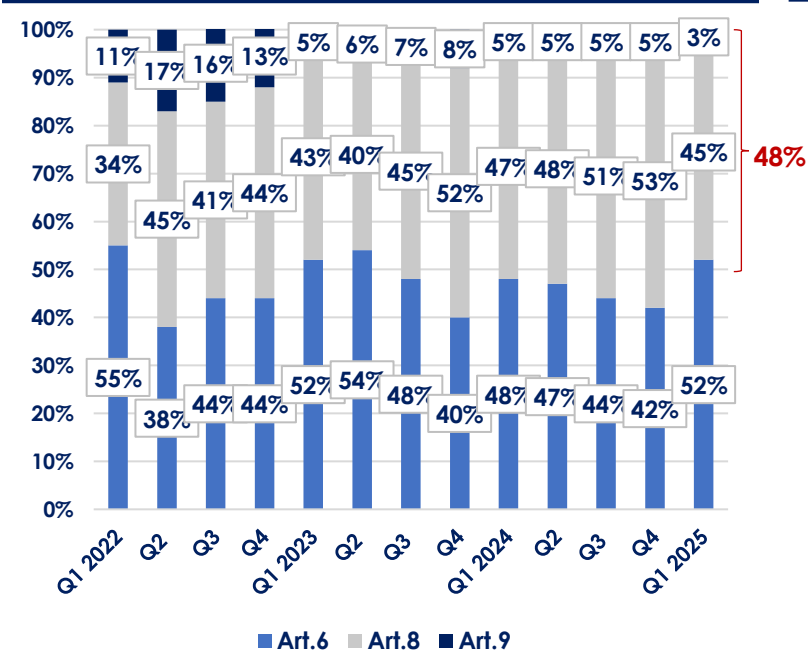
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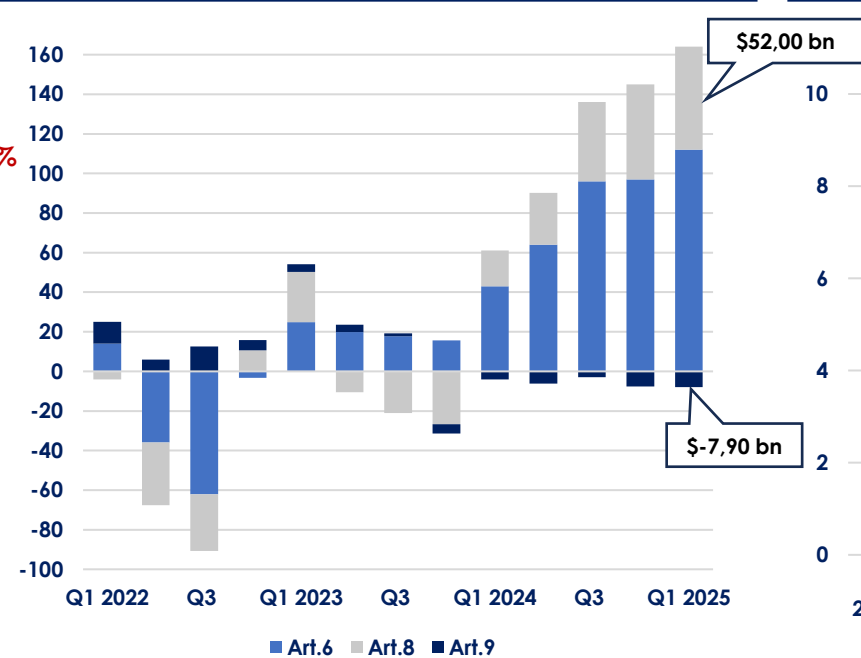
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# Q1 2025: Article 8 Funds See €52bn Inflows, the Highest Since 2021, as Sustainable Strategies Represent 48% of New EU Fund Launches and AuM Holds at €6 Trillion

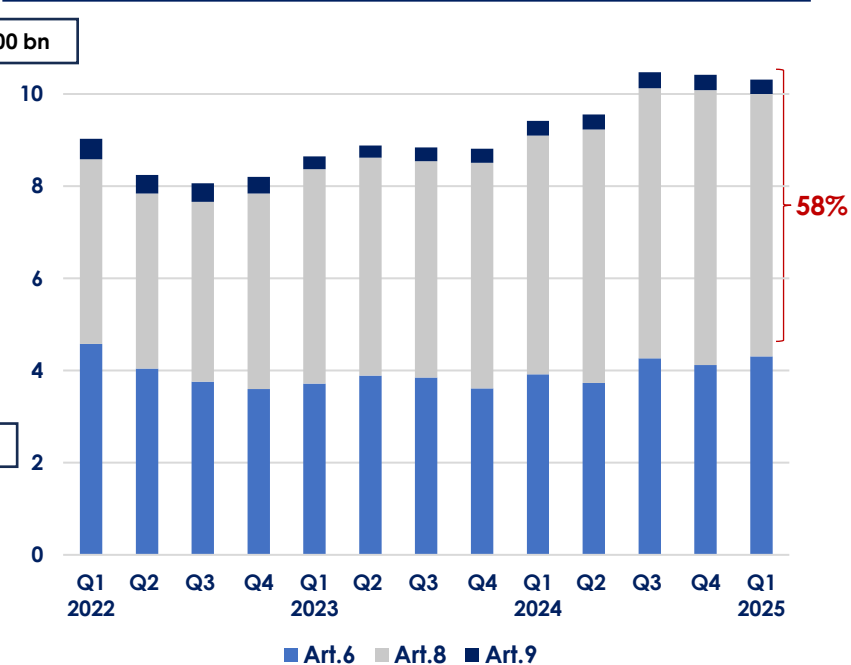
Breakdown of Art.6, Art.8, Art. 9 Launches



Flows into Art.6, Art.8, Art.9 Funds (€bn)



AuM Breakdown of Art.6, Art.8, Art.9 Funds (€trn)



- In Q1 2025, **Art. 8 and Art. 9** funds accounted for 48% of the total number of funds launched in the EU
- **Art. 8** funds recorded **€52 bn of inflows in Q1 2025**, marking the highest quarterly inflows since the fourth quarter of 2021. An uptick from EUR 48 billion in the previous quarter
- **Art. 8 and Art. 9** AuM funds stood at **€6 trn at the end of March 2025**, maintaining the share to 58% of the EU funds

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*Sustainability matters!*

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