

THE CITY OF LONDON LAW SOCIETY

Minutes of a meeting of the CLLS ESG Committee (the “Committee”) held in person and online

At 16:00 – 17:00 on 30 September 2025

1. Welcome and apologies

- 1.1. In attendance: Roger Leese (Chair) (Clifford Chance), Sophie Kemp (Vice-Chair) (Kingsley Napley), Greg Norman (Vice-Chair) (Skadden, Arps, Slate, Meagher & Flom), Paul Davies (Latham & Watkins), Michael Green (Latham & Watkins), Simon Witney (Travers Smith), Naomi Roper (Penningtons Manches Cooper), Emma Giddings (Norton Rose Fulbright), Michelle Bradfield (Jones Day), Rebecca Perlman (Kirkland & Ellis), Mindy Hauman (White & Case), Harry Hecht (Slaughter and May), Peter Wickham (Slaughter and May), George Murray (Secretary) (Slaughter and May).
- 1.2. Apologies: Kevin Hart (CLLS), Kerry Stares (Charles Russell Speechlys), Matthew Townsend (A&O Shearman).

2. Approval of previous minutes

- 2.1. Draft minutes from the previous two sessions were approved, subject to any comments to follow after the meeting.
- 2.2. Action: Members to provide any further comments on the previous sets of minutes by Tuesday 7 October.

3. Election of vice-chair

- 3.1. The Committee approved the election of Sophie Kemp as vice-chair to the Committee.

4. The state of play in sustainability

- 4.1. *Range of ESG work.* The Committee noted that there had not been a general change in approach in respect of sustainability or a reduction in the breadth of work being undertaken. Members reported that work continues to span litigation, renewables, finance, and other areas, with clients increasingly seeking advice on how to resolve tensions between different regulatory regimes and political pressures in various jurisdictions. It was observed that the complexity of the current landscape is leading clients to approach City firms for support on the most challenging questions. Members also reported an uptick in advisory and lobbying work, particularly in relation to the Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD), EU Deforestation Regulation (EUDR), and greenwashing mitigation. Requests for transactional support also continue.

- 4.2. *Terminology.* It was noted that some firms are moving away from the term 'ESG' and adopting 'sustainability' in their client communications, especially with US clients, where 'ESG' is increasingly seen as toxic. It was suggested that a flexible approach that can accommodate both terms may be needed, given the range of client views on the matter.
- 4.3. *Regulators.* In the regulatory sphere, it was noted that there is growing pressure on regulators to take a step back, and that less progress has been made in the last five years than might have been expected. The rise in class actions related to greenwashing has led organisations to be more cautious in their public statements, with some members reporting that two years ago they were receiving weekly requests for advice, but this has slowed following the postponement of CSRD and the current US administration's stance.
- 4.4. *ISSB.* There has been an uptick in questions related to the International Sustainability Standards Board (ISSB) standards, particularly in light of the retreat of CSRD, and an increase in queries from Asia. Clients are increasingly focused on how to comply with multiple regimes and encouraged by the direction of travel indicated by EFRAG (of aiming for interoperability between ISSB and European Sustainability Standards reporting) and other standard-setters.
- 4.5. *Disputes.* Members reported a decline in private law climate claims, with the focus shifting towards public law and judicial review challenges, particularly following the Finch decision. The International Court of Justice's advisory opinion, which bridges human rights and climate change, has led businesses that claim compliance with the UN Guiding Principles (UNGPs) to reassess their approach. NGOs are also increasingly focusing on biodiversity as an avenue of approach. Although several recent high profile claims against corporates were unsuccessful for claimants, the courts made observations that may encourage further claims. It was noted that less active regulators could leave more space for private law actions.
- 4.6. *Targets.* A number of clients are approaching sustainability targets they now realise they will not meet, and are in the process of reformulating these in light of a changed ESG landscape and developments, such as having more data and more sophisticated reporting frameworks, since the targets were set.
- 4.7. *Carbon markets.* Activity in the carbon markets had dropped off significantly but is now beginning to return. Members highlighted new cases focusing on issues such as ownership and the potential for final buyers, not just legal owners and operators, to be joined into claims. As 2030 approaches and clients consider their climate targets, there may be increased use of carbon credits. Many EU clients are making more demands, such as adherence to the Science Based Targets initiative (SBTi), while US clients are stepping back from voluntary requirements.
- 4.8. *Funds.* Market sentiment has shifted, with a dramatic pullback in the funds world as a result of CSRD delays and the current US political climate. Many are waiting for further details from the FCA and on amendments to the Sustainable Finance Disclosure Regulation (SFDR).
- 4.9. *Defence.* The Committee discussed the evolving relationship between defence and ESG, including the use of primary and secondary defence technologies and the impact of sanctions. Traditional sources of ESG funding have dried up in light of the US political situation, but alternative forms of funding are emerging, particularly on the defence side.

4.10. *Social Housing.* In the social housing sector, members observed that ESG considerations have fallen down the list of priorities, with increased signs of ESG fatigue among clients and stakeholders.

5. UK developments

- 5.1. *Recent UK sustainability consultations.* The UK Government launched consultations on the UK Sustainability Reporting Standards (UK SRS), sustainability assurance and transition plans on 23 June, focusing on standards that could be applied (rather than scope of the regimes more generally, although the presumption is that scope would reflect that of existing climate reporting).
- 5.2. The CLLS has convened working groups to respond, involving successful cross-committee collaboration. Overall, the working groups identified considerations of international alignment as a key theme, although the degree of alignment would vary by topic area.
- 5.3. Alignment was considered particularly relevant to support group-wide reporting and avoid duplicative “similar-but-different” requirements. Transition plans may also need closer alignment with EU approaches under CSRD/CSDDD, to avoid corporates producing multiple transition plans, although a general preference for “comply or explain” in respect of transition plans was noted. The Committee also noted that the UK SRS’ single materiality approach, which aligns with the approach taken in the ISSB and Australia, diverged from the EU’s double materiality approach.
- 5.4. *TCFD research.* It was noted that a committee member was involved in research continues into the impact of TCFD-aligned reporting on corporate behaviour. Specifically, whether the reporting simply reflected what a business would do anyway, or whether it influenced them to change. Members were invited to identify clients who may wish to participate.
- 5.5. Action: Members are invited to suggest clients who may be interested in participating in research on the impact of TCFD-aligned reporting.

6. EU developments

- 6.1. *The general state of play.* The Committee noted widespread EU delays across several areas. The debate has shifted towards competitiveness versus reporting burden, potentially straying from the focus on investor usefulness originally envisaged under CSRD. Notwithstanding political pushes for deregulation, many businesses still seek a level playing field and recognise sustainability’s competitive relevance.
- 6.2. *Deforestation Regulation.* The Committee reflected briefly on the proposed delay to the date from which the EU’s Deforestation Regulation would apply. The EU had so far suggested the delay was driven by IT issues. It was noted that a further delay and/or reopening of the regulation would further undermine EU regulatory credibility, as the regulations had already been delayed by a year previously.
- 6.3. *EU Green Bond Standard.* In contrast to other areas of slowdown, the EU Green Bond Standard was reported to be progressing positively. Significant numbers of EU-based issuers are looking

to avail themselves of it, and regulators and national competent authorities are acting in line to provide those services under the EU Green Bond Standard.

7. Working group updates

- 7.1. No updates were provided at this meeting.

8. Events update

- 8.1. The Committee considered three potential events in respect of:

- 8.1.1. *The rule of law in the US*: a member recently chaired discussions on recent challenges, such as those directed against US universities and executive orders aimed at law firms. The topic is recognised as being sensitive, and the Committee will consider whether to progress an event.
- 8.1.2. *WWF collaboration*: WWF remains keen to partner on events; this opportunity should be progressed.
- 8.1.3. *A Barrister for the Earth: Ten Cases of Hope for Our Future* by Monica Feria-Tinta: there was strong interest in an event inspired by this book to explore litigation risks and developments in South America, Canada, Australia and New Zealand amongst others. A winter timetable was preferred, and a hybrid format could accommodate both internal and external audiences.
- 8.1.4. Action: Sophie Kemp and Roger Leese to convene an organising call to scope and deliver the “Barrister for the Earth” event for the winter period. Please can members provide any expressions of interest by 3 October.
- 8.1.5. Action: Members are invited to raise by email any additional ideas for events.

9. AOB

- 9.1. *AI, litigation and regulatory risks*: The Committee discussed recent UK court cases involving fabricated AI-generated authorities and the associated professional and regulatory risks. It was noted that a member of the Committee had represented a local council in one of the first 'fake AI cases' in the courts, which resulted in a positive outcome for the council. The case highlighted the importance of robust internal controls and training to prevent the misuse of AI, as well as the potential implications for SRA regulation. Members reported that their firms had implemented firm-wide training to reinforce best practices and to caution against the use of AI in generating legal authorities without proper oversight.
- 9.2. *Liaison with the CLLS AI Committee*: The Committee discussed the potential for further collaboration with the CLLS AI Committee, noting previous joint discussions and the clear overlap in areas such as reporting, responsible AI, and AI governance.
- 9.3. Action: The Chair is to reach out to the CLLS AI Committee to explore closer collaboration and potential joint initiatives, for example, in relation to regulatory risks and best practices.

9.4. *Recruitment*: The Committee recalled that an advert for new members had been issued earlier in the year and had generated interest from several individuals.

9.5. Action: The Chair will liaise with CLLS to advance the recruitment process and report back in due course.

10. Date of next meeting

10.1. To be confirmed, likely in January 2026. Members expressed a preference to meet in person where possible.