

2023: A regulatory whirlwind for climate and sustainability

In the first 2024 edition of Deloitte's **Creating a climate of change digest** we take a retrospective view of 2023's most pivotal climate and sustainability regulatory updates. This "year in review" edition curates the 15 most noteworthy developments that have shaped policy and decision-making, offering a focused summary of the past year's regulatory shifts and emerging trends essential for understanding the current landscape. Click each icon to read the complete article.



California Department of Insurance (CDI) partners with the United Nations (UN) Principles for Sustainable Insurance Initiative (PSI) to create a first-of-its-kind road map of strategies for the insurance sector

The road map urges speedier progress: It calls for a faster transition to net-zero and a faster alignment of both the industry and regulatory environment with the Paris Climate Change Agreement



The Office of Financial Research (OFR) releases its 2022 Annual Report to Congress; overall threats to US financial stability were elevated when compared to the previous year

The report discusses several emerging threats posed by climate-related financial risks



National Association of Insurance Commissioners (NAIC) identifies climate risk as a top regulatory priority for 2023

State standard setter says that it would "work to close climate risk-related protection gaps" in the insurance sector



Board of Governors of the Federal Reserve System (FRB) releases instructions for its first piloted climate scenario analysis (CSA) exercise, expected to improve knowledge about climate-related financial risk and risk management activities

Key observations and aggregated information from the pilot CSA exercise will likely be issued



US Secretary of the Treasury Janet L. Yellen points to climate change insurance coverage issues as a potential threat to the US financial system

Secretary Yellen noted there has been at least a fivefold increase in the annual number of billion-dollar disasters over the past five years



International Auditing and Assurance Standards Board (IAASB) releases proposed International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagement

IAASB Chair noted that the ISSA 5000 proposal aims to improve trust and confidence in sustainability reporting



Federal Insurance Office (FIO) publishes landmark report on gaps in insurance oversight of climate risk

The report commented on the state insurance regulatory regime in its efforts to incorporate climate-related risks into regulation and supervision



International Sustainability Standards Board (ISSB) issues inaugural global sustainability disclosure standards

The standards create a common language for disclosing the effect of climate-related risks and opportunities on a company's prospects

Securities and Exchange Commission (SEC) adopts amendments to rule 35d-1 under the Investment Company Act, the "Names Rule"

The amendments extend the 80% investment policy requirement to funds whose names suggest an investment focus on ESG-related factors



US Department of the Treasury publishes the Principles for net-zero financing and investment

The principles encourage financial institutions to adopt the emerging best practices for their net-zero commitments and intend to promote consistency and credibility in institutions' approaches toward these commitments



The Network for Greening the Financial System (NGFS) has introduced short-term climate scenarios to enhance financial resilience

These scenarios, covering a three-to-five-year horizon, address immediate impacts and transition risks



Federal bank regulatory agencies jointly finalize principles for climate-related financial risk management for large financial institutions

The principles provide a high-level framework for the safe and sound management of exposures to climate-related financial risks for large financial institutions

California enacts SB-253, the Climate Corporate Data Accountability Act, and SB0261, the Climate-Related Financial Risk Act, into law

Groundbreaking climate disclosure laws for businesses mandate GHG emissions and financial climate risk reporting, enhancing transparency and climate action



Task Force on Climate-related Disclosures (TCFD) completes its work with the publication of the 2023 status report on companies' climate-related disclosures

This report describes companies' progress in making climate-related financial disclosures and the challenges faced in making such disclosures

The Biden-Harris administration releases the National Climate Resilience Framework

Framework is designed to guide and align climate resilience investments and activities by the federal government and its partners

