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Sustainability after ESG

What matters now for insurers, banks and wealth managers

A commercial, regulatory and Board-level assessment of risk, resilience, product economics and fiduciary duty in a politically fragmented world.



A financial-services decision paper

Sustainability after ESG is written for Boards and executive teams that need to make sound financial and customer decisions amid diverging regulation, uncertain political support and changing physical risks. It is intended to help readers distinguish what matters from what merely sounds important.

HOW TO READ THIS PAPER

Start with the executive decision and sector economics. Use the insurer, life, banking and wealth chapters according to your business model. The regulatory map is a dated orientation, not legal advice. Finish with two editable assessment checklists, which should be used with evidence and accountable owners.

This is a new publication informed by Shoreline's earlier paper Reflections on Strategy for Insurance Companies (Paper 1 of 3). We have retained its Board/CEO accountability distinction and the value of risk-management and platform strategy. We have replaced categorical claims that every organisation must embrace ESG or face rejection with explicit materiality, local legal applicability and demonstrable economics.

The research cut-off is 18 October 2026. Company case-study figures are clearly marked as company-reported where causal or independent assurance cannot be demonstrated. The underlying source register gives dates, authors or institutions and URLs. Regulatory thresholds, injunctions and product requirements should be reconfirmed for each legal entity before action. [R01–R05, R09–R13]

Shoreline Asia | Advisory • Learning • Technology

Publication map

Chapter	Strategic purpose
01. The executive decision	The question is not whether an institution supports "ESG". It is whether it understands the risks, opportunities, customer effects and legal obligations that can change its economics.
02. What ESG means now	The term is widely used to mean at least five different things. Confusing them leads to unsound strategies, unsuitable advice and weak measurement.
03. The political reset	Trump-era US reversals are material. So is the risk of over-reading what they mean for international financial institutions.
04. Value needs proof	The next competitive advantage may belong less to the loudest ESG advocates than to institutions that can measure useful financial results.
05. Non-life insurance: protecting insurability	For general insurers and reinsurers, resilience is not an adjacent ESG product. It is increasingly part of the feasibility of maintaining protection in exposed locations.
06. Life insurance: the long-duration sustainability problem	Life insurers are not simply property insurers with fewer climate claims. The risk channels, liability durations and product economics are fundamentally different.
07. Banks: the credit and transition economy	A sustainable loan is still a credit exposure. The strategic question is whether transition, physical risk and client economics are integrated into origination, monitoring and pricing.
08. Wealth: integrity of the investment promise	ESG in wealth management is a suitability, portfolio-construction and truth-in-marketing problem before it is an investment theme.

09. The rulebook is fragmented	The most damaging regulatory error is treating a globally published standard as automatically binding—or treating a deregulatory announcement as a complete repeal.
10. The Board: oversight without slogans	An effective Board approves strategy and risk appetite, challenges management's assumptions and demands evidence. It does not run the sustainability programme.
11. Case studies: what can actually be learned	Cases are chosen for analytical value, not branding. Corporate figures are company-reported unless noted; each case identifies what remains unproven.
12. The outlook: 2027–2035	Sustainability survives where the economics, legal duties or customer demand survive. The ESG label alone is a poor forecast.

The executive decision

The question is not whether an institution supports “ESG”. It is whether it understands the risks, opportunities, customer effects and legal obligations that can change its economics.

In 2026, financial institutions face two truths that should be held together rather than traded off. Political and regulatory support for the ESG label is fragmenting, particularly in the United States. Yet property losses, mortality and morbidity changes, credit impairment, client suitability, supply-chain failures and failures of governance can affect cash flows and capital whether or not an institution publishes a net-zero pledge. A rigorous approach starts with materiality and moves through measurement, accountable decision-making and assurance. [R01–R05, R06–R08, R59]

The strongest Shoreline conclusion is a discriminating one: sustainability should be treated as a portfolio of economic and governance questions, not an identity statement or a universal investment strategy. The material issues differ markedly between a property insurer, a life insurer with thirty-year liabilities, a regional bank financing vulnerable collateral and a wealth manager handling values-based client preferences. An institution that simply copies another sector’s targets may make inferior decisions.

THE CENTRAL THESIS

Move from ESG declarations to financially material exposures, customer outcomes, defensible products, tested interventions and Board-visible evidence. Political positioning is not a substitute for risk management; neither is sustainability rhetoric.

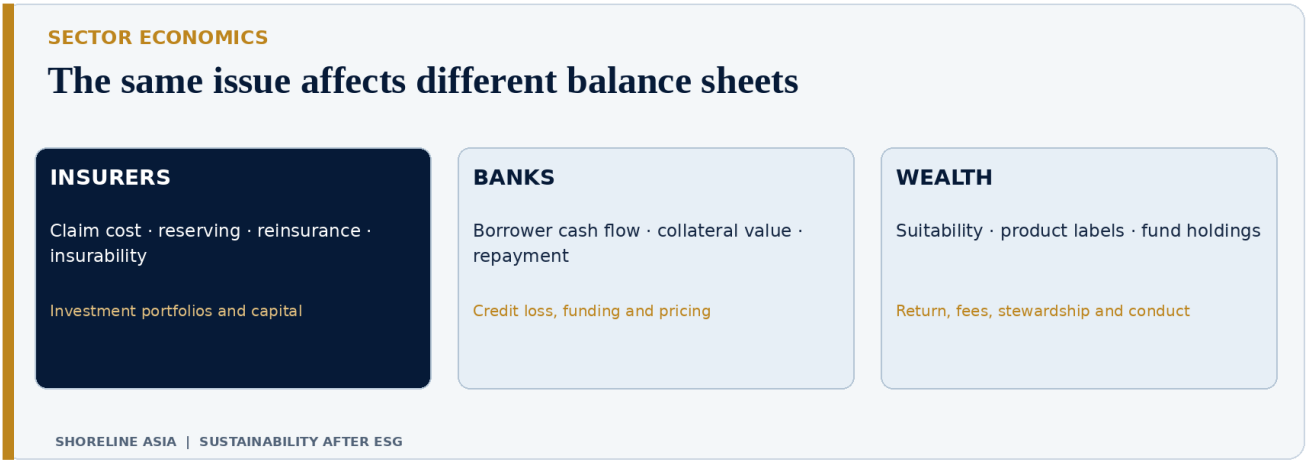


Figure 1. Materiality begins with the business model. Similar sustainability factors can have different cash-flow and duty implications.

Six decisions that Boards should expect management to answer

- Which environmental, social and governance exposures can reasonably affect earnings, solvency, liquidity, reputation, customers or legal compliance, by business line and time horizon?
- Where is the quantified counterfactual: does a resilience or sustainable-finance initiative outperform the realistic alternative after capital, operating cost, adverse selection and distribution expense?
- What is legally required in each relevant jurisdiction—and what is only guidance, voluntary standard or proposed regulation?
- How do insurance underwriting and investment portfolios, banking credit books and wealth client mandates interact with the same risk drivers?
- Which commitments create measurable delivery obligations, and which would be misleading without appropriate caveats, portfolio evidence or assurance?

- What would change management's strategy: better evidence, a hazard threshold, an uninsurable exposure, a new law, a client-preference shift or a negative business case?

This publication is primarily a governance and strategy paper. It is not legal, actuarial, investment or accounting advice. Its regulatory map is a dated international orientation: group structure, local enactment, product perimeter, exemptions and actual effective dates must be assessed by each institution.

CHAPTER 02 / SHORELINE PERSPECTIVE

What ESG means now

The term is widely used to mean at least five different things. Confusing them leads to unsound strategies, unsuitable advice and weak measurement.

A vocabulary that distinguishes purpose, risk and performance

Term	What it actually asks	Common error
Financial materiality	Which factors could affect enterprise cash flows, financing, solvency or enterprise value?	Assuming that every environmental or social issue is material everywhere.
Impact materiality	How does the institution affect people and the environment, including value chains?	Treating impact reporting as identical to investor materiality.
Responsible investment	How does an investment process use exclusions, risk integration, stewardship or preferences?	Conflating an ESG score with a return forecast.
Sustainable / transition finance	Which real-world activity, borrower change or project does capital enable?	Calling commitments, volumes or labels incremental impact.
Impact investing	What intentional, measurable additional outcome is sought alongside financial objectives?	Equating any labelled fund with a proven positive impact.

These distinctions matter. A bank may have material flood exposure in its mortgage book without marketing green mortgages. A life company may be exposed to increased heat-related morbidity through disability and health riders without underwriting a single fossil-fuel company. A wealth client may prefer to exclude tobacco from a portfolio even where the adviser does not believe the exclusion enhances expected returns. Sound process permits different conclusions. [R13, R13]

Environmental, social and governance are not interchangeable

Environmental analysis should cover chronic and acute physical hazards, emissions-transition economics, natural capital and adaptation. Social analysis should include product affordability, insurance and banking exclusion, client vulnerability, health, employment practices, equality of access, data privacy and fair treatment. Governance analysis should address Board competence, controls, incentives, risk culture, integrity, supplier oversight, cyber and AI governance. These are distinct decision domains, sometimes linked, sometimes in tension. [R35, R67]



Figure 2. A decision sequence designed to prevent a sustainability dashboard becoming a substitute for commercial action.

From rankings to evidence

The familiar temptation is to compress dozens of attributes into a single ESG score. Academic work by Berg, Kölbel and Rigobon identifies substantial divergence across ratings; differences in measurement account for 56% of the disagreement in their study, scope for 38% and weighting for 6%. The appropriate use of such tools is diagnostic. They are not a universal unit of climate exposure, good governance, fiduciary compliance or expected investment performance. [R13, R13]

Likewise, an emissions number is not an earnings number. The relevant financial question is how changes in policy, technology, customers, costs, regulation or hazards may transmit into income, claims, impairment, investment yields and access to capital. A credible management report makes that connection explicit, includes uncertainty bands and marks the difference between observed results and modelled scenarios.

AN EDITORIAL RULE

Never use “sustainable” to imply safer, cheaper, higher-returning or socially beneficial without separately demonstrating the relevant claim. A lower emissions intensity does not establish lower credit risk; an ESG label does not establish investment suitability.

CHAPTER 03 / SHORELINE PERSPECTIVE

The political reset

Trump-era US reversals are material. So is the risk of over-reading what they mean for international financial institutions.

What has actually changed in the United States?

US federal banking agencies withdrew their interagency climate-related financial risk-management principles on 16 October 2025. Their joint statement nevertheless reaffirmed that existing safety-and-soundness frameworks require institutions to address all material financial risks. The substantive policy change is the withdrawal of a climate-specific supervisory layer—not an exemption from credit, market, operational or concentration risk management. [R02]

The Securities and Exchange Commission proposed rescinding its 2024 climate disclosure rule on 29 May 2026; at the 18 October research cutoff the official record identifies this as a proposed rule, not a completed repeal. The earlier rule had been stayed. Compliance teams should not substitute headlines for operative instruments. [R01]

The United States’ withdrawal from the Paris Agreement took effect on 27 January 2026. In parallel, anti-ESG state measures, litigation, federal policy choices and scrutiny of financial institutions’ client-access decisions have altered the political and litigation environment. They do not automatically invalidate state climate statutes,

established securities-law prohibitions on misleading statements or an institution's contractual duties. [R03, R15–R16]

Corporate response: retreat, repricing or rewording?

Market behaviour is more complex than a blanket repudiation. BlackRock announced its withdrawal from the Net Zero Asset Managers initiative in January 2025 while continuing to describe climate risk assessment and differing client mandates as part of its business. HSBC has publicly reconsidered the timetable and feasibility of some climate targets. Public commitments and alliances can change more quickly than the maturity of underlying insurance or loan exposures. The Board question is whether altered commitments are matched by changed financial assumptions, not whether a brand remains in an alliance. [R45–R46]

Morningstar estimated US$21bn net redemptions from US sustainable funds during 2025, the third consecutive calendar year of outflows; globally, sustainable mutual funds and ETFs experienced an estimated US$84bn outflow. These figures signal material weakness in demand for labelled products but do not measure all climate-sensitive investment or capture bespoke mandates. An asset manager should analyse flows against fees, benchmark returns, client composition, product definitions and substitution. [R11, R69, R11]

Europe simplified but did not abandon the field

Directive (EU) 2026/470, finalised in February 2026, narrows core CSRD sustainability reporting to undertakings above 1,000 employees and €450m turnover, and CSDDD scope to much larger undertakings. Implementation and group scoping depend on the specific directive provisions and national transposition. Other existing financial product, prudential, anti-greenwashing and investment-advice rules remain relevant. The European Commission's November 2025 redesign of SFDR is a proposal, not yet a replacement for the applicable SFDR framework. [R04–R05, R79]

Meanwhile, European banks have 2026 ESG-risk management guidelines under the Capital Requirements Directive, and insurance supervisors retain climate risk, solvency and consumer protection expectations. UK PRA guidance published in December 2025 similarly embeds climate-related risk in conventional prudential governance. This creates regulatory divergence, but the deeper dividing line is between reporting scope, prudential obligations and product conduct—not "ESG on" or "ESG off." [R21, R25, R35]

Three practical political scenarios



Figure 3. Scenario narratives, not probability-weighted forecasts. Institutions should retain legal and strategic optionality.

Under persistent fragmentation, multinational groups will need segmented disclosures, documented customer claims and common risk data with local legal treatments. Under commercial reframing, climate adaptation, customer fairness and transition finance increasingly compete for capital on risk-adjusted economics. Under renewed alignment, stronger common reporting may reward organisations that maintained useful data lineage and credible controls. The no-regrets response across all three is financial materiality, truthful client information, prudent risk limits and reversible implementation choices.

Value needs proof

The next competitive advantage may belong less to the loudest ESG advocates than to institutions that can measure useful financial results.

The gap between strategy and valuation

KPMG's June 2026 global study found that 72% of surveyed executives said they understood their sustainability strategies, while only 19% applied robust methods to quantify expected effects on financial performance. This is not evidence that all sustainability programmes fail. It is evidence that the sector's claimed ambitions often outstrip its measurement discipline. [R12]

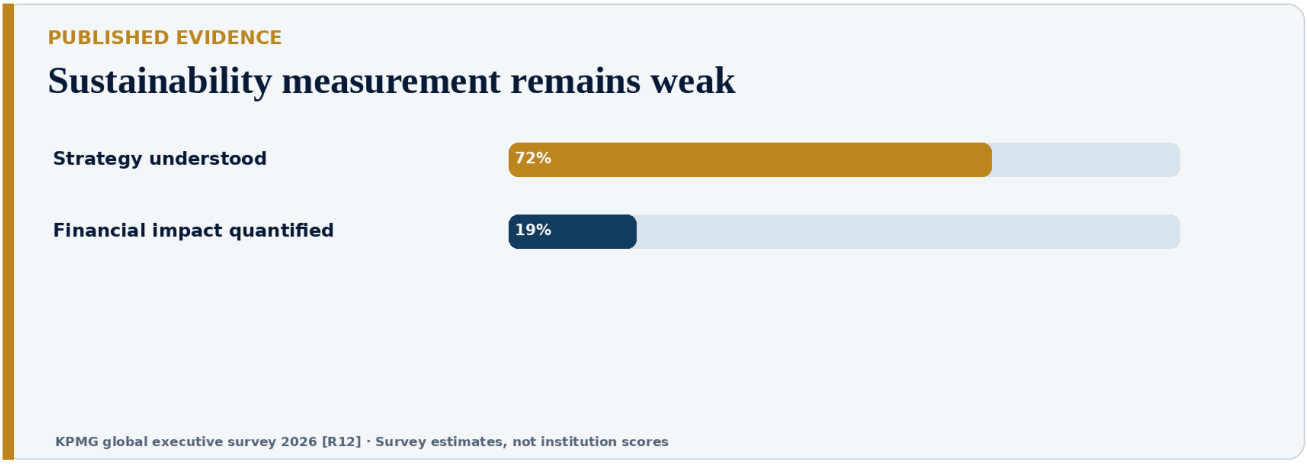


Figure 4. Different survey questions from the same executive study; percentages should not be interpreted as a causal funnel.

The investment-case test

An insurer's resilience service should be assessed against frequency and severity of insured losses, reinsurance cost, risk selection, retention, claim inflation and the cost of advice. A bank's sustainable lending should be measured against risk-adjusted net interest margin, funding, expected credit loss, capital and whether the financed activity would have happened anyway. A wealth product should be evaluated for client objective, benchmark exposure, tracking error, fees, after-cost risk/return and the quality of the outcome claimed. Company-reported capital deployed or customers reached is not equivalent to incremental enterprise value.

The decision framework is deliberately conventional: state the base case, the alternative, the cost of implementation, observable indicators, material uncertainties and conditions for stopping. Some initiatives will be compliance expenditures justified by legal exposure; others are investments with plausible customer or loss-prevention benefits. There should be no requirement that every activity pays for itself in a narrow one-year accounting horizon, but there should be a documented reason for using scarce capital.

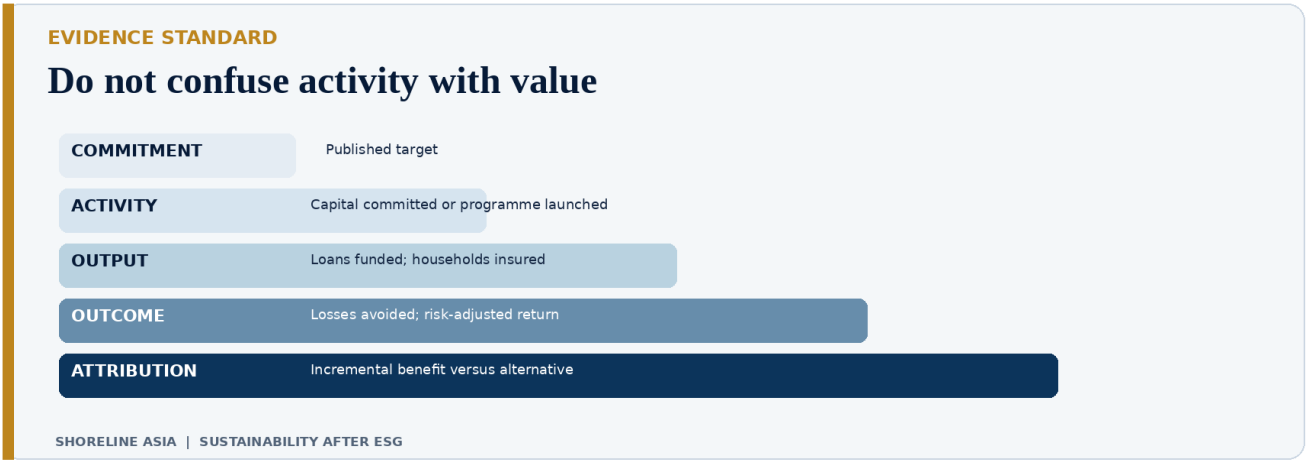


Figure 5. Proof strengthens as a programme moves from commitment and activity towards outcomes and causal attribution.

A minimum measurement template

Business question	Required evidence / finance linkage
What is the baseline?	Claims, lapse, credit loss, expense, capital or benchmark measured before intervention.
What actually changed?	Observed behaviour, utilisation, uptake, risk exposures and implementation dates.
What is attributable?	Matched cohort, credible benchmark or scenario counterfactual; identify confounders.
What did it cost?	Operating cost, technology build, assurance, data, capital, subsidies, commissions.
What could falsify it?	Sensitivity to hazard, rates, assumptions, selection, product mix and regulation.
Who decides?	Named accountable manager, risk limit, Board reporting and stop/pivot trigger.

A disciplined measurement approach should not suppress genuine social outcomes. It should report them separately. For example, access to basic life cover in a low-income market may be a valuable inclusion outcome but deliver thin insurer margins, require public support or face disproportionate claims and servicing costs. A Board should know all three—not merge them into one marketing score.

CHAPTER 05 / SHORELINE PERSPECTIVE

Non-life insurance: protecting insurability

For general insurers and reinsurers, resilience is not an adjacent ESG product. It is increasingly part of the feasibility of maintaining protection in exposed locations.

A material loss and availability problem

Swiss Re Institute estimates 2025 natural catastrophes caused US$220bn of economic losses across 190 events, of which US$107bn were insured. These are global estimates with model and peril differences, not a prediction of next year's outcome. What matters strategically is the combination of risk, exposure accumulation and protection gaps. EIOPA estimates only approximately one-quarter of European natural catastrophe losses were insured across the historical period it reviews. [R06–R08, R08]

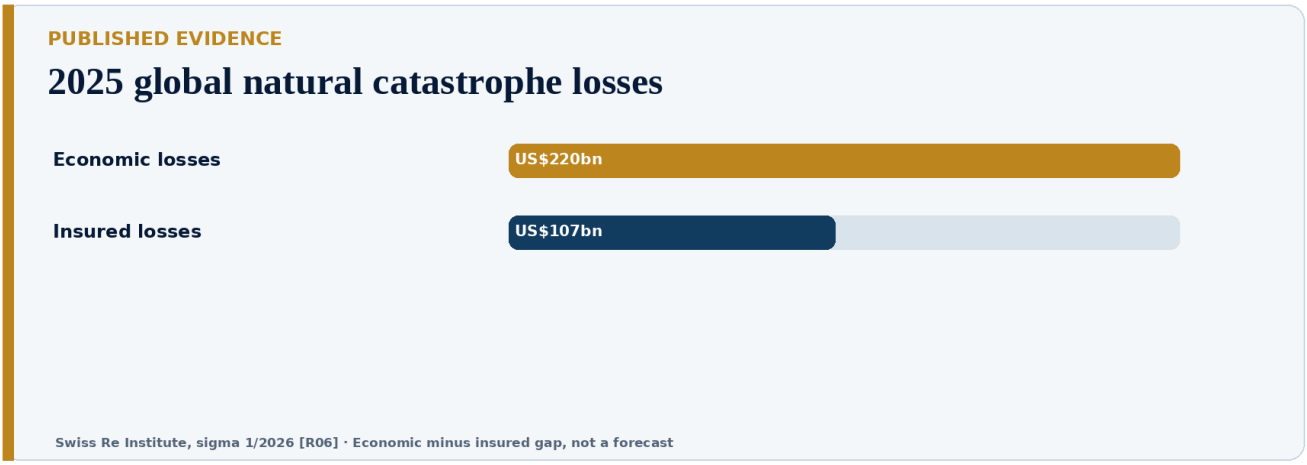


Figure 6. The difference between economic and insured losses illustrates a protection gap, not automatically profitable demand.

There is a tendency to describe each loss as a climate signal. Claims experience also reflects asset values, settlement concentration, inflation, building quality, forest management and risk selection. A general insurer needs location-level exposure, vulnerability characteristics and credible hazard models before changing pricing or capital. The catastrophe model should be tested against alternate providers and documented for what it excludes. [R06, R07]

Underwriting is a public-policy and customer problem

Actuarially sound premiums may become unaffordable in some locations. Withdrawal, higher deductibles, sublimits and exclusions can protect the balance sheet while widening the protection gap and impairing bank collateral markets. Keeping cover affordable through below-risk pricing without credible support can jeopardise capital. A viable strategy often combines better risk information, prevention, risk layering, reinsurance and coordinated public intervention, with explicit responsibility for the cost of subsidy. [R08, R08]



Figure 7. In many locations the commercially relevant question is which actions keep residual risk insurable.

Products and services worth testing

- Climate risk engineering: site-based flood barriers, roofing, fire prevention, drainage, supply-chain planning and equipment hardening. Track interventions completed and post-intervention loss experience, not merely advice delivered.
- Resilient claims and replacement: enhanced repair standards, low-carbon materials where suitable, retrofitting, heat-resilient rebuilds and claims suppliers. Cost, capacity, customer consent and quality control determine whether benefit is real.
- Parametric and index-linked products: rapid disbursement tied to an observable trigger can improve payment speed for farmers, public agencies and SMEs. The basis risk—the mismatch between actual loss and trigger—must be explained and tested.
- Energy-transition infrastructure: renewable generation, storage, grid infrastructure and emerging technologies need construction, warranty, marine, cyber and business-interruption solutions. New technologies can also create correlated or poorly understood loss pathways.
- Insurance-linked securities and catastrophe bonds: these can add risk capacity but do not eliminate loss, price volatility, model error or the need for public catastrophe policy where private markets are structurally constrained.

Insured emissions, financed emissions and underwriting integrity

An insurer may have financed emissions in its bond and equity portfolio, and insurance-associated emissions linked to commercial underwriting. PCAF provides distinct methodological approaches; these are not interchangeable inventories. Insurance-associated emissions estimates are highly sensitive to data availability, attribution factors and scope. A reduction from excluding clients may reduce the company-reported inventory without any change in real-economy emissions. Strategy needs both a method and a description of whether engagement, risk reduction or portfolio reallocation is expected to change an outcome. [R39, R35]

The hard underwriting decision

Boards should expect an explicit chart of properties, segments and regions where expected return after catastrophe capital and reinsurance falls below hurdle, and the decision on whether to reprice, mitigate, transfer or exit. The customer consequence must be reported alongside the insurer consequence. A retreat should never be disguised as climate leadership; where cover is withdrawn, the change should be communicated plainly and fairly.

CASE STUDY / Zurich Resilience Solutions | insurer-led prevention

OBSERVED Zurich describes an integrated climate-resilience and risk-engineering offering that extends beyond insurance placement, using risk professionals, site exposure assessment and practical interventions. [R43, R75]

SHORELINE ASSESSMENT The strategically interesting model is fee-based prevention linked to underwriting insight and customer retention. The available company material does not establish a clean causal estimate of global avoided claims or incrementality of profitability.

EVIDENCE STATUS • Company programme verified; commercial and loss-outcome attribution remains limited.

CHAPTER 06 / SHORELINE PERSPECTIVE

Life insurance: the long-duration sustainability problem

Life insurers are not simply property insurers with fewer climate claims. The risk channels, liability durations and product economics are fundamentally different.

Life and longevity are two sides of risk

Life insurance creates promises across human life courses. Mortality protection exposes the insurer to higher or differently timed deaths; income protection and critical-illness cover respond to disability and morbidity; health riders respond to service use and medical inflation. Annuities and pensions generally expose providers to policyholders living longer than expected. In theory a shift in mortality can move protection and annuity economics in opposite directions. It should not be counted as a dependable hedge: product populations, age profiles, geographies, contract guarantees, reinsurance, reporting bases and asset maturities may be different.

For example, higher heat mortality among working-age insured lives can affect term-life claims, while longer-term adaptation or advances in treatment may improve survival for certain cohorts. More heat-related cardiovascular and renal events may increase disability and hospitalisation claims without proportionate mortality effects. The products therefore require separate exposure maps and experience reviews rather than a single “climate mortality factor.” [R59–R60, R77]



Figure 8. The relevant path for life and health insurers starts with people, contract features and duration—not carbon scores.

Mortality and morbidity: the evidence is emerging, not settled

The Society of Actuaries Research Institute published a practical climate-related mortality and morbidity modelling framework in August 2026. The Australian Actuaries Institute's July 2026 review describes how the 2009 Victorian heatwave coincided with 374 excess deaths as well as substantial health-system pressure. Those are serious historical observations; they do not create a transferable percentage loading for every life book. Models require climate variable, disease mechanisms, adaptation, population selection, location and delayed effects. [R59–R60]

Relevant pathways include heat stress, air pollution and smoke exposure, changing infectious and vector-borne disease patterns, mental-health impacts after disasters, interruptions to medical access, nutritional and income stress, and changing occupational exposures. Correlations should not be treated as proven insurance causation. In particular, medical progress, cooling, public-health policy, migration and resilience can materially change expected outcomes. [R59, R60, R78]

The insurer must decide at what level to monitor: population health statistics may reveal trends, but underwriting cohorts differ in income, geography and entry health. A credible exercise stratifies in-force lives by attained age, occupation, smoking status, region, insured sum, benefit type and policy duration; maps outcomes through assumptions on mortality, morbidity, persistency and medical inflation; then subjects the model to challenge and stress testing. Calibrating pricing and reserves off a national-level projection alone can be misleading.

Product design and fairness: a substantive ESG decision

Climate-linked life and health opportunities may include affordable hospital cash, income protection for climate-exposed workers, group protection linked to agriculture or SMEs, telehealth with clear insurance benefits, rehabilitation and preventive services. However, the most vulnerable customers can also be the most expensive to serve and least able to finance protection. The questions are not only whether the product can be sold but whether the claims trigger is fair, exclusions intelligible, policyholders can maintain cover through income volatility, and management has considered adverse selection and long-run repricing.

Australian prudential remarks in May 2026 highlight that mental-health claims represent roughly one in three paid total and permanent disability claims in the cited industry data, and that claims for people in their 30s have risen sharply over the decade. That is not a claim that climate caused the increase. It demonstrates why environmental, social, medical and labour-market determinants should not be rolled into a single unsupported explanation of disability experience. [R61]

Life insurer asset–liability matching: the other half of sustainability

A life insurer's investment book is not a discretionary thematic portfolio: it exists in part to support benefit and surrender cash flows, guarantees and capital requirements. Transition-sensitive corporate bonds, infrastructure debt, real estate, mortgages and private credit must be assessed for credit quality, spread risk, duration, concentration, liquidity and asset eligibility before an ESG label is relevant. A sustainable infrastructure investment that offers attractive expected yield may still be unsuitable as a liability-matching asset if cash-flow timing or capital charges are unfavourable.

The 2025 Milliman survey of Asian life insurers underlines how solvency regimes, rates and accounting standards complicate ALM across Singapore, Hong Kong, Japan, China and South Korea. The interaction with sustainability is therefore concrete: a transition risk can alter asset values or credit spreads while climate-related health assumptions affect liabilities on different timescales. A robust Board paper should show both sides and their dependency. [R63]

IFRS 17 requires measurement of insurance contracts under applicable recognition and fulfilment-cash-flow principles; IFRS 9 addresses financial instruments. Climate-driven assumptions may be relevant where they materially change current estimates, but neither standard authorises inserting an unvalidated generic ESG reserve. The IASB's November 2025 examples explain how existing accounting requirements address uncertainty; they did not create a separate climate accounting standard. Disclosure under IFRS S1/S2, where applicable, should not contradict accounting assumptions without explanation. [R19, R19]

Why annuities deserve their own Board questions

Longevity protection is increasingly important as populations age. Product design should consider inflation, interest-rate sensitivity, capital requirements, longevity improvement, surrender options, access to lifetime income and fair treatment of older customers. Australia's APRA finalised prudential amendments to the capital treatment of longevity products effective July 2026; that reform is a capital-policy development, not evidence that one ESG-oriented annuity product is inherently superior. [R62]

The sustainable-finance opportunity is the disciplined investment of long-duration capital in economically sound assets, including transition and resilience infrastructure, without compromising policyholder promises. Boards should ask whether climate and transition concentration is visible through credit and duration stress tests, whether illiquid exposures can survive adverse surrender experience and whether any published carbon metric is relevant to actual ability to meet claims.

Prevention and engagement: real innovation, difficult attribution

AIA's 2025 results report approximately US$300m of medical-claims savings from its healthcare capabilities and refer to smart medical-network efficiencies of up to 20% versus out-of-network products. AIA also reports 4.6m AIA Vitality and AIA China Wellness customers engaged and 622m people reached through broader health programmes, subject to specified definitions. These are different measures: medical cost savings, membership engagement and campaign reach should not be conflated with incremental mortality gains or insured profits. [R64–R65]

Discovery's VitalityLife has reported stronger outcomes among engaged members, including a company-cited "up to 57%" reduction in death risk in some analyses. Engagement is not randomly assigned; health-conscious selection, survival bias, incentives, claims adjudication and customer demographics complicate causal interpretation. The useful insight is that preventive behaviour and post-sale engagement may be central to product design; the Board still needs independent validation and a counterfactual. [R66]

CASE STUDY / AIA | health, prevention and lifetime customer economics

OBSERVED AIA integrates healthcare networks, wellness engagement and protection products. Its 2025 annual results disclose approximately US$300m medical-claims savings from its healthcare capabilities and discuss preventive care, chronic disease management and rehabilitation. [R64–R65]

SHORELINE ASSESSMENT Test medical utilisation, avoided hospitalisation, rider attachment, lapse/persistency, investment in networks, selection effects and conduct. Public figures support programme scale but not a fully attributable return on investment.

EVIDENCE STATUS • Company-reported health economics; independent causal evaluation limited.

A life-insurance dashboard the Board can actually use

Driver	Board-level decision variable	Evidence / limit
Heat, smoke, disease	Claims and utilisation by region, age, product; morbidity severity	External epidemiology plus own exposure; lag and selection uncertainty
Mortality protection	Term, whole-life and group sum-at-risk / reserves	Cohort-specific assumptions; reinsurance sensitivity
Disability and health	TPD, critical illness, hospital, medical inflation	Claims cause coding, access to care, socioeconomic factors
Longevity / pensions	Annuity reserve sensitivity, guarantees, inflation	Separate population experience; no automatic offset against death claims
Investments and ALM	Asset credit, duration, liquidity, spread and capital	Financial risk tests, concentration and valuation linkage
Prevention products	Engagement, premium/claims effects, customer fairness	Cohort-adjusted economics and audited behavioural data

LIFE INSURANCE BOARD CHALLENGE

Show the mortality, morbidity, longevity and investment effects separately; then show the combined capital and liquidity position under a plausible stress. Any apparent natural hedge must be demonstrated, not assumed.

CHAPTER 07 / SHORELINE PERSPECTIVE

Banks: the credit and transition economy

A sustainable loan is still a credit exposure. The strategic question is whether transition, physical risk and client economics are integrated into origination, monitoring and pricing.

Physical risk travels through customers and collateral

A flood-exposed building, heat-sensitive agricultural borrower or energy-intensive manufacturer can experience changes in collateral marketability, business interruption, insurance availability, capex and repayment capacity. Physical risk is therefore often a credit, concentration and collateral-risk issue rather than an environmental add-on. The bank needs a consistent chain from asset location to hazard, vulnerability, insurance terms, borrower cash flows and expected credit loss. [R21, R33, R50]



Figure 9. An operational credit-risk decision chain from exposure to customer solution.

A resilience-oriented mortgage or SME facility can make sense when adaptation reduces expected loss, improves asset durability or supports borrower operations. But financing rooftop improvements or flood defences without sound valuation, procurement, verification and affordability terms can leave customers with debt and little measurable risk reduction. The pricing decision should compare default and loss-given-default sensitivities to the full cost of administration and any subsidy.

Transition finance versus blanket exclusions

Transition risk arises when energy prices, carbon costs, customer demand, technology or trade policy changes a borrower's economics over the tenure of a loan. A purely backward-looking carbon intensity screen may reject a credible transitioning client while admitting a low-carbon business with weak repayment capacity. Better credit practice asks how much capex is needed, whether the client has technical and commercial ability to execute a change, and whether assumptions remain plausible under slower or more fragmented transition pathways.

A transition-linked lending structure is only as credible as the specific performance indicators, calibration, measurement independence and consequences of missing targets. Tokens of ambition are insufficient. Where an institution advertises a sustainability benefit, its product approval should consider borrower suitability, use of proceeds, monitoring costs and the possibility that the intended transition does not occur. The EBA's June 2026 revisions explicitly address ESG-featured retail product oversight and greenwashing. [R73]

Revenue and commitments: useful, but incomplete evidence

Standard Chartered reports US$1.07bn of sustainable-finance income in 2025 and US$157bn of cumulative mobilisation in a defined period against its longer-run commitment. DBS reports more than S$102bn of sustainable-financing commitments net of repayments. These are material business-scale disclosures, but management cannot infer incrementality of profit, emissions reduction or societal impact without deal-level counterfactuals and results. [R09–R10, R09–R82]

CASE STUDY / Standard Chartered | the revenue test

OBSERVED The bank discloses US$1.07bn sustainable-finance income in 2025. This supports a real claim that the activity is commercially significant in reported revenue terms, not merely philanthropic. [R09, R09]

SHORELINE ASSESSMENT Attribution remains the issue: how much income is additional rather than relabelled, what returns remain after capital and credit loss, and do linked transactions create independently evidenced transition outcomes?

EVIDENCE STATUS • Company income confirmed; incremental risk-adjusted profitability not established.

CASE STUDY / DBS | transition-finance scale

OBSERVED DBS discloses more than S$102bn of sustainable-financing commitments net of repayments in its 2025 annual reporting, alongside an extensive Asia-focused transition agenda. [R10, R82]

SHORELINE ASSESSMENT Commitments do not establish drawdown, pricing, credit quality or financed emissions outcomes. Useful Board metrics would include portfolio attribution, sector-specific risk returns, customer capex completion and risk monitoring.

EVIDENCE STATUS • Scale reported; investment return and impact need additional evidence.

Emerging market tension: inclusion versus compliance cost

In Africa and Asia, a low-income SME, agricultural cooperative or first-time bank customer may lack robust emissions or location data. An overly complex ESG-data intake can increase credit cost and exclusion without improving loan decisions. A proportional approach starts with hazards and cash flow that are material: seasonal income, flood vulnerability, microenterprise resilience, labour standards and fraud or consumer protection. Digital and agency networks can improve access, but only if disclosure, consent and service economics work.

Banks must also confront the social dimension of transition. Withdrawal from an industry can damage employment and local supply chains; uncritical finance can lock in costly assets. The appropriate decision depends on the transition plan, externality, local economy, time horizon, repayment and client options—not a universal sector blacklist.

CHAPTER 08 / SHORELINE PERSPECTIVE

Wealth: integrity of the investment promise

ESG in wealth management is a suitability, portfolio-construction and truth-in-marketing problem before it is an investment theme.

Four client objectives, four different product designs

The adviser should identify whether a client seeks: (1) conventional risk-adjusted return with material sustainability risk incorporated; (2) alignment with personal exclusions or values; (3) financing of a specified transition or impact outcome; or (4) active stewardship to influence issuers. These goals can coexist, but neither the expected return nor the social outcome should be presumed from a fund name.



Figure 10. The integrity chain: client objective, investment mandate, exposures, product claim and evidence.

A risk-integrated portfolio may hold high-emitting issuers if their valuations, risk outlook and transition plans warrant ownership. A values-based portfolio may exclude activities that could otherwise contribute to return. An impact portfolio requires intentionality, an outcome measurement and careful assessment of additionality. These are legitimate different contracts with the client. Advisers should record the client choice, explain trade-offs and monitor whether the implemented portfolio continues to deliver its mandate.

Ratings, returns and the limits of simple claims

ESG rating divergence is sufficiently large that different providers may rank the same issuer differently. An investment committee needs the underlying indicators and coverage rather than only the aggregate score. Similarly, evidence on ESG returns must be adjusted for sector, geography, factor tilts, fees, benchmark selection, period and the definition of sustainability. A financial performance conclusion should not be implied by a value preference. [R13, R13]

The US sustainable-fund outflows reported by Morningstar in 2025 undermine any claim of inevitable growth in demand for ESG-labelled products. But the figures also show that market price appreciation can lift assets under management despite outflows and that clean-energy grid investment themes can attract interest separately. For advisers the question is demand by client segment, not a universal forecast. [R11, R69, R11]

Regulatory and fiduciary expectations are continuing

The UK FCA's SDR regime includes naming, marketing, disclosure and anti-greenwashing requirements; investment labels are optional when criteria are met. The EU's SFDR remains relevant for products in scope, and its proposed 2025 simplification should not be described as already law. For EU insurance-based investment products, sustainability preferences under insurance distribution rules require appropriate product matching and explanations where preferences cannot be met. [R05, R26, R68, R26]

The Australian Federal Court's findings against Vanguard Australia in 2024 provide a practical example: the alleged ESG screening was not applied across the relevant bond universe as represented to investors. The failure was not primarily a failure of climate ambition; it was a mismatch between product representations and implemented controls. Fund governance needs auditable holding-level compliance, data provider controls, exception review and clear customer communication. [R70]

CASE STUDY / Vanguard Australia | greenwashing is a controls failure

OBSERVED ASIC obtained a Federal Court finding in March 2024 that misleading environmental and ethical exclusionary-screen claims were made about a Vanguard bond index fund. [R70]

SHORELINE ASSESSMENT A product label requires a trace from promotional copy to investment universe, external indices, exceptions, holdings, monitoring and Board-approved governance. Product claims should be independently sampled before publication.

EVIDENCE STATUS • External regulator and court finding; strong evidence of conduct failure.

Stewardship and client preferences

Large asset managers such as Amundi continue to describe stewardship, engagement and thematic mandates, while BlackRock's alliance withdrawal demonstrates the political and legal sensitivity of public commitments. Neither activity necessarily proves improved shareholder value or a quantified real-world outcome. Managers should publish voting and engagement objectives, case-level milestones, divestment thresholds and exceptions consistent with clients' mandates. [R46–R47]

THE INVESTMENT ADVICE TEST

What was promised to the client; which investments and controls deliver that promise; what is the cost or trade-off; and which dated evidence could allow an independent reviewer to say the claim is true?

CHAPTER 09 / SHORELINE PERSPECTIVE

The rulebook is fragmented

The most damaging regulatory error is treating a globally published standard as automatically binding—or treating a deregulatory announcement as a complete repeal.

Five different legal-status categories

Mandatory law and enacted directives sit at one level. Supervisory guidance and expectations apply through particular regulatory powers and perimeters. Voluntary frameworks and ISO standards can inform controls but are not automatically laws. Proposals and consultations have no operative force until finalised. Finally, stayed or enjoined rules may have a valid legal text but constrained enforcement. An institution should maintain an entity-by-entity register documenting which category applies. [R01–R05, R17–R18, R21, R37]

Selected requirements and their practical implications as at 18 October 2026

Instrument / jurisdiction	Position and timing	Decision for institution
IFRS S1 / S2 | global	ISSB standards issued; mandatory only where adopted. S2 targeted GHG amendments effective 2027.	Confirm local use, consolidation and transition relief. [R17–R18]
IASB accounting examples | global	Illustrative examples issued Nov 2025; no new accounting standard or effective date.	Reconcile material assumptions to IFRS 17, IFRS 9 and other accounting. [R19, R19]
EU CSRD / ESRS	2026/470 enacted; broadly above 1,000 employees and €450m turnover subject to detailed perimeter/transposition.	Review affected entities, assurance and value-chain requests. [R04, R79]
EU CSDDD	2026/470 narrows to very large enterprises (>5,000 employees, >€1.5bn net worldwide turnover); timing and transposition matter.	Assess entity test and due diligence processes; do not rely on earlier proposals. [R04]
EU SFDR / financial products	Current applicable SFDR continues; November 2025 redesign is proposed.	Map product disclosures and marketing; do not present proposed categories as live. [R05]
EU EBA risk guidelines	Generally apply Jan 2026; smaller/non-complex banks later, latest Jan 2027.	Credit, governance, risk-appetite and transition planning evidence. [R21]
EU joint ESA stress tests	Final guidelines exist, scheduled to apply Jan 2027 to supervisors.	Prepare scenario methods; do not say currently applicable. [R72]
EU EIOPA / IAIS	EIOPA prudential rules; IAIS 2025 application paper is guidance, not new law.	Life/GI exposure, ALM, models, ORSA and market conduct. [R35, R35]
US SEC disclosure	2024 rule stayed; rescission proposed May 2026 as of cutoff.	Track docket/final action; avoid claiming implemented repeal. [R01]

US bank climate principles	Interagency principles withdrawn Oct 2025; general material risk duties continue.	Use normal prudential control framework. [R02]
California SB253 / SB261	Separate state climate requirements and litigation; entity and timing conditions differ.	Legal applicability review before compliance claims. [R15–R16, R15–R16]
UK PRA SS5/25	Published Dec 2025 as supervisory expectations for banks and insurers.	Governance, data, scenarios, material risk and evidence. [R25, R25]
UK FCA SDR	Relevant naming, claims, distributor and anti-greenwashing rules; voluntary qualifying labels.	Verify investment funds and advice claims. [R26, R26]
Australia AASB S2 / ASIC	Phased mandatory climate disclosure by defined cohorts; group/timing vary.	Scope affected reporting entities, assurance, controls. [R28]
Australia APRA CPG229	Prudential practice guide, not standalone mandatory reporting law.	Use for materiality, scenario testing and governance. [R29]
Singapore / Malaysia / ASEAN	Different local timelines and requirements; ASEAN taxonomy a regional guide.	Local supervisory check and proportionate data. [R30–R32]
ISO 32210 / 32212	Published voluntary international standards; 32212 released Jun 2026.	May structure sustainable finance and transition controls, not a blanket legal mandate. [R36–R38, R37, R36]
PCAF, TNFD, GRI, SBTi	Methodologies / voluntary frameworks unless incorporated in law or contracts.	Govern calculation scope, data quality and claims. [R39–R42]

Accounting is not sustainability reporting

A disclosure might describe material transition risk and model uncertainty while financial statements apply more specific recognition and measurement rules. IFRS 17 and IFRS 9 calculations should use justified financial assumptions, and management must explain any apparent disconnect with sustainability scenarios. Conversely, publishing a temperature pathway does not mechanically create an accounting impairment or liability. The IASB's 2025 illustrative examples help bridge narrative and financial statements under existing IFRS requirements. [R19, R19]

Other global standards: proportional application

ISO 32210 provides principles guidance for financial-sector sustainability. ISO 32212:2026 offers a formal voluntary international standard for net-zero transition planning across lending, underwriting and investment activities. PCAF provides methodologies for financed and insurance-associated emissions; TNFD addresses nature-related risk, GRI addresses broader reporting and SBTi provides science-based target methods. Their functions differ. Firms should avoid a standards "shopping list" and instead select tools that answer a material decision or applicable rule. [R36–R42, R37, R36]

STATUS WARNING

The matrix is a 2026 research snapshot, not an institution-specific legal applicability opinion. An effective compliance register also requires legal entity, location, product, thresholds, relevant transposition, start period, exemptions, assurance stage and owner.

The Board: oversight without slogans

An effective Board approves strategy and risk appetite, challenges management's assumptions and demands evidence. It does not run the sustainability programme.

Governance architecture: distinguish the Board from management

The Board must be satisfied that management has identified material issues, evaluated alternatives, assigned accountability, allocated capital consistently with the strategy and disclosed claims lawfully. This is compatible with the original Shoreline view that strategy development is iterative: the CEO proposes and executes, the Board provides constructive challenge, approves and monitors. A Board attempt to specify every product or model undermines management accountability; a hands-off Board unable to interrogate a scenario or a client harm indicator is equally problematic.

Board Risk or Audit Committees should oversee enterprise risk, controls, assumptions, financial-reporting connectivity and assurance. Nomination and Remuneration Committees should consider expertise and incentive integrity. The full Board should own business-model resilience and trade-offs across commercial performance, stakeholder obligations and capital. The structure may vary by institution, but authority and reporting must be clear. [R25, R35, R35]

Board information: five decision-grade artefacts

- A business-line materiality map with documented reasons for inclusion or exclusion, risk owner, time horizon and uncertainty.
- A quantification bridge from environmental/social drivers to earnings, net interest margin, investment performance, insurance liabilities, capital, liquidity or customer outcomes.
- A jurisdiction-specific legal applicability register covering disclosure, prudential risk, conduct, product classification and future milestones.
- A targeted investment and product approval pack with measured commercial economics and red-team challenge of customer promises.
- A dashboard of risk appetite, risk controls, customer fairness, major exposures, remediation decisions and time-bound triggers.

Scenarios should inform decisions, not predict precise GDP

Climate and social scenarios are particularly sensitive to missing data, large time horizons, policy reactions, feedback effects and differences between physical and financial modelling. A Board should demand several plausible pathways, sensitivity to the assumptions that dominate the result, and management actions that could be executed if thresholds are breached. Scenarios are most useful when they can change a capital, lending, underwriting or investment decision. [R14, R21, R25]

For life insurers, the most useful scenario can combine a health shock, changing mortality and morbidity, widened credit spreads on a selected asset portfolio and adverse lapse experience, all on realistic but independent assumptions. For general insurers, test a high-severity event with disrupted reinsurance and premium affordability. For banks, combine physical collateral losses with reduced insurance availability and repayment stress. For wealth managers, test liquidity, concentration and suitability during a transition repricing.

Incentives and social obligations

Linking executive reward to a poorly specified emissions or ESG score can invite target gaming, asset sales that shift rather than reduce emissions, unsuitable products or misleading marketing. Incentives should be balanced with risk-adjusted profitability, customer outcomes, credible milestones, control findings and the quality of measurement. The social dimension includes vulnerability, access, affordability, disability, fair claims and discrimination risks associated with automated underwriting. [R67, R73]

THE BOARD QUESTION

Show the three decisions management would make differently because of this programme, the counterfactual economics for each, and the evidence that would cause management to stop or reverse them.

CHAPTER 11 / SHORELINE PERSPECTIVE

Case studies: what can actually be learned

Cases are chosen for analytical value, not branding. Corporate figures are company-reported unless noted; each case identifies what remains unproven.

CASE STUDY / Swiss Re / EIOPA | a loss and protection-gap problem

OBSERVED Swiss Re estimates 2025 global natural-catastrophe economic losses of US$220bn, with US$107bn insured. EIOPA estimates only around one-quarter of historical EU NatCat losses were covered. [R06, R08, R08]

SHORELINE ASSESSMENT The relevant commercial problem is not a lack of ESG narrative but the limits of insurability: risk pricing, prevention, catastrophe capital, public fiscal capacity and consumer access must be solved together. Different loss estimates and regions are not directly interchangeable.

EVIDENCE STATUS • External institutional loss estimates and supervisory data; no single-firm ROI inference.

CASE STUDY / Zurich | risk engineering as an insurer proposition

OBSERVED Zurich Resilience Solutions markets a combination of exposure assessment, climate resilience, risk engineering and customer tools intended to reduce loss and improve preparedness. [R43, R75]

SHORELINE ASSESSMENT The strategic opportunity is a differentiated value proposition beyond paying claims. The Board should insist on program cost, take-up, renewal outcomes and comparison between mitigated versus unmitigated exposure, with appropriate selection adjustment.

EVIDENCE STATUS • Programme is verifiable; causal avoided-loss outcome not fully public.

CASE STUDY / AIA | health management and protection

OBSERVED AIA 2025 disclosures report roughly US$300m in medical-claims savings through healthcare capabilities, discuss smart medical networks and report millions of engaged wellness customers. [R64–R65]

SHORELINE ASSESSMENT Health management can potentially improve risk experience, customer contact and rider sales. Reach and network savings are not the same as mortality reduction, and cohort selection is a potential confounder.

EVIDENCE STATUS • Company reported programme economics; requires fuller incremental return evidence.

CASE STUDY / Discovery VitalityLife | behaviour-linked insurance

OBSERVED Discovery reports improved observed outcomes among engaged customers in VitalityLife, including a striking “up to” death-risk association under its own methodology. [R66]

SHORELINE ASSESSMENT Programmes can align prevention and risk pooling, but comparison groups may differ before engagement. Premium fairness, incentives, accessibility and monitoring for adverse selection matter as much as headline claims.

EVIDENCE STATUS • Corporate comparative analysis; causality and generalisability not independently established.

CASE STUDY / Standard Chartered and DBS | finance at scale

OBSERVED Standard Chartered reports US$1.07bn sustainable-finance income for 2025 and DBS reports more than S$102bn net sustainable financing commitments. [R09–R10, R09–R82]

SHORELINE ASSESSMENT Both disclosures demonstrate that sustainable finance can be a meaningful operating category, but neither supplies all the data needed to infer additional profit or independently attributable societal outcomes.

EVIDENCE STATUS • Audited/reporting context; incremental economics not shown by headline figures.

CASE STUDY / BlackRock | public alliance membership versus client fiduciary mandate

OBSERVED BlackRock left the Net Zero Asset Managers initiative in 2025 amid US legal and political pressure, while continuing to serve heterogeneous investment mandates. [R46]

SHORELINE ASSESSMENT A Board should distinguish climate data used in financial analysis from collective commitments, stewardship policies and the separate promises made to each client. A decision to leave an alliance is neither proof that risk disappeared nor proof that a mandate failed.

EVIDENCE STATUS • Public corporate action and reporting; performance effects unspecified.

CASE STUDY / Vanguard Australia | investment claim and control mismatch

OBSERVED An Australian court found ESG-screen claims misleading in a Vanguard fixed-income fund, following ASIC action. [R70]

SHORELINE ASSESSMENT Product approvals should trace marketing language to underlying screens, portfolio holdings, external index methodology and ongoing exceptions. A sound ESG product has to be operationally true, not merely attractive.

EVIDENCE STATUS • Regulatory/court finding; strong product governance lesson.

CASE STUDY / US sustainable-fund market | investor-demand counterexample

OBSERVED Morningstar estimated US sustainable-fund outflows of US$21bn in 2025 despite appreciation in total assets under management. [R11, R11]

SHORELINE ASSESSMENT Client demand is not guaranteed, and sustainable funds are not one return factor. Managers should examine net flows, distribution, fees, style, geography and mandate shifts before launching more labelled products.

EVIDENCE STATUS • Third-party industry measurements; product strategy relevance strong, causality multi-factor.

Commercial validation screen — applied consistently to the cases

The case studies are illustrations of strategy and implementation, not independently verified profit contributions. The relevant decision test is incremental risk-adjusted return after programme cost, customer acquisition/retention effects, capital consumption, selection bias, baseline comparison and opportunity cost. Reported commitments, gross income, clients engaged and headline claims savings should not be equated with net value created.

Social and governance: risks beyond carbon

Social materiality depends on the business model. For insurers, affordability and availability, fair claims, medical data consent, vulnerable customers, exclusion terms and community protection gaps can have direct conduct, claims and franchise consequences. For banks, fair lending, debt stress, SME inclusion, labour impacts in financed supply chains and accessible complaints processes belong in credit, conduct and

operational governance. For wealth managers, suitability, sustainable-product mis-selling, voting stewardship, fees and client preference integrity require decision-level evidence rather than reputation statements.

Governance failures can turn ostensibly beneficial sustainability programmes into financial loss: unreliable data, conflicted incentives, weak model governance, inappropriate use of health or customer data, outsourcing failures and misleading disclosures. Boards should seek exception reports and independent control testing rather than aggregate ESG ratings. Management must show named accountability, breaches, remediation age, customer outcomes and risk-adjusted results for each material exposure.

Practical cross-sector comparison: measure insurer complaint/claims fairness and coverage access; bank arrears/fair-lending exceptions and customer remediation; wealth-management suitability exceptions, portfolio product claims and fee/value outcomes. Each metric requires an owner, baseline, control threshold, audit trail and a stop-or-correct response. High-priority matters should enter existing risk appetite, capital and conduct committees rather than be isolated in a voluntary ESG dashboard.

Case-study evidence ratings: (1) independently verified economic outcome; (2) independently verified operational result; (3) company-reported outcome with transparent method; (4) company-reported activity/commitment; (5) proposed initiative without results. None of the published examples should be labelled category 1 without additional assurance evidence. Management should document the counterfactual and periodically stop programmes that do not clear the investment hurdle.

A useful synthesis of the cases

Several case studies show activity at scale, fewer disclose a credible counterfactual, and fewer still provide independent evidence of net enterprise value. This is not reason to abandon all initiatives. It is reason to compare them on an evidence ladder, disclose what is not known and periodically retire or modify initiatives that no longer satisfy the organisation's objectives.

CHAPTER 12 / SHORELINE PERSPECTIVE

The outlook: 2027–2035

Sustainability survives where the economics, legal duties or customer demand survive. The ESG label alone is a poor forecast.

What is likely to persist

Physical hazards, insurance protection gaps, water and heat stress, changing health utilisation, borrower vulnerability, suitability, risk management and Board oversight are not contingent on political approval. Some materiality will shift as policy, technology, adaptation and geographic exposure change. Human behaviour can adapt; models are uncertain; commercial consequences can nonetheless be significant. [R06, R08, R59, R08]

What may become weaker

Undifferentiated corporate net-zero slogans, alliances without clear accountability, complex product disclosures that clients cannot use, weakly evidenced "impact" labels and large expenditure on measurements unrelated to a decision are all vulnerable. Regulatory simplification and declining labelled-fund demand increase pressure to demonstrate value. That does not justify dropping valid control processes or violating remaining legal obligations. [R04–R05, R11, R69]

What may become more important

Insurance prevention and adaptation; risk engineering; energy and digital-infrastructure risk cover; financed transition plans that link to borrowers' ability to repay; geospatial collateral decisions; high-integrity client preference products; longevity and health innovations; AI-enabled forecasting under independent model validation;

and trusted data and assurance. Nature, human capital and inclusion may gain significance in markets where they drive business risks and customer outcomes.



Figure 11. Scenario-dependent language differs; core risk and customer controls should endure.

Act / prepare / watch

ACT NOW	PREPARE / BUILD	WATCH
Screen legal applicability, claims, material credit and insurer exposures.	Integrated life insurance mortality/morbidity data and independent models.	Final US SEC rulemaking and relevant state litigation.
Make risk appetite, loss-prevention and product governance Board-visible.	Risk-linked adaptation pricing, transition-credit and investment analytics.	EU and UK product category revisions and local adoption.
Reconcile reported sustainability figures to accounting and product data.	Scenario validation, data lineage and independent assurance.	Client demand for labelled products and real-world costs of adaptation.

A first 100-day management programme

- Days 1–30: confirm management sponsor, legal entity map, key commitments, material exposures and existing data, identifying five possible misstatements or unsupported product claims.
- Days 31–60: develop a quantified pilot in one insurance, credit or wealth use case; include an independent review of assumptions, client fairness and the full cost of implementation.
- Days 61–90: obtain executive investment decisions with baseline metrics, stop/pivot triggers, data owners, evidence stores, model boundaries and disclosure controls.
- Days 91–100: give the Board a dashboard covering decisions actually taken, material risks, confidence levels, law, residual constraints and a 12-month roadmap.

This should be proportional. A smaller insurer in a low-income market does not need to replicate the sustainability-reporting apparatus of a multinational universal bank. It does need to know its loss concentrations, customer outcomes, solvency exposures, product integrity and applicable law. The right capability is one that improves an identifiable decision.

SHORELINE POSITION

The most durable sustainability strategy is one that could still be defended if every ESG acronym disappeared from the Board agenda tomorrow: it protects customers, preserves solvency and fiduciary integrity, understands risk and earns the capital allocated to it.

Source notes and evidence

Citations are numbered to an independently traceable research register. Direct source links are embedded in the reference titles below.

R01 US Securities and Exchange Commission | 29 May 2026 | Proposed rescission of climate-related disclosure rules
R02 US FDIC / Federal Reserve / OCC | 16 Oct 2025 | Withdrawal of interagency climate-risk-management principles
R03 United Nations treaty status | 27 Jan 2026 effective | US withdrawal from Paris Agreement (treaty depositary status)
R04 European Union / Council / EUR-Lex | 24 Feb 2026 | Directive (EU) 2026/470 amending sustainability disclosure and due diligence
R05 European Commission | 21 Nov 2025 | Commission proposal to revise the Sustainable Finance Disclosure Regulation
R06 Swiss Re Institute | 2026 | sigma 2026/01: Global natural catastrophe losses in 2025
R07 Munich Re | 13 Jan 2026 | NatCatSERVICE 2025 loss report
R08 EIOPA | 16 Apr 2026 | Insurance protection gaps in a changing climate
R09 Standard Chartered | 2025 annual report, published 2026 | Sustainable finance portfolio/income disclosures
R10 DBS Group | 2025 annual report, published 2026 | Chairman/CEO letter: sustainable financing and transition
R11 Morningstar | 2026 | 2025 US sustainable fund outflows
R12 KPMG | 22 Jun 2026 | Only one fifth of executives quantifying sustainability financial impact
R13 Berg, Kölbel & Rigobon | 2022 | Aggregate confusion: divergence of ESG ratings, Review of Finance
R14 NGFS | 24 Sep 2026 | 2025 guide to climate scenario analysis, updated Sept 2026
R15 California CARB | 26 Feb 2026 | Initial California climate transparency regulation (SB253)
R16 California CARB | 2025–26 | SB261 climate-related financial risk reporting docket/injunction
R17 IFRS Foundation / ISSB | 24 Sep 2026 update | Sustainability standards jurisdiction adoption profiles
R18 ISSB / IFRS Foundation | Dec 2025 | Targeted IFRS S2 amendments, effective Jan 2027
R19 IASB / IFRS Foundation | Nov 2025 | Illustrative examples: climate and other uncertainties in financial statements
R21 EBA | Jan 2025 final / Jan 2026 application | Final guidelines on ESG risk management for banks
R25 Bank of England PRA | 3 Dec 2025 | SS5/25 enhancing banks and insurers climate risk management
R26 UK FCA | 2026 guidance | Sustainability Disclosure Requirements and anti-greenwashing regime
R33 Basel Committee / BIS | 2022 | Principles for effective management/supervision of climate-related financial risks
R35 IAIS | Apr 2025 | Application Paper on supervision of climate-related risks in insurance
R36 ISO | 2022 | ISO 32210: sustainable finance implementation guidance
R39 PCAF | Dec 2025 | GHG Accounting and Reporting Standard 2025 update
R42 SBTi | Jul 2025 | Financial Institutions Net-Zero Standard
R43 Zurich Insurance | 2025 annual report, published 2026 | Risk engineering and resilience strategy
R45 HSBC | 2025–26 | Sustainability FAQs and target adjustments
R46 Reuters | 9 Jan 2025 | BlackRock departure from Net Zero Asset Managers initiative
R47 Amundi | 2026 | Amundi Responsible Investment Views 2026
R50 Bain & Company | 2023, still relevant | Fires, floods and loans: banks' climate risk exposures
R56 Oliver Wyman | Jan 2025 | Ten insurance and climate actions for 2025
R59 Society of Actuaries Research Institute | 21 Aug 2026 | Quantifying mortality and morbidity impacts from climate risks
R60 Actuaries Institute of Australia | 23 Jul 2026 | From 2009 to 2°C: climate change, mortality and morbidity in Australia
R61 APRA | 27 May 2026 | TPD sustainability and mental health claims in Australia
R62 APRA | 31 Mar/12 Jun 2026 | Amendments to capital treatment for longevity products
R63 Milliman | 8 Dec 2025 | Asia asset-liability management survey 2025
R64 AIA Group | 2025 results, published 2026 | Annual results: wellness, medical network economics and claims
R65 AIA Group | 2025 Sustainability Report | One Billion engagement, assurance and health-wellness programmes
R66 Discovery | 2025 Integrated Annual Report | VitalityLife wellness engagement and published insurance claims analysis
R67 EIOPA | 31 May 2024 | Final report and opinion on greenwashing: insurance and pensions
R68 EU / EUR-Lex | 2021 (current EU law) | Sustainability preferences and insurance-based investment product distribution
R69 Morningstar | 3 Feb 2026 | Global sustainable fund flows, 2025 net outflows
R70 ASIC | 28 Mar 2024 | Vanguard court finding: misleading ESG exclusionary screens
R26 FCA | Updated 8 Jun 2026 | UK Sustainability Disclosure Requirements: labels, marketing and claims
R73 EBA | 30 Jun 2026 | Product oversight and governance for ESG-featured retail banking products
R37 ISO | 4 Jun 2026 | ISO 32212:2026 Sustainable finance net-zero transition planning for financial institutions
R75 Zurich Insurance | 2025–26 | Zurich Resilience Solutions and loss-prevention services
R13 Berg, Kolbel, Rigobon | 23 May 2022 | Aggregate Confusion: The Divergence of ESG Ratings, Review of Finance

R77 Society of Actuaries Research Institute | Updated 30 Jul 2026 | Incorporating climate change into actuarial practice

R78 IFoA | 2026 | Survey on modelling mortality and morbidity climate risks in UK life/health/pensions

R79 EU / Council | 24 Feb 2026 | Council approves 2026 Omnibus I simplifications of CSRD/CSDDD

R35 International Association of Insurance Supervisors | 16 Apr 2025 | Application paper on insurance supervisory climate-risk treatment

R09 Standard Chartered | Annual Report 2025 | Sustainable-finance income and mobilisation

R82 DBS Group | Annual Report 2025 | Sustainable-financing commitments and institutional disclosures

R36 ISO | 2022 | ISO 32210 sustainable finance principles (voluntary implementation)

R19 IASB / IFRS Foundation | Nov 2025 | Illustrative examples of uncertainty in financial statements

R08 EIOPA | 16 Apr 2026 | Insurance protection gap and resilience

R11 Morningstar | 24 Mar 2026 | 2025 US sustainable fund net outflows

A complete 88-entry research register with full URLs, including additional sources screened during Stage 1, is supplied separately. A source being listed does not itself establish that its claims are independently verified.

Board oversight and assurance

19 Board-level tests, designed for periodic governance reviews. Complete with recorded evidence and follow-up; the questions are not a certification checklist.

USE OF STATUS

I = Implemented; P = Partially implemented; N = Not implemented; NA = Not applicable. An "Implemented" response must point to reviewable evidence; record priority, accountable owner, corrective action and due date for any gap.

01 **Has the Board approved which E/S/G matters are financially and operationally material to this institution?**

Evidence: Approved materiality rationale and explicit exclusions.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

02 **Do Board papers quantify major earnings, credit, claims, solvency or investment exposures?**

Evidence: Risk dashboard with baselines, uncertainty and trend.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

03 **Does risk appetite cover material physical, transition, liability and social/conduct exposures?**

Evidence: Risk-appetite statement with limits, triggers and owners.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

04 **Are short-, medium- and long-term planning horizons appropriate to asset, loan and insurance-liability duration?**

Evidence: Board-reviewed horizons and ALM/credit linkage.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

05 **Are physical risk concentrations geographically understood?**

Evidence: Hazard/exposure map, reinsurance/collateral sensitivity.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

06 **Has the Board challenged climate/scenario-model assumptions and limitations?**

Evidence: Independent challenge; multiple scenarios and reverse stress.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

07 **Are stranded-asset, counterparty and sector transition risks considered in capital decisions?**

Evidence: Concentration analysis, capital-plan stress and response.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

08 **Have insurer protection gaps or bank client-access risks been evaluated?**

Evidence: Customer/market availability affordability indicators.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

09 **Are sustainability-linked lending, insurance and investment products commercially tested?**

Evidence: Unit economics and customer outcome/claims report.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

10 **Are fiduciary, suitability and anti-greenwashing obligations explicitly mapped?**

Evidence: Compliance opinion, product sign-off and exception register.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

11 **Has management documented which climate/ESG laws and standards actually bind the group?**

Evidence: Entity and jurisdiction-specific applicability register.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

12 **Can sustainability numbers be reconciled to financial reporting and risk data?**

Evidence: Disclosure controls and accounting linkage/lineage.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

13 **Does the Board have proportionate assurance on non-financial measurements?**

Evidence: Assurance scope, limitations and remediation.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

14 **Are workforce, labour rights, financial inclusion and customer vulnerability considered where material?**

Evidence: Conduct MI, complaints, workforce and inclusion measures.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

15 **Do executive pay/incentives avoid target gaming and mis-selling?**

Evidence: Compensation criteria and control outcomes.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

16 **Do Board/committee members possess the needed insurance/banking/investment and sustainability literacy?**

Evidence: Skills matrix, targeted training and specialist challenge.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

17 **Is the adaptation/transition plan fundable under credible scenarios?**

Evidence: Board-approved cost, benefits, resources and triggers.

Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner:

CEO/CRO Gap / action / due: _____

18	**Is there a recurring Board review of what worked, failed or should be stopped?** **Evidence:** Quarterly/annual review, independent feedback and changes. Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____
19	**For life insurers, has the Board reviewed mortality, morbidity, longevity and investment sensitivities separately before accepting an aggregate capital stress?** **Evidence:** Product-cohort experience, actuarial and ALM papers; documented independent challenge. Status ☐ I ☐ P ☐ N ☐ NA Priority ☐ H ☐ M ☐ L Board owner: Board Risk/Audit Committee; evidence owner: CEO/CRO Gap / action / due: _____

Organisational readiness

25 implementation-level tests covering risk, product design, data, conduct, disclosure and sector-specific economics. Responsibilities are indicative: actual delegation must follow the institution's operating model.

USE OF STATUS

I = Implemented; P = Partially implemented; N = Not implemented; NA = Not applicable. An "Implemented" response must point to reviewable evidence; record priority, accountable owner, corrective action and due date for any gap.

01

Document material sustainability risks/opportunities with a quantified business case.
Evidence: Signed materiality register; business-case model with baseline, NPV and accountable sponsor.
PASS threshold: Every material exposure is quantified or explicitly justified as non-quantifiable.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: CEO / Strategy Gap / action / due: _____

02

Inventory exposures by business line, product, hazard, region and horizon.
Evidence: Business-line exposure inventory; geocoded location/issuer records; control owner list.
PASS threshold: All in-scope books mapped and unmatched exposures reported.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: CRO / ERM Gap / action / due: _____

03

Link materiality to earnings, solvency, credit or valuation assumptions.
Evidence: Financial bridge linking risk factors to earnings/reserves/credit losses; reviewed assumptions.
PASS threshold: Forecast and sensitivity reconcile to financial plan.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: CRO / Finance Gap / action / due: _____

04

Map physical risk for properties, counterparties and exposure accumulation.
Evidence: Hazard-layer maps; property/borrower exposure roll-up; accumulation exceptions.
PASS threshold: Material locations mapped and escalation thresholds recorded.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Credit / Underwriting Gap / action / due: _____

05

Assess borrower/issuer transition sensitivities by sector and maturity.
Evidence: Sector transition scoring; maturity ladder; borrower stress assumptions.
PASS threshold: Priority sector books have documented scenarios and approvals.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Credit / Investments Gap / action / due: _____

06

Run scenarios, stress tests and model validation; disclose limitations.
Evidence: Scenario library; model-validation report; documented expert overrides.
PASS threshold: At least one adverse scenario tested, weaknesses and mitigants approved.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L

Accountable: Risk Modelling Gap / action / due: _____

07

Reflect risks in pricing, capital, reserves and asset-liability management where appropriate.
Evidence: Pricing/reserve/capital change log; ALM committee paper; actuarial sign-off.
PASS threshold: Material risks flow into consumed model inputs or accepted exception.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Finance / Treasury Gap / action / due: _____

08

Establish data ownership, quality thresholds, lineage and change controls.
Evidence: Data dictionary; lineage map; quality dashboard and issue tracker.
PASS threshold: Critical data fields have owners, thresholds and tested controls.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Data / IT Gap / action / due: _____

09

Calculate financed/insurance-associated emissions where applicable and disclose methodology.
Evidence: PCAF or relevant methodology workbook; boundaries; financed-emissions data gap log.
PASS threshold: Scopes and estimation uncertainties documented with reproducible calculations.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Finance / Sustainability Gap / action / due: _____

10

Maintain an entity-by-entity law, threshold, timing and exemption register.
Evidence: Jurisdiction-by-entity applicability register; legal sign-off; compliance calendar.
PASS threshold: Each applicable rule has status, threshold, owner and due date.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Compliance Gap / action / due: _____

11

Reconcile sustainability disclosures to audited financial and risk information.
Evidence: Disclosure reconciliation schedule; finance-to-sustainability control mapping.
PASS threshold: Reported metrics trace to controlled data and discrepancies resolved.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Disclosure / Finance Gap / action / due: _____

12

Test product marketing, labelling, claims and greenwashing exposure.
Evidence: Approved product-claims inventory; substantiation files; marketing review log.
PASS threshold: Every material ESG claim supported and clearance evidenced.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Legal / Compliance Gap / action / due: _____

13

Screen underwriting appetites, exclusions and products for climate/conduct impacts.
Evidence: Underwriting appetite paper; exclusions/conduct impact assessment; approval minutes.
PASS threshold: Hazard-related restrictions and customer impacts considered together.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: GI / Life Underwriting Gap / action / due: _____

14

Assess resilient repair/rebuild options, vendors, claims fairness and cost.
Evidence: Claims repair/rebuild supplier criteria; life-cycle cost comparisons; audit sample.

PASS threshold: Claims choices assessed for affordability, safety and fairness.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Claims / Operations Gap / action / due: _____

15

Use customer tests, unit economics and documented benefit evidence for products.
Evidence: Product pilot business case; customer testing; complaint data; unit-economics model.
PASS threshold: Target outcomes tested with documented go/no-go decision.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Product Management Gap / action / due: _____

16

Offer loss-prevention interventions and track avoided loss where verifiable.
Evidence: Intervention register; take-up and outcomes cohort analysis; evaluation design.
PASS threshold: Benefit measured against a stated counterfactual or labelled unverified.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Risk Engineering Gap / action / due: _____

17

Evaluate sustainable and transition loans against credit economics and use-of-proceeds.
Evidence: Credit committee transition-loan files; covenant tracking; margin and default stress.
PASS threshold: Economic return and use-of-proceeds controls documented.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Banking / Credit Gap / action / due: _____

18

Match sustainable-investment claims with client suitability and product mandates.
Evidence: Client mandate/suitability records; product-screen methodology; advice review files.
PASS threshold: Recommendations trace to client preferences and defensible product attributes.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Wealth Advice / CIO Gap / action / due: _____

19

Test ratings, benchmark differences, stewardship results and total fees.
Evidence: ESG ratings reconciliation; stewardship/voting logs; total-cost comparison.
PASS threshold: Investment committee sees divergence, fees and engagement outcomes.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Asset Management Gap / action / due: _____

20

Train advisors/distributors; monitor vulnerable-customer and suitability outcomes.
Evidence: Training completion register; sampled advice QA; customer-outcomes dashboard.
PASS threshold: Staff competency and conduct exceptions measured and actioned.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Sales / Conduct Gap / action / due: _____

21

Review material supply chain/labour, inclusion and operational resilience risks.
Evidence: Third-party risk assessments; labour and accessibility controls; escalation log.
PASS threshold: Material social exposures assigned owners and monitored.
Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L
Accountable: Procurement / HR Gap / action / due: _____

22	Govern ESG analytics, alternative data, model bias, IP and cyber dependencies. Evidence: AI model inventory; fairness testing; privacy/cyber controls; approvals. PASS threshold: Models have approved use, validation and change-control evidence. Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L Accountable: AI / Technology Risk Gap / action / due: _____
23	Independent controls testing, findings and evidence retention. Evidence: Internal audit/control-test plan; exceptions; action tracker; supporting evidence archive. PASS threshold: Material failures independently tested and closure evidenced. Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L Accountable: Internal Audit / Assurance Gap / action / due: _____
24	Quarterly results, investment returns, exceptions and retirement of ineffective initiatives. Evidence: Quarterly benefits dashboard; risk-adjusted returns; stop/pivot decisions. PASS threshold: Non-performing projects challenged and actions minuted. Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L Accountable: Executive Committee Gap / action / due: _____
25	Where relevant, stress mortality, disability, health utilisation, annuity longevity and asset credit/liquidity jointly, without assumed natural offsets. Evidence: Actuarial cohort sensitivities; annuity/health stress model; ALM credit/liquidity analysis. PASS threshold: Separate plus joint stresses reviewed without unsupported offsets. Status ☐ I ☐ P ☐ N ☐ NA (explain NA) Priority ☐ H ☐ M ☐ L Accountable: Life Actuarial / ALM Gap / action / due: _____

Closing principle: not every row applies to every institution. NA requires an explicit rationale; partly implemented requires a funded corrective plan. Report high-priority gaps to management and the Board in line with the actual governance framework.

Source register — authoritative index

The index below includes all 74 distinct source URLs from the 88-entry working register. Duplicate source IDs have been normalised to their first occurrence. Source metadata is reproduced from the research register; a listing is not an independent verification of the current legal position or of a company claim.

R01 US Securities and Exchange Commission (29 May 2026) Proposed rescission of climate-related disclosure rules
https://www.sec.gov/newsroom/press-releases/2026-49-sec-proposes-rescission-climate-related-disclosure-rules

R02 US FDIC / Federal Reserve / OCC (16 Oct 2025) Withdrawal of interagency climate-risk-management principles
https://www.fdic.gov/news/press-releases/2025/agencies-announce-withdrawal-principles-climate-related-financial-risk

R03 United Nations treaty status (27 Jan 2026 effective) US withdrawal from Paris Agreement (treaty depositary status)
https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-7-d&chapter=27

R04 European Union / Council / EUR-Lex (24 Feb 2026) Directive (EU) 2026/470 amending sustainability disclosure and due diligence
https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32026L0470

R05 European Commission (21 Nov 2025) Commission proposal to revise the Sustainable Finance Disclosure Regulation
https://finance.ec.europa.eu/news/commission-proposes-improvements-sfdr-2025-11-21_en

R06 Swiss Re Institute (2026) sigma 2026/01: Global natural catastrophe losses in 2025
https://www.swissre.com/institute/research/sigma-research/sigma-2026-01-natcat-2025-wildfire-storm-risk/global-natcat-losses-2025.html

R07 Munich Re (13 Jan 2026) NatCatSERVICE 2025 loss report
https://www.munichre.com/content/dam/munichre/mrwebsiteslaunches/natcat-2026/MunichRe-Mediarelease2026-NatCat2025.pdf

R08 EIOPA (16 Apr 2026) Insurance protection gaps in a changing climate
https://www.eiopa.europa.eu/insurance-protection-gaps-changing-climate-2026-04-16_en

R09 Standard Chartered (2025 annual report, published 2026) Sustainable finance portfolio/income disclosures
https://www.sc.com/en/investors/financial-results/annual-report/

R10 DBS Group (2025 annual report, published 2026) Chairman/CEO letter: sustainable financing and transition
https://www.dbs.com/annualreports/2025/letter-from-chairman-ceo.html

R11 Morningstar (2026) 2025 US sustainable fund outflows
https://www.morningstar.com/sustainable-investing/us-sustainable-funds-registered-third-consecutive-year-outflows-2025

R12 KPMG (22 Jun 2026) Only one fifth of executives quantifying sustainability financial impact
https://kpmg.com/xx/en/media/press-releases/2026/06/sustainability-gap-exposed-only-one-fifth-of-execs-are-quantifying-financial-impact.html

R13 Berg, Kölbel & Rigobon (2022) Aggregate confusion: divergence of ESG ratings, Review of Finance
https://academic.oup.com/rof/article/26/6/1315/6590670

R14 NGFS (24 Sep 2026) 2025 guide to climate scenario analysis, updated Sept 2026
https://www.ngfs.net/en/publications-and-statistics/publications/2025-guide-climate-scenario-analysis-central-banks-and-supervisors

R15 California CARB (26 Feb 2026) Initial California climate transparency regulation (SB253)
https://ww2.arb.ca.gov/news/carb-approves-climate-transparency-regulation-entities-doing-business-california

R16 California CARB (2025–26) SB261 climate-related financial risk reporting docket/injunction
https://ww2.arb.ca.gov/public-comments/climate-related-financial-risk-reports-sb-261-docket

R17 IFRS Foundation / ISSB (24 Sep 2026 update) Sustainability standards jurisdiction adoption profiles
https://www.ifrs.org/ifrs-sustainability-disclosure-standards-around-the-world/use-by-jurisdiction/

R18 ISSB / IFRS Foundation (Dec 2025) Targeted IFRS S2 amendments, effective Jan 2027
https://www.ifrs.org/news-and-events/news/2025/12/issb-issues-targeted-amendments-ifrs-s2/

R19 IASB / IFRS Foundation (Nov 2025) Illustrative examples: climate and other uncertainties in financial statements
https://www.ifrs.org/news-and-events/news/2025/11/iasb-issues-illustrative-examples-reporting-uncertainties-financial-statements/

R20 ESMA (2024–25) Guidelines for funds using ESG/sustainability terms
https://www.esma.europa.eu/press-news/esma-news/esma-guidelines-establish-harmonised-criteria-use-esg-and-sustainability-terms

R21 EBA (Jan 2025 final / Jan 2026 application) Final guidelines on ESG risk management for banks
https://www.eba.europa.eu/publications-and-media/press-releases/eba-publishes-its-final-guidelines-management-esg-risks

R22 EIOPA / EUSPA (23 Mar 2026) Copernicus geospatial data for NatCat insurance supervision
https://www.eiopa.europa.eu/eiopa-and-euspa-harness-copernicus-data-strengthen-supervision-extreme-weather-events-2026-03-23_en

R25 Bank of England PRA (3 Dec 2025) SS5/25 enhancing banks and insurers climate risk management
https://www.bankofengland.co.uk/prudential-regulation/publication/2025/december/enhancing-banks-and-insurers-approaches-to-managing-climate-related-risks-ss

R26 UK FCA (2026 guidance) Sustainability Disclosure Requirements and anti-greenwashing regime
https://www.fca.org.uk/firms/climate-change-and-sustainable-finance/sustainability-disclosure-requirements-sdr-regime

R27 UK Government / DBT (Feb 2026) UK Sustainability Reporting Standards S1/S2
https://www.gov.uk/guidance/uk-sustainability-reporting-standards

R28 ASIC / Australia (2025) RG280 sustainability reporting, phased AASB S2 obligations
https://www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-280-sustainability-reporting/

R29 APRA / Australia (2021, current) CPG229 Climate Change Financial Risks
https://www.apra.gov.au/practice-guides/cpg-229

R30 ACRA / Singapore (27 Jul 2026) Revised sustainability reporting requirements and timeline
https://www.acra.gov.sg/regulations/sustainability-reporting/requirements-timeline/

R31 EY / Malaysia NSRF (21 Sep 2026) First wave of IFRS S2-aligned reporting in Malaysia
https://www.ey.com/en_my/insights/sustainability/state-of-climate-reporting-in-malaysia-insights-from-the-first-wave-of-ifrs-s2-reporting

R32 ASEAN (2025) ASEAN Taxonomy for Sustainable Finance, completed Version 4
https://asean.org/asean-taxonomy-board-releases-complete-version-of-asean-taxonomy-for-sustainable-finance/

R33 Basel Committee / BIS (2022) Principles for effective management/supervision of climate-related financial risks
https://www.bis.org/committees/bcbs/basel-consolidated-guidelines/module/rma/60

R34 Basel Committee / BIS (2025) Voluntary framework for disclosure of climate-related financial risks
https://www.bis.org/publications/framework-voluntary-disclosure-climate-related-financial-risks

R35 IAIS (Apr 2025) Application Paper on supervision of climate-related risks in insurance
https://www.iais.org/2025/04/iais-publishes-comprehensive-application-paper-on-the-supervision-of-climate-related-risks-in-the-insurance-sector/

R36 ISO (2022) ISO 32210: sustainable finance implementation guidance
https://www.iso.org/standard/77776.html

R37 ISO (2026) ISO 32212 net-zero transition planning for financial institutions
https://www.iso.org/standard/32212

R38 ISO (2026) ISO/TS 32211 sustainable finance products/services technical specification
https://www.iso.org/standard/77777.html

R39 PCAF (Dec 2025) GHG Accounting and Reporting Standard 2025 update
https://carbonaccountingfinancials.com/en/newsitem/pcaf-launches-updated-ghg-accounting-standard-2025

R40 TNFD (2026) TNFD recommendations and status reporting
https://tnfd.global/publication/tnfd-2026-status-report/

R41 GRI (current) Global Reporting Initiative standards library
https://www.globalreporting.org/standards/

R42 SBTi (Jul 2025) Financial Institutions Net-Zero Standard
https://sciencebasedtargets.org/financial-institutions

R43 Zurich Insurance (2025 annual report, published 2026) Risk engineering and resilience strategy
https://www.zurich.com/annual-report-2025

R44 AXA (2025–26) Sustainable insurance and climate-related products publication
https://www.axa.com/news/unlock-sustainable-insurance-publication

R45 HSBC (2025–26) Sustainability FAQs and target adjustments
https://www.hsbc.com/who-we-are/hsbc-and-sustainability/sustainability-faqs

R46 Reuters (9 Jan 2025) BlackRock departure from Net Zero Asset Managers initiative
https://www.reuters.com/sustainability/blackrock-leaves-net-zero-asset-managers-initiative-2025-01-09/

R47 Amundi (2026) Amundi Responsible Investment Views 2026
https://www.amundi.com/institutional/article/amundi-responsible-investment-views-2026

R48 McKinsey & Company (26 Jun 2026) Turning sustainability from regulatory compliance into a competitive edge
https://www.mckinsey.com/industries/financial-services/our-insights/turning-sustainability-from-regulatory-compliance-into-a-competitive-edge

R49 Boston Consulting Group (2 Sep 2026) How CROs manage physical climate risk
https://www.bcg.com/publications/2026/how-cros-manage-physical-climate-risk

R50 Bain & Company (2023, still relevant) Fires, floods and loans: banks' climate risk exposures
https://www.bain.com/insights/fires-floods-and-loans-how-banks-can-deal-with-increasing-climate-risks-ceo-sustainability-guide-2023/

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https://www.deloitte.com/us/en/insights/industry/financial-services/financial-services-industry-outlooks/insurance-industry-outlook.html

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R55 Accenture (ongoing) Sustainable banking and sustainable finance services
https://www.accenture.com/us-en/services/banking/sustainable-banking

R56 Oliver Wyman (Jan 2025) Ten insurance and climate actions for 2025
https://www.oliverwyman.com/our-expertise/insights/2025/jan/insurance-and-sustainability-opportunities-2025.html

R57 Oliver Wyman (Jul 2025) How insurers can help the global economy transition
https://www.oliverwyman.com/our-expertise/insights/2025/jul/how-insurers-can-help-get-global-economy-to-net-zero.html

R58 EIOPA (25 Mar 2026) Sustainable finance as risk-based insurance supervisory priority
https://www.eiopa.europa.eu/publications/sustainable-finance-past-current-and-future-supervisory-priority-eiopa_en

R59 Society of Actuaries Research Institute (21 Aug 2026) Quantifying mortality and morbidity impacts from climate risks
https://www.soa.org/resources/research-reports/2026/climate-mortality-morbidity-framework/

R60 Actuaries Institute of Australia (23 Jul 2026) From 2009 to 2°C: climate change, mortality and morbidity in Australia
https://www.actuaries.asn.au/research-analysis/from-2009-to-2-c-climate-change-mortality-and-morbidity-in-australia

R61 APRA (27 May 2026) TPD sustainability and mental health claims in Australia
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https://www.apra.gov.au/consultations/proposed-changes-capital-framework-annuity-products

R63 Milliman (8 Dec 2025) Asia asset-liability management survey 2025
https://www.milliman.com/en/insight/asia-asset-liability-management-survey-2025

R64 AIA Group (2025 results, published 2026) Annual results: wellness, medical network economics and claims
https://www.aia.com/content/dam/group-wise/en/docs/investor-relations/2026/AIA%20Group%202025%20Annual%20Results%20Ann%20%28Eng%29.pdf

R65 AIA Group (2025 Sustainability Report) One Billion engagement, assurance and health-wellness programmes
https://www.aia.com/en/about-aia/aia-one-billion

R66 Discovery (2025 Integrated Annual Report) VitalityLife wellness engagement and published insurance claims analysis
https://www.discovery.co.za/wcm/discoverycoza/assets/investor-relations/2025/discovery-integrated-annual-report.pdf

R67 EIOPA (31 May 2024) Final report and opinion on greenwashing: insurance and pensions
https://www.eiopa.europa.eu/publications/eiopas-final-report-and-opinion-greenwashing-advice-european-commission_en

R68 EU / EUR-Lex (2021 (current EU law)) Sustainability preferences and insurance-based investment product distribution
https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1257

R69 Morningstar (3 Feb 2026) Global sustainable fund flows, 2025 net outflows
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https://www.eba.europa.eu/activities/single-rulebook/regulatory-activities/sustainable-finance/joint-guidelines-integrating-esg-supervisory-stress-test

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R82 DBS Group (Annual Report 2025) Sustainable-financing commitments and institutional disclosures
https://www.dbs.com/annualreports/2025/index.html

Regulatory validation — editorial decisions (19 October 2026)

Confirmed correction: Singapore's original timetable has been superseded. ACRA's 27 July 2026 timetable staggers broader ISSB-based disclosures for non-STI listed companies (larger tier FY2028; smaller tier FY2030) and large qualifying non-listed companies (FY2030). All listed companies have Scope 1–2 emissions disclosure from FY2025. Do not retain the superseded FY2027 large non-listed company start date.

Confirmed distinction: EU Omnibus I changes narrow CSRD general scope to organisations exceeding both 1,000 employees and €450 million net annual turnover, and CSDDD general scope to those exceeding both 5,000 employees and €1.5 billion; group and third-country provisions must be checked separately. Member-state transposition and specific exemptions remain material.

Confirmed distinction: the 2026 US SEC rescission is a PROPOSED rule; the 2024 climate rules were stayed. The change cannot be described as an enacted final repeal based only on the proposal.

This matrix is a publication-level comparative overview, not institution-specific legal advice. Its classifications are verified against the linked primary materials, but no reader should infer that an international framework automatically imposes a domestic obligation or that every jurisdiction in a multinational group has been reviewed.

Regulatory implementation annex — validation fields

Use this screening register alongside the regulatory chapter. Legal perimeter, implementation dates, transposition and exemptions must be confirmed by local counsel before institutional reliance. “Verify locally” means not established by this cross-jurisdiction publication.

Instrument / region	Status and institution scope	Start / effective date	Compliance implications / primary source
ISSB IFRS S1/S2 — International; national adoption	Voluntary international standards unless adopted locally	Issued effective periods from 1 Jan 2024; local dates differ	Financial sustainability and climate disclosure; Confirm jurisdiction, entity scope, transition and assurance Source: ISSB (full URLs listed after matrix)
EU CSRD/ESRS — EU entities above amended thresholds	Enacted EU directive; member-state implementation applies	2026 changes; reporting timetable/entity exemptions vary	>1,000 staff AND >€450m turnover (general amended perimeter); Map EU legal entities, group exemptions and reporting years Source: EU (full URLs listed after matrix)
EU CSDDD/CS3D — Largest EU and covered non-EU enterprises	Amended EU law; national transposition needed	Member-state transposition by 26 Jul 2028; application Jul 2029	>5,000 staff AND >€1.5bn turnover; narrower due diligence; Check group thresholds, obligations, national implementation Source: EU (full URLs listed after matrix)
EBA ESG risk guidelines — EU institutions under CRD; proportionate scope	Applicable supervisory guidelines	11 Jan 2026; small/non-complex by 11 Jan 2027	Materiality, governance, risk monitoring and transition-risk plans; Map entities, supervisory expectations, risk appetite and board reporting Source: EBA (full URLs listed after matrix)
US SEC 2024 climate rules — US SEC registrants	2024 rules stayed; rescission proposed, NOT final	Proposal 29 May 2026; no operational compliance timetable while stayed	Monitor federal proceedings and applicable state obligations; Do not call

			proposed rescission enacted law Source: US (full URLs listed after matrix)
Australia AASB S2 — Entities meeting Corporations Act cohort tests	Mandatory Australian climate reporting for in-scope entities	Group 1 from Jan 2025; Group 2 Jul 2026; Group 3 Jul 2027	Climate report and phased assurance; AASB S1 voluntary; Check s292A legal entity thresholds and ASIC RG280 Source: Australia (full URLs listed after matrix)
UK FCA SDR — FCA firms and UK investment products, by perimeter	Binding FCA rules, with voluntary labels where eligible	Staggered implementation; confirm rule applicable to product	Anti-greenwashing, naming, marketing and disclosures; Product and adviser claim-by-claim review Source: UK (full URLs listed after matrix)
Singapore ACRA/SGX CRD — SGX listed entities; large non-listed companies	Regulatory/exchange requirements; 2025 revised roadmap	Scope 1–2 all listed FY2025; broader ISSB STI FY2025; other tiers FY2028/2030	STI Scope 3 FY2026; large non-listed FY2030; tiered relief; Use JULY 2026 ACRA timetable, not obsolete FY2027 roadmap Source: Singapore (full URLs listed after matrix)
Hong Kong HKMA GS-1 — All Hong Kong authorised institutions	Current supervisory policy manual guidance	Issued 30 Dec 2021; current as at review	Climate governance, scenario analysis, risk appetite and disclosure; Assess supervised bank risk systems and GS-1 conformance Source: Hong (full URLs listed after matrix)
Kenya CBK climate guidance — Commercial banks and mortgage finance companies	CBK supervisory guidance	Issued 15 Oct 2021	Climate risk in bank governance, strategy, risk and disclosures; Check current CBK notices and supervised entity applicability Source: Kenya (full URLs listed after matrix)
IAIS climate application paper — International insurance supervisory reference	Non-binding implementation guidance; not new legal obligations	Published 16 Apr 2025; replaces 2021 paper	Existing ICPs: climate risk governance, valuation, scenario analysis; Translate into actual local supervisory requirements before compliance claims Source: IAIS (full URLs listed after matrix)
ISO/GHG/PCAF/TNFD — International voluntary technical frameworks	Voluntary unless contract, law, or supervisor incorporates	Framework/version and sector scope vary	Management systems, greenhouse gas/financed emission methods, nature; Choose by decision materiality and clearly label assurance claims Source: ISO/GHG/PCAF/TNFD (full URLs listed after matrix)

Primary-source links for the regulatory screen (verified 19 October 2026):

1. ISSB IFRS S1/S2: https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/

2. EU CSRD/ESRS: https://www.consilium.europa.eu/en/press/press-releases/2026/02/24/council-signs-off-simplification-of-sustainability-reporting-and-due-diligence-requirements-to-boost-eu-competitiveness/

3. EU CSDDD/CS3D: https://www.consilium.europa.eu/en/press/press-releases/2026/02/24/council-signs-off-simplification-of-sustainability-reporting-and-due-diligence-requirements-to-boost-eu-competitiveness/

4. EBA ESG risk guidelines: https://eba.europa.eu/publications-and-media/press-releases/eba-publishes-its-final-guidelines-management-esg-risks

5. US SEC 2024 climate rules: https://www.sec.gov/rules-regulations/2026/05/s7-2026-19

6. Australia AASB S2: https://www.aasb.gov.au/research-resources/knowledge-hub/aasb-s2-knowledge-hub/aasb-s2-frequently-asked-questions/general-faqs/

7. UK FCA SDR: https://www.fca.org.uk/firms/climate-change-and-sustainable-finance/sustainability-disclosure-requirements-sdr-regime

8. Singapore ACRA/SGX CRD: https://www.acra.gov.sg/regulations/sustainability-reporting/requirements-timeline/

9. Hong Kong HKMA GS-1: https://brdr.hkma.gov.hk/eng/doc-ldg/spm/current/GS-1

10. Kenya CBK climate guidance: https://www.centralbank.go.ke/2021/10/15/guidance-on-climate-related-risk-management/

11. IAIS climate application paper: https://www.iais.org/2025/04/iais-publishes-comprehensive-application-paper-on-the-supervision-of-climate-related-risks-in-the-insurance-sector/

12. ISO/GHG/PCAF/TNFD: https://www.iso.org/standards.html

Illustrative life insurance Board decision

Illustrative only: The figures below are deliberately hypothetical sensitivities, not estimated portfolio outcomes or advice. The aim is to show why apparently compensating liabilities should not be netted without modelling.

Stress channel	Assumed change	Potential consequence	Board challenge
Term life mortality	+5% claims cost	Higher risk premium/reserves	Which age/geography cohorts drive the impact?
Disability and morbidity	+8% claims cost	Higher incidence/duration; underwriting and claims impact	Does heat/health stress affect both frequency and severity?
Annuity longevity	-2% longevity cash flows in short shock; +3% under alternative trend	Potential reduction or increase in lifetime payments; asymmetric basis	Are short shock and long trend separately modelled?
Assets backing liabilities	-75bp spread income plus 2% liquidity haircut	Lower investment margin and sale-cost risk	What liquidity, guarantees and capital buffers remain?

Decision gate: compare changes by product cohort, stress the combined balance sheet, reconcile to internal capital/solvency and pricing models, obtain actuarial and investment sign-off, and reject unsupported natural offsets. Figures must be replaced by institution-calibrated analysis before any financial decision.