Sustainability Risk Radar

Financial Institutions | Investment Banks | January 2025

Sustainability

Overview of trends and recent developments

Sustainability presents opportunities for investment banks to gain a competitive advantage and launch new products and services. Due diligence, disclosure and reporting represent substantial costs, however, and there are significant risks, such as greenwashing and, in the US, anti-ESG sentiment, that can lead to enforcement action and litigation.

- The Paris Climate Agreement recognizes that banks are critical players in the transition to a carbon-neutral economy and, because of their role in allocating capital, they can act as a catalyst in achieving better environmental, social and governance outcomes in society generally. Reflecting their role in mediating the allocation of capital and their highly regulated nature, sustainability goals extend beyond climate change and even further than wider responsible business practices to encompass the very nature of banks' contribution to the economy and society generally.
- Sustainability has seen a tremendous rise in awareness since 2015, with the impetus acquired during the COVID-19 pandemic being maintained, despite recent economic and geopolitical shocks. Most major economies are now adopting sustainability standards, although the EU has the most developed regime under its European Green Deal. Progress continues internationally with the adoption of the International Sustainability Standards Board's baseline standards for disclosures. Generally accepted international comparable reporting standards will facilitate the provision of cross-border finance.
- Investment banks face increasing commercial and competitive pressure to support sustainable finance and responsible business practices. Market and investor expectations are changing the way global businesses operate by putting such considerations at the center of decision-making. Moreover, companies that conduct cross-border business have little choice but to adopt such an approach, wherever they may be based.
- In addition to financing green economic activities, including renewables and recyclables, attention is turning to the challenge of "transition finance," i.e., transitioning higher-emitting and hard-to-abate sectors in the economy to sustainability or net zero. According to the Glasgow Alliance for Net Zero, in 2024, "there continued to be strong momentum in the commitment to net zero in the financial sector and a step change in the use of transition planning."
- In recent years, sustainability's advance has seemed inexorable. Change is afoot, however, with economies struggling to boost weak growth and manage a growing debt burden. In the US, "ESG" has become politicized. The new federal administration is presiding over a policy retreat in this area. Nonetheless, there remains considerable investor demand for sustainability and climate-related information from businesses, many of which are already making disclosures. In Europe, plans to improve the working of EU regulation may see pressure to ease certain sustainability targets, as is happening in other jurisdictions.
- Litigation and enforcement represent a key risk for banks over sustainability disclosures and reporting, as they may face exposure where, for example, statements are misleading or incomplete. There is increasing focus on coherent, firmwide approaches to sustainability. Guarding against liability for greenwashing is a major concern. It is vital, therefore, to understand the risks relating to sustainable and responsible business practices and the mitigation strategies available. In the US, expect to see a growth in claims against sustainable finance polices, which will be tolerated if not encouraged by the new federal administration.

Sustainability

Summary of risk index

Litigation and enforcement — page 11

- Greenwashing
- General litigation risk
- Anti-ESG/antitrust litigation

Responsible business practices— page 10

- Inclusive workplaces
- Diversity data and targets
- #MeToo

Sustainability regulation — page 9

- Physical and transition risks
- Senior manager responsibilities
- Enforcement and regulatory risk

Sustainability governance — page 5

- Governance risk
- Holistic and ethical challenge
- Nonfinancial reporting/corporate disclosure risk

Sustainable debt and equity — page 6

- Inadequate contractual protection
- Reporting standards, metrics and transparency
- Sustainability ratings risk

Sustainable finance and loans — page 7

- Market credibility
- Transition plans
- Adaptation finance

Responsible investment — page 8

- Managing investment risk
- Shareholder and nongovernmental organization (NGO) pressure
- Reputational risk

Sustainability

Sustainability framework

We help financial institutions move forward, sustainably

Litigation and enforcement

- Minimizing potential greenwashing liability from sustainability reporting and disclosures
- Engaging with regulators over enforcement action
- Undertaking litigation in a strategic, cost-effective manner
- Anti-ESG/DEI litigation

Responsible business practices

- Equity, diversity and inclusion
- Responding to nonfinancial misconduct
- Lawful data collection on diversity

Sustainability regulation

- Policies on integration of sustainability risks in the investment decision-making process
- Due diligence processes on sustainability
- Precontractual disclosures
- Website and periodic disclosures
- Classification of economic activities

Sustainability governance

- Mission, role and composition of boards, and senior individual accountability
- Embedding sustainability into risk frameworks, product design, pricing and sales decisions
- Nonfinancial reporting under mandatory and voluntary frameworks on sustainability impacts, including diversity and gender equality

Sustainable debt and equity

- Green, social and sustainable bonds
- Sustainability-linked bonds
- Transition bonds
- Green equity

Sustainable finance and loans

- Sustainable loans and sustainability-linked loans
- Transition finance
- Prudential rules and qualitative EU Capital Requirements Regulation disclosures
- Bank climate transition plans

Responsible investment

- Integration of environmental, social and governance criteria into banks' financial decision-making processes

Sustainability governance

Risk profile

Recent trends and developments

- Corporate governance is increasingly important in improving how businesses operate and holding them accountable to stakeholders. Besides having appropriate measures to meet sustainability requirements, such as over investment decisions and reporting, disclosure is required of governance frameworks themselves (e.g., a description of the board's oversight of climate-related risks and opportunities, as well as the management's role in assessing and managing them).
- Against a background where reporting under TCFD recommendations (and now the International Sustainability Standards Board (ISSB) standards) is increasingly required, in the EU, the Corporate Sustainability Reporting Directive (CSRD) has introduced assurance measures to improve quality. Elsewhere, more mandatory reporting is likely to be seen.

Risk rating: high

Associated risks

Governance

Good intentions from leadership are a start, but they must be backed by robust steps across all business operations and have broad engagement throughout the organization. Research on governance factors shows that businesses that rank below average on good governance characteristics are more susceptible to mismanagement and risk their ability to take advantage of business opportunities. They are also likely to see an increased incidence of issues such as tax (where a new baseline expectation around transparency is emerging), noncompliance, corruption or bribery with business partners, inappropriate senior management remuneration and a lack of proper assurance regarding data protection. These issues can potentially give rise to regulatory investigations and litigation.

Holistic and ethical challenges

Businesses should ensure that their activities do not harm the market or their customers, and that financial products add real value rather than representing another cost to financing the economy. Examples of poor behavior include acquiescing in environments that allow market abuse and mis-selling to occur or working practices that fail to foster healthy cultures. Businesses should seek to deliver positive outcomes that fulfill genuine customer needs (in the retail sphere, for example), as well as protection and investment objectives.

Nonfinancial reporting/corporate disclosures

Investment banks that are also public companies should consider how their public statements around responsible business practices align with their approach to managing sustainable finance strategies, including policies, procedures and transition plans. The EU's CSRD requires large public companies (including third-country companies with EU operations) to disclose sustainability information from a "double materiality perspective," while US public companies make nonfinancial disclosures under a simple "materiality" threshold. Regulators are increasingly scrutinizing these disclosures, especially over potential greenwashing issues. Where permitted, some businesses are preferring to stay silent on emission reduction goals, referred to as "greenhushing."

Baker McKenzie green and sustainability solutions for investment banks

- Advising investment banks at board level to help keep ahead of the latest sustainability policies, regulations and standards, such as the GRI, CDP, ESRS and ISSB, while ensuring that they meet disclosure obligations by effectively incorporating these into their sustainability agenda
- Drafting sustainable and responsible business practice management plans, policies and procedures together with delivering accompanying training
- Advising on specific corporate governance obligations of group entities and their subsidiaries, including the EU Corporate Sustainability Directive and the upcoming Corporate Sustainability Due Diligence Directive
- Supporting cross-border risk and materiality assessments and mitigation initiatives by the boards of investment banks conducting cross-border business in various contexts

Sustainable debt and equity

Risk profile

Recent trends and developments

- Annual issuance of global sustainable bonds reached USD 1 trillion for only the second time in 2024. However, with ever stricter regulatory oversight to contend with, the need to align sustainability goals with concrete and measurable transition plans is increasingly crucial, particularly in hard-to-abate sectors, to facilitate access to the required scale of private capital. Meanwhile, there is also growing interest in green equity designations, i.e., labels for shares in companies that can demonstrate their contribution to the green economy.
- Investments into clean energy businesses and associated infrastructure will continue to grow as the clean energy transition and investment in low-carbon and climate-resilient infrastructure accelerate.

Risk rating: medium high

Associated risks

Inadequate contractual protection

Central to green bonds are (i) disclosures that the proceeds raised will finance new or existing projects that have positive sustainability benefits, (ii) ongoing reporting on the use of those proceeds and (iii) the provision of a second opinion by an independent third party certifying the green nature of the bond. However, none of these criteria give bondholders directly actionable rights. Even sustainability-linked bonds with their inherent, measurable KPIs offer, at best, an increase in the interest margin or redemption should the issuer fail to meet its projections. However, SLB issuance fell to a three-year low in 2024 as issuers continue to be discouraged from coming to market by intense investor scrutiny over issues such as the credibility and robustness of the bonds' linked sustainability targets.

Reporting standards, metrics and transparency

With the "gold standard" European Green Bond Standard now in effect, banks that are now expected to disclose EU taxonomy-aligned assets and corporates that have eligible investment pipelines are well placed to make EuGBS-labeled bonds a key subset of the green bond market. However, the need to show 100% EU Taxonomy alignment is a major challenge, so most of the market will likely continue to favor the ICMA green bond standard, with some looking to the "voluntary" EuGBS disclosure templates. Greenwashing is becoming more rigorously regulated. Companies face heightened scrutiny and potential penalties for misleading green claims, as well as the risk of greenwashing-related litigation.

Sustainability ratings

Performing quality due diligence is always important. For sustainability-driven investments, the stakes are particularly high. Sustainability ratings can spot risks not identified with conventional financial analysis that nonetheless could affect financial performance because of additional operational costs or litigation liabilities. The dilemma is that such ratings are still open to interpretation, being only as good as the methodology and the data employed, potentially lacking independent verification. Ratings also rely on public information, so their outputs will necessarily be subject to data gaps. While several jurisdictions, including the EU and the UK, have introduced (or are introducing) regulation on sustainability ratings, this will not take effect until 2026 at the earliest.

Baker McKenzie green and sustainability solutions for investment banks

- Providing advice on structuring and issuing sustainability-related offerings, as well as structuring innovative financial instruments
- Advising issuers/underwriters on research and publicity restrictions at the outset and on an ongoing basis
- Performing due diligence on issues, accounts and auditors, including the sustainability attributes of contemplated transactions, and liaising with third-party sustainability evaluators
- Preparing and managing transactional and regulatory documentation and notifications, such as the prospectus and content of specific sustainability reports and annual filings
- Reviewing, commenting on and agreeing on conditions precedent (e.g., legal opinions and auditor comfort letters) and drafting own opinions

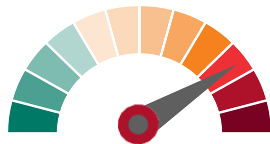
Sustainable finance and loans

Risk profile

Recent trends and developments

- Recent trends in sustainable finance show banks increasingly integrating sustainability into their strategies. While the market for sustainable finance instruments, such as green and sustainability-linked loans, has matured, growth has recently leveled off. This is partly due to a focus on quality over quantity. Banks are also focusing on decarbonization and supporting energy transition projects, where there are significant financing opportunities.
- Supervisors expect banks to address climate risk challenges (including adopting transition plans). While many have taken initial steps toward incorporating climate-related risks, few are close to meeting all supervisory expectations (e.g., integrating such risks into their business strategies). EU banks must report on their Green Asset Ratio (the proportion of their financing aligned with the EU Taxonomy) despite concerns over the ratio's value.

Risk rating: high



Associated risks

Market credibility

A number of challenges can potentially arise around the making of sustainable loans. With sustainability-linked loans, which are not limited to specific uses but may be used for general purposes, these may be especially acute. The terms of such loans must maintain market credibility and mitigate greenwashing concerns with sufficiently robust sustainability KPIs (e.g., around carbon emissions). Additionally, the process of documenting contractual terms and obtaining third-party verification of a borrower's performance is not always straightforward. In the context of relatively small pricing incentives (against the backdrop of recent higher interest rates), this has lately discouraged their underwriting. Lastly, there may be a risk of conflicts of interest, if a bank has to choose between prioritizing its relationship with a borrower over the borrower's sustainability credentials.

Transition plans

Under the EU's Corporate Sustainability Due Diligence Directive, larger investment banks must adopt and put into effect transition plans to show how they are mitigating their impact on global warming. This means that their business model must comply with the goal of limiting global warming to 1.5°C. In practice, the preparation of such a transition plan requires downstream due diligence into their customers and on how, for example, the proceeds of any finance provided are used. Supervisors will look to enforce compliance with the directive, and in line with other recent EU legislation, there will be significant penalties for noncompliance with a maximum pecuniary fine of not less than 5% of net worldwide turnover.

Adaptation finance

Climate change adaptation is a critical but underfunded goal in the Paris Agreement. It refers to helping people, businesses and countries adapt to the impact of climate change. There are barriers to increasing private finance, but if overcome, there is tremendous potential with the right tools and financial products, such as debt-for-impact swaps and blended finance. There is a lack of detailed information on climate risk relevant to specific projects that can obscure its environmental benefits, due to difficulties around the disclosure and sharing of information. All of this can make it difficult to properly price and calculate risk and return.

Baker McKenzie green and sustainability solutions for investment banks

- Advising lenders on cross-border and domestic sustainable financing across a wide range of industry sectors with an extensive and award-winning track record
- Providing advice on a broad range of bilateral loans, syndicated loans and loan participations by using our extensive experience in this area
- Advising investment banks on the legal and market terms of green and sustainability-linked loans, including appropriate metrics and key performance indicators
- Working with investment banks to navigate the developing transition finance market, including advising on what constitutes a credible and achievable borrower transition plan
- Advising you on adaptation and mitigation finance products, such as debt-for-impact swaps and blended finance

Responsible investment

Risk profile

Recent trends and developments

- Responsible investment refers to the integration of environmental, social and governance criteria into banks' financial decision-making processes. This approach aims to ensure that banks not only seek financial returns but also consider the broader impact of their investments on society and the environment.
- Many banks adhere to frameworks such as the UN Principles for Responsible Banking, which align their strategies with the Sustainable Development Goals (SDGs) and the Paris Climate Agreement. These principles guide banks in setting targets, engaging with stakeholders and reporting on their progress.
- In the US, many banks have left climate target-setting groups such as the Net-Zero Banking Alliance, reflecting increased politicization, although they continue to offer sustainable products.

Risk rating: medium high

Associated risks

Managing investment risk

Like any form of investing, responsible investing requires risk management, but there are additional considerations. Banks need robust systems to manage sustainability data and ensure compliance with relevant standards. This means implementing processes for data collection and analysis, training staff, and establishing clear policies and procedures. Performing adequate due diligence of sufficient quality is crucial and increasingly a legal requirement. This means evaluating the environmental impact, social responsibility and governance practices of potential transactions. Data can be unavailable and ratings unreliable. High volumes of capital searching for sustainable investments pose risks where there is a lack of investment rigor and discipline. Moreover, in areas like renewable energy, markets can be volatile, increasing the risk of losses.

Shareholder, NGO and political pressure

NGOs and activist shareholders are calling for the publication of strategies with targets to reduce exposure to fossil fuel assets on timelines set out in the Paris Agreement. Additionally, NGOs and investors are lobbying governments and regulators with the aim of imposing further sustainability disclosure and reporting requirements. In contrast, in the US, there is growing politicization over the compatibility of ESG policies with the fiduciary duties of those charged with the stewardship of assets to maximize economic returns. For this reason, there is a need to demonstrate that returns are driving investment strategy.

Reputational risk

Reputational risk can emerge from adverse public perception, especially if there are perceived failures in sustainability practices. Banks engaged in responsible investment must maintain transparency and ethical behavior to safeguard their reputation. This involves frequent sustainability performance disclosures, engaging with stakeholders and promptly addressing any concerns. For example, reputational damage may occur when internal policies are stricter than external voluntary or obligatory standards, and deviations for commercial reasons are made without adequate process or explanation."

Baker McKenzie green and sustainability solutions for investment banks

- Working with you to formalize governance by creating a centralized investment stewardship function that is responsible for setting sustainability standards and ensuring consistency in investment processes across sustainability-related investment strategies and products (We also advise on defining and disclosing sustainability and responsible business practice criteria and methodologies for responsible investing and impact investing.)
- Undertaking due diligence on the sustainability attributes of contemplated transactions
- Preparing and managing transactional and regulatory documentation and notifications (We also provide guidance and counsel on the content of specific sustainability reports and annual filings.)

Sustainability regulation

Risk profile

Recent trends and developments

- Recently, the incoming tide of sustainability regulation has seemed inexorable, with the EU in the vanguard. Change is afoot, however. The EU will focus on implementing and investing in its Green Deal, while curbing red tape. In the US, the new administration is expected to significantly roll back sustainability regulation, as may Canada after elections later this year. In the UK, a new government has promised to enhance regulation, but economic growth will color its approach. These trends are being reflected globally.
- A major obstacle to sustainable products and services for banks concerns inconsistent disclosure requirements and classification of economic activity creating obstacles to cross-border financial services. The adoption of global minimum ISSB standards by a growing number of jurisdictions should bring greater interoperability.

Risk rating: high

Associated risks

Physical and transition risks

Global banks face physical risks from climate change impacts like extreme weather events, which can damage assets, including those granted as security for lending, and disrupt operations. There are also transition risks that can arise from policy changes, technological advancements and market shifts toward a lower-carbon economy. Revaluing carbon-intensive financial assets can lead to significant financial losses and increased volatility in values. To mitigate these risks, banks must adapt their strategies, enhance risk management practices and invest in sustainable assets, ensuring resilience in a rapidly changing economic landscape. Supervisors are increasingly focusing on these issues.

Senior manager responsibilities

Senior manager regimes generally specify an individual's responsibilities with greater particularity, requiring them to take reasonable steps to avoid a regulatory contravention by the part of the business for which they are responsible. Sanctions range from fines to industry bans. Key executives are increasingly likely to be held accountable by regulators for governance failures that occur on their watch. In 2023, the main US federal agencies issued joint guidance on principles for climate-related financial risk management for larger financial institutions. Boards are expected to understand the effects of climate-related financial risks and to hold management to account for not following their risk management framework. At the state level, the New York Department of Finance Services has issued similar guidance.

Enforcement and regulatory risk

Sustainability-related enforcement and related litigation against banks include the following: (1) inadequate due diligence around sustainability statements in public company disclosures; (2) proxy voting practices that are inconsistent with sustainability disclosures and marketing materials; (3) inaccurate disclosure and inappropriate sales practices over sustainable investments; (4) claims that sustainability-related investments are not suitable, or that financial intermediaries failed to conduct appropriate due diligence on the investments they promote and sell; and (5) claims over breach of fiduciary standards in relation to selecting and monitoring retirement plan investments. In short, these all represent forms of greenwashing.

Baker McKenzie green and sustainability solutions for investment banks

- Providing in-depth advice to global banks on compliance with sustainability-linked financial services regulatory reforms, including precontract and public disclosures, as well as conduct considerations
- Advising on the conduct of business requirements (sustainability conflicts, due diligence requirements and information to clients) and internal governance requirements, taxonomy compliance and definitional issues, as well as the interaction of regulatory reform with international standards, including the UNPRI, the ISSB, the TNFD and the ESRS
- Advising on the cross-border marketing of funds requirements and compatibility of standards, as well as on sustainable regulatory considerations for transactional product offerings (e.g., green bonds, sustainability-linked financings, etc.)

Responsible business practices in the workplace

Risk profile

Recent trends and developments

- Inclusion, diversity and equity (ID&E or DEI in the US) are key social factors within environmental, social and governance concerns that require careful navigation by firms. Research suggests that misconduct is often linked to governance failures. Greater diversity and a "speak up" environment improve the risk management culture, and studies show a decrease in the frequency of fines for misconduct.
- In the US, executive orders target what the Trump administration describes as illegal DEI: ending DEI efforts in the federal government, including terminating diversity programs and eliminating all related offices and positions; a new policy that the US will recognize only two sexes, male and female — signaling a rollback of transgender protections – and directing federal agencies to clamp down on so-called illegal discrimination from federal contractors and publicly traded corporations.

Risk rating: medium high

Associated risks

Inclusive workplaces

Businesses of all types should ensure that all employees are treated equally and protected from bullying and discrimination. Whistleblowing processes should be effective, and employers have a duty to address their employees' well-being, health and safety. Mental health, especially, came to the fore during the pandemic, as working from home blurred the distinction between office work and home life. The focus on ID&E is also relevant for nonfinancial misconduct in the regulatory sector. Banks and their senior managers may be held responsible for cultures that tolerate serious personal misconduct, bullying, racism or discrimination.

Diversity data and targets

A key strategy to drive ID&E forward is to collect and report diversity data. An increasing number of businesses are being encouraged and even mandated by law or regulators to collect and disclose employee and board data. While building trust between employers and employees is vital (frequently, their consent is required), the collection and processing of personal data must comply with local data privacy laws, which vary considerably. In some jurisdictions, targets to address underrepresentation are unlawful and can be no more than aspirational goals. Moreover, failure to achieve a goal can open up a business to scrutiny. With Gen Z entering the workforce, businesses that embrace responsible business practices and ID&E may gain a competitive advantage.

#MeToo

Awareness created through #MeToo and similar movements has led to an increase in claims of nonfinancial misconduct in the financial sector. These include allegations of bullying, sexual harassment and discrimination. This trend also reflects the importance placed by many regulators on ID&E programs, together with the governance limb of environmental, social and governance concerns. These are driving efforts to strengthen psychological safety or a "speak up" culture to call out improper behavior in the workplace, while more robust whistleblowing regimes are inspiring employees' greater willingness to report inappropriate conduct. This means that there is an increasing flow of internal investigations and, to a lesser extent, litigation around such allegations.

Baker McKenzie green and sustainability solutions for investment banks

- Providing the policies and best practices necessary to achieve inclusion and diversity program objectives
- Counseling you on developing and implementing effective and compliant ID&E strategies that protect the corporate brand and reputation, expand business opportunities and create a competitive advantage by strengthening relationships with customers, employees, stockholders, regulators and the general public
- Conducting independent and thorough investigations for employers facing serious allegations of workplace misconduct, as well as related regulatory issues, such as fitness and propriety
- Undertaking litigation where necessary, whether defending individuals and class actions or engaging with regulators over enforcement action

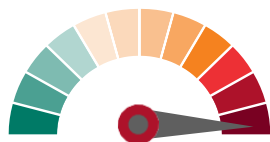
Litigation and enforcement

Risk profile

Recent trends and developments

- The potential for litigation and regulatory action over sustainability concerns is growing. For instance, regulators and nongovernmental organizations are bringing more greenwashing claims and litigation concerning due diligence failures on environmental matters and human rights. In addition, climate change litigation continues to spread to new countries as reflected in the annual Grantham-Sabine reports on climate change litigation. While cases against businesses have focused on the fossil fuel sector, they are now being brought against other sectors, such as financial services.
- Additional factors tending to contribute to increased litigation include newly established corporate due diligence laws and civil liability regimes (for example, the French duty of vigilance law) and from 2027, the EU Corporate Sustainability Due Diligence Directive (CSDDD).

Risk rating: high



Associated risks

Greenwashing

There is no general authoritative definition of greenwashing, although some regulations do refer to it in specific contexts. EU supervisory authorities describe it as "a practice where sustainability-related statements, declarations, actions, or communications do not clearly and fairly reflect the underlying sustainability profile of an entity, a financial product, or financial service." As a result, consumers, investors and other market participants may be misled. Examples include cherry-picking, omission, ambiguity, exaggeration and misleading terms. Global banks may be exposed to regulatory action and, potentially, to litigation. The number of cases is growing in the US and Australia, for example, and the topic is high up in supervisors' priorities.

General litigation risk

Sustainability-related litigation is an increasing risk to global banks. Claims fall into broad categories: disclosure-based litigation, mass tort litigation, strategic litigation (to influence strategy), contractual litigation and claims for breach of directors' duties. Currently, the risk exposure for banks lies mainly with disclosure-based and strategic litigation. With the adoption of the EU CSDDD, the risk of strategic litigation and even potentially mass tort litigation against banks may increase significantly. Again, as referenced by the Network for Greening the Financial System, claims against directors are also expected to increase. It's vital for managers to verify all sustainability-related claims, have robust due diligence, put in place good governance processes and review contractual protections.

Anti-ESG/antitrust litigation

In the US, expect to see growing claims against ESG investment policies, which will be tolerated if not encouraged by the federal administration, for example, for breach of fiduciary duty. Additionally, banks risk potential antitrust claims where they come together to collaborate over sustainability commitments. Care and advice are required over competition law compliance to avoid unintended consequences, although some authorities (e.g., in Europe) have provided guidance to businesses. In this context, however, many US institutions have left net zero alliances, which themselves have moved away from goal setting to acting as convening bodies for discussions and collaboration.

Baker McKenzie green and sustainability solutions for investment banks

- Providing guidance and practical advice on steps to minimize potential liability from sustainability-related disclosures
- Engaging with regulators over possible enforcement action with a view to resolving any contraventions and settling any consequent enforcement action on as favorable terms as possible or guiding you through the regulatory processes and advocating your case
- Undertaking litigation where necessary, whether defending an individual or a class action
- Acting for defendants facing misselling claims over sustainability-related investments and trustees with respect to claims for breach of fiduciary standards over investment plans

Sustainability in financial institutions

Resources

Visit site

Transition Finance: New Opportunities and Challenges for Financial Institutions

Baker McKenzie's latest sustainability briefing focuses on the hot topic of transition finance, which is relevant to lenders and borrowers in commercial and syndicated lending.

View article

Climate Adaptation Finance: Unlocking Private Finance

This article outlines how clients in the private sector can bridge the adaptation finance gap, overcoming barriers with innovative financial solutions to support global adaptation efforts.

Download report

Global Disputes Forecast 2025

The eighth annual disputes forecast provides a deep dive into predicted trends, with sector perspectives and actionable insights that allow you to prepare for the year ahead.

Available on:
Soundcloud | Spotify | Apple Podcasts | Google Podcasts

FInsight: Global Financial Institutions Industry Podcast

This podcast provides recommendations and insights into sectoral developments and industry trends from Baker McKenzie's legal experts.

Visit site

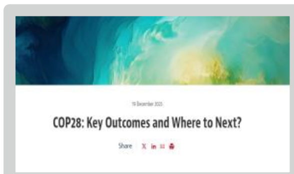
Global Financial Services Regulatory Guide

This interactive guide acts as a quick reference tool when distributing financial products and offering services into new markets, providing a comprehensive summary of regulations applicable to banks and other financial services companies around the world.

Visit site

Demystifying ESG Webinar Series

This series covers insights and practical guidance for businesses considering what ESG means for them in the context of the current crisis and beyond.



Visit site

COP29 Hub: Steps to Net Zero

Visit our hub for unrivalled knowledge and expertise in climate change law and climate finance.

Visit site

Energy Transition Hub

Visit our hub for our latest

updates on energy transition developments across the globe.

Visit site

Solutions for a Connected World: A Podcast Series

This podcast series spans markets, sectors and areas of law to uncover forward-looking insights

from Baker McKenzie and industry experts on driving growth in your organization.

Baker McKenzie delivers integrated solutions to complex challenges.

Complex business challenges require an integrated response across different markets, sectors and areas of law. Baker McKenzie's client solutions provide seamless advice, underpinned by deep practice and sector expertise, as well as first-rate local market knowledge. Across more than 70 offices globally, Baker McKenzie works alongside our clients to deliver solutions for a connected world.

bakermckenzie.com

© 2025 Baker McKenzie. All rights reserved. Baker & McKenzie International is a global law firm with member law firms around the world. In accordance with the common terminology used in professional service organizations, reference to a "partner" means a person who is a partner or equivalent in such a law firm. Similarly, reference to an "office" means an office of any such law firm. This may qualify as "Attorney Advertising" requiring notice in some jurisdictions. Prior results do not guarantee a similar outcome.