

May 2025

Developments in ESG governance, disclosure, financial regulation and litigation

# ESG Matters



In this May edition of ESG Matters, our Highlight discusses the Energy Performance of Buildings Directive IV and its implications for building owners, developers and investors. Our Spotlight section provides updates on recent developments in ESG governance, disclosure, financial regulation, and litigation.

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## 1 April in brief

Geopolitics and Omnibus continued to shape key developments in April. The Omnibus stop-the-clock directive was adopted on 3 April and published later in the month. EFRAG is now preparing the ESRS revision to match the political ambitions for a scaled-down and tailored CSRD.

### Omnibus - EFRAG work on simplification of ESRS

The EFRAG process did not have a strong start - the initial simplification work plan was reportedly rejected during the EFRAG Meeting on 15 April. Since then, the EFRAG Secretariat and the Sustainability Resolution Board have worked intensively to finalise the action plan and timeline, which was submitted to the European Commission on 25 April. It outlines priority topics: materiality assessment, report structure, interaction of cross cutting and topical standards, other key levers and interoperability with international standards. EFRAG also considers changing required data points to voluntary datapoints (from 'shall' to 'may'). The first key publication

is expected in mid-May, so it will be another important month for CSRD-followers. Given the challenging initial steps of the implementation plan, it will be interesting to see how the process develops.

### Other ESG-related developments

Of course, CSRD is not the only development. There were significant developments relating to deforestation, eco design, ESG ratings, ESG-related fund names and greenwashing litigation. In the Netherlands, important for banks, the consultation for the CRD VI Implementation Act was published. Under this legislation, banks will be required to adopt a capital adequacy plan to monitor and address the financial risks arising from ESG factors over the short, medium and long term, ultimately by 11 January 2026. The EBA Guidelines on the management of ESG risks of 9 January 2025 are an important source for inspiration.

These and other ESG developments in the areas of governance, transition, disclosure, financial institutions and litigation can be found in the spotlight section. This month's highlight article focuses on the Energy Performance of Buildings Directive IV, an important step towards decarbonising the European building sector.

## 2 Highlight: EPBD IV – shaping the future of the EU built environment

The Energy Performance of Buildings Directive IV (EPBD IV) marks the next step towards decarbonising the European building sector. With buildings accounting for 40% of the energy consumed and 36% of energy-related greenhouse gas emissions in the EU, the transition of the building sector is crucial for achieving the Fit-for-55 climate targets. The EPBD IV outlines key measures to ensure that both new and existing buildings are aligned with these ambitious targets. Here is what to expect and how to prepare.

### Implementation into Dutch law

The EPBD IV entered into force on 28 May 2024. As an EU Directive, it requires transposition into national laws to take effect. The implementation deadline for member states is 30 May 2026. In the Netherlands, most provisions will be incorporated into the Environment Buildings Decree (Besluit bouwwerken leefomgeving). The Dutch government expects to publish the implementation texts for consultation around mid-Q2 2025.

### Transition to Zero Emission Buildings

From 2030 onwards, all new buildings in the EU must be Zero Emission Buildings (ZEBs). For existing buildings, the goal is full alignment by 2050. ZEBs are buildings with exceptionally high energy performance that consume minimal or no energy, emit zero on-site carbon from fossil fuels, and generate little to no operational greenhouse

gas emissions. Operational greenhouse gas emissions are those released during the use of a building, such as those from heating, cooling, lighting, and appliances. While specific criteria for ZEBs will vary between member states, all must adhere to energy demand thresholds based on cost-optimal performance levels. The Commission will update the methodology for calculating these levels by 2028. Until the ZEB standards take full effect in 2030, new buildings must meet nearly-zero emissions energy standards (NZEB) and comply with any additional national standards. Buildings for which planning applications are submitted before the ZEB deadlines may be excluded, depending on the rules of a member state.

## **Strengthening digitalisation, solar-readiness and sustainable infrastructure**

The EPBD IV emphasises the digitalisation of energy systems in buildings, promoting smarter energy management. New buildings must be designed to maximise their potential for solar energy generation and be solar-ready. The EPBD IV also supports the development of infrastructure for sustainable mobility, including the installation of charging stations for electric vehicles in both new and renovated buildings. Member states may adapt these standards to their national contexts, taking into account factors such as grid capacity or congestion.

## **Minimum Energy Performance Standards**

The EPBD IV introduces minimum energy performance standards (MEPS) for both new and existing buildings. These standards set out a pathway for gradually improving the energy efficiency of the building stock, starting with the least energy-efficient buildings. Measures include replacing outdated heating systems, ventilation and electrical equipment, as well as improving insulation in walls, roofs, and floors. For residential buildings, the EPBD IV sets targets to reduce average primary energy use by at least 16% by 2030, compared to 2020 levels. Further reductions are required by 2035 and 2050. Non-residential buildings must also meet specific performance requirements. By 2030, Member States have to renovate the worst-performing 16% of non-residential buildings, with this threshold increasing to 26% by 2033.

## **Harmonized energy labels**

Currently, energy label systems vary significantly between member states, making intra-EU comparisons between buildings difficult. The EPBD IV harmonises the energy performance criteria across the EU. All member states are required to adopt a revised rating system ranging from A to G, where A represents zero-emission buildings and G denotes the worst-performing buildings. As a result of the harmonisation, all existing A+ labels in the Netherlands will disappear from 2030 onwards when new energy labels are issued. These will be replaced by new levels. Member states have some flexibility in setting rating levels for classes B to F based on the characteristics of their building stock. The new system applies to EPCs issued after 29 May 2026, except in certain cases, such as buildings with complex energy systems, where it will take effect on 31 December 2029. This harmonisation will improve cross-border comparisons and facilitate informed decision-making.

## Incentivising financial institutions to finance renovations

By 29 May 2025 the Commission will publish a voluntary portfolio framework to help financial institutions scale up their lending volumes for energy renovations, for instance using green loans or energy performance contracts. By complementing the existing measures with financial incentives such as tax breaks or subsidies, renovation rates can be significantly increased. Upgrading buildings for EPBD IV compliance will typically qualify as a Taxonomy-aligned economic activity. EPBD IV will also enhance the financial sector's information position on the energy performance of EU real estate, as the EPBD IV renovation passport will be publicly accessible through national databases.

## Connecting EPBD IV to CSRD: supporting accurate sustainability reporting

Buildings are often among a company's most energy-intensive assets, representing a significant share of their scope 1 emissions. Under the Corporate Sustainability Reporting Directive (CSRD), companies within scope are required to disclose a breakdown of their real estate, categorised by their energy performance classes under the EPBD IV, or by energy consumption ranges. The harmonisation of energy performance criteria under EPBD IV will enhance comparability of EU-wide reporting on this subject. Reporting entities may include additional disclosures in their CSRD report regarding the energy-efficiency improvements made to their real estate under EPBD IV, such as digitalisation measures, solar-readiness and sustainable infrastructure.

## Conclusion

The EPBD IV will introduce significant changes to building legislation, aiming to enhance the energy-efficiency of the EU's built environment. This will provide benefits such as reduced energy consumption, lower carbon emissions and potentially increased property values. However, the rules will also pose challenges for building owners, developers and investors. The costs of improving building energy efficiency can vary significantly, and renovation measures may affect building availability and lease agreements.

To navigate these changes effectively, it is necessary to understand the EPBD IV requirements and plan renovations in a timely and cost-efficient manner. By strategically improving energy efficiency and sustainability, building owners, developers and investors not only contribute to a sustainable future but also protect and enhance the long-term value of their assets.

## What it means for you

- Companies should incorporate the minimum energy performance standards (MEPS) into their long-term strategy and decision making on their real estate. This includes identifying which buildings may fall below future thresholds and



prioritising them for upgrades.

- Energy labels issued after 29 May 2026 may be classified differently, even if based on the same building data, depending on national implementation. A current A+ rating could be downgraded under the new EU-wide A–G scale. Companies should reassess how energy label changes might affect property valuations, lease terms, or financing conditions.
- Developers will need to apply the EPBD IV's regulations, particularly with regard to ZEBs and MEPS. It may be prudent to start applying stricter energy efficiency and solar-readiness criteria now to avoid redesigns, delays, or non-compliance later.
- Compliance with the national rules emanating from EPBD IV may require significant financial investments in adjustments and renovations. Companies should duly anticipate these financial investments and practical implications of adjustments and renovations. Start budgeting early and explore funding opportunities, including green loans, subsidies, or Taxonomy-aligned investment vehicles.
- Companies that act early can reduce future costs, enhance sustainability credentials, and protect the long-term value of their assets. Proactive upgrades not only support compliance but also improve tenant appeal, lower operating expenses, and strengthen ESG reporting under the CSRD.

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## Spotlight on ESG developments



### Governance & transition

#### Omnibus stop-the-clock directive published in Official Journal

On 16 April, the [stop-the-clock directive](#) under Omnibus was published in the EU Official Journal. It entered into force on 17 April. The stop-the-clock directive postpones certain application dates of the CSRD as well as implementation and application dates of the CSDDD. The substantive proposal under Omnibus is still pending (see below). For further details, read our [update](#) and the [March 2025 edition](#) of ESG Matters.



## Council publishes draft position on Omnibus substantive proposal

On 16 April, the Council of the EU published its [draft position](#) on the substantive Omnibus proposal. The draft position aligns with the key amendments put forward in the EC proposal. Among other points, it supports limiting the scope of CSRD to companies with more than 1,000 employees and introducing optional reporting under the Taxonomy Regulation. It also proposes to clarify the term 'plausible information' which defines the scope of due diligence obligations under CSDDD. Member States must now provide their input on the draft proposal to the Presidency of the Council. The Council will then agree on its final position on the substantive Omnibus proposal. For further details, read our [update](#) and the [March 2025 edition](#) of ESG Matters.

## EC launches consultation on Industrial Decarbonisation Accelerator Act

On 16 April, the EC launched a public [consultation](#) on the Industrial Decarbonisation Accelerator Act, a part of the wider Clean Industrial Deal. The Act will aim to increase sustainable industrial production in the EU's energy-intensive sectors by speeding up permitting procedures, promoting priority industrial decarbonisation projects and clusters, and creating lead markets for low-carbon EU products. This could include sustainability requirements in public and private procurement and the introduction of a low-carbon EU label. The Act will focus on energy-intensive industries (chemicals, steel, pulp and paper, refineries, cement, non-ferrous metals, glass and ceramics) and will consider related downstream industries where relevant. The Act is expected to be adopted by the Commission in Q4 2025. The consultation is open until 8 July.

## EC publishes working plan 2025-2030 on Ecodesign and Energy Labelling Regulations

On 16 April, the EC published its [working plan 2025-2030](#) for the Ecodesign for Sustainable Products Regulation and the Energy Labelling Framework Regulation. The plan proposes to include the following product groups in the Ecodesign Regulation: (i) textiles/apparel (by 2027); furniture (by 2028); tyres (by 2027); mattresses (by 2029); iron and steel (by 2026); aluminium (by 2027). In terms of horizontal requirements, the working plan focuses on reparability, including scoring, as well as recycled content and recyclability of electrical and electronic equipment. Further details are set out in the [Staff Working Document](#).



## EC publishes guidance and initiates public consultation on EU Deforestation Regulation

On 15 April, the EC published an updated [guidance document](#) and updated [FAQs](#) for the EU Deforestation Regulation. Among other changes, the number of required due diligence statements is reduced and the due diligence requirements for large downstream companies are simplified. The EC also launched a [public consultation](#) on its proposal for a Delegated Act. The proposal would exclude specific types of products from the scope of the Regulation by amending the 'list of relevant commodities and relevant products' (Annex I) of the EU Deforestation Regulation. The public consultation is open until 13 May 2025. The EC is still working on a country benchmarking system, which is expected to be adopted before 30 June 2025 following discussions with the Member States.

## WMO and EU publish European State of the Climate 2024

On 15 April, the World Meteorological Organization (WMO) and the EU published the [European State of the Climate 2024](#) along with an [executive summary](#). The report finds that 2024 and the period 2014-2024 were respectively the warmest year and decade on record. Since the 1980s, Europe has been the fastest-warming continent on Earth, heating at twice the rate of the global average. Southern Europe is confronted with widespread droughts and European glaciers continue to melt. Extreme weather events present increasing risks to Europe's built environment, infrastructure, and the services they support, as Europe is one of the regions with the largest projected increase in flood risk.

## PSF proposes new technical screening criteria under Taxonomy Regulation

On 1 April, the EU Platform on Sustainable Finance published a [report](#) reviewing the Climate Delegated Act of the EU Taxonomy Regulation. The report proposes new technical screening criteria (TSC) for a list of new economic activities. Key recommendations include:

- enhancing usability of existing criteria by refining technical definitions and reducing complexity;
- updating the Climate Delegated Act to reflect the latest science, technologies, and market practices, particularly in energy-related sectors;
- including new activities such as mining, smelting and refining, close-to-market research, digital services, and a broad range of climate change adaptation actions.

These updates aim to improve companies' access to sustainable finance and better align capital flows with the EU's climate objectives.



## Disclosure



### ISSB launches consultation on IFRS S2 climate disclosure standard

On 28 April 2025, the International Sustainability Standards Board (ISSB) launched a public [consultation](#) on its [Exposure Draft](#) proposing amendments to the IFRS S2 climate-related disclosures. The proposed amendments relate to the application of the GHG emissions disclosure requirements under IFRS S2, including:

- relief from Scope 3 Category 15 GHG emissions disclosure associated with derivatives and some financial activities;
- relief from the Global Industry Classification Standard (GICS), in some circumstances, in disclosing disaggregated financed emissions;
- the use of alternatives for the Greenhouse Gas Protocol measuring instrument; and
- the use of Global Warming Potential (GWP) values other than from the Intergovernmental Panel on Climate Change (IPCC).

Companies currently applying IFRS S1 and IFRS S2 as issued in June 2023 can continue doing so. The consultation is open until 27 June 2025.



### EFRAG publishes workplan for ESRS revision

On 25 April, EFRAG published its [workplan](#) for revising the European Sustainability Reporting Standards (ESRS) in the context of the Omnibus proposal. EFRAG aims to submit its draft revised ESRS to the EC by 31 October 2025. The objective is to deliver a set of ESRS that better support relevant, decision-useful sustainability disclosures for general purposes, while significantly reducing reporting burdens and the number of mandatory datapoints. Between April and October 2025, EFRAG will follow a six-step process, which includes evidence gathering, analysis of stakeholder input, drafting and publishing of exposure drafts, and finalisation of its technical advice to the EC.





## EFRAG launches public consultation on simplification of ESRS under Omnibus

On 8 April, the European Financial Reporting Advisory Group (EFRAG) launched a [public consultation](#) on the first set of simplifications of the European Sustainability Reporting Standards (ESRS). Stakeholders are invited to provide input on, *inter alia*, ESRS mandatory datapoints that are least important or problematic for general-purpose sustainability, per Disclosure Requirement; suggestions on how to modify unclear ESRS provisions; suggestions to improve consistency with other EU legislation; suggestions on how to improve the ESRS provisions on materiality; suggestions on how to simplify the structure and presentation of the standards; suggestions on how to further enhance interoperability with global sustainability reporting standards; and any other modifications that could simplify the ESRS without compromising their role in supporting the Green Deal. The consultation is open until 6 May.



## Financial institutions & regulation



### FMSB publishes good practices for governance of sustainability-linked financial products

On 30 April, the Financial Markets Standards Board (FMSB) published its [Statement of Good Practice](#) on the governance of sustainability-linked products (SLPs), aiming to establish globally applicable standards in wholesale financial markets. It outlines six statements of good practice aiming to strengthen and standardise governance around SLPs, including on governance, KPIs, targets, labelling of products as 'sustainability-linked', and contract clauses. The good practices aim to complement industry guidelines from ICMA, LMA, ELFA and ISDA on sustainability-linked bonds, loans and derivatives. The good practices are supported by a risk register identifying major risks associated with the issuance of SLPs for service providers and users.



## Dutch Ministry of Finance launches consultation on CRD VI implementation act

On 30 April, the Dutch Ministry of Finance launched a consultation on the [Dutch Implementation Act](#) of the Capital Requirements Directive (CRD) VI including the [explanatory memorandum](#). In relation to ESG risks, the implementation act proposes that banks will need to adopt a capital adequacy plan to monitor and address the financial risks arising from ESG factors over the short, medium and long term. It should address ESG-related developments in all relevant jurisdictions in which the bank is active, including global and local developments to achieve climate neutrality. The Implementation Act is intended to apply as of 11 January 2026. The consultation is open until 28 May 2025.

## EBA publishes key indicators on climate risk in the EU/EEA banking sector

On 25 April, the European Banking Authority (EBA) released a new [ESG dashboard](#) offering centralised access to key climate risk indicators for EU/EEA banks. Based on banks' Pillar 3 disclosures, the dashboard tracks both transition and physical risks. It shows that over 70% of banks' exposures are linked to high-emitting sectors, indicating significant transition risks. Although data on physical risks suggest lower exposures, inconsistencies in reporting underline the need for cautious interpretation. Figures on real estate lending point to relatively moderate transition risk, although many banks still rely on estimates for energy efficiency data. The dashboard also tracks banks' alignment with the EU Taxonomy, where the average Green Asset Ratio (GAR) remains low, reflecting the early stage of the green transition.

## NZBA and UNEP FI publish updated Guidance for climate target setting for banks

On 22 April, the Net Zero Banking Alliance (NZBA) and the United Nations Environment Programme Financial Institutions (UNEP FI) published the third version of their [Guidance for Climate Target Setting for Banks](#). The update reflects a reduced level of ambition compared to the previous version. Whereas the second version framed its provisions as voluntary obligations, the third version presents them as recommendations. For example, instead of requiring that targets '*shall at a minimum* align with a goal to limit global warming to 1.5°C' the updated Guidance now *recommends* targets to 'align with the goals of the Paris Agreement, aiming to limit global warming to well below 2°C, striving for 1.5°C'. Targets are recommended to cover clients' scope 1, 2 and 3 emissions, with 2030 and 2050 targets and a five-year intermediate target in between.



### **EBA updates risk indicators and methodological guide**

On 16 April, the EBA published an updated [list of risk assessment indicators](#) along with a [methodological guide](#). The update, based on reporting framework version 4.0, aims to support consistent interpretation of key bank figures—without introducing new reporting burdens. It includes indicators on profitability, solvency, and operational risk, as well as new indicators introduced under the Banking Package (CRR3/CRD6) and ESG-related metrics.

### **IAIS publishes paper on climate risks supervision for insurance sector**

On 16 April, the International Association of Insurance Supervisors (IAIS) published an [Application Paper on the supervision of climate-related risks in the insurance sector](#). It aims to enable insurance sector supervisors to integrate climate related risks into their supervisory practices. The paper explores the application of the IAIS' existing Insurance Core Principles (ICPs) to climate related risks. It also equips supervisors with best practices and guidance on: (i) the role of supervisors in assessing climate-related risks; (ii) the integration of climate-related risks into supervisory frameworks for corporate governance, risk management and internal controls; (iii) the impact of climate-related risks on valuation and investment practices; (iv) supervisory reporting, public disclosure and macroprudential supervision of climate-related risks; (v) group supervisory issues; and (vi) the role of climate-related risk scenario analysis and considerations for the impact of climate-related risks on market conduct.

### **ESMA publishes analysis of ESG-related terms in fund names**

On 10 April 2025, ESMA published an [analysis](#) on the increased use of environmental, social and governance (ESG) terms in EU fund names from 2009 to mid-2024, and the impact on investment flows. The analysis covers both UCITS and alternative investments funds (AIFs). It finds that the use of ESG terminology has a material impact on investment decisions by retail and institutional investors. Adding an ESG term can significantly boost fund inflows. However, the impact varies depending on the specific ESG terms used, with environmental-related terms leading to the most substantial inflows. The analysis also shows that the proportion of funds with ESG-related names has increased from less than 3% before 2015 to around 9% by mid-2024, with a notable curtail in 2021 that is probably due to legislative changes (such as SFDR) and rising greenwashing concerns. ESMA will continue to monitor fund market trends and the impact of its [Guidelines on funds' names](#) using ESG or sustainability-related terms.



## ESMA publishes final report on ESG disclosures under EU Benchmarks Regulation

On 9 April, the European Securities and Markets Authority (ESMA) published its [final report](#) on a common supervisory action conducted together with national financial supervisors on ESG disclosures under the EU Benchmarks Regulation. For several ESG factors, the lack of specific guidance on the definition and calculation of ESG factors led to divergent and inconsistent calculations and disclosures across administrators and benchmarks. The report also flags inconsistencies in the assumptions that administrators use for determining ESG factors. Considering the findings, the report provides clarifications of transparency expectations as well as guidance on the calculation of the ESG factors, including good practices. It features recommendations to the EC, including on streamlining ESG disclosure requirements to reduce burdens for administrators while safeguarding the meaningfulness of disclosed ESG information. The AFM also published a [press release](#) on this report, in which it announces that it has taken enforcement action against one benchmark operator based on its research under the ESMA report.

## ESMA launches consultation on rules for external reviewers of European Green Bonds

On 7 April 2025, ESMA launched a [public consultation](#) based on a [consultation paper](#) on regulatory technical standards (RTS) and implementing technical standards (ITS) for the external reviewers regime under the EU Green Bond Regulation. It covers five draft RTS and one ITS on: (i) the appropriateness, adequacy and effectiveness of systems, resources and procedures; (ii) the compliance function, and resources, expertise and access to information; (iii) the soundness of administrative and accounting procedures and internal control mechanisms and the effectiveness of control and safeguard arrangements for information processing systems; (iv) the quality of information used when providing reviews; (v) information, form and content of applications for recognition; and (vi) standard forms, templates and procedures to notify ESMA of material changes. The consultation will be open until 30 May 2025. ESMA expects to publish a final report in Q4 and submit the draft standards to the EC by 21 December 2025.



## MiCAR RTS on sustainability information published in Official Journal

On 31 March, the [Regulatory Technical Standards](#) (RTS) on sustainability information under the Market in Crypto Assets Regulation (MiCAR) were published in the Official Journal of the EU. MiCAR requires crypto-asset issuers and service providers to disclose their principal adverse impacts (PAI) on the environment, particularly those related to consensus mechanisms used to issue or validate crypto-assets that have significant energy consumption and environmental implications. The RTS specify the content, methodologies, and presentation of information regarding sustainability indicators in relation to PAI on climate and other environment-related adverse impacts. The Annex of the RTS provides mandatory templates for this.



## Litigation



### Dutch judge maintains fossil fuel and airline advertisements ban

On 25 April, the District Court of The Hague [rejected](#) claims in summary proceedings seeking to suspend a municipal law that prohibits fossil fuel advertisements. More specifically, the law prohibits advertisements in the public space of the municipality of The Hague that promote fossil fuels, flying holidays, airline tickets, grey electricity contracts, gas contracts, cruises or cars with fossil fuel or hybrid engines. The ban aims to promote the health of residents, reduce the negative effects of climate change, and improve the environment. Based on a limited review in civil summary proceedings, the court ruled that it did not become apparent that the law contravenes higher laws or is otherwise unlawful. The ban therefore remains in place.



### ACM calls on food sector and fashion retail industry to review sustainability claims

On 24 April, the Dutch Authority for Consumers and Markets (ACM) sent a [public letter](#) (also in [English](#)) to companies in the Dutch food sector, calling for a review of their sustainability claims and adjustment where necessary. ACM states that the sector's sustainability claims, labels, logos and quality marks relating to environmental aspects, working conditions or animal welfare are not always clear. The public letter aligns with ACM's focus on sustainability claims in the food sector as announced in its [supervisory agenda 2025](#). On 30 April, ACM and eighteen other international supervisors also sent a [public letter](#) to the fashion retail and textile industry, calling for improvement of the industry's sustainability claims. It lists six points of attention with recommendations for improvement.



## NGOs lodge EU ombudsman complaint over Omnibus package

On 18 April, several NGOs [announced](#) a complaint with the European Ombudsman over the Sustainability Omnibus package. The complaint accuses the EC of (i) failing to properly assess the environmental and social impacts of its proposal, (ii) '*favour[ing] closed-door meetings dominated by oil and gas industry interests*' rather than public consultations, and (iii) failing to assess whether its proposal aligns with the EU climate neutrality target. The European Ombudsman is an independent body that investigates complaints about 'maladministration', among which incorrect procedures by EU institutions and bodies. While the Ombudsman cannot reverse decisions by EU institutions, it may issue recommendations up to a special report to the European Parliament, which must then take appropriate action. If the Commission accepts the Ombudsman recommendations, this may delay the Omnibus package by several months.

## Australian court fines company for greenwashing

On 14 April, the Federal Court of Australia [ruled](#) on a greenwashing case initiated by supervisory authority ACCC against cleaning products company Clorox. The court ordered Clorox to pay a fine of AUD 8.25 million for misleading statements to consumers on the packaging of kitchen and garbage bags. While the packaging stated '50% Ocean Plastic Recycled', the products were in fact made from about 50% plastic waste which had been collected from communities in Indonesia with no formal waste management systems, situated up to 50 kilometres from a shoreline, and otherwise from non-recycled plastic, processing aid and dye. The fact that the packaging stated this information on the back of the packaging in a small font did not dispel the misleading character of the statement at the front of the packaging. The company already discontinued the statements in July 2023.

## US jury orders oil company to pay USD 745 million for oil damages

On 4 April, a Louisiana (USA) jury [ordered](#) oil company Texaco, a subsidiary of Chevron, to pay USD 744.6 million in damages to a local community for damages to the Louisiana coastal wetlands. The case was based on a local law requiring that sites used by fossil fuel companies 'be cleared, revegetated, detoxified, and otherwise restored as near as practicable to their original condition' after the end of operations. After around 10 years of proceedings, the jury found the company liable because it did not obtain required permits, did not clean up the sites and did not follow known best practices. Chevron announced it will appeal the verdict.



## German prosecutor imposes EUR 25 million fine on asset manager for greenwashing

On 2 April, the public prosecutor's office of Frankfurt am Main imposed an EUR 25 million fine for greenwashing on asset management company DWS. The prosecutor found that DWS misleadingly presented itself as sustainability 'leader', and that it made misleading statements on the sustainability of its investments. The fine concludes a criminal investigation since 2022 into the investment company by the German prosecutor, after DWS had already paid USD 19 million to the US Securities and Exchange Commission (SEC).

## Questions?

If you have any questions or comments on a specific ESG topic, please contact our [Sustainable Business & Climate Change team](#). To receive ESG Matters, please [sign up](#).

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