

## For What It's Earth

Global ESG Headlines from Step toe

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### Litigation

America First Legal (AFL), a group founded by former Trump administration officials, continues to challenge US corporate diversity initiatives. The group recently filed complaints against Activision Blizzard Inc (ATVI.O) and Kellogg Co (K.N) with the US Equal Employment Opportunity Commission (EEOC), claiming that their respective DEI policies and principles has led to illegal employment discrimination. Scrutiny of DEI policies and practices, and legal challenges, continue to mount following the US Supreme Court's June decision striking down affirmative action in higher education. See our prior coverage [here](#).



### Standards

On August 17, the European Commission (Commission) [published](#) the transitional rules for the Carbon Border Adjustment Mechanism (CBAM), which will apply from October 2023 until December, 31, 2025. Operators are required to report on the quantity of imported goods, direct and indirect emissions embedded in them, and any carbon price due for those emissions. The first report should be submitted by January 31, 2024 in respect of goods imported during the fourth quarter of 2023. On the same date, the Commission also [issued](#) two sets of guidance, one directed at EU importers and one directed at installation operators outside the EU, on the practical implementation of the new rules.



### Legislation

State legislators in California are expected to pass the Climate Accountability Package in the coming months. One of the bills in the package would go beyond the proposed SEC climate risk disclosure rule in that it would also [require](#) disclosures from privately held companies, as well as require in-scope entities to report Scope 3 emissions. It is expected that the size of California's market could incentivize companies around the world to comply.



### Companies & Investors

A coalition of environmental NGOs is [urging](#) the US Securities and Exchange Commission to stop Brazil's JBS, the world's largest meatpacking company, from moving forward with its US IPO, based on the alleged impact of JBS' operations on deforestation in the Amazon. The primary issue between the two sides appears to be whether JBS is taking adequate steps to ensure that it is not involved in deforestation.



### Statement

In an August 20 article published by the Financial Times, Executive Director of the International Trade Centre, Pamela Coke-Hamilton was quoted on the negative impact new EU rules to curb deforestation could have on global trade if small producers and developing nations are not helped to adapt.

***"Once you have loss of market share, you have loss of income, then you will have lots of increased poverty, then increased deforestation because at the root of deforestation is poverty. We [risk] falling into the trap of reinforcing something that we're trying to change."***

Executive Director of the International Trade Centre Pamela Coke-Hamilton, quoted by the Financial Times, August 20, 2023