

For What It's Earth

Global ESG Headlines from Step toe

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Investigations

On October 19, 2022, attorneys general from 14 US states sent investigative demands to six large banks, requesting information about their involvement in global climate-based initiatives, including the Glasgow Financial Alliance for Net Zero and the Net-Zero Banking Alliance, and any targets or target-setting guidelines. The investigation is led by Missouri Attorney General Eric Schmitt. Schmitt and other attorneys general [claim](#) the banks' climate strategies are an attempt to prevent fossil fuel companies from accessing financial services.



Regulation & Investigations

Regulatory action on greenwashing continues apace, with UK regulator the Advertising Standards Authority [ruling](#) that HSBC's poster adverts on financing the transition to a low carbon economy were misleading. While the claims (concerning USD 1 trillion investment, and planting 2 million trees) were based on evidence, the adverts were held to omit significant information about HSBC's contribution to carbon dioxide and greenhouse gas emissions. The case demonstrates the degree of scrutiny that green claims can now expect.



Regulation

The UK's Financial Conduct Authority (FCA) has [proposed](#) new rules aimed at tackling greenwashing. The FCA has said it wants funds to disclose more information to investors about investment packages marketed as sustainable and to restrict the use of sustainability-related terms, including "ESG" and "green", to avoid misleading investors. The FCA has said that it will use its usual enforcement and supervisory approaches when investigating breaches of the proposed rules. The consultation is open for comments until January 2023.



Standards

There is a report that the US Securities and Exchange Commission (SEC) may roll back its plans to require disclosure of 'scope 3' greenhouse emissions. Scope 3 emissions pose the most significant challenge for reporting, because it requires an evaluation of emissions in the value chain, outside of a business' direct control, and are the most controversial aspect of the draft rule [proposed](#) by the SEC in March 2022. No final decision has been reached and the SEC has yet to vote on a final rule.



Statement

Michael Bloomberg, chair of the Taskforce on Climate-related Financial Disclosure (TCFD), [commenting](#) on the issue of a report into the provision of climate-related financial data to investors during 2021.

"Even with the significant progress made over the past five years, this report makes clear that more urgent progress is needed. Supporting market efficiency and stability is paramount as we look to build a more sustainable and resilient future. "

Michael Bloomberg, chair of the TCFD, September 15, 2022