

## For What It's Earth

Global ESG Headlines from Step toe

June 07, 2023 – Issue 25

[Click here](#) to subscribe via email.

Learn more about our ESG practice: [www.step toe.com/ESG](http://www.step toe.com/ESG)



### Legislation

On May 16, the French government presented draft legislation containing financial assistance for companies to increase domestic investments in clean energy, in response to the US Inflation Reduction Act. The bill contains provisions to strengthen GHG criteria in public procurement, create tax credits and other financial incentives for the EV industry and penalize gasoline-powered vehicles, and facilitate new factory openings.



### Standards

On May 30, the Federation of Brazilian Banks (FEBRABAN) issued a sustainability standard setting forth guidelines and procedures for Brazilian banks when financing the beef industry. The standard requires slaughterhouses to implement a tracking system to oversee its entire supply chain in the Amazon region and Maranhao State by December, 2025. The change is in line with new EU regulations aimed at safeguarding the rainforests, and signals a growing shift towards responsible investment practices.



### Regulation

The EU is set to tighten regulations to address concerns about the lack of clarity and consistency in ESG ratings, it has been reported. According to the draft European Commission proposal expected to be published on June 13, ESG rating firms will need to explain their methodologies, obtain regulatory authorization, and comply with new disclosure requirements. As currently drafted, the disclosure requirements will purportedly be reduced for small and medium size firms. The effort is aimed at creating greater transparency and fairness in the ESG ratings marketplace, which is rapidly growing.



### Legislation

On June 1, the European Parliament plenary adopted its position on the Corporate Sustainability Due Diligence Directive with 366 votes in favor, 225 votes against and 38 abstentions. Now that both the Council and the Parliament have adopted their respective positions on the proposed instrument, interinstitutional negotiations between the Commission, the Parliament and the Council will take place, which are reportedly set to begin on 8 June 2023.



### Statement

***"We shouldn't blush in comparison with the US - if every state in EU with such determination, the figures are comparable... It's a knife fight (on green energy subsidies) between China, US and Europe and nobody is giving any gifts."***

In a May 16 article published by Bloomberg France's Minister of Finance, Bruno Le Maire, was quoted on new French clean energy proposals and highlighted the global competition among nations to promote sustainable industries while positioning themselves as leaders in the green economy.