

For What It's Earth

Global ESG Headlines from Step toe

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Litigation

Shell has won an appeal against a 2021 Dutch court ruling that required the company to significantly reduce its carbon emissions by 2030. The original ruling mandated Shell to cut emissions from its products by 45% compared to 2019 levels. The appeals court found that the order was too stringent and noted that governments, rather than courts, should set climate policies.



Legislation

Following intense lobbying EU lawmakers have agreed to delay and ease the implementation of a law banning products linked to deforestation, initially set for December 2024. The law targets commodities like soy, beef, and palm oil, requiring companies to ensure their supply chains are deforestation-free. To aid compliance, a registry will be introduced to track and verify supply chain transparency, allowing companies to document and report their efforts.



Legislation

California's new climate disclosure laws have survived their first legal challenge. The laws, which require companies to report their greenhouse gas emissions and climate-related financial risks, faced opposition from business groups. However, a federal judge dismissed the lawsuit, allowing the regulations to proceed. These laws aim to increase transparency and accountability in corporate climate actions. The decision marks a significant step forward in California's efforts to address climate change through enhanced corporate disclosure requirements.



Standards

The UK government has confirmed plans to implement a Carbon Border Adjustment Mechanism (CBAM) by 2027. This mechanism aims to impose charges on imported goods based on their carbon emissions, ensuring a level playing field for UK industries subject to domestic carbon pricing. The UK CBAM follows introduction of a similar regime in the EU, although both mechanisms differ slightly, for example UK CBAM would not apply to electricity, and will apply different rates to each sector. Detailed proposals and a timeline for implementation will be developed.



Statement

Leading beverage brands have launched a coalition to encourage the adoption of renewable energy within the industry. The initiative aims to enhance sustainability and reduce carbon footprints by promoting clean energy solutions and collaborative efforts among major beverage companies.

"Scope 3 emissions are one of the biggest challenges that the industry faces in delivering on our Net Zero ambitions. We must work together to identify areas of our supply chains where we can pool our resources to accelerate this transition for our suppliers. We look forward to working with other beverage companies to achieve this and accelerate the decarbonization of our industry."

Chief Procurement Officer of Heineken, Hervé Le Faou,
October 30, 2024