

For What It's Earth

Global ESG Headlines from Step toe

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Regulation & Standards

In a move to advance social aspects of governance, the US Securities and Exchange Commission adopted a regulation that will require US-listed companies to provide in their filings information on executive compensation and financial performance measures over five fiscal years, and include comparisons between CEO pay versus other named executives. The measure was introduced in response to the Biden administration's drive to provide greater transparency from listed companies on working conditions, pay equity, hiring, and retention policies.



Supply Chain

This month, the Government of Canada announced agreements with Volkswagen AG and Mercedes-Benz Group AG to secure access to raw materials such as nickel, cobalt, and lithium for battery production. The agreements are an example of private and public sector actors working together to ensure resilience of supply chains.



Litigation

Santos Ltd. has been sued by activists claiming that carbon capture and sequestration (CCS) credits amount to greenwashing and fail to properly account for carbon reductions. The litigation is remarkable as an assault on the viability for CCS in Australia, while much of the rest of the world is advancing with CCS to tackle global climate change. For example, on August 30, US Congressional lawmakers wrote to the General Accounting Office to request coordination of government agencies in creating transparency and standards in the voluntary carbon offset markets.



Regulation & Standards

California's Air Resources Board enacted a regulation that phases out and then prohibits the sale of new gasoline-powered cars by 2035, a move likely to accelerate the transition to zero-emission vehicles. Given the size of the California market, the new rule has far reaching implications for not only the US automotive market but global markets as well. Preparing for the shift will require businesses to rethink their business strategies, and will require planning for compliance with regulatory standards.



Statement

“If more and more climate disasters, droughts and famines occur throughout the world, there will be repercussions on prices, on insurance premiums and on the financial sector”

Christine Lagarde, President of the European Central Bank, August 25, 2022

In an interview with Madame Figaro published this month, Christine Lagarde, president of the European Central Bank (ECB) emphasized the link between climate change and rising global inflation. Lagarde discussed the steps the ECB is taking “to lower inflation to restore price stability.”