

## For What It's Earth

Global ESG Headlines from Step toe

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### Litigation

Environmental groups have filed a legal action in a Lisbon court against Portugal, alleging a failure to put into practice the goals and deadlines set out in regulatory policies and legal instruments approved in 2021 to combat climate change. The groups allege that the Portuguese government has not yet created a portal to track the status of regulation, published a carbon budget establishing a CO<sub>2</sub> emissions cap, or fully implemented sector-specific policies for climate mitigation.



### Regulation

The European Parliament and Council have reached a political agreement on the Ecodesign for Sustainable Products Regulation. The specific requirements, to be issued by the Commission, will cover a broad range of sustainability requirements, including information requirements for a digital product passport. The priority products include textiles, furniture, iron and steel, aluminum, tires, paints, lubricants and chemicals, energy related products, ICT products and other electronics but eventually covering almost all products.



### Standards

The UK's Department for Energy Security & Net Zero has launched a public consultation on proposed rules to govern carbon dioxide transportation and storage networks, hailing it as "an important step forward" in the commercialization of the UK's nascent carbon capture and storage industry. The proposed Network Code provides a framework for a host of commercial, operational, and technical issues. Comments are due on February 16, 2024.



### Standards

The Commodity Futures Trading Commission (CFTC) issued a proposed guidance that would apply to registered derivatives exchanges (DCMs) offering physically-settled voluntary carbon credit (VCC) derivative contracts. Additional factors DCMs designing and listing VCC derivative contracts should consider include the carbon crediting program's internal methodologies when issuing VCCs and monitoring underlying market conditions for changes to include in listed contract terms, among other factors. Comments are due by February 16, 2024.



### Statement

Speaking at a recent Council on Foreign Relations event Securities and Exchange Commission Chair Gary Gensler warned that the absence of climate reporting rules in the US would likely force companies to comply with foreign reporting rules such as those in the EU's Corporate Sustainable Reporting Directive.

***"If we were not to finalize a rule, or if we finalize a rule and it's overturned in the courts, either way if we don't have a rule... some significant number of US companies will have to comply with the European standards – significant number, thousands maybe"***