

For What It's Earth

Global ESG Headlines from Step toe

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Enforcement

This month, US Republican state attorneys general warned major US companies that certain diversity policies may be illegal following the Supreme Court's recent decision on affirmative action. In addition, Republican officials have increased attacks on ESG investing, with three attorneys general demanding climate work details from Wall Street money managers. These developments highlight that ESG policies are increasingly coming under significant legal and political scrutiny in the United States.



Standards

The International Maritime Organization (IMO) has adopted the "2023 IMO Strategy on Reduction of GHG Emissions from Ships." It aims to achieve net-zero emissions from international shipping by 2050, with a focus on shifting to low greenhouse gas emission fuels by 2030. The plan involves interim reduction targets and measures like a marine fuel standard and emissions pricing mechanism to drive the adoption of low-emission technologies and fuels in the sector.



Labor

The US government is pushing for improved labor rights safeguards in Mexico to protect workers from potential exploitation as companies seek to prevent supply chain disruptions by relocating jobs to the country. In an interview with Reuters Thea Lee, US Deputy Undersecretary for International Labor Affairs who polices the US-Mexico-Canada trade agreement's labor provisions said this is to "ensure that Mexico doesn't become a dumping ground for companies looking for cheap labor and lax regulations."



International Agreements

On July 7, 2023 the European Commission published a formal proposal for the withdrawal of the European Union from the Energy Charter Treaty (ECT). The move comes after many years of intensive efforts (notably by the EU) to modernize the ECT, in response to concerns that the Treaty prevented ECT Contracting States from meeting their climate change mitigation obligations as set out in the Paris Agreement. View our extended coverage here.



Statement

In a joint statement published on July 7, a coalition of investment and sustainable investing groups, including Eurosif, PRI, IIGCC, EFAMA, UNEP FI, expressed their concerns about the latest changes applied by the European Commission to the first set of the European Sustainability Reporting Standards, which would ease several aspects of the EU's upcoming Corporate Sustainable Reporting Directive.

Eurosif Executive Director Aleksandra Palinska, July 7, 2023

"The first set of the European Sustainability Reporting Standards (...) fails to address investors' needs and risks undermining the effective implementation of the EU sustainable finance regulatory framework. The European Commission is now presented with a final opportunity to correct its course and find a compromise that would truly reflect all industry and stakeholders' needs and better match the ambition of EU climate neutrality targets and the EU Green Deal."