Steptoe

For What It’s Earth

Global ESG Headlines from Steptoe

July 10, 2024 – Issue 51

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Legislation

On June 20, Canada has passed legislation aimed at curbing 'greenwashing' by corporations. The new law will prohibit certain environmental representations that are not based on adequate and proper substantiation in accordance with international methodologies. Companies found in violation of the law may face finds up to the greater of $10 million, or $15 million for subsequent orders, or three times the value of the benefit derived from the deceptive conduct, or 3% of annual revenues.

Standards

US and EU lawmakers are urging the International Agency to establish global standards for measuring the oil and gas sector’s emissions of methane by June 30, 2025. The lawmakers assert that the standards will aid countries in developing policies to reduce methane emissions. The standards are intended to be complementary of regulatory efforts in both the EU and US to slash methane emissions. Seven lawmakers from the two largest political parties in the EU and ten Democrats from the US signed the letter dated July 1.

Supply Chain

The World Uyghur Congress, an international group of exiled Uyghurs, won an appeal against the UK government's decision not to open a criminal investigation of imports of cotton allegedly produced by slave labor in Xinjiang, China. On June 27, the UK Court of Appeal overturned a lower court’s prior decision that a clear link between the alleged criminality and a product must exist. As a result, the Court of Appeal directed the National Crime Agency to reconsider the decision to not investigate.

Companies & Investors

Indiana’s State Treasurer has placed an asset manager on a watch list over concerns with the asset manager’s environmental, social, and governance commitments. Under a 2023 state law, the move triggers a requirement for the state’s retirement system board to determine whether it can replace the investment manager with a provider that is comparable in financial performance. If no appropriate replacement provider exists, the board may retain the watch-listed asset manager, BlackRock. Several other states have implemented similar ESG boycott legislation in recent years.

Statement

On June 19, the Federal Council of Switzerland announced that they will postpone the regulation of greenwashing in the financial sector. Instead, they will allow the industry to self-monitor, recognizing the progress made by the sector's associations in creating and applying self-regulation measures.

“A quality step has been taken in key areas that benefits all stakeholders: investors, the Swiss asset management industry and the Swiss financial center as a whole. The preceding process is an excellent example of constructive and targeted dialogue between the federal government and the private sector.”

CEO of the AMAS Adrian Schatzmann, June 19, 2024