

For What It's Earth

Global ESG Headlines from Step toe

July 20, 2022 – Issue 04

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Litigation

The English High Court has [found](#) the UK Government's Net Zero Strategy to be unlawful and ordered that a fresh report be laid before Parliament by March 2023.

The Strategy, published in 2021 and required by the UK's Climate Change Act 2008, was launched with great fanfare in the run-up to the UK's hosting of COP26 in Glasgow. While its ambition was lauded, the Court held that the Strategy did not contain enough detail to enable stakeholder scrutiny.



Legislation

The most-recent collapse of the Build Back Better negotiations (and its climate-related provisions) has raised serious concerns over whether the US will be able to meet its commitments under the Paris Agreement. As a result, companies looking to make long-term investments in renewable energy in the US are facing greater uncertainty. President Biden is therefore under [increasing](#) pressure to use executive authority to make progress on his Administration's climate agenda. This may lead the President to declare a climate change emergency in the coming days.



Regulation & Standards

The European Parliament's Environment Committee [voted](#) to widen the scope of the EU's proposed Regulation on deforestation-free products to include commodities such as maize and rubber and produce from poultry, sheep, goats and swine, and also to safeguard the rights of local and indigenous people. The legislative process will continue with a vote in September. Step toe has been [monitoring](#) legislative action on forest risk commodities across the US, the EU and the UK.



Companies & Investors

Environmental groups have filed a claim in the District Court of Amsterdam against the Dutch subsidiary of Air France KLM. They argue KLM's 'Fly Responsibly' advertising campaign breaches European consumer protection rules by misleading the public over how sustainable its flights really are.

This marks the first time an airline has been targeted with a greenwashing lawsuit, and may contribute to setting an important precedent for the industry.



Statement

“Climate change should not be trustees' sole consideration... Financially material social factors also pose risks and provide opportunities.”

UK Minister for Pensions Guy Opperman, July 15, 2022

Last week the UK government [announced](#) a new cross-department task force to help pension scheme trustees incorporate social factors into investment decisions and stewardship policies, through the development of standards and metrics.