

## For What It's Earth

Global ESG Headlines from Step toe

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### Investigations

The US Securities and Exchange Commission continues its scrutiny of ESG investments, with news this month that Goldman Sachs has become the latest large bank to be investigated for its oversight of ESG mutual funds. With such investigations on the increase, Step toe [welcomes](#) the arrival of former SEC Counsel Coy Garrison to add further insight into the US SEC's enforcement priorities on ESG.



### Legislation

There has been further controversy over the [EU's Taxonomy Regulation](#), the legislative instrument which defines which investments can be considered sustainable. The European Commission is pursuing a delegated act to define nuclear and gas as green investments to enable the transition to a net-zero economy, but on June 14, Members of the European Parliament sought to block those plans. The final decision will now be determined at a vote of the European Parliament in July.



### Regulation & Standards

The first ESG voluntary disclosure standard for the Chinese market was released this month by the China Enterprise Reform and Development Society. The 'Guidance for Enterprise ESG Disclosure' has many common features with existing standards, but has been tailored for the Chinese legal, regulatory and policy framework. Of particular interest is the inclusion of scope 3 greenhouse gas emissions within the scope, which is a subject of much debate in the US and in Europe.



### Companies & Investors

The Glasgow Financial Alliance for Net Zero (GFANZ), the global coalition of leading financial institutions launched in April 2021 by UN Climate Envoy Mark Carney in the run-up to COP26, has launched new tools to guide investors, banks, insurance companies and others in the financial sector on the delivery of net zero commitments. [The Net-zero Transition Plan framework](#) is open for public consultation until July 27, 2022.



### Statement

***"Effective supply-chain tracing is a critical first step of due diligence. Importers must know their suppliers and labor sources at all levels of the supply chain."***

The Department of Homeland Security report to Congress "[Strategy to Prevent the Importation of Goods Mined, Produced, or Manufactured with Forced Labor in the People's Republic of China](#)", 2022, June 17