

For What It's Earth

Global ESG Headlines from Step toe

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Litigation

The New York Attorney General (NYAG) filed a lawsuit against meatpacking giant JBS, alleging the company made misleading environmental claims. According to the NYAG, "JBS USA has claimed that it will achieve net zero greenhouse gas emissions by 2040, despite documented plans to increase production, and therefore increase its carbon footprint." The lawsuit demands that JBS cease its allegedly misleading advertising, return any profits made as a result, and pay penalties. The complaint highlights the challenges faced by companies in making and verifying sustainability claims and the accompanying risks of anti-greenwashing litigation.



Regulation

On March 5, the European Parliament and the Council of the EU reached a provisional agreement on the EU Forced Labor Regulation, which would ban the import into the EU of any goods made with forced labor, irrespective of its source. For the purpose of ensuring compliance, the European Commission will lead investigations outside the EU territory, whereas EU Member States will lead investigations for risks inside their territories. The provisional agreement still needs to be formally adopted by the Parliament and the Council and published in the Official Journal of the EU.



Standards

Europe's largest online fashion retailer, Zalando, has committed to eliminate misleading sustainability labels and icons from its platform, following discussions with the European Commission and national authorities. Zalando will no longer use vague sustainability terms but will offer detailed information on the environmental benefits of products, such as the percentage of recycled materials. Changes extend to product filtering and the Sustainability Page revision for accurate environmental claims. Zalando is to submit a report on the implementation of the commitments.



Companies & Investors

Singapore unveiled new climate-related reporting rules. Listed companies must provide the required disclosures in 2025, including Scope 1 and 2 GHG emissions data. In 2026, listed companies must provide Scope 3 emissions data; and, in 2027, must obtain external limited assurance on Scope 1 and 2 emissions. Large, non-listed companies, defined as those with at least \$1 billion in revenue and \$500 million in assets will begin reporting in 2027 on a similar scaled timeline.



Statement

The European Parliament announced that it has adopted new rules on environmental crimes and related sanctions. The measures are aimed at strengthening ecosystem protection, by broadening the scope of criminal environmental offenses and standardizing sanctions, including fines and imprisonment.

"Under this agreement, polluters will pay. What is more, it is a major step in the right direction that any person in a leading position at a company responsible for polluting can be held liable as well the business itself. With the introduction of a duty of care, there is nowhere else to hide behind permits or legislative loopholes."

European Parliament rapporteur Antonius Manders (EPP, NL), February 27, 2024