

## For What It's Earth

Global ESG Headlines from Step toe

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### Litigation

Retailers and consumer brands are the latest group to come under the spotlight for their association with per- and polyfluoroalkyl compounds (PFAS). PFAS compounds have been nick-named “forever chemicals” due to their persistence in the environment, and have been coming under increasing regulatory scrutiny. Now retailers are [facing claims](#) for selling products containing PFAS under allegedly misleading marketing claims.



### Regulation

Hot on the heels of the March 2022 [proposed rule](#) by the US SEC for registrants to disclose scope 3 greenhouse gas emissions “where material” or where it has a published goal or target, the UK Government is considering further intervention in reporting scope 3 emissions in its [consultation](#) on reform to its Green Finance Strategy. In addition, in May 2022 the SEC published [another proposed rule](#) for comment, this one requiring specific disclosures from certain investment funds and advisors on their ESG strategies.



### Legislation

On June 21, the [Uyghur Forced Labor Prevention Act](#) (UFLPA) will come into effect. The UFLPA creates a rebuttable presumption that all goods created “wholly or in part” from the Xinjiang Uyghur Autonomous Region of China, or in connection with specified entities linked to forced labor, are prohibited from entering the United States unless they qualify for an exception.



### Companies & Investors

Investors backed Shell's climate transition strategy at its AGM in May 2022, but in lower numbers than when the transition plan was launched in 2021. The vote from shareholders follows the announcement in March 2022 that the directors of Shell are facing [legal action](#) from environmental law NGO ClientEarth for allegedly failing to manage climate risks in accordance with its stated ambition.



### Statement

***“UK banks and insurers still need to do much more to understand and manage their exposure to climate risks.”***

The Bank of England, Results of the 2021 Climate Biennial Exploratory Scenario, 2022, May 24

In May 2022 the Bank of England [published](#) its assessment on the financial risks posed by climate change for the UK's largest banks and insurers, with losses in the event of no further policy action on climate change estimated to be £330 billion. The results of its Climate Biennial Exploratory Scenario (or CBES) explored ‘early action’, ‘late action’ and ‘no additional action’ scenarios, concluding that early government action on climate change reduces financial exposure.