

## For What It's Earth

Global ESG Headlines from Step toe

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### Litigation

The Michigan Attorney General declared an intention to pursue litigation related to the climate change impacts allegedly caused by the fossil fuel industry on behalf of the State of Michigan. Michigan Attorney General Dana Nessel anticipates the litigation could seek damages in the billions of dollars. Any lawsuits filed by Michigan would follow dozens of similar legal actions initiated by states and local governments.



### Regulation

The European Securities and Markets Authority (ESMA) finalized guidelines for the use of ESG and sustainability-related terms in investment fund names. The guidelines are designed to prevent greenwashing by asset managers in response to a sharp increase in investor demand for ESG-focused funds in recent years. ESG terms will be permitted if a minimum threshold of 80% of investments are used to meet the ESG objectives. The guidelines will be applicable three months after publication.



### Supply Chain

The US Department of Homeland Security (DHS) announced a new textile enforcement plan that will increase Customs and Border Protection package inspections to identify violations of the Uyghur Forced Labor Prevention Act. DHS also anticipates dramatically expanding the Uyghur barred entities list that identifies companies that mine, produce or manufacture goods from forced labor in Xinjiang beyond the current thirty entities identified on the list. Scrutiny of Xinjiang cotton is expected to be a focus of the plan.



### Standards

Companies that have compliance obligations under both the International Sustainability Standards Board (ISSB)'s Sustainability Disclosure Standards and the European Sustainability Reporting Standards (ESRS) may now rely on interoperability guidance on how to apply both sets of standards for climate-related disclosures. The ISSB and European Financial Reporting Advisory Group published guidance for companies subject to both sets of standards that is designed to reduce complexity, fragmentation, and duplication. The guidance addresses alignment of the "materiality" concept under both sets of standards.



### Statement

***"Together, a combination of strong standards, good monitoring and reporting, and historic investments to cut methane pollution will ensure the US leads in the global transition to a clean energy economy"***

The US Environmental Protection Agency (EPA) announced that it has issued a finalized rule intended to broaden methane emissions reporting requirements for owners and operators of oil and natural gas facilities, and to improve the quality of the emissions data by utilizing advanced technologies.