

For What It's Earth

Global ESG Headlines from Step toe

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Litigation

On August 11, a US federal judge dismissed a lawsuit filed against Starbucks concerning the company's diversity, equity and inclusion (DEI) policies and initiatives. Although the case was dismissed, it is expected that lawsuits raising such challenges will continue to increase following the US Supreme Court's [decision](#) in June striking down the use of affirmative action in higher education. Lawsuits against a number of companies and law firms have already been filed.



Regulatory Enforcement

In furtherance of its stated goal of addressing "ESG-related misconduct," the enforcement division of the US Securities and Exchange Commission (SEC) issued subpoenas to several investment firms concerning their sustainable advertising practices. The SEC's [Climate and ESG Task Force](#) has initiated several actions since being constituted in 2021.



Legislation

In May, the EU [adopted](#) a new law requiring EU-based companies to ensure that their imports and exports have not been produced on land deforested since December 31, 2020. The law covers seven agricultural commodities and requires companies to trace the commodities back to where they were produced. The law has garnered significant pushback since its passage. Earlier this month, Brazil's agriculture minister questioned whether it complies with the principles of the WTO.



Companies & Investors

A [study](#) of the 2023 proxy season by EY showed an increase in the number of ESG-related shareholder proposals, but a decline in support for such proposals. This is not surprising given the intensifying conservative backlash against ESG in the US. In [response](#) to an investor question at Home Depot's annual meeting, CEO Ted Decker said, "[w]e believe that running [a] responsible, sustainable company makes our business stronger, more agile, and more resilient."



Statement

This month, the Biden Administration [announced](#) a new proposed Federal Acquisition (FAR) rule aimed at ensuring that the federal government prioritizes the procurement of sustainable products and services. See our prior coverage [here](#).

"President Biden believes that when we spend American taxpayers' dollars, we should be investing in America, reducing costs, and building a more sustainable future. Through today's action, we are doing just that. Combined with President Biden's Buy American directive, our proposed rule will boost Federal agency purchases of EPA-recommended green products and services while creating well-paying jobs and investing in American manufacturing."

Chair of the White House Council on Environmental Quality
Brenda Mallory on Sustainable Products and Services
procurement rule, August 1, 2023