

For What It's Earth

Global ESG Headlines from Step toe

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Litigation

Senior Women for Climate Protection secured a historic climate case victory in the European Court of Human Rights, highlighting the disproportionate impact of climate change on vulnerable demographics. The court found that Switzerland had made insufficient efforts to meet emission targets, signaling potential legal repercussions for other nations. The plaintiffs argued for better health protection during heatwaves. The ruling challenges governments to prioritize climate action, setting a precedent for climate litigation globally.



Investigations

Following an investigation by the (UK) Competition and Markets Authority (CMA) into environmental claims made by fashion retailers ASOS, Boohoo and Asda, each has signed a formal undertaking to use only accurate and clear green claims. Each must regularly report to the CMA on compliance with the specific commitments made and improve internal processes. The CMA has issued an open letter to the sector, urging fashion retailers to review their claims in light of the undertakings, which set a benchmark for the industry.



Supply Chain

Inditex, the parent company of Zara, seeks clarification from a cotton certifier embroiled in alleged breaches of standards. In a letter to Better Cotton CEO, Inditex demands transparency amid accusations of corruption, land grabbing, deforestation, and violence linked to two Brazilian certified cotton producers. The allegation could increase the pressure for other retailers reliant on similar certifications to reassess their supply chains to ensure transparency.



Standards

The Sustainability Standards Board of Japan (SSBJ) announced the release of new exposure drafts for proposed standardized sustainability and climate-related reporting, following the International Sustainability Standards Board's (ISSB) guidelines. Aligned with global standards, the SSBJ proposals aim to make sustainability reporting mandatory in Japan. Feedback on the drafts is sought, with finalized standards expected by March 2025. The development signifies a concerted effort to address sustainability risks and opportunities in corporate reporting, echoing international trends.



Statement

According to a new study released by KPMG US, the majority of US CEOs anticipate significant returns from their company's sustainability investments within three to five years. Despite challenges like inflation, supply chain issues, and opportunities related to Generative AI, corporate leaders continue to prioritize ESG initiatives as their top operational focus.

“With sustainability initiatives now seen as a path to profits, not just purpose, leaders expect their investments to deliver a serious revenue boost within the next three to five years. From operations to products to governance, they are catalyzing a shift toward a more sustainable and lucrative future for business.”

KPMG US ESG Leader Rob Fisher, April 2024