

For What It's Earth

Global ESG Headlines from Step toe

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Legislation

Last week, the California Legislature passed two bills, together the “Climate Accountability Package,” that would mandate the public disclosure of greenhouse gas emissions and climate-related financial risk by companies doing business in California that meet different revenue thresholds. California Governor Gavin Newsom has indicated he will sign the bills into law, subject to minor, undisclosed changes. California is the first governmental actor in the United States to mandate corporate climate-related disclosures, essentially front-running the long-anticipated climate disclosure rules under consideration by the US Securities and Exchange Commission. Read our extended coverage [here](#).



Standards

The EU Commission has [launched](#) a consultation focused on the Sustainable Finance Disclosure Regulation (SFDR), which establishes a framework for the disclosure of sustainability information by financial market participants. The consultation, among other things, seeks feedback on the introduction of sustainability-related disclosure requirements for all financial products offered in the EU, including products that have not made any sustainability claims. The consultation period will end on December 15, 2023.



International Trade

The October 31, 2023 deadline for the US and EU to reach a negotiated [Global Arrangement for Sustainable Steel and Aluminum](#) draws near, and the two sides do not appear to be close to a deal. For veterans of past US-EU trade negotiations and given the differences in how each side wants (or is able) to address carbon leakage issues – for the EU, a CBAM and for the US, tariffs and quotas – this is not a surprising development. If a deal is not reached by the deadline, we could see both sides reimpose tariffs on each other's products.



Standards

A group of over 20 asset managers representing more than \$1 trillion in invested capital have [urged](#) the International Sustainability Standards Board (ISSB) to make human capital and human rights a priority for its next set of global reporting standards, to develop a globally accepted reporting framework for these issues. The group also has encouraged ISSB to give thought to how to reflect in reporting the interconnections between the two topics to provide investors with comprehensive and comparable data to assess the financial materiality of these issues.



Statement

“The amount of Xinjiang cotton entering the US should be zero, so, anything above zero percent should be a real warning.”

Documents obtained through the Freedom of Information Act reveal that around 27% of tests conducted on footwear and clothing seized by US Customs and Border Protection in May established connections to cotton originating from China's Xinjiang region, which has been banned because of [concerns over forced labor](#).

Professor of Human Rights and Contemporary Slavery at Sheffield Hallam University, Laura Murphy, quoted by Reuters, September 1, 2023