

## For What It's Earth

Global ESG Headlines from Step toe

January 26, 2024 – Issue 40

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### Litigation

Litigation over alleged greenwashing claims shows no signs of abating. Five NGOs have initiated legal action against the European Commission, urging a review of its green investment rules for aviation shipping. The brief criticizes the EU Taxonomy for allegedly endorsing planes and ships with weak efficiency standards or using polluting fuels. In addition, NGOs filed a claim against Starbucks, and took legal action against major food and drink companies, for making allegedly misleading claims about recycling.



### Legislation

The EU parliament voted on a proposed EU Directive prohibiting misleading sustainability claims on products, a key step in combating greenwashing. The proposed legislation establishes stringent measures to curb greenwashing and ensure businesses provide accurate information about product sustainability. A key aspect of the new law focuses on improving product labels by banning unverified generic environmental claims. It also regulates sustainability labels, allowing only those based on official certification schemes or established by public authorities.



### Legislation

The Government of Australia recently announced the release of draft legislation that introduces mandatory climate-related reporting requirements for large and medium sized companies. The requirements would include disclosures on climate-related risks and opportunities and greenhouse gas emissions. Under the proposal, companies would be mandated to report on material climate-related risks and opportunities, metrics, and targets. The government is seeking views on the draft legislation and accompanying explanatory materials by February 9, 2024.



### Standards

The London Metal Exchange (LME) announced it is set to suspend or delist 10% of its listed metal brands in the upcoming months unless producers submit responsible sourcing reports. Under the LME's Policy on Responsible Sourcing of LME-Listed Brands, producers of more than 50% of the brands listed on the LME were required to submit reports by the end of 2023, demonstrating compliance with OECD guidelines for responsible mineral supply chains in conflict-affected and high-risk zones.



### Statement

Speaking at Davos last week, CEO of A.P. Moller - Maersk A/S, Vincent Clerc, said he expects Red Sea threats to disrupt shipping for weeks or months longer.

***“So for us, this will mean longer transit times and probably disruptions of the supply chain for a few months, at least, hopefully shorter but equally it [could] also be longer because it's so unpredictable how this situation is actually developing.”***

CEO of A.P. Moller - Maersk A/S Vincent Clerc, January 17, 2024