

For What It's Earth

Global ESG Headlines from Step toe

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Legislation

On January 17, European Commission President Ursula von der Leyen disclosed plans for a new Green Deal Industrial Plan designed to "make Europe the home of clean tech and industrial innovation on the road to net zero." The plan includes the introduction of a Net-Zero Industry Act that "will identify clear goals for European clean tech by 2030" and compete with Washington's \$369 billion green subsidy package that von der Leyen said had "raised a number of concerns," as well as certain Chinese measures.



Investigations

A group of 21 US Republican state attorneys general are scrutinizing two proxy advisory firms on ESG recommendations that they warn could be open to legal challenges. In a letter sent to Institutional Shareholder Services and Glass Lewis, the attorneys general said that the proxy advisors "have made several commitments that may interfere with your ability to honor your legal obligations," based on the firms' proxy voting recommendations on ESG issues. The letter requests assurance "that you will cease such violations and commit to following the law."



Supply Chain

On January 18, the Global Battery Alliance (GBA), the world's largest multi-stakeholder organization aimed at establishing sustainable battery value chains, launched its pilot for tracking an electric car's battery from mine to recycling, accelerating efforts on transparency amid increasing global regulation on environmental and labor practices. The concept has been developed over three years by GBA's members, including Tesla, Audi and Glencoe. A 'Battery Passport' will become a mandatory requirement in the EU by 2026.



International Cooperation

On January 15, members of the Energy Transition Accelerator (ETA), first announced at last year's COP27 climate conference, and spearheaded by US climate envoy John Kerry, have outlined core principles for a "high-integrity" carbon offset plan to encourage private capital and sovereign government funds to invest in transition to clean power in developing countries. The program aims to cover jurisdictions rather than individual projects. It will be designed by a group of business leaders, U.N. officials, climate and financial experts. It is set to launch at COP28 in Dubai in November 2023.



Statement

"An investment manager, a consumer, society, others can sit there and say, here's a line that is acceptable and you're either above it or below it. If you're below it we shouldn't do business with you."

Speaking at the World Economic Forum in Davos on January 18, Bank of America Chief Executive Brian Moynihan said that current efforts to establish official global standards on ESG issues were imperative to "align capitalism with what society wants from it."