

For What It's Earth

Global ESG Headlines from Step toe

April 13, 2023 – Issue 21

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Legislation

The Canadian government has announced over \$80 billion of investments in clean tech and energy to reduce inflation and compete with the US Inflation Reduction Act. In contrast, progress to accelerate the transition to a low carbon economy has been slower in Europe; the UK government pushed to later this year their consultation on the introduction of requirements for companies to disclose their climate transition plans, while the EU has now deprioritized the release of sector specific sustainability reporting and standards, to pursue finalizing general EU Sustainability Reporting Standards.



Investigations

A group of 21 Republican Attorneys General (AGs) in the US have warned asset managers that ESG investing may pose risks of fiduciary duty and antitrust violations. In a letter sent to six large asset managers, the AGs argue that ESG investment strategies lack clear standards, thereby making it difficult for asset managers to comply with their fiduciary duties. The letter also warns against participation in climate-focused alliances, such as the Net Zero Asset Managers Initiative. The warning highlights the increasing political divide around ESG investing and its potential legal implications for asset managers.



Standards

The European Union is proposing new legislation that would require EU companies to disclose information that makes it easier for employees to compare salaries and to expose existing gender pay gaps. The proposed legislation includes provisions for companies to report on gender pay equity, as well as other diversity and inclusion policies. The new rules would also include protections against discrimination, including with regard to non-binary people, a first for European legislation.



Antitrust

Munich Re, one of the world's largest reinsurers, has withdrawn from the Net-Zero Insurance Alliance (NZIA), a global initiative that aims to accelerate the transition to a low carbon economy, citing antitrust concerns. Insurers are under substantial pressure from climate activists to support decarbonization, and Munich Re has committed to continue its efforts unilaterally. The departure of Munich Re highlights the fear of antitrust liability among companies involved in joint ESG initiatives and the need for more guidance on antitrust enforcement worldwide.



Statement

"The climate time-bomb is ticking. But today's IPCC report is a how-to guide to defuse the climate time-bomb. It is a survival guide for humanity."

United Nations Secretary-General Antonio Guterres, Intergovernmental Panel on Climate Change press conference, March 20, 2023

Last month the Intergovernmental Panel on Climate Change published the synthesis report, the fourth and final installment of the sixth assessment report (AR6). Speaking at the report's launch, United Nations Secretary-General Antonio Guterres warned that "our world needs climate action on all fronts" amid the catastrophic impact of climate change detailed in the report.