

# Step toe

## For What It's Earth

Global ESG Headlines from Step toe

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### Legislation

The Federal Court of Canada recently ruled that the designation of “plastic manufactured items” as a toxic substance under the Canadian Environmental Protection Act was both “unreasonable and unconstitutional.” The decision recognizes that single use plastics do not meet the standards to be considered “toxic.” This is an important step in ensuring that the term be applied to substances that are in fact toxic to avoid unanticipated spillover effects. In addition, the decision will help ensure that any Canadian regulation of single use or other plastics is based upon an accurate assessment of the properties of those materials.



### Standards

The third negotiating session on the global plastics treaty concluded on November 19 in Nairobi, Kenya. This was the first round of talks on the so-called Zero Draft, which includes options for bans of chemicals and polymers of concern in plastic. More progress was reportedly made than in previous rounds, although environmental groups have expressed concerns about the likelihood of talks progressing fast enough to be concluded in 2024 as ambitious.



### Regulation

European Union lawmakers and member states have struck an agreement to amend the bloc's waste shipment regulation. This revision aims to stop the export of specific types of waste to third countries unable to process it properly. The decision contributes to the goal of the European Green Deal and aligns with the EU's commitment to advancing the circular economy.



### Companies & Investors

The UK's Financial Conduct Authority (FCA) announced on November 28 that it will introduce new sustainability disclosure requirements and an investment labels regime. In May 2024, the FCA will introduce an anti-greenwashing rule for all authorized firms to ensure sustainability-related claims are fair, clear and not misleading. New rules will come into force in December 2024 requiring authorized firms to introduce product labels to help investors understand what their money is being used for, and marketing requirements so products cannot be described as having a positive impact on sustainability when they don't.



### Statement

This month, the Bank for International Settlements' Financial Stability Institute, launched their report 'Too hot to insure – avoiding the insurability tipping point' examining how insurers are incorporating considerations on climate-related risks in insurance product pricing and underwriting.

***“A major complicating factor is the uncertainty over future climate change impacts, which may unleash extreme events that have not occurred in the past for example due to climate tipping points. . . There could also be spillovers to other financial sectors — including the banking sector — if insurance is no longer available.”***

Felicia Khoo and Jeffery Yong authors of *Too hot to insure – avoiding the insurability tipping point*, a report published by the Bank for International Settlements' Financial Stability Institute, November 20, 2023