

SEC DECIDES SUPPLY CHAIN DISCLOSURE RULE VIOLATES FREEDOM OF SPEECH

Companies must report on any human rights conflicts within their mineral supply chains, but do not need to declare “conflict free”

Socially responsible investors are fearful that a recent [court decision](#) may stymie future rule-making efforts around company disclosure of mineral supply chains. Sustainability advocates will be pleased to learn that this week the U.S. Appeals Court upheld most of an SEC rule that mandates that companies report on any potential human rights conflicts within their mineral supply chains. However, the court

struck down a portion of the rule requiring companies to declare whether or not their products are “conflict free” citing violation of a company’s freedom of speech. Investors and third-party data providers rely on SEC rulings, such as this one, to ensure that companies disclose material information about their sustainability impacts. Others argue that the ruling simply underscores the need for very precise language around all Environmental, Social, and Governance (ESG) factors. Terminology intended to drive consumer support around campaigns can be legally problematic.

MINNESOTA AND DISTRICT OF COLUMBIA COURT CASES BLOCK ENVIRONMENTAL PROGRESS

Courts block progress on emissions standards and rules against coal-fired power plants

A U.S. District Judge in Minnesota ruled this week that the state could not enforce [part of a law](#) that restricts Minnesota from importing energy from coal-fired power plants out of state. Originally the regulation, signed into law in 2007, intended to limit carbon emissions

from power plants. North Dakota and other states sued in 2011, citing an unconstitutional regulation of interstate commerce.

Meanwhile a U.S. Court of Appeals for the District of Columbia Circuit upheld current emissions standards intended to [curb cement plant pollution](#) and rejected a challenge by environmental groups that the current emissions standards do are not stringent enough.



20 PERCENT OF CHINA'S SOIL IS POLLUTED: GOVERNMENT STUDY

Government report finds heavy metals in soil and arable land

While much has been written about China’s dangerous [air pollution problem](#), recently the country’s [polluted soil](#) is getting all the attention. China’s government released a study this week finding that approximately 16% of China’s soil and 19% of its arable land is contaminated with pollutants such as cadmium, nickel and arsenic. The study asserts that the country’s [rapid industrial development](#) has contributed to irreversible damage to its agricultural land. Experts call this land quality finding “worrying” and find it hard to be optimistic about options going forward. The study, which was conducted between 2005 and 2013 tested 100,000 samples over 6.3 million square kilometers. Many of the areas contaminated by heavy metals are used for rice production, [further linking](#) pollution, climate change and food production.

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BAD WEEK FOR: GASOLINE-POWERED CARS

Volkswagen will expand operations in China and start selling [battery-powered cars](#) in the biggest auto market. In an effort to tackle air pollution, China has begun to reward electric-vehicle buyers. Volkswagen forecasts that deliveries will increase to over 3.5 million cars this year. Last year it delivered 3.27 million.

Meanwhile, the European Car Industry's lobbying group [wants to delay a new rule](#) designed to hold car makers accountable for meeting stringent emissions standards. The

International Council on Clean Transportation asserts that European cars are up to 30% less efficient than their manufacturers claim. The new rule will remove loopholes that allow manufacturers to boost their ratings. The European Automobile Manufacturers' Association (ACEA), the industry's lobbying group, wants the implementation of the rule to be pushed back from 2017 to 2021 due to associated costs with the upgrades.

KEYSTONE XL PIPELINE PROJECT DECISION DELAYED

Decision will be reached after mid-term elections

Last week, the Obama Administration [delayed its decision](#) on the Keystone XL pipeline project. No decision is likely until after the U.S. mid-term elections in November, a move that some are calling a "[political punt](#)". The State Department said last week that the comment period will be extended because it is waiting until the Nebraska Supreme Court settles a dispute over the path the project will take. The Environmental Protection Agency estimates the Keystone XL pipeline project would add \$18.7M metric tons carbon dioxide to the atmosphere annually.

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STAT OF THE WEEK

According to BBMG, "73 percent of survey respondents said they haven't changed any aspect of their shopping habits since the Bangladesh factory collapse."

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