

The Global Regulations Radar 4th Edition

QUARTERLY UPDATE ON ESG AND EHS REGULATIONS

December 2025



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Introduction

As 2025 draws to a close, the global climate and sustainability landscape remains in flux.

Regulatory developments are increasingly defined by two parallel trends: streamlining and retreat in established markets, and deeper international alignment in emerging ones.

In Europe, the EU's Omnibus initiative has begun to simplify overlapping ESG frameworks—including the Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD), and the EU Taxonomy—reducing complexity for reporting companies. In the United States, federal agencies have proposed rollbacks to foundational climate commitments and reporting rules, alongside extended compliance timelines, reflecting shifting political and economic pressures.

Beyond Europe and North America, momentum toward alignment is accelerating. In the Asia-Pacific region, China and Singapore introduced mandatory climate disclosure requirements aligned with global standards, while Mexico and South Africa advanced similar frameworks. Together, these developments signal a maturing global consensus around the need for consistent, comparable environmental and social data, even as differences in scope, assurance, and timelines persist across jurisdictions.





Landscape overview

Africa

South Africa’s National GHG Carbon Budget and Mitigation Plan Regulations mark a turning point in its climate policy, moving from voluntary or price-based measures to a compulsory carbon-control regime. The regulations require high-emitting entities to set emissions targets and submit reduction plans, aligning with Paris Agreement goals. The framework mandates strict monitoring, sectoral benchmarks, and periodic reviews.

Europe

The EU broadened its product sustainability rules with the Ecodesign for Sustainable Products Regulation, expanding eco-design requirements to more goods (e.g., textiles and electronics) and introducing digital product passports. Supply-chain accountability tightened as the EU’s Forced Labour Regulation began phasing in a ban on goods made with forced labor, and the Critical Raw Materials Act set targets to boost domestic sourcing and recycling of key minerals. At the same time, the EU’s Omnibus initiative began to streamline key frameworks such as the CSRD, CSDDD, EU Taxonomy, Carbon Border Adjustment Mechanism (CBAM), industrial emissions, and waste laws. Proposed amendments will extend deadlines, aiming to reduce administrative burdens and improve compliance efficiency. Separately, the International Court of Justice (ICJ) issued a unanimous advisory opinion confirming that states have binding legal obligations under international law to combat climate change and prevent environmental harm, including duties of due diligence and reparation.

North America

The U.S. saw a mix of deregulation federally and proactive measures by states. Under new executive orders, the EPA proposed rescinding most of its Greenhouse Gas Reporting Program – effectively ending mandatory emissions reporting for many sectors – and floated a rollback of the 2009 GHG Endangerment Finding, which serves as the legal basis for many climate rules. It also extended compliance timelines for certain air and chemical regulations (e.g., methane leak controls and a Toxic Substances Control Act (TSCA) trichloroethylene ban), while retaining the Biden-era designation of PFOA and PFOS as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Additional federal activity included Federal Energy Regulatory Commission (FERC)’s move to sunset 53 legacy regulations under Executive Order 14270, a directive aimed at implementing a zero-based regulatory budgeting approach. The Direct Final Rule, issued in October 2025, targets outdated, duplicative, or rarely used provisions, particularly within natural gas infrastructure approvals. Meanwhile, state-level action has continued. California planned for the implementation of its climate disclosure laws (SB 253 on emissions reporting and SB 261 on climate-risk). However, in November 2025, a federal appeals court paused implementation of SB 261 pending appeal. Several U.S. states have also adopted packaging EPR (Extended Producer Responsibility) laws to improve recycling, with further expansion expected in 2026. In Mexico, both the National Banking and Securities Commission (CNBV) and Accounting Standards Board (CINIF) finalized guidance seeking more straightforward compliance for both public and private entities through alignment with international standards.

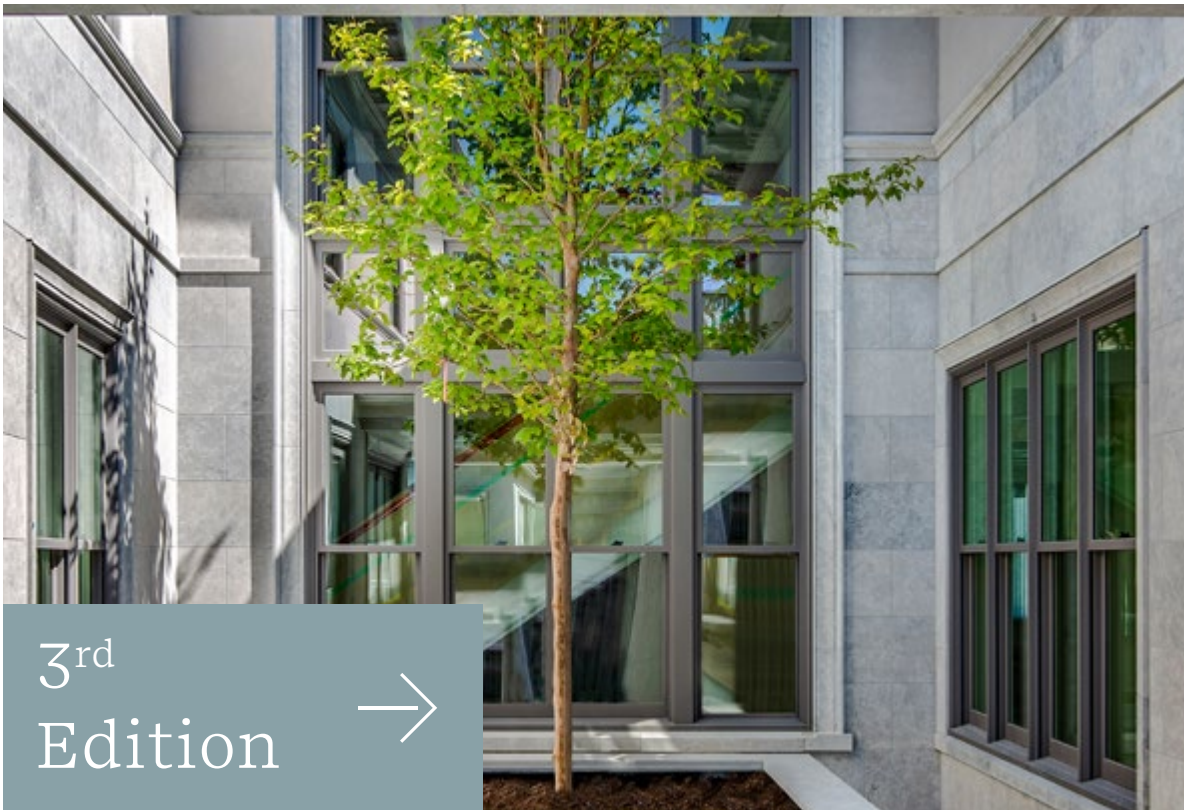
The Sustainability Institute’s Global Regulations Radar provides a high-level overview of the most significant upcoming ESG and EHS regulations impacting companies with global operations. The report also covers updates to regulations that have been covered in previous editions, including California’s SB 253 and SB 261, revised climate reporting timelines in Singapore, a proposed delay to the EUDR, and expanded state-level activity on EPR regulations in the United States.



1st
Edition →



2nd
Edition →



3rd
Edition →



4th
Edition →

Regulations included in this edition:

- U.S. PFAS Reporting under EPCRA / TSCA
- Canada Modern Slavery Act
- Canada OSFI
- U.S. SEC Climate-related Disclosure Rule
- California AB 1305
- California SB 253 / 261
- EU Taxonomy
- SFDR
- CSRD
- CBAM
- EU Battery Regulation
- CSDDD
- Australia Climate-related Financial Disclosures Treasury Bill
- Singapore Mandatory Climate-related Reporting
- India Disclosure Framework on Climate-related Financial Risks
- Hong Kong Climate-related Disclosures under ESG Framework

Regulations included in this edition:

- U.S. Clean Water Act Hazardous Substance Facility Response Plans
- U.S. National Ambient Air Quality Standards (NAAQS) PM2.5
- U.S. OSHA Heat Injury and Illness Prevention
- U.S. Uyghur Forced Labor Prevention Act
- Canada Bill C-59 Greenwashing Regulation
- Canada Business Corporations Act
- Mexico Sustainability Information Standards
- EU Regulation on Deforestation-free Products (EUDR)
- EU Green Claims Directive
- EU Nature Restoration Law
- Malaysia Climate Change Bill
- New Zealand Financial Markets Conduct Act 2013 – Part 7A
- Japan Emissions Trading System (GX-ETS)

Updates:

- California SB 253 and SB 261
- U.S. PFAS Reporting Under TSCA
- Australia Climate-related Financial Disclosure Treasury Bill

Regulations included in this edition:

- EU Packaging and Packaging Waste Regulation
- EU Urban Wastewater Treatment Directive
- Japan SSBJ Standards
- Kenya Climate Change (Carbon Markets) Regulations
- U.S. Extended Producer Responsibility Regulations
- U.S. Building Performance Standards
- UAE Federal Decree-Law No. (11) of 2024 on the Reduction of Climate Change Effects

Updates:

- EU Omnibus
- California SB 253 and SB 261

Regulations included in this edition:

- United States Clean Air Act Subpart OOOOb
- United States Interim Final Rule for Trichloroethylene; Regulation Under the Toxic Substances Control (TSCA)
- United States Mandatory Greenhouse Gas Reporting – 40 CFR 98
- South Africa National Greenhouse Gas Carbon Budget and National Mitigation Plan Regulations
- EU Forced Labor Regulation (FLR)
- EU Ecodesign for Sustainable Products Regulation (ESPR)
- EU Critical Raw Materials Act (CRMA)

Updates:

- EU Omnibus
- California SB 253 and SB 261
- Singapore Mandatory Climate Reporting Requirements
- Revisitation of the 2024 Reconsideration of the NAAQS PM
- EU Regulation on Deforestation-free Products (EUDR)
- U.S. Extended Producer Responsibility Regulations



Map & Timeline

Figure 1: ESG and EHS Regulations Map

ESG and EHS regulations are becoming more prominent across geographies.
This map highlights several high-profile ESG- and EHS-related regulations covered in this publication.



North America

- U.S. Clean Air Act Subpart OOOOb
- U.S. Interim Final Rule for Trichloroethylene; Regulation Under the Toxic Substances Control (TSCA)
- U.S. Mandatory Greenhouse Gas Reporting-40 CFR 98



Africa

- South Africa Draft National Greenhouse Gas Carbon Budget and National Mitigation Plan Regulations



European Union

- EU Forced Labor Regulation (FLR)
- Ecodesign for Sustainable Products Regulation (ESPR)
- Critical Raw materials Act (CRMA)

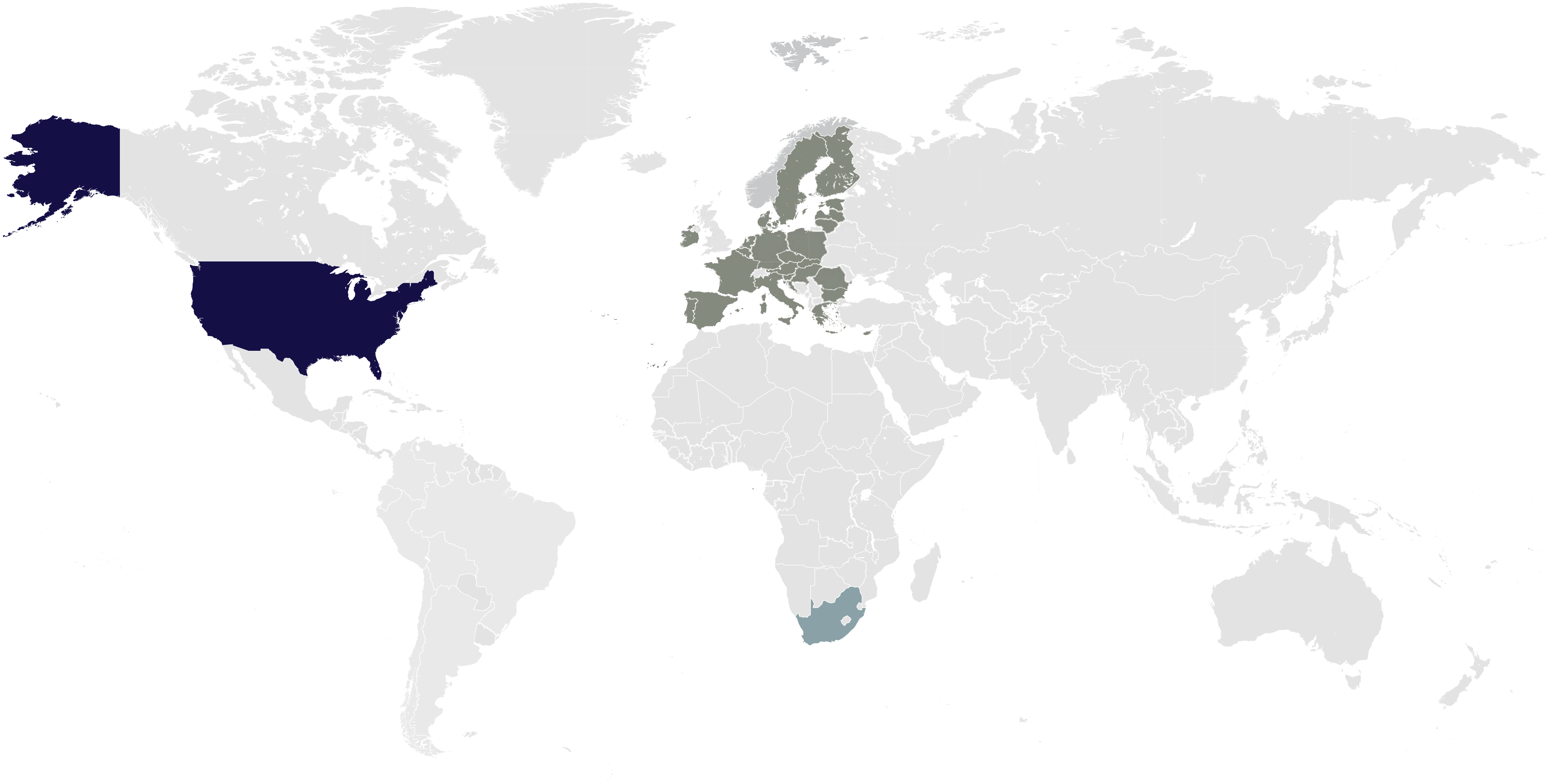
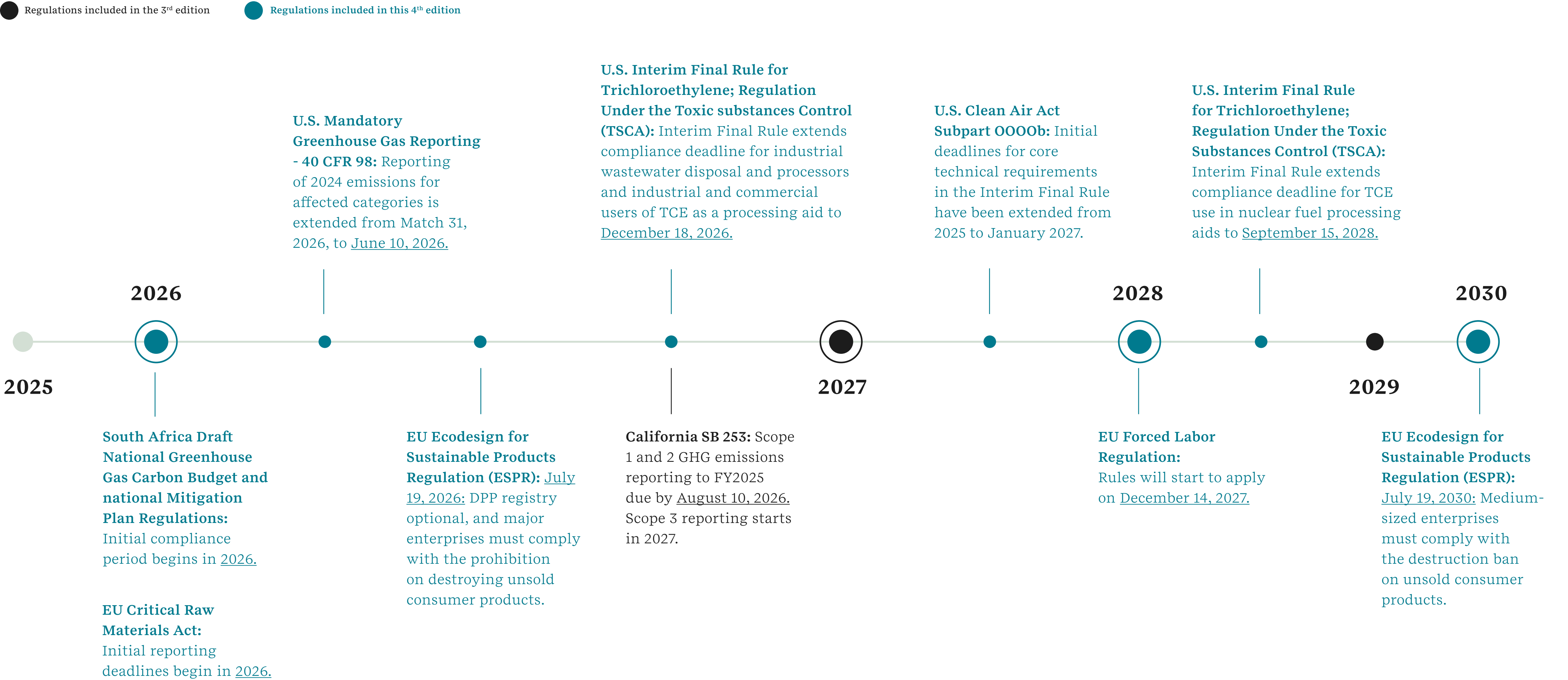


Figure 2: ESG and EHS Regulations Timeline

Deadlines for compliance with ESG-related regulations are fast approaching. This timeline highlights important dates for several key ESG-related regulations covered in this publication, as well as previous editions.





Regulations matrix



ENVIRONMENT



HUMAN RIGHTS



PRODUCT

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability Criteria
ENVIRONMENT					
United States Clean Air Act Subpart OOOOb	On July 28, 2025 the EPA issued an Interim Final Rule (IFR) to extend multiple compliance deadlines to the performance standards and emission guidelines for oil and natural gas operations. This includes an extension to reporting deadlines for oil and gas operators of certain regulated equipment, such as equipment leaks, storage vessels, and covered/closed vent systems. The IFR also extends the deadlines for states to submit plans to regulate existing oil and gas assets in the OOOOc Rule. The Rule was final upon publication in the Federal Register; however, public comments were accepted until September 2, 2025. In a separate pending regulatory action, the EPA is expected to issue a Rule Reconsideration that makes more significant modifications to the existing Rule. Only select, time-sensitive reconsiderations were considered in the IFR. This review responds to petitions from industry groups and state governments that raised concerns about the technical feasibility, costs, and timelines of the rule finalized under the previous administration.	Extension to reporting deadlines for oil and gas operators of certain regulated equipment, such as equipment leaks, storage vessels, and cover/closed vent systems. The pending Rule Reconsideration is expected to re-evaluate key underpinnings of the existing rule, such as control cost-effectiveness and the regulation of methane under the Clean Air Act. Proposed impacts, while unknown at this time, are expected to be significant.	Operators are offered an extended timeline to implement compliance efforts and allow for additional time to collect and report data to the EPA. Non-compliance may result in regulatory exposure, reputational impacts, and legal risk should core methane controls be rescinded or delayed. Further regulatory relaxation in the pending Rule Reconsideration may limit or harm US operators’ ability to certify natural gas exports to satisfy importer requirements in the EU and Asia.	Initial deadlines for core technical requirements in the IFR have been extended from 2025 to January 2027. The timeline to implementation of the existing oil and gas source requirements, OOOOc, reduces significant strain on already tapped supply-chain frameworks for the purchase of lower or non-emitting technical alternatives. Additional impacts to deadlines for monitoring, reporting, and compliance plan submissions will be subject to change as the Rule Reconsideration is proposed. Expected litigation and rule revisions mean business-critical dates may shift again and creates uncertainty around which provisions are legally enforceable.	Any oil and gas sector operator with facilities subject to Subpart OOOOb based on construction or modification date, emission profile, and equipment type must comply with the revised, extended deadlines and technical requirements as finalized by EPA.

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability Criteria
ENVIRONMENT					
United States Interim Final Rule for Trichloroethylene; Regulation Under the Toxic Substances Control (TSCA): Compliance Date Extension	The Interim Final Rule for Trichloroethylene (TCE) under TSCA prohibits the manufacture, distribution, and most uses of TCE in consumer, commercial, and industrial settings, with only limited exemptions. The rule mandates strict occupational safety protocols, including new exposure limits and safety standards under the Workplace Chemical Protection Program, requires phased substitutions of TCE with safer chemicals, and introduces facility-specific record keeping, risk communication, and waste disposal standards. The latest update maintains the prohibitions and safety requirements but specifically allows continued use for certain critical infrastructure and industrial processes under narrowly defined exemptions, with select compliance deadlines extended through EPA’s recent interim final rule.	All U.S. manufacturers, processors, importers, handlers, and distributors of TCE or products containing TCE, with specific longer compliance timeframes for certain industrial and commercial uses, including treatment of TCE at hazardous waste sites.	Enterprises must transition to substitute chemicals. For those industries with extended compliance timelines, update worker safety and compliance protocols, conduct testing to comply with new exposure limits, develop a Workplace Chemical Protection Program, and prepare for heightened regulatory and environmental liability.	This interim final rule extends the deadline for compliance for all TSCA Section 6(g) exemptions until November 17, 2025. For two specific uses, EPA is also extending the deadlines to: - December 18, 2026, for industrial wastewater disposal and processors and industrial and commercial users of TCE as a processing aid, and - September 15, 2028, for nuclear fuel processing aids Final applicability and compliance dates may be subject to further EPA revision or judicial review, so organizations should monitor EPA announcements and the Federal Register for updates.	Any entity in the U.S. handling, distributing, or using (processing, manufacturing, or disposing) TCE, unless TCE is used under a specific approved critical use exemption which extends the compliance timeline.

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability Criteria
ENVIRONMENT					
United States Mandatory Greenhouse Gas Reporting – 40 CFR 98	In September 2025, the EPA proposed a sweeping rescission of the Greenhouse Gas Reporting Program (GHGRP) under 40 CFR Part 98, which would eliminate reporting obligations for 46 of the 47 regulated source categories beginning with the 2025 reporting year. The sole exception is petroleum and natural gas systems, for which reporting would be suspended until 2034 and would only resume for certain segments linked to the Waste Emissions Charge. This proposal, triggered by executive orders mandating broad deregulatory action, aims to reverse more than a decade of standardized federal greenhouse gas tracking and publicly accessible emissions data. If finalized, the rule would halt the near-universal collection of facility-level GHG emissions data for regulated operations in the US.	Previously, any facility emitting more than 25,000 metric tons of CO2e annually including power generators, chemical plants, manufacturers, waste facilities, and CO2 injection sites, was subject to reporting. Under the proposed rollback, only limited segments of the petroleum and natural gas sector would continue to be subject to reporting, and these obligations are would be suspended for nearly a decade.	Companies facing rescission of federal GHG reporting must reassess carbon management, climate risk assessment, and voluntary disclosure strategies, both for investor relations and global regulatory interoperability. Removal of standardized federal programs will introduce reporting fragmentation, pose investor and customer relations challenges, and complicate access to reliable market-wide emissions data. Long-term planning is challenged by uncertainty about the restoration of data systems and the return of federal oversight post-2034.	Reporting of 2024 emissions for affected categories would be extended from March 31, 2026, to June 10, 2026, after which reporting would cease for these categories if the rule is finalized. Affected categories include owners or operators of facilities that are direct emitters or suppliers of GHGs or that sequester carbon dioxide (CO2) gas underground, including cement, ceramics, and electronic manufacturing. For petroleum and natural gas systems, reporting obligations would be suspended until 2034, with compliance resuming no earlier than the 2034 reporting year (due 2035), subject to litigation and further EPA or congressional action.	If finalized, the rule would exempt all facilities except a few oil and gas sources tied to methane waste charges, eliminating GHGRP reporting for all other sectors—one of the largest rollbacks in U.S. environmental disclosure history.

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability Criteria
ENVIRONMENT					
South Africa Draft National Greenhouse Gas Carbon Budget and National Mitigation Plan Regulations	South Africa’s Draft National Greenhouse Gas Carbon Budget and National Mitigation Plan Regulations require high-emitting entities to submit carbon budgets and mitigation plans in alignment with national climate commitments and Paris Agreement obligations. The rule establishes strict monitoring and verification standards, quantitative benchmarks for sectoral emission reductions, and mandates regular review and adjustment cycles. Organizations must submit mitigation plans aligning with technical, economic, and policy goals to guide national carbon management over three five-year cycles.	High-emitting sectors and entities in South Africa - typically those emitting 30,000 tons or more of specified GHGs per year - across energy, minerals, manufacturing, and waste sectors.	Companies must conduct comprehensive GHG assessments, develop mitigation strategies, comply with carbon budget targets, and prepare for evolving sector benchmarks. Risk management requires anticipation of periodic carbon budget adjustment, active communication with regulators, and contingency planning for economic and policy shifts. Organizations should review financial risks associated with penalties, which will move toward direct taxation for exceeding carbon budgets in future phases. Firms must also be aware that enforcement is typically based on financial and reporting compliance rather than strict absolute caps, and sectoral benchmarks may shift as technical guidelines are updated. Stakeholders note the importance of aligning absolute, science-based reduction targets with South Africa’s national emissions trajectory, rather than relying on intensity or benchmark-based metrics alone; reporting Scope 2 and 3 emissions and mitigation commitments is increasingly expected, though not all elements are mandatory yet.	The initial compliance period begins in 2026, with subsequent five-year mitigation plan cycles under regulatory and ministerial review. Deadlines for submission and adjustment are established by the Minister’s technical guidelines.	Entities emitting 30,000 tons or more of greenhouse gases annually (averaged over three consecutive years), or those designated by the Minister as having significant climate impact or emission growth potential, are subject to mandatory compliance with the carbon budget regulations. This includes adherence to rolling benchmarks and ongoing review by the Competent Authority.



NEXT IN:

Regulations matrix



ENVIRONMENT



HUMAN RIGHTS



PRODUCT

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability Criteria
HUMAN RIGHTS					
EU Forced Labor Regulation (FLR)	The EU Forced Labor Regulation prohibits the placing, making available, or export of products produced wholly or partly with forced labor onto or from the EU market. It applies to all products regardless of sector, origin, or production chain stage, and all importers and exporters regardless of size. Built on International Labour Organization (ILO) standards, the FLR empowers EU and Member State competent authorities to investigate supply chains, taking a risk-based approach, prohibit the placement or making available of products, mandate product withdrawals, order disposal, and require companies to demonstrate effective due diligence, robust risk assessment, and remediation procedures for any link to forced labor. Compliance must be evidenced through documented supply chain mapping, contractual controls, and the capacity to take withdrawal actions across global value chains. The rule is meant to harmonize trade and human rights practices across sectors, with special attention to high-risk supply chains and risk-based investigation triggers. Companies subject to FLR must reinforce transparency controls and adapt to evolving sector and product guidance as part of their ongoing supply chain management and compliance strategy.	Any entity placing, distributing, or exporting products to or from the EU, regardless of company size or sector, the rule applies to all goods at all stages of extraction, production, processing, and distribution where forced labor may be present. The Regulation does not apply to where forced labor is found in the services linked to the journey of a product, such as transport, warehousing, and logistics.	Businesses are required to undertake risk assessments, conduct supplier audits and implement corrective actions, and implement grievance and remediation processes to comply with due diligence expectations. Failure to comply can result in penalties, reputational harm, and removal from EU markets. The Regulation does not provide a limit to financial penalties.	The FLR came into force on 13 December 2024, and the rules will start to apply as of 14 December 2027. Companies will need to take steps now to review and address risks of forced labor in their value chain for all products entering or exiting the EU market. This is especially crucial for companies that are not in scope of the CSDDD or other due diligence regimes and may thus have been less focused on value chain due diligence measures.	All producers, distributors, importers, and exporters dealing in goods that reach or leave the EU market, - regardless of source location, - must comply where products or components are linked to forced labor, as determined by EU and Member State investigation outcomes.



NEXT IN:

Regulations matrix



ENVIRONMENT



HUMAN RIGHTS



PRODUCT

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability Criteria
PRODUCT					
EU Ecodesign for Sustainable Products Regulation (ESPR)	The EU Ecodesign for Sustainable Products Regulation establishes a comprehensive framework for setting minimum sustainability, circularity, and resource efficiency requirements for goods sold in the EU market, applying to both EU-made and imported products. The regulation empowers the Commission to set product-specific and horizontal performance classes for environmental impact, material use, durability, repairability, recyclability, recycled content, carbon footprint, and resistance to planned obsolescence, expanding prior Ecodesign approaches beyond energy-related products. The first 2025–2030 Commission working plan prioritizes textiles and footwear, furniture (including mattresses), tires, detergents, and electronics. Material categories include iron and steel, and aluminum for delegated acts, with horizontal measures for repairability, recycled content, and recyclability to cover electronics and other product groups. ESPR introduces the Digital Product Passport to facilitate transparency and regulatory oversight across supply chains. All affected manufacturers are required to implement robust lifecycle data management, eco-innovation strategies, and compliance programs to address new harmonized market access rules, with key requirements to ramp up from 2026 onward.	EU market manufacturers, importers, and distributors, with reach extending globally to any producer supplying goods, especially in electronics, textiles, batteries, and construction materials, subject to listed product groups under delegated acts.	Corporations must adapt product development, procurement, and supply chain management to meet evolving standards for efficient use of resources, repairability, recyclability, and end-of-life management. Firms face strategic risk if unable to meet ecodesign benchmarks, with new opportunities opening for those leading in sustainable innovation.	Phased compliance for the EU Ecodesign for Sustainable Products Regulation (ESPR) begins with priority product groups from 2026 onward, as delegated acts are progressively published and enforced over a five-year period. Product-specific requirements, including durability, repairability, and lifecycle impact criteria, will be implemented based on each delegated act’s schedule. The Digital Product Passport (DPP) registry becomes operational by 19 July 2026, with sector-based deadlines for DPP implementation extending to 2028 and beyond, depending on the product group. All compliance dates remain subject to review and future Commission amendments. 18 July 2024 – ESPR officially entered into force. - Until 31 December 2026 – Obligations under the previous Ecodesign Directive remain applicable for some sectors. 19 July 2026 – → DPP registry operational. → Major enterprises must comply with the prohibition on destroying unsold consumer products. 19 July 2030 – Medium-sized enterprises must comply with the destruction ban on unsold consumer products.	Any company placing products within ESPR scope onto the EU market must comply, with applicability determined by product group and compliance with technical specifications updated by the Commission over time.

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability Criteria
PRODUCT					
EU Critical Raw Materials Act (CRMA)	The EU Critical Raw Materials Act establishes mandatory reporting, risk management, and traceability standards for companies handling <u>34 critical and 17 strategic raw materials</u> essential for the EU’s green, digital, and defense sectors. The Act sets 2030 targets: at least 10% of strategic material extraction, 40% processing, and 25% recycling to take place within the EU, with no more than 65% of any material sourced from a single non-EU country. CRMA mandates supply chain due diligence, supports accelerated permitting and EU funding for designated Strategic Projects, and requires Member States to coordinate stockpiling, exploration, and sector monitoring via a central EU platform. The goal is to provide greater supply security and reduced import dependence through innovation, circularity, and resilience across the full value chain. In March 2025, the European Commission announced the selection of <u>47 Strategic Projects</u> across 13 EU countries as part of the CRMA implementation, covering the whole raw materials value chain. This is expected to generate approximately €22.5 billion in investment (\$26.2 billion USD).	Companies operating in extraction, processing, recycling, or use of listed critical and strategic raw materials in the EU - as well as those placing products containing such materials on EU markets, whether domestic or imported - are subject to CRMA obligations.	Businesses must conduct full supply chain audits, build resiliency plans, manage geopolitical sourcing risks, and prepare for public reporting, stockpile management, and traceability mandates. Industry faces high scrutiny on sourcing, ESG compliance, and reporting systems, alongside opportunities for strategic partnerships and innovation in circular materials.	Initial reporting deadlines begin in 2026, with material stockpile obligations and recycling targets enforced over a phased five-year period. Reporting, traceability, and sectoral compliance evolve through delegated acts and periodic reviews, so affected companies should monitor updates closely.	Operators in the EU - whether extractors, processors, manufacturers, or distributors - of goods or services linked to listed critical and strategic materials must comply if meeting sectoral volume, risk, and product group thresholds established by the Commission.



Updates to regulations since July 2025

Regulation Name	Updates since July 2025
EU Omnibus	Since July, the legislative process for the EU Omnibus package (CSRD, CSDDD, EU Taxonomy, CBAM) has advanced but remains incomplete, with significant ongoing negotiations and no final adoption as of early November 2025. The European Parliament’s Legal Affairs (JURI) Committee approved its position on simplification measures in October; however, on October 22, Parliament rejected the mandate to enter trilogues, requiring further amendments and delaying finalization. <u>Key proposed changes still under consideration include:</u> CSRD: • Narrowing of scope is still on the table: Only companies with over 1,750 employees and turnover exceeding €450 million (or assets of €25 million) would be subject, excluding >80% of previously in-scope firms. • Reporting standards are being simplified, with EFRAG’s draft simplified ESRS published on December 3 foreseeing a reduction of mandatory data points by 61% and the deletion of all voluntary data points. Additionally, proposed simplification measures include the removal of the preference to collect primary data for the value chain as well as a streamlined materiality assessment process, allowing for topic-level decisions to be made instead of having to identify individual impacts, risks, and opportunities for each topic. • ‘Stop-the-clock’ delays for not-yet-in-scope firms have been accepted and implemented, extending reporting deadlines by two years CSDDD: • Parliament proposals continue to limit due diligence obligations primarily to direct suppliers unless clear indirect harm can be shown, with stricter thresholds for company size now likely (some Council proposals suggest 5,000 employees as a cutoff plus €1.5 billion in turnover). • Parliament is seeking to remove the EU-wide civil liability regime in favor of national enforcement and further ease compliance for SMEs. • CSDDD reporting deadlines for not-yet-in-scope companies expected to be postponed by one year under Omnibus changes. EU Taxonomy: • Mandatory taxonomy reporting would apply only to companies with >1,750 employees and annual turnover >€450 million. • Reporting materiality thresholds and OpEx opt-out introduced. • Standardized, simplified templates will focus disclosure on key quantitative indicators, eliminating up to two-thirds of previously required data points. CBAM: • Exemption for importers of <50 metric tons annually is still in the Omnibus package, which would remove compliance for ~90% of importers but retain coverage for 99% of relevant emissions. • Streamlined reporting remains under review, with ultimate implementation hinging on final Omnibus adoption. • Next steps pending November Parliament vote and trilogue negotiations; timing for CBAM changes now looks to early 2026.

Regulation Name	Updates since July 2025
EU Deforestation Regulation (EUDR)	On November 26, 2025, the EU Parliament approved its position on the proposed amendments to the EUDR regulations, supporting a full one-year delay. If the delay is implemented, the changes will be: • Application deadline: • Postponement for large and medium-sized companies by one year, from December 30, 2025, to December 30, 2026. • Postponement for micro and small enterprises to June 30, 2027. • Simplification of obligations for “downstream operators” and “traders,” including removing the need to submit a due diligence statement (DDS) further down the supply chain. • Introduction of a “review clause”, allowing the Commission to review and further simplify the regulation by April 30, 2026, reducing the obligations for small producers from low-risk countries. • The European Parliament must approve the final revision by the week of December 15. The law will only become official—and the EUDR’s implementation formally delayed—once the revision is published in the EU’s Official Journal.
Sustainable Finance Disclosure Regulation (SFDR)	On November 20, 2025, the European Commission published a proposal for amending the Sustainable Finance Disclosure Regulation (SFDR), intending to simplify and reduce disclosure requirements and to improve investors’ ability to understand and compare the sustainability approaches and impacts of financial products. The proposal will undergo discussion among EU legislative bodies, meaning that the revised SFDR may look different from this initial proposal. Overall, the proposal would increase the emphasis on financial product level information while reducing expectations for financial institutions to comply at an entity-level. Key proposed changes include: • The SFDR proposal introduces new categories and definitions for ‘sustainable’ financial products: • Article 7 – transition category: investments into the transition of companies, economic activities or other assets towards sustainability; • Article 8 – ESG basics category: integration of sustainability factors other than sustainability-related financial risk into the investment strategy; • Article 9 – sustainable category: investments into sustainable companies, economic activities or other assets. • Each financial product must make at least 70 per cent of its investments in line with the chosen category and comply with additional criteria such as investment exclusion lists; and • Article 9a: financial products that combine financial products across Articles 7, 8 and/or 9. • Financial products will face strict rules prohibiting them from making sustainability-related claims, including in their product names, if they do not follow the requirements of Articles 7/8/9, respectively. • The SFDR proposal foresees an opt-out clause for closed-end financial products predating the application date of the revised SFDR.
U.S. California SB 253	SB 253 – as of CARB’s November 17, 2025 FAQ (not finalized in regulation) • Scope 1 and 2 GHG emissions reporting for FY2025 is proposed to be due by August 10, 2026 (vs. an originally proposed June 30, 2026 deadline); Scope 3 reporting starts in 2027, with exact deadlines awaiting the California Air Resources Board (CARB) guidance. • As originally proposed, SB 253 will require reporters to obtain limited assurance from an independent third-party assurance provider for their Scope 1 and Scope 2 emissions beginning in 2026, and at a reasonable-assurance level beginning in 2030. However, for 2026 reporting CARB has stated they will exercise enforcement discretion for the first report due in 2026, allowing reporting entities to submit Scope 1 and Scope 2 emissions based on information they already have or were collecting when the Enforcement Notice was issued (i.e., December 2024), whether or not the data received limited assurance. • CARB has postponed formal rulemaking to early 2026, but compliance deadlines remain unchanged. First-year filings will require a “good faith effort” and are not subject to penalties if pursued diligently. • Litigation against SB 253 is ongoing; no injunctions, so companies should continue preparing for statutory filing.

Regulation Name	Updates since July 2025
U.S. California SB 261	SB 261– as of November 21, 2025 (not finalized in regulation) Per HSC § 38533, the Climate-related Financial Risk Reporting Program, covered entities must prepare and publish their first climate-related financial risk report by January 1, 2026, and biennially thereafter. However, on November 18, 2025, the U.S. Court of Appeals for the 9th Circuit at the request of the U.S. Chamber of Commerce and other trade organizations, made decisions to <u>effectively pause</u> the state of California from enforcing SB 261. The 9th Circuit will hear a scheduled oral argument in January, with the January 1, 2026 reporting deadline for SB 261 being enjoined during. Depending on the outcome of the arguments, it would seem reasonable that CARB grant some allowance for covered entities to provide required disclosures should they still be required. On September 24, 2025, the California Air Resources Board (CARB) <u>published</u> a preliminary list of covered entities under SB253 and SB 261. CARB’s intention in publishing the preliminary list is to support the development of the fee regulation associated with upcoming reporting requirements. Although the list may be helpful for entities seeking to determine whether they are subject to SB 253 or SB 261’s reporting requirements, the list may not include all covered entities. As noted by CARB, each potentially regulated entity remains responsible for compliance with statutory requirements, regardless of its inclusion in CARB’s preliminary list or outreach. CARB has also updated the 200s’ FAQ sheet, providing clarity for several points of interpretation, <u>here</u>.
U.S. Revisitation of the 2024 Reconsideration of the NAAQS PM	• The EPA has continued to signal an intent to roll back the Biden-era tougher PM2.5 annual standard (lowered from 12 to 9 µg/m³ in February 2024), with a formal proposal expected in early 2026. • The agency is weighing legal and “anti-backsliding” risks under the Clean Air Act, as waiting too long to reverse the standard could trigger safeguards that lock stricter limits in place.
U.S. Extended Producer Responsibility (EPR)	• Maryland and Washington, both noted as having recently passed EPR legislation in July, have published draft rules and begun formal regulatory consultations in Q3/Q4 2025. Implementation planning and producer engagement processes are underway, with regulatory details and first compliance milestones expected in 2026. • Twelve additional states—including Vermont, Rhode Island, Hawaii, and Massachusetts—have advanced or newly proposed EPR bills in fall 2025 legislative sessions, suggesting further expansion is likely in 2026.
Singapore Mandatory Climate Reporting Requirements	• Singapore Exchange (SGX) and Accounting and Corporate Regulatory Authority (ACRA) have delayed climate reporting deadlines for most listed and large non-listed companies, providing additional time for smaller firms to prepare. • Straits Times Index (STI) constituents must still report Scope 1 and 2 (FY2025) and Scope 3 (FY2026); however, external assurance is now required by 2029 (previously 2027). • Non-STI listed companies with \$1bn+ market cap must begin climate reporting in FY2028 (delayed from FY2025); external assurance required by 2029; Scope 3 remains voluntary. • Non-STI listed companies below \$1bn market cap and large non-listed companies must now start reporting in FY2030 (delayed from FY2027); external assurance by 2029 (non-listed: FY2032); Scope 3 disclosures voluntary.



Appendix:

Additional information

Regulation	Rule Citation & Link	Regulating Agency	ERM Contact
Standards of Performance for Crude Oil and Natural Gas Facilities for Which Construction, Modification or Reconstruction Commenced After November 15, 2021 (40 CFR Part 60, Subpart OOOOb)	https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-operations/2025-interim-final-rule-extend-compliance	U.S. Environmental Protection Agency (EPA)	Grant Morgan Grant.Morgan@erm.com Ramesh Narasimhan Ramesh.Narasimhan@erm.com
United States Interim Final Rule for Trichloroethylene; Regulation Under the Toxic Substances Control (TSCA): Compliance Date Extension	https://www.federalregister.gov/documents/2025/09/17/2025-17948/trichloroethylene-regulation-under-the-toxic-substances-control-act-tsca-compliance-date-extension	U.S. Environmental Protection Agency (EPA)	Nadine Weinberg Nadine.Weinberg@erm.com
United States Mandatory Greenhouse Gas Reporting – 40 CFR Part 98	https://www.ecfr.gov/current/title-40/chapter-I/subchapter-C/part-98?toc=1 <u>General information about the Greenhouse Gas Reporting Program (GHGRP) can be found here:</u> https://www.epa.gov/ghgreporting/what-ghgrp	U.S. Environmental Protection Agency (EPA)	Gary Napp Gary.Napp@erm.com
South Africa National Greenhouse Gas Carbon Budget and National Mitigation Plan Regulations	https://www.cer.org.za/virtual-library/whats-new/draft-national-greenhouse-gas-carbon-budget-and-mitigation-plan-regulations-which-include-the-declaration-of-the-list-of-greenhouse-gases-and-activities-for-public-comment	Department of Forestry, Fisheries and the Environment (DFFE)	Samuel Mohr Samuel.Mohr@erm.com Chris Van Atten Chris.VanAtten@erm.com
EU Forced Labor Regulation (FLR)	Regulation (EU) 2024/3015 of the European Parliament and of the Council of 27 November 2024 on prohibiting products made with forced labor on the Union market and amending Directive (EU) 2019/1937 : https://eur-lex.europa.eu/eli/reg/2024/3015	European Commission (implemented at EU level; enforced by Member State market surveillance authorities)	Anna Jakobsen Anna.Jakobsen@erm.com
EU Ecodesign for Sustainable Products Regulation	Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products, amending Directive (EU) 2020/1828 and Regulation (EU) 2023/1542 and repealing Directive 2009/125/EC: https://eur-lex.europa.eu/eli/reg/2024/1781/oj/eng	European Commission (implemented at EU level; enforced by Member State market surveillance authorities)	Thomas Leech Thomas.Leech@erm.com Beth Murphy Beth.Murphy@erm.com
EU Critical Raw Materials Act (CRMA)	Regulation (EU) 2024/1252 of the European Parliament and of the Council of 11 April 2024 establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020: https://eur-lex.europa.eu/eli/reg/2024/1252/oj/eng	European Commission (implemented at EU level; enforced by Member State market surveillance authorities)	Alice Valvoda Alice.Valvoda@erm.com



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