



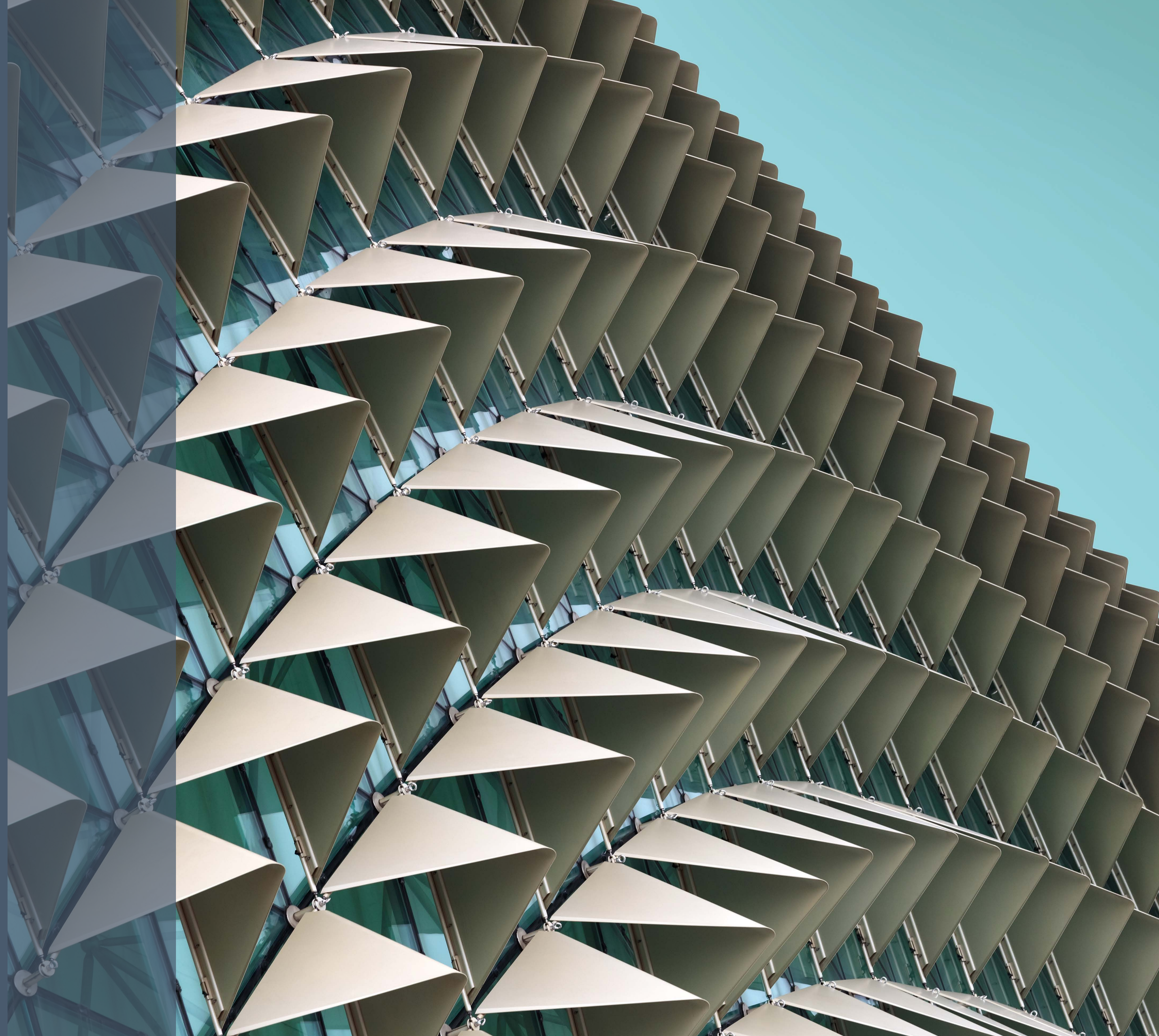
ERM
SUSTAINABILITY
INSTITUTE

The Global Regulations Radar

QUARTERLY UPDATE ON ESG
AND EHS REGULATIONS

May 2026

FIFTH EDITION





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01

Introduction

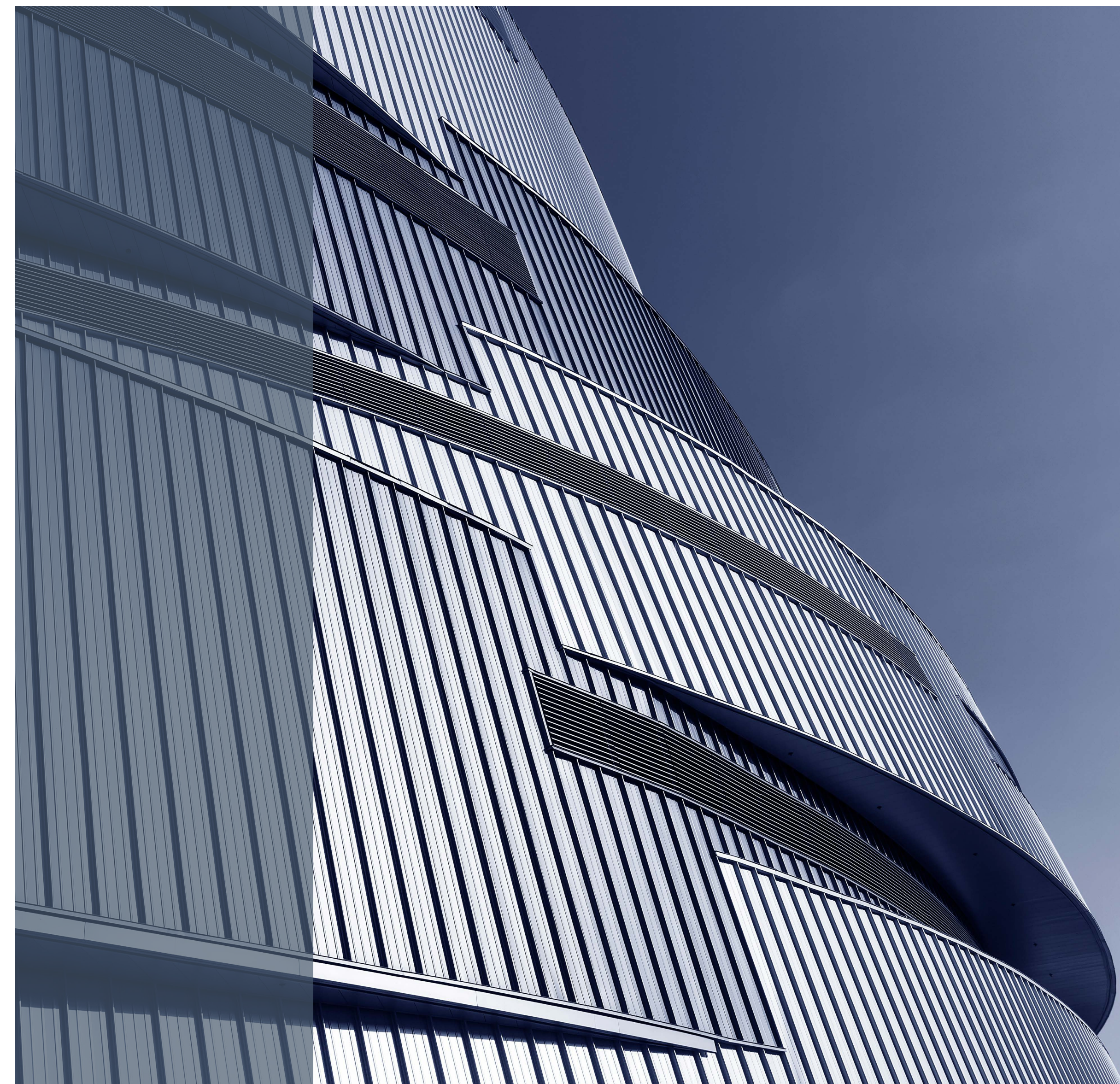


As the second quarter of 2026 unfolds, the global ESG and EHS regulatory landscape is becoming more focused and more operational.

Streamlining efforts are giving way to a more targeted regulatory environment, in which broad framework-building is increasingly being translated into more tailored and operational requirements tied to products, facilities, workforce practices, and reporting systems. Rather than signaling retreat, this shift points to a maturing approach to sustainability regulation, with growing emphasis on how requirements are implemented in practice.

This broader shift is evident across jurisdictions. In Europe, the Omnibus initiative is continuing to simplify major frameworks, including the Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD), EU Taxonomy, and Carbon Border Adjustment Mechanism

(CBAM), even as more focused requirements advance in areas such as methane, pay transparency, and workplace risk. Beyond Europe, disclosure regimes continue to align around increasingly recognizable global structures, reinforcing a more consistent international baseline for sustainability-related reporting and helping reduce the practical burden on companies through more interoperable reporting processes and data requirements. The main exception is the United States at the federal level, where rollback of climate and environmental regulation continues, though not uniformly. Even there, the wider regulatory picture remains active, with state-level developments continuing in areas such as PFAS, packaging, and climate disclosure.



02

Landscape overview



Europe

In Europe, regulators are starting to distinguish between broad, framework-style rules and more targeted measures aimed at specific market shortcomings. The EU Omnibus initiative sits firmly in the first camp, seeking to simplify major disclosure and due diligence frameworks such as the CSRD, the Sustainable Finance Disclosure Regulation (SFDR), the CSDDD, and the EU Taxonomy by narrowing scope, extending timelines, and reducing reporting complexity.

By contrast, several of the new regulations featured in this edition respond to clearly defined gaps in how risks and impacts are managed in practice. The EU Methane Regulation targets methane as a “super pollutant” that has historically been under-addressed, tightening expectations on measurement, reporting, and leak reduction and introducing import-side equivalence requirements for fossil-fuel suppliers over the coming years. The EU Pay Transparency Directive focuses on persistent gender pay gaps and pay discrimination, combining enhanced reporting obligations with substantive measures such as salary transparency before employment, clearer pay setting criteria, and individual rights to request information on personal and average pay levels for comparable roles, many of which apply regardless of employer size. Together, these measures move beyond high-level disclosure to more operational expectations on HR processes, data systems, and remediation for pay inequity.

A similar logic underpins the emerging UK Sustainability Reporting Standards, which are being introduced to address the lack of consistent, investor-ready information on how companies manage sustainability related risks across different time horizons, rather than reshaping operations directly. In parallel, the continued implementation of the EU Strategic Framework on Health and Safety at Work 2021–2027 and growing policy attention to psychosocial risks illustrate the shift toward more practical, workforce focused requirements that sit closer to day to day governance, risk management, and people management decisions.

North America

In North America, and particularly in the U.S., the regulatory picture is more mixed. At the federal level, rollback of climate and environmental regulation continues, including efforts affecting greenhouse gas reporting and the dismantling of foundational climate measures, such as the Endangerment Finding. The EPA’s proposed rescission of mandatory greenhouse gas reporting for most sectors is a clear example. At the same time, this federal retrenchment is better understood as an outlier than as the defining global trend. Some federal interventions remain active in strategically important areas, including the Executive Order - Promoting the National Defense by Ensuring an Adequate Supply of Elemental Phosphorus and Glyphosate Based Herbicides.

Developments on packaging EPR (extended producer responsibility) and California climate disclosure reinforce that companies still face an active and evolving compliance landscape, even as parts of the federal rulebook are rolled back.

Asia

Globally, the direction of travel remains toward greater alignment around globally recognizable sustainability disclosure structures. China’s Sustainability Disclosure Standards for Enterprises No. 1 – Climate (Trial) reflect the continued spread of a familiar four-pillar climate reporting architecture, while also incorporating domestic policy priorities and an explicit impact-oriented dimension. Issued as China’s first climate-focused sustainability disclosure standard, CSDS No. 1 is intended to serve first as a baseline for listed enterprises, with progressive expansion over time.

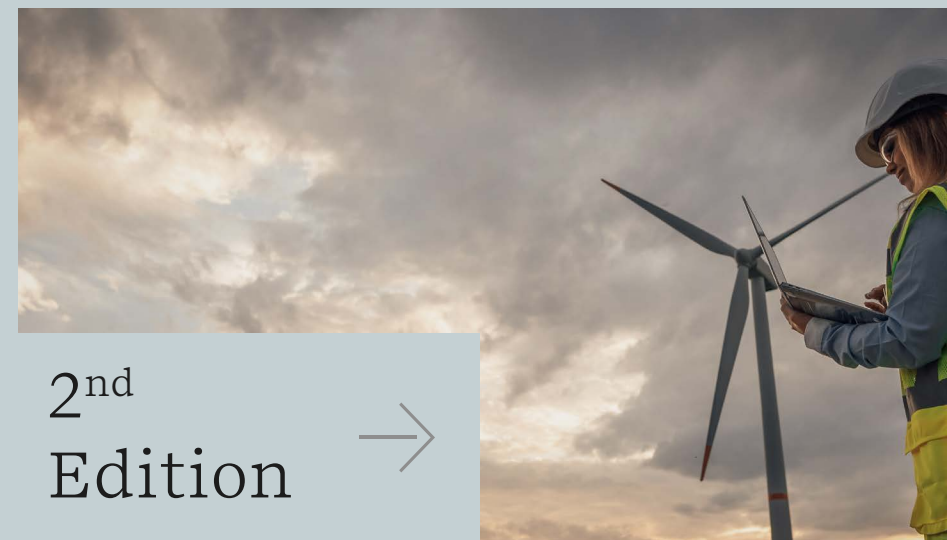
The ERM Sustainability Institute’s Global Regulations Radar provides a high-level overview of the most significant upcoming ESG and EHS regulations affecting companies with global operations. As with previous editions, the Radar also tracks important amendments and implementation developments affecting regulations covered in previous editions, including the Omnibus initiative and associated changes to CSRD, CSDDD, EU Taxonomy, and CBAM, alongside updates to the EU PPWR, EUDR, U.S. Packaging EPR, and California climate disclosure rules.



1st 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



2nd Edition →

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 Disclosures Treasury Bill



3rd Edition →

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



4th Edition

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



5th Edition →

Regulations included in this edition:

- UK Sustainability Reporting Standards (UK SRS S1 and S2)
- China Sustainability Disclosure Standards for Enterprises No. 1 – Climate (Trial) (CSDS)
- Malaysia National Carbon Market Policy (NCMP) and National Climate Change Bill (Rang Undang Undang Perubahan Iklim Negara, or RUUPIN)
- EU Methane Regulation 2024/1787
- EU Pay Transparency Directive

Developments & Deadlines:

- EU Omnibus
- Mexico Sustainability Information Standards
- EU Packaging and Packaging Waste Regulation (PPWR)
- U.S. Extended Producer Responsibility Regulations (EPR)
- U.S. Mandatory Greenhouse Gas Reporting (40 CFR Part 98)
- California SB 253 and SB 261
- U.S. Clean Water Act Facility Response Plans
- United States PFAS Reporting Under EPCRA TRI (Chemicals of Special Concern)

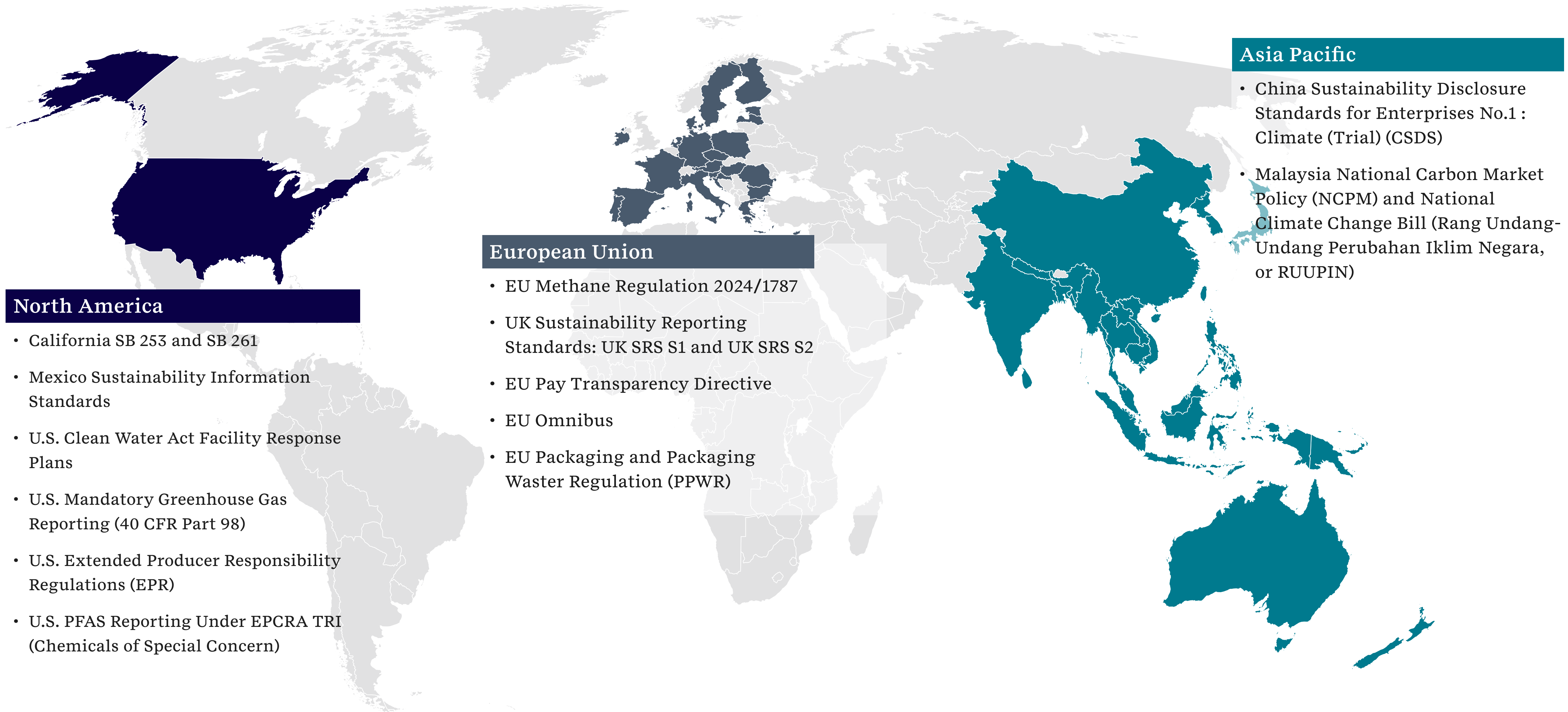
03

Map & timeline



Figure 1: ESG and EHS Regulations Map

This map highlights the regulations covered in this publication



North America

- California SB 253 and SB 261
- Mexico Sustainability Information Standards
- U.S. Clean Water Act Facility Response Plans
- U.S. Mandatory Greenhouse Gas Reporting (40 CFR Part 98)
- U.S. Extended Producer Responsibility Regulations (EPR)
- U.S. PFAS Reporting Under EPCRA TRI (Chemicals of Special Concern)

European Union

- EU Methane Regulation 2024/1787
- UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2
- EU Pay Transparency Directive
- EU Omnibus
- EU Packaging and Packaging Waster Regulation (PPWR)

Asia Pacific

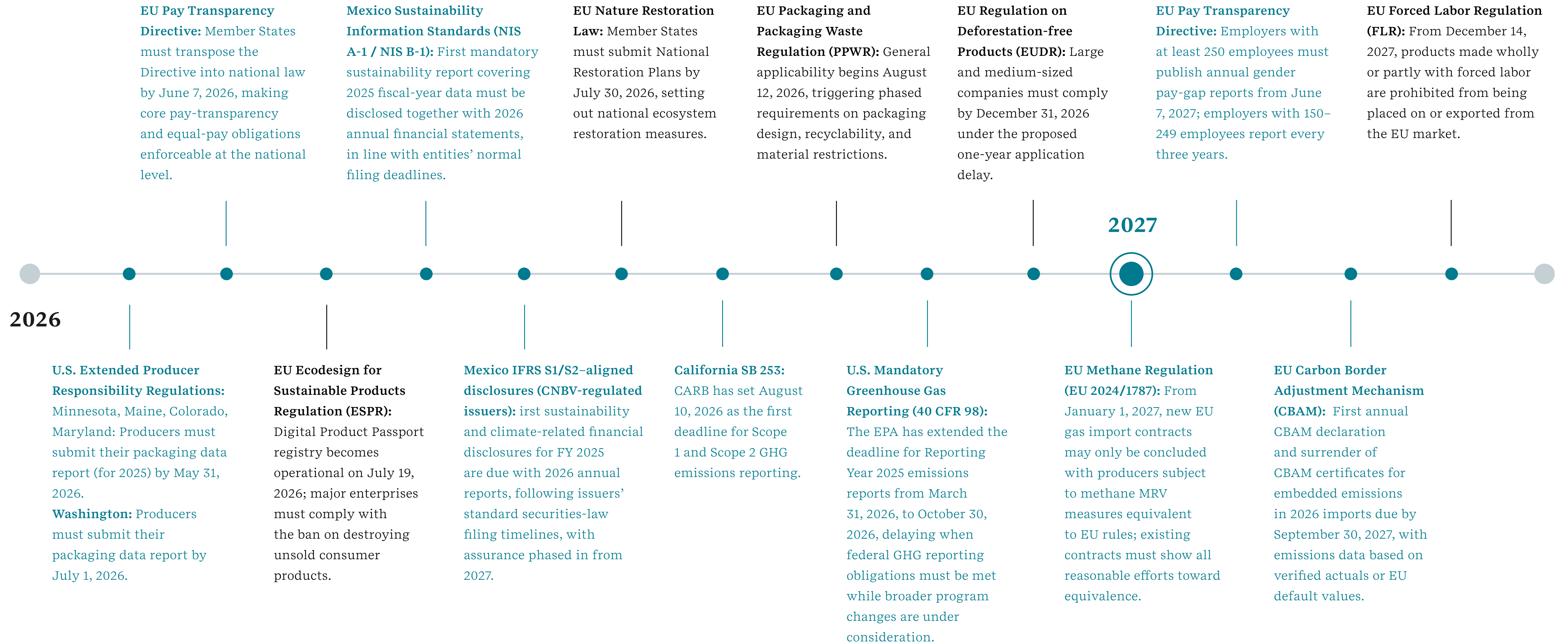
- China Sustainability Disclosure Standards for Enterprises No.1 : Climate (Trial) (CSDS)
- Malaysia National Carbon Market Policy (NCPM) and National Climate Change Bill (Rang Undang-Undang Perubahan Iklim Negara, or RUUPIN)

Figure 2: ESG and EHS Regulations Timeline

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

● Regulations covered in previous editions

● Regulations included in this 5th edition



04

Key regulations overview

This section profiles a non-exhaustive set of upcoming and recently adopted regulations with global impact, including climate disclosure, methane emissions, pay transparency, and sustainability reporting standards, that are expected to be most material for global companies over the next several years.



Regulation Name

Rule Highlights

Scope of Regulation

Business Context

Timeline for Compliance

Applicability

UK Sustainability Reporting Standards (UK SRS S1 and S2)

The UK government published the final UK Sustainability Reporting Standards on February 25, 2026, for voluntary use by any entity. However, mandatory application will be driven by specific regulators. The initial mandated scope is expected to cover UK-listed companies, with the potential to expand to large UK private companies and multinational organisations with UK-domiciled entities in the future.

The UK SRS applies cross-sectorally.

UK SRS is a national corporate climate disclosure baseline and is intended to apply first to selected large, listed enterprises and financial institutions, with progressive expansion to a broader set of companies.

The framework is designed to align UK climate disclosures with global standards (notably IFRS S2) while integrating the UK’s regulatory priorities, including emphasis on real-economy transition risks, physical climate risks, and policy-driven opportunities.

UK SRS S1 and S2 were published in February 2026 for voluntary adoption. The Financial Conduct Authority (FCA) recently concluded its consultation (which closed on March 20, 2026) on replacing existing TCFD-aligned Listing Rules with UK SRS for listed companies. Mandatory application is proposed for accounting periods beginning on or after January 1, 2027, subject to the FCA’s final policy statement and rules expected in Autumn 2026.

The FCA proposes a split approach to compliance, under which core climate-related disclosures under UK SRS S2 (excluding Scope 3 emissions) would be mandatory from day one. To support implementation, the FCA has proposed transitional reliefs, including a one-year relief for Scope 3 emissions reporting under S2 (moving to a ‘comply or explain’ approach from 2028), and up to a two-year relief for non-climate sustainability disclosures under UK SRS S1 (moving to a ‘comply or explain’ basis from 2029).

For UK-listed companies, the UK SRS are expected to replace the current TCFD-aligned disclosure regime under the Listing Rules. Mandatory application is proposed to be phased in for accounting periods beginning on or after January 1, 2027, subject to the final outcome of the FCA’s consultation.

UK SRS S1 is expected to apply on a ‘comply or explain’ basis following the transition period, with mandatory expectations potentially emerging for financial years beginning in 2029.

The UK government will consider extending sustainability reporting requirements to non-listed companies through its Modernising Corporate Reporting (MCR) programme, potentially expanding the population of in-scope entities to large private companies over time.

UK SRS S1 and S2 are built on the IFRS ISSB S1 and S2 standards, establishing a globally interoperable sustainability disclosure framework for UK companies. The intent is to create a global baseline that supports capital market comparability while remaining interoperable with other regimes, including the EU’s Corporate Sustainability Reporting Directive (CSRD) for large European groups.

Both standards require companies to structure their disclosures across four areas: governance, strategy, risk management, and metrics and targets.

The structure closely mirrors ISSB requirements and builds on concepts already familiar to UK companies through TCFD-aligned reporting. However, UK SRS moves beyond narrative disclosure by placing stronger emphasis on financial materiality, resilience, and decision-useful information for investors.

To respond properly to these disclosure requirements, companies must demonstrate how the board oversees these risks, how climate scenarios stress-test the corporate strategy, and how sustainability factors are actively integrated into enterprise risk management and capital allocation decisions.

Regulation Name

Rule Highlights

Scope of Regulation

Business Context

Timeline for Compliance

Applicability

China Sustainability Disclosure Standards for Enterprises No. 1 – Climate (Trial) (CSDS)

Note: Formally issued as a trial standard for an initial implementation period; content and requirements may be refined before full adoption.

China's first climate-focused sustainability disclosure standard establishes a TCFD-style, four-pillar framework for governance, strategy, risk and opportunity management, and metrics and targets, closely mirroring ISSB/IFRS S2 while adding explicit "impact materiality" elements.

The standard requires disclosure of climate-related risks and opportunities, scenario analysis, transition planning, and detailed greenhouse gas emissions data (Scopes 1, 2, and relevant Scope 3), with qualitative requirements expected to evolve into more granular quantitative metrics over time.

The scope of the CSDS is directly applicable to the UK SRS (which can be found on the previous page). For ease of reference, the following restates the same information in a Chinese context:

CSDS No. 1 – Climate (Trial) is jointly issued by China's Ministry of Finance in collaboration with eight other ministries, the central bank, and key regulators, as a national corporate climate disclosure baseline and is intended to apply first to selected large, listed enterprises and financial institutions, with progressive expansion to a broader set of companies.

The framework is designed to align Chinese climate disclosures with global standards (notably IFRS S2) while integrating Chinese regulatory priorities, including emphasis on real economy transition risks, physical climate risks, and policy driven opportunities.

Multinational companies with significant operations or listings in China will need to reconcile CSDS aligned disclosures with existing ISSB, EU, and North American climate reporting regimes to avoid duplication and ensure consistent narrative and data.

The staged rollout (from voluntary to mandatory, from listed to non listed, and from qualitative to quantitative disclosure) gives enterprises a short window to build governance, data systems, and internal controls, but also increases scrutiny of laggards as investor and lender expectations converge on CSDS as the market benchmark.

CSDS No. 1 – Climate (Trial) has been released as a trial/voluntary standard, with early adoption encouraged while authorities finalize the binding application scope and phase in dates, which are expected to begin with selected large and listed companies in the mid 2020s and expand thereafter.

Regulators have signaled that disclosure depth and mandatory coverage will progressively increase after the trial period, so companies should treat the current phase as a de facto preparation period for full assurance grade reporting.

Initial application is expected to focus on A-share listed enterprises, large state owned entities, and financial institutions, before extending to other listed or large non-listed enterprises, then to SMEs by 2030.

Foreign invested enterprises and multinational groups with China listings may be in scope either directly (through listing) or indirectly (through group level data needs), requiring close monitoring of implementing rules from the Ministry of Finance, and other relevant regulators.

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability
<p>Malaysia National Carbon Market Policy (NCMP) and National Climate Change Bill (Rang Undang Undang Perubahan Iklim Negara, or RUUPIN)</p> <hr/>	<p>The National Carbon Market Policy (NCMP) sets out the Malaysian government’s direction for positioning the country in the carbon market at both national and international levels.</p> <p>The policy outlines key criteria for carbon credits, including:</p> <ul style="list-style-type: none"> • Emissions reductions must go beyond business-as-usual practices or activities required by law • Carbon removal activities must demonstrate permanence • Activities must comply with standardized monitoring, reporting, and verification (MRV) requirements • Carbon credits must be traceable through a National Carbon Registry <p>It is important to note that the NCMP is a policy document and not a regulation. The legal and regulatory framework governing climate change and carbon pricing is expected to be addressed under the proposed National Climate Change Bill (Rang Undang-Undang Perubahan Iklim Negara, more commonly known as RUUPIN).</p> <p><i>Continued on next page...</i></p>	<p>RUUPIN applies at the national level across Malaysia, establishing an overarching legal framework for climate change governance.</p> <p>Based on current signals, RUUPIN’s scope is expected to align broadly with sectors likely to be affected by future carbon tax measures, including energy, iron, and steel.</p> <p>Ongoing global geopolitical developments and economic conditions may result in further review or adjustment to the timing and design of Malaysia’s carbon tax implementation.</p>	<p>Companies engaged in or planning carbon projects and trading should align with NCMP integrity criteria and prepare for future mandatory MRV and potential ETS obligations once RUUPIN is enacted.</p> <p>The combined framework signals a shift from voluntary market activity toward a structured, regulated carbon pricing system in Malaysia.</p>	<p>RUUPIN is currently undergoing final legal review and is expected to be tabled in Parliament, anticipated in June–July 2026, with detailed compliance dates to follow through implementing regulations; the NCMP already functions as a guiding policy for carbon market activity in the interim.</p>	<p>RUUPIN is expected to apply broadly to Malaysian entities and facilities within higher emitting sectors, once MRV and any ETS thresholds are defined through regulation.</p> <p>In particular, carbon market participants may be affected where the use of credits is permitted for compliance under future Malaysia linked carbon credit generation and use.</p>

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability
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Malaysia National Carbon Market Policy (NCMP) and National Climate Change Bill (Rang Undang Undang Perubahan Iklim Negara, or RUUPIN)

RUUPIN is currently undergoing final legal review and is expected to be tabled in Parliament in June-July 2026. Based on the latest publicly communicated drafts, the Bill is expected to:

- Formally establish a national MRV system as the foundation for future carbon pricing mechanisms in Malaysia
- Provide for the introduction of an emissions trading system (ETS) once the MRV system and carbon market ecosystem have reached sufficient maturity
- Regulate the use of carbon credits for compliance purposes within Malaysia’s carbon pricing framework

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability
<p>EU Methane Regulation 2024/1787</p> <p><i>Note: This summary focuses primarily on the oil and gas sector; coal-related requirements are addressed only at a high level.</i></p>	<p>Established in August 2023, the EU Methane Regulation progressively increases requirements on operators within the EU and importers to the EU.</p> <p>The regulation covers monitoring and measurement of emissions at source and facility level, reporting, LDAR (leak detection and repair), elimination of routine flaring and most venting, and verification of reported data. Management and remediation of inactive oil/gas wells and coal mines are also included.</p> <p>Methane intensity levels will apply from 2030 for both production and import. Performance will be publicly available at the operator and importer level.</p> <p>The regulation allows for regulatory penalties of up to 20% of annual turnover.</p>	<p>The regulation covers the upstream oil and gas industry, including production, processing, pipeline transportation, and LNG (liquefied natural gas) facilities. Coal mining is also included.</p> <p>Specific regulations apply on a strict basis to in-EU producers.</p> <p>Imported coal/oil/gas is covered by a requirement on the importer to demonstrate equivalence in the value chain, through independently verified data meeting international standards (OGMP2.0 Level 5 is specifically noted) or demonstrated compliance with the regulation.</p> <p>Requirements on importers are based on the contract renewal date.</p>	<p>Access to markets may be threatened through failure to meet demonstrated measuring, reporting, and verifying (MRV) equivalence for importers or failure to meet forthcoming methane intensity thresholds.</p> <p>Reputational risks arise as fines and regulatory action will be public domain; and, from 2026, the intensity and performance profiles/ database will be developed and made public.</p> <p>Data complexity in some value chains may be high, with a need to use direct data. Suppliers unable to provide high-quality data may become unattractive counterparties.</p> <p>Companies should expect additional CapEx requirements related to reducing methane emissions and intensity.</p>	<p>Progressive timelines apply depending on the role in the industry. The following provides an overview of key dates:</p> <ul style="list-style-type: none"> From August 2024, importers must meet all relevant requirements for contracts signed or renewed after this date, and comply by “best efforts” for earlier contracts 2025 onwards – EU operators are required to: 1) implement LDAR programs; and, 2) establish an inventory of inactive wells (i.e., all wells must be included by August 2030), monitor emissions, and establish remediation plans (by August 2026) 2026 – EU establishes a methane transparency database, and global satellite monitoring of super-emitters Feb 2027 – EU operators required to report verified methane emissions data at source and site level for 2026 	<p>In-EU – Direct Compliance:</p> <ul style="list-style-type: none"> All producers Operators of processing and transportation facilities <p>Outside of the EU:</p> <ul style="list-style-type: none"> Importers are required to demonstrate their level of compliance on the basis of their calendar year imports. Contracts will be used to push the burden of data gathering (and verification) up the value chain to the level of the producer.

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability
EU Pay Transparency Directive	<p>The EU Pay Transparency Directive (Directive (EU) 2023/970) introduces binding pay transparency and equal pay obligations, including bans on asking salary history, requirements to disclose initial pay or pay ranges in job postings, and ensuring job titles are gender-neutral, and employee rights to obtain information on pay levels and criteria.</p> <p>It mandates regular gender pay gap reporting and joint pay assessments where gaps exceed defined thresholds, requiring employers to base pay structures on objective, gender neutral criteria and to remedy unjustified pay differentials.</p>	<p>The Directive applies to employers in EU Member States, including EU based entities and non EU companies with employees working in the Union, with reporting obligations tailored by workforce size (e.g., different reporting frequencies for 100–149, 150–249, and 250+ employees).</p> <p>It covers all workers in an employment relationship under national law, and applies across sectors, making pay transparency and equal pay controls a cross cutting requirement for multinationals with EU workforces.</p>	<p>The Directive will require employers to overhaul recruitment processes, reward frameworks, job architecture, and HR data systems to deliver defensible, gender neutral pay structures and to respond to employee data requests and regulator scrutiny.</p> <p>Organizations with fragmented legacy pay practices or limited analytics capabilities face heightened legal, reputational, financial, and industrial relations risks if reported pay gaps are large or repeated joint assessments expose systemic inequities without credible remediation plans.</p>	<p>Member States must transpose the Directive into national law by June 7, 2026, after which national rules will set specific reporting formats and enforcement arrangements.</p> <p>Employers with 250 or more employees must report gender pay gaps annually, starting in 2027 based on 2026 data; those with 150–249 employees must report every three years from 2027, and those with 100–149 employees must begin triennial reporting from 2031.</p>	<p>In each Member State, employers meeting the employee number thresholds will be subject to pay gap reporting and, where warranted, joint pay assessments, while all employers will need to respect transparency rules in recruitment and employee information rights once national laws take effect.</p> <p>Multinational groups with several smaller entities in one country will need to monitor whether headcount is calculated per legal entity or across group entities for reporting thresholds, as this will influence scoping and consolidation decisions.</p>

05

Developments & deadlines

This section highlights recent regulatory changes and near-term compliance milestones for regulations featured in previous Radar editions across packaging, product, water, greenhouse gas, and disclosure rules, to help companies track the developments and deadlines most likely to affect their operations over the next several years.



Regulation Name**Developments and upcoming deadlines****EU Omnibus**

Development:

Since its inclusion in the [3rd edition of the Regulations Radar](#), the EU's Omnibus push for simplification has moved from proposal to an agreed package, with amended CSRD, CSDDD, CBAM, and related standards now clearing political hurdles, significantly shrinking the number of in-scope companies, reducing data points and value chain demands, and delaying later CSRD 'waves' while a simplified ESRS is expected to be approved in mid 2026. The key developments are:

Corporate Sustainability Reporting Directive (CSRD)

- Omnibus I (Directive (EU) 2026/470) has been adopted, narrowing CSRD scope and formalizing simplification and “stop the clock” measures.
- CSRD now applies only to EU companies and EU issuers with >1,000 employees and ≥€450 million net turnover, and to non EU groups with >€450 million EU net turnover plus an EU subsidiary or branch with >€200 million EU net turnover.
- The revised thresholds are expected to remove roughly 80–85% of previously in scope companies from mandatory CSRD and associated Taxonomy reporting.
- Mandatory European Sustainability Reporting Standards (ESRS) data points are reduced by 61%, materiality can be determined at the topic level under a more top down double materiality assessment, sector specific ESRS have been dropped for now, and EFRAG has a mandate to further simplify and align ESRS with IFRS S1/S2. For reference, the November 2025 Draft Simplified ESRS can be found on EFRAG's website, [here](#). In addition, the May 2026 European Commission Proposal for Simplification (seeking feedback until June 3, 2026) can be found [here](#).
- “Stop the clock” provisions delay CSRD (and associated EU Taxonomy) application by two years for companies that had not yet entered scope under the original timetable, pushing Wave 2 large unlisted EU companies to financial years starting on or after January 1, 2027, and non-EU groups (Wave 4) to financial years starting on or after January 1, 2028.

Corporate Sustainability Due Diligence Directive (CSDDD)

- CSDDD has been revised in line with Omnibus I, with scope limited to only the largest companies.
- The Directive now applies to EU companies with >5,000 employees and ≥€1.5 billion net turnover and to non EU companies generating >€1.5 billion net turnover within the EU.
- Due diligence obligations are refocused on severe environmental and human rights impacts and high-risk areas, monitoring is concentrated on tier 1 suppliers with follow up on indirect suppliers only where there is plausible information of significant risks, and the requirement for a mandatory climate transition plan has been removed.
- An EU-wide civil liability regime has been dropped, with civil liability left to national law; administrative supervision, minimum sanction types and a maximum fine level of around 3% of worldwide net turnover are harmonized at the EU level.
- Member States must transpose CSDDD by July 26, 2028, with application from July 26, 2029, for in-scope companies.

Regulation Name**Developments and upcoming deadlines****EU Taxonomy**

- A revised Delegated Act implementing Omnibus changes to EU Taxonomy reporting took effect on January 28, 2026.
- Companies may apply the amended Taxonomy rules from the 2025 financial year, with the option to defer application to the 2026 financial year.
- New materiality thresholds allow clearly non-material activities—typically those contributing around 1–2% or less of total Taxonomy relevant turnover or CapEx—to be excluded from eligibility and alignment assessments, while selected “Do No Significant Harm” criteria are simplified, and standardized templates focus disclosures on a reduced set of key quantitative indicators.
- The changes are designed to align Taxonomy disclosures with the narrowed CSRD scope and to focus reporting effort on the most material activities, CapEx/OpEx, and sustainability metrics.

Carbon Border Adjustment Mechanism (CBAM)

- CBAM has moved from its 2023–2025 transitional, reporting only phase into its definitive regime as of January 1, 2026.
- The CBAM Registry is now integrated with national customs systems, and authorization as an “authorized CBAM declarant” is required once an importer exceeds a single 50-ton annual threshold for covered CBAM goods (steel, cement, aluminum, fertilizers and most other categories, with electricity and hydrogen retaining lower thresholds).
- On April 7, 2026, the Commission published the first CBAM certificate price for Q1 2026, set at approximately the average EU Emissions Trading System (EU ETS) auction clearing price for the quarter (around €80 per ton of CO₂e), with prices set quarterly in 2026 and published weekly from 2027.
- The 50 ton de minimis exemption removes obligations for about 90% of importers while retaining coverage of an estimated 99% of embedded emissions from CBAM covered goods.
- As part of the Omnibus process, the Commission has proposed extending CBAM from January 1, 2028, to selected downstream steel and aluminum-intensive products (around 180 semi-finished and finished items) and tightening rules to address potential avoidance practices (for example, through more stringent rules on default values, scrap treatment and carbon price deductions).

Regulation

Developments and upcoming deadlines

Mexico Sustainability Information Standards

Development and upcoming deadlines:

Since its inclusion in the [2nd edition of the Regulations Radar](#), the key developments to the Mexico Sustainability Information Standards have been:

IFRS S1 & IFRS S2 (International Sustainability Standards Board, via National Banking and Securities Commission)

- Mexico has introduced sustainability disclosure requirements for securities issuers registered with the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, CNBV), following amendments to the Circular Única de Emisoras published in the Official Gazette on January 28, 2025.
- In scope issuers must apply the full International Financial Reporting Standard IFRS S1 and IFRS S2 framework (covering governance, strategy, risk management, and metrics and targets), with assurance phased in from no assurance on financial year (FY) 2025 disclosures (published 2026), to limited assurance for FY2026 (published 2027), and reasonable assurance from FY2027 onwards (published 2028).
- Certain entities are excluded (including some regulated financial institutions, state and municipal governments, and specified Multiple Purpose Financial Companies, Sociedades Financieras de Objeto Múltiple, SOFOMs), but most listed issuers will need to upgrade data quality and internal controls to avoid CNBV supervisory actions and protect access to capital.

NIS A 1 and NIS B 1 (Sustainability Information Standards issued by the Mexican Council for Financial Information Standards)

- The Sustainability Information Standards (Normas de Información de Sostenibilidad, NIS A 1 and NIS B 1) issued by the Mexican Council for Financial Information Standards (Consejo Mexicano de Normas de Información Financiera, CINIF) apply from January 1, 2025 for entities preparing financial statements under Mexican Financial Reporting Standards (Mexican Generally Accepted Accounting Principles, Mexican GAAP), including stand alone Mexican entities of foreign groups.
- The NIS establish a set of basic sustainability indicators to be disclosed in the notes to the financial statements, bringing environmental, social and governance (ESG) information into the existing financial reporting and audit cycle rather than creating a separate sustainability regime, with non compliance expected to surface primarily through audit findings and stakeholder expectations.

EU Packaging and Packaging Waste Regulation (PPWR)

Upcoming deadline:

Regulation (EU) 2025/40 (PPWR) **entered** into force on February 11, 2025, and applies from August 12, 2026, across all EU Member States, replacing the Packaging and Packaging Waste Directive (PPWD) and applying directly without transposition.

Core obligations on packaging placed on the EU market from August 12, 2026, must:

- Stay within PFAS and heavy-metal limits
- Carry an EU Declaration of Conformity for each unique packaging format
- Include manufacturer/importer identification and comply with EPR registration and reuse system obligations where applicable

In March 2026, the European Commission **issued** FAQs, and on February 25, 2026, it adopted a Delegated Act on reuse exemptions to harmonize EU-wide recyclability, labelling, and reuse requirements, replacing conflicting national rules.

Regulation

Developments and upcoming deadlines

U.S. Extended Producer Responsibility Regulations (EPR)

Development and upcoming deadlines:

Since its inclusion in the [4th edition of the Regulations Radar](#), U.S. packaging EPR regulation has continued to expand, with seven states now having adopted laws and new state-level programs moving from adoption into active implementation. The following are the seven states with their enactment and implementation details:

- **Maine** – Adopted in 2021(HB 1541) as the first U.S. state with a comprehensive EPR law; producers must register with the approved stewardship organization and submit initial 2025 packaging data in May 2026, once the stewardship organization has been selected and contracted by the Maine Department of Environmental Protection.
- **Oregon** – Enacted in 2021 (SB 582), producers reported 2024 data by March 31, 2025, and began paying fees from July 1, 2025.
- **Colorado** – Enacted in 2022 (HB 22-1355); producers registered by October 1, 2024, and reported 2024 data by July 31, 2025, with fee payments starting January 1, 2026. Annual Supply Report and Source Reduction Progress reports are due May 31, 2026.
- **California** – Enacted in June 2022 (SB 54), with producers asked to submit baseline reports using calendar year 2023 packaging data by November 15, 2025, and statewide 2032 targets requiring 100% of covered packaging to be recyclable or compostable, a 25% reduction in single use plastic packaging, and a 65% recycling rate for single use plastic packaging and food service ware.
- **Minnesota** – Enacted May 2024 (HF 3911); Producers' first registration was due July 1, 2025, and must report by May 31, 2026. Producers will submit a simplified report for CY2025 data.
- **Maryland** – Enacted May 2025 (SB 901); Producers must register and report by May 31, 2026. Producers will submit a simplified report for CY2025 data.
- **Washington** – Enacted May 2025 (SB 5284); producers must register and report by July 1, 2026. Producers will submit a simplified report for CY2025 data.

U.S. Mandatory Greenhouse Gas Reporting (40 CFR Part 98)

Development:

Since its inclusion in the [4th edition of the Regulations Radar](#), the key developments to the GHG Reporting Rule have been:

- The U.S. EPA **extended** the GHG Reporting Rule 2025 deadline from March 31, 2026, to October 30, 2026, to allow regulated entities more time amid ongoing rulemaking on the program's future. However, at the time of this publication, the e-GGRT portal was not available for reporting year 2025 data submittal.
- The extension affects only the reporting deadline for 2025 data, not the substance of the reporting rule or other years.
- As covered in the 4th edition of the Regulations Radar, the outstanding reconsideration of the GHG Reporting Program would effectively end mandatory reporting for most sectors from 2025 onward, with large parts of the oil and gas sector suspended until 2034, subject to finalization by mid 2026.

Regulation

Developments and upcoming deadlines

California SB 253 and SB 261

Development:

Since its inclusion in the [3rd edition of the Regulations Radar](#), the key developments on CARB's SB 253 and SB 261 have been:

- On February 26, 2026, the California Air Resources Board (CARB) **adopted** initial regulatory language implementing SB 253 (GHG emissions reporting) and SB 261 (climate related financial risk disclosures).
- SB 253 (GHG emissions reporting)
 - CARB set August 10, 2026, as the first deadline for Scope 1 and Scope 2 GHG emissions reporting under SB 253, with Scope 3 emissions reporting due to begin in 2027, and clarified expectations around which emissions to report based on fiscal year end-dates.
 - **In March 2026 workshops**, CARB advanced pre rulemaking for 2027, including potential approaches for Scope 3 reporting, and clarified that limited assurance will not be required for 2026 reports.
- SB 261 (climate-related financial risk disclosures)
 - A Ninth Circuit injunction has paused enforcement of SB 261's statutory deadline; SB 261 remains voluntary until litigation is resolved.

U.S. Clean Water Act Facility Response Plans

Upcoming deadline:

- The EPA **published** an advanced notice of proposed rulemaking (ANPRM) on February 18, 2026, to seek feedback on amending the 2024 facility response plan rule for worst case hazardous substance discharges under the Clean Water Act.
- The EPA **proposed** on March 3, 2026, a three year extension of the compliance date for CWA hazardous substance Facility Response Plans (FRPs), moving the deadline from June 1, 2027, to June 1, 2030, to give facilities more time to prepare and submit plans.

United States PFAS Reporting Under EPCRA TRI (Chemicals of Special Concern)

Development:

Since its inclusion in the [1st edition of the Regulations radar](#), the key developments to U.S. PFAS Reporting Under EPCRA TRI have been:

- For Reporting Year 2025 (reporting forms due July 1, 2026), the National Defense Authorization Act (NDAA) automatically added nine additional PFAS to the TRI list; EPA codified this change in a final rule issued in January 2025. Facilities in the TRI-covered industry sectors should track and collect data on these chemicals during 2025.
- For Reporting Year 2026 (reporting forms due July 1, 2027), the NDAA automatically added one additional PFAS to the TRI list; EPA codified this change in a final rule issued in February 2026. Facilities in TRI covered industry sectors should track and collect data on this chemical during 2026.
- More information can be found here: [Addition of Certain PFAS to the TRI by the National Defense Authorization Act | US EPA](#)

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Appendix



Regulation	Rule Citation & Link	Regulating Agency	ERM Contact
China Sustainability Disclosure Standards for Enterprises No. 1 – Climate (Trial) (CSDS)	Notice on the issuance of the Corporate Sustainability Disclosure Standard No. 1 - Climate (Trial).	Ministry of Finance of the People’s Republic of China, jointly with eight other ministries	Summer Chen Summer.Chen@erm.com
UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2	UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2 - GOV.UK	UK Government (Department for Business and Trade) and Financial Reporting Council; enforcement via FCA and others	Nicolas Heath Nicolas.Heath@erm.com
Malaysia National Carbon Market Policy	National Carbon Market Policy (DPKK)_NRES_2026.pdf	Ministry of Natural Resources and Environmental Sustainability, Government of Malaysia	Yulia Dobrolyubova Yulia.Dobrolyubova@erm.com
EU Methane Regulation 2024/1787	Regulation - EU - 2024/1787 - EN - EUR-Lex	European Parliament and Council (legislator); European Commission and member state competent authorities for implementation	David Neilson David.Neilson@erm.com
EU Pay Transparency Directive	Directive - 2023/970 - EN - EUR-Lex	European Parliament and Council (directive); European Commission, national labour inspectorates and equality bodies for enforcement	Anna Jakobsen Anna.Jakobsen@erm.com

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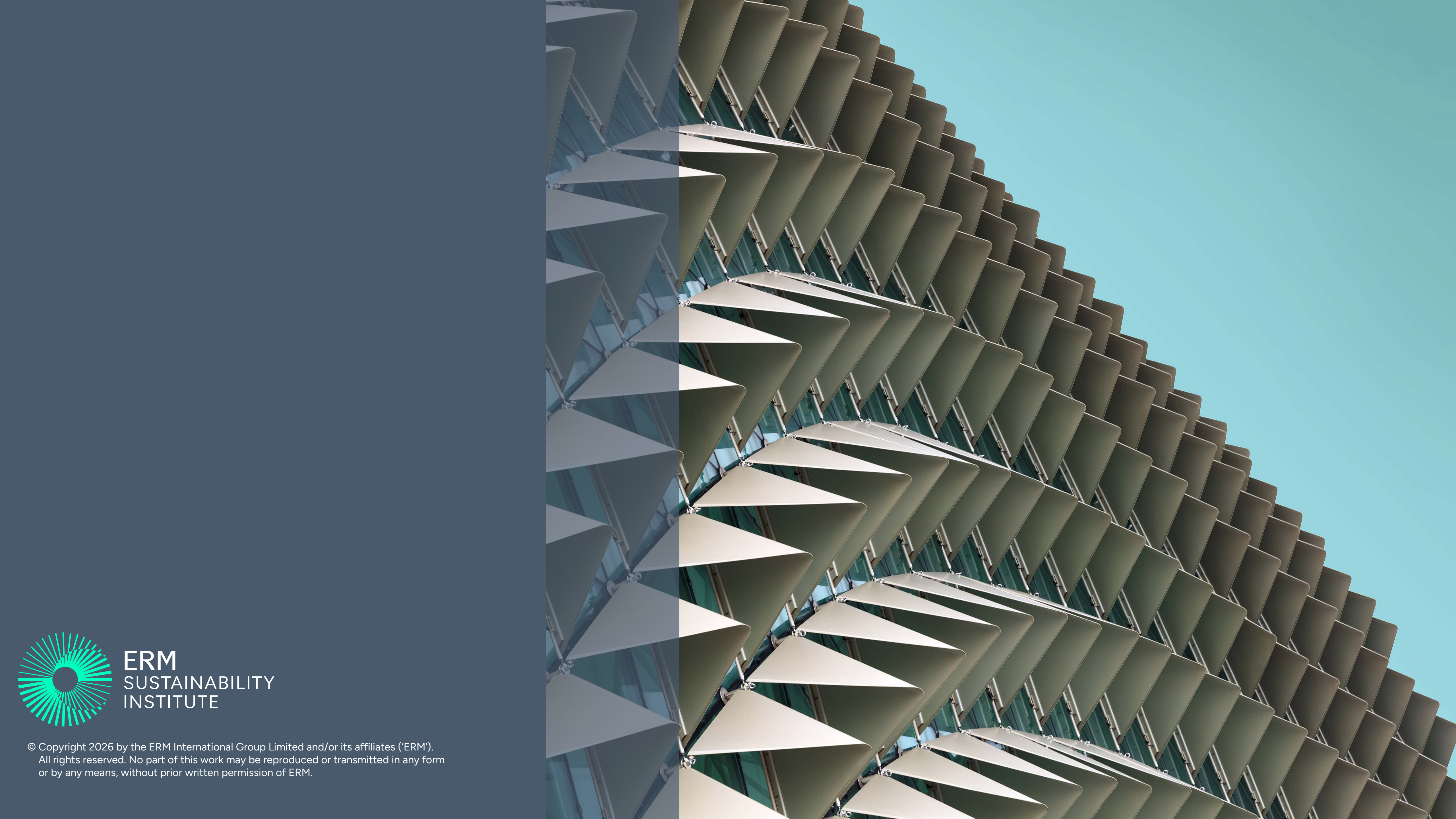
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