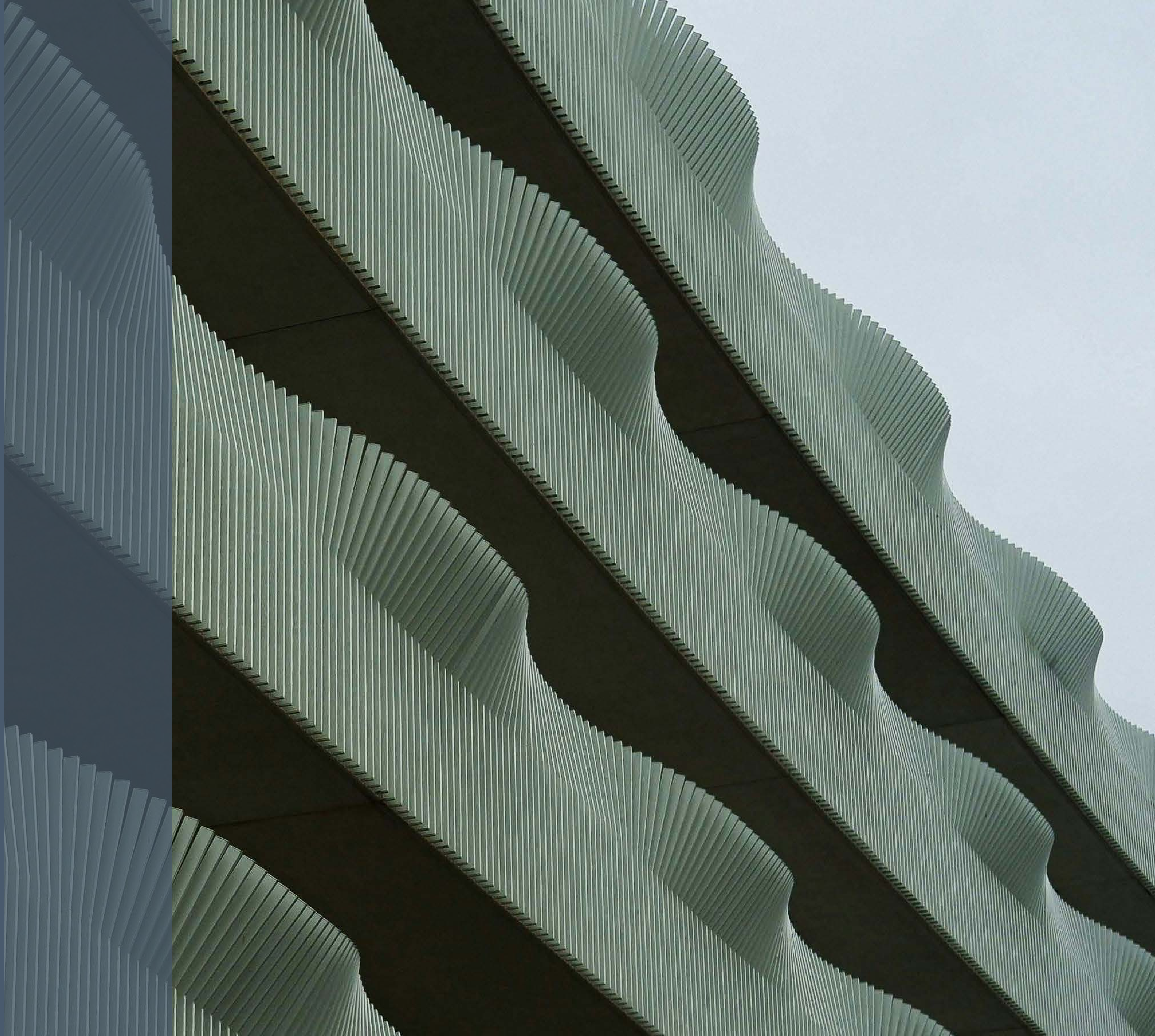
ERM SUSTAINABILITY INSTITUTE

The Global Regulations Radar

QUARTERLY UPDATES ON ESG AND EHS REGULATIONS

September 2026

SIXTH EDITION



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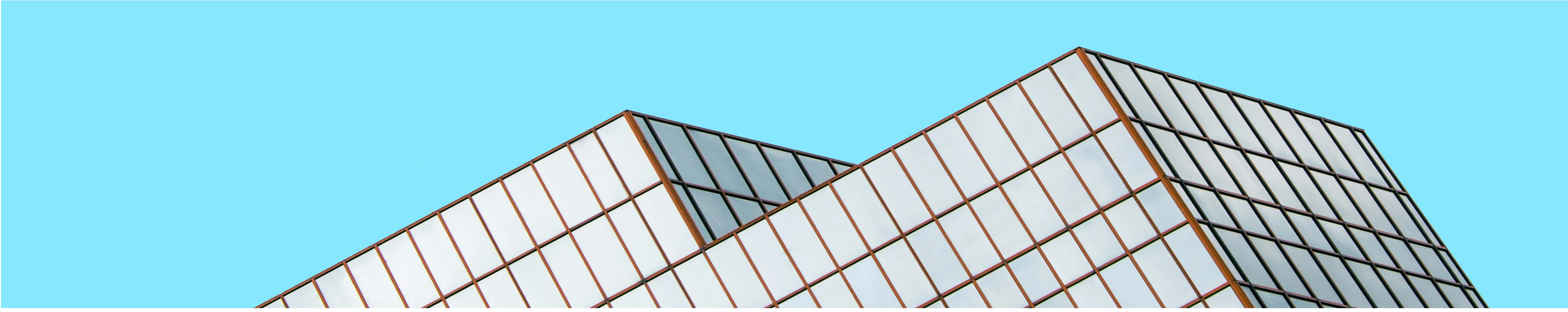
Introduction

After several years of rapid change, consistent global ESG and EHS expectations are coming into view. What is still being calibrated is how firmly they should apply and to whom.



Governments and regulators are beginning to converge around a more pragmatic model of sustainability regulation. It looks less like the high-ambition program of the early 2020s than a balance struck against competing economic, energy, and security priorities. The Corporate Sustainability Reporting Directive (CSRD) will now apply only to EU companies above 1,000 employees and EUR 450 million in net turnover, with a separate and lighter test for non-EU parents. California has postponed its first SB 253 deadline and proposed a phased approach for 2027 under which initial Scope 3 reporting would focus on five of the fifteen GHG Protocol Scope 3 categories. In July, the European Commission recommended that Member States withhold certain penalties on methane importers for 2027 to 2029. The requirement stood; the pressure behind it eased.

Some of the clearest statements of what is expected now come from standard-setters rather than legislators. ISO 14001:2026, the international standard for environmental management systems, was published in April. It places greater weight on leadership and governance and asks organizations to demonstrate measurable performance rather than rely on stated commitment alone. Two months later the SBTi published Version 2.0 of its Corporate Net-Zero Standard, elevating climate accountability to the highest level of governance and requiring companies to support targets with a transition plan and a recurring cycle of reporting, assessment, and renewal. Both are voluntary and international, which lets a company hold one line across markets. Increasingly, they are also a reliable read on the direction of travel.

In 2025, federal retrenchment in the United States looked like an outlier rather than the defining global trend. A year on, the divergence is sharper. The EU has pruned scope while keeping its reporting architecture intact. The Commission adopted revised ESRS standards on July 3, 2026, subject to the standard scrutiny process. US federal action has more often targeted the procedures around rules than the rules themselves, from PFAS reporting to public participation in permitting.

So far, the pressure behind these decisions has been economic and political. The pressure now building is physical. Recent extreme heat events across Europe, Asia, and the Middle East have reinforced concerns that climate risks remain under-prepared for and under-costed. Expect the next wave of policy to concern adaptation and resilience, beginning with the integrated climate resilience framework the Commission will adopt this fall. As the global climate becomes more extreme, questions will grow over whether a streamlined regulatory approach offers a sufficient response to the challenges faced by communities and economies.

02

Landscape overview

Shaping expectations

Standards

Two of the most consequential documents in this edition are not laws. ISO 14001:2026 and the SBTi Corporate Net-Zero Standard Version 2.0 were published within two months of each other and moved beyond declaration into governance and demonstrated performance. Voluntary and international, these standards are increasingly shaping expectations across markets. Each is covered under the Radar's key standards shaping regulation section.

Europe

The most significant cuts in Europe have fallen on reporting. The obligations on forced labor, methane, and pay transparency remain, even where enforcement has been eased or delayed.

Under the EU Omnibus, transposition is due by March 2027 and scope has narrowed sharply. EU companies are subject only if they have above 1,000 employees and EUR 450 million in net turnover. Non-EU parent companies are evaluated on a different test: EU turnover above EUR 450 million in each of two consecutive financial years, together with an EU branch or EU subsidiaries above EUR 200 million. They will report under a separate standard, with ESRS 40a, now out for public consultation. The revised European Sustainability Reporting Standards (ESRS) adopted in July 2026 cut mandatory datapoints by more than 60% and are now before the European Parliament and the Council for scrutiny before publication in the Official Journal. A new voluntary 'VSME' standard serves companies outside mandatory scope and underpins the value-chain cap introduced by Omnibus I.

The EU Forced Labor Regulation applies from December 14, 2027. Commission guidelines and the Forced Labor Single Portal, published on June 26, 2026, set out a risk-based approach to implementation, and the Commission is running webinars for businesses ahead of application.

Two recommendations adopted on July 20, 2026, address the Methane Regulation. The first gives importers model contractual clauses. The second recommends that Member States refrain from applying certain penalties for importer obligations due in 2027, 2028, and 2029, except in cases of fraudulent breach. Neither amends the Regulation nor suspends the monitoring, reporting, and verification requirements that apply from January 1, 2027.

The EU Pay Transparency Directive's June 7, 2026, transposition deadline has passed with only a small number of Member States having completed transposition, leaving a multi-speed implementation landscape across the bloc.

North America

In the United States, the federal direction is contested from within. States and courts continue to challenge deregulatory measures through high-profile litigation, while some federal rulings are tightening requirements rather than loosening them.

The U.S. Environmental Protection Agency's (EPA) Emissions Reduction and Reclamation rule (40 CFR Part 84, Subpart C) took effect on January 1, 2026, expanding leak repair, recovery, and reclamation requirements for refrigerant-containing equipment. In June 2026, U.S. Customs and Border Protection replaced its Uyghur Forced Labor Prevention Act (UFLPA)-focused guidance with a consolidated Forced Labor Enforcement Operational Guidance. It is non-binding, but now the primary operational reference for demonstrating supply-chain diligence and traceability. Neither is a rollback.

They sit alongside a continuing deregulatory agenda, including the rescission of PFAS (Per- and polyfluoroalkyl substance) reporting requirements and a July proposal to hand states discretion over public participation requirements in minor source air permitting, a route commonly used by data centers and concrete batch plants.

At the state level the regulatory picture remains active and contested. California Air Resources Board postponed the first SB 253 reporting deadline for Scope 1 and Scope 2 emissions from August 10 to November 10, 2026, and advanced rulemaking at a July workshop that previewed proposed 2027 requirements, including a proposed phase-in of Scope 3 data requirements. Seventeen state Attorneys General have challenged California's packaging extended producer responsibility law, and the state has been temporarily blocked from enforcing its recycling-labels rule.

Latin America

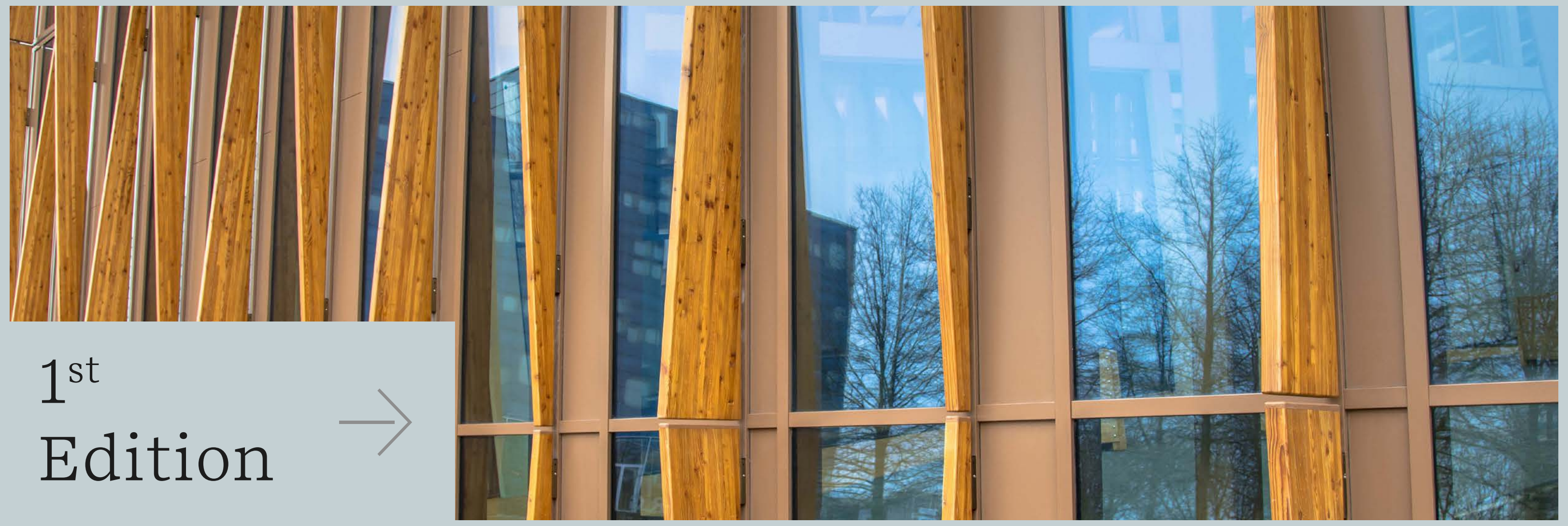
Mexico's General Circular Economy Law, published in January 2026, establishes a national framework for the transition away from a linear economic model, covering resource use, production, and consumption patterns, waste generation and materials management. Its substantive obligations will arrive through secondary regulations still to be issued, giving companies operating in Mexico something to plan against but not yet a compliance timetable. The sequence is a familiar one at an earlier stage: the framework first, the obligations later.

Asia-Pacific

The largest Australian entities, including both public and private companies meeting the reporting thresholds, are already filing their reports with the national regulator, which has found topics such as financial quantification and targets lacking in early disclosures. Group 2 entities enter scope for annual reporting periods beginning on or after July 1, 2026, with Group 3 following from July 1, 2027. Through 2026 the Australian Accounting Standards Board expanded its S2 Knowledge Hub with educational material, FAQs, and practical guidance, and continued its Implementation Advisory Panel, with emphasis on transition planning, climate governance, scenario analysis, and emissions reporting. AASB S2 remains mandatory for climate-related financial disclosures; AASB S1 remains voluntary.

Beyond reporting, the 2026-27 Safeguard Mechanism Review is open for submissions until September 18, reopening the post-2030 decline rate and the balance between onsite abatement and carbon units. The Australian Government also announced plans to introduce a new criminal offence for companies with revenue above AUD 100 million that fail to prevent modern slavery in their supply chains, with a reasonable steps defense and civil penalties for reporting non-compliance.

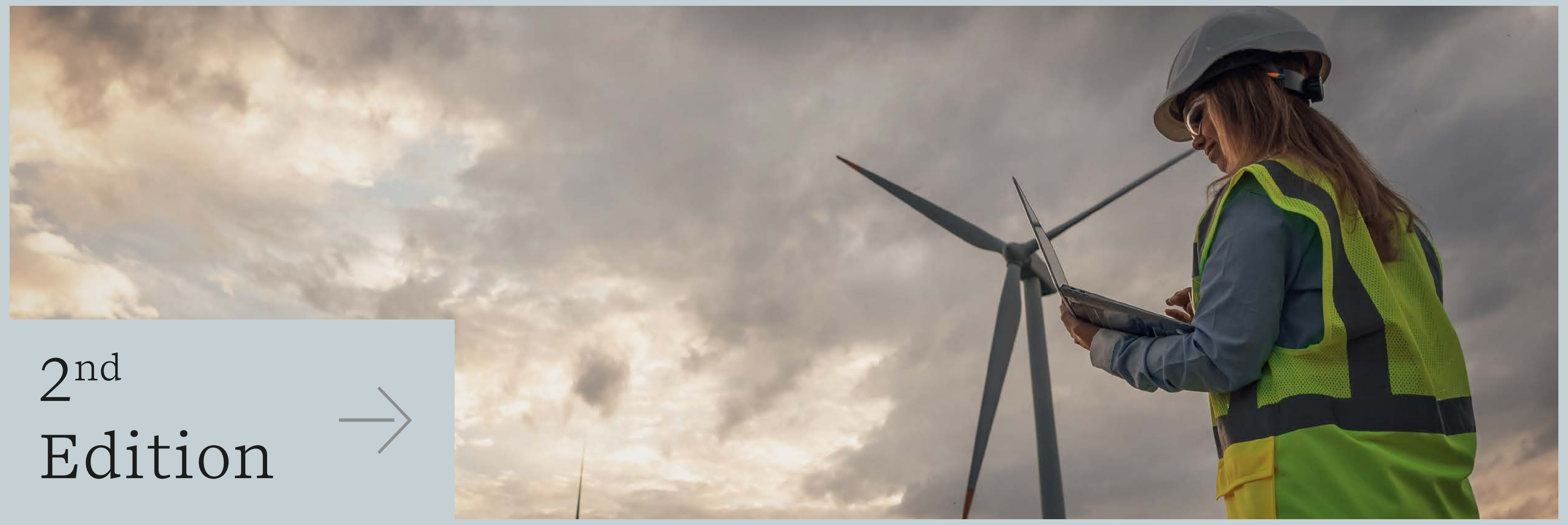
The ERM Sustainability Institute's Global Regulations Radar provides a high-level overview of the most significant upcoming ESG and EHS regulations affecting companies with global operations. As with previous editions, the Radar also tracks important amendments and implementation developments affecting 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



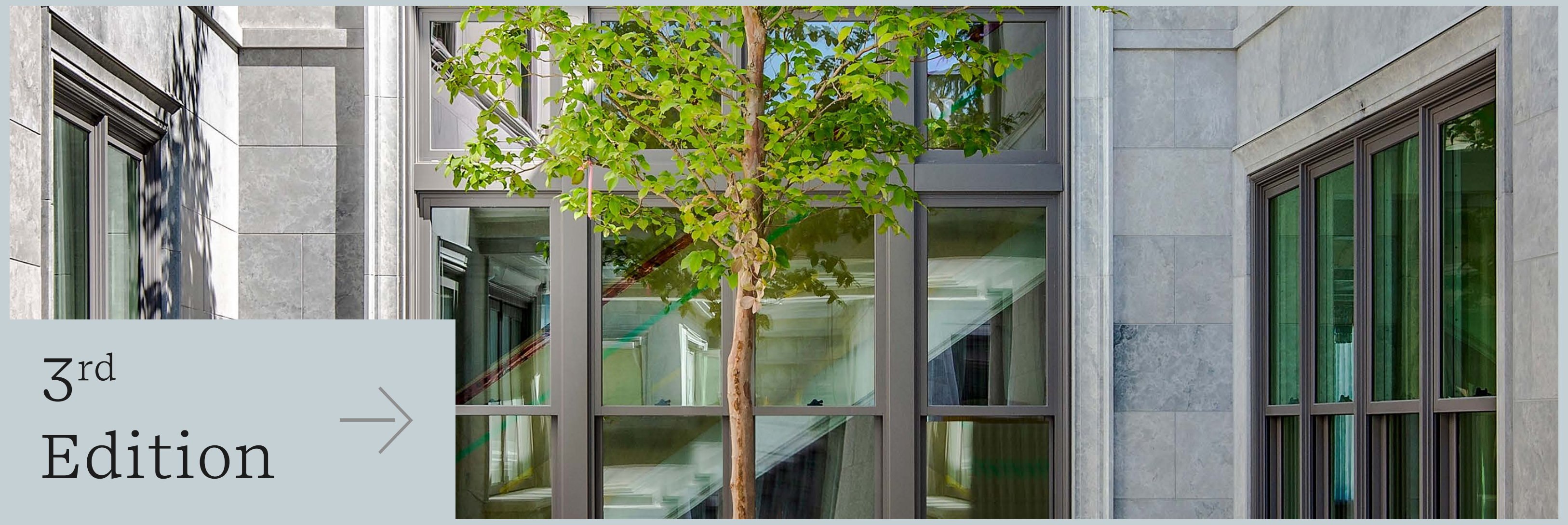
2nd Edition

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 Disclosure Treasury Bill



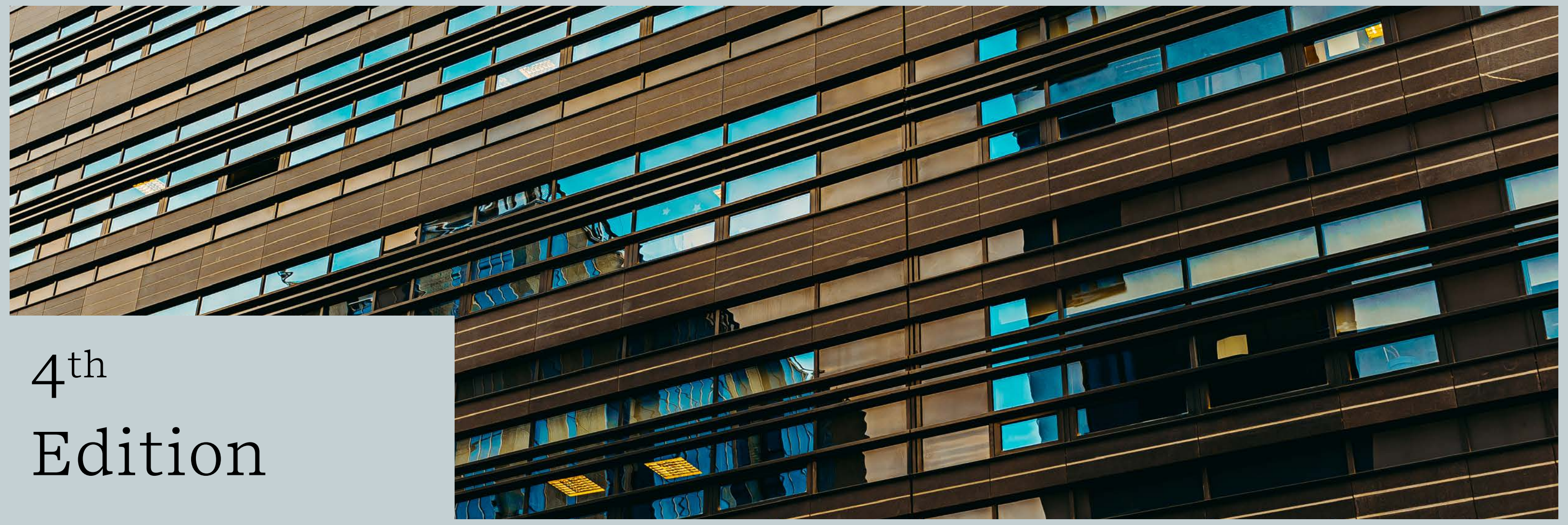
3rd Edition

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



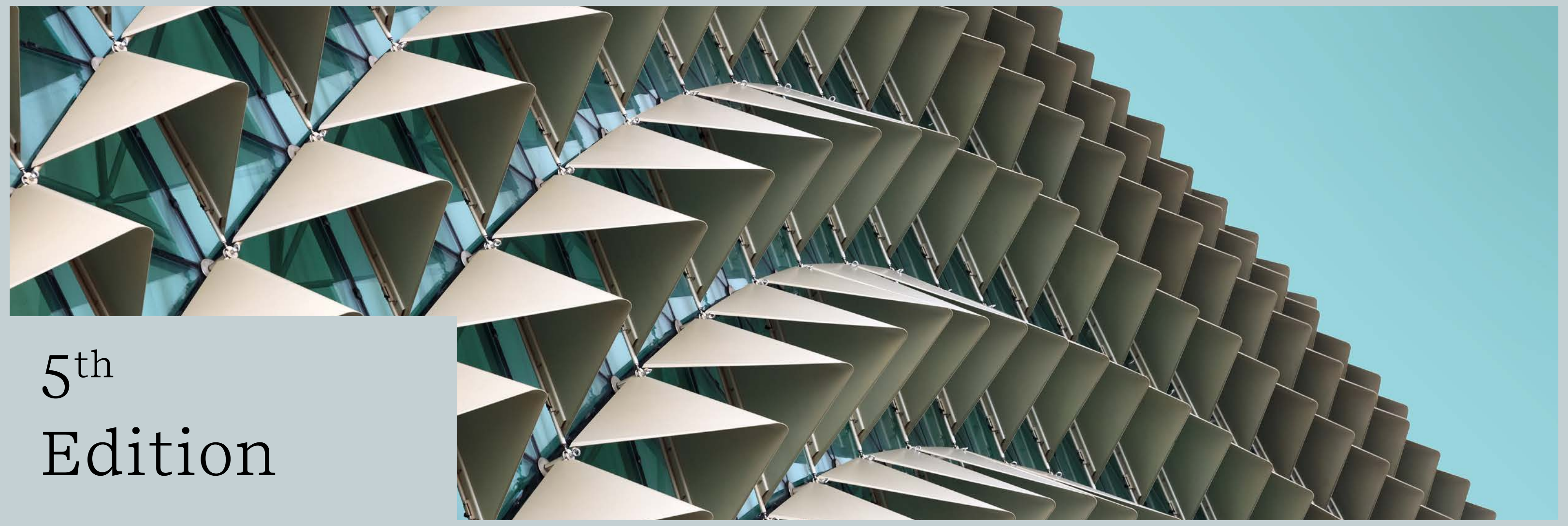
4th Edition

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



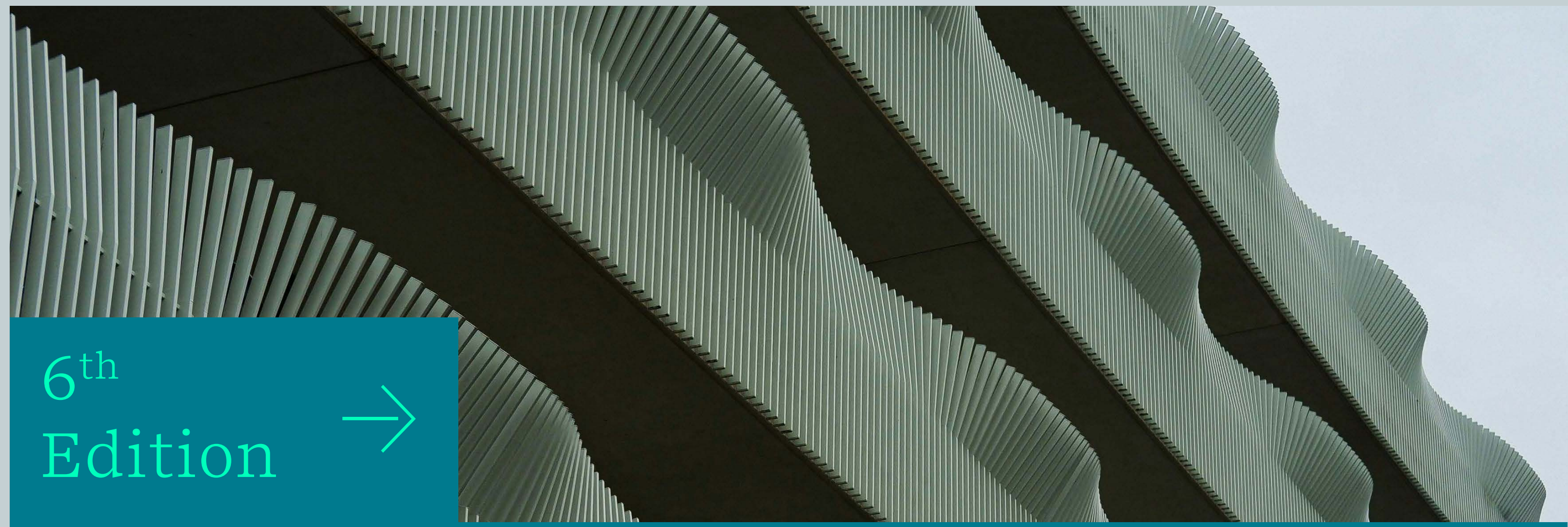
5th Edition

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)



6th Edition

Regulations included in this edition:

- Emissions Reduction and Reclamation (ER&R) final rule (40 CFR Part 84, Subpart C)
- U.S. Customs and Border Protection (CBP)-Forced Labor Enforcement Operational Guidance for Importers
- Mexico General Circular Economy Law (Ley General de Economía Circular, 2026)

Key Standards Shaping Regulations:

- Science Based Targets initiative (SBTi) Corporate Net-Zero Standard (Version 2.0)
- ISO 14001 Environmental Management Systems Standard

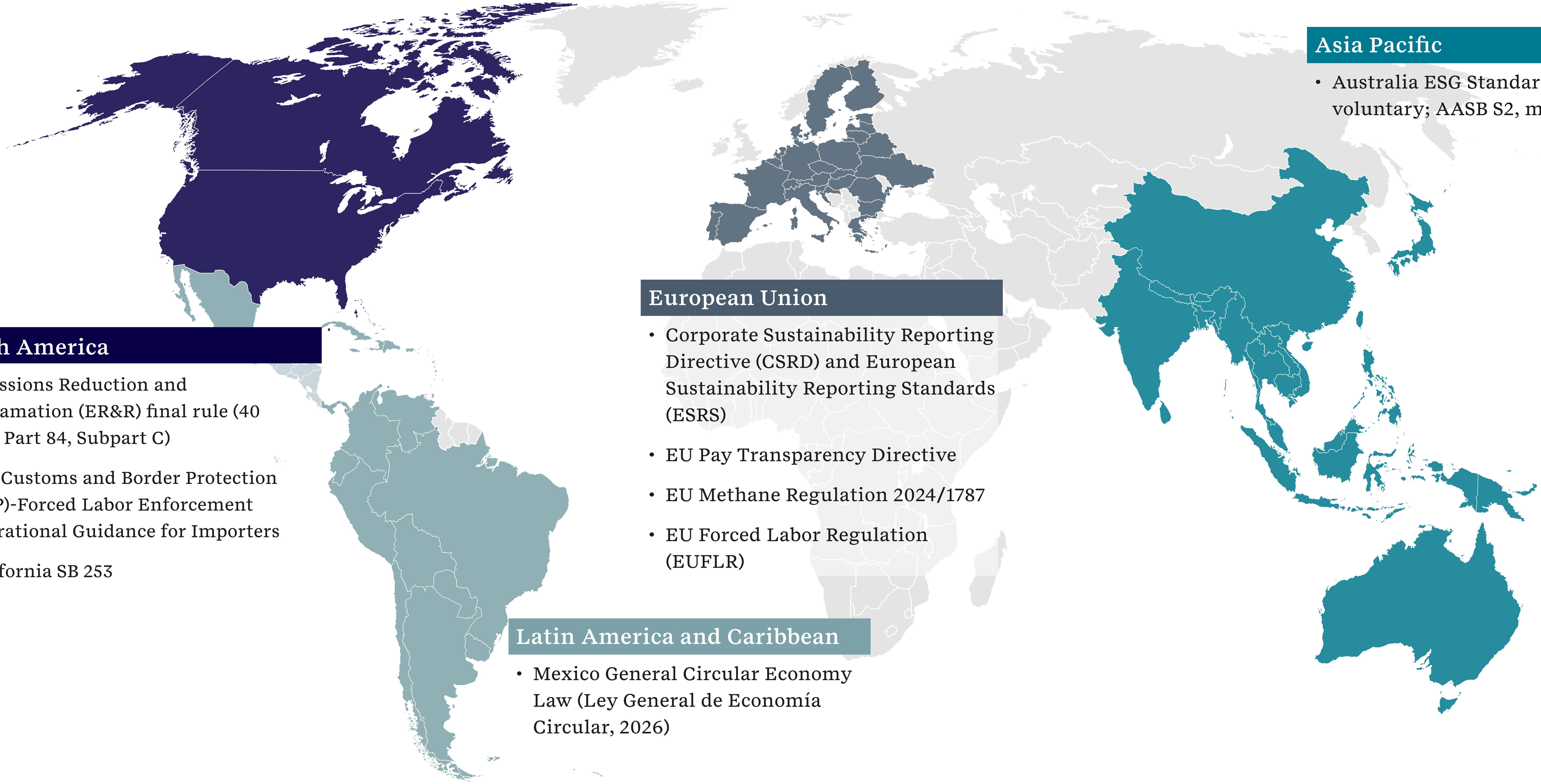
Developments & Deadlines:

- Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS)
- EU Forced Labor Regulation (EUFLR)
- California SB 253
- Australia ESG Standards (AASB S1/S2)
- EU Methane Regulation 2024/1787
- EU Pay Transparency Directive 253

03

Map & timeline

Figure 1: ESG and EHS Regulations Map
This map highlights the regulations covered in this publication



North America

- Emissions Reduction and Reclamation (ER&R) final rule (40 CFR Part 84, Subpart C)
- U.S. Customs and Border Protection (CBP)-Forced Labor Enforcement Operational Guidance for Importers
- California SB 253

European Union

- Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS)
- EU Pay Transparency Directive
- EU Methane Regulation 2024/1787
- EU Forced Labor Regulation (EUFLR)

Latin America and Caribbean

- Mexico General Circular Economy Law (Ley General de Economía Circular, 2026)

Asia Pacific

- Australia ESG Standards (AASB S1, voluntary; AASB S2, mandatory)

Figure 2: ESG and EHS Regulations Timeline
Deadlines for compliance with ESG and EHS-related regulations are approaching fast. 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 6th edition

2026

January 1, 2026

EPA ER&R Final Rule Key requirements begin taking effect, including expanded leak repair requirements, reporting obligations, and the reduced 15-pound applicability threshold for covered refrigerant-containing appliances.

June 7, 2026

EU Pay Transparency Directive Deadline for EU Member States to transpose the Directive into national law.

July 1, 2026

Australia AASB S2 Group 2 entities enter scope for mandatory climate-related financial reporting.

November 10, 2026

California SB 253 CARB postpones the first Scope 1 and Scope 2 reporting deadline from August 10 to November 10, 2026.

2027

January 1, 2027

EU Methane Regulation Importer monitoring, reporting and verification (MRV) requirements begin.

February 2027

SBTi Corporate Net-Zero Standard v2.0 Target validation under Version 2.0 becomes available.

March 19, 2027

CSRD Deadline for Member States to transpose CSRD-related provisions under Omnibus I (Directive (EU) 2026/470).

July 1, 2027

Australia AASB S2 Group 3 entities enter scope of Australia's mandatory climate reporting regime.

December 14, 2027

EU Forced Labor Regulation becomes applicable; products made wholly or partly with forced labor prohibited from the EU market.

2028

February 2028

SBTi Corporate Net-Zero Standard v2.0 Version 2.0 becomes mandatory for target validation.

August 5, 2028

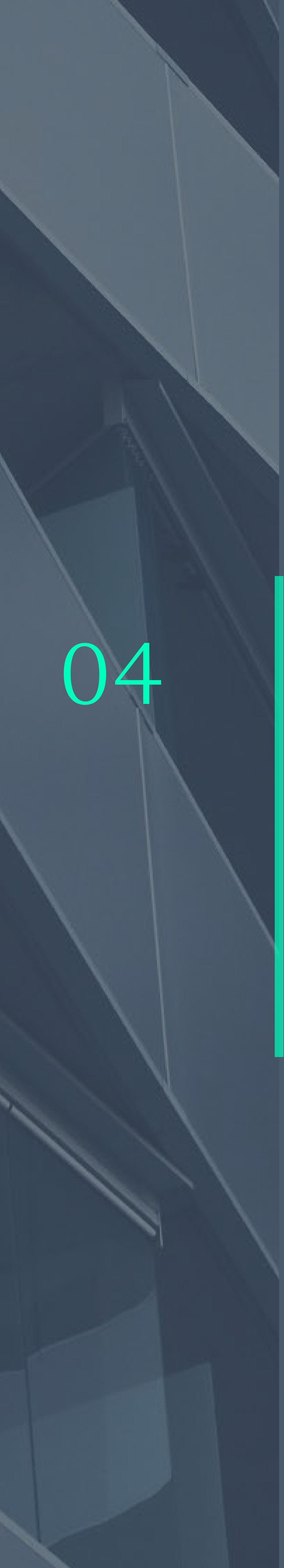
EU Methane Regulation Methane-intensity reporting requirements begin for importers.

2029

2030

August 5, 2030

EU Methane Regulation Methane-intensity requirements enter into force for imported oil, gas and coal. force for imported oil.



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
U.S. Emissions Reduction and Reclamation (ER&R) final rule (40 CFR Part 84, Subpart C)	U.S. Environmental Protection Agency's (EPA) ER&R final rule (40 CFR Part 84, Subpart C) implements provisions of the American Innovation and Manufacturing (AIM) Act focused on maximizing reclamation and minimizing releases of hydrofluorocarbons (HFCs) and certain substitutes. The rule establishes requirements for leak repair and automatic leak detection for certain refrigerant-containing appliances, reclamation and use of reclaimed HFCs for certain refrigeration, air conditioning and heat pump equipment, and use of recycled HFCs in fire suppression equipment, and recordkeeping and reporting obligations. It also establishes requirements applicable to reclaimers, distributors, fire suppression equipment, disposable cylinders, and other activities intended to reduce emissions throughout the refrigerant lifecycle.	The rule may apply to U.S. entities involved in the servicing, repair, installation, operation, recovery, reclamation, recycling, distribution, or disposal of equipment containing HFCs and certain HFC substitutes. It is particularly relevant to organizations operating or servicing refrigeration, air conditioning, heat pump, and fire suppression systems, as well as refrigerant reclaimers, distributors, and service providers managing covered refrigerants. Covered entities include owners and operators of certain refrigerant-containing appliances, refrigerant reclaimers and distributors, fire suppression equipment owners and service providers, and technicians performing regulated refrigerant management activities. Requirements vary according to equipment type, refrigerant, charge size, subsector, and regulated activity.	Companies should strengthen refrigerant management programs by implementing enhanced leak detection and repair procedures, improving refrigerant recovery and reclamation practices, maintaining required records, and ensuring that contractors performing regulated activities comply with applicable requirements. Organizations operating covered equipment should review servicing contracts, inventory refrigerant-containing assets, and establish compliance processes for reporting and recordkeeping. Failure to comply may result in enforcement under the Clean Air Act and AIM Act.	EPA published the final ER&R rule on October 11, 2024 with key requirements taking effect on January 1, 2026, including leak repair requirements for covered refrigerant-containing appliances with a full charge of 15 pounds or more, automatic leak detection requirements for certain new and existing appliances, reclamation standards, and requirements for managing HFCs in fire suppression equipment. Additional requirements are phased in over subsequent years. Reporting requirements begin in 2027, with certain 2026 activity reports due February 14, 2027. EPA also proposed in May 2026 to exempt certain transport refrigeration units from leak-repair requirements.	Compliance requirements apply only where the conditions specified in 40 CFR Part 84, Subpart C are met. For example, leak repair requirements apply to certain refrigerant-containing appliances with a full charge of 15 pounds or more of refrigerant containing HFC or an HFC substitute with a global warming potential greater than 53, subject to specified exclusions. Obligations differ based on an organization's role (e.g., owner/operator, reclaimer, distributor, or service provider) and factors such as the type of equipment, the refrigerant used, and applicable refrigerant charge-size thresholds. Organizations should determine which Subpart C provisions apply to their operations based on the equipment they own, operate, or service and the refrigerant management activities they perform.

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability
U.S. Customs and Border Protection (CBP) Forced Labor Enforcement Operational Guidance for Importers	CBP's Forced Labor Enforcement Operational Guidance explains how the agency enforces three key legal authorities to prevent the importation of goods made with forced labor: the Tariff Act of 1930 (19 U.S.C. §1307), the Uyghur Forced Labor Prevention Act (UFLPA), and relevant sanctions laws such as Countering America's Adversaries Through Sanctions Act (CAATSA). The guidance provides process maps for Withhold Release Orders (WROs), Findings, and UFLPA enforcement, step by step expectations for importer responses to detentions or exclusions, and detailed appendices on recommended supply chain documentation and due diligence practices. It does not establish new legal obligations but consolidates existing CBP enforcement expectations and clarifies the documentation and due diligence importers should maintain to demonstrate admissibility, respond to detentions or exclusions, and rebut the UFLPA rebuttable presumption where applicable.	The guidance applies to all importers importing goods into the U.S. that could be subject to forced labor enforcement under 19 U.S.C. §1307, the UFLPA, or CAATSA. It is particularly relevant to importers sourcing products from sectors or supply chains identified by CBP as presenting elevated forced labor risks, including apparel, cotton and cotton products, silica-based products including polysilicon and solar components, tomatoes and related downstream products, seafood, red dates, aluminum, copper, lithium, steel, PVC and caustic soda, and other commodities identified through CBP enforcement activities.	Although non-binding, the guidance reflects CBP's current enforcement expectations and serves as the primary operational reference for demonstrating supply-chain due diligence, traceability, and admissibility. Companies should treat the guidance as a blueprint for forced labor due diligence, updating supplier contracts, traceability systems, audit programs, and escalation procedures to ensure they can rapidly assemble coherent documentation packages for CBP. Failure to align with the guidance increases risks of shipment delays, product destruction, loss of market access, and reputational damage linked to forced labor allegations.	CBP issued the updated Forced Labor Enforcement Operational Guidance for Importers in June 2026, replacing its earlier UFLPA- focused guidance with a consolidated operational guide covering CBP's principal forced labor enforcement authorities. As the guidance clarifies existing enforcement processes rather than establishing new legal obligations, CBP's expectations apply immediately. Importers should review and strengthen their due diligence, traceability, and documentation practices to support compliance during inspections, detentions, or admissibility reviews.	U.S. importers whose goods may be subject to forced labor enforcement should implement risk-based due diligence and maintain sufficient documentation to demonstrate supply-chain traceability and admissibility. CBP expects importers to maintain transaction-level documentation (such as purchase orders, invoices, bills of lading, production records, and traceability information) and be able to demonstrate the origin of inputs and supply-chain relationships when responding to CBP enforcement actions.

Regulation Name	Rule Highlights	Scope of Regulation	Business Context	Timeline for Compliance	Applicability
Mexico General Circular Economy Law (Ley General de Economía Circular, 2026)	Mexico's General Circular Economy Law establishes a national framework to transition from a linear economic model to one based on circularity, resource efficiency, and waste prevention. The law promotes principles including sustainable product design, reuse, repair, remanufacturing, recycling, and material recovery, while providing a legal basis for federal authorities to develop secondary regulations, national programs, and technical standards to implement circular economy policies across sectors and value chains. The law also creates the basis for Extended Producer Responsibility (EPR), a Circular Economy Registry, national planning instruments, and future technical standards and implementation measures.	The law applies across the Mexican economy, covering natural resource use, production and consumption patterns, waste generation, and materials management in both public and private sectors. It affects manufacturers, importers, distributors, retailers, waste management companies, and other organizations whose activities involve the production, distribution, use, or management of products and materials within Mexico.	Companies operating in Mexico should monitor the development of secondary regulations, which are expected to establish more detailed circular economy obligations, including sector-specific requirements, extended producer responsibility schemes, circularity targets, and reporting obligations. Businesses in material-intensive sectors including packaging, electronics, textiles, and consumer products may need to adapt product design, material sourcing, waste management, and end-of-life strategies as implementation progresses. Companies that already comply with circular economy requirements in jurisdictions such as the EU may be better positioned to leverage existing governance, product stewardship, and data management processes as Mexico's framework evolves.	The General Circular Economy Law was published in January 2026 and has entered into force since then. It establishes the legal framework for Mexico's transition toward a circular economy. While the framework is now effective, many operational requirements include sector-specific obligations, technical standards, and implementation programs will be introduced through secondary regulations issued by the federal government over the coming years. Organizations should monitor regulatory developments to understand the timing and scope of specific obligations as they are introduced.	Organizations within the law's scope will become subject to specific obligations as secondary regulations and implementing measures are introduced. Applicable requirements will depend on factors such as sector, product type, business activities, and the implementing instruments issued under the law. Producers and importers of priority products and packaging may be among the first entities subject to enhanced circular economy, product stewardship, and reporting requirements as implementing measures are introduced.

05

Key standards shaping regulations

This section profiles voluntary sustainability and environmental management standards with global influence. Although distinct from regulatory requirements, these standards continue to shape market expectations, corporate practices, and the evolution of ESG and EHS regulation across jurisdictions.

Regulation Name	Core requirements	Scope and intended users	Business implications	Current status and outlook
Science Based Targets initiative (SBTi) Corporate Net-Zero Standard (Version 2.0)	The SBTi Corporate Net-Zero Standard provides a science-based framework for companies to align emissions reductions with limiting global warming to 1.5°C. Companies establish near-term and long-term targets covering Scope 1, 2, and relevant Scope 3 emissions, and are required to demonstrate implementation through Board-level governance, transition planning, and ongoing progress tracking. V2.0 prioritizes direct emissions reductions across operations and value chains through an implementation hierarchy, while introducing more tailored approaches to Scope 3 target-setting and clearer requirements for addressing ongoing and residual emissions, including through carbon removals.	The Standard is intended for companies across sectors and geographies seeking to set science-based net-zero targets under the SBTi framework. More than 11,000 companies and financial institutions have set science-based targets through the SBTi, providing a broad existing user base for Version 2.0. Adoption is voluntary and is available to companies seeking to set and validate near-term and long-term science-based targets.	Adopting the Standard can strengthen corporate climate governance, support transition planning, and improve the credibility of climate commitments with investors, customers, lenders, and other stakeholders. Version 2.0 may require companies to strengthen emissions data management, increase supplier and customer engagement to support Scope 3 target delivery, implement Board-level oversight and transition planning processes, and enhance systems for monitoring and reporting progress against targets.	SBTi published the Corporate Net-Zero Standard Version 2.0 in June 2026, with target validation under the new standard available from February 1, 2027. During the transition period, companies may continue to submit targets under the Corporate Net-Zero Standard V1.3.1 and Near-Term Criteria V5.3 through January 31, 2028; from February 1, 2028, all new target submissions will be required to align with Version 2.0. SBTi is expected to release additional methods, guidance, assurance, and claims documents to support implementation of Version 2.0 through the transition period. SBTi is also establishing multiple working groups to develop further sectoral guidance on key topics including market-based instruments.

Regulation Name	Core requirements	Scope and intended users	Business implications	Current status and outlook
ISO 14001 Environmental Management Systems Standard	ISO 14001 establishes requirements for an Environmental Management System (EMS) to help organizations identify, manage, monitor and improve environmental performance. Organizations are required to assess environmental impacts, establish objectives, maintain operational controls, ensure compliance with environmental obligations, and drive continual improvement through the Plan-Do-Check-Act framework. The 2026 revision strengthens considerations of climate-related issues, life-cycle perspectives, change management and organizational context within EMS processes.	ISO 14001 is a voluntary international standard applicable to organizations of all sizes and sectors, including manufacturing, services, and public entities. It provides a framework for organizations to manage the environmental aspects of their activities, products, and services and to improve environmental performance.	ISO 14001:2015 provides organizations with a structured framework for managing environmental risks, improving environmental performance, and demonstrating a systematic approach to environmental management and continual improvement. Organizations transitioning to ISO 14001:2026 may need to update their EMS processes and documentation, including environmental assessments and objectives, to address the revised requirements. In practice, this may mean stronger environmental data, refreshed assessments and objectives, and closer coordination across operations, procurement, and sustainability functions to support implementation.	ISO 14001:2026 was published in April 2026, replacing ISO 14001:2015. The revision introduces targeted updates to the EMS framework, including enhanced consideration of climate-related issues, life-cycle perspectives, organizational context, and change management. Organizations certified to ISO 14001:2015 have a three-year transition period to update their environmental management systems and achieve certification to the revised standard.

06

Other regulatory developments & deadlines

This section highlights recent regulatory changes, implementation developments, and near-term compliance milestones for regulations featured in previous Regulations Radar editions.

Regulation Name	Developments and upcoming deadlines

Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS)

Development:

Since its inclusion in the 5th edition of the Regulations Radar , implementation of the Corporate Sustainability Reporting Directive (CSRD) has continued to evolve through the EU's simplification agenda. Most notably, the European Commission adopted revised European Sustainability Reporting Standards (ESRS) and a voluntary sustainability reporting standard on July 3, 2026. Key developments and deadlines include:

CSRD scope and implementation

- Following the adoption of Directive (EU) 2026/470 (Omnibus I), member states must transpose the CSRD-related provisions into national law by March 19, 2027.
- Key implementation timelines continue to evolve under the revised framework. Wave 2 companies that remain within scope are expected to first report in 2028 for FY2027, while qualifying non-EU undertakings reporting under Article 40a are currently expected to first report in 2029 for FY2028. Transitional relief and transition options for certain Wave 1 disclosures also continues to apply during the implementation period.
- Under the revised framework, mandatory CSRD reporting for EU undertakings is generally limited to companies exceeding both 1,000 employees and EUR 450 million in net turnover. Wave 1 companies already reporting under CSRD will remain in scope where they meet the revised thresholds, while qualifying non-EU undertakings (Wave 4) will be subject to separate reporting requirements under Article 40a, based on distinct EU turnover and branch/subsidiary thresholds.

Revised ESRS and next steps

- On July 3, 2026, the European Commission adopted revised ESRS as a delegated act under CSRD; the revised ESRS are shorter and clearer, introduce new flexibilities, and are explicitly intended to reduce administrative burdens while maintaining high-quality sustainability disclosures.
- The revised standards reduce mandatory datapoints by more than 60% and total datapoints by more than 70%, with the Commission estimating that the revisions will reduce reporting costs by more than 30% per company.
- The revised ESRS and its annexes have been submitted to the European Parliament and the Council for scrutiny. The revised ESRS will apply once the two-month scrutiny period, which may be extended by a further two months, has ended and the delegated act is published in the Official Journal.
- In July 2026, European Financial Reporting Advisory Group (EFRAG) launched a public consultation on the ESRS 40a Exposure Draft for qualifying non-EU undertakings subject to sustainability requirements under Article 40a of the Accounting Directive. The consultation remains open until October 31, 2026, after which EFRAG is expected to provide technical advice to the European Commission for consideration in the development of a final standard.

Voluntary sustainability reporting standard and value-chain cap

- Alongside the revised ESRS, the Commission also adopted a voluntary sustainability reporting standard (VSME) for companies that are not required to report under CSRD. The standard provides a proportionate framework for voluntary sustainability disclosures and can support protected undertakings in responding to sustainability information requests through value-chain relationships.

The voluntary standard also supports the implementation of the value-chain cap introduced by Omnibus I. Under the revised framework, CSRD-reporting companies cannot require protected undertakings with fewer than 1,000 employees to provide sustainability information beyond the scope of the voluntary standard for CSRD reporting purposes.

Regulation Name	Developments and upcoming deadlines
EU Forced Labor Regulation (EUFLR)	**Development:** Since its inclusion in the 4th edition of the Regulations Radar, implementation of the EU Forced Labor Regulation (EUFLR) has advanced through the publication of European Commission guidance and supporting tools and resources providing greater clarity ahead of the Regulation becoming applicable. • On June 26, 2026, the European Commission published official guidelines on the application of the EU Forced Labor Regulation and launched the Forced Labor Single Portal, providing businesses and authorities with practical resources, including implementation guidance and risk assessment tools, to prepare for application of the Regulation. The guidance provides greater clarity on the scope of the Regulation, investigation procedures, enforcement priorities, and expectations for remediation. • The guidelines establish a risk-based approach for investigations, confirming that authorities will prioritise cases based on factors such as the scale and severity of suspected forced labor, the quantity of products concerned and companies' ability to influence suppliers and address identified risks. • The Commission also clarified how due diligence measures may be considered during investigations. While the Regulation does not impose standalone due diligence requirements, companies with established supply chain risk management and human rights due diligence processes may be better positioned to demonstrate efforts to identify and address forced labor risks. • The European Commission is also hosting a series of webinars to help businesses prepare for implementation, providing practical guidance on compliance expectations and use of the Forced Labor Single Portal. **Deadline** • The EU Forced Labor Regulation will apply from December 14, 2027. From this date, products made wholly or partially with forced labor will be prohibited from being placed on, made available in, or exported from the EU market.

Regulation	Developments and upcoming deadlines

California SB 253

Development:

Since its inclusion in the 5th edition of the Regulations Radar, the California Air Resources Board (CARB) has continued development of the SB 253 reporting framework through stakeholder engagement and rulemaking activities aimed at refining requirements for future reporting cycles.

- In July 2026, CARB advanced rulemaking through public workshops and proposed regulatory modifications addressing Scope 3 greenhouse gas emissions reporting. CARB also previewed proposed 2027 reporting requirements, including third-party limited assurance requirements for Scope 1 and Scope 2 emissions.
- CARB subsequently proposed modifications that would initially focus Scope 3 reporting on five of the fifteen GHG Protocol Scope 3 categories, rather than requiring disclosure across all relevant categories: (1) purchased goods and services, (3) fuel- and energy-related activities, (5) waste generated in operations, (6) business travel, and (7) employee commuting. This remains a proposal, not a finalized requirement. The proposed phased approach reflects stakeholder feedback regarding reporting feasibility, data availability, and the reliability of value-chain emissions data.
- On September 1, 2026, CARB released guidance for 2026 SB 253 reporting and opened its reporting intake platform. Use of the platform is optional for this cycle, and the guidance confirms that companies may submit Scope 1 and Scope 2 disclosures through a range of reporting formats, including sustainability reports and CARB's reporting template.

Deadline

- CARB's rulemaking process remains ongoing, with draft regulations expected to undergo further consultation and public comment before finalisation. Additional regulatory development is expected to inform 2027 reporting requirements, including final Scope 3 disclosure expectations and assurance provisions.
- CARB postponed the first SB 253 reporting deadline for Scope 1 and Scope 2 emissions from August 10, 2026 to November 10, 2026 providing companies additional time to prepare emissions inventories and reporting systems ahead of the first mandatory disclosure cycle.
- For 2027 and subsequent years, CARB is proposing November 10 as the annual reporting deadline. This remains part of the subsequent rulemaking and should therefore be treated as a proposed, rather than finalized, requirement.

Regulation	Developments and upcoming deadlines

Australia ESG Standards (AASB S1/S2)

Development:

Since its inclusion in the 1st edition of the Regulations Radar, implementation of Australia's mandatory climate-related financial reporting regime has continued to progress through expanded implementation guidance, educational resources and phased application requirements.

Key developments include:

- During 2026, the AASB expanded its AASB S2 Knowledge Hub, with additional implementation resources, including educational material on climate-transition disclosures, FAQs and practical guidance to support entities preparing climate-related financial disclosures.
- The AASB has continued supporting implementation through its AASB S2 Implementation Advisory Panel and ongoing educational resources aimed at improving the consistent application of climate-related reporting requirements.
- Implementation guidance continues to emphasize transition planning, climate governance, scenario analysis and greenhouse gas emissions reporting as key areas as entities prepare for their first reporting cycles.

Deadline

- Australia's mandatory climate reporting regime continues to be implemented through a phased approach. Group 2 entities are required to report for annual reporting periods beginning on or after July 1, 2026, while Group 3 entities will enter scope for reporting periods beginning on or after July 1, 2027. AASB S2 remains mandatory for climate-related financial disclosures, while AASB S1 continues to operate as a voluntary general sustainability reporting standard.

Regulation Name	Developments and upcoming deadlines

EU Methane Regulation 2024/1787

Development:

Since its inclusion in the 5th edition of the Regulations Radar, implementation of the EU Methane Regulation has progressed through new Commission guidance and recommendations addressing importer compliance and enforcement. Recent developments focus on clarifying compliance pathways and providing greater clarity on enforcement expectations for importers.

Updated guidance and compliance mechanisms

- In March 2026, the European Commission updated its Questions & Answers on importer requirements under Regulation (EU) 2024/1787, providing additional clarification on how monitoring, reporting and verification (MRV) obligations apply to importers of crude oil, natural gas and coal. The guidance addresses practical compliance challenges associated with complex supply chains and the information required under Articles 27–29 of the Regulation.
- On July 20, 2026, the Commission adopted Recommendation (EU) 2026/1834, introducing optional model contractual clauses to help importers incorporate methane-related information requirements into supply contracts and demonstrate compliance with the Regulation's importer requirements.

Commission recommendation on penalties (July 2026)

- On July 20, 2026, the Commission adopted Recommendation (EU) 2026/1835, recommending that Member States should not apply certain penalties for importer obligations due in 2027, 2028 and 2029, except in cases of fraudulent breaches. The recommendation was intended to support a predictable implementation approach while preserving security of energy supply.
- The recommendation does not amend Regulation (EU) 2024/1787 or suspend any importer obligations. Importers therefore remain subject to the applicable monitoring, reporting and verification requirements, while Member States retain responsibility for establishing and applying national penalty regimes in accordance with the Regulation.

EEMDL finalizes verification protocol (Aug 2026)

- August 14, 2026, Energy Emissions Modeling and Data Lab (EEMDL), at University of Texas, Austin, publishes a final version of its protocol intended to support independent verification of methane emissions, aligned with Article 28 requirements on importers. The final protocol is available for download.
- Consultees included the European Commission and accreditation bodies; however, the EU Commission has not formally approved the protocol as equivalent yet, and verifier accreditation remains outstanding.

Upcoming Deadlines and implications

- Importers should treat the recommended penalty relief as a temporary enforcement measure rather than a relaxation of regulatory obligations. Companies will still be required to comply with the Regulation's importer monitoring, reporting, and verification (MRV) requirements from January 1, 2027, with methane-intensity reporting requirements applying from August 5, 2028, and methane-intensity requirements from August 5, 2030.
- The Commission's new model clauses and compliance pathways provide companies with practical tools to incorporate methane requirements into supply agreements and manage compliance across complex international supply chains.
- Companies importing oil, gas, or coal into the EU should use the implementation period to strengthen supplier engagement, improve methane emissions data collection, and assess the potential impact of future methane intensity requirements, which will become progressively more stringent through 2028 and 2030.

Regulation Name	Developments and upcoming deadlines
EU Pay Transparency Directive	**Development:** Since its inclusion in the 5th edition of the Regulations Radar, the EU Pay Transparency Directive has reached its first major implementation milestone, with June 7, 2026, transposition deadline having passed and Member States progressing at varying speeds towards national implementation. Key developments include: **Transposition deadline reached (June 7, 2026):** • On June 7, 2026, the deadline for EU Member States to transpose the Pay Transparency Directive into national law expired. The European Commission has continued to support implementation through guidance and outreach activities aimed at improving understanding of the Directive's requirements. **Uneven national implementation** • As of July 2026, only a small number of Member States had completed transposition, while others remained at draft-law, parliamentary review or consultation stages. The resulting implementation landscape is fragmented, with national compliance dates and requirements continuing to develop at different speeds.. **Implications** • Companies operating across multiple EU jurisdictions should prepare for a multi-speed implementation environment, as national requirements and effective dates may vary despite the Directive's common framework. Organizations should monitor country-specific developments closely and align implementation planning with local requirements. • Employers should use this implementation period to strengthen pay governance, job architecture and workforce data management, including reviewing job classifications, pay bands and compensation data to support future reporting obligations and employee information requests.

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Appendix

Regulation	Rule Citation & Link	Regulating Agency	ERM Contact
Emissions Reduction and Reclamation (ER&R) final rule (40 CFR Part 84, Subpart C)	https://www.epa.gov/hfcs/regulatory-actions-managing-hfc-use-and-reuse	U.S. Environmental Protection Agency (EPA)	Michael Cheatham Michael.Cheatham@erm.com
U.S. Customs and Border Protection (CBP)- Forced Labor Enforcement Operational Guidance for Importers	https://www.cbp.gov/document/guidance/cbp-forced-labor-enforcement-operational-guidance-importers	U.S. Customs and Border Protection (CBP), U.S. Department of Homeland Security (DHS)	Simon Chorley Simon.Chorley@erm.com
Mexico General Circular Economy Law	https://www.lexology.com/library/detail.aspx?g=268cc571-fc12-4c96-89c6-0175c70dfd8e	Ministry of Environment and Natural Resources (SEMARNAT)	Rosa Jimenez Rosa.Jimenez@erm.com

Standards	Standards Citation & Link	Issuing Agency	ERM Contact
Science Based Targets initiative (SBTi) Corporate Net-Zero Standard (Version 2.0)	https://files.sciencebasedtargets.org/production/files/Corporate-Net-Zero-Standard-version-2.pdf	Science Based Targets initiative (SBTi)	Jo Howes Jo.Howes@erm.com
ISO 14001 Environmental Management Systems Standard	https://www.iso.org/standard/14001#lifecycle	International Organization for Standardization (ISO)	Omar Perez Omar.Perez@ermcvs.com

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