View on our website.



ESG: Risk, Litigation, and Reporting Update November 3, 2026

Gibson Dunn ESG: Risk, Litigation, and Reporting Update

We are pleased to provide you with Gibson Dunn's ESG Risk, Litigation, and Reporting update covering the following key developments during September 2026. Please click on the links below for further details.

I. GLOBAL

1. **The International Organization for Standardization's proposed net zero standard does not receive approval needed to advance**

On September 10, 2026, a vote on the International Organization for Standardization's (ISO) proposed Net Zero Aligned Organizations Standard (ISO 14060) failed to obtain the level of approval needed to become a final standard. ISO launched a 12-week public consultation on the initial draft on June 17, 2026, and received nearly 5,000 comments from ISO national members in over 170 countries by the submission deadline. The proposed standard builds on ISO's 2022 Net Zero Guidelines and was developed over two years, incorporating feedback from experts across "business, government, academia, civil society and standards bodies worldwide." ISO 14060 would provide guidance to organizations in "adapting business models for the global transition to net zero" while addressing "supply chain disruption, market volatility and evolving investor and regulatory expectations" and helping organizations prioritize energy security, manage emissions reductions, and integrate transition planning into their business strategy. Following ISO 14060's

failure to reach the requisite vote, ISO is reportedly reviewing the comments received in the consultation and will consider what next steps are appropriate.

2. **U.S. Department of Energy hosts G20 energy ministers at Energy Abundance Ministerial**

From September 14 to September 16, 2026, the U.S. Department of Energy (DOE), together with the White House National Energy Dominance Council, the U.S. Department of the Interior, and the U.S. Environmental Protection Agency (EPA), hosted the G20 Energy Abundance Ministerial in Houston, Texas. The Trump Administration advanced its agenda regarding U.S. energy policy priorities, which focuses on the role of hydrocarbons, nuclear energy, and advanced technologies in delivering energy. The G20 ministers were able to reach consensus on the following four items: (i) advancing clean cooking access (committing members to expand clean cooking access and highlighting the role of liquefied petroleum gas and other energy sources in this effort), (ii) permitting and regulatory efficiency (committing members to improve the domestic permitting and regulatory processes for energy infrastructure, including by exploring the "use of artificial intelligence and other digital tools," while maintaining national sovereignty and the existing economic, social, and environmental priorities of member countries), (iii) a water reuse initiative (establishing a voluntary framework for exchanging best practices on a "fit for purpose" water reuse approach), and (iv) a critical minerals statement (establishing voluntary cooperation to build "resilient, affordable, secure, and diversified critical minerals value chains" through information sharing, capacity building, innovation, investment, and technology transfer).

The G20 energy ministers also issued a Chair's Statement setting out the G20 Voluntary Energy Security Principles organized around five themes: advancing affordability (adequately investing in energy systems and supply chains to address scarcity risks, global market dynamics, and excessive price volatility), expanding energy supply to meet structural demand growth (investing in energy infrastructure and a diverse range of energy sources and technologies to address increases in demand), diversifying energy systems (incorporating a diversified mix of energy sources and technologies), strengthening infrastructure and resilience (expanding and modernizing transmission, storage, and distribution infrastructure and retrofitting, expanding, and modernizing grid backups), and enabling innovation (supporting research, development, deployment, and scaling of a wide range of energy technologies and solutions). All G20 members present agreed to the statement with the exception of Brazil.

Other highlights:

- From September 14 to September 18, 2026, the International Atomic Energy Agency (IAEA) held its 70th General Conference in Vienna, including representatives from 160 IAEA Member States. The conference featured discussions, events, and activities centered around nuclear topics. IAEA Director General Rafael Mariano Grossi emphasized the projected growth of global nuclear power capacity, driven in part by electrification and demand from artificial intelligence data centers, as well as the agency's continued nuclear safety work in Ukraine and its lack of verification access in Iran. During the conference, the Member States elected 11 countries to the IAEA Board of Governors for 2026–2027.

- On September 23, 2026, United Nations Secretary-General António Guterres convened the Climate Summit 2026, an annual event focused on climate action and a just transition, which included global leaders from government, business, finance, civil society, and other sectors. Participants discussed scaling up existing climate solutions, "accelerat[ing] the transition to clean energy, expand[ing] access to affordable climate finance and strengthen[ing] communities' resilience to climate impacts" as well as the importance of maintaining international cooperation.

II. UNITED KINGDOM

1. United Kingdom consults on modernizing corporate reporting, proposes removal of environmental and social topics from the strategic report

On September 7, 2026, the UK government launched a consultation, *"Modernising Corporate Reporting to support long-term economic growth,"* which closes on November 30, 2026. The consultation forms part of a wider program to simplify reporting obligations, while reducing administrative burdens on business.

The consultation proposes replacing most existing strategic report requirements with five baseline narrative disclosures covering a company's business model, performance, resources and relationships, strategy, and principal risk exposures. The following would be removed as express statutory requirements, currently set out in section 414CB(1) of the Companies Act 2006, which requires in-scope companies to report on each listed topic as a minimum: (i) environmental matters, including the impact of a company's business on the environment; (ii) employee matters, including employment policies, engagement, and diversity; (iii) social and community matters; (iv) respect for human rights; and (v) anti-corruption and anti-bribery matters.

The government stated that companies may still be required to report on these topics where they are financially material, in which case the obligation would arise from the general requirement to disclose information necessary to understand the business rather than from a list of named topics. Many of these topics are addressed in the International Sustainability Standards Board (ISSB) Standards, and a recommendation on whether the UK should adopt mandatory ISSB-aligned reporting more broadly is expected in 2027.

2. Financial Conduct Authority finalizes rules requiring listed issuers to report against the UK Sustainability Reporting Standards

On September 30, 2026, the United Kingdom's Financial Conduct Authority (FCA) published Policy Statement PS26/19 (PS26/19), containing final rules requiring listed issuers to report against the UK Sustainability Reporting Standards (UK SRS), the UK-endorsed version of the ISSB Standards. The UK SRS replace the existing Task Force on Climate-related Financial Disclosures (TCFD)-aligned rules. The rules apply to accounting periods beginning on or after January 1, 2027, with first reporting commencing in 2028.

The final rules depart from the FCA's consultation on PS26/19 in two respects. The FCA initially proposed that climate disclosures under UK SRS S2 be mandatory. However, following feedback that this could burden smaller issuers disproportionately, issuers may now explain rather than comply with the requirement to disclose across the whole of the UK SRS. The comply-or-explain model is available to all issuers within the scope of the rules; an issuer that does not make a disclosure required by the UK SRS must state that it has not done so, and explain why, in its annual financial report. The FCA has not prescribed the form that explanation must take, and has reminded issuers that climate and sustainability matters falling within their principal risks and uncertainties must still be disclosed as such. The FCA also extended the regime to international commercial companies with a secondary listing and to depositary receipt issuers, which it had proposed should merely signpost their home-jurisdiction requirements, affecting an estimated 89 issuers.

Guidance on the level of detail of issuer disclosure expected was consulted on in Primary Market Bulletin 66 (as discussed in more detail below), with public feedback invited by October 28, 2026.

3. **Foreign, Commonwealth & Development Office publishes guidance on marine genetic resources under the Biodiversity Beyond National Jurisdiction Act 2026**

On September 21, 2026, the UK Foreign, Commonwealth & Development Office (FCDO) published guidance on the collection and utilization of marine genetic resources (MGR) under the Biodiversity Beyond National Jurisdiction Act 2026 (BBNJ Act). The BBNJ Act implements the UK's obligations under the Agreement under the United Nations Convention on the Law of the Sea on the Conservation and Sustainable Use of Marine Biological Diversity of Areas Beyond National Jurisdiction (BBNJ Agreement). The UK ratified the BBNJ Agreement in July 2026, and it entered into force in the UK on August 9, 2026.

The collection requirements apply where a UK craft is used to collect MGR in areas beyond national jurisdiction after that date. A pre-collection information form must be submitted to the UK BBNJ Focal Point at least seven months before collection begins, except for collection due to start on or before May 8, 2027, where shorter transitional periods apply. Post-collection information must be provided as soon as it is available and, in any event, before the end of 11 months after the last day of collection.

Other highlights:

- On September 9, 2026, the Carbon Border Adjustment Mechanism (Emissions and Verification) Regulations 2026 (SI 2026/995) were presented to the House of Commons. The Regulations establish the emissions and verification framework for the UK Carbon Border Adjustment Mechanism and will come into force on January 1, 2027.
- The Employment Rights Act 2025 (Commencement No. 5 and Transitional Provisions) (Amendment) Regulations 2026 (SI 2026/954) were made on September 1, 2026. These Regulations brought section 152 of, and Schedule 12 to, the Employment Rights Act 2025 into force on October 1, 2026, extending the time limit for instituting most employment tribunal claims from three to six months.

- Alongside PS26/19, the FCA published Primary Market Bulletin 66 on September 30, 2026, consulting on a proposed new Technical Note setting out the FCA's expectations for issuers under the new sustainability disclosure regime, including the level of detail expected where an issuer chooses to explain rather than comply.

III. EUROPE

1. Final revised European Sustainability Reporting Standards officially published

On September 21, 2026, the revised European Sustainability Reporting Standards (ESRS) (Delegated Regulation (EU) 2026/1563) and the Voluntary Sustainability Reporting Standard (Delegated Regulation (EU) 2026/1560), adopted by the European Commission on July 3, 2026, were published in the Official Journal of the European Union. Publication in the Official Journal is the final step required for the delegated acts to enter into force; it does not, however, alter the application dates set out in the delegated acts. For an overview of the key changes, see our June 2026 ESG Update and our client alert on the European Financial Reporting Advisory Group's draft simplified ESRS.

The revised ESRS enter into force on November 10, 2026, and apply to financial years beginning on or after January 1, 2027. For financial years beginning in 2026, undertakings may apply the existing ESRS, the revised ESRS, or the existing ESRS with specified reliefs, and must disclose which option they have chosen. The Voluntary Sustainability Reporting Standard entered into force on September 24, 2026.

2. Anti-Greenwashing Directive now applicable across the EU with last-minute alleviation in Germany for products already on the market

On September 27, 2026, the Empowering Consumers for the Green Transition Directive (Directive (EU) 2024/825, EmpCo Directive) became applicable. The EmpCo Directive applies generally to business-to-consumer communications, bans unverified generic environmental claims, and restricts the use of sustainability labels to those based on official certification schemes or those established by public authorities. Sustainability statements required to be prepared under the Corporate Sustainability Reporting Directive (CSRD) do not fall within the EmpCo Directive, in contrast to consumer-facing marketing that reuses the content of such statements. Member States were required to transpose the EmpCo Directive by March 27, 2026, though several had not completed transposition by then. On September 22, 2026, the European Commission published guidance on the EmpCo Directive in the form of updated Questions and Answers, which cover topics including the scope of the EmpCo Directive, what is considered an environmental claim, and specific prohibited practices.

On September 24, 2026, Germany followed with national legislation, introducing a limited transitional provision for goods placed on the market before September 27, 2026, requiring that injunctive and removal claims relating to such goods be asserted in good faith and in a proportionate manner. Subject to further legislative approval, the legislation is to apply retroactively from September 27, 2026, through September 27, 2028.

3. **France: Paris Judicial Court holds first merits hearing in duty of vigilance case concerning Indigenous rights**

On September 24, 2026, the Paris Judicial Court held a merits hearing in proceedings brought under France's 2017 duty of vigilance law (LDV) against a French energy company (Company) in connection with a proposed wind farm in Unión Hidalgo, Oaxaca, Mexico. The claim was brought in 2020 by representatives of the Indigenous Zapotec community of Unión Hidalgo, together with two human rights organizations. The claimants allege that the Company failed to adequately identify, prevent, and mitigate risks associated with the project, including risks to the community's collective land rights, its right to free, prior and informed consent, and the safety of human rights defenders.

The case raises a novel question under the LDV – whether companies must address, in their vigilance plans, risks relating specifically to the rights of Indigenous peoples, including the principle of free, prior and informed consent. The claimants argue that such rights should fall within the scope of the LDV, while the Company disputes that position, noting in particular that France has not ratified ILO Convention No. 169.

The Court's decision, expected on January 21, 2027, may provide guidance on whether, and to what extent, the LDV requires companies to identify and address risks relating to internationally recognized Indigenous and collective rights in connection with overseas projects. It may also clarify whether the principle of free, prior and informed consent forms part of the human rights considerations that companies must incorporate into their vigilance plans.

4. **Sustainable Finance Disclosure Regulation: Negotiating position on the revision adopted by the European Parliament's Economic and Monetary Affairs Committee**

On September 10, 2026, the European Parliament's Committee on Economic and Monetary Affairs (ECON) adopted its negotiating position on the European Commission's proposal to revise the Sustainable Finance Disclosure Regulation (SFDR), discussed in our November 2025 ESG Update. The European Council adopted its general approach on June 24, 2026.

Both ECON and the European Council broadly support the Commission's proposal to replace the current complex Article 8 and Article 9 disclosure regime with three defined product categories ("Sustainable," "Transition," and "ESG Basics"). Financial products may only use these categories if they meet uniform minimum criteria, with differences between the institutions remaining, in particular, on the treatment of fossil fuel investments in the "Transition" category. The European Parliament confirmed the mandate at its plenary session in early October 2026, and trilogue negotiations are expected to begin shortly. The revised rules are not expected to apply before 2029.

Other highlights:

- On September 30, 2026, the European Council agreed on its negotiating position on the proposed regulation to speed up environmental assessments, part of the Environmental Omnibus, and agreed to explore a targeted solution for extended producer responsibility obligations under the Packaging and Packaging Waste Regulation (Regulation (EU)

2025/40) for small producers, in line with a proposal by the German Federal Government (see our August 2026 ESG Update).

- On September 15, 2026, the European Parliament adopted its negotiating position on extending the Carbon Border Adjustment Mechanism to downstream steel- and aluminum-intensive goods, going significantly beyond the scope proposed by the European Commission and the European Council. Trilogue negotiations are expected to follow.
- **Transposition Tracker:** An overview of the current transposition status of the CSRD into national laws, the Omnibus Directive, and the "Stop-the-Clock" process under the Omnibus simplification package can be found **here**.

IV. NORTH AMERICA

1. **Teneo publishes its sixth annual report on sustainability disclosures of S&P 500 companies**

On September 11, 2026, Teneo released its annual sustainability report entitled "*Staying the Course: Our Sixth Annual State of U.S. Sustainability Reports*," which reviewed 250 sustainability reports published by S&P 500 companies between January 1, 2026, and August 31, 2026. The report tracked how sustainability reporting practices have changed year over year. According to the report, 87% of companies that had issued a sustainability report by the same point in 2025 also issued one in 2026. The report found that the term "ESG" appeared in the titles of only 4% of reports, down from a peak of 35% in 2022, and that its usage in the reports themselves had decreased 50% since 2025. The report also found that many companies were following international standards, with increasing numbers of companies (51%) completing or in the process of completing a double materiality assessment and, of those, 44% referencing CSRD requirements, and 14% of companies aligning their disclosures with ISSB Standards. The companies surveyed are increasingly disclosing standalone sustainability data tables, and the percentage of companies disclosing sustainability goals remained steady at 30% from 2025. The percentage of companies indicating that they were not on track to meet certain ESG goals increased from 9% to 12% since 2025.

2. **The Environmental Protection Agency finalizes its repeal of most of the 2024 Carbon Pollution Standards and proposes to repeal all remaining greenhouse gas standards for power plants**

On September 14, 2026, EPA Administrator Lee Zeldin announced that the EPA had issued a final rule repealing most provisions of the 2024 Carbon Pollution Standards (CPS) for greenhouse gas (GHG) emissions from fossil fuel-fired power plants under the Clean Air Act (CAA). It eliminates three sets of requirements: (i) the emission guidelines for fossil fuel-fired steam generating units; (ii) the carbon capture and sequestration/storage (CCS)-based standards for coal-fired steam generating units undertaking a large modification; and (iii) the CCS-based standards for new base load stationary combustion turbines. The EPA estimates that the final rule will save companies in the power sector more than $300 billion in compliance costs through

2047 and asserts that it will decrease energy costs to consumers throughout the country. The final rule will take effect on November 16, 2026.

The EPA also issued a supplement to its proposal to repeal all remaining GHG emissions requirements for fossil fuel-fired electric generating units under the CAA. This proposal would rescind the EPA's 2015 findings and determinations supporting those standards. The EPA asserts that the CAA "does not authorize the EPA to regulate emissions from power plants in response to global climate change concerns."

3. **Securities and Exchange Commission staff issues no-action letter setting out a universal framework for issuer voluntary retail voting programs**

On September 29, 2026, the staff (Staff) of the Securities and Exchange Commission (SEC) issued a no-action letter to Tesla, Inc. (Tesla) regarding Tesla's proposed issuer voluntary retail voting program (IVRVP). The Staff indicated that other companies that operate an IVRVP in the same manner described in Tesla's letter may rely on the no-action relief outlined in the letter.

Generally, under Tesla's IVRVP, a retail shareholder may give a standing voting instruction to vote its shares in line with the board's recommendations at each shareholder meeting. The instruction can cover either all matters, or all matters other than contested director elections and acquisitions, mergers, or divestitures that require shareholder approval under state law or stock exchange rules. There is no option under the IVRVP to provide standing instructions to vote against the board's recommendations. Votes under a standing instruction are submitted once the issuer files its definitive proxy statement, before the proxy statement is distributed to shareholders.

The Tesla no-action letter follows two other recent no-action letters related to similar retail voting programs. The Tesla letter, however, is characterized as a "framework letter," which Tesla states was developed over months of discussions with the Staff, and the Staff's response states that its position applies to any issuer operating an IVRVP in the same manner described in Tesla's letter. A company that wishes to adopt a program under the Tesla letter must include the following features in its program: (i) participation is free; (ii) every shareholder, including each participant, continues to receive the full proxy materials for each meeting; (iii) a participant can override the standing instruction on any proposal, at no cost, simply by voting using the proxy materials received for that meeting; (iv) a participant can cancel the standing instruction at any time and at no cost for future meetings; (v) a participant receives a reminder at least once a year, outside any solicitation period, that states that the participant is enrolled, which standing instruction the participant selected, and that the participant can cancel at any time and at no cost for future meetings, with an additional reminder before any meeting involving a contested director election or a shareholder-approved acquisition, merger, or divestiture; and (vi) the company fully describes the program and each of these features on its website and in each proxy statement, and files its program communications with the SEC as soliciting material under Rule 14a-12(b).

Other highlights:

- On September 18, 2026, the Federal Court of Canada dismissed the Attorney General of Canada's motion to strike an application by three individual climate advocates and two environmental organizations seeking to compel the Minister of Environment, Climate Change and Nature to amend Canada's 2030 Emissions Reduction Plan under the Canadian Net-Zero Emissions Accountability Act. The Court found that the parties' competing interpretations of whether the Act imposes a duty to amend the plan should be decided on a full record.
- On September 18, 2026, the U.S. District Court for the District of Rhode Island vacated the EPA's August 2025 termination of the $7 billion Solar for All grant program, which provided grants to states, nonprofits, tribes, and other organizations to help decrease electricity costs in lower-income households. The Court held that the One Big Beautiful Bill Act did not rescind grant funds that had already been obligated and that the termination exceeded the EPA's statutory authority.
- On September 24, 2026, Glass Lewis and Clarity AI, a provider of AI-based sustainability data and analytics, announced their merger, stating the combination will expand the combined company's ability to serve institutional investors and companies in Europe using Clarity AI's strong European market presence and advanced technology, combined with Glass Lewis's expertise in corporate governance and proxy voting.
- The SEC issued a Section 21(a) report on October 7, 2026, regarding its investigation into activities undertaken in advance of a contested election of directors at ExxonMobil's 2021 Annual Shareholder Meeting. The Commission determined that no enforcement action was warranted. It issued guidance on how, when interpreting its disclosure requirements under Schedules 13D, 13G, and 14A, it will approach the questions of when investors formed a "group," whether they had an intent to "control" an issuer, and whether they were "participants" in a proxy solicitation.

In case you missed it…

- The Gibson Dunn Workplace DEI Task Force has published its updates summarizing the latest key developments, media coverage, case updates, and legislation related to diversity, equity, and inclusion.
- A collection of our analyses of the legal and industry impacts from the current administration is available here.

V. APAC

1. **Thailand announces US$1.52 billion financing program for residential rooftop solar panels**

On September 9, 2026, it was reported that Thailand's Deputy Prime Minister and Finance Minister would launch a THB 50 billion (approximately US$1.52 billion) program to finance rooftop solar installations for an initial one million households. The program is expected to launch in mid-October 2026. Through state-owned financial institutions, it will provide eligible households with

up to approximately US$1,520 per installation. It will also exempt certain imported solar panels from tax. The goal is to address high upfront costs, which the government sees as a major barrier to solar adoption. Households will use the power they generate and sell any surplus to the grid. Electricity authorities will put the revenue from those purchases toward the households' loan repayments, so participants may not need to invest anything themselves. The program is part of Thailand's broader Power Development Plan, and the government expects it to create jobs and support domestic businesses.

2. **Hong Kong Monetary Authority publishes Phase 2B model of taxonomy for sustainable finance**

On September 7, 2026, the Hong Kong Monetary Authority (HKMA) published its Phase 2B prototype of the Hong Kong Taxonomy for Sustainable Finance, which builds on Phase 2A published in January 2026. Phase 2B adds 10 new climate change mitigation activities. Together with the re-categorization of some Phase 2A activities, this brings the total climate change mitigation activities to 39 economic activities, up from 25. The new activities include battery manufacturing and recycling, and Phase 2B also adds transition pathways for hard-to-abate sectors such as air transport and iron and steel. It also introduces a process-based approach to climate change adaptation, with 24 adaptation measures that initially focus on shoreline protection and flood management. Public comments were due by October 7, 2026.

Other highlights:

- On September 28, 2026, Hong Kong priced its fourth digital green bond offering. The offering was worth about HK$20 billion (approximately US$2.6 billion) and set a new record as the world's largest digital bond issuance. It followed a virtual roadshow and was split into four tranches in Hong Kong dollars, renminbi, U.S. dollars, and euros. Proceeds will fund eligible projects under the government's Green Bond Framework.

Warmest regards,
Aaron Briggs
Susy Bullock
Perlette M. Jura
Ronald Kirk
Michael K. Murphy
Robert Spano

Chairs, ESG: Risk, Litigation, and Reporting, Gibson Dunn & Crutcher LLP

For further information about any of the topics discussed herein, please contact the ESG Practice Group Chairs or contributors, or the Gibson Dunn attorney with whom you regularly work.

The following Gibson Dunn lawyers prepared this update: Authors: Cléo Batista, Carla Baum, Aaron Briggs, Mellissa Campbell Duru, Jenny Chen, Becky Chung, Sydney Colopy, Georgia Derbyshire, Julie Doria, Pierre-Emmanuel Fender, Ferdinand Fromholzer, Saad Khan, Vanessa Ludwig, Babette Milz, Johannes Reul, Annie Saunders, Nicholas Tok, Maggie Valachovic, and Elizabeth Weber*.

ESG: Risk, Litigation, and Reporting Leaders and Members



Aaron Briggs
San Francisco
+1 415.393.8297
abriggs@gibsondunn.com



Susy Bullock
London
+44 20 7071 4283
sbullock@gibsondunn.com



Perlette Michèle Jura
Los Angeles
+1 213.229.7121
pjura@gibsondunn.com



Ronald Kirk
Dallas
+1 214.698.3295
rkirk@gibsondunn.com



Michael K. Murphy
Washington, D.C.
+1 202.955.8238
mmurphy@gibsondunn.com



Robert Spano
London/Paris
+33 1 56 43 13 00
rspano@gibsondunn.com

**A trainee solicitor in the London office who is not yet admitted to practice law.*

Attorney Advertising: These materials were prepared for general informational purposes only based on information available at the time of publication and are not intended as, do not constitute, and should not be relied upon as, legal advice or a legal opinion on any specific facts or circumstances. Gibson Dunn (and its affiliates, attorneys, and employees) shall not have any liability in connection with any use of these materials. The sharing of these materials does not establish an attorney-client relationship with the recipient and should not be relied upon as an alternative for advice from qualified counsel. Please note that facts and circumstances may vary, and prior results do not guarantee a similar outcome.

If you would prefer NOT to receive future emailings such as this from the firm,
please reply to this email with "Unsubscribe" in the subject line.

If you would prefer to be removed from ALL of our email lists,
please reply to this email with "Unsubscribe All" in the subject line. Thank you.

© 2026 Gibson, Dunn & Crutcher LLP. All rights reserved. For contact and other information, please visit our website.