SUSTAINABILITY WATCH

Evalueserve's Monthly ESG Newsletter

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EUROPE

European Commission's adoption of revised ESRS, significantly streamlining reporting requirements while preserving decision-useful disclosures on climate, biodiversity, human rights, and governance. The accompanying voluntary standard for smaller companies further aims to reduce value-chain reporting burdens and improve proportionality for businesses outside the CSRD scope.

EFRAG's consultation on the proposed ESRS-40a standard signals the next phase of sustainability reporting, extending transparency expectations to certain non-EU companies with significant EU activities.

EU Simplifies Sustainability Reporting Requirements

The European Commission has adopted revised ESRS and a voluntary reporting standard for smaller companies. The update cuts mandatory disclosure datapoints by over 60% and total datapoints by more than 70%, aiming to reduce reporting costs by over 30% while maintaining high-quality ESG disclosures. The measures also simplify CSRD compliance and support smaller businesses through a proportionate reporting framework.

New EU Measures Seek to Boost Banking Sector Resilience and Growth

The European Commission unveiled measures to boost the competitiveness of the EU banking sector by deepening the Single Market, reducing regulatory complexity, and improving the application of Basel III rules. The initiative aims to strengthen banks' capacity to finance growth, innovation, the clean transition, and defence while safeguarding financial stability and supporting the Savings and Investments Union.

EU Extends Online Child Abuse Detection Framework Until 2028

The European Commission welcomed the Council's adoption of a renewed Interim Regulation allowing online service providers to continue voluntarily detecting, reporting and removing child sexual abuse material until April 2028. The measure restores legal certainty, supports victim protection, and responds to sharp rises in AI-generated abuse content and online grooming, while negotiations continue on a permanent EU framework.

NORTH AMERICA & SOUTH AMERICA

In California, the Air Resources Board is advancing implementation of SB 253, the Climate Corporate Data Accountability Act, with proposed reporting requirements for Scope 1, 2 and 3 greenhouse gas emissions, additional guidance for 2026 disclosures, and a clear focus on interoperability with frameworks such as IFRS S2 and the EU's CSRD.

In Canada, the Canadian Sustainability Standards Board (CSSB) is consulting on amendments to CSDS 2 relating to GHG emissions disclosures, reinforcing the country's commitment to internationally aligned sustainability reporting while refining requirements to meet domestic stakeholder needs.

Key Changes Proposed for California's Corporate Climate Disclosures

California's Air Resources Board outlined updates to SB 253, requiring large U.S. companies doing business in California (over $1 billion revenue) to disclose Scope 1, 2, and 3 greenhouse-gas emissions. The proposal aligns closely with the Greenhouse Gas Protocol, promotes interoperability with global disclosure frameworks, extends 2026 reporting timelines, and introduces clearer standards on emissions accounting, data quality, transparency, and assurance.

Canada Advances Sustainability Disclosure Standards Through Stakeholder Engagement

The Canadian Sustainability Standards Board continued consultation during July on proposed amendments to CSDS 2 related to greenhouse-gas emissions disclosures, with comments due 20 July 2026.

APAC

Japan is strengthening its Green Transformation (GX) framework by revising its GX Leadership Declaration to reward companies that actively procure low-carbon products and contribute to demand creation for transition technologies.

China has advanced its circular economy agenda, released a new energy sector decarbonisation action plan, and expanded policy focus on social governance through its 2026-2030 Human Rights Action Plan.

Singapore and Indonesia deepened cooperation on high-integrity carbon credits. Vietnam launched its domestic carbon exchange. Philippines advanced EPR guidance aimed at preventing plastic waste at source.

India is pushing climate-resilient infrastructure and renewable energy deployment.New Zealand is consulting on an IFRS S2-aligned climate reporting roadmap.

Taiwan to Introduce Anti-greenwashing Rules and Ease Sustainability Reporting Requirements

The Ministry of Environment and the Financial Supervisory Commission plans to ease corporate sustainability reporting burdens while introducing anti-greenwashing guidelines by end-2026. The roadmap defers Scope 3 disclosure, streamlines carbon accounting, and cuts duplicate reporting, while new rules strengthen oversight of ESG awards and claims to ensure transparency, credibility, and evidence-based practices.

Vietnam Enacts Decree 272 for Foreign Investment in Offshore Wind and Grid Infrastructure

Vietnam government promulgated Decree No. 272/2026/ND-CP which aims to accelerate energy investment by streamlining power-project approvals through digital processes and faster review timelines. It also creates a clearer framework for offshore wind development, including defined equity requirements, financing rules and survey procedures, improving regulatory certainty and expanding opportunities for foreign investment in renewable energy and grid infrastructure.

South Korea Mandates Sustainability Reporting in Corporate Disclosure

The Financial Services Commission announced the mandatory ESG disclosure requirements for large KOSPI-listed firms starting FY27, with phased thresholds from KRW10 trillion assets in 2028 to KRW5 trillion in 2029, and potentially KRW2 trillion by 2030. The roadmap includes safe-harbor protections, third-party verification from 2030, and delayed Scope 3 emissions reporting, aiming to enhance transparency, credibility, and investor confidence.

Japan Revises Supervisory Guidelines for Insurance Companies

The Financial Services Agency (FSA) revised its insurance supervisory guidelines, tightening oversight of reinsurance risk management and governance. The amendments strengthen insurers' accountability for outsourced risks, require more robust assessment of reinsurance counterparties and arrangements, and enhance rules on reserve provisioning to improve financial soundness, transparency and policyholder protection.

Empower your sustainability journey.

Navigate ESG controversies with confidence!

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