



November Recap

Speaking Sustainability - Legal & Regulatory Updates

Akin's Speaking Sustainability newsletter provides a monthly digest of key news items and other relevant information on significant legal and regulatory developments in the continuum of sustainability issues, including environmental, social and governance (ESG) and climate-related considerations.

As a reminder, visit **Speaking Sustainability**, where we keep you up to date with alerts and blog posts, and where you can also find our earlier newsletters.

Sustainability Highlights

- California Risk Disclosure Law Delayed Pending Appeal
 - European Commission Proposes Simplified ESG Fund Framework
 - ICMA Issues New Guidance for Climate Transition Bonds
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The Details

1. On November 18, the United States Court of Appeals for the Ninth Circuit granted a partial injunction blocking enforcement of California's climate-related financial risk disclosure law ([SB 261](#)). Inaugural reports under SB 261 were intended to be published by reporting entities by January 1, 2026. Akin wrote on the subject in full detail [here](#).

- Implementation of the rule is effectively paused, and the California Air Resources Board (CARB) has indicated that it will provide further guidance regarding reporting under SB 261 once the appeal is resolved, including alternate reporting deadlines.
- On December 1, 2025, CARB issued an "Enforcement Advisory" stating that, in light of the Court's order, CARB will not enforce SB 261 against covered entities that do not publish reports by the January 1, 2026 statutory deadline. Nevertheless, CARB has activated a public docket for reporting entities that choose to voluntarily report at this time.
- Notably, the Ninth Circuit did not enjoin enforcement of California's greenhouse-gas reporting disclosure law, SB 253. However, CARB extended the SB 253 compliance deadline to August 10, 2026, in a FAQ document issued November 17.

2. On November 20, the European Commission published a comprehensive proposal to amend the Sustainable Finance Disclosure Regulation (SFDR), which has been in force since 2021. The move follows market feedback that the program is overly complex and has shifted from a disclosure-based framework to a de facto labeling system.

- Key elements of the proposed amendment:
 - Introduces a new categorization system to enable investors to align sustainability-related investment goals with related preferences and deletes the definition of "sustainable investment" to address practical considerations (e.g., inconsistent interpretations of the term).
 - Removes entity-level disclosure requirements regarding the consideration of principal adverse impacts (PAIs) on investment decisions.
 - Significantly reduces product-level disclosures by streamlining disclosures and reducing the scope of topics covered by the framework.
- The European Commission simultaneously published a comprehensive "Questions and Answers" document covering the proposal.
- The proposal is now subject to trilogue discussions among legislative stakeholders, as the European Union (EU) Parliament and the European Council proceed to develop their negotiating positions.

3. The International Capital Market Association (ICMA) released new guidance establishing Climate Transition Bonds (CTBs) as a distinct category within the labelled use-of-proceeds bond market.

- CTBs are intended to support credible climate transition strategies, particularly in high-emitting and hard-to-abate sectors, alongside existing green, social, sustainability and sustainability-linked bond frameworks.

- ICMA acknowledged that sustainability bonds have not sufficiently mobilized capital for the transition of high-emissions industries in the same way that it successfully financed renewable energy and clean transport.
 - The updated guidelines aim to broaden investor participation and enable issuers to raise financing for the approximately \$30 trillion of additional capital anticipated to be needed through 2050, to decarbonize eight high-emitting sectors.
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Key Environmental Developments

California's Climate Disclosure Laws: What to Expect from CARB's November Workshop *(Akin)*

Akin discusses the CARB agenda for its November 18 workshop on upcoming climate disclosure statutes, SB 253 and SB 261.

EPA Revisits PFAS Reporting (Again) *(Akin)*

Akin discusses the draft of the proposed rule issued by the Environmental Protection Agency (EPA) stating its intent to amend per- and polyfluoroalkyl substances (PFAS) reporting requirements under the Toxic Substances Control Act (TSCA).

DOE Directs FERC To Initiate Large Load Interconnection Rulemaking *(Akin)*

The Department of Energy recently directed the Federal Energy Regulatory Commission to conduct a rulemaking asserting jurisdiction overload interconnections to the bulk electric transmission system and establish standardized procedures for the interconnection of large loads.

State AGs Probe Big Tech's Use of Renewable Energy Certificates *(Utility Dive)*

Fourteen Attorneys General from Republican-led states issued letters to several large tech companies questioning various public claims of being "100% powered by renewable energy."

Carbon Measures Global Accounting Group To Form Independent Panel *(Reuters)*

Leading companies across the energy, finance and industrial sector launched a new coalition, Carbon Measures, to address widespread accounting issues when calculating and reporting greenhouse gas emissions at the company and product level.

U.S. Plastics Pact Assesses Pluses And Minuses Of Chemical Recycling *(ESG Dive)*

The U.S. Plastics Pact published a position paper urging chemical recyclers to consider environmental justice and health impacts of operations when siting and operating facilities.

Key Social Developments

Compliance Reminder: Upcoming Pay-to-Play Reporting Deadlines *(Akin)*

A reminder to businesses with government contracts to review political contribution reporting obligations under state and local pay-to-play laws as year-end approaches.

Pay Equity, Barrier Analysis Remain ‘Very Legal’ Ways To Advance DEI *(ESG Dive)*

At a recent labor and employment law conference, experts discuss data tracking and transparency pathways that are relatively “low-hanging fruit” in the era of anti-diversity, equity and inclusion (DEI) sentiment, such as pay transparency assessments, pay equity reviews or pattern developments in the hiring process.

Key Governance Developments

Take No-Action: SEC Will Not Respond to Majority of No-Action Requests During 2026 *(Akin)*

Akin discusses the recent U.S. Securities and Exchange Commission (SEC) announcement it will largely stop issuing staff responses to Rule 14a-8 no-action requests for the 2025-2026 proxy season.

Transatlantic Securitisation Alignment: How 2025 UK and EU Reforms Reshape Compliance for U.S. Structures *(Akin)*

Glass Lewis issued a notice that it will discontinue its decades-old practice of issuing a single, “house view” recommendation on how institutional investors should vote.

September 2025 - October 2025: EU/UK Regulatory Round-Up *(Akin)*

A periodic update covering legal and regulatory developments in the EU and United Kingdom.

Cybersecurity Oversight: The More Things Stay the Same, the More They Change *(National Association of Corporate Directors)*

Recent trends in public company disclosures demonstrate three shifts in cybersecurity oversight: the adoption of maturity frameworks, tabletop exercises and board education.

House/Senate Advance AI Provisions Via NDAA, Kicking Off Conference Process *(Akin)*

Akin summarizes key provisions found in the House and Senate National Defense Authorization Act (NDAA) for Fiscal Year 2026, relating to artificial intelligence matters found in the Senate.

Additional Resources

Akin maintains two trackers to help keep you up to date in between our newsletters:

- **Sustainability Legislation & Regulation Monitor** covers the latest sustainability-related legal and regulatory developments across the United States, which can be searched by state or topic.
 - **Trump Executive Order Tracker** keeps up with the fast pace of executive orders issued by the Trump administration.
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Upcoming Sustainability Events

9th Sustainability and Impacts Investments International Conference

European Commission

Hamburg, Germany

January 22-23, 2026

CleanTech Forum North America

CleanTech Group

San Diego, CA

January 26-28, 2026

GreenBiz26

Trellis

Phoenix, AZ

February 17-19, 2026

Wall Street Green Summit 2026

Peter Fusaro

New York, NY

March 10-11, 2026

Akin's Sustainability Practice

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Questions?

If you have any questions, please contact Akin's Sustainability or Climate Change teams:



Kerry Berchem
Partner
New York



Stacey Mitchell
Partner
Washington, D.C.



Kenneth Markowitz
Partner
Washington, D.C.



Alex Harrison
Partner
London



Amy Kennedy
Partner
London

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