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Sustainability & Climate Pulse

OUR MONTHLY NEWSLETTER

October 2025

FOREWORD

*Greetings, and welcome to the latest edition of Uniquis' Sustainability & Climate Pulse**

As global sustainability frameworks evolve, we're seeing a decisive push toward greater coherence and accountability across jurisdictions. This month's issue captures that momentum, from landmark updates in carbon accounting and biodiversity management to the growing integration of ESG principles in national and corporate policy.

The Greenhouse Gas Protocol's upcoming revision to Scope 2 guidance and the new ISO 17298 standard for biodiversity management both mark important steps toward unified, credible measurement systems. Meanwhile, the World Bank's findings on the "emissions paradox" of trade demonstrate the complex interplay between decarbonization and local environmental impacts.

At the policy level, governments are moving with renewed ambition: California's new law enabling carbon management infrastructure, Kerala's pioneering ESG investment policy, and Qatar's national desertification strategy all highlight how regulatory and strategic action are accelerating across regions.

In the private sector, the dissolution of the Net-Zero Banking Alliance following a failed member vote raises critical questions about the future of voluntary coalitions.

As always, we hope this newsletter helps you stay informed, anticipate change, and seize opportunities in a rapidly transforming global landscape.



This month's issue explores major updates to carbon accounting and biodiversity standards, new ESG policies across regions, and shifting dynamics in global climate alliances.

Anu Chaudhary
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*Our monthly newsletter ESG Corner has been rechristened as Sustainability & Climate Pulse.

IN THE NEWS

This section focuses on key developments globally, in the USA, India, and the Middle East. It dissects the most recent news and analyzes its potential to influence regional landscapes, businesses, and consumers. Uniquis provides insights into how these developments may shape current market dynamics and set the stage for future opportunities and challenges.

GLOBAL

GHG Protocol Signals Major Update to Scope 2 Accounting Rules

The Greenhouse Gas (GHG) Protocol has announced that revisions to its 2015 Scope 2 Guidance have officially entered the public consultation phase, following a vote by the Independent Standards Board. The update follows broad stakeholder engagement from 2022 to 2024 and promises to introduce more rigorous and nuanced rules for how organizations account for electricity and energy consumption.

Key features of the proposed changes include hourly matching (requiring contractual instruments for the market-based method to be matched on an hourly basis), delivery constraints (requiring all contractual instruments to be sourced from generation deemed deliverable to the consuming load), additionality criteria for contractual instruments, the marginal emissions impact (MEI) metric, and exemptions with legacy provisions. The proposed changes will require alignment between consumption and contracted generation on hourly and geographically constrained boundaries for reported Scope 2 instruments. New thresholds are being established to ensure that renewable energy purchases result in incremental, verifiable emissions reductions. The MEI is a new indicator to more accurately capture how a clean energy purchase displaces baseline grid emissions. Finally, the proposals include phased implementation, thresholds for smaller users, and grandfathering of existing contracts to ease transition.

These revisions reflect growing pressure from regulators, markets, and standards bodies for more robust market-based accounting that is tightly tied to physical grid dynamics. Several reporting frameworks (e.g., ISSB, CSRD) already emphasize location-based accounting, making this update a potential inflection point for how organizations justify and operationalize electricity-related claims.

NZBA to Dissolve After Failed Member Vote

The Net-Zero Banking Alliance (NZBA), a voluntary group of global banks dedicated to aligning their portfolios with the 1.5°C warming limit, has decided to end its operations following an internal voting process. The decision follows most members choosing not to reinvest in a core budget for 2025, citing concerns about costs, governance, and redundancy with other climate initiatives.

Founded under the United Nations' Glasgow Financial Alliance for Net Zero (GFANZ), NZBA was launched in 2021 to coordinate best practices and establish interim targets across the banking sector. Its closure follows the winding down of similar platforms, such as the Net-Zero Asset Managers initiative.

The dissolution of NZBA raises questions about the future of voluntary climate coalitions in banking, especially as regulatory and capital frameworks increasingly require credible and enforceable climate commitments. Some banks are likely to handle NZBA functions internally or shift to other industry groups or standards organizations to uphold their reputation.

ISO Launches First Biodiversity Management Standard (ISO 17298)

In October 2025, the International Organization for Standardization (ISO) officially launched ISO 17298: Biodiversity for organizations, Guidelines and Requirements, during its annual meeting in Kigali, Rwanda. This represents the first globally recognized standard specifically designed to help organizations integrate biodiversity into governance, strategy, operations, and reporting.

ISO notes that the standard was developed by Technical Committee 331 with input from experts in over 60 countries, including the Taskforce on Nature-related Financial Disclosures (TNFD) as a liaison. ISO 17298 is designed to integrate with existing frameworks, such as ISO 14001 (environmental management), ISO 26000 (social responsibility), the TNFD, and the Kunming-Montreal Global Biodiversity Framework.

Among its core functions, ISO 17298 aims to help organizations assess how their operations, supply chains, and dependencies interact with nature,

prioritize biodiversity risks and opportunities at both operational and landscape levels, establish measurable objectives, monitor progress, and integrate biodiversity into governance and risk management systems. It also supports disclosure with consistent data and definitions across entities and regions.

ISO indicates that ISO 17298 is only the start of a biodiversity standards suite. Future work is expected to cover biodiversity net gain, terminology, product-level biodiversity assessment, and a more guidance module.



Uniquis' POV

These three recent developments collectively mark a pivotal moment in the evolution of global sustainability governance. Together, they reflect both the maturation and fragmentation of the sustainability landscape: standards are becoming more technical and verifiable, even as voluntary alliances show signs of strain.

The GHG Protocol revisions represent the most significant recalibration of Scope 2 accounting in a decade. By emphasizing hourly matching, geographic deliverability, and additionality for renewable energy procurement, the update aims to close long-standing credibility gaps in market-based reporting. This shift raises the standard from contractual compliance to actual emissions impact, pushing companies to match their clean-energy claims with physical grid data. Focusing early on hourly data availability, supplier transparency, and procurement hierarchies will be crucial for future assurance and investor scrutiny.

Meanwhile, ISO 17298 establishes the first global framework for biodiversity governance, turning nature-related goals into practical, audit-ready procedures. It enhances compatibility with existing frameworks, demonstrating that biodiversity considerations are now integral to enterprise risk management for many companies. Boards

and sustainability leaders must incorporate biodiversity dependencies, impacts, and opportunities into their governance structures and strategic planning.

The NZBA's closure, however, highlights a countercurrent: the limits of voluntary, alliance-based action in the face of increasing regulatory and market scrutiny. Its dissolution underscores a shift from collective pledges to institutionalized accountability, where financial institutions are expected to implement climate targets within regulated, verifiable frameworks rather than through broad coalitions.

These developments reinforce an accelerating trend where environmental data must be decision-useful, verifiable, and actionable. The credibility of sustainability data, and the systems that produce it, now matters as much as ambition itself. Scope 2 revisions enhance the accuracy of carbon data, while ISO 17298 provides a framework for biodiversity data. Companies and financial institutions alike must transition from voluntary alignment to assured performance, ensuring that environmental integrity, nature impacts, and climate financing are based on measurable, auditable foundations. Organizations that proactively test hourly energy data systems, integrate biodiversity governance, and align internal controls with assurance standards may not only meet compliance requirements but also boost strategic resilience and investor trust in a changing ESG landscape.

World Bank Report Reveals Trade's Emissions Paradox: GHG Reduction, Rising Local Air Pollution

A new World Bank working paper titled "Trade's Emissions Paradox" explores how international trade simultaneously contributes to GHG reduction while exacerbating particulate air pollution in importing regions. The analysis spans the period from 2004 to 2021, covering 133 countries and 39 economic sectors, utilizing the Global Trade Analysis Project's trade and emissions databases.

The study finds, unsurprisingly, that exports are linked to rising emissions. Direct emissions (Scope 1) embedded in globally traded goods have climbed sharply, from about 13% of global GHGs in 2004 to 31% by 2021. Similarly, PM_{2.5} emissions embodied in exports rose from 13% to 25% over the same period. Yet, when accounting for emissions avoided through imports (i.e., the displacement of domestic production in higher-emitting countries), the study estimates that trade reduces global GHGs by up to 2.2% annually.

However, unlike greenhouse gases, trade is associated with up to a 1% increase in PM_{2.5} emissions, as air pollution sources are more localized and spatially concentrated. The authors attribute the divergence to differences in the emission intensity of production. Specifically, some countries can produce more cleanly, so importing from them reduces global GHGs. Yet, the transportation, consumption-side handling, or pollution profiles of importing regions can aggravate local air quality impacts.

BBC Reports Renewables Surpass Coal as Leading Source of Electricity Globally

Renewable energy surpassed coal as the world's largest source of electricity in the first half of 2025, marking a historic milestone, according to global energy think tank Ember. Surging solar and wind output met all additional global electricity demand, causing a slight decline in coal and natural gas use. China led this shift, adding more solar and wind capacity than the rest of the world combined and reducing fossil fuel generation by 2%. India followed a similar trend, while the USA and EU saw a renewed reliance on fossil fuels amid weak wind and hydropower output.

The International Energy Agency has halved its forecast for new renewable capacity in the USA for this decade, citing policy shifts under the Trump administration. Meanwhile, emerging economies from Pakistan to Nigeria are experiencing record solar growth, driven by falling panel costs and rising energy demand. Ember calls this a "crucial turning point" as clean power begins to keep pace with global demand growth.





Uniquis' POV

Recent analyses from the World Bank's "Trade's Emissions Paradox" highlight the dual nature of the global transition. Even as the world accelerates its decarbonization efforts, the environmental costs of progress are shifting rather than vanishing. The data indicate that trade and industrial relocation are helping to reduce global greenhouse gas emissions, but they are also increasing local air pollution in areas that are heavily reliant on importing and logistics. This divergence underscores a fundamental truth: achieving success in combating climate change does not necessarily ensure environmental justice.

Meanwhile, the global energy system is undergoing a fundamental shift. Renewables have surpassed coal, marking a significant milestone in the history of modern power generation. The rapid expansion of solar energy, driven by cost parity and policy support, shows that clean technologies have become economically dominant, especially in Asia and emerging markets. However, the policy gap between China's acceleration and the USA regulatory slowdown signals a new phase of geo-economic rivalry in clean energy leadership.

Together, these trends highlight a more complex sustainability landscape; one where emissions accounting, energy access, and

air quality must be managed as interconnected systems rather than separate issues. For businesses, the messages are clear:

- Clean energy now serves as the baseline for competitiveness, not a differentiator. Companies investing early in renewable infrastructure, grid upgrades, and low-carbon supply chains may gain long-term resilience and cost advantages.
- Environmental integrity must go beyond carbon. As global trade patterns shift, companies should monitor their local pollution footprints and incorporate air quality metrics into ESG and health frameworks, as these become growing stakeholder concerns.
- Global strategies require regional understanding. With policy divergence increasing, success depends on the ability to operate across different regulatory paces while maintaining credible, science-based transition plans.

While the global transition continues, it does so unevenly. True leadership will come from those who not only decarbonize their operations but also ensure that the journey to net zero is clean, inclusive, and locally responsible.



USA

CARB Publishes Draft Scope 1 and 2 GHG Reporting Template

On 10 October 2025, the California Air Resources Board (CARB) published a draft Scope 1 and Scope 2 GHG reporting template to support the implementation of the California Corporate GHG Reporting Program created by SB 253. The program, currently in development, will require companies with over USD 1 billion in annual revenue that “do business in California” to disclose Scope 1, 2, and 3 emissions annually. SB 261, a related law, will require biennial climate-risk reporting for firms with over USD 500 million in revenue. CARB states it intends to design these programs to be “least burdensome” while enhancing transparency for consumers and investors.

The draft template released by CARB emphasizes Scope 1 and Scope 2 disclosures, designed to gather “investor-grade” data with high traceability. It starts with organizational and contact details and moves through inventory boundary choices (such as equity share versus control, subsidiaries, regional or facility exclusions, and explicit inclusion of stationary/mobile combustion, process, and fugitive sources). The template highlights the importance of assured reporting, requesting the assurance provider’s information and confirmation of limited assurance for both Scope 1 and Scope 2.

Disclosure fields gather: (1) total Scope 1 and Scope 2 emissions, (2) intensity metrics per million dollars of revenue, and (3) detailed breakdowns by source (e.g., stationary combustion, mobile, process, fugitive; purchased electricity/heating/steam/cooling) and by gas (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆). The template also includes entries for biogenic CO₂, de minimis sources, California Mandatory Reporting Regulation (MRR) facility IDs, and emission-reduction instruments (e.g., direct contracts for renewable energy), along with relevant methodology prompts (e.g., emission-factor sets and years, global warming potential source, calculation approach, and process-specific methods). Optional sections enable companies to set a base year and to report uncertainty or data-quality assessments.

For companies already reporting to the GHG Protocol or ISSB-style frameworks, the structure may seem familiar. However, the specific nature of the questions, especially the location-based

and market-based Scope 2 prompts, as well as the separation of source types and gas families, highlights an emphasis on comparability and auditability across sectors.

California Passes Law to Enable Carbon Management Infrastructure

On 10 October 2025, Governor Gavin Newsom signed Senate Bill 614 (SB 614), furthering California’s carbon capture, removal, and storage (CCUS) efforts by approving dedicated carbon pipeline infrastructure to transport captured carbon from emission sources or removal sites to underground storage. SB 614 builds upon earlier legislation, particularly SB 905 (2022), which established regulatory guidelines for carbon capture projects in the state.

Under the new law, the state can authorize pipelines that transport carbon emissions from capture points to sequestration facilities, provided that safety regulations and community input processes are in place. Budget commitments also support the law, with SB 840 allocating USD 85 million in FY 2026–27 from the Greenhouse Gas Reduction Fund (GGRF) to finance innovation, research, and deployment of climate solutions, including carbon capture and removal projects. The GGRF is funded by California’s Cap-and-Invest (formerly Cap-and-Trade) program, strengthening the feedback loop between carbon pricing and investments in emissions reduction infrastructure.

Governor Newsom called the bill a crucial part of the state’s strategy, saying, “Carbon management is a critical pillar of California’s world-leading efforts to cut climate pollution. I’m signing this legislation to put our state on the leading edge of an emerging 21st-century industry.” Supporters emphasize job creation, economic growth, and technological leadership, particularly in sectors that have been more challenging to decarbonize. While federal efforts slow down with reduced incentives and regulations for CCUS, California is moving forward with its own carbon management plans.



Uniquus' POV

California's latest actions, including the release of CARB's draft Scope 1 and 2 GHG reporting template under SB 253 and the passage of SB 614, which enables carbon management infrastructure, signal a shift from climate ambition to operational execution. The state is developing both the data infrastructure and the physical systems needed to decarbonize its economy.

CARB's Scope 1 and 2 emissions disclosure draft confirms the need for granular, verifiable, and decision-useful emissions data that can withstand assurance under California's climate accountability regime. Several design choices are notable for preparers.

By requiring explicit inclusions, exclusions, and subsidiary treatment upfront, CARB encourages companies to verify their organizational and operational scopes before calculating and disclosing emissions. This may reduce downstream restatements and lead to more consistent year-over-year trends. The template's detailed source-by-gas tables move reporting beyond a single Scope 1 and 2 figure, allowing for the tracking and management of intensity, source mix, and gas profile. This level of data granularity may provide a foundation for tangible decarbonization roadmaps.

For reporting entities, practical implications include building an assurance-ready data trail, tightening their Scope 2 reporting strategy, and planning GHG inventories for interoperability.

Requested verifier details and limited assurance confirmations mean data lineage, meter coverage, activity-data controls, and emission-factor governance will matter as much as the numbers themselves. Reporting entities must treat SB 253 disclosures similarly to financial data disclosures, with proper documentation, version control, and evidence at every step.

Requirements for both location-based and market-based data, as well as explicit fields

for direct renewable contracts, may necessitate that reporting entities evaluate the quality of their electricity procurement information to withstand scrutiny from stakeholders. Companies may find it helpful to revisit procurement hierarchies (for example, onsite first, followed by bundled PPAs/EACs with strong additionality) and align contract terms with reporting periods.

Lastly, while this template covers Scope 1 and 2, SB 253 ultimately includes Scope 3. Using consistent factor libraries, Global Warming Potential (GWP) sets, and organizational boundaries across SEC/ISSB/EU filings will reduce reconciliation work later and help management present a unified emissions narrative to boards and investors.

SB 614 establishes the foundation for carbon capture, removal, and transport infrastructure, addressing the physical constraints that will hinder achieving the reductions these disclosures will soon measure. By authorizing CO₂ pipelines and dedicated storage permitting, the state ensures that future emissions reductions can be physically delivered, providing a necessary complement to the disclosure and assurance systems under its climate accountability regime.

Since SB 614 supports the development of the state's carbon transportation system, organizations should evaluate how verified emissions data can help them participate in carbon-capture or removal projects. As CARB updates its GHG reporting rules and climate reporting frameworks, linking claims of carbon capture or removal with verified emission reductions will become increasingly important if permitted.

Entities planning to invest in carbon removal should ensure consistency between pipeline sequestration accounting and reported emissions inventories. The same strict standards for boundaries, emission factors, and GWP used in reporting will strengthen credible sequestration accounting. Aligning with disclosure frameworks, such as the ISSB and the EU CSRD, may reduce reconciliation issues and promote a unified emissions narrative for companies and investors.

INDIA

Kerala Becomes First Indian State to Approve Comprehensive ESG Investment Policy

The State Cabinet has approved a new ESG policy to create a structured framework for sustainable and responsible investments. Kerala becomes the first State in India to adopt such a comprehensive policy, focusing on promoting industries that are environmentally friendly, socially responsible, and transparently governed. The initiative includes awareness programs, an ESG reporting system aligned with global standards, and a digital portal to support implementation. Financial incentives such as tax exemptions, subsidies, and low-interest loans will be provided to encourage compliance. The policy sets clear goals of achieving full renewable energy use by 2040 and carbon neutrality by 2050, while ensuring diversity, inclusion, and accountability in industrial growth.



Uniquis' POV

This policy marks a forward-thinking shift in Kerala's industrial approach, aligning economic development with global sustainability goals. By embedding ESG principles into industry, education, and governance, the State is positioning itself as a model for responsible growth. The combination of financial incentives, transparency measures, and social inclusion creates a strong foundation for long-term resilience, investor confidence, and equitable progress across communities.



MIDDLE EAST

Qatar Ministry of Environment and Climate Change launches National Strategy to combat Desertification 2025-2030

The Ministry of Environment and Climate Change launched the National Strategy to Combat Desertification 2025-2030, as part of Qatar's efforts to protect its natural resources, enhance their sustainability, and mitigate land degradation and the impacts of drought, in line with Qatar National Vision 2030 and the Third National Development Strategy 2024-2030.

The strategy aims to establish a comprehensive national framework to combat desertification and achieve land degradation neutrality by improving

the efficiency of natural resource management and strengthening supportive legislation and policies, thereby contributing to the protection of ecosystems and the achievement of sustainable development.

The strategy sets out six key priorities, including (i) protecting ecosystems and reducing factors contributing to desertification and drought, (ii) promoting sustainable management of natural resources, (iii) strengthening vegetation cover and rehabilitating affected environments, (iv) building capacity and supporting scientific research and innovation, (v) developing legislation, policies, and effective governance, and (vi) enhancing community participation and national and international partnerships.



Uniquis' POV

Desertification in the Gulf region is a pressing issue, characterized by deterioration in soil quality, loss of vegetation cover, and a decline in the land's capacity to support agriculture and other forms of life. According to [the United Nations Convention to Combat Desertification \(UNCCD\)](#), 3.2 billion people worldwide are negatively impacted by desertification, with an estimated 10% of GDP lost annually due to desertification. Currently, approximately 500 million people reside in areas that have experienced desertification since the 1980s.

As a nation situated in a region prone to desertification, Qatar has undertaken a commendable array of initiatives to combat this pressing issue, from international agreements to grassroots campaigns and strategies. Qatar places great importance on environmental policies and adopts sustainable mechanisms to protect natural resources, improve land management, and enhance community resilience to the challenges of desertification and drought.

The National Strategy to Combat Desertification 2025-2030, launched by the Ministry of Environment and Climate Change, comes as part of efforts to establish an integrated national approach to address desertification and related environmental challenges. Practical measures will include rehabilitating terrestrial environments, cultivating native plant species, expanding nurseries, stabilizing sand dunes, and applying modern technologies such as artificial intelligence in environmental monitoring and smart agriculture.

Some of the ways in which Qatar is actively combating desertification include being a party to the United Nations Convention to Combat Desertification (UNCCD), participating in the Global Dryland Alliance, supporting the One Million Trees Initiative, and maintaining a National Gene Bank of local plants, among others.

Abu Dhabi Launches Landmark Biodiversity Policy for 2025

Sheikh Hamdan bin Zayed Al Nahyan, Ruler's Representative in the Al Dhafra Region and Chairman of the Environment Agency – Abu Dhabi (EAD), issued Decree No. (6) of 2025, establishing a comprehensive biodiversity policy in Abu Dhabi.

The policy addresses key challenges threatening the Emirate's biodiversity, including habitat loss, climate change, and unsustainable resource use. It focuses on protecting terrestrial and marine habitats, restoring ecosystems, and conserving endangered species critical to maintaining ecological balance. Additionally, it aims to strengthen regulations, promote nature-based solutions, and raise public awareness about the role of biodiversity in supporting health, community well-being, and resource sustainability.

The new policy outlines actionable steps to enhance the resilience of these ecosystems, integrate modern technologies for conservation, and foster partnerships among government, private, and community sectors.

With this policy, Abu Dhabi is not only aligning with the UAE's National Biodiversity Strategy 2031 but also contributing to long-term environmental goals, including the Environmental Centennial 2071 vision.



Uniquis' POV

Abu Dhabi is home to a diverse array of rich ecosystems, including plains and sand dunes, coasts and islands, coral reefs, mangrove forests, and mountainous areas, which support a unique array of terrestrial and marine species. However, these ecosystems face increasing challenges that require thoughtful and sustainable interventions.

In 2024, the EAD successfully completed its first [assessment](#) of terrestrial and marine ecosystems in the region, with 12 classified as threatened. Of these ecosystems under some form of threat, 5 were classified as Vulnerable, five as Endangered, and two as Critically Endangered.

Through this policy, a set of measures will be implemented to enhance the resilience of ecosystems, activate partnerships across various sectors, and employ modern technologies to support efforts to protect and rehabilitate these ecosystems.

The issuance of the biodiversity policy in Abu Dhabi is a strategic step that confirms the emirate's unwavering commitment to preserving its natural resources and the sustainability of its ecosystems.



REGULATORY WATCH

Regulation around ESG continues to evolve rapidly. This section summarizes some of the latest regulatory developments across critical global markets, including the USA, EU, UK, India, and the Middle East. Our analysis captures the nature of the legislative changes or updates and our high-level assessment of broader implications on business practices and compliance strategies.

Governing Body

Update

Uniquis' Impression

GLOBAL

European Union Legislative Bodies (Commission, Council, Parliament)

European Parliament: On 22 October 2025, the European Parliament rejected the proposed “Omnibus I” simplification package, which sought to reduce administrative burdens by amending key sustainability frameworks, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). The proposal [previously endorsed](#) by the Committee on Legal Affairs (JURI), aimed to raise company thresholds and streamline requirements, effectively narrowing the scope of companies subject to mandatory sustainability reporting and due diligence obligations. Members of the European Parliament (MEPs) will vote on amendments to the package on 13 November.

European Commission: The European Sustainability Reporting Standards (ESRS) for large non-EU companies have been delayed further, with the European Commission confirming that no delegated acts will be adopted before October 2027 as part of its wave of legislative reprioritizations (i.e., Level 2).

European Council: At the end of September 2025, the Council adopted a regulation that simplifies and strengthens the Carbon Border Adjustment Mechanism (CBAM) as part of the Omnibus I package. Key changes include a de minimis exemption for importers of CBAM goods under 50 metric tons annually, allowance for imports pending registration, and streamlined procedures for verification, emissions calculation,

By rejecting the measure, the European Parliament may have signaled strong opposition to any dilution of corporate accountability standards. The decision halts the legislative process and sends the proposal back for potential redrafting or abandonment, underscoring Parliament's continued prioritization of transparency, comparability, and investor confidence in EU sustainability disclosures.

However, the European Commission's decision to delay the ESRS for large non-EU companies until at least October 2027 also reflects a broader legislative shift that might slow down global alignment on disclosure standards. The EU's leadership in sustainable finance is being tested by both legislative fatigue and pressure to realign globally. For businesses, this extended timeline introduces further uncertainty, requiring flexible compliance planning and ongoing monitoring of evolving regulatory expectations.

At the same time, the European Council's adoption of a CBAM simplification regulation streamlines implementation with new exemptions, registration flexibility, and revised verification and liability procedures, while maintaining about 99% coverage of embedded emissions, indicating that climate ambition remains strong.

Overall, these actions highlight both the political complexity and operational pressure of the EU's sustainability plans. Some specific changes to the CSRD, particularly regarding proportionality, assurance phasing, and SME applicability,

Governing Body	Update	Uniquis' Impression
	and financial liability. Despite these simplifications, climate ambition under the CBAM remains intact, with about 99% of embedded emissions still covered under the regime.	may be necessary to maintain consensus and ensure the long-term strength of Europe's sustainability framework without compromising its core objectives.
<u>International Sustainability Standards Board (ISSB)</u>	The ISSB will convene its October meeting from 27 to 31 October 2025, discussing amendments to IFRS S2 (climate and GHG disclosures). Updates are anticipated by December 2025, as per the public work-plan updates.	Expect targeted refinements rather than an overhaul. For multinationals, the ISSB remains the most viable global baseline; therefore, any late-2025 updates should be promptly mapped into 2026 reporting plans and internal controls to preserve comparability amid the flux between the EU and the USA.
USA		
<u>U.S. Court of Appeals for the Eight Circuit</u>	At the end of last month, a U.S. federal court kept SEC climate rule litigation in abeyance, instructing the SEC to either defend the 2024 rule, revise it through rulemaking, or rescind it, pending the rule's stay.	Global filers face prolonged regulatory uncertainty in the USA, exacerbated by the Commission's staffing challenges during the recent USA government shutdown that began in October. However, companies may continue aligning with ISSB/CSRD baselines while tracking potential SEC revisions or rescissions. Investor-grade governance of emissions data remains prudent, given likely convergence pressures from markets and other jurisdictions.
<u>U.S. Environmental Protection Agency (EPA)</u>	The comment period closed on EPA's interim final rule extending specific compliance deadlines for the oil & gas methane standards. The EPA issued the interim rule in July.	Methane policy remains a moving target. Operators may document assumptions on compliance timelines and continue leak-detection/repair programs to manage regulatory risk and investor scrutiny pending any further EPA action.

Governing Body

[California Air Resources Board \(CARB\)](#)

Update

CARB delays draft regulations under SB 253 and SB 261. At its public workshop on 21 August 2025, CARB indicated that draft rules for the Climate Corporate Data Accountability Act (SB 253) and the Climate-Related Financial Risk Act (SB 261) would be published by 14 October 2025, with final adoption targeted for 2025. In an October notice, CARB confirmed a revised timeline, citing the large volume of stakeholder comments and the complexity of defining the range of covered entities. The initial rulemaking package, including fee-related provisions, will now be brought to the Board in Q1 2026. CARB has confirmed that this does not alter the SB 261 deadline for reporting, which remains 1 January 2026.

Uniquis' Impression

The political sensitivity of California's corporate climate disclosure framework is significant. Expanding participation from global and mid-market filers has presented definitional and assurance challenges that CARB is cautiously addressing. Although the extended timeline may frustrate early preparers, it provides companies with valuable time to align their data systems, governance controls, and assurance procedures with the upcoming Scope 1-3 requirements. Stakeholders should utilize this period to enhance their internal reporting systems and participate in consultations to inform the final rule design. Companies in scope for SB 261 should reference the SB 261 [checklist](#) as they continue to prepare for the reporting requirements by 1 January 2026.

INDIA

[Ministry of Environment, Forest and Climate Change \(MoEFCC\)](#)

The Indian government has notified the Greenhouse Gas Emission Intensity Target Rules, 2025, marking the country's first legally binding targets for reducing emissions from carbon-intensive industries. Issued by the Ministry of Environment on October 8, the rules require 282 industrial units in sectors such as aluminum, cement, pulp & paper, and chlor-alkali to reduce their GHG emissions per unit of output from baseline levels starting in 2023–24.

The compliance cycle spans from 2025–26 to 2026–27. Industries that perform better than their targets can earn tradable carbon credit certificates, while those that exceed their limits must buy credits or pay penalties, which are set at twice the average carbon credit price for the year.

The 2025 emission intensity rules represent a transformative step in India's climate policy, shifting from voluntary energy-efficiency programs to enforceable carbon limits. By tying performance directly to carbon credit trading and penalties, the policy creates market-based incentives for decarbonization, encouraging industries to innovate and invest in cleaner technologies.

It also positions India to stay competitive in global trade as carbon accountability becomes a norm, especially under mechanisms like the EU's CBAM. However, successful implementation will depend on robust monitoring, transparent data reporting, and stable carbon pricing to ensure credibility and compliance.

About Uniquis Consultech:

Uniquis Consultech is a global tech-enabled consulting company that specializes in Accounting & Reporting, Governance, Risk & Compliance, Sustainability & Climate Consulting, and Tech Consulting. The Company is co-founded by consulting veterans Jamil Khatri and Sandip Khetan and backed by marquee investors such as Nexus Venture Partners, Sorin Investments, and UST. Anu Chaudhary, a global sustainability and climate specialist with over 25 years of experience, serves as the Global Head of Sustainability & Climate Consulting. Abhijit Varma, a veteran technology specialist, leads Tech Consulting globally.

Uniquis has a global team of 600+ professionals led by 65+ Partners & Directors across eleven offices in the USA, Middle East, and India. The company serves more than 350 clients, including marquee names in each of the markets it operates in.

Uniquis is committed to leveraging technology and an integrated global delivery model to provide best-in-class consulting services to its clients.

Given the growing importance of disclosures, significant data integrity requirements, and varied and disaggregated data sources, enabling the sustainability journey through technology is essential. Tech enablement also helps ensure the integration of sustainability programs with core business operations.

With a unique blend of strong ESG domain capabilities and innovative GenAI-based technology, [ESG UniVerse](#), a cloud-based solution, streamlines data management, enhances user experience, and supports organizations in achieving their long-term sustainability goals. To learn more about ESG UniVerse, please [download our brochure](#).

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Feedback

We encourage you to share this newsletter with your colleagues and networks, and to provide us with feedback on topics that you would like to see covered in future issues. Uniquis is here to support you in navigating this evolving landscape. Contact us to learn more about how we can help you on your sustainability journey.



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