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Sustainability & Climate Pulse

OUR MONTHLY NEWSLETTER

June 2026

FOREWORD

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

In this edition, we cover the most significant reset to the Science Based Targets initiative since its founding, a notable regulatory update in the United States, the shifting shape of climate finance in a more fragmented world, and the growing role of green instruments in emerging markets.

The Science Based Targets initiative is recalibrating how near-term emissions targets are calculated and repositioning itself from standard-setter to transformation partner. In the United States, the SEC's move to rescind the Biden-era climate disclosure rule, alongside New York's scaled-back climate law, signals a federal and state-level retreat that sits in sharp contrast to the continued global momentum behind ISSB adoption. Climate finance, meanwhile, is fragmenting along geopolitical and energy-security lines, even as emerging markets lean into green instruments to cushion oil-price shocks and Hong Kong advances its sustainable bond program.

The era of consensus-driven sustainability frameworks is giving way to one defined by pragmatism, regional divergence, and a sharper focus on execution. For corporates, that means navigating less uniformity and more judgment – deciding where to lead, where to comply, and where to wait.

We hope this issue helps you make those calls with greater clarity.



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Anu Chaudhary
Partner, Global Head of Sustainability & Climate Consulting

IN THE NEWS

GLOBAL

SBTi is at an Inflection Point: from Ambition Setter to Transformation Partner

The Science Based Targets initiative (SBTi) is undergoing its most significant reset since its founding in 2015. The changes cover everything from how targets are calculated to how the organization funds itself and holds companies accountable.

The Methodology Shift:

SBTi has recently updated its absolute emissions-reduction framework, which alters how companies calculate and achieve near-term climate targets. Under the updated approach, companies are no longer required to align their medium-term targets to a fixed 2030 benchmark year. Instead, organizations must now achieve near-term targets within a set timeframe from the date of target approval, while still meeting a minimum annual emissions reduction rate of 4.2 percent. The change was designed to address the uneven expectations for companies joining the framework later facing steeper decarbonization pathways.

However, the update has raised concerns among sustainability experts and corporate stakeholders about transparency and scientific integrity, with questions about whether extending flexibility on near-term emissions reductions could weaken alignment with the Paris Agreement's 1.5°C objective, particularly given the importance of immediate emissions cuts in limiting long-term climate impacts.

A New Strategic Identity:

On 21 May, SBTi published a new five-year strategic plan covering 2026 to 2030, prioritizing sector-specific approaches for decarbonization, changing how companies are treated when they fail to hit targets, and introducing advisory services. SBTi describes this shift as moving from an "ambition setting" that encourages companies to adopt science-based targets to a "transformation partner" that helps them deliver on their pledges.

Navigating Climate Finance in a Geopolitically Fragmented World

In the midst of shifting geopolitical dynamics and energy security concerns, climate finance is undergoing a significant transformation, moving away from traditional multilateral frameworks toward a more fragmented and pragmatic approach, as highlighted by guest columnists from the Columbia Center on Sustainable Investment. The recent crisis in the Strait of Hormuz exemplifies the new energy security risks that nations face, compelling governments to prioritize secure access to energy resources over ambitious climate goals. This shift indicates a potential realignment of climate finance flows, with countries increasingly forming coalitions based on shared economic interests rather than consensus-driven agreements, as seen in the recently convened Conference on Transitioning Away from Fossil Fuels.

As climate impacts become more frequent and severe, the need for rapid adaptation and resilience financing grows more urgent. Current spending on adaptation is inadequate, necessitating a shift towards an execution-oriented model that transforms strategic plans into actionable investments. Policymakers are urged to integrate climate considerations into national security strategies, ensuring that investments in energy, food, and water security are prioritized as resilience assets. The challenge lies in directing this fragmented system toward decarbonization efforts, thereby addressing the pressing climate crisis while managing geopolitical vulnerabilities.

Green Deals Surge in Emerging Markets to Mitigate Oil Shock

As the global energy landscape faces significant upheaval due to rising oil prices, emerging markets are increasingly turning to green financial instruments to stabilize their economies and promote sustainable development. This trend reflects a strategic shift towards renewable energy investments, as countries seek to reduce their dependency on fossil fuels and mitigate the impacts of oil shocks. The surge in green deals is not only a response to immediate economic pressures but also aligns with long-term climate goals.

The rise in green financing in these regions offers actionable insights for corporate investors and stakeholders. By channeling capital into renewable projects, emerging markets can enhance energy security, create jobs, and drive innovation.
This movement underscores the importance of integrating sustainability into financial strategies, positioning these nations as leaders in the global green transition. The implications of this shift will be critical for both local economies and the broader fight against climate change.

HKSAR Government Launches Green and Infrastructure Bonds to Boost Sustainable Development

On 8 May 2026, the Hong Kong Special Administrative Region (HKSAR) Government announced the successful pricing of approximately HKD 27 billion in Institutional Green Bonds and Infrastructure Bonds. This initiative demonstrates the government's commitment to advancing sustainable finance and developing infrastructure that aligns with environmental goals. The issuance is expected to attract significant investment from both local and international markets, contributing to the region's transition toward a greener economy.

The green bonds will fund projects to address climate change and promote environmental sustainability, while the infrastructure bonds will support critical developments necessary for the region's growth. By engaging institutional investors, the HKSAR Government is not only enhancing its financial capabilities but also setting a precedent in the region for responsible investment strategies. This move is poised to strengthen Hong Kong's position as a leading international financial center focused on sustainable development, reflecting the growing importance of green finance in economic planning.



Uniqus' POV

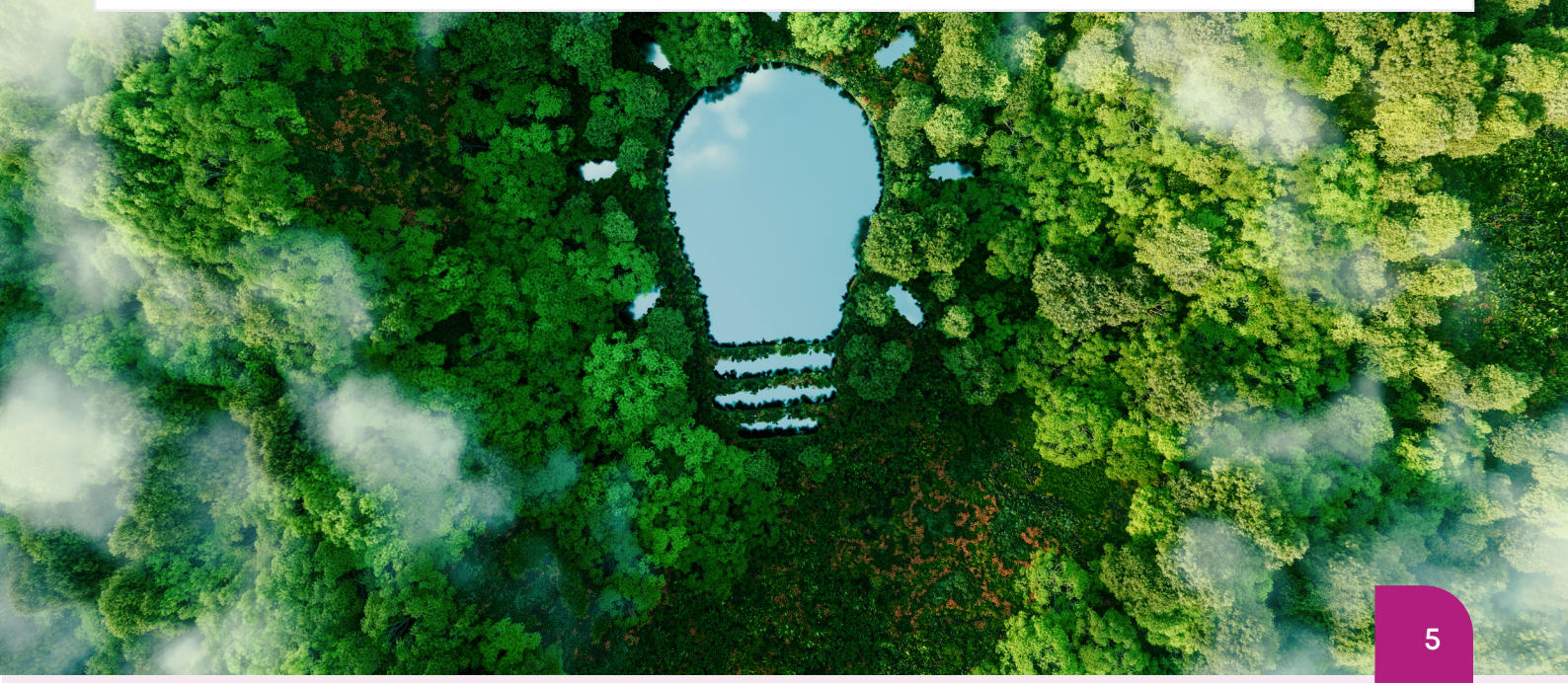
Recent global developments highlight the growing complexity of balancing climate ambition, economic competitiveness, and geopolitical realities within the evolving ESG landscape.

SBTi's recent updates – including revisions to corporate emissions-reduction timelines and unveiling their new strategic plan - reflect growing emphasis on making climate action more practical and scalable for companies. While greater flexibility in the emissions-reduction timelines may help sustain participation in corporate decarbonization efforts, the debate surrounding transparency and scientific rigor emphasizes the importance of maintaining credibility and stakeholder trust within voluntary climate frameworks. Meanwhile, the strategic shift from standard-setter to implementation partner is ambitious in scope, though critical questions about conflicts of interest and accountability remain unanswered.

Geopolitical fragmentation is reshaping the future of climate finance. Energy security concerns, supply chain vulnerabilities, and shifting global alliances are increasingly influencing how governments and investors prioritize climate-related investments. Rather than relying solely on broad multilateral consensus, countries are moving toward more regionalized and interest-driven approaches to financing the energy transition, resilience, and critical infrastructure. Businesses are more prepared for these challenges when they build adaptive sustainability strategies that can respond to both regulatory changes and geopolitical risks.

Emerging markets, meanwhile, are demonstrating how sustainability and economic resilience can increasingly work in tandem. The rise in green financing and renewable energy investments across developing economies reflects a strategic effort to reduce dependence on volatile fossil fuel markets while supporting long-term growth and energy security. Similarly, Hong Kong's continued expansion of green and infrastructure bond issuances highlights the growing role of sustainable finance as a mainstream economic and capital markets strategy, particularly in major financial centers seeking to strengthen their global competitiveness.

These developments suggest that the next phase of corporate sustainability will likely be shaped less by uniform global alignment and more by practical implementation, regional priorities, and financial resilience. For organizations, this reinforces the importance of integrating sustainability into long-term business strategy, capital allocation, and risk management frameworks rather than treating ESG solely as a compliance exercise.



USA

SEC Moves Toward Rescinding Biden-Era Climate Disclosure Rule

The US Securities and Exchange Commission (SEC) has moved toward rescinding its climate disclosure rule finalized during the Biden administration, marking another significant shift in the evolving U.S. sustainability reporting landscape. The rule, originally adopted in March 2024, would have required publicly listed companies to disclose material climate-related risks, governance practices, and certain greenhouse gas emissions information as part of their annual filings. However, implementation of the rule had already been paused following multiple legal challenges from states, business groups, and environmental organizations, leaving the requirements effectively stayed before they could take effect.

The SEC's latest action signals a broader regulatory retreat from mandatory federal climate disclosure requirements under the current administration. Critics argue that withdrawing the rule may reduce transparency for investors seeking consistent climate-related information, while supporters contend that the regulation imposed unnecessary compliance burdens and exceeded the SEC's statutory authority. The rollback also reflects the increasingly polarized political environment surrounding ESG regulation in the United States, where sustainability disclosure requirements continue to face legal, political, and economic scrutiny.



New York Reaches Deal to Scale Back Elements of State Climate Law

New York Governor Kathy Hochul has reached an agreement with state lawmakers to soften certain provisions of the state's ambitious climate legislation amid growing concerns around affordability, energy reliability, and implementation costs. The deal modifies aspects of New York's climate and clean energy transition strategy, including adjustments to penalties under the state's cap-and-invest program and flexibility in building electrification requirements. The changes come as policymakers face increasing pressure from businesses, utilities, labor groups, and consumers over the economic impacts associated with accelerating decarbonization mandates.

The revisions don't dismantle New York's broader climate goals under the Climate Leadership and Community Protection Act (CLCPA), which targets significant greenhouse gas emissions reductions and a transition toward a net-zero economy. However, the agreement reflects a more pragmatic approach to implementation as the state balances long-term climate ambitions with near-term economic and political realities. Supporters of the revisions argue that the changes may help ease cost pressures on households and businesses while preserving momentum toward clean energy investments and emissions reductions.

The development also highlights broader challenges facing climate policy implementation across major economies. As jurisdictions move from target-setting to execution, governments are increasingly confronting tensions between decarbonization objectives, energy affordability, infrastructure readiness, and public acceptance. The debate in New York mirrors similar discussions taking place globally, where policymakers are reassessing transition timelines and regulatory approaches in response to inflationary pressures, energy security concerns, and industrial competitiveness.

Uniqus' POV

These developments at both the federal and state levels in the United States highlight the increasingly fragmented and pragmatic nature of climate and sustainability policymaking. While the SEC's move toward rescinding the Biden-era climate disclosure rule signals a retreat from mandatory federal climate reporting requirements, its practical impact on many companies remains limited, given that the rule had already been stayed and was never fully implemented. Similarly, New York's decision to soften certain elements of its climate legislation reflects growing efforts by policymakers to balance decarbonization ambitions with concerns around affordability, energy reliability, infrastructure readiness, and economic competitiveness.

Despite these shifts, the broader direction of sustainability disclosure and climate accountability globally continues to advance, driven by international regulations, investor expectations, and market demands rather than solely by U.S. federal policy. Companies operating internationally remain subject to evolving disclosure requirements across major jurisdictions, including the European Union's Corporate Sustainability Reporting Directive (CSRD), California's SB 253 and SB 261 climate disclosure laws, and a growing number of ESG and climate-related proposals across the United States. Beyond California, more than 30 U.S. states have introduced, proposed, or enacted sustainability, climate, or ESG-related legislation in recent years, contributing to an increasingly complex and fragmented compliance landscape.

Adoption of the International Sustainability Standards Board (ISSB) standards continues to accelerate globally, with several jurisdictions moving toward mandatory sustainability reporting aligned with IFRS S1 and S2. Investor scrutiny around climate risk, governance, and transition planning also remains strong, particularly among institutional investors and global asset managers seeking comparable, decision-useful sustainability information. In parallel, companies continue to face increasing pressure from customers and supply chain partners pursuing their own decarbonization and net-zero objectives, resulting in greater focus on supplier engagement, emissions transparency, and operational sustainability performance.

These developments reinforce the view that sustainability reporting and climate governance are increasingly strategic business priorities rather than solely regulatory compliance exercises. As policy approaches continue to evolve across jurisdictions, organizations may benefit from maintaining adaptable, globally informed sustainability strategies that respond to changing regulatory expectations while supporting long-term resilience, stakeholder trust, and competitiveness.



INDIA

India Meets All-Time Highest Peak Power Demand of ~256 GW Without Shortage

India successfully met its highest-ever peak electricity demand of 256.1 GW on 25 April 2026 without any power shortage, surpassing the previous record of 250 GW set in May 2024. Power consumption during 1–27 April 2026 increased by 8.9% year-on-year, driven by rising summer temperatures and growing economic activity. The milestone was supported by nearly 65 GW of new power capacity additions during FY 2025–26, along with efficient grid management, optimized dispatch planning, and strong coordination across national and regional load dispatch centers. The data also highlights the increasing contribution of renewable energy, with solar alone accounting for more than one-fifth of total generation during peak demand hours.

Source	Generation (MW)	Share of Total Generation (%)
Thermal	174,565	66.9%
Solar	56,204	21.5%
Hydro	11,422	4.4%
Nuclear	6,293	2.4%
Gas	5,205	2.0%
Wind	4,897	1.9%
Storage (PSP & BESS)	201	0.1%
Others	2,110	0.8%
Total Peak Demand Met	**256,117**	**100%**

India's Union Cabinet approves INR 37,500 crore package to boost coal gasification

India's Union Cabinet has approved an INR 37,500 crore coal gasification package to support the country's target of gasifying 100 million tonnes of coal by 2030. The current scheme aims to cover around 75 million tonnes of coal and lignite. Coal gasification converts coal into syngas, which can be used to produce products such as urea, methanol, ammonia, fertilisers, and synthetic natural gas (SNG). The move is expected to reduce India's dependence on imports of fuel and industrial chemicals, which stood at nearly INR 2.77 lakh crore in FY 2025.

The scheme offers financial support of up to 20% of plant and machinery cost, with incentives capped at INR 5,000 crore per project and up to INR 9,000 crore for SNG and urea projects. The government has also extended coal linkage tenure to 30 years to encourage long-term investments. The initiative builds on the earlier INR 8,500 crore incentive scheme approved in 2024, under which eight projects worth INR 6,233 crore are already under implementation. The policy is expected to strengthen energy security, support domestic manufacturing, and promote more efficient utilization of coal resources.



Monsoon to arrive early but El Niño set to undercut rainy season in India

India's climate challenge is no longer just a weather story. It is becoming a broader economic risk. Recent weeks have seen record heat events across the country. Reports highlighted an unprecedented situation where the world's 50 hottest cities were all recorded in India. The focus is shifting from temperatures alone to rising climate uncertainty. A potential El Niño later this year could add further stress through uneven rainfall, prolonged dry spells, and disruptions to seasonal weather patterns. This could create additional pressure on food production, water availability, and reservoir levels.

The risks become larger when viewed together. Heatwaves are already affecting agricultural activity, industrial operations, and supply chains. Rising temperatures are also pushing electricity demand higher as cooling needs increase across cities and industries. Pressure on crop output could increase food-price volatility and inflation. At the same time, geopolitical uncertainty in the Middle East and volatility in oil and gas markets add another layer of risk through higher import and energy costs. Concerns around foreign exchange reserves are also drawing attention, with policymakers increasingly focused on limiting inflationary pressures and maintaining economic stability. The larger issue is no longer climate prediction. It is India's ability to build resilience against increasingly connected climate and economic shocks.

Uniqus' POV

India's recent energy and climate developments highlight how closely energy security, rising electricity demand, and climate risks are now interconnected. India recently met its highest-ever peak power demand of nearly 256 GW without any reported shortage. Rising temperatures, urbanization, industrial growth, and cooling demand continue to push electricity consumption higher. Solar power contributed more than one-fifth of generation during peak-demand hours, underscoring the growing role of renewables in the grid. However, thermal power still accounted for nearly two-thirds of total generation, underlining the continued dependence on conventional energy sources for grid stability and baseload supply.

This balancing act is also visible in the government's approval of the INR 37,500 crore coal gasification package. The policy aims to support coal gasification projects for products such as methanol, ammonia, fertilizers, and synthetic natural gas. The broader objective is to reduce dependence on imported fuels and industrial chemicals while strengthening domestic manufacturing and energy security. The development reflects an important transition reality for India. Even as renewable energy capacity expands rapidly, conventional energy investments are likely to remain important for industrial growth, reliability, and long-term energy availability.

India's climate challenge is increasingly becoming a macroeconomic and transition challenge. Record heat events across the country, combined with the risk of El Niño and geopolitical uncertainty in the Middle East, can create simultaneous pressure on food systems, water availability, energy prices, inflation, and economic stability. Heat stress can reduce labour productivity, affect worker health, disrupt agricultural and industrial activity, and increase electricity demand. At the same time, these risks also create an opportunity to accelerate structural change. Scaling renewable energy can strengthen energy security and reduce dependence on imported oil and gas, while expanding natural and climate-resilient farming can improve food and water resilience. The transition agenda is no longer only about emissions reduction; it is increasingly becoming a strategy for long-term economic resilience.

MIDDLE EAST

Abu Dhabi Department of Energy Launches Solar Energy Self-Supply Policy in Emirate

The Abu Dhabi Department of Energy (DoE) has launched the Solar (Photovoltaic) Energy Self-Supply Policy in Abu Dhabi, enabling customers to improve daytime electricity efficiency and increase reliance on clean and renewable energy sources through the adoption of smart and flexible energy-consumption solutions.

The launch of the Policy forms part of Abu Dhabi's efforts to deliver a significant transformation in energy generation and consumption in line with the objectives of the Abu Dhabi Energy and Water Efficiency Strategy 2030. It also aims to raise public awareness of the importance of responsible electricity consumption, while supporting the national transition towards increased reliance on clean and renewable energy sources, with its application starting with the agricultural sector and owners of rest houses and ranches.

Under the new Policy, customers may choose between adopting flexible solutions or continuing to consume electricity directly from the grid. Flexible solutions include the installation of photovoltaic panels for self-supply and self-consumption of electricity, in addition to solar-powered water heaters, as well as the option to support systems with battery energy storage solutions. This enables greater reliance on photovoltaic energy for electricity consumption.

The Policy will contribute to improving grid efficiency, enhancing security of supply, and supporting growth plans for Abu Dhabi's energy sector, in line with Abu Dhabi's direction to increase reliance on renewable energy generated from clean and environmentally friendly sources.

In parallel with the rollout of the Policy, the Department of Energy will also launch a guidance manual on high-efficiency appliances to help rationalize and enhance energy consumption across all sectors, covering key end-uses such as cooling, water heating, lighting, electrical equipment, motors, pumps, and irrigation systems.

UAE Energy Ministry announces 'Green Certificates' for Factories

The UAE Ministry of Energy and Infrastructure announced it is extending its 'Green Certificates' to include factories under its green certificates programme. The 'National Green Certificates' programme, which it previously launched in 2024, is a scheme that promotes environmentally friendly building practices for commercial buildings.

The scheme now includes factories, production plants, mills and other similar facilities, and will serve as a comprehensive national framework for assessing and certifying sustainable industrial facilities. The programme will use artificial intelligence to measure water and energy efficiency, as well as the quality of industrial processes so that operational performance and environmental sustainability is in line with the best global practices.

The programme is meant to incentivize industrial facilities to adopt best practices in energy efficiency and sustainability through a holistic evaluation system covering energy, water, emissions, and innovation. It also enables factories to apply for certification based on defined criteria, while benefiting from incentives and competitive advantages that support their transition toward low-emission operations and strengthen their presence in regional and global markets.

This supports the accelerated adoption of clean technologies and the establishment of national performance benchmarks that enhance competitiveness and contribute to reaching the UAE's goals in trying to achieve net-zero emissions by 2050.

Uniqus' POV

The Solar (Photovoltaic) Energy Self-Supply Policy launched by the Abu Dhabi Department of Energy (DoE) is a well-timed and targeted intervention of an integrated, end-use-aware policy design that other emirates and regional peers should look to replicate.

Anchoring the launch in the agricultural sector and owners of rest houses and ranches is a pragmatic starting point: these are off-grid-prone, daytime-heavy consumers where photovoltaic panels, solar-powered water heaters, and battery energy storage solutions deliver the strongest economic and operational case.

The Policy's design rightly preserves consumer choice as customers may choose between adopting flexible solutions or continuing to consume electricity directly from the grid, while making the flexible path materially more attractive. Combining self-supply and self-consumption of electricity with battery energy storage solutions enables greater reliance on photovoltaic energy for electricity consumption beyond daylight hours, which is the critical step that turns rooftop solar from a partial offset into a credible alternative. This is what will ultimately shift behaviour at scale, rather than awareness campaigns alone.

Crucially, the Policy is not a standalone measure. Pairing it with the guidance manual on high-efficiency appliances covering cooling, water heating, lighting, electrical equipment, motors, pumps, and irrigation systems will ensure that demand is rationalized before it is met with new generation. Taken together, the Policy will contribute to improving grid efficiency, enhancing security of supply, and supporting growth plans for Abu Dhabi's energy sector, and advances the objectives of the Abu Dhabi Energy and Water Efficiency Strategy 2030.

The UAE Ministry of Energy and Infrastructure's decision to extend the National Green Certificates programme to include factories, production plants, mills and other similar facilities is a significant step in building a comprehensive national framework for assessing and certifying sustainable industrial facilities.

The use of artificial intelligence to measure water and energy efficiency, as well as the quality of industrial processes, gives this programme credibility as AI-driven measurement makes it possible to benchmark operational performance and environmental sustainability against the best global practices in a consistent and auditable way. Combined with a holistic evaluation system covering energy, water, emissions, and innovation, it moves certification from a marketing label toward a defensible measure of real performance.

This initiative actively supports the accelerated adoption of clean technologies, establishes national performance benchmarks, and contributes meaningfully to the UAE's goal of achieving net-zero emissions by 2050.

In summary, the Self-Supply Policy debuts with the agricultural sector and rural facilities, where rooftop solar, solar water heating, and battery storage can displace diesel and grid load. The Green Certificates scheme now extends to factories, production plants, and mills – facilities that are heavy daytime electricity users. Therefore, a factory that installs photovoltaic panels under the Abu Dhabi policy can simultaneously strengthen its Green Certificate score on the energy-efficiency and emissions dimensions, compounding the value of a single capital investment.

IN-DEPTH ANALYSIS

BRSR Core Value Chain Disclosures: Where ESG Reporting Meets Operational Reality

India's BRSR Core framework has already moved beyond the initial implementation stage and is now entering a phase of scale and broader market coverage.

Financial Year	Scope of BSRS Applicability
2023–24	Top 150 listed entities
2024–25	Top 250 listed entities
2025–26	Top 500 listed entities
2026–27	Top 1000 listed entities

Alongside this expansion, the 30 January 2026 SEBI Master Circular has consolidated all the previous frameworks for ease of the value chain disclosures. ESG disclosures for the value chain are now applicable to the top 250 listed entities on a voluntary basis from FY 2025–26. The scope covers upstream and downstream partners individually accounting for 2% or more of purchases or sales by value, with companies permitted to limit reporting to 75% of purchases and sales, respectively. The direction of the framework is important because a significant share of environmental and social impacts sit outside direct operations and across supply chains.

However, as companies begin operationalizing value chain reporting, clarity on methodology is becoming a starting point for disclosure readiness, with an increasing focus on how these disclosures should be calculated in practice. One of the biggest implementation gaps is attribution methodology. SEBI requires listed entities to report value chain KPIs "to the extent attributable to their business" with value chain partners. However, the framework does not prescribe how this attribution should be performed in practice. This becomes particularly complicated where suppliers serve multiple customers simultaneously.

Consider a packaging manufacturer supplying products to several FMCG companies. The supplier may disclose total annual emissions at the entity level but may not maintain product- or customer-wise emissions or facility-level carbon accounting. Each listed entity sourcing from that supplier still needs to determine what portion of emissions is attributable to its own procurement activity. Theoretically, companies could allocate emissions using revenue share, procurement volume, production throughput, or product-level allocation. However, each methodology can produce materially different outcomes. Suppose one FMCG company contributes 25% of supplier revenue but purchases highly energy-intensive customized packaging, while another contributes lower revenue but purchases standard low-emission products at higher volumes. In such cases, revenue-based allocation may not accurately reflect actual attributable emissions.

The technically preferable solution may be product-level or process-level allocation. However, many suppliers, especially MSMEs, do not currently maintain ESG data systems capable of measuring emissions at that level of granularity. This creates a practical reporting dilemma. If suppliers themselves do not measure product-level emissions, listed entities often rely on estimated allocations, spend-based assumptions, industry-average emission factors, previous-year supplier disclosures, or provisional supplier declarations pending validation. The challenge becomes even more significant when reporting timelines are considered. Listed entities operate under fixed annual reporting deadlines, while suppliers, particularly MSMEs, private entities,

and global partners may finalize sustainability data much later or may not publish ESG disclosures at all. This means companies may need to complete BRSR disclosures before supplier-level ESG data for the same reporting period has been finalized.

Similar implementation challenges also emerge for ratio-based KPIs such as gross wages paid to women as a percentage of total wages or employee well-being expenditure ratios. A supplier may disclose that women account for 40% of total wages across the organization, whereas the workforce specifically linked to the listed entity's procurement activity may have a very different composition. Using entity-wide ratios may therefore not accurately represent the attributable footprint, while obtaining customer-specific workforce allocation data may not be operationally feasible. SEBI's Master Circular partially addresses these issues by requiring companies to clearly disclose the assumptions, estimates, and reporting scopes used in value chain disclosures. However, as BRSR Core reporting matures, the next phase of implementation may increasingly depend on developing practical methodologies around attribution, consolidation, supplier-level data governance, and reporting consistency. The discussion around value chain ESG reporting is therefore gradually shifting from "whether companies disclose" toward "how disclosures are actually calculated", a distinction that may become increasingly important as ESG reporting frameworks evolve in India.

Uniqus' POV

The expansion of India's BRSR Core framework signals that ESG reporting is entering a more operational phase, with increasing attention on the practical aspects of implementation. As value chain reporting becomes part of the reporting landscape, the focus is gradually shifting from disclosure scope toward the calculation and measurement of reported metrics. This is particularly significant because a substantial portion of environmental and social impacts resides outside direct operations, making supply chains an important area for improving ESG visibility and understanding broader business impacts.

As companies begin implementing value chain reporting, greater emphasis may be placed on building processes that support reliable and consistent data collection. Areas such as attribution approaches, supplier engagement, and the use of assumptions and estimates are likely to become important considerations during implementation. Since supplier ecosystems often differ in scale, maturity, and data availability, establishing transparent reporting practices can help improve comparability and usability of ESG information over time.



REGULATORY WATCH

Governing Body	Update	Uniqus' Impression
GLOBAL		
European Commission	The European Commission has rejected compliance with ISSB rules and accepted changes to the European Sustainability Reporting Standards (ESRS), maintaining the double materiality requirement for companies. This updated framework requires businesses to report on both the financial impacts of climate change and their environmental impacts, while significantly reducing the number of required data points to ease compliance. The ESRS is currently in a four-week consultation period, with final approval needed by 30 June.	The Commission's rejection of ISSB compliance in favor of updated ESRS emphasizes double materiality. While the reduction in required data points may ease compliance for companies, this divergence from international standards raises concerns about data accessibility for investors and regulators. Businesses preparing to navigate this new framework must consider the implications for transparency and comparability in sustainability reporting across jurisdictions. Final approval of the ESRS by 30 June will be a pivotal moment for corporate reporting in the EU.
European Commission	The Commission published a report on the simplification of the revised EU Deforestation Regulation (EUDR) and a set of further measures for smooth and effective implementation following the agreement of co-legislators last December. These measures will provide additional clarity to economic operators, Member States, third countries, and other stakeholders, while guaranteeing legal stability and predictability. With this package, the Commission delivers on its commitment to the European Parliament and the Council to carry out a simplification review of the revised Regulation and prepares for the entry into application of the regulation by end of this year.	The Commission's recent report on the simplification of the revised EUDR highlights a delay in its implementation until the end of 2026. This extension may provide businesses and stakeholders with an opportunity to adapt their operations and compliance strategies to meet the new requirements effectively, but also emphasizes the need for proactive engagement with the evolving regulatory landscape to ensure sustainable practices align with both legal obligations and market expectations, reinforcing the importance of integrating environmental considerations into corporate governance frameworks.

Governing Body	Update	Uniqus' Impression
European Parliament	The European Parliament has published its draft report on the updated Sustainable Finance Disclosure Regulation review (i.e., SFDR 2.0). The report suggests a number of changes to the European Commission's proposal for SFDR 2.0, which are intended to enhance its effectiveness and reduce some of the burdens on financial market participants.	This report signals a positive attitude from EU lawmakers towards refining sustainable finance regulations to enhance effectiveness while alleviating burdens on financial market participants. However, concerns remain regarding the adequacy of proposed changes to address critical gaps in clarity and implementation. As investors navigate this evolving landscape, a careful assessment of the implications on compliance and reporting standards will be essential to align with broader sustainability objectives and existing frameworks.
Financial Accounting Standards Board	On 19 May 2026, the FASB issued ASU 2026-02, Environmental Credits and Environmental Credit Obligations (Topic 818), establishing the first comprehensive U.S. GAAP framework for recognition, measurement, presentation, and disclosure of environmental credits and related compliance obligations. The standard applies to all entities that generate, purchase, or receive environmental credits (including allowances, RECs, RINs, and voluntary offsets) or that hold regulatory obligations settleable with such credits. Enhanced disclosures will surface portfolio composition, fair value, and intended use.	ASU 2026-02 is more than an accounting update. It is a credibility test for corporate climate strategy. By moving environmental credits onto audited balance sheets and into structured disclosures, the FASB has effectively closed the gap between sustainability marketing and financial reality. CSOs who treat this as a Finance-only exercise will cede narrative control; those who lead the portfolio audit, classification, and disclosure design will protect both reported earnings and stakeholder trust. We recommend early adoption planning, an operational-versus-credited reduction baseline, and proactive investor engagement well before the first 10-K under the new framework.



Governing Body	Update	Uniqus' Impression
USA		
US Environmental Protection Agency (EPA)	On 13 May, 2026, the US EPA proposed revisions to the New Source Review (NSR) permitting program under the Clean Air Act, aiming to clarify the definitions related to construction activities and allow for the construction of non-emitting components before obtaining an NSR permit. The revisions are intended to expedite construction timelines without imposing new requirements on small entities. Comments on the proposed rule are due by 29 June, 2026.	The EPA's proposed revisions to the NSR permitting regulations reflect a broader shift toward easing compliance burdens and accelerating industrial permitting in the US. While streamlined approvals may support facility modernization, infrastructure investment, and deployment of cleaner technologies, the proposal may also raise concerns around emissions oversight and environmental accountability. For businesses, maintaining strong environmental governance and transparent emissions management will remain critical to managing long-term regulatory, investor, and reputational risks.
New York State	New York lawmakers concluded the 2026 legislative session without advancing several high-profile climate and environmental "superbills," including measures related to emissions reduction, utility reform, and climate accountability. Environmental advocacy groups expressed concern that shortened legislative timelines and competing fiscal priorities limited progress on key climate proposals despite growing pressure for stronger state-level action. The outcome highlights the ongoing political and economic challenges associated with implementing ambitious climate policies at the state level, even in jurisdictions traditionally viewed as climate leaders.	The stalled progress of several climate-focused bills in New York emphasizes the increasing complexity of balancing decarbonization ambitions with economic, affordability, and political considerations. While state-level leadership continues to play an important role in advancing US climate policy, delays in legislative action may create uncertainty for businesses preparing for stricter regulatory requirements and transition planning. At the same time, the continued public and stakeholder focus on climate accountability suggests that pressure for stronger environmental regulation is unlikely to diminish. Organizations may benefit from maintaining proactive sustainability and climate governance strategies despite evolving policy uncertainty.

About Uniqus Consultech:

Uniqus Consultech is a global tech-enabled consulting company that specializes in Accounting & Reporting, Governance, Risk & Compliance, Sustainability & Climate, Tech Consulting, and Valuations. 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.

Uniqus has a global team of 800+ professionals led by 100+ Partners & Directors across eleven offices in the USA, the Middle East, and India. The company serves more than 300+ clients, including marquee names in each of the markets it operates in.

Uniqus 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. Uniqus 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.

Visit us at www.uniqus.com

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