

Navigating conflicting ESG regimes

A playbook for cutting
through cross-border
complexity

Hogan
Lovells



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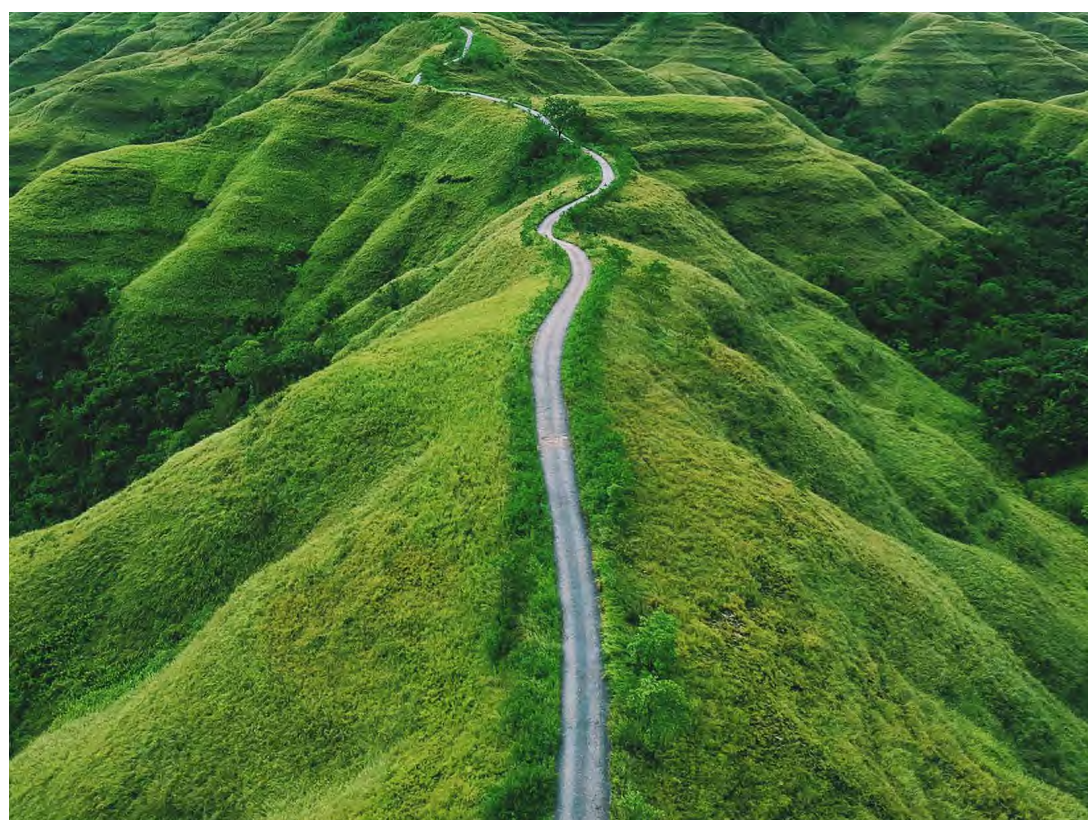
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Executive summary



ESG regulations are evolving at an unprecedented pace, creating a complex and often contradictory landscape for businesses operating across multiple jurisdictions.

While the European Union continues to drive ambitious mandatory disclosure requirements tempered by competition and growth concerns, the U.S. regulatory approach has shifted rapidly under the new administration, creating uncertainty for companies. Meanwhile, jurisdictions across APAC and the UK are adopting varied regulatory frameworks, further complicating global strategy and regulatory compliance.

For businesses, this fragmentation presents both risks and opportunities. Misalignment with emerging regulations can lead to legal risk, reputational damage, and operational inefficiencies. At the same time, companies that take a proactive approach—adopting best-in-class practices that transcend jurisdictional inconsistencies—can gain a competitive edge, build investor confidence, and future-proof their operations.

With ESG regulation continuing to evolve, now is the time for businesses to take a forward-looking approach. We've developed this playbook to help you and your organizations understand the complex web of regulations impacting you, enabling you to stay ahead of the curve, mitigate risks, and maximize opportunities in an increasingly complex landscape.



Now is the time for businesses to take a forward-looking approach.



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Risks and
opportunities
for businesses



Regulatory & compliance risks

Failure to comply with ESG regulations can expose businesses to fines, litigation, and reputational damage. The stakes are rising as regulators increase enforcement actions and investors, consumers, and advocacy groups demand greater accountability. Key risks include:

- **Regulatory penalties & fines**

Jurisdictions like the EU are imposing financial penalties for non-compliance.

- **Litigation & shareholder activism**

Greenwashing claims, challenging misstatements in sustainability disclosures, criticism of inadequate transition plans and ESG-related fiduciary duty lawsuits are on the rise across jurisdictions.

- **Cross-border compliance burdens**

A company that meets disclosure requirements in one jurisdiction may still be out of step elsewhere, leading to regulatory scrutiny and operational headaches.

Operational challenges

Conflicting ESG requirements create complexity in reporting, supply chains, and investment decisions. Businesses must navigate:

- **Divergent disclosure standards**

The EU's Corporate Sustainability Reporting Directive (CSRD) imposes prescriptive reporting obligations for larger companies, while within the U.S. standards may vary greatly across states and federal regulations are in flux.

- **Supply chain due diligence pressures**

Although some are in flux, regulations like the French Law on the Duty of Vigilance, the German Supply Chain Act, the EU's Corporate Sustainability Due Diligence Directive (CS3D), as well as human rights due diligence requirements in India and Japan, require companies to assess risks across their supply chains—often conflicting with business secrecy or trade restrictions elsewhere.

- **Sector-specific challenges**

Certain industries, such as energy, finance, and consumer goods, face heightened scrutiny, requiring tailored compliance strategies.



Competitive advantages: ESG as a business driver

For businesses that take a proactive approach, ESG is more than a compliance burden - it is a value driver. Companies that align with the highest global standards position themselves as industry leaders, benefiting from:

Investor confidence & capital access

Institutional investors and asset managers are increasingly favoring companies with strong ESG credentials, influencing stock valuations and access to financing. Research indicates that institutional investors consider ESG performance when making investment decisions, with a particular emphasis on governance factors, as they help mitigate risks of adverse events.

Enhanced brand reputation & customer loyalty

Consumers and B2B partners are prioritizing sustainability in their purchasing decisions, making ESG performance a key differentiator. Integrating ESG principles into business operations not only mitigates risks but also unlocks opportunities to enhance brand reputation and foster stronger stakeholder relationships.

Innovation & market leadership

Companies that integrate ESG into their business models, products, and governance structures can drive innovation, enhance resilience, and create long-term value. By embedding ESG considerations into their strategies and operations, companies are better positioned to navigate the evolving regulatory landscape, anticipate and mitigate risks, and capitalize on new opportunities, leading to sustainable growth and a competitive edge.



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The EU perspective: strengthening accountability

The EU has introduced sweeping ESG regulations under the European Green Deal, aiming to enhance corporate sustainability, accountability, and transparency. However, recent political shifts have led to delays, revisions, and ongoing debates, creating uncertainty for businesses navigating compliance.

Key ESG regulations in the EU (before the omnibus simplification package amendments)

Taxonomy Regulation (Regulation 2020/852)

Defines criteria for sustainable economic activities.

- Applies to companies subject to the Non-Financial Reporting Directive (NFRD) and CSRD.
- Effective since July 2020; sustainability disclosures required from January 2022.

Corporate Sustainability Reporting Directive (CSRD) (Directive 2022/2464)

Expands non-financial reporting obligations, requiring affected companies to disclose detailed sustainability information with a goal to enhance ESG transparency.

- Replaces NFRD, applies to a broader range of companies, and mandates the use of European Sustainability Reporting Standards (ESRS).
- National-level implementation started in 2023 with phased application.

Corporate Sustainability Due Diligence Directive (CS3D) (Directive 2024/1760)

Requires companies to prevent, identify, and mitigate adverse human rights and environmental impacts across their operations, subsidiaries, and business partners.

- Covers operations, subsidiaries, and business partners (upstream & downstream).
- Mandates climate transition plans and civil liability for non-compliance.
- Adopted July 2024.





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Regulatory pushback, delays, and a new approach under the omnibus simplification package

On 26 February 2025, the European Commission published proposals to amend the CSRD, the CS3D, the EU Taxonomy and the Carbon Border Adjustment Mechanism.

The so-called omnibus simplification package for sustainability reporting and due diligence is a response to calls for increased global competitiveness of EU companies and simplification of sustainability reporting rules in an attempt to cut tape and reduce unnecessary burdens on companies:

- On 26 February 2025, the Commission proposed an omnibus simplification package to simplify sustainability rules. They proposed:
 - Postponing CSRD & CS3D compliance to 2028 (see “Stop-the-clock” directive below).
 - Aligning CSRD thresholds with CS3D.
 - Reducing SME compliance burdens.
 - Limiting due diligence obligations to direct suppliers.

- On 17 April 2025, the “Stop-the-Clock” directive was adopted, introducing significant changes to the regulatory timeline:

- A two-year deferral of CSRD obligations for large companies that had not yet begun reporting, as well as for listed SMEs.
- A one-year postponement of the transposition and initial application of the CS3D.

- On 11 July 2025, the Commission adopted a targeted “quick fix” delegated act applying to companies that started reporting for financial year 2024 allowing them to continue to apply certain reporting reliefs.

At this stage, no agreement has been reached on the substance of the proposed changes to the CSRD or CS3D to other directives and regulations within scope of the Commission’s omnibus proposals. The European Council has reached a negotiating position on the amendments but the European Parliament is still in the process of negotiating its own position. There can be no certainty but the





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following outcomes are anticipated:

- A narrower scope, with smaller companies and SMEs likely to be excluded.
- A reduction in the number of required data points for reporting under the ESRS.
- Climate transition plan requirements may be scaled back or removed entirely.

Looking ahead, the European Parliament is expected to adopt its position by October 2025. Only then can trilogue negotiations between the Commission, Council, and Parliament begin.

While the Commission has urged prioritization, it remains to be seen to what extent the European Parliament and the Council will support the proposed changes. You can read more about the status of these processes [here](#).

While the Commission aims to simplify compliance, many businesses face regulatory uncertainty and potential regulatory shifts after having invested substantial resources to prepare for their first sustainability statements as required under CSRD.

- **EU Context:** In parallel, the EU Deforestation Regulation (EUDR) is a landmark framework designed to ensure that key commodities placed on or exported from the EU market are deforestation-free and produced in accordance with relevant laws of the country of origin. While originally scheduled to apply from 30 December 2024, the European Commission has indicated that a one-year delay—to December 2025—is likely to allow more time for operators and authorities to prepare. This delay will have knock-on effects for national implementation.

The EUDR operates alongside the Corporate Sustainability Due Diligence Directive (CSDDD) and other EU-wide initiatives, collectively reshaping how companies approach sustainability and supply-chain risk management.





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Germany’s Expanding ESG Regulatory Framework

Germany has implemented stringent ESG regulations that extend beyond EU-wide directives, with The German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz or LkSG): Effective since 1 January 2023, this law imposes mandatory human rights and environmental due diligence obligations on companies with at least 1,000 employees in Germany. It requires businesses to assess, prevent, and mitigate risks within their supply chains, including child labor, forced labor, environmental degradation, and unsafe working conditions. Companies must also establish grievance mechanisms and report annually on compliance. Non-compliance can result in fines of up to 2% of annual revenue and exclusion from public procurement contracts.

In alignment with developments at the EU level, the German government has proposed legislative amendments aimed at reducing bureaucracy for companies. As part of these measures, the reporting obligations for companies shall be removed.

Additionally, the responsible authority, BAFA, has announced its intention to adopt a more restrictive approach to initiating administrative offense proceedings, emphasizing that fines will be considered a last resort for enforcement. Despite this, the key obligations of the LkSG remain in force, with the applicable obligations being full enforceable

Germany’s leading role in ESG regulation within the EU, raising compliance risks for multinational companies operating in or sourcing from Germany.





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What this means for in-house counsel:

Monitor shifting timelines

The regulatory landscape is fluid, and delays may impact ESG strategy.

Ensure flexibility in compliance planning

Companies may need to adjust their sustainability reporting and due diligence efforts.

Watch for legislative updates

The European Parliament and Council will decide the fate of these laws.





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The UK perspective: a market-led approach

On 14 July 2025, the UK published its Financial Services Growth and Competitiveness Strategy, reconfirming the importance of meeting its commitment to maintain the UK’s position as global leader in sustainable finance, including attracting business and mobilising capital towards emerging markets and developing economies.

This builds on the UK Chancellor’s previously announced ambition that the UK would become a global hub for transition finance. The UK has taken a market-based and collaborative approach to sustainability legislation and voluntary initiatives with broad stakeholder consultation and buy-in.

The introduction of a number of initiatives has supported this, including anti-greenwashing rules, climate reporting for FCA-authorized firms, large and listed companies and asset managers and sustainable investment product disclosure and labels. As well as principles and proposed legislation for ESG rating providers and the launch of national funds to finance clean energy and the transition, such as the National Wealth Fund and Great British Energy. The importance of strategy to provide capital to support decarbonization pathways and bolster finance flows to support the UK’s net-zero transition is clear and the UK’s *Transition Finance Market Review* sets out a

blueprint to achieve this. To summarize the primary drivers in the UK:

- Mandatory Climate Reporting (Task Force on Climate-Related Financial Disclosures (TCFD)-based) – applies to large and listed companies, asset managers, and other FCA-regulated firms. The UK government is consulting on proposed next steps for endorsement of IFRS S1 & S2 and assurance of sustainability reporting in line with its manifesto commitments. An FCA consultation on sustainability reporting for listed companies and a consultation on the UK Companies Act is likely to follow.
- Transition Finance Market Review (2024) – Provided a blueprint for the UK to take opportunities posed by the net-zero transition and is being implemented by the Transition Finance Council and the Net Zero Council.
- Sustainable Disclosure Requirements (SDR) introduces an anti-greenwashing rule for all UK FCA authorized firms, as well as for certain UK investment products
 - Naming and marketing rules.
 - Consumer-facing disclosure requirements and product- and entity-level disclosures.
- Transition Plans – the UK has announced a consultation on the development and implementation of transition plan requirements and is also supporting the transition finance market through its consultation on the voluntary carbon and nature markets.
- Secondary legislation to regulate ESG ratings providers is also expected in 2026.





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What this means for in-house counsel:

Leverage voluntary frameworks

In the UK, voluntary regimes are likely to shift to mandatory regimes (e.g., sustainability reporting and transition plans).

Align global reporting strategies

UK seems likely to endorsement of the International Financial Reporting Standards (IFRS) S1 & S2, reducing divergence risks for global entities.

Anticipate greenwashing enforcement

Firms marketing sustainable investments and products generally must ensure accurate and clear disclosures.





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The Hong Kong perspective: strengthening ESG in financial markets

Hong Kong’s regulatory authorities are currently prioritizing the environmental component of ESG criteria, driven by the global recognition of climate risks and the rising interest in sustainable investments.

This emphasis on ESG policies is integral to Hong Kong’s objective of maintaining its position as a leading international financial center. As part of this strategic focus, Hong Kong regulators have concentrated their efforts on establishing globally consistent standards for sustainability reporting for listed companies and across the financial sector.

Key regulatory drivers for ESG in Hong Kong include:

- Hong Kong Monetary Authority – Requires banks to adopt climate risk management frameworks.
- Securities and Futures Commission – Imposes ESG-related risk management and disclosure obligations on fund managers.
- Hong Kong Stock Exchange (HKEx) ESG Rules: The new disclosure requirements shift away from the traditional corporate sustainability reporting of emissions or

energy consumption data, and will require issuers to incorporate sustainability considerations into their corporate strategy planning, identify climate-related risks and opportunities, and develop action plans in relation to these issues. This will be implemented to different issuers in phases, according to the size of their market cap.

- New Climate Disclosure Requirements (2025) –
 - Phase 1: Mandatory greenhouse gas emissions reporting.
 - Aligns with IFRS S2 Climate-Related Disclosures.
- Previous Comply-or-Explain ESG Rules – Required board statements on ESG strategy.

With the evolving regulatory expectations in the last few years, financial institutions and listed companies face the challenge

of meeting these requirements. Other risks and challenges include:

- ESG Data Collection Difficulties – Especially for financial institutions with diverse portfolios.
- Compliance Burden on SMEs – Smaller listed companies struggle with new strategic ESG planning requirements.
- Regulatory Enforcement Risks – Incomplete or misleading ESG disclosures could trigger investigations and fines, while exaggerations can lead to accusations of greenwashing, undermining investor trust.

As new requirements roll in, there will be increasing controls around ESG-related disclosures and solicitation for ESG investments or products. As a consequence, the risks of regulatory enforcement will become significant for financial institutions and listed corporations alike.





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What this means for in-house counsel:

Ensure ESG disclosures align with IFRS S2

New HKEx rules increase compliance risks.

Invest in ESG data infrastructure

Reduces costs and improves reporting accuracy.

Anticipate future enforcement

Greenwashing risks are growing, even without precedent ESG enforcement cases.





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The Mainland China perspective: a shift toward mandatory ESG reporting

China’s ESG regulatory framework has evolved significantly over the past two decades. In 2020, China announced its goal to achieve peak carbon by 2030 and carbon neutrality by 2060.

Since then, China has subsequently released a plethora of policies and voluntary guidelines to facilitate green transition. While ESG disclosures remain largely voluntary, last year saw a shift towards more structured and mandatory reporting.

Key ESG regulations in China currently include:

- Stock Exchange ESG Guidelines (2024) –
 - Applies to SSE 180, STAR 50, SZSE 100, ChiNext Index, and dual-listed firms.
 - Mandatory ESG disclosures by 2026.
 - Listed companies are required to identify whether each topic in the guidelines has a significant impact (financial significance) on their business model, business operations, development

strategy, financial status, operating results, profits, financial methods, and costs in the short, medium, and long term. Companies must also identify whether their performance under each topic has a significant impact on the economy, society, and the environment itself (impact significance).

- Ministry of Finance’s Sustainability Disclosure Guidelines (2024) –
 - Aligns with IFRS S1 and S2 (governance, risk, targets).
 - Double materiality approach (impact on both financials & ESG outcomes).
 - Climate disclosure standards expected by 2027.

These mark the first stage in China’s plan to issue both general standards for corporate sustainability disclosures and climate-related disclosure standards by 2027, as well as constituting an important step in the development of a disclosure culture in China.





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What this means for in-house counsel:

Prepare for mandatory disclosures

Early compliance planning is key for businesses operating in China.

Understand double materiality

ESG reporting must address both financial and environmental/social impacts.

Monitor upcoming climate regulations

China's 2027 climate disclosure standards could reshape compliance obligations.





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The Singapore perspective: Strengthening ESG Governance through Regulatory Maturity

Environmental, Social, and Governance (ESG) regulation in Singapore has undergone a marked evolution in recent years. What began as a largely voluntary regime is now transforming into a comprehensive, rules-based framework, characterised by mandatory disclosures, sector-specific guidance, and closer regulatory scrutiny. This transition reflects Singapore’s broader commitment to sustainable finance and environmental accountability.

Key ESG Regulations in Singapore

Singapore’s ESG regulatory landscape is anchored by a combination of mandatory and voluntary disclosure regimes, sectoral guidelines, and incentives aimed at steering businesses toward sustainable practices. Among the most significant developments to date are:

Sustainability Reporting Requirements:

- **SGX-listed companies:** The Singapore Exchange (SGX) requires listed companies to publish annual sustainability reports for each financial year. These reports must cover the following primary components in respect of the issuer: (i) material ESG factors, (ii) climate-related disclosures, (iii)

policies, practices and performances in relation to the ESG factors, (iv) ESG targets, (v) sustainability reporting framework, and (vi) a board statement confirming consideration of sustainability issues in the issuer’s business and strategy. This sustainability reporting regime continues to be enhanced via a phased approach:

- From FY2025, all listed issuers must include climate-related disclosures on a mandatory basis (this was previously only mandatory for issuers in specific sectors, such as the financial, energy and transportation industries), including disclosures on Scope 1 and

2 greenhouse gas (GHG) emissions. Such disclosures must be aligned with the sustainability disclosure standards issued by the International Sustainability Standards Board (ISSB), save for those around disclosing Scope 3 GHG emissions which are under review. The other primary components of a sustainability report remain disclosable on a “comply or explain” basis.

- From FY2026, all primary components of a sustainability report are to be disclosed on a mandatory basis, and issuers are expected to be required to report on Scope 3 GHG emissions.





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- Non-listed companies: Beyond SGX-listed companies, starting from FY2027, large non-listed companies in Singapore (i.e. those with annual revenue of at least S\$1 billion and total assets of at least S\$500 million) will also be required to file climate-related disclosures with the Accounting and Corporate Regulatory Authority of Singapore.

MAS’ Sectoral Requirements and Initiatives:

The Monetary Authority of Singapore (MAS), which regulates the financial sector in Singapore, launched its Finance for Net Zero Action Plan in April 2023, which expands the scope of its 2019 Green Finance Action Plan to develop Singapore as a leading green finance centre in Asia. As part of this plan, the MAS has issued a suite of sector-specific regulations, codes and initiatives, including:

- MAS Environmental Risk Management Guidelines: In December 2020, the MAS issued detailed guidelines for banks, insurers, and asset managers on managing environmental risk. These call for the integration of environmental considerations into governance, risk management and disclosure frameworks.

- ESG Retail Fund Disclosure Requirements: With an increasing number of retail funds with an ESG investment focus being marketed in Singapore, the MAS issued Circular No. CFC 02/2022 Disclosure and Reporting Guidelines for Retail ESG Funds in July 2022, introducing disclosure and reporting guidelines for such retail ESG funds to mitigate the risk of greenwashing. This circular requires any retail fund marketed as ESG-focused to clearly state its ESG investment objective, methodology, and criteria in its prospectus. The fund’s investment portfolio and/or strategy should reflect its ESG focus in a substantial manner – the MAS will consider factors such as whether the fund’s net asset value is primarily invested in accordance with its investment strategy. As a guide, a fund will normally be considered to be “primarily invested” if at least two-thirds of its net asset value is invested in assets aligned with the stated ESG focus. Fund managers should also provide periodic updates on ESG performance and any material changes.
- Code of Conduct for ESG Rating and Data Product Providers: In December 2023, MAS released the Code of Conduct for ESG Rating and Data Product Providers.

Although voluntary at this stage, the Code sets out baseline industry standards on governance, transparency, conflict of interest management, and data quality assurance. MAS will proceed with a “comply or explain” approach in respect of providers’ adoption of the Code. MAS has stated its intention to monitor developments in the industry and the global regulatory landscape when considering any further enhancements to the regulatory regime for such providers.

Carbon Pricing Regime:

Singapore was the first Southeast Asian jurisdiction to implement an economy-wide carbon tax under the Carbon Pricing Act, introduced in 2019. The tax is currently set at S\$25 and will rise progressively to S\$45 in 2026–2027, and between S\$50 and S\$80 by 2030. This incremental approach allows businesses time to adapt, while sending a clear signal about the long-term direction of Singapore’s climate policy.

Singapore-Asia Taxonomy for Sustainable Finance:

The Green Finance Industry Task Force (GFIT), convened by the MAS and which comprised of representatives from





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financial institutions, corporates, NGOs and financial industry associations, introduced the Singapore-Asia Taxonomy for Sustainable Finance in December 2023 (SG-Asia Taxonomy).

- The first version of the SG-Asia Taxonomy sets out thresholds and criteria for defining green and transition economic activities in certain focus sectors that contribute to climate change mitigation. The taxonomy aims to be interoperable with other international taxonomies (particularly the EU Taxonomy and the ASEAN Taxonomy), and future iterations are set to cover activities that contribute to the other environmental objectives under the EU Taxonomy.
- The SG-Asia Taxonomy adopts a “traffic light” system to classify economic activities as “green” (environmentally sustainable), “amber” (transition), or “red” (ineligible). The purpose is to provide a common and consistent framework for green and transition activities to reduce greenwashing risks and enable financiers, issuers and regulators to gather information for their sustainable financing, funding and investment purposes and/or to shape sustainable policies.

Enhanced Enforcement on Greenwashing:

Regulatory scrutiny on greenwashing is increasing. In December 2023, the Advertising Standards Authority of Singapore made the country’s first ruling against a company for making misleading environmental claims about a product in breach of advertising practice guidelines, and requested that the retailer remove the advertisement.

As reporting requirements become more robust, any greenwashing resulting in inaccurate disclosures are more likely to become subject to enforcement action. For instance, any inaccurate disclosures given in breach of the SGX’s Listing Rules or specific sustainability disclosure requirements may be subject to actions or sanctions taken by the SGX.





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Challenges in the ESG Regulatory Landscape

Despite the progress, several challenges remain:

- **Capacity and Capability Gaps:** Many corporates, particularly small and medium enterprises and private companies, lack the internal expertise and systems to implement meaningful ESG frameworks or meet emerging disclosure requirements.
- **Complexity and Evolving Standards:** The proliferation of international ESG frameworks, such as TCFD, ISSB, and the EU Taxonomy, can create confusion and compliance burdens, particularly for companies operating across multiple jurisdictions. To this end, Singapore has taken steps to align its ESG reporting requirements with international standards, as can be seen from its progressive incorporation of the ISSB standards for climate-related disclosures by listed issuers and large non-listed companies, and the aim for the SG-Asia Taxonomy to be interoperable with the EU Taxonomy.

- **Greenwashing and Legal Exposure:** The risk of greenwashing litigation against companies is likely to increase as reporting requirements continue to be enhanced and stakeholders become more proactive in combatting greenwashing. For example, in February 2023, Market Forces, an Australian climate activist group, filed a complaint to the SGX against a power generator for not fully disclosing risks related to its US\$300 million bond issuance on the exchange, including the material financial risk associated with its exposure to the LNG industry.

Singapore’s Approach to ESG

- Singapore adopts a pragmatic, forward-looking approach to ESG regulation. The government has signalled a clear commitment to becoming a hub for green finance in Asia. Rather than imposing overly prescriptive rules, the approach favours progressive alignment with global standards and targeted regulatory interventions.
- This approach recognises that meaningful ESG progress relies not just on clear regulations, but also on practical business solutions. There is a particular focus on helping smaller issuers and financial institutions build the tools and frameworks they need to manage the transition effectively. In June 2023, the MAS announced several initiatives to support sustainable and credible transitional financing solutions, including the enhancement and extension of the Sustainable Loan Grant Scheme and Sustainable Bond Grant Scheme to promote the adoption of internationally-recognised standards and principles. Both schemes will run until end December 2028.





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What this means for in-house counsel:

The expansion of ESG regulation presents both challenges and opportunities. In-house counsel will be expected to play a central role in advising on ESG-related risks and obligations. Key areas of focus include:

Governance and Compliance:

In-house counsel should ensure that ESG considerations are embedded into the company’s governance structure, internal policies, and risk management frameworks.

Monitoring Legal and Regulatory Developments:

Ongoing monitoring of ESG-related regulatory developments at both domestic and international levels is essential. Legal teams should prioritise ESG upskilling and stay informed of changes in global reporting standards, sector-specific mandates and enforcement practices.

Mitigating Greenwashing Risk:

In-house counsel should take an active role in reviewing ESG disclosures, marketing materials, and investor communications to ensure their statements are truthful and supported by evidence, to reduce the risk of enforcement action, reputational damage, or legal liability arising from greenwashing.





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The Japanese perspective: The Unfinished Journey from Traditional ESG Regulations

ESG encompasses various areas including, but not limited to, global warming, climate change, air and marine pollution, biodiversity, D&I, human rights, misleading advertisement, and corporate governance. As such, Japan does not have a single comprehensive law that governs ESG, rather it has many separate laws which make up its regulatory structure on ESG matters.

Over the past few years, various laws related to ESG have been amended and authorities including the Ministry of the Environment (“MOE”), the Financial Services Agency (“FSA”), the Ministry of Economy, Trade and Industry (“METI”), the Ministry of Health, Labour and Welfare (“MHLW”), the Sustainability Standards Board of Japan (“SSBJ”), and the Tokyo Stock Exchange (“TSE”), have implemented or updated regulations and guidelines related to ESG. Note that the SSBJ standard is now published and will become the new standard for listed companies.

To understand the ESG regulatory structure in Japan, it is essential to understand not only the legally binding laws and regulations but also the non-binding guidelines and

voluntary corporate initiatives. These measures have the potential to effectively become the industry standard in many cases or may lead to enhancing a company’s visibility. Below is a summary of the key ESG-related regulations and initiatives in Japan as of September 2025.

Key ESG Regulations

Key Laws and Regulations Requiring Disclosure or Reporting

- **Disclosure Requirements in Act on Promotion of Global Warming Countermeasures** (*Act No. 117 of October 9, 1998, as amended*): This Act aims for companies to reduce their greenhouse gas emissions.

- **Required Disclosures:** Companies subject to reporting obligations (e.g., primarily businesses that emit a significant amount of greenhouse gases) are obligated to calculate their greenhouse gas emissions and report it to the government annually.

- **Disclosure Requirements in Act on the Rational Use of Energy** (*Act No. 49 of June 22, 1979, as amended*): The purpose of this Act is to implement measures that rationalize energy use and ensure efficient energy utilization.
 - **Required Disclosures:** Companies with energy usage above a certain level and transportation companies are required to formulate medium





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to long-term plans regarding targets for transitioning to non-fossil energy sources and to report on their energy usage. Should their efforts prove insufficient, the government will provide guidance and other measures.

■ **Sustainability Disclosure Requirements in Financial Instruments and Exchange Act**

(Act No. 25 of April 13, 1948, as amended): From fiscal year of 2023, certain companies, which are required to file an annual securities report (e.g., listed companies), are obligated to include a section of sustainability. Due to the amendments to the Financial Instruments and Exchange Act (“FIEA”) in 2023, those certain companies must also disclose the additional information below in their annual security report.

- **Required Disclosures:** Governance structures and risk management processes related to sustainability, policies and indicators for human resource development and training, specific indicators on women participation and advancement in the workforce.
- **Voluntary Disclosures:** Strategy, metrics, and targets for sustainability-related risks and opportunities.

■ **Disclosure Requirements Standard, SSBJ Standards:** The SSBJ was established in July 2022 with the goal of developing the Japanese standard of ESG information disclosure. In March 2025 the SSBJ published three standards: (i) Sustainability Disclosure Universal Standards “Application of Sustainability Disclosure Standards,”; (ii) Theme-based Sustainability Disclosure Standard No. 1 “General Disclosures” (General Standard); and (iii) Theme-based Sustainability Disclosure Standard No.2 “Climate-related Disclosures” (Climate Standard) (collectively, “SSBJ Standards”). While the SSBJ Standards are entirely aligned with the international ESG disclosure rules (e.g. IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (“IFRS S1”) and IFRS S2 Climate-related Disclosures (“IFRS S2”)), it also includes unique options that companies may choose instead of applying only to the standards based on IFRS S1 and IFRS S2, where necessary.

- **Required Disclosures:** FSA announced that Prime Market listed companies with a market cap of JPY 3 trillion or more are required to prepare annual securities reports in accordance with SSBJ Standards

from FY2027. In FY2028, the same above standard applies for companies with market caps of JPY 1 trillion or more, and in FY2029 for companies with market caps of JPY 500 billion or more. The consistency of ESG item disclosures in annual securities reports as required under the FIEA are still under discussion and additional guidance is forthcoming.

■ **Disclosure and Compliance Requirements in Japan’s Corporate Governance Code**

In June 2021, TSE revised the “Corporate Governance Code,” (“Code”) for listed companies and such revisions cover several areas of ESG as follows:

- (i) **Improving Board Independence and Effectiveness:** Required appointment of independent directors to the board, identification and disclosure of ideal skills board members should have, and the establishment of independent advisory committees.
- (ii) **Promoting Diversity in Core Human Resources:** Disclosure of policies, goals and indicators, and implementation strategies for development and diversity in human resources and internal environment.





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(iii) **Sustainability:** The basic sustainability policy formulation and disclosure of the company’s own initiatives.

- **Required Disclosures:** Listed companies are required to submit a corporate governance report to TSE and disclose it annually. Also, the companies listed on the Prime Market are specifically required to disclose the impacts of climate change based on the Task Force on Climate-related Financial Disclosures or an equivalent framework. Although the Code is not legally binding, nor does it contain any punitive provisions, applicable companies who do not comply with this Code must fully explain the reasons behind their non-compliance.

- **Disclosure Requirements in Act on Promotion of Women’s Participation and Advancement in the Workplace** (*Act No. 64 of September 4, 2015, as amended*): The Act aims to create an environment in which women can play an active role in society, and sets out a number of rules for women employment.

The July 2022 amendment added additional disclosures as provided below.

- **Required Disclosures:** A company with more than 101 employees is required to formulate and submit an action plan and to publish information on the activities of women employees (e.g., the percentage of female workers employed, the difference in average length of service between men and women, the status of working hours, the percentage of female workers in management positions). A company with more than 301 employees is required to disclose all previously required disclosures and additional information regarding gender pay gap.

Other Key Laws and Regulations

- **Corporate Governance:** In Japan, corporate governance regulations are governed by the Companies Act (Act No. 86 of 2005, as amended). While details are omitted here, the Companies Act stipulates various systems, including corporate governance structures, board of directors systems, and internal control systems.
- **Statutory employment rate of people with disabilities:** Act to Facilitate the Employment of Persons with Disabilities

(Act No. 123 of July 25, 1960, as amended) aims to implement measures to ensure equal opportunities and treatment in employment for persons with and without disabilities, and to enable persons with disabilities to make effective use of their abilities. A company with more than 40 employees is required to hire a certain percentage of persons with disabilities, is prohibited from discriminating against persons with disabilities, and is obligated to provide reasonable accommodations. Based on an announcement from MHLW, the statutory employment rate that was raised in 2024 is scheduled for a further increase.

- **Labeling:** Concerns about greenwashing are growing worldwide, including Japan. “Greenwashing” generally means the act of promoting products as “sustainable” “biodegradable” or “environmentally conscious” without any substantive or scientific grounds in an attempt to attract consumers. In Japan, this may constitute a violation of the Act against Unjustifiable Premiums and Misleading Representations (Act No. 134 of May 15, 1962, as amended). MOE published the “Environmental Labeling Guidelines” in 2013, which should also be referenced.





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Separately, environmental labels (e.g., Eco Mark, Green Mark) can be obtained or displayed to the products subject to conditions. The voluntary standards to conform, such as ISO (International Organization for Standardization: e.g. 14001, 14020, 14024, 14068) or JIS (Japanese Industrial Standards: e.g. Q14001, Q15001), are also broadly recognized in ESG field. Applying and obtaining these environmental labeling may appeal to customers and investors, however, labels vary widely depending on the implementing body, and thus the standards and requirements are not uniform.

- **Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc.:** In March 2023, FSA amended the “Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc.”, given the increase in number of investment products, which incorporate ESG factors in their names and investment strategies, but whose actual investments may not be commensurate with their ESG claims. The guideline includes how ESG funds should disclose their names, ESG factors and strategies, portfolio construction, status of management, as

well as what analysis should be made to determine if a fund has adequate resources for its selected strategies or to determine the quality of its ESG rating.

- **The Green Bond and Sustainability-Linked Bond Guideline:** In November 2024, MOE updated the “Green Bond and Sustainability-Linked Bond Guidelines” (“GBSLBG”). GBSLBG aims to provide issuers, investors, and other market participants with examples and interpretations relating to Green Bonds for the Japanese market while being consistent with the Green Bond Principles. GBSLBG focuses on four core elements: (i) the use of proceeds, (ii) process for project evaluation and selection, (iii) management of proceeds, and (iv) reporting. Additionally, GBSLBG outlines how the bond framework should be explained and how external reviews should be conducted and disclosed.
- **Social Bond Guideline:** In October 2021, FSA published the Social Bond Guideline, which aims to popularize Social Bonds by providing examples and interpretations that are appropriate to the situation in Japan, while being consistent with the ICMA Social Bond

Principles. Although not legally binding, most financial projects involving social bonds in Japan would be subject to this guideline. The guidelines provide expected elements of Social Bonds and examples of possible approaches from: (i) use of raised funds; (ii) project evaluation and selection process; (iii) management of raised funds; and (iv) reporting.

- **National Action Plan on Business and Human Rights 2020-2025:** Currently, Japan has no laws that directly and comprehensively regulate “business and human rights”. In October 2020, the Inter-Ministerial Liaison Conference formulated “the National Action Plan on Business and Human Rights 2020-2025” to promote respect for human rights in corporate activities. This does not directly regulate the company to comply with the rules but indicates the government’s fundamental attitude towards business and human rights and encourages the following five basic principles.
 - (i) Promoting understanding and raising awareness of “business and human rights” among the government, local governments, and other entities;





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The ESG regulatory landscape – a global patchwork

- (ii) Promoting understanding and raising awareness of “business and human rights” among companies;
- (iii) Promoting understanding and raising awareness of human rights throughout society;
- (iv) Establishing mechanisms to promote respect for human rights in supply chains; and
- (v) Establishing and improving mechanisms for redress when human rights violations occur.

■ **Guidelines on Respecting Human Rights in Responsible Supply Chains:** In September 2022, the Japanese government published the “Guidelines on Respecting Human Rights in Responsible Supply Chains” (“Human Right Due Diligence Guideline”), the first sector-wide human rights due diligence guidelines. While it is not legally binding, implementation is expected regardless of a company’s size or industry sector. Furthermore, in April 2023, METI published the “Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains”, which provides a more concrete and

practical illustration of the human rights initiatives outlined in the Human Right Due Diligence Guidelines.

This Human Right Due Diligence Guidelines primary requires the company to follow below:

- (i) Establishing a Human Rights Policy: Clearly communicating the company’s commitment to fulfilling its responsibility to respect human rights to internal and external stakeholders;
- (ii) Conducting Human Rights Due Diligence: Identifying adverse human rights impacts within the company, its group companies, and suppliers, preventing and mitigating them, evaluating the effectiveness of measures, and explaining and disclosing how they were addressed; and
- (iii) Remedy: When it becomes clear that a company caused or contributed to adverse human rights impacts, implement remedies or cooperate in implementing remedies.





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What this means for in-house counsel:

Monitor Upcoming Enforcement:

Disclosure obligations based on SSBJ standards are scheduled to be phased in over the next several years.

Preparing for these requirements demands significant time and resources, necessitating early action. For companies, establishing information collection systems and data infrastructure in anticipation of future mandatory requirements is essential.

Enhancing Corporate Visibility:

Complying with not only the laws and regulations but also non-binding guidelines, displaying environmental labels or the conformity to their standards, and implementing human rights due diligence, may enhance corporate visibility and image.

While listed companies are practically obliged to deal with ESG matters due to the disclosure of information as outlined above, it is equally important for unlisted companies to implement ESG initiatives. Since there are many guidelines, initiatives and standards other than stated above, it is important for in-house counsel to find out what is necessary for the company's specific situation.

Risks for Ignoring ESG:

Companies with insufficient efforts may face disadvantageous treatment from business partners or investment withdrawal may be considered.

Furthermore, if the media point out inadequate initiatives, tangible problems such as damage to corporate image and declining sales are likely to arise. It also carries the risk of escalating into litigation.





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The ESG regulatory landscape – a global patchwork

The United States perspective: a deeply divided landscape

ESG policy in the U.S. is increasingly shaped by two opposing trends:

1

A federal reversal

The Trump Administration is actively dismantling ESG policies, reversing climate and DEI initiatives.

2

State-level polarization

“Red” states (e.g., Texas) are restricting ESG efforts, while “Blue” states (e.g., California) are doubling down on ESG regulations.

This divide is expected to widen in the coming year, with the federal government opposing ESG measures, while large Democratic-led states push aggressive counter-measures within their jurisdictions.





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The ESG regulatory landscape – a global patchwork

Factors impacting the current climate include:

1. The SEC's climate disclosure rule: dead on arrival?

- The SEC finalized its climate disclosure rule under the Biden Administration in early 2024, requiring public companies to report climate risks and emissions.
- The rule faced immediate legal challenges, and its implementation was stayed.
- The Trump Administration will not defend the rule in court, ensuring its effective demise —either through litigation or repeal.

What this means for in-house counsel:

ESG reporting obligations are now in flux—companies may need **contingency plans**.

Expect increased reliance on **state-led disclosure mandates** (e.g., California's Climate Accountability Package).

Companies should align with **voluntary global ESG standards** to maintain investor confidence.





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Factors impacting the current climate include:

2. DEI under attack: sweeping federal rollbacks

The Trump Administration considers DEI policies both illegal and immoral, leading to systemic dismantling through direct policy changes and financial leverage. Key actions include:

Eliminating DEI in federal agencies & contracts

- Executive Orders ending DEI training programs and barring affinity groups.
- Termination of federal employees with DEI-related responsibilities.
- Repeal of a 1960s workplace equal opportunity order.
- Withdrawal of DEI-related grants and contracts.

- New federal contracts require companies to certify they do not operate DEI programs that “violate federal anti-discrimination laws.”

Cutting funding & blacklisting institutions

- Sanctions on multiple large law firms, and directives for the Attorney General to investigate large law firms’ compliance with anti-discrimination laws.
- Hiring bans on Georgetown Law graduates by the Interim U.S. Attorney for D.C., citing the school’s DEI programs.
- \$400 million in federal funding cut from Columbia University, with dozens of other institutions under review.

Rolling back environmental justice policies

- Dissolution of environmental justice departments within federal agencies.
- Termination of ongoing enforcement actions tied to environmental justice claims.
- Rescission of executive orders requiring agencies to consider environmental justice in decision-making.





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The ESG regulatory landscape – a global patchwork

What this means for in-house counsel:

Companies with **federal contracts or grants** must reassess their **DEI policies** to avoid legal risks.

Expect **state-led challenges** to federal DEI rollbacks in Blue states

Monitor enforcement trends—litigation risks for corporate DEI programs may rise.





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The ESG regulatory landscape – a global patchwork

Factors impacting the current climate include:

3. Federal Trade Commission (FTC) & Green Guides: what's next?

- The FTC's Green Guides, which provide principles for environmental marketing claims, remain unchanged.
- The Trump Administration is expected to secure a 3-2 conservative majority on the FTC Board in 2025.
- Potential revision or weakening of the Green Guides could:
 - Reduce federal oversight on environmental claims.
 - Trigger state-level legislative responses.

What this means for in-house counsel:

Watch for **FTC action on the Green Guides**—weakening them could **increase exposure to state-level greenwashing lawsuits**.

Ensure **marketing claims remain defensible**, as **state attorneys general are actively policing greenwashing**.

Consider **voluntary adherence to stricter global standards** (e.g., ISO 14021) to maintain credibility.





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The ESG regulatory landscape – a global patchwork

Factors impacting the current climate include:

4. State-level ESG litigation: greenwashing & anti-ESG lawsuits

Blue state ESG enforcement

- Democratic state attorneys general are ramping up greenwashing lawsuits, targeting misleading environmental claims.
- Recent cases:
 - California v. Exxon Mobil & 12 other oil companies
 - Accused of a decades-long deception regarding the environmental impact of plastics (2024).
 - New York v. JBS USA Food Company – Alleged false net-zero claims, arguing that proven agricultural practices to achieve net-zero do not exist (2024).

Red state anti-ESG litigation

- Republican attorneys general are challenging ESG investment practices.
- Texas, Mississippi, and Tennessee lawsuits (2024):
 - Target asset managers for allegedly manipulating markets through climate-focused investment strategies.
 - Texas AG claims ESG investing distorts energy markets and harms consumers.

What this means for in-house counsel:

Marketing scrutiny is increasing — ensure ESG claims are verifiable.

Financial institutions face growing litigation risks from both pro- and anti-ESG lawsuits.

Red states are aggressively challenging ESG investing—review investment policies for potential legal exposure.





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Factors impacting the current climate include:

5. ESG & climate disclosures: state-by-state battlelines

- California's Climate Accountability Package leads Blue state efforts with:
 - Mandatory disclosure of Scope 1, 2, and 3 GHG emissions.
 - Climate risk reporting in line with TCFD standards.
 - New transparency requirements for voluntary carbon markets.
- Red states counteract with anti-ESG laws, prohibiting ESG considerations in public investment decisions (e.g., pension funds).
- Florida leads a coalition of 18 conservative states (formed in 2023) to coordinate anti-ESG policy initiatives.

What this means for in-house counsel:

Multistate compliance is increasingly complex—companies must navigate conflicting ESG obligations.

Prepare for industry-led ESG disclosures—as federal mandates stall, market-driven ESG reporting may fill the gap.

Monitor litigation risks—especially around climate-related investment strategies and marketing claims.





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The ESG regulatory landscape – a global patchwork

Final Thoughts: ESG Compliance in a Deeply Divided U.S.

Federal ESG reversals create significant legal uncertainty.

State-level ESG initiatives are becoming the primary battleground.

Companies must adopt flexible, multi-jurisdictional ESG strategies.

Key action steps for legal teams:

Track state-level regulations

ESG compliance will be dictated by individual state policies.

Ensure ESG claims are robust

Greenwashing enforcement is escalating.

Anticipate federal rollbacks

Businesses reliant on federal ESG policies may need alternative strategies.

Align with global ESG standards

International investors and stakeholders expect continued ESG transparency.





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The ESG regulatory landscape – a global patchwork

The Mexican perspective: Fragmentation & Soft Law versus Emerging ESG Pressures

Mexico's ESG regulatory framework remains fragmented and primarily guided by soft law. However, recent legislative proposals and institutional efforts suggest a slow but clear shift toward mandatory ESG expectations; particularly for high-impact sectors.

Current ESG Landscape

- Mandatory ESG disclosure is limited to listed companies and financial institutions, with no general reporting obligations for private entities.
- Greenhouse gas reporting is required for high-emitting facilities under environmental and climate laws.
- Labor laws offer workplace-level human rights protections but do not impose broader supply chain due diligence.
- Sustainability Information Standards (NIS) issued by the Mexican Financial Reporting Standards Board (CINIF) will gradually apply from 2026, requiring companies to disclose environmental, social, and governance risks, including water use, labor practices, and climate risks.

- Mexican Financial Reporting Standards (NIF) are being updated to incorporate sustainability criteria aligned with ISSB global standards.

Soft Law and Consumer-Facing Instruments

- SEMARNAT's Guide to Labels for Sustainable Consumption provides guidance on credible environmental labels, distinguishing between voluntary and mandatory claims. It promotes consumer awareness and aims to discourage greenwashing, although it remains non-binding.
- Mexico's Sustainable Taxonomy, developed by the Ministry of Finance, is a financial policy tool, not an ESG compliance instrument, that aims to classify economic activities with positive environmental

or social impacts. It focuses on:

- Mitigation and adaptation to climate change.
- Gender equality.
- Encouraging capital flows toward sustainable activities.

Covered sectors include: agriculture and forestry, energy and water, construction, manufacturing, transport, and waste management.





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The ESG regulatory landscape – a global patchwork

Legislative Shifts and Future Outlook

Multiple initiatives may reshape the ESG landscape:

- Draft General Law on Circular Economy: Would introduce obligations for waste minimization, eco-design, and lifecycle analysis.
- Proposed General Law on Corporate Responsibility and Due Diligence: Would impose mandatory human rights and environmental due diligence across supply chains.
- Draft General Law on Waters: Could redefine water access rights and increase compliance obligations for companies that rely on national waters for operations.

Certain regulators, including CNBV (banking/securities) and ASEA (hydrocarbons), are also raising ESG expectations through sectoral rules, particularly around climate risk and sustainable finance.

What this means for in-house counsel:

Stay ahead of soft law developments.

Instruments like SEMARNAT’s labeling guide signal future regulatory trends and offer early compliance benchmarks.

Anticipate convergence with global standards.

Proposed legislation and investor pressure may accelerate alignment with EU-style ESG requirements.

Monitor the implementation of the NIS and forthcoming NIF updates. These instruments will play a critical role in shaping the ESG disclosure landscape in Mexico.

Strengthen voluntary frameworks. Proactive use of third-party certifications and international reporting standards can mitigate reputational and regulatory risks in a still-evolving system.





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How we
can help

We understand that no two businesses face the same ESG challenges.

Our tailored legal solutions help companies navigate the complexities of ESG regulation while aligning compliance efforts with broader business objectives. Our global team provides strategic, practical guidance that includes:

Complimentary Online Tools:

We developed our award-winning suite of free, interactive online tools to support you as you navigate the complexities of ESG in today's business world, including:

ESG Global Vision

An interactive global guide that provides a country-by-country breakdown of the regulation, laws, and voluntary standards that impact ESG-related issues in each jurisdiction.



ESG Regulatory Alerts

Created to help you keep abreast of regulatory developments and horizon scan for risks, our tool allows you to access breaking news and the latest thought leadership in the regulatory space.



ESG Litigation Guide

Allows quick access to targeted information about ESG disputes around the world.



The ESG Academy

A free video and podcast series that breaks down the key ESG issues impacting business today.



HER: The Hogan Lovells ESG Risk Reader

Helps users gain a deeper understanding of ESG risks that may impact their organizations and how they can mitigate them.



Flat-fee Regulatory Monitoring Services:

We know our clients want predictable, transparent costs for tailored services, so we have created a suite of streamlined flat-fee ESG monitoring and assessment products designed to provide you with the business-critical guidance you need at a manageable cost, including a bespoke cross-border regulation tracker, quarterly reporting, briefing calls, and workshops to help you optimize your ESG commitments.

Regulatory Mapping & Gap Analysis:

We provide a cross-border comparative analysis of ESG regulations, helping businesses identify inconsistencies, risks, and areas where voluntary best practices can strengthen compliance. This enables companies to develop a cohesive ESG strategy that aligns with multiple regulatory frameworks—from EU CSRD and SFDR to U.S. state-level regulations and emerging APAC standards.

Harmonized ESG Compliance Strategies:

With conflicting mandates across jurisdictions, a one-size-fits-all approach is no longer feasible. We help companies develop flexible yet robust ESG compliance programs that meet the strictest regulatory standards while allowing for adaptability in less prescriptive regions. This includes integrating IFRS S1 and S2, TCFD, and other global frameworks to ensure consistency and future-proofing compliance efforts.

Crisis Management & Risk Mitigation:

As ESG enforcement actions, shareholder activism, and litigation risks increase, businesses need a proactive risk management approach. Our team supports clients facing regulatory scrutiny, greenwashing claims, and activist challenges, offering legal defense strategies, internal audits, and regulatory engagement guidance.

Sustainable Business Advisory:

Beyond compliance, companies that strategically integrate ESG into their operations can drive long-term value creation. We advise on corporate governance, sustainable investments, and stakeholder engagement, helping businesses align ESG initiatives with investor expectations, brand reputation, and financial performance.

Contact us

today to discuss a custom ESG risk assessment, jurisdictional regulatory review, or for a further discussion of how we can help you navigate this fast-moving space.

An aerial photograph of a winding asphalt road that snakes through a vast landscape of rolling, green hills. The hills are covered in dense vegetation, and the road curves through the valleys and over the ridges, disappearing into the distance. The sky is overcast with soft, grey clouds.

5

Our track
record

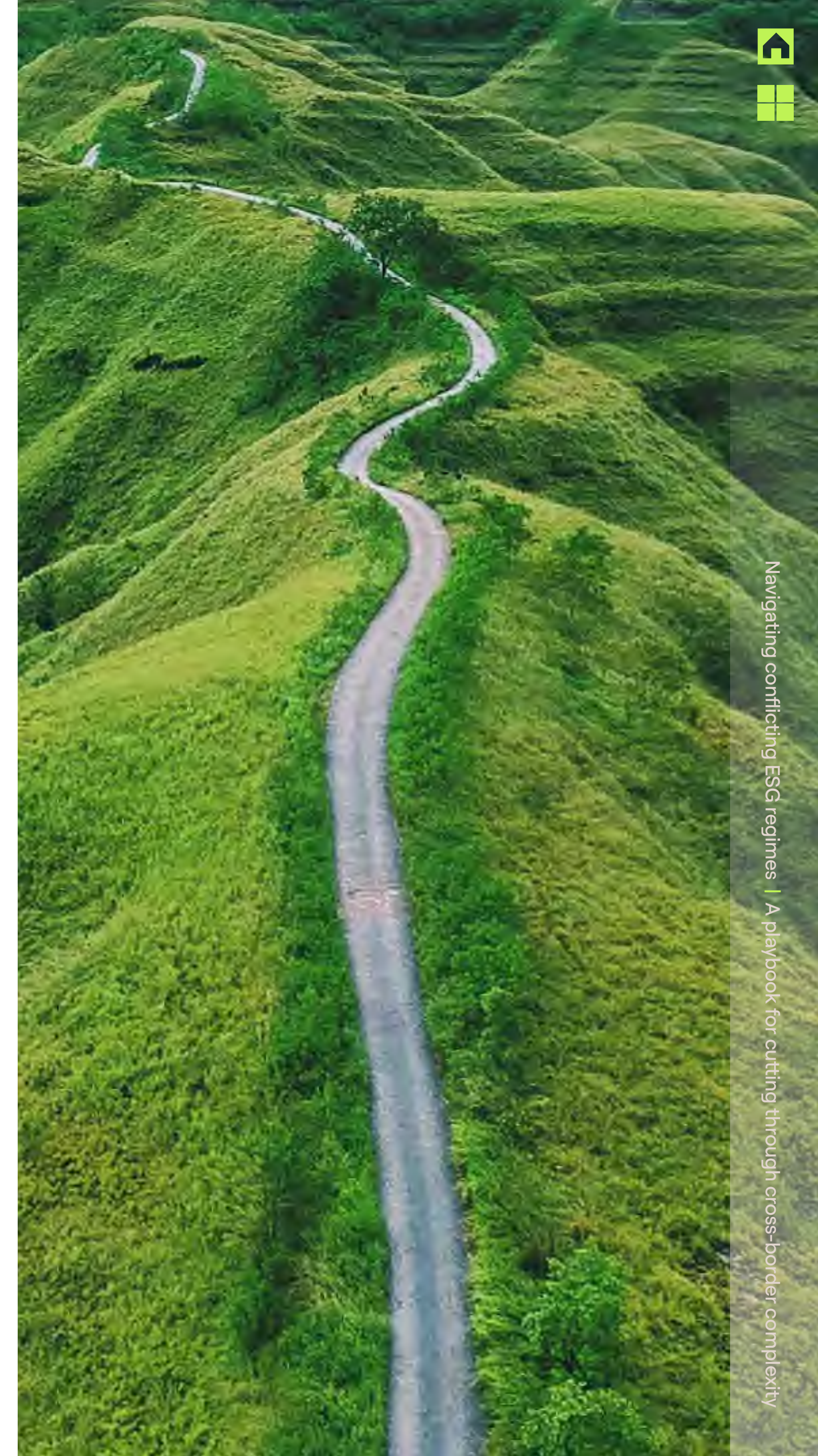
Our global ESG team, which includes dozens of country specialists across all major jurisdictions, guide multinational clients across industries who are struggling to determine how the rapidly proliferating global ESG regulatory infrastructure will impact them.

Some recent examples of how they have innovatively crafted first-of-their-kind global regulatory compliance solutions include:

- Navigating clients' sensitive issues that arise from their CSRD double materiality assessments, frequently due to jurisdictional differences within an organization. Our cross-border team then works closely with these clients in order to achieve a satisfactory outcome, taking into account the distinction between "materiality" under different regimes. This is high stakes work that involves confidential, sensitive and privileged information.
- Acting as ESG counsel for clients with global operations and dual-headquarters in order to help them manage their ESG compliance obligations on both a global and regional level. Our core team acts as the lead facilitator in order to provide seamless advice that covers multiple jurisdictions and different types of ESG-related regulations, including Board-level advice and presentations.
- Working closely with our specialists across the EU, US, and APAC to monitor comments from national regulators regarding compliance with CSRD, SFDR, EU Taxonomy, and non-EU ESG reporting regimes in order to provide clients with the most consistent and informed approach to global reporting.
- Partnering with our unique in-house Science Unit, comprised of post-doctoral scientists experienced with climate change, biodiversity, nature positive solutions and metrics related to the reporting of sustainability performance indicators, to help clients evaluate whether their double materiality assessment and value chain delineation meet regulatory requirements. Our Science Unit advises on the practical considerations / implementation, while the lawyers manage the compliance aspects, creating a distinctive and valuable "one stop" service for clients.



- Partnering with clients' appointed audit teams and consultants in order to prepare for compliance with the limited assurance opinion requirements, including advising a member of the Big Four accountancy firms on how to prepare to meet the new CSRD requirements for statutory auditors and independent assurance providers.
- Assisting clients around the world with preparing and/or reviewing draft ESG-related disclosures and conducting and presenting gap analyses and recommendations, with a practical focus on creating best practice whilst acknowledging the considerations of the different obstacles.
- Advising clients from numerous jurisdictions and sectors on all aspects of the CSRD and ESRS: performing scoping and applicability assessments, advising on the advantages / disadvantages of reporting options and the implementation of the double materiality assessment and drafting template sustainability statements.
- Advising a Net Zero Asset Owner Alliance member on the legal risks associated with remaining a member of the Alliance at the height of multiple members exiting after State AG's claimed members were violating antitrust law.
- Representing a major proxy advisory firm in the financial services industry on multiple inquiries from State AGs as well as Congressional leaders relating to ESG matters.
- Representing a major global food and beverage retailer in a dispute with a U.S. consumer advocacy organization on claims that our client markets its products as ethically sourced while allegedly sourcing from farms engaging in human rights abuses, a case that carries broader implications.
- Representing the Ministry of the Environment, Nature Conservation and Transport of a large German state to provide critical legal insight on the constitutionality of the proposed Resource Protection Act NRW, underscoring our commitment to providing risk-focused advice on ESG valuation and management that supports our clients' goals in ESG and sustainability initiatives.
- Advising clients on the implementation of the French Law on the Duty of Vigilance (design of the plan required by the French law and identification of potential human rights risks) and the upcoming obligations under the CS3D.
- Advising several companies on greenwashing risks associated with advertising campaigns in France.
- Advising various global companies on global ESG Compliance, including the implementation of the German Supply Chain Act, the EU Deforestation Regulation, the EU Battery Regulation and the EU Corporate Sustainability Due Diligence Directive.





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us

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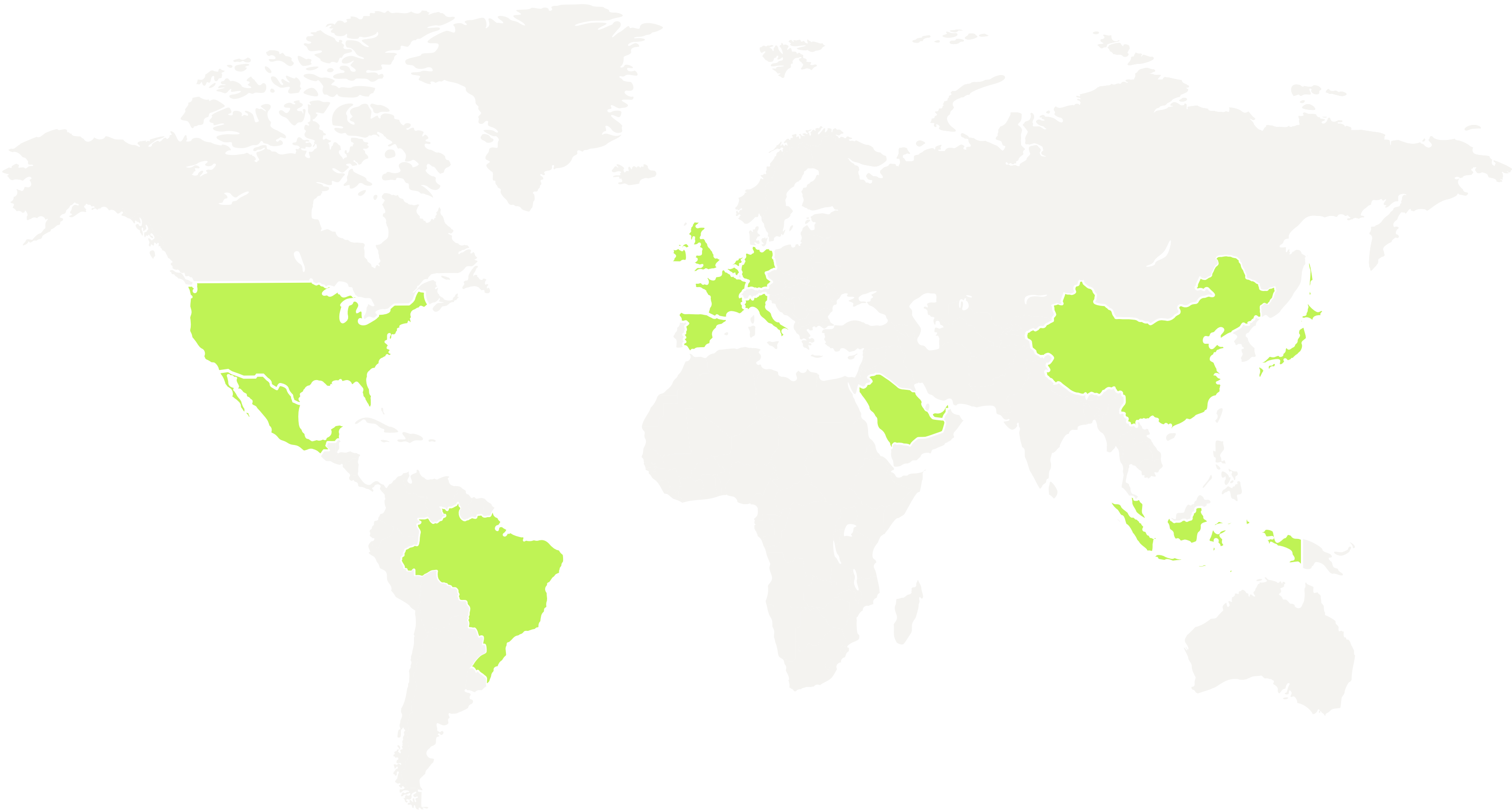
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