SGV Shape the future with confidence

Public Policy Sustainability Bulletin

April 2026 | EY Global Public Policy

This month, we explore the latest global sustainability policy updates across the following themes:

1. Developments in sustainability reporting and disclosures
2. Additional developments in sustainability policy and governance
3. Carbon markets, pricing and trade
4. Spotlight: Alignment of industrial strategies and the green transition

Please note that developments are fluid, and this edition is current as of 3 April 2026.

Developments in sustainability reporting and disclosures

ISSB meets to discuss nature-related disclosures

On 25 and 26 February, the International Sustainability Standards Board (ISSB) met for its February meeting and agreed to rename its Biodiversity, Ecosystems and Ecosystem Services (BEES) standard-setting project to the Nature-related Disclosures project. The Board discussed core terms and concepts, such as nature-related risks (which include both physical and transition risks), and agreed that some would be formally defined while others would be described. In addition, the Board "tentatively decided" to "provide additional guidance" on "the connections between climate- and nature-related risks and opportunities." The ISSB has said it intends to release an exposure draft on nature-related disclosures in October of this year.

Enhancing the SASB Standards

On 26 March, the ISSB published an exposure draft proposing amendments to three prioritized Sustainability Accounting Standards Board (SASB) Standards: Agricultural Products; Meat, Poultry & Dairy; and Electric Utilities & Power Generators. The proposed amendments aim to enhance industry-specific metrics, disclosure topics and supporting technical guidance, to enhance international applicability and support interoperability with other sustainability-related standards and frameworks. The proposals form part of the ISSB's ongoing enhancements program and are open for comment, with the comment period closing on 24 July 2026.

Developments in sustainability reporting and disclosures (continued)

Growing global adoption of ISSB-aligned standards

Over recent months, several jurisdictions have advanced plans to adopt sustainability reporting rules aligned with the ISSB's model standards. As discussed in last month's Bulletin, both South Korea and Indonesia (*link in Indonesian only*) have published roadmaps for implementation of such rules. More recently, on 4 March, the Philippine Securities and Exchange Commission launched a capacity-building program to support implementation of its ISSB-aligned sustainability reporting framework to strengthen governance, controls, and data systems for high-quality disclosures.

In addition, on 25 February, the Accounting and Auditing Board of Ethiopia (AABE) launched a consultation on a staged framework for a disclosure framework aligned with the ISSB standards. Further, on 23 February, Nigeria's Financial Reporting Council finalized an amendment to its adoption roadmap, incorporating the recent amendments to IFRS S2. And on 9 February, the Zimbabwean Public Accountants and Auditors Board (PAAB) published a roadmap outlining its proposed implementation approach.

IFRS Foundation support for jurisdictional ISSB adoption

On 24 February, the IFRS Foundation released a Jurisdictional Readiness Assessment Guide and tool to support jurisdictions in assessing their preparedness to adopt ISSB-aligned standards. The guide provides structured assessments of reporting ecosystems, entity readiness and supporting infrastructure, drawing on the experience of jurisdictions already progressing with adoption. These materials form part of the IFRS Foundation's Regulatory Implementation Programme and accompany broader transparency efforts.

Japan updates Scope 3 reporting requirements

On 13 March, the Sustainability Standards Board of Japan (SSBJ) updated Scope 3 emissions requirements to reflect recent amendments (*link in Japanese*) to IFRS S2, including flexibility to limit disclosures for loans and investments, and use classification systems beyond the Global Industry Classification Standard. The changes ensure functional alignment with ISSB standards and support consistent international reporting.

New Zealand issues sustainability assurance and ethics standards

On 12 March, New Zealand's External Reporting Board (XRB) issued new standards for sustainability assurance engagements and ethics, establishing a permanent framework that aligns with new global benchmarks from the International Auditing and Assurance Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA). The standards apply to reporting periods beginning 15 December 2026.

Developments in sustainability reporting and disclosures (continued)

Consultation on UK Sustainability Reporting Standards

On 20 March, the UK Financial Conduct Authority (FCA) closed a consultation proposing that certain listed entities report under UK Sustainability Reporting Standards (UK SRS) for periods starting 1 January 2027, replacing existing requirements based on the Task Force on Climate-related Financial Disclosures (TCFD). The proposals would introduce mandatory climate disclosures (excluding Scope 3), alongside “comply-or-explain” requirements for Scope 3 emissions and broader sustainability (non-climate) disclosures. The FCA is expected to finalize the updated UK Listing Rules in autumn 2026.

European Commission requests technical advice on Article 8 Taxonomy disclosures

On 3 March, the European Commission issued a call for technical advice, inviting the European Supervisory Authorities (ESAs) for advice on its review of the Disclosures Delegated Act under Article 8 of the EU Taxonomy. The review builds on the 2026 Omnibus Delegated Act, aiming to simplify highly technical reporting areas while maintaining investor relevance and interoperability. Final advice is expected by October 2026.

California moves ahead with climate disclosure regulation

On 26 February, the California Air Resources Board (CARB) adopted rules implementing two climate disclosure laws: Climate-Related Financial Risk Act (SB 261) and the Climate Corporate Data Accountability Act (SB 253) . Companies with over US$1 billion in revenue are in scope for SB 253 and must report Scope 1 and 2 emissions by 10 August 2026, with Scope 3 reporting due to begin in 2027. SB 253 is subject to legal challenge, but courts have not suspended its implementation, and CARB continues to progress rulemaking, with a workshop on 23 March to discuss Scope 1 and 2 reporting deadlines and seek views on the structure of future Scope 3 reporting rules under SB 253. This marks the second phase of California’s emissions disclosure regulatory design following the February approval of foundational definitions and timelines.

SB 261 applies to companies with over US$500 million in revenue that operate in California. The first disclosures were originally due by January 2026; however, courts have suspended implementation of this law while ongoing litigation continues.

Argentina moves forward with sustainability disclosure requirements

On 2 March, the Argentine Securities and Exchange Commission (CNV) formally incorporated sustainability disclosures into its securities reporting framework. Resolution 1115/2026 (*link in Spanish only*) requires disclosure of companies’ sustainability policies and indicators, or a reasoned explanation for their absence. The new requirements apply to all entities already registered under the Public Offering Regime and those currently seeking authorization.

Additional developments in sustainability policy and governance

Calls for integrating sustainable development into WTO

On 24 March, the International Union for Conservation of Nature (IUCN) urged World Trade Organization (WTO) ministers to embed sustainable development as a core principle at its 14th Ministerial Conference. IUCN highlighted the need for trade policies aligned with biodiversity objectives, including the Kunming–Montreal Global Biodiversity Framework, and called for strengthened coherence with multilateral environmental agreements, reform of environmentally harmful subsidies, and enhanced support for nature-positive trade, particularly for developing economies and Small Island Developing States (SIDS).

Singapore strengthens sustainable finance and climate risk capabilities

On 12 March, at the Sustainable and Green Finance Institute (SGFIN) Sustainability Summit, Ms. Indranee Rajah announced measures under the Singapore Green Plan 2030 to accelerate sustainable development — outlining investments in nature-based solutions, building decarbonisation and coastal protection. The government confirmed a rising carbon tax trajectory, expanded mandatory climate-related disclosures and continued sovereign and statutory green bond issuances, while new workforce initiatives include Environmental, Social and Governance (ESG) legal secondments, sustainable finance training and an upskilling program for financial services practitioners. These initiatives aim to strengthen expertise in sustainable finance and climate risk across financial, legal and accounting sectors.

European Commission launches consultations on renewable energy and energy efficiency frameworks

On 20 March, the European Commission opened two public consultations to shape the post-2030 legal frameworks for renewable energy and energy efficiency, with calls for evidence due by 16 April and consultation responses due by 12 June. The renewable energy consultation explores options for meeting the EU's 2040 target of a 90% reduction in greenhouse gas emissions, including whether to retain national contributions or adopt an EU-level clean energy target. The energy efficiency consultation assesses the performance of the Energy Efficiency Directive (EED) and considers potential streamlining and integration with related legislation to accelerate investment, reduce demand and peak loads, and support electrification.

European Commission looks to revise EU water legislation

On 17 March, the European Commission opened a four-week call for evidence to inform a revision of the Water Framework Directive, with the aim of removing regulatory bottlenecks that hinder circularity and access to critical raw materials. The review supports the RESourceEU Action Plan and Water Resilience Strategy, seeking to maintain high environmental and health standards while strengthening EU strategic autonomy. Stakeholders are invited to submit evidence by 14 April 2026.

Additional developments in sustainability policy and governance (continued)

EUMercosur trade agreement is finalized

On 27 February, the European Union (EU) and Mercosur concluded a trade agreement to reduce tariffs on industrial and agri-food goods, open government procurement markets and enhance access to critical raw materials essential for the green transition. The deal aims to boost global partnerships while protecting farmers, consumers and environmental standards, with safeguards to limit sensitive imports such as beef and poultry. Sustainability commitments include biodiversity protection, workers' rights and alignment with the Paris Agreement.

Carbon markets, pricing and trade

Report finds emissions trading systems are key in strengthening climate ambition

On 11 March, the International Carbon Action Partnership (ICAP) released analysis underscoring the importance of emissions trading systems (ETS) in achieving more ambitious climate targets. As jurisdictions expand ETS coverage, the report notes that scope expansion can improve efficiency and market liquidity, but can also introduce design and political challenges. The report provides structured guidance for policymakers, drawing on global case studies to address price caps, market stability mechanisms and stakeholder concerns.

First EU CBAM certificate price to be published

On 6 March, the European Commission confirmed that 2026 quarterly Carbon Border Adjustment Mechanism (CBAM) certificate prices will be calculated using EU ETS auction averages, and the first price was published on 7 April. The quarterly price is a transitional mechanism, ahead of weekly pricing being introduced from 2027. This framework supports the operational rollout of the EU's carbon border regime.

VCMI releases playbook for African validation and verification bodies

On 26 February, the Voluntary Carbon Markets Integrity Initiative (VCMI) published a playbook to set out the steps required to build Africa-based validation and verification body (VVB) capacity, to improve the efficiency of the continent's carbon credit market and unlock socio-economic benefits. With significant project delays and cost overruns attributable to VVB bottlenecks, the report identifies priority actions including accreditation pathways, regional hubs, digital monitoring tools and targeted financial de-risking to strengthen integrity, reduce delays and support Article 6 market participation.

EY interview highlights Ethiopia's carbon market potential

On 24 March, an EY article examined how high-integrity carbon credits can help deliver the goals of the Paris Agreement while scaling investment in emerging markets. The interview with Jan de Jong (Nedamco Capital), Philippa Raal (MUFG Bank (Europe) N.V.) and Remco Bleijs (EY), highlights growing demand from the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the role of listed instruments on the Intercontinental Exchange (ICE), and advances in digital measurement, reporting and verification to enhance transparency and reduce greenwashing risks. A case study on Ethiopia's Green Legacy Initiative shows how robust carbon programs can finance reforestation and improve local livelihoods.

Chile issues new Article 6 rules

On 11 March, Chile released four technical resolutions for governance, methodological standards and integrity requirements for mitigation activities under Article 6 of the Paris Agreement. The rules form part of Chile's broader effort to operationalize its participation in international carbon markets under the Paris Agreement.

Spotlight

Alignment of industrial strategies and the green transition

Major economies are aligning competitiveness with the demands of the energy transition. Taking examples from the EU and China, we see policymakers moving toward state-enabled, market-driven industrial transformation that seeks both economic resilience and emissions reduction.

On 13 March, China approved its 15th Five-Year Plan (2026–2030), setting a long-term agenda focused on high-quality development and modernization. The plan prioritizes cultivating "new quality productive forces" through scientific and technological innovation, upgrading traditional industries and fostering emerging and future-oriented sectors. It strengthens commitments to clean energy, energy efficiency and pollution reduction while addressing structural challenges, including demographic pressures and uneven development, to ensure sustainable and inclusive long-term growth.

Moreover, on 14 March, complementing its broader industrial strategy, Chinese authorities and research institutions released the *China Geothermal Industry Development Report 2025*, outlining growth targets to 2035. China currently leads the global geothermal heating market, reaching 1.65 billion m^2 of geothermal heating and cooling capacity in 2025, with projected expansion to 3 billion m^2 by 2035. The report also aims for 500 MW of geothermal power generation, supported by new high-temperature resource discoveries, emerging pilot plants, and the establishment of the National Key Laboratory of Deep Geothermal. These measures reflect China's strategy to diversify clean-energy sources and build domestic expertise in emerging technologies with long-term export potential.

Meanwhile, on 10 March, the European Commission published its Clean Energy Investment Strategy, estimating that €660 billion per year is required until 2030 to deliver the energy transition, increasing to €695 billion between 2031 and 2040. The plan emphasizes the need for leveraging private finance, complemented by targeted public funds and over €75 billion of financing from the European Investment Bank (EIB) over the next three years. Key aims of the strategy include improved access to finance for grid operators, de-risking mechanisms for emerging and clean technologies, and a new Energy Transition Investment Council to align public policy with investor needs.

In addition, on 4 March, the European Commission proposed the Industrial Accelerator Act (IAA) to strengthen EU manufacturing, increase demand for low-carbon European-made technologies and support industrial adoption of cleaner production methods. The proposal introduces targeted "Made in EU" and low-carbon requirements for public procurement in strategic sectors, alongside streamlined digital permitting for energy-intensive industry decarbonization projects. The IAA also establishes safeguards for major foreign investments in critical industries to ensure value creation, innovation and high-quality employment within the EU. The proposal will be negotiated by the European Parliament and the Council of the European Union before it can be adopted and enter into force.

Contact us

Benjamin N. Villacorte
Sustainability Services Leader
Benjamin.N.Villacorte@ph.ey.com

Katrina F. Francisco
Partner, Sustainability Services
Katrina.F.Francisco@ph.ey.com

Glenda C. Anisco-Niño
Partner, Audit, Financial Services Organization and Sustainability Services
Glenda.C.Anisco-Nino@ph.ey.com

Bonar A. Laureto
Principal, Sustainability Services
Bonar.A.Laureto@ph.ey.com

Julia Tay
Partner and EY Asia-Pacific Public Policy Leader
Julia.Tay@sg.ey.com

Scan the QR code or click here to subscribe to SGV Sustainability Publications.

SGV
Shape the future with confidence

SGV | Building a better working world

SGV is the largest professional services firm in the Philippines. In everything we do, we nurture leaders and enable businesses for a better Philippines. This Purpose is our aspirational reason for being that ignites positive change and inclusive growth.

Our multidisciplinary teams work across a full spectrum of services in assurance, tax, strategy and transactions, and consulting. Enabled by data, AI and advanced technology, we help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

All in to shape the future with confidence.