

ESG Perspective

Key insights on the evolving ESG landscape, highlighting essential regulatory updates, market trends, and their real-world impact on businesses and policymakers



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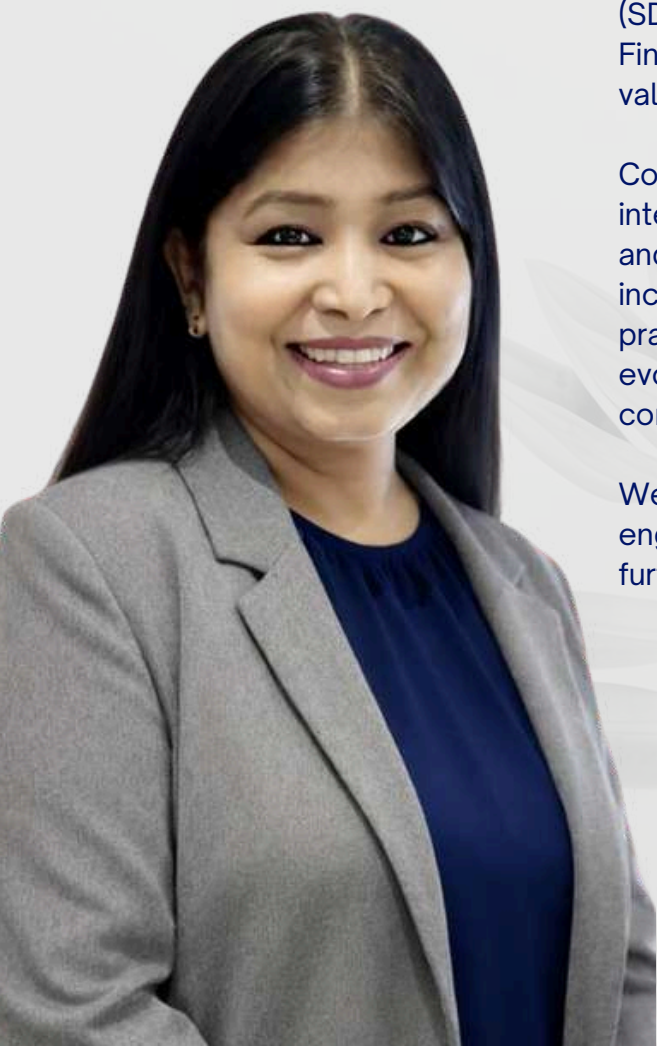
We are pleased to present the October 2026 edition of our ESG & Sustainability Newsletter, bringing together key regulatory, market and policy developments from across the global sustainability landscape.

If one theme defines this month, it is the shift from making sustainability claims to proving them. Across jurisdictions, regulators and standard setters are focusing on verified data, accredited verifiers and certifiable standards. Emissions must be measured and independently verified, carbon prices paid must be evidenced, and environmental claims must be substantiated before they reach consumers. At the same time, the United States' repeal of most power sector greenhouse gas (GHG) standards is a reminder that the global regulatory landscape remains uneven.

For Indian businesses, the most significant development this month is the UK's recognition of India's Carbon Credit Trading Scheme as a qualifying scheme for carbon price relief under the UK Carbon Border Adjustment Mechanism (CBAM), alongside the launch of India's Net Zero Portal and National Action Plan on Climate Change (NAPCC) Dashboard. Other highlights include the European Commission's new resources for CBAM verifiers, Abu Dhabi's mandatory GHG verification framework, first-year reporting guidance under California's SB 253, and the application of the European Union's (EU's) rules against greenwashing from 27 September 2026. On standards, International Organization for Standardization (ISO) and United Nations Development Programme (UNDP) launched ISO/UNDP 53001, the first certifiable management system standard for the Sustainable Development Goals (SDGs), while Verra and Taskforce on Nature-related Financial Disclosures (TNFD) expanded their frameworks for value chain climate action and nature-related disclosure.

Collectively, these developments reflect the growing integration of sustainability into policy, business strategy, and governance frameworks. They also underscore an increasing focus on transparency, accountability, and practical implementation as organizations work to meet evolving stakeholder expectations and sustainability commitments.

We sincerely appreciate the continued support and engagement of our readers and look forward to bringing you further ESG and sustainability insights in the editions ahead.



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CARBON MARKETS & CARBON PRICING

01

UK Recognises India's Carbon Credit Trading Scheme Under CBAM (August 27, 2026)

ESG Focus: Environment (E), Governance (G)

The UK Government, through HM Revenue & Customs, has published a provisional list of overseas carbon pricing schemes that meet the qualifying criteria for carbon price relief under the CBAM (Calculation of CBAM Rate and Determination of Carbon Price Relief) Regulations 2026. India's Carbon Credit Trading Scheme (CCTS) is included in the list, which HM Treasury subsequently confirmed to the Bureau of Energy Efficiency (BEE).

The update applies to UK importers of CBAM goods in the aluminium, cement, fertiliser, hydrogen, and iron and steel sectors, who are liable under the UK CBAM. It also indirectly affects Indian manufacturers exporting these goods to the UK.

UK importers may claim relief for the effective carbon price already paid under the CCTS, reducing CBAM liability and avoiding double carbon pricing. Eligibility for relief is limited to the actual carbon price paid, with emissions covered under free allowance schemes excluded from consideration. The value of relief is further adjusted to account for any rebates or refunds received. Accordingly, Indian exporters will be required to substantiate their emissions profile and carbon price payments through verified documentation provided to UK buyers.

The UK CBAM takes effect from 1 January 2027.



Verra Launches Scope 3 Standard Program to Strengthen Value Chain Climate Action (September 15,2026)

ESG Focus: Environment (E), Governance (G)

Verra has launched its Scope 3 Standard Program, a voluntary framework for quantifying, verifying, and certifying GHG emission reductions and removals generated through climate action projects within corporate value chains. The program introduces Scope 3 Units (S3Us), with each unit representing one tonne of CO₂ equivalent reduced or removed, providing a standardized and independent mechanism for recognizing climate outcomes in value chains.

The programme is relevant for project developers implementing value chain interventions and for companies addressing Scope 3 emissions. The initial methodologies cover agricultural land management and low-carbon concrete.

Version 1 took effect on 15 September 2026, allowing projects to be listed on the Verra Registry. Registration, verification and first S3U issuance will follow in future updates.

The Scope 3 Standard Program Version 1 became effective on 15 September 2026, enabling the listing of eligible projects on the Verra Registry, with future updates expected to facilitate verification, issuance, and reporting of S3Us.



European Commission Releases New Resources for CBAM Verifiers (September 28,2026)

ESG Focus: Governance (G), Environment (E)

The Directorate-General for Taxation and Customs Union, European Commission, has published a set of new resources to help the CBAM verifiers with verification, accreditation and access to the CBAM Registry. The updates bring together the guidance on CBAM verification and accreditation and the Registry access procedure, both published in August 2026. It adds new operational documents, including a user manual for the CBAM Registry – O3CI portal, and three training videos.

The resources are aimed at accredited CBAM verifiers and National Accreditation Bodies. They are also relevant for operators of non-EU installations producing CBAM goods, including Indian steel, aluminium and fertiliser exporters, whose emissions reports will be verified.

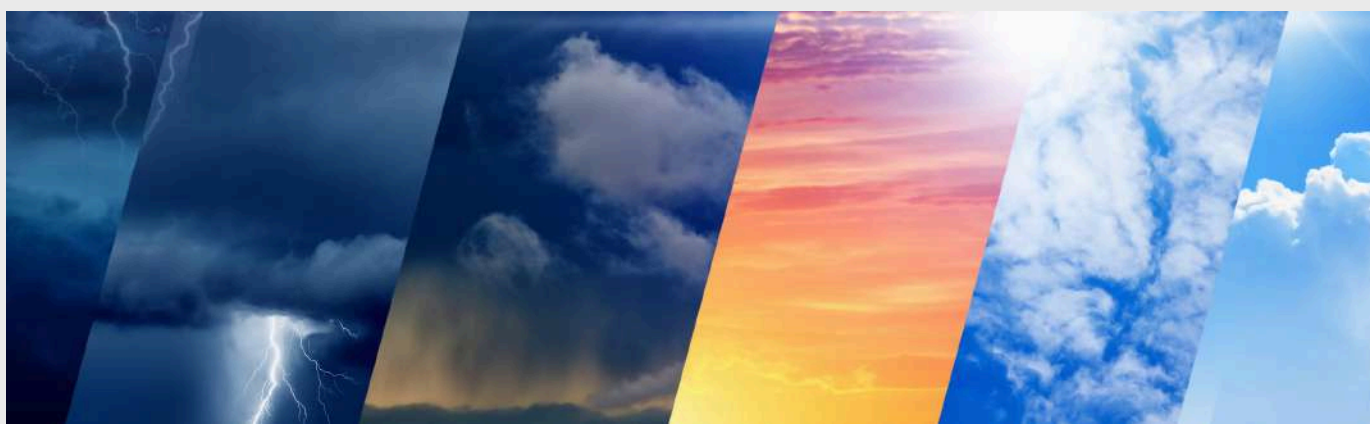


Under the CBAM definitive period, actual embedded emissions declared for goods imported from 1 January 2026 must be verified by an accredited CBAM verifier. With the first accreditations expected around September 2026, the resources help verifiers become operational ahead of the first annual CBAM declarations in 2027. Exporters should engage verifiers early so that their actual emissions data can be used.

The resources were published on 28 September 2026. Accredited verifiers can access the CBAM Registry from 1 September 2026 and must register within two months of accreditation.

CARB Issues Guidance for First-Year SB 253 Greenhouse Gas Reporting (September 01, 2026)

ESG Focus: Governance (G), Environment (E)



The California Air Resources Board (CARB) has released "California Corporate Greenhouse Gas Reporting: Guidance for SB 253 2026 Reporting Submittals" to support first-year reporting under the Climate Corporate Data Accountability Act (SB 253). The guidance creates no new requirements. It confirms CARB's enforcement discretion for 2026, allowing entities to report Scope 1 and 2 emissions based on data they already had or were collecting as of December 2024, with or without limited assurance.

The guidance applies to companies that qualify as reporting entities under SB 253 and conduct business in California. Affected organisations are required to assess their applicability and prepare disclosures relating to their Scope 1 and Scope 2 GHG emissions. Entities that were not collecting emissions data as of December 2024 may submit a non-reporting statement to CARB for the 2026 reporting cycle.

The guidance provides greater clarity and flexibility for first-year compliance, reducing reporting challenges while enabling companies to establish internal processes for climate disclosures. It also signals California's continued progression toward more structured and assured emissions reporting requirements in future years.

Reporting entities must submit their 2026 Scope 1 and Scope 2 emissions disclosures by 10 November 2026. CARB is developing additional requirements applicable from 2027 onwards.

India Launches Net Zero Portal and NAPCC Dashboard to Strengthen Climate Action Monitoring (September 16,2026)

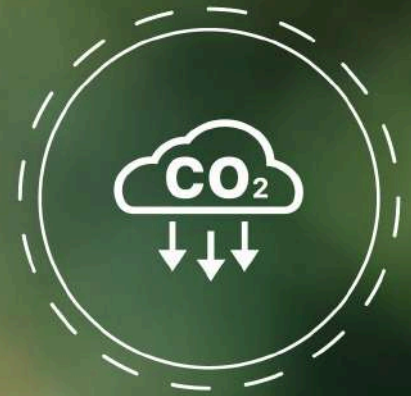
ESG Focus: Governance (G), Environment (E)

The Ministry of Environment, Forest and Climate Change (MoEFCC) has launched two digital platforms: India's Net Zero Portal and the NAPCC Dashboard, marking a significant step towards enhancing transparency, coordination, and data-driven climate governance. The platforms aim to support voluntary climate action while enabling systematic monitoring of progress under India's national climate missions.

The update is applicable to Indian entities across sectors that voluntarily choose to disclose their Net Zero commitments, GHG emissions, targets, and transition plans through the Net Zero Portal, as well as government ministries and departments monitoring climate action under the NAPCC framework.

The launch is expected to improve transparency and accountability in climate reporting by creating a centralized repository of voluntary Net Zero commitments. It will also strengthen inter-ministerial coordination, help identify implementation gaps across climate missions, support evidence-based policymaking, and align domestic climate actions with India's international climate commitments. Participating entities declaring Net Zero targets will receive official acknowledgement from MoEFCC.

The Net Zero Portal and NAPCC Dashboard became operational from 16 September 2026.



NET ZERO



UN Climate Change Launches Initiative Self-Service Tool on NAZCA Portal to Strengthen Climate Action Tracking (September 17,2026)

ESG Focus: Governance (G), Environment (E)



UN Climate Change has launched the Initiative Self-Service (ISS) tool on its Non-State Actor Zone for Climate Action (NAZCA) portal to strengthen tracking, reporting, and transparency of voluntary climate action commitments. The tool forms part of the implementation of the 2026-2030 Global Climate Action Agenda and aims to improve the quality and consistency of climate progress reporting by non-state actors.

The update is applicable to registered Cooperative Climate Initiatives, which are voluntary collaborations involving businesses, local governments, NGOs, civil society organizations, and other stakeholders working individually or in partnership with governments to advance shared climate objectives. The ISS platform enables participating initiatives to manage their profiles, update information, and report progress through a standardized reporting framework.

The initiative is expected to enhance accountability, credibility, and transparency by enabling systematic monitoring of climate commitments and progress against established targets. Improved reporting will also support assessments of collective contributions toward the goals of the Paris Agreement, while increasing the visibility and impact of voluntary climate action across sectors.

The ISS tool was launched on 17 September 2026, with annual reporting cycles continuing each September through the NAZCA platform.

Abu Dhabi Introduces Mandatory GHG Emissions Verification Framework (September 21, 2026)

ESG Focus: Governance (G), Environment (E)

The Environment Agency – Abu Dhabi (EAD) has issued Resolution No. (03) of 2026, establishing a comprehensive framework for the measurement, reporting, and verification (MRV) of GHG emissions across the Emirate of Abu Dhabi. The resolution introduces a structured system for emissions reporting and verification, including a formal mechanism for the registration and accreditation of independent verifiers. This marks a significant step from climate policy development toward practical implementation based on credible, audited emissions data, supporting Abu Dhabi's low-carbon transition and sustainable industrial growth.

The resolution applies to facilities operating in designated sectors within Abu Dhabi whose GHG emissions meet or exceed the threshold specified by the regulation. Covered entities are required to prepare emissions measurement plans, submit emissions reports, and obtain verification from accredited verifiers. Facilities outside the scope of the regulation may voluntarily measure and report their emissions in coordination with the agency and relevant regulators.

The framework moves Abu Dhabi from policy design to implementation based on audited emissions data, strengthening data reliability and industrial competitiveness. EAD will manage a digital emissions database to support evidence-based policymaking. The framework is also expected to increase demand for carbon accounting and verification services.

The resolution is effective from 2026, as stipulated under Resolution No. (03) of 2026.



FCA Finalizes UK Sustainability Reporting Framework with 'Comply or Explain' Approach (September 30,2026)

ESG Focus: Governance (G), Environment (E) and Social (S)

The UK Financial Conduct Authority (FCA) has published its final policy statement on aligning sustainability disclosures by listed companies with the UK Sustainability Reporting Standards (UK SRS), which are based on the International Sustainability Standards Board (ISSB) standards. The FCA has decided to implement a “comply or explain” approach across both climate-related and broader sustainability disclosures, rather than mandating IFRS S2-aligned climate reporting for all listed issuers.

The requirements apply to companies with shares listed in the commercial companies category, transition category, non-equity shares or non-voting equity shares category, and entities with secondary listings or depositary receipts in the UK market. The framework is intended to improve the consistency, comparability, and usefulness of sustainability-related information available to investors and other market participants.

The update provides issuers with greater flexibility in addressing sustainability reporting obligations while maintaining alignment with internationally recognized reporting standards. It is expected to enhance transparency in capital markets, support informed investment decisions, and reduce implementation burdens where full disclosure may not be proportionate to an issuer's circumstances.

The new reporting requirements will apply to accounting periods beginning on or after 1 January 2027, with the first disclosures expected in 2028. Transitional reliefs will be available, including a one-year relief for Scope 3 emissions disclosures and a two-year relief for certain broader sustainability disclosures.



European Commission Inaugurates Europe's Largest Industrial Carbon Capture and Storage facility at Yara Sluiskil, Netherlands (September 7, 2026)

ESG Focus: Environment (E), Governance (G)



The European Commission has announced the commencement of operations at Yara Sluiskil ammonia and fertiliser plant in the Netherlands, now recognised as Europe's largest commercial carbon capture and storage (CCS) project. The facility is expected to capture and liquefy up to 800,000 tonnes of CO₂ annually from ammonia production, with emissions transported to Norway's Northern Lights storage facility for permanent sequestration beneath the Norwegian North Sea. The project is a key outcome of the EU-Norway Green Alliance signed in 2023 and supports Europe's industrial decarbonisation agenda.

The development is particularly relevant for energy-intensive industries, including ammonia, fertiliser and other hard-to-abate manufacturing sectors. It also serves as a model for companies exploring carbon capture technologies to reduce industrial emissions while maintaining competitiveness.

The project is expected to capture and store approximately 12 million tonnes of CO₂ over the next 15 years, demonstrating the commercial viability of large-scale CCS. It is anticipated to accelerate industrial decarbonisation, support innovation in clean technologies, strengthen cross-border climate cooperation, and contribute to the EU's broader climate and industrial competitiveness objectives.

Operations officially commenced in September 2026, with CCS activities beginning immediately.

U.S. EPA Repeals Most 2024 Power Plant GHG Standards and Proposes Rescinding the Remainder (September 14, 2026)

ESG Focus: Environment (E), Governance (G)

The U.S. Environmental Protection Agency (EPA) announced the repeal of most of the 2024 Carbon Pollution Standards for power plants and proposed rescinding all remaining GHG emissions standards applicable to the power sector. The agency stated that the action is intended to reduce regulatory burdens, support domestic energy production, and enhance the reliability and affordability of electricity generated from coal and natural gas facilities.

The update is applicable to U.S. power plant operators, electric utilities, coal and natural gas producers across the power sector that were subject to the 2024 GHG emissions requirements.

According to the EPA, the repeal is expected to generate approximately \$310 billion in projected savings, while the proposed removal of the remaining power sector GHG standards could save an additional \$370 million in direct compliance costs. The agency expects measures to support baseload power generation, increase coal and natural gas utilization, lower compliance expenses, and improve energy affordability and reliability.

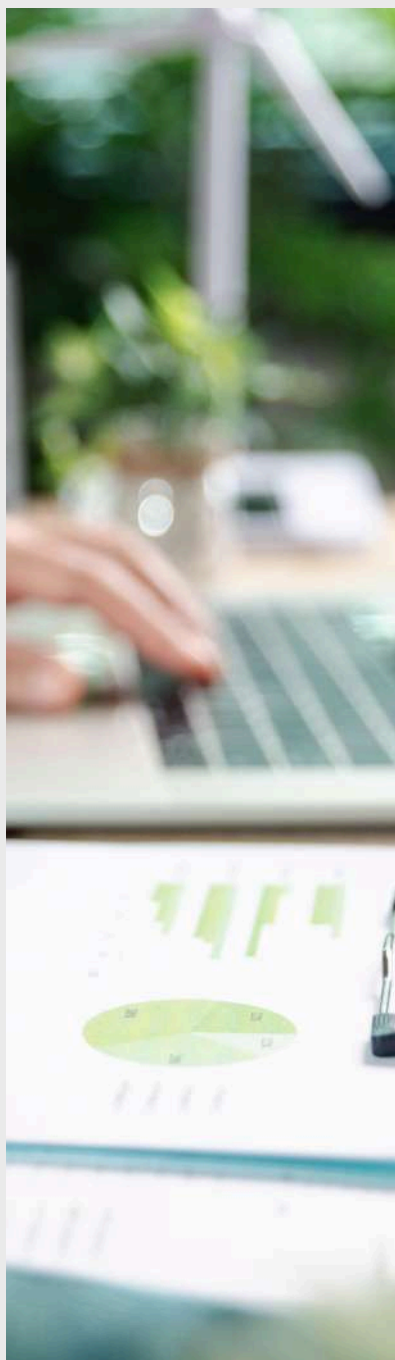
The proposal also seeks to provide greater regulatory certainty for businesses and energy producers.

The EPA finalized the repeal and announced the related proposal on 14 September 2026.



TNFD Issues Final Nature-Related Guidance for Technology and Communications Sector (September 22,2026)

ESG Focus: Governance (G), Environment (E)



The TNFD has released its final sector guidance for the technology and communications sector, along with a new LEAP use case demonstrating how organizations can identify and assess water-related risks linked to semiconductor manufacturing and data centre infrastructure. The guidance provides a practical framework for identifying, assessing, managing, and disclosing nature-related dependencies, impacts, risks, and opportunities across the sector's value chain.

The guidance applies to organizations operating across the technology and communications ecosystem, including semiconductor manufacturers, electronics and hardware companies, data centre and telecom infrastructure providers, software and IT service firms, internet media platforms, and telecommunications service providers.

The update is expected to enhance the disclosure and management of nature-related risks and opportunities across the technology and communications sector. Through sector-specific guidance and a LEAP-based use case focused on semiconductor manufacturing and data centre infrastructure, the update will help organizations better understand and address nature-related risks and dependencies, particularly those associated with freshwater resources, leading to improved risk management and disclosure practices.

The guidance and accompanying LEAP use case are effective immediately upon publication and expand TNFD's sector-specific guidance coverage to 18 sectors globally.

ISO and UNDP Launch First International Standard for SDG Management Systems (September 28,2026)

ESG Focus: Governance (G), Social (S)

The ISO and the UNDP have launched ISO/UNDP 53001: Management Systems for the United Nations SDGs – Requirements. The standard sets out requirements for an SDG management system. Under it, organisations select the SDGs most relevant to them, set objectives, manage impacts and track performance. It builds on the guidance in ISO/UNDP PAS 53002:2024.

The standard is voluntary and can be adopted by organisations of any size or sector seeking to demonstrate their contribution to the SDGs. It can be integrated with existing management systems such as ISO 9001, ISO 14001 and ISO 45001.

As a requirements standard, ISO/UNDP 53001 can be independently certified. This gives organisations a way to evidence SDG contributions beyond self-declared alignment and reduces the risk of impact-washing. For Indian companies already certified to ISO management system standards, it offers a familiar route to embedding SDG commitments into existing processes.

This standard was launched on 28 September 2026 at the ISO Annual Meeting 2026 and is available for adoption.



EU Anti-Greenwashing Rules Take Effect Across Member States from September 2026 (September 02, 2026)

ESG Focus: Governance (G), Environment (E)

The EU has brought the Empowering Consumers for the Green Transition Directive (ECGT Directive) into application from 27 September 2026, strengthening consumer protection against greenwashing and misleading sustainability-related marketing practices. The Directive amends existing EU consumer legislation, including the Consumer Rights Directive and the Unfair Commercial Practices Directive, to ensure that environmental claims made by businesses are transparent, credible, and supported by verifiable evidence.

The rules apply to businesses marketing products to consumers in the EU, including non-EU brands and Indian exporters.

The Directive bans generic environmental claims such as "eco-friendly" or "green" unless excellent environmental performance can be demonstrated. It also bans sustainability labels not based on a certification scheme or set by public authorities, and claims that a product has a neutral, reduced or positive climate impact based on carbon offsetting. Claims about future environmental performance must be backed by a detailed implementation plan with independent monitoring. Businesses will need to review product claims, labels and marketing, and the Commission has published FAQs to support consistent application.

The new requirements became applicable across the EU on 27 September 2026.



UN Global Compact Launches Sustainable Procurement Implementation Framework (September 21, 2026)

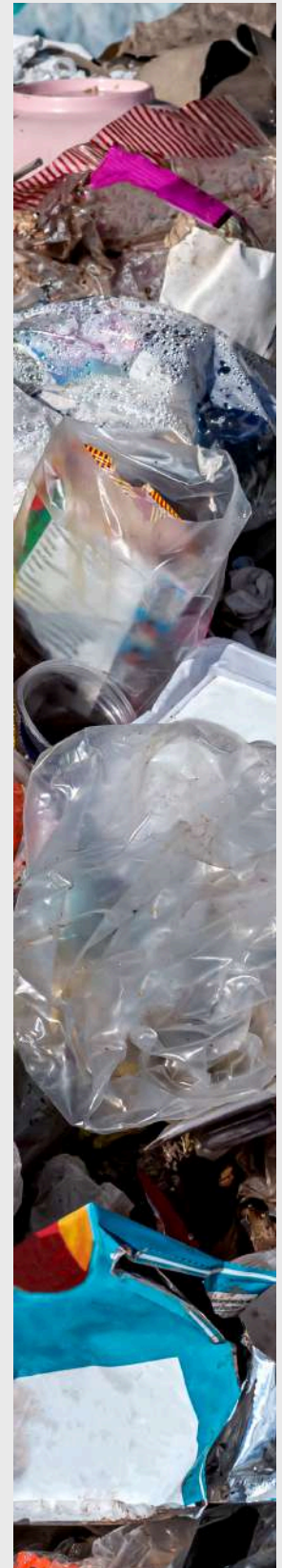
ESG Focus: Governance (G), Social (S)

The United Nations Global Compact (UNGC) has launched the Sustainable Procurement Implementation Framework, a practical global resource designed to help organizations integrate ESG considerations into procurement functions and supplier engagement. Introduced at the High-Level Forum on Sustainable Procurement during the UN General Assembly, the Framework provides companies with a structured approach to translating sustainability commitments into day-to-day procurement decisions and practices.

The Framework is applicable to organizations of all sizes, sectors and geographies, particularly those managing complex global value chains and seeking to strengthen sustainable sourcing, supplier management and procurement governance. It complements existing regulations and sustainability standards by focusing on the practical implementation of sustainability throughout the procurement lifecycle.

The update is expected to strengthen sustainable supply chain management by enabling companies to better identify and manage ESG-related risks, improve supplier performance, enhance supply chain resilience, support decarbonization efforts and drive responsible business practices. It also positions procurement as a strategic function that can foster supplier innovation, strengthen accountability and contribute to long-term business competitiveness.

The Sustainable Procurement Implementation Framework was launched in September 2026 and is now publicly available for voluntary adoption by organizations worldwide.



PIERAG PERSPECTIVE

From the desk of –
Anupam Dhawan, Chief Business Advisor

A few years ago, ESG came up in the boardroom mostly around reporting season: who is preparing the Sustainability Report, what data is still missing, when the report goes out. That has changed. These days I see it coming up much earlier, when a company is deciding where to set up a new plant, which supplier to bring on board, whether to enter a new market, or how to price a long-term contract. ESG has moved from the back end of the business to the front end, where the real decisions get made.

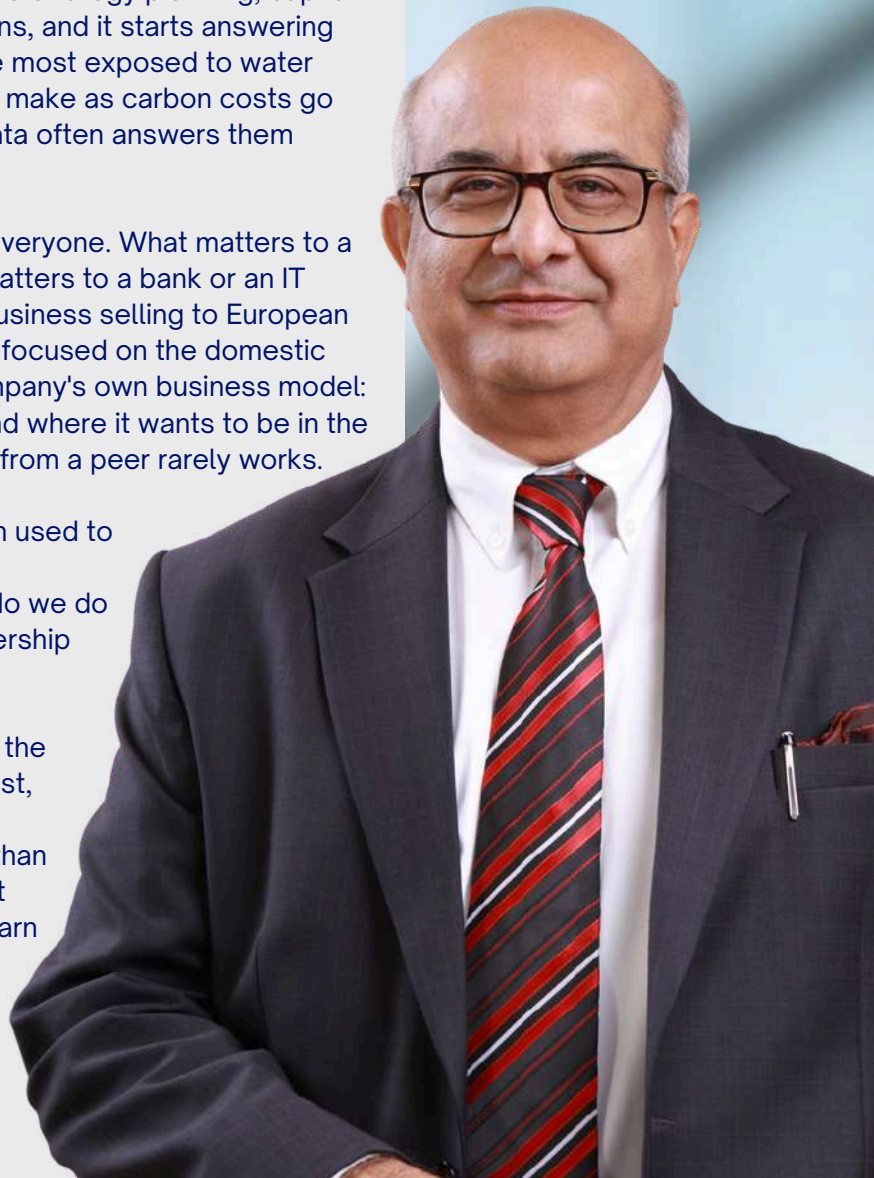
The reason is fairly simple. ESG now shows up in the numbers. A carbon levy in an export market, like the EU's CBAM, can change the margin on a product almost overnight. Energy and water efficiency feed straight into operating costs. Lenders and investors are factoring climate and governance risk into what they charge for capital, and large customers are asking suppliers for emissions data before renewing contracts. On the social side, how a company treats its people shows up in attrition, productivity and, eventually, in delivery. Looked at this way, ESG stops being a separate agenda and becomes part of the regular business review.

What I often tell leadership teams is that the real value of ESG is not in the report, but in what the data tells you. Bring it into strategy planning, capital allocation, risk reviews and investment decisions, and it starts answering very practical questions. Which of our sites are most exposed to water stress? Which product lines will get costlier to make as carbon costs go up? These are business questions, and ESG data often answers them better than anything else on the table.

That said, there is no template that works for everyone. What matters to a cement company is very different from what matters to a bank or an IT services firm. Even within the same sector, a business selling to European customers faces different pressures from one focused on the domestic market. So the starting point has to be the company's own business model: where it makes money, where it is exposed, and where it wants to be in the next five to ten years. An ESG strategy copied from a peer rarely works.

The conversation is changing too. The question used to be “What do we need to disclose?” Now it is increasingly “What is this telling us, and what do we do about it?” That second question is where leadership should spend its time.

At Pierag, we help businesses connect ESG to the decisions that shape their future: where to invest, what to grow and which risks to take on. The companies that do this well end up with more than a better report. They make sharper calls, adapt faster when regulations or markets shift, and earn lasting trust from investors and customers.





About Us

Pierag Consulting was founded in February 2021 by Abhishek Gupta, Thomas Raffa and Pierian Services as a unique business model to serve clients globally by blending domestic proficiency with global expertise. Since then, we have been serving prominent clients across the US, SEA, India and UK in the field of Accounting Advisory, Business Risk, Technology Risk, Assurance, ESG & Sustainability, Deals Advisory, Tax and Digital.

With highly skilled team members, we are fueled by our purpose of 'Inspiring people to do things that inspires them' and our values of 'Excellence, Equity & Empathy'.

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