

Timeline of Key ESG Developments in H2/25 and H1/26

HORIZON SCANNING

Governance & Sustainability



Sustainability practitioners will be well aware that ESG is a fast-moving, and ever changing area, making keeping on top of horizon scanning a significant challenge. We have set out key ESG developments in the UK and EU in early 2026, together with those that took place over 2025, for full context.

Please note, however, that this document is a summary and therefore is not intended to be comprehensive. Please speak to your usual contact at Slaughter and May for more information on ESG horizon scanning, including information tailored to your business and/or sector.

KEY

- Environmental
- Social
- Governance and Reporting
- Sustainable Finance

Note: We appreciate that some of these areas can overlap.

JUL
'25

- 2 The UK government published its 10-year strategy for housing. The strategy sets out the government's target of delivering 300,000 new social and affordable homes through the new Social and Affordable Homes Programme announced in the 2025 Spending Review.
- 3 The Inter-American Court of Human Rights handed down its advisory opinion on the climate emergency and human rights, confirming, among other things, that there is a human right to a healthy climate. See [our blog](#) for more information.
- 8 (EU) The European Commission published its [Chemicals Industry Action Plan](#). The package includes the launch of a Critical Chemicals Alliance, updates to State aid rules, new simplification Omnibus measures and forthcoming revisions to EU REACH and per- and poly-fluoroalkyl substances (PFAS) controls.
- 10 (EU) The European Commission published the final version of the [General-Purpose AI \(GPAI\) Code of Practice](#), designed to help organisations comply with the GPAI provisions in the EU Artificial Intelligence Act (EU AI Act), which came into force on 2 August 2025. See [our blog](#) for more information.

JUL
'25

- 11 (EU) The European Commission adopted a delegated regulation which targets “quick fix” amendments to the first set of European Sustainability Reporting Standards (ESRS) and provides relief to first-wave companies which do not benefit from the delay under the “Stop-the-Clock” Directive. The delegated act came into force on 14 July 2025 and applies to financial years beginning on 1 January 2025.
- 14 (EU) The European Parliamentary Research Service published a [briefing](#) on plans to link the EU Emissions Trading Scheme (ETS) and the UK ETS, noting expected benefits, required technical alignment and that linkage is anticipated by 2028.
- 18 (EU) The European Council adopted a law postponing the application of due diligence obligations under the EU Battery Regulation. This delays the application from 18 August 2025 to 18 August 2027 with the European Commission required to issue further guidance one year before the obligations take effect.
- 21 The Independent Water Commission published its final report on reforms to the water sector in England and Wales, which puts forward 88 recommendations. Key recommendations include reform of operator pollution self-monitoring, greater regulatory control over water company ownership, and the introduction of separate water regulators for England and Wales.
- 22 The Science Based Targets initiative (SBTi) published its first [Net-Zero Standard for Financial Institutions](#) (the FI Standard), which sets out a science-based framework for banks, asset managers, insurers and other financial institutions to align their lending, investing, insurance underwriting, and capital activities to achieve net-zero emissions by 2050. See [our blog](#) for more information.
- 23 The International Court of Justice handed down its [Advisory Opinion](#) on States’ legal obligations in respect of climate change. See [our blog](#) for more information.
- 24 The UK Parliamentary Joint Committee on Human Rights published the [results of its inquiry](#) into the UK’s frameworks addressing forced labour in international supply chains and called on the government to implement its recommendations by July 2026. The government published its [response](#) to the report on 16 October 2025. See [our blog](#) for more information.

AUG
'25

- 2 (EU) Obligations under the EU AI Act begin to apply to providers of general-purpose AI models.
- 6 The Financial Conduct Authority (FCA) published its report on [climate reporting by asset managers, life insurers and FCA-regulated pension providers](#). Overall, the review found that FCA rules increased firms’ consideration of climate risks and integration into their decision making, but firms continue to face challenges around data availability, methodological consistency and the complexity of disclosures for retail investors, with many calling for a more proportionate and streamlined regime.
- 12 The UK [Waste Electrical and Electronic Equipment \(WEEE\) Amendment Regulations 2025](#) entered into force. These transfer financial responsibility for WEEE supplied by overseas sellers to online marketplace operators. The amendments also introduce a new category for vape and nicotine-related devices to enable targeted collection and treatment requirements.

AUG
'25

- 14 The FCA [published a letter](#) outlining developments in the sustainability-linked loan (SLL) market, observing that the SLL market has matured since 2023, but noting ongoing barriers to scaling the SLL market and the need for greater clarity in how banks account for SLLs in their sustainable financing targets. See [our blog](#) for more information.
- 22 Defra published its [proposals](#) to reform the waste carrier, broker and dealer system, replacing the current registration regime with a new permit-based framework for “waste controllers” and “waste transporters”. The reforms aim to strengthen enforcement and improve checks on operators.

OCT
'25

- 1 Fee payment obligations begin to apply to producers of packaging under the UK’s [extended producer responsibility \(EPR\) regime](#), which makes producers, distributors, importers and retailers responsible for the full costs of managing all packaging waste. The government published [information on fee modulation](#) in June 2025, setting out how fees will vary depending on packaging recyclability.
- 15 (EU) The European Securities and Markets Authority (ESMA) published its [Final Report](#) on the technical standards under the ESG Ratings Regulation, setting out draft Regulatory Technical Standards on authorisation and recognition, separation of activities and disclosure requirements for ESG rating providers.
- 16 The loan trade associations (LMA, LSTA and APLMA) published their [Guide to Transition Loans](#). Among other things, the Guide contains an exposure draft of the Transition Loan Principles, a dedicated labelled loan framework for use of proceeds loans which support transition activities falling outside the traditional “green” classification. See [our blog](#) for more information. The Transition Loan Principles remain open to market feedback and are expected to be published in final form during the course of 2026.
- 17 The International Maritime Organisation postponed its vote on the proposed IMO Net-Zero Framework, a global maritime carbon pricing and fuel-intensity regime. The framework had been provisionally agreed in April 2025 and, if adopted in 2026, is expected to begin implementation from 2028. See [our blog](#) for more information.
- 19 The UK government published its [Clean Energy Jobs Plan](#), setting out actions to build a skilled, fair and inclusive clean-energy workforce to deliver its Clean Energy Superpower Mission.
- 20 (EU) EU regulations amending the Carbon Border Adjustment Mechanism (CBAM) came into force. The reforms introduce a 50-tonne de minimis threshold and simplify authorisation, reporting and verification requirements. The [amended regime](#) will apply in full from 1 July 2026. See [our blog](#) for more information.
- 22 The Department for Business and Trade published a progress update to its [Regulation Action Plan](#), outlining next steps to reduce regulatory burdens and improve regulator performance.
- 23 The UK government published its [Independent Review](#) of Greenhouse Gas Removals (GGR), assessing the role of engineered and land-based removals in meeting UK net-zero targets and setting out recommendations for scaling high-integrity GGR deployment to 2050.

OCT
'25

- 27 The UK government [published its plans](#) to streamline the Environmental Permitting Regulations system by giving regulators greater flexibility to create, amend and remove exempt activities, improving responsiveness to environmental risks and emerging technologies.
- 29 The UK government published its [Carbon Budget and Growth Delivery Plan](#), setting out how it will meet its carbon budgets and drive progress towards net zero as required by the Climate Change Act. The plan outlines measures to expand clean energy, strengthen energy security, support jobs and investment, and deliver growth while reducing emissions.

NOV
'25

- 6 The International Sustainability Standards Board (ISSB) [announced](#) it will undertake further standard setting to introduce incremental disclosure requirements on nature-related risks and opportunities. As a result, the Taskforce on Nature-related Financial Disclosures (TNFD) is [due to complete all technical work by Q3 2026](#) and, subject to the ISSB's progress, conclude its technical work programme in 2027.
- The SBTi published a second consultation draft of its revised Corporate Net-Zero Standard (Version 2.0), refining proposals from its first consultation in June 2025. The second consultation closed on 8 December 2025. It is intended that the revised standard will become mandatory for all companies from 1 January 2028.
- Natural England published its strategy on [Recovering Nature for Growth, Health and Security](#). The strategy identifies four outcome areas: recovering nature; building better places; improving health and wellbeing; and delivering security through nature.
- The International Capital Market Association published [new guidelines](#) for Climate Transition Bonds which introduce a new standalone label for bonds where the proceeds are intended to be allocated to climate transition projects.
- 10-21 COP30 took place in Belém, Brazil.

Parties adopted the Belém Package, including commitments to triple adaptation finance by 2035 and approving a new Just Transition mechanism. Governments also agreed voluntary indicators for tracking progress under the Global Goal on Adaptation and concluded the Baku Adaptation Roadmap (2026–2028). Parties also agreed on a compromise text focused on advancing implementation under the Paris Agreement and strengthening cooperation globally, though no fossil fuel or deforestation roadmaps were agreed. See [our podcasts](#) which explore the negotiations through the lens of corporate sustainability, energy and infrastructure, and sustainable finance.
- 12 The Competition and Markets Authority (CMA) launched its first investigations under the enhanced consumer protection regime introduced by the DMCCA, opening cases against eight businesses over suspected drip pricing and pressure-selling practices. The action follows a review of more than 400 firms and marks the CMA's first use of its new direct enforcement powers (which can also be used in respect of greenwashing). See [our blog](#) for more information.
- The Financial Reporting Council (FRC) issued its [International Standard](#) on Sustainability Assurance (UK) 5000, establishing a voluntary, internationally-aligned framework for sustainability assurance engagements. The standard supports consistent and high-quality assurance of UK sustainability reporting and aligns with the global benchmark developed by the International Auditing and Assurance Standards Board.

NOV
'25

- 17 Ofwat announced new rules requiring water companies to involve customers in decisions that could have a material impact on them. The [rule on consumer involvement](#) in company decision-making will apply to all water companies and new appointees, coming into force on 1 April 2026 for incumbent water companies and 1 April 2027 for new appointees.
- 19 (EU) The European Commission published its Digital Omnibus, highlighting a number of proposed amendments to the EU AI Act. The proposals include extending compliance timelines for high risk AI systems, introducing a grace period for certain transparency obligations, and adjusting high risk categorisation rules. See [our blog](#) for more information.
- 20 (EU) The European Commission [proposed amendments](#) to the Sustainable Finance Disclosure Regulation (SFDR) to simplify transparency rules for sustainable financial products. The revisions aim to streamline disclosures, reduce reporting burdens and improve usability for investors, including deleting most entity-level PAI disclosures and simplifying product-level requirements.
- 21 (EU) The EU's Low-Carbon Fuels Delegated Act entered into force following its publication in the Official Journal. The delegated act sets out the methodology for classifying hydrogen as "low-carbon", which requires at least 70% lower lifecycle emissions than fossil fuels.
- 25 The UK ETS Authority published [outcomes of a consultation on its expansion](#) of the UK ETS to domestic maritime emissions, which will be brought into scope from 1 July 2026. This covers ship-activity emissions on domestic voyages and all in-port emissions, while offshore ships will be included from 1 January 2027.^[1]
- 26 The UK government published its [North Sea Future Plan](#), confirming the outcomes of the consultation launched on 5 March 2025 and outlining a managed transition to an offshore clean-energy system.
- The UK government published a [policy update to the UK CBAM](#) confirming that indirect emissions will be excluded at implementation in 2027, with their inclusion delayed until at least 2029. Further technical amendments were made to the draft legislation.

DEC
'25

- 1 The UK government published the Environmental Improvement Plan 2025, setting out a revised roadmap for restoring England's natural environment under the Environment Act 2021. The plan introduces strengthened commitments across air quality, water, biodiversity, waste, climate resilience and access to nature, supported by target-delivery plans and accountability for implementation.
- The FCA [launched a consultation](#) on the proposed rules and guidance for the regulation of ESG ratings providers. From 29 June 2028, any firm wishing to provide certain types of ESG ratings in the UK will need FCA authorisation.
- Defra published its Residual Waste Reduction Environment Act [Target Delivery Plan](#), confirming the statutory target to reduce residual waste (excluding major mineral wastes) to no more than 287kg per capita by 31 December 2042.

DEC
'25

- 2 Deadline for firms with assets under management of over £50 billion to produce ongoing product and entity-level disclosures under the FCA's [Sustainability Disclosure Requirements](#) (SDR).
- 3 The Advertising Standards Agency issued three greenwashing rulings against Lacoste, Nike and Superdry over Google ads describing products as “sustainable” without sufficient qualifying information. The decisions form part of the regulator’s continued scrutiny of environmental claims in the fashion sector. Please see [our blog](#) for more information.

The Prudential Regulation Authority (PRA) issued a new [Supervisory Statement](#) on climate risk management, strengthening requirements on governance, scenario analysis and data. Banks and insurers have six months from publication to review their position and set a credible plan for closing any gaps to comply with the new policy. See [our blog](#) for more information.
- 10 (EU) The European Commission presented its eighth omnibus proposal, an Environmental Omnibus aimed at simplifying environmental legislation in industrial emissions, circular economy, environmental assessments and geospatial data.

(EU) The European Commission presented its European Grids Package setting out measures to modernise and expand Europe’s electricity networks, accelerate permitting, improve cross-border planning and cost-sharing, and ensure grids can integrate rising clean-energy capacity.
- 11 The ISSB [finalised its amendments](#) to IFRS S2, the standard’s greenhouse gas emissions disclosure requirements. The amendments clarify the scope of emissions to be reported and introduce practical reliefs for complex areas such as financed emissions and jurisdictional measurement methods.
- 15 The UK government’s [Statutory Instrument](#) making ESG ratings a regulated activity was signed into law.

Ofwat published its final Fitness and Propriety Rule for directors of water and sewerage companies with statutory duties to supply water and/or sewage services. These companies must apply the test to all new applicants as part of the recruitment process for any director role from 1 April 2026, and must assess all existing directors by 1 April 2027.
- 16 (EU) The European Commission launched a [public consultation](#) and call for evidence on the planned revision of the Marine Strategy Framework Directive to strengthen protection of the marine environment and simplify implementation. The consultation closed on 9 March 2026 and will inform preparation of the EU Ocean Act.

(EU) The European Commission presented its Automotive Package, including: a proposal for a targeted amendment to the CO2 standards for heavy duty vehicles to ease manufacturers’ compliance with 2030 emissions targets; an incentive mechanism for zero emission vehicles; and the gradual phasing in of zero emission HDVs, including the requirement that all new urban buses be zero emission from 2035.
- 17 (EU) The European Commission published [proposed measures](#) to strengthen the CBAM and adopted the [implementing acts](#) for the CBAM definitive period starting 1 January 2026.

The proposals include expanding CBAM’s scope to certain downstream steel and aluminium products, introducing a Temporary Decarbonisation Fund, new equivalence and anti-circumvention provisions, and enhanced reporting and traceability rules.

A CBAM [Review Report](#) and [Q&A](#) were also published, reviewing the 2023–2025 transitional period and setting out the roadmap for effective implementation from 2026.

DEC
'25

- 18 The Planning and Infrastructure Act [became law](#) in the UK, introducing reforms to speed up delivery of homes and major infrastructure, including faster reservoirs and prioritised grid connections for clean-power projects.
- (EU) The European Council approved a [targeted revision](#) of the EU Regulation on Deforestation-free Products (EUDR), agreeing to postpone its application by 12 months and introduce simplification measures. Under the revised timetable, large operators and traders enter into scope on 30 December 2026, with small operators entering scope from 30 June 2027.
- The Employment Rights Bill received Royal Assent, becoming [The Employment Rights Act 2025](#). In 2026, the Act will introduce major reforms including the creation of the Fair Work Agency, new trade union rights and protections, extended time limits for tribunal claims, and new restrictions on the use of “fire and rehire”. Further changes will be implemented in 2027, including reducing the unfair dismissal qualifying period from two years to six months and removing the cap on compensation, and a new regime for zero and low-hours contracts.
- 19 (EU) The European Commission issued [guidance](#) on the design of two-way contracts for difference (CfDs), outlining principles for structuring CfDs to reduce investment costs, support efficient electricity-market operation and align State-aid design with EU electricity-market reforms.
- 30 (EU) The European Commission published a [notice](#) on the application of the sustainable finance framework and the Corporate Sustainability Due Diligence Directive (CS3D) to the defence sector. The Commission confirmed that the SFDR does not exempt defence investment and narrowed the definition of “controversial weapons” to those prohibited by major international treaties.

JAN
'26

- 1 Provision 29 of the [UK Corporate Governance Code](#) started to apply to financial years beginning on or after this date. In monitoring the company’s risk management and internal control framework, boards are now required to make a declaration of effectiveness of the material controls as at the balance sheet date.
- The 2026 [UK Stewardship Code](#) took effect, introducing updated expectations for stewardship reporting and practice. Key changes include an updated meaning of “stewardship” which is more aligned to the wording of section 172 of the Companies Act 2006, a two-part reporting structure and the introduction of additional non-binding FRC guidance to support the 2026 Code.
- 8 The UK government introduced [mandatory requirements](#) for water companies to publish annual Pollution Incident Reduction Plans, under the Water (Special Measures) Act. Failure to produce compliant plans, the first of which are due in April 2026, will be a criminal offence for both companies and their chief executives. Companies must also produce annual implementation reports on pollution incident reduction from 2027.
- 19 The Public Offers and Admissions to Trading Regulations 2024, accompanied by updated Prospectus Rules from the FCA, came into force, replacing the UK prospectus regulation-based regime inherited from the EU. The regime introduces new prospectus disclosure requirements and guidance for green, social, sustainable and sustainability-linked bonds. See [our briefing](#) for more information.

JAN
'26

- 20 The UK ETS Authority published an [updated policy overview of the UK ETS](#), confirming its role as a key decarbonisation instrument and setting out current scheme coverage, planned scope extensions, and the Authority's priorities for aligning the UK ETS trajectory with the UK's net zero target.
- The UK government published its "[A New Vision for Water](#)" White Paper, setting out reforms to the UK water system including the creation of a single integrated water regulator, strengthened enforcement powers, major infrastructure investment, and a new long-term strategic framework for regulation and planning.
- 21 The UK government published a partial response to its [consultation](#) on reforms to the Energy Performance of Buildings Regime, concerning what Energy Performance Certificates will measure and when they will be required. A further response on Display Energy Certificates and other additional questions will be published in 2026.
- The UK government also launched a consultation on proposals to introduce a new Home Energy Model to replace the Standard Assessment Procedure and to update Energy Performance Certificates. The consultation closed on 18 March 2026.
- 22 The CMA published [updated Supply Chain Guidance](#) on green claims. The guidance provides practical checklists for retailers, brands and suppliers, and emphasises the need for robust information-sharing, effective contracting and stronger supplier diligence to substantiate claims. See [our blog](#) for more information.
- 30 The UK government published [outcomes of its consultation](#) on developing an oversight regime for assurance of sustainability-related financial disclosures, which confirms plans for a voluntary oversight regime operated by the Audit, Reporting and Governance Authority to strengthen trust in third-party assurance and support high quality sustainability reporting.
- The FCA published a [consultation paper](#) on proposals to align listed issuers' sustainability disclosures with international standards through adoption of the UK SRS. The proposed disclosure requirements are expected to come into force in January 2027, applicable to accounting periods beginning on or after 1 January 2027. The consultation is open until 20 March 2026.

FEB
'26

- 3 The UK government published the [updated Finance \(No. 2\) Bill](#) containing Part 5 to establish a UK CBAM. Alongside the Bill, the government published draft secondary legislation setting out the calculation of the CBAM rate and carbon price relief, the administrative framework, and transitional provisions for the first accounting periods. Under this package, importers must register based on a rolling 12-month threshold of £50,000 in CBAM goods; the charge is set by multiplying a quarterly price derived from UK ETS auction clearing prices and adjusted for baseline free allocation; and relief may be claimed for qualifying foreign carbon prices subject to verification. The proposed transitional provisions extend the first accounting period to 31 December 2027, and set the initial return and payment deadline at 31 May 2028.
- The UK government published its first national [PFAS Plan](#), setting out a coordinated framework to identify PFAS sources, reduce and minimise the harmful effects of PFAS in the environment, and manage the risks of ongoing PFAS exposure to people. The government plans to launch a public consultation on introducing a statutory PFAS limit in public drinking water supply regulations later this year.

FEB
'26

- 4 The UK government launched a [consultation](#) on policy proposals to support the deployment of domestic non-pipeline transport (NPT) of captured CO₂, covering delivery mechanisms for support, treatment of NPT costs and fees, cross-chain risk allocation, and the regulatory and standard-setting framework for NPT solutions.
- 25 The UK government endorses the [UK SRS](#) “for voluntary use”, noting the ongoing consultation by the FCA on introducing mandatory requirements for listed companies, and indicating that it also intends to consult on introducing UK SRS disclosures for large private companies as part of its “Modernising Corporate Reporting” programme in the course of 2026.
- 26 (EU) The Omnibus simplification amendments to the Corporate Sustainability Reporting Directive (CSRD) and CS3D are published in the Official Journal of the EU to enter into force on 18 March 2026. This legislation effectively reshaped the landscape of EU sustainability regulation, introducing higher size thresholds for in-scope companies, value-chain protections for SMEs, reducing ESRS disclosure requirements, and delaying application of the CS3D to July 2029. See [our blog](#) for more information.

MAR
'26

- 4 (EU) The EU adopts a legislative [proposal](#) for the Industrial Accelerator Act, aimed at increasing demand for low-carbon, European-made technologies and products. The Act is intended to consolidate and accelerate support measures for strategic net zero and industrial transition projects, including public procurement requirements, simplified permitting, enhanced access to finance, and coordination with existing Green Deal instruments.
- 13 The UK government published a [roadmap](#) for the delivery of new Environmental Outcome Reports, as part of proposed reforms to environmental impact assessments. The roadmap sets out the government’s commitments to designing the new system and the phases of work the government will undertake to develop and deliver the Environmental Outcome Reports.

MAY
'26

- Following its May–July 2025 consultation on biodiversity net gain (BNG) for nationally significant infrastructure projects (NSIPs), the UK government confirmed in its [Environmental Improvement Plan 2025](#) that it plans to introduce mandatory 10% BNG for NSIPs by May 2026. This will establish a consistent framework to ensure major infrastructure delivers measurable biodiversity improvements.

JUN
'26

- 5 (EU) Certain amendments to the EU Prospectus Regulation by the EU Listing Act start to apply, including a new ESG disclosure annex for non-equity securities “advertised as taking into account ESG factors or pursuing ESG objectives.”
- 14 (EU) The European Commission is expected to publish due diligence guidance on the [EU Forced Labour Regulation](#).

JUN
'26



21

(EU) Transitional arrangements for external reviewers of EU Green Bond Standard (EU GBS) bonds will no longer apply with such reviewers expected to be ESMA registered and comply fully with the EU GBS.



JUL
'26



(EU) In 2026, the EU is required to undertake a comprehensive assessment of the EU ETS, following adoption of its 2040 greenhouse gas reduction target. A legislative [proposal to update the EU ETS](#) is expected by July 2026.



2

(EU) The [ESG Ratings Regulation](#) will begin to apply.



19

(EU) The [Ecodesign for Sustainable Products Regulation](#) ban on the destruction of unsold textiles and footwear will begin to apply to large companies.

It applies to medium-sized enterprises from 19 July 2030.



AUG
'26



12

(EU) The [EU Packaging and Packaging Waste Regulation](#) will begin to apply. The regulation includes measures restricting certain single-use plastics and aims to make all packaging recyclable in an economically viable way by 2030.



DEC
'26



30

(EU) EUDR obligations [begin to apply to large and medium operators and traders](#) from 30 December 2026 (with micro and small operators to comply with the rules from 30 June 2027).

DEFINITIONS

- **BNG:** Biodiversity net gain
- **CBAM:** Carbon Border Adjustment Mechanism
- **CMA:** Competition and Markets Authority
- **CS3D:** Corporate Sustainability Due Diligence Directive
- **CSRD:** Corporate Sustainability Reporting Directive
- **EPR:** Extended Producer Responsibility
- **ESMA:** European Securities and Markets Authority
- **ESRS:** European Sustainability Reporting Standards
- **ETS:** Emissions Trading Scheme or System
- **EU AI Act:** EU Artificial Intelligence Act
- **EUDR:** EU Regulation on Deforestation-free Products
- **FCA:** Financial Conduct Authority
- **FRC:** Financial Reporting Council
- **ISSB:** International Sustainability Standards Board
- **NSIP:** Nationally significant infrastructure project
- **PFAS:** Perfluoroalkyl and Polyfluoroalkyl Substances
- **PRA:** Prudential Regulation Authority
- **SBTi:** Science Based Targets initiative
- **SDR:** Sustainability Disclosure Requirements
- **SRS:** Sustainability Reporting Standards
- **TNFD:** Taskforce on Nature-related Financial Disclosures
- **WEEE:** Waste electrical and electronic equipment

ADDITIONAL ESG DEVELOPMENTS IN 2026

The below list sets out developments for which we do not yet have a set date

ENVIRONMENTAL

- The Circular Economy Taskforce is expected to publish a strategy for England in early 2026.
- The UK government is expected to publish a response to the feedback received on its December 2023 consultation on Future Homes and Buildings Standards in early 2026.

SOCIAL

- The UK government is considering legislative and non-legislative measures and/or new measures to tackle forced labour and transparency in supply chains, following its response to the House of Lords Committee Report on the Modern Slavery Act 2015, and the Joint Committee on Human Rights' announcement on 21 January 2025 of a new inquiry to examine the UK's legal and voluntary frameworks underpinning the UK's response to forced labour in international supply chains, whether they are effective, and whether changes are required. Please see [our blog](#) for more detail.
- The draft Equality (Race and Disability) Bill will extend pay gap reporting to ethnicity and disability for employers with more than 250 staff, extend equal pay rights to workers suffering discrimination on the basis of race or disability, and ensure that outsourcing of services can no longer be used by employers to avoid paying equal pay. The Bill has not yet been published but is expected to be published in 2026, along with a consultation. On 7 April 2025 the government launched a wide-ranging call for evidence seeking views on making the right to equal pay effective for ethnic minority and disabled people, and other areas of pay transparency and equality law, to help shape the Bill. The call for evidence closed on 30 June 2025.

GOVERNANCE AND REPORTING

- In Q2 2026, the UK government is expected to consult on modernising corporate reporting, extending the existing non-financial reporting review to the whole annual report. The consultation also aims to improve regulatory alignment across reporting frameworks and will look at corporate reporting in the digital age. Announced legislative changes include exemptions for certain medium-sized companies from producing strategic reports and plans to remove the directors' report, with retained elements such as energy and emissions reporting to be relocated within the annual report.
- The Department for Business and Trade is expected to launch a consultation on the Future of Corporate Reporting, aimed at simplifying the non-financial reporting framework.

SUSTAINABLE FINANCE

- Publication of the Principles for Responsible Defence Investment is expected in Q2 2026.
- The FCA is expected to publish its policy statement on ESG ratings providers with final rules in Q4 2026.
- The Transition Finance Council launched a consultation in November 2025 on its draft Transition Finance Guidelines, which closed on 30 January 2026. Final publication of the guidelines is expected in Q2 2026.

FOOTNOTES

Footnote 1 A further consultation on extending the UK ETS cap beyond 2030 was published on 12 February 2025 and closed on 9 April 2025. In its December 2025 response, the UK ETS Authority confirmed that the Scheme will be extended into a second phase from 1 January 2031 to 31 December 2040, with banking of allowances permitted between Phases I and II. The Authority also committed to legislate, when Parliamentary time allows, to provide long-term certainty that the UK ETS will continue to operate through the 2030s as a central decarbonisation instrument aligned with the UK's net zero trajectory.

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