



February Recap

Speaking Sustainability - Legal & Regulatory Updates

Akin's Speaking Sustainability newsletter provides a monthly digest of key news items and other relevant information on significant legal and regulatory developments in the continuum of sustainability issues, including environmental, social and governance (ESG) and climate-related considerations.

As a reminder, visit [Speaking Sustainability](#), where we keep you up to date with alerts and blog posts, and where you can also find our earlier newsletters.

Sustainability Highlights

- EPA Finalizes Repeal of Endangerment Finding
 - SEC Proposes Changes to ESG-related Disclosures and Reporting Obligations
 - Akin Publishes The 2026 Directors Agenda
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The Details

1. On February 18, the U.S. Environmental Protection Agency (EPA) issued its final rule repealing the greenhouse gas (GHG) "endangerment finding." EPA's leadership has characterized the repeal as a return to a narrower reading of the statute in light of scientific, technological and policy developments since 2009. The move significantly attempts to reshape the federal climate regulatory landscape and promptly drew legal challenges.

- Several entities have already filed petitions for review in the D.C. Circuit to challenge the rule. It is anticipated that these entities will soon seek to stay the rule while it is being litigated in the D.C. Circuit and through its inevitable appeal to the U.S. Supreme Court.
- In the meantime, companies within the transportation sector, specifically vehicle manufacturers and suppliers, likely will experience uncomfortable uncertainty as they determine how to approach planning for their future fleets.
- Akin published a client alert covering the topic in more detail, available [here](#).

2. On February 18, the U.S. Securities and Exchange Commission (SEC) proposed a set of rule changes affecting certain registered funds that signal a meaningful shift in its approach to ESG-related disclosures and reporting obligations.

- The proposal would rescind the 2023 amendment to the “names rule,” which currently requires funds marketing themselves as ESG- or sustainability-focused to invest at least 80% of assets in line with those strategies. Akin previously wrote on the subject [here](#).
- Simultaneously, while the Commission considers whether to eliminate the requirement entirely, it has also proposed extending compliance deadlines by six months (i.e., June 11, 2026, for “larger entities” and December 11, 2026, for “smaller entities”).
- The proposal additionally targets fund reporting requirements under Form N-PORT to provide an additional 15 days to file monthly reports of portfolio-related information and restore publication frequency to a quarterly basis.

3. On February 19, Akin published “The 2026 Director’s Agenda: A Review of Risks and Opportunities for Corporate Directors,” the first installment in a series of targeted insights to help directors, executives and investors navigate this fast-moving landscape, spotlighting risks and opportunities for corporate directors, emerging activist tactics, regulatory inflection points and governance blind spots.

The first installment includes the following articles:

- **“Key Issues for Companies and Activist Investors Heading into the 2026 Proxy Season,”** which previews issues that are top of mind for companies and activists as the 2026 reporting and proxy season heads into full gear, as well as considerations for corporate directors as they confront a rapidly evolving environment.
- **“Sustainability Disclosures: A Complex Legal and Regulatory Environment for Boards of Directors,”** we present a snapshot of the current landscape for sustainability-related disclosures and the growing divergence among approaches in the U.S. and Europe and offer practical steps directors may consider taking when evaluating compliance obligations and risks.

- “Board Considerations for Public Companies Engaging with Digital Assets” closes this first collection with a brief exposition covering issues faced by public companies and boards when dealing with digital assets.

We will continue to share updates as we publish our next series.

Key Environmental Developments

Akin’s 2026 Oil & Gas Report *(Akin)*

Akin’s energy and infrastructure team shares a special report on trends and predictions for the industry in 2026, including a close look in “The Next Chapter in the Energy Economy” on the impact of an administration no longer focused on a whole-of-government strategic goal to make the U.S. economy a net zero emitter by 2050.

Trying to Fight Fluoropolymers’ Remorse in New Mexico *(Akin)*

Akin provides an update regarding New Mexico’s fairly groundbreaking approach in the United States pertaining to labeling requirements for per- and polyfluoroalkyl substances (PFAS).

Waste, Recycling Industry Expected to Dodge Federal Climate Rollback Efforts, For Now *(ESG Today)*

The EPA’s rollback of its endangerment finding are not yet anticipated to affect regulations for landfill air emissions, as landfill regulations are based on non-methane organic compounds rather than greenhouse gases.

Corporate Clean Energy Buying Fell Globally In 2025, Reversing Trend *(ESG Today)*

Global corporate clean energy procurement fell to 55.9 gigawatts (GW) in 2025 from 62 GW in 2024, due to a combination of energy prices and policy risks.

UK Releases Finalized Sustainability Reporting Standards *(ESG Today)*

The U.K. government finalized the U.K. Sustainability Reporting Standards (UK SRS) on February 26. The voluntary standards are based on the international financial reporting standards (IFRS) Foundation’s finance- and climate-related standards, and the U.K.s Financial Conduct Authority (FCA) is currently consulting on whether mandatory reporting should be imposed on select companies.

Key Social Developments

Delaware Court of Chancery Rules Workplace Sexual Misconduct Oversight Failures Can Support Shareholder Breach of Fiduciary Duty Claims (*Akin*)

Akin reports on the recent precedent-setting decision in *Los Angeles City Employees' Retirement System v. Glenn Sanford*, and its extension of the Caremark doctrine to sexual misconduct risks.

EU Cyber and Connectivity Proposals with Extra-Territorial Impact: Cybersecurity Act 2 and Digital Networks Act Go to Negotiations (*Akin*)

Akin discusses the European Commission's latest cyber and digital proposals aimed at increasing information and communication technologies (ICT) supply chain security and expand the mandate of the European Union Agency for Cybersecurity (ENISA).

Key Governance Developments

Top DOJ False Claims Act Official Confirms 'Significant Upward Trajectory' in Cybersecurity Enforcement (*Akin*)

Akin reports on recent remarks by Deputy Assistant Attorney General Brenna Jenny highlighting the Trump administration's achievements in relation to cyber-fraud enforcement.

2025 Market Review: Credit, Capital and Change (*Akin*)

Akin provides an overview of key 2025 trends in credit markets, including liability management transactions, hybrid capital, private credit stress and implications from court rulings.

Delaware Supreme Court Reverses Court of Chancery in Moelis Stockholder-Agreement Dispute (*Akin*)

Akin discusses recent Delaware Supreme Court decision reversing the invalidation of Moelis & Co.'s stockholder agreement provisions.

Why Sustainability Has Become A Primary Lever For Cost of Capital (*The CFO*)

The shifting regulatory climate-reporting landscape has transformed the "Greenium" pricing discount issued for green-labeled debt into a larger "ESG Debt Covenant."

Emerging Trends for 2026, and Other Finance News to Know (*World Economic Forum*)

Artificial intelligence and private credit expansion top the current trends corporations should consider when developing operational resilience measures and engaging with new productivity levers.

Additional Resources

Akin maintains two trackers to help keep you up to date in between our newsletters:

- **Sustainability Legislation & Regulation Monitor** covers the latest sustainability-related legal and regulatory developments across the United States, which can be searched by state or topic.
 - **Trump Executive Order Tracker** keeps up with the fast pace of executive orders issued by the Trump administration.
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Upcoming Sustainability Events

Wall Street Green Summit 2026

Peter Fusaro
New York, NY
March 10-11

Responsible Investment Forum

PEI Events
New York, NY
March 18-19

DC Climate Week 2026

DCCW
Washington, D.C.
April 20-26

AFME Annual European Sustainable Finance Conference 2026

Association for Financial Markets (AFME)
Amsterdam, The Netherlands
May 20-21

Akin's Sustainability Practice

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Questions?

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