



December 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

- COP30 - Emerging Key Issues
 - Global Net Zero Report Indicates Steady Momentum on Target Setting
 - Michigan Data Center Tax Incentives Under Bipartisan Consideration for Repeal
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The Details

1. The 30th United Nations Climate Change Conference (COP30) ended on November 22, 2025. Among other things, the package of decisions reflected in the Belém Political Package brings renewed focus on scaling up climate finance and accelerating implementation of the Paris Agreement. The event sharpened focus on implementation and finance rather than binding global commitments. Key issues emerging out of COP30 include:

- Lack of momentum on development of global fossil fuel phase-out road map.
- Energy transition minerals emerge as core pillar.
- Domestic implementation takes center stage.
- Climate finance remains a priority.
- Momentum gained on market mechanisms and carbon trading.

2. The recently released Destination Net Zero 2025 report reveals corporate adoption of net-zero targets continues to increase even amid uncertain political and regulatory environments.

- The report finds that 41% of the world's largest 2,000 companies have set net-zero targets covering their full value chains, an increase of 27% from the previous year and the fourth consecutive year of growth in such commitments.
- Companies identified decarbonization measures they took in 2025, with energy efficiency, renewable energy procurement and waste reduction among the most common.
- While the results indicate increased growth in target-setting, progress on corporate targets remains uneven. Only ~16% of the world's 4,000 largest companies are on track to reach net-zero emissions by 2050.

3. A group of Michigan state representatives introduced a bipartisan package composed of three bills to amend and/or repeal the state's data center tax incentive laws, approved in late 2024. The House package comes amid intensifying public opposition to large-scale data center development.

- Supporters of this repeal identify growing concerns over detrimental environmental impacts, increases in customer utility bills and diverting tax revenue from the state's general fund.
- The incentive laws have helped attract more than a dozen proposed data center projects; however, it has since divided the Michigan state government and is illustrative of conflicting interests growing across the nation.
- The action could stir up this same debate in other states and localities which may be considering similar incentives.

Key Environmental Developments

CARB Unveils Draft Rules for SB 253 and SB 261 Ahead of February Hearing *(Akin)*

The California Air Resources Board (CARB) released an enforcement advisory clarifying it will not enforce SB 261 against covered entities failing to publish climate-related financial risk reports by January 1, following a court order enjoining CARB from enforcing the law.

Washington Makes a De Minimis Change to Its PFAS Restrictions *(Akin)*

Akin discusses a new rule adopted by the Washington Department of Ecology relating to per- and polyfluoroalkyl substances (PFAS) restrictions.

EU Carbon Border Adjustment Mechanism: Financial Obligations Commence Amid Proposed Scope Expansion to Include New Downstream Products *(Akin)*

Akin discusses the eight implementing acts published by the European Union (EU) in relation to its Carbon Border Adjustment Mechanism (CBAM).

Summary: Simplification of EU Sustainability Reporting *(Akin)*

Akin discusses recent modifications to the EU's sustainability disclosure frameworks.

Trump Administration Halts All Large-Scale Offshore Wind Projects Under Construction in US *(ESG Dive)*

The Department of Interior announced it is pausing the leases for “all large-scale offshore wind projects under construction,” which will affect five major federal offshore wind farm projects.

US Plastics Pact Assesses Pluses and Minuses of Chemical Recycling *(ESG Dive)*

The U.S. Plastics Pact published a position paper on chemical recycling, supporting “responsible integration” of chemical recycling technologies and advocating for chemical recyclers to consider environmental justice and health impacts when siting facilities.

Key Social Developments

Artificial Intelligence in Clinical Decision-Making: Regulatory Roadmap and Reimbursement Strategies *(Akin)*

Akin discusses how artificial intelligence (AI) is rapidly transforming clinical medicine amidst an evolving regulatory environment.

President Trump Unveils AI EO Advancing Federal Preemption of State Laws *(Akin)*

Akin summarizes and provides analysis on the recent executive order attempting to block or override state AI regulations.

California's Assembly Bill 692, Restricting Many So-Called “Stay-or-Pay” Employment Contract Terms, Set to Take Effect January 1, 2026 *(Akin)*

Akin reports on California's Assembly Bill 692 that prohibits certain "stay-or-pay" provisions in employment contracts, effective January 1, 2026.

Trump Administration Illegally Fired Workers for Real or Perceived DEI Roles, Lawsuit Alleges *(ESG Dive)*

Four former federal workers filed a lawsuit alleging violations of the First Amendment, Title VII of the Civil Rights Act and the Civil Service Reform Act following government dismissal due to "perceived political affiliations." The case is Fell v. Trump in the U.S. District Court for the District of Columbia.

Key Governance Developments

White House Executive Order Targets Proxy Advisory Firms *(Akin)*

Akin discusses the December 11 executive order, "Protecting American Investors from Foreign-Owned and Politically-Motivated Proxy Advisors."

ISS and Glass Lewis Publish 2026 Benchmark Proxy Voting Policies *(Akin)*

Akin covers the 2026 proxy voting benchmark policies issued by the largest proxy advisory firms.

Navigating the EU's Digital Omnibus on Privacy, Cyber, Data and AI and Next Steps *(Akin)*

Akin discusses the EU's Digital Omnibus legislative package.

Year in Review - Five Key Themes in Corporate Governance for 2025 *(Intelligize)*

Cryptocurrency, executive orders and AI are among the top 2025 trends in company governance, disclosure and risk.

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.

Upcoming Sustainability Events

9th Sustainability and Impacts Investments International Conference

European Commission

Hamburg, Germany

January 22-23, 2026

CleanTech Forum North America

CleanTech Group

San Diego, CA

January 26-28, 2026

GreenBiz26

Trellis

Phoenix, Arizona

February 17-19 CleanTech Forum North America

Wall Street Green Summit 2026

Peter Fusaro

New York, NY

March 10-11

Akin's Sustainability Practice

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Questions?

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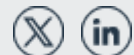


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