



Sustainability reporting in spotlight

Current topics in sustainability reporting

September 2025



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Introduction

Our publication “Sustainability reporting in spotlight” (Kestävyysraportointi valokeilassa) is designed to help keeping up to date with the developments in global sustainability reporting. This issue includes updates on the recent activities of the standard setters in addition to sharing updates on the latest available PwC guidance.

Standard setter news and updates

1. EU updates

EU Commission (EC)

On 26 February 2025, the EC adopted a package of so-called “omnibus” proposals designed to reduce the administrative burden on undertakings and to boost growth and investment. For sustainability reporting (CSRD), the proposed amendments include applying the reporting requirements only to large undertaking with more than 1000 employees, thereby reducing the number of undertakings subject to the requirements by about 80%.¹

Per the 27 March 2025 letter from the EU Commissioner Maria Luís Albuquerque, the EC sets out EFRAG’s specific mandate with respect to delivering a technical advice on the simplification of the first set of European Sustainability Reporting Standards (ESRS). That technical advice is to be delivered by end November 2025 (after prolongation of one month from 31 October 2025).²

The “omnibus” package included a separate legislative proposal (so-called “stop-the clock” proposal) which postpones the entry into application of the reporting requirements for those undertakings that were previously to report for the first time for financial years 2025 or 2026 (“wave two” and “wave three” undertakings). That legislative proposal was adopted by the European Parliament and the Council without significant modifications and entered into force on 17 April 2025.³

On 4 July 2025, as part of the “omnibus” package, the EC adopted a delegated act that amends the Taxonomy Disclosures, Climate and Environmental delegated acts. The delegated act impacts the content and presentation of taxonomy disclosures. The amendments are intended to reduce administrative burden,

¹ [Corporate sustainability reporting – European Commission](#)

² [EU Commissioner Albuquerque addresses EFRAG SRB on ESRS Simplification Mandate | EFRAG](#)

³ [Direktiivi - EU - 2025/794 - FI - EUR-Lex](#)

improve the accuracy of key performance indicators (KPIs), and shorten and simplify the mandated reporting templates. The amendments are subject to a four-month scrutiny period by the European Parliament and Council, which may be extended to six months. The amendments will enter into force 20 days after their publication in the EU Official Journal. No transposition into local Member State law is required. The amendments apply beginning 1 January 2026. Once published, they may be, but are not required to be, applied to fiscal years beginning between 1 January and 31 December 2025.⁴

On 11 July 2025, the EC adopted a delegated act including an annex which amends the transitional reliefs available in ESRS 1 General requirements Appendix C. The intent of these changes is to provide a “quick fix” to extend the phase-in provisions while the separate efforts to update the ESRS as part of the “omnibus” proposal are underway. The changes apply for financial years beginning on or after 1 January 2025. The European Parliament and the Council of the EU may raise objections to the “quick fix” delegated act within a maximum period of 4 months (“scrutiny period”). If no objections are raised, the delegated act will be published in the EU Official Journal, and its provisions will enter into force on the third day following publication. After entry into force, the provisions of the delegated act will apply directly and will not require national transposition in EU Member States.⁵

On 30 July 2025, the EC adopted the recommendation on voluntary sustainability reporting for small and medium-sized companies (SMEs). This recommendation will reduce the administrative burden on SMEs by making it easier for the SMEs to respond to requests for sustainability information from large companies and financial institutions which are subject to mandatory reporting under CSRD, and which have SMEs in their value chains. It is to be noted that this recommendation is an intermediary solution to address market demands until the delegated act on a voluntary standard is formally adopted. The content of the delegated act could vary compared to this recommendation.⁶

EFRAG

On 25 April 2025, EFRAG officially submitted its work plan to the EC outlining the steps it will take to fulfil the specific mandate received on 27 March 2025 to provide technical advice on the revision and simplification of the European Sustainability Reporting Standards (ESRS).⁷

⁴ [Commission to cut EU taxonomy red tape for companies - European Commission](#)

⁵ [Commission adopts "quick fix" for companies already conducting corporate sustainability reporting - European Commission](#)

⁶ [Commission presents voluntary sustainability reporting standard to ease burden on SMEs - European Commission](#)

⁷ [EFRAG delivers Work Plan to the European Commission in response to ESRS Simplification Mandate | EFRAG](#)

On 20 June 2025, EFRAG published its **Progress Report** on ESRS Simplification (as of 20 June 2025). In the Progress Report, EFRAG provides an update of the work performed so far and of the activated levers to simplify the European Sustainability Reporting Standards (ESRS).⁸

On 26 June 2025, EFRAG published its **final comment letter** on the ISSB's Exposure Draft "Amendments to Greenhouse Gas Emissions Disclosures – Proposed Amendments to IFRS S2".⁹

On 23 July 2025, EFRAG launched its new "EFRAG 2025 State of Play" portal on ESRS reporting. The portal presents key insights from EFRAG's market study on 656 sustainability statements for fiscal year 2024. Additionally, an accompanying "State of Play 2025" report was published, summarizing the results of the market study.¹⁰

On 31 July 2025 EFRAG published the revised and simplified exposure drafts of the European Sustainability Reporting Standards (ESRS). On the same date the public consultation was also launched, and comment period is open until 29 September 2025.¹¹

ESMA

On 29 April 2025, the European Securities and Markets Authority (ESMA) published its Guidelines on Enforcement of Sustainability Information (GLESI). The guidelines apply in relation to the enforcement of sustainability information under Article 24(4) of the Transparency Directive to ensure that sustainability information provided by issuers, who have securities admitted to trading on a regulated market and who are required to publish sustainability information under the Accounting Directive, complies with the requirements of the Transparency Directive. The guidelines apply to enforcement of sustainability information published from 1 January 2025. More information is available on [ESMA's webpage](#).

On 20 June 2025, the European Securities and Markets Authority (ESMA) published a statement on the ESRS supervision in the Omnibus environment. According to the statement, the first years of ESRS application will imply a learning curve for all parties, necessitating an adjustment period to reach a common understanding of the new requirements. Application of the GLESI

⁸ [EFRAG Releases Progress Report on ESRS Simplification](#)

⁹ [EFRAG Issues Final Comment Letter on ISSB's Greenhouse Gas Disclosure Proposals](#)

¹⁰ [EFRAG Launches ESRS Statistics and Report Portal on the 2025-Issued ESRS Sustainability Statements and Publishes "State of Play 2025" Report | EFRAG](#)

¹¹ [Press release - EFRAG Shares Revised ESRS Exposure Drafts and Launches 60-Day Public Consultation | EFRAG](#)

during this phase will need to be proportionate and realistic. More information is available on [ESMA's webpage](#).

Finnish updates

The Ministry of Economic Affairs and Employment has prepared a bill in order to implement the so-called “stop-the-clock” directive, a part of the “omnibus” package. The aim of the bill is to postpone sustainability reporting by two years for companies other than those that have already started reporting. The goal is to reduce the administrative burden on companies in line with the objectives of the European Union and the programme of Prime Minister Orpo’s Government. The law is intended to come into force on 1 December 2025, but its provisions could be applied to financial years starting on or after 1 January 2025. The government proposal is available on the [Parliament of Finland’s website](#).

The Finnish Accounting Board has published a few statements in 2025, which are useful also from the perspective of sustainability reporting (e.g., 2025/2094, 2025/2098, 2025/2101, 2025/2110, 2025/2113). The statements are available on the Accounting Board's website at [Etusivu - Kirjanpitolautakunta](#).

2. Global updates

ISSB

During 2025, the ISSB has continued to issue supporting materials for the application of its IFRS Sustainability Disclosure Standards IFRS S1 and IFRS S2. The supporting materials include educational materials, webcasts and videos.¹²

On 28 April 2025, in response to market feedback, the ISSB published an Exposure Draft proposing targeted amendments to IFRS S2 Climate-related Disclosures that would provide reliefs to ease application of requirements related to the disclosure of greenhouse gas (GHG) emissions. The comment period for the Exposure Draft closed on 27 June 2025. The ISSB aims to finalise the amendments by the end of 2025, subject to stakeholder feedback.¹³

On 3 July 2025, the ISSB published two exposure drafts proposing amendments to the SASB Standards and consequential amendments to the **Industry-based Guidance on Implementing IFRS S2**.¹⁴

¹² [Supporting materials for IFRS Sustainability Disclosure Standards and Knowledge hub](#)

¹³ <https://www.ifrs.org/news-and-events/news/2025/04/issb-publishes-exposure-draft-targeted-amendments-s2/>.

¹⁴ [IFRS - ISSB proposes comprehensive review of priority SASB Standards and targeted amendments to others](#).

PwC news and updates

We have published several in briefs on the activities of EC, EFRAG and ISSB reported in this newsletter. The in briefs are available free of charge upon registration on the PwC Viewpoint platform. You can access and register to PwC Viewpoint at viewpoint.pwc.com/us/en.html.

For the above mentioned in briefs, please refer to the following links:

- **EC's "omnibus" package:** [European Commission publishes 'Omnibus' proposals](#)
- **EC's simplification of taxonomy reporting:** [European Commission adopts revisions related to Taxonomy Regulation](#)
- **EC's "quick fix" amendments to ESRS:** [New reliefs for ESRS 'wave 1' reporters](#)
- **EFRAG's revised ESRS exposure drafts:** [EFRAG's next step toward revised ESRS](#)
- **ISSB's exposure drafts on SASB Standards and IFRS S2 industry-based guidance:** [ISSB proposes amendments to SASB Standards and 'Industry-based guidance on Implementing IFRS S2'](#)



We would also like to remind you of the other publications and tools we have available on global sustainability reporting:

Our comprehensive global **Sustainability reporting guide** (SRG) is available free of charge upon registration on the [PwC Viewpoint platform](#). The SRG covers the essentials and provides insights and perspectives, interpretive and application guidance, and illustrative examples on:

- European Sustainability Reporting Standards
- IFRS® Sustainability Disclosure Standards
- SEC and California climate disclosure rules

PwC has published **examples of sustainability disclosures under IFRS Sustainability Disclosure Standards**. This publication contains an illustrative example of a basis of preparation and selected sustainability notes only for an entity reporting under the IFRS Sustainability Disclosure Standards for the first time. The publication presents examples of how a fictional entity, VALUE Plc, might apply some of the requirements in IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures based on hypothetical scenarios and hypothetical risks to the entity. VALUE Plc is the same entity on which PwC's [IFRS Accounting Standards illustrative financial statements](#) are based. The group structure, nature of operations, financial performance etc. are consistent between this illustrative sustainability report and the illustrative financial statements. This publication is not a complete sustainability report – it only covers specific areas and selected disclosure requirements under the IFRS Sustainability Disclosure Standards, and the illustrated disclosures are not intended to represent the only way the requirements could be applied. This publication is also available at [PwC Viewpoint](#).¹⁵

¹⁵ [Example sustainability disclosures under IFRS Sustainability Disclosure Standards](#)



Global Sustainability Reporting: Technical Webcast

We are pleased to invite you to the upcoming **Global Sustainability Reporting Technical Training webcast**, scheduled for Thursday, 18 September from 18:00 to 19:30 Finnish time. The webcast is in English.

This webcast is part of ongoing series, providing a valuable opportunity to stay informed about the latest developments in sustainability reporting requirements.

Among other topics, we will discuss EFRAG's proposed revisions to ESRS Set 1, including implications for FY25 preparers.

Please register **here** for the webcast.

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