



Sustainability reporting in spotlight

Current topics in sustainability reporting

May 2026



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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 6 May 2026, building on the Omnibus I package, the EC launched a four-week 'Have-Your-Say' public feedback on the draft final versions of revised European Sustainability Reporting Standards (ESRS) and a voluntary reporting standard for smaller companies.¹ These standards aim to cut administrative burden for EU businesses while preserving the quality of sustainability disclosures. The consultation is open until 3 June 2026.

On 30 April 2026, the EC published clarifications regarding the Taxonomy Regulation (Regulation (EU) 2020/852) and the associated delegated act on reporting (Commission Notice C/2026/2558).² The clarifications were first published on 17 December 2025 as a draft. By way of background, the EC adopted on 4 July 2025 a delegated act that amends the Taxonomy Regulation delegated acts. The final delegated act was published in the Official Journal of the European Union on 8 January 2026 and entered into force on 28 January 2026 (Commission Delegated Regulation (EU) 2026/73).³

On 26 February 2026, after adoption both by the Parliament and the Council, the Omnibus I Directive was published in the Official Journal of the European Union, and it entered into force on 18 March 2026.⁴ By way of background, the EC put forward the so-called 'Omnibus I' package on 26 February 2025, aiming to simplify the directives on corporate sustainability reporting (CSRD) and due diligence (CSDDD).⁵

¹ [Commission seeks feedback on revised sustainability reporting standards - Finance](#)

² [EUR-Lex - 52026XC02558 - EN - EUR-Lex](#)

³ [Delegated regulation - EU - 2026/73 - EN - EUR-Lex](#)

⁴ Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements (Text with EEA relevance)

⁵ [Commission proposes to cut red tape and simplify business environment - European Commission](#)

The Omnibus I Directive makes several substantive changes to the CSRD and CSDDD and narrows their scope significantly. EU Member States are required to implement the provisions of the Directive into national law by 19 March 2027 except for the provisions related to the CSDDD which shall be transposed by 26 July 2028.

EFRAG

On 20 May 2026, the European Financial Reporting Advisory Group (EFRAG) published its Annual Review 2025, highlighting EFRAG's key achievements and strategic developments across both its financial and sustainability reporting activities over the past year. The document is available exclusively in digital format on the EFRAG website.⁶

On 24 April 2026, EFRAG submitted its Sustainability Reporting Work Programme 2026 to the EC setting out its strategic priorities and planned activities. In line with EFRAG's transparency principles, the Work Programme 2026 is publicly available.⁷

On 17 December 2025, EFRAG released its Discussion Paper 'Connectivity of Financial and Sustainability Reporting', following its 2021 research agenda consultation, where connectivity was the top-ranked topic by EU stakeholders.⁸ The Discussion Paper has a supplemental document containing 17 real-world illustrations from company reports. These illustrations demonstrate practical instances of connectivity between sustainability disclosures under ESRS or ISSB Standards and financial statements under IFRS Accounting Standards, and they help stakeholders visualise how connectivity is applied in practice.

On 4 December 2025, EFRAG launched the ESRS Knowledge Hub, an interactive online platform designed to support companies, practitioners and stakeholders in navigating ESRS, VSME⁹ and broader sustainability reporting materials developed by EFRAG.¹⁰ The platform provides access to the adopted 2023 ESRS and the VSME standard in an interactive way. The interactive feature has also been implemented for EFRAG's technical advice on simplified ESRS (to be replaced by the delegated act once adopted by the EC).

⁶ [Annual reviews | EFRAG](#)

⁷ [EFRAG submits its Sustainability Reporting Work Programme 2026 to the European Commission | EFRAG](#)

⁸ [EFRAG Publishes Discussion Paper on Connectivity of Financial and Sustainability Reporting | EFRAG](#)

⁹ Commission Recommendation (EU) 2025/1710 on a voluntary sustainability reporting standard for small and medium-sized undertakings.

¹⁰ [EFRAG launches the ESRS Knowledge Hub, a new digital gateway to sustainability reporting | EFRAG](#)

On a monthly basis, EFRAG publishes the EFRAG Update, which provides information on its due process publications, public technical discussions held, and decisions taken during that month.¹¹ The latest edition of the EFRAG Update is from April 2026.

ESMA

On 7 May 2026, the European Securities and Markets Authority (ESMA) published its Report on 2025 Corporate reporting enforcement and regulatory activities.¹² The report provides an overview of how national enforcers and ESMA supervised corporate reporting across the European Economic Area (EEA) during 2025. In sustainability reporting, 2025 was the first year of enforcement of the European Sustainability Reporting Standards (ESRS), alongside the application of the ESMA Guidelines on Enforcement of Sustainability Information (GLES I).

On 18 February 2026, ESMA delivered its opinion on EFRAG's technical advice on revised European Sustainability Reporting Standards (ESRS) to the EC. In its opinion, ESMA supports the simplified ESRS and suggests targeted adjustments.¹³

On 14 October 2025, ESMA announced the European Common Enforcement Priorities (ECEP) for the 2025 annual financial reports of listed issuers.¹⁴ With regard to sustainability statements, ESMA asked issuers to focus on materiality considerations under ESRS and the scope and structure of the sustainability statement. In addition, in its statement, ESMA highlighted the importance of connectivity between financial and sustainability information. On the same day, ESMA also published the results of a fact-finding exercise on 2024 sustainability reporting practices under ESRS Set 1.

Finnish updates

On 30 April 2026, the draft Government proposal for implementing the CSDDD was sent out for public consultation, and the deadline for comments is 24 June 2026.¹⁵ The new corporate sustainability due diligence act would apply to very large companies with more than 5,000 employees and turnover exceeding EUR 1.5 billion. The aim is to submit the Government proposal to the Parliament during the autumn 2026 parliamentary session. The proposed act is intended

¹¹ [Updates | EFRAG](#)

¹² [ESMA outlines enforcement activities for corporate reporting across the EEA in 2025](#)

¹³ [ESMA supports the simplified European Sustainability Reporting Standards and suggests targeted adjustments](#)

¹⁴ [ESMA announces 2025 European Common Enforcement Priorities and results of fact-finding on materiality considerations in sustainability reporting](#)

¹⁵ [Lausunto - Lausuntopalvelu](#)

to enter into force on 26 July 2028 and to apply to companies as from 26 July 2029.

On 26 March 2026, the Government proposal for implementing the Omnibus I Directive (“content directive”) as regards the amendments to the CSRD was submitted to the Parliament for approval.¹⁶ The Government proposal contains amendments to the Finnish Accounting Act and the Finnish Auditing Act. Under the Government’s proposal, the obligation to prepare sustainability reports would only apply to companies with a turnover of over EUR 450 million that employ more than 1,000 people. The changes now proposed would enter into force on 30 June 2026, but the new provisions could already be applied for financial years beginning on or after 1 January 2026.

The Financial Supervisory Authority’s (FIN-FSA) Market Newsletter 3/2025 – 16.12.2025¹⁷ (in English language 14 January 2026¹⁸) included extensive coverage of sustainability reporting topics. For example, the FIN-FSA published the results of its review of the first sustainability statements, covering the 2024 sustainability statements of 20 companies. In addition, the FIN-FSA stated that, in 2026, enforcement of sustainability statements will continue applying the same enforcement priorities as in 2025: description of the double materiality assessment process as well as the scope and structure of the sustainability statement. The FIN-FSA will continue to pay particular attention to the transparent reporting of the double materiality assessment process.

2. Global updates

ISSB

On 22 April 2026, the International Sustainability Standards Board (ISSB) agreed to propose requirements for nature-related disclosures in the form of an IFRS Practice Statement. The Practice Statement would complement IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, without changing the requirements in the Standards. The ISSB aims to publish an exposure draft for public comment in October 2026.¹⁹

¹⁶ HE 38/2026 vp

¹⁷ Markkinat-tiedote 3/2025 - 16.12.2025 - Markkinat-tiedote - www.finanssivalvonta.fi

¹⁸ Market Newsletter 3/2025- 14 January 2026 - Market newsletter - www.finanssivalvonta.fi

¹⁹ IFRS - ISSB agrees on the proposed way forward for nature-related disclosures

On 26 March 2026, the ISSB published an exposure draft proposing amendments to three SASB Standards and consequential amendments to the Industry-based Guidance on Implementing IFRS S2. The 120-day comment period closes on 24 July 2026.²⁰

On 11 December 2025, the ISSB issued targeted amendments to greenhouse gas (GHG) emissions disclosure requirements in IFRS S2 Climate-related Disclosures in response to specific application challenges that were identified as companies started to apply the Standard. The amendments are effective for reporting periods beginning on or after 1 January 2027, with early application permitted. On the same day, the ISSB also issued consequential amendments to align financed emissions metrics in three SASB Standards with the corresponding amended requirements in IFRS S2.²¹

The ISSB has undertaken a number of activities to support consistent application of its IFRS Sustainability Disclosure Standards IFRS S1 and IFRS S2. The supporting materials include educational materials, webcasts and videos.²²

The ISSB Update is a staff summary of the tentative decisions reached by the ISSB in its public meetings. These take place each month, except August (usually). ISSB also provides podcast summaries of its meetings and activities.²³ The latest Updates and podcasts are from April 2026.

²⁰ [IFRS - ISSB seeks feedback on proposed amendments to three SASB Standards](#)

²¹ [IFRS - ISSB issues targeted amendments to IFRS S2 to support implementation](#)

²² [IFRS - Supporting materials for IFRS Sustainability Disclosure Standards and IFRS - IFRS Sustainability knowledge hub](#)

²³ [IFRS - Updates and podcasts](#)

PwC news and updates

We continuously issue publications on the activities of the EC, EFRAG and ISSB. These publications are available free of charge upon registration on the PwC Viewpoint platform. You can access and register to PwC Viewpoint at <https://viewpoint.pwc.com/gx/en.html>

Examples of such publications are provided in the links below. These publications cover topics also discussed in this newsletter:

- EC seeks feedback on simplified ESRS: [Simplified ESRS - European Commission would like to hear your views](#)
- Omnibus directive completed: ['Omnibus' directive finalised](#)
- EC's VSME Recommendation: [European Commission adopts a recommendation on the VSME standard.](#)
- ISSB finalises amendments to IFRS S2: [Amendments to IFRS S2: greenhouse gas emissions disclosures.](#)
- ISSB proposes amendments to three SASB standards and IFRS S2 industry-based guidance: [ISSB continues enhancing SASB Standards with proposed amendments to three additional standards and IFRS S2 industry-based guidance](#)



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. This publication is also available at PwC Viewpoint.²⁴

²⁴ [Example sustainability disclosures under IFRS Sustainability Disclosure Standards](#)

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