



Regulatory updates

Sustainability developments

Last update: Autumn 2025



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Scope of this publication

This document provides a comprehensive overview of the sustainability landscape, beginning with an exploration of the latest developments in sustainability regulations, standards and initiatives.

In the second part of the document, we present a concise summary of current sustainability standards and regulations. Each standard / regulation is accompanied by essential information, including background, scope, key elements and useful links.

Further insights into the sustainability topic – for instance tax-related matters – are addressed on the following PwC webpages and publications:

Sustainability in general: <https://www.pwc.ch/en/insights/sustainability.html>

Tax developments (Swiss focus): <https://www.pwc.ch/en/insights/regulation/tax.html>

Tax developments (international focus): <https://www.pwc.com/gx/en/services/tax/esg-tax.html>

Part 1 – Latest developments

Omnibus' package intended to simplify EU sustainability reporting rules

- Status:
- Entry into force – “Stop-the-clock” entered into force on 15 April 2025
 - Entry into force – EU Taxonomy: Delegated act will apply as of 1 January 2026 and will cover 2025 financial year (option to apply measures starting 2026 financial year)
 - Entry into force – “Content” Proposal: Open
 - Entry into force – Remaining proposals: open

On 26 February 2025, the European Commission (EC) published the first ‘Omnibus’ package intended to simplify EU sustainability reporting rules related to the EU Green Deal.

The package includes proposals related to the Corporate Sustainability Reporting Directive (CSRD) as well as proposed changes to the Corporate Sustainability Due Diligence Directive (CSDDD), the Carbon Border Adjustment Mechanism (CBAM), and regulations related to InvestEU and other EU investment programs. The EC also issued a draft Delegated Act to propose changes to the EU Taxonomy Regulation (EU Taxonomy).

The EU issued two proposals to update the CSRD referred to as the ‘**stop-the-clock**’ and the ‘**content**’ proposals:

| CSRD | |
|---------------------------|---|
| “ Stop-the-clock ” | To postpone ‘wave 2’ and ‘wave 3’ reporting by two years (FY2027 and FY2028 respectively). This delay is intended to provide time for the adoption of the ‘content’ proposal. |
| “ Content ”: | |
| Scope of CSRD | The determination if entity is in scope of the CSRD will primarily depend on whether it has more than 1000 employees. Entities with up to 1000 employees could voluntarily report in accordance with the Voluntary Sustainability Reporting Standard for micro, small, and medium-sized enterprises (VSME). |
| Value chain requirements | Value chain cap would apply directly to reporting entities. Requests from entities with up to 1000 employees would be limited to the requirements of the VSME. |
| Assurance requirements | Moving to reasonable assurance would be removed. EC to issue targeted assurance guidelines by 2026. |
| ESRS standards updates | The requirement to issue sector standards would be removed. Areas targeted for change in the proposal include substantially reducing the number of mandatory datapoints, prioritizing quantitative datapoints over qualitative text, improving consistency with other EU legislation. |

As part of the Omnibus simplification package, the EC also issued a draft Delegated Act including proposed amendments to the EU Taxonomy, the CSDDD and CBAM. The proposed changes are summarised below:

| EU Taxonomy | |
|----------------------|---|
| Scope reduction | Currently consistent with CSRD, proposal to limit reporting to largest entities (consistent with CSDDD), while keeping the possibility to report voluntarily for the other large companies within the future scope of the CSRD. |
| Partial alignment | To encourage gradual transition to the EU Taxonomy, proposal to introduce an option for reporting on activities that are partially aligned with the EU Taxonomy. |
| Materiality | To introduce a financial materiality threshold and reduce the reporting templates by around 70%. |
| DNSH criteria | Simplifications to certain complex “Do no Significant harm” (DNSH) criteria. |
| Ratio simplification | To simplify calculations required for among others, the main Taxonomy-based key performance indicator for banks, the Green Asset Ratio (GAR). |

| CSDDD | |
|---|--|
| Postponement of application (part of “stop-the-clock” proposal) | To give companies more time to comply with new requirements by postponing, by one year, the transposition deadline (26 July 2027) and the first phase of the application of the sustainability due diligence requirements, covering the largest companies (to 26 July 2028). |
| Simplification of requirements | To focus on systematic due diligence on direct business partners. Also, to prolong interval between regular periodic assessment from annual to 5 years, with ad-hoc assessments where necessary. |
| Reduce trickle-down effect | Similar to CSRD change, the Omnibus proposes to reduce reporting on SMEs on the value chains of larger entities by limiting the amount of information that can be requested by larger entities to the information specified in the CSRD VSME. |

| CBAM | |
|--------------------------|--|
| Scope | To simplify CBAM for small CBAM importers, by introducing a new CBAM de minimis threshold exemption of 50 tonnes mass. |
| Compliance | For those importers who remain in the CBAM scope, the proposed changes will also facilitate compliance with CBAM obligations. For instance, by simplifying the authorisation of declarants, the calculation of emissions, and the management of CBAM financial liability |
| Increasing effectiveness | This will be coupled with measures making CBAM more effective, by strengthening anti-abuse provisions and developing a joint anti-circumvention strategy together with national authorities |

Links:

- [Omnibus I](#)
- [Omnibus II](#)
- [Questions and answers on simplification omnibus I and II](#)
- [Commission staff working document \(as regards certain corporate sustainability reporting and due diligence requirements\)](#)
- [Commission staff working document \(as regards simplifying and strengthening the carbon border adjustment mechanism\)](#)

“Quick fix” delegated act

- Status:
- Adopted by the Commission on 11 July 2025
 - Entry into force: on the third day after its publication in the *Official Journal of the European Union*
-

On 11 July 2025 the Commission adopted the ‘quick fix’ delegated act, which amends the first set of the European Sustainability Reporting Standards (ESRS). This was a necessary action to be taken as ‘wave 1’ companies were not captured by the “stop-the-clock” Directive (refer above).

The amendment extends certain phased-in disclosure requirements by two years, as well as extends the possibility of omitting certain data points to companies with more than 750 employees.

Links:

[‘Quick fix’ delegated act](#)

[Annex](#)

Federal council opened consultation on amendment to the Code of Obligations (transparency regarding sustainability aspects)

- Status:
- Decision on next steps expected in Spring 2026
 - Entry into force: open
-

On 26 June 2024, the Federal Council has opened the consultation process on the next steps to align the Swiss sustainability reporting obligations with the EU CSRD. The proposed changes to the Swiss Code of Obligations include the following:

- Similar to the EU, Swiss companies/groups fulfilling 2 of 3 criteria, namely over 250 full-time employees on average, CHF 25 million balance sheet, and CHF 50 million turnover in two consecutive financial years could be required to report on non-financial matters.
- Implementation of an assurance requirement on the Swiss sustainability reports (CO 964c).
- Enhancement of the requirements for Swiss sustainability reports towards the EU standard (ESRS).

On 21 March 2025, the Federal Council tasked the Federal Department of Justice and Police (FDJP) with developing potential options for a pragmatic amendment to the current legislation. The Federal Council will decide on the further course of action once the EU has made decisions regarding its announced simplifications, but not later than Spring 2026. Please find the related press release [here](#).

Federal council opened consultation on amending the Ordinance on Climate Disclosures

Status: • Consultation period ended on 21 March 2025
 • Entry into force: expected 1 January 2027

On 6 December 2024, the Federal Council has opened a consultation on amending the Ordinance on Climate Disclosures proposing the following amendments:

- Disclosures based on an internationally recognized standard such as ESRS and IFRS ISSB S2;
- Mandatory implementation of a net-zero roadmap, synonymous with a “transition plan”,
- Reporting in an electronic format, which is not only human and machine readable, but which also allows the publication on an international platform (e.g. ESEF); and
- Whenever possible and appropriate, disclosures in quantitative format to guarantee comparability of material assumptions, methodologies and standards.

On 25 June 2025, the Federal Council decided that the revision of the Ordinance on Climate Disclosures is to be paused until there is clarity about the regulatory developments in the EU, as well as the amendments to the Code of Obligations (transparency regarding sustainability aspects). Please find the related press release [here](#).

GRI: New Climate Change and Energy standards

Status: Effective for reports or other materials published on or after 1 January 2027

On 26 June 2025, the Global Reporting Initiative (GRI) has published two new topical standards:

- GRI 102: Climate Change
- GRI 103: Energy

Both standards are based on scientific and authoritative global climate change frameworks and are fully aligned with the GHG Protocol.

A recently released joint statement published by the International Sustainability Standards Board (ISSB) and GRI outlines how GRI 102 and IFRS S2 Climate-related Disclosures can be used in conjunction. It includes confirmation from the Global Sustainability Standards Board (GSSB) that organisations may use equivalent disclosures from IFRS S2 regarding Scope 1, 2, and 3 GHG emissions to fulfill similar requirements in GRI 102, as long as they measure their GHG emissions according to the GHG Protocol and indicate the disclosure location in their GRI content index.

Links:

[Press release new standards](#)

[GRI Standards English](#)

Part 2 – Current Sustainability Standards and Regulations

2.1 European Regulation

2.1.1 CSRD – Corporate Sustainability Reporting Directive

Background

In April 2021, the European Commission (EC) published its proposal for a Corporate Sustainability Reporting Directive (CSRD), which replaces the Non-Financial Reporting Directive (NFRD), thus increasing the requirements for sustainability reporting. After being formally adopted in November 2022, the CSRD entered into force on 5 January 2023. EU Member States had 18 months to implement the directive into national law.¹ As per today, the CSRD has not yet been transposed by all EU Member States – in some member states the NFRD may therefore still be applicable.

Scope and timeline

The CSRD is phased according to the following timeline:

| Impacted entities | | Reporting timeline ² |
|-------------------|---|---------------------------------|
| Wave 1 | (1) Entities in the scope of Non-financial Reporting Directive (NFRD) (2) 'Large' entities that are listed and have more than 500 employees | From 2025 on FY 2024 |
| Wave 2 | All other 'large' EU undertakings and EU undertakings that are parents of a 'large' group | From 2028 on FY 2027 |
| Wave 3 | Listed SMEs; certain small and non-complex credit institutions, captive insurance entities, and captive reinsurance entities | From 2029 on FY 2028 |
| Wave 4 | Non-EU entities with significant activities in the EU: consolidated turnover of more than €150 million generated in the EU; and either (1) a 'large' subsidiary (as defined) or listed SME subsidiary or (2) a branch with turnover of more than €40 million. | From 2029 on FY 2028 |

A 'large' undertaking is an undertaking that on its balance sheet date exceeds at least two of the following three size criteria for the last two consecutive financial years:

- an annual average of 250 employees,
- EUR 50 million in net turnover;
- EUR 25 million total assets

¹ As some Member States have not (fully) transposed CSRD into domestic law within the required timeframe, the [Commission](#) has initiated infringement procedures by sending letters of formal notice.

² As the stop-the-clock proposal has entered into force on 15 April 2025, the reporting timelines outlined are already reflective of that change.

Key elements

Content of the report

- The sustainability report must be prepared in accordance with the European Sustainability Reporting Standards (ESRS). ESRS were adopted on 31 July 2023 and contain 12 industry agnostic standards. The standards are divided into two “cross-cutting” standards and ten “topical” standards. The cross-cutting standards are to be applied independently from the outcome of the materiality analysis. The topical standards covering environmental, social and governance topics are to be applied based on the outcome of the double materiality assessment.
- Reporting entities to undertake a “double materiality assessment” as described in the ESRS.
- Sustainability matters can be material either regarding the company’s impacts on society and environment (impact materiality/inside-out-view) or regarding the company’s risk and opportunities related to business and financials (financial materiality/outside-in view).

Report format, submission and assurance

- For EU entities, the sustainability report must be included in the management report section of the annual report. Non-EU entities to provide the required disclosures as part of their ‘consolidated sustainability reporting’.
- To be published at the latest twelve months – additional restrictions may apply according to the respective EU Member State transposition – after the end of the financial year and for EU entities at the same time as the financial information.
- Sustainability reports need to have a mandatory electronic format and tagging, meeting the requirements of the European Single Electronic Format (ESEF). Currently, the ESEF format is not yet fully developed for sustainability reporting.
- The CSRD require external assurance of the reported information – beginning with limited assurance.

Links

[Corporate Sustainability Reporting Directive \(CSRD\)](#)

[PwC Sustainability Reporting Guide \(SRG\)](#)

2.1.2 EU Taxonomy Regulation

Background

With the EU Taxonomy adopted in July 2020, the EC created a binding classification standard for sustainable economic activities in the EU. The act published in July 2021 (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021) specifies the formal disclosure requirements for reporting companies in the context of the EU Taxonomy.

Scope and timeline

The EU Taxonomy primarily applies to entities in the European Economic Area (EEA).

Scope

| | |
|------------------------|---|
| Non-Financial entities | <ul style="list-style-type: none"> The companies in scope for the CSRD have to report to what extent their activities are covered by the EU Taxonomy (Taxonomy-eligibility). Please refer to Chapter 2.1.1 – CSRD - Corporate Sustainability Reporting Directive for the relevant scoping criteria. |
| Financial entities | <ul style="list-style-type: none"> This includes credit institutions, asset managers, investment firms and insurance/reinsurance companies (refer to Articles 3-6 of the Disclosures Delegated Act (DDA)). The Regulation is based on information on the proportion of environmentally sustainable economic activities in the total assets that financial companies finance or invest in. |

| | Financial entities | Non-Financial entities |
|-------------------------|--|--|
| From 2022 on FY 2021 | Reporting on Taxonomy eligibility <ul style="list-style-type: none"> Environmental objectives 1 and 2 | |
| From 2023 on FY 2022 | Reporting on Taxonomy eligibility <ul style="list-style-type: none"> Environmental objectives 1 and 2 | Reporting on Taxonomy eligibility & alignment <ul style="list-style-type: none"> Environmental objectives 1 and 2 |
| From 2024 on FY 2023 | Reporting on Taxonomy eligibility & alignment <ul style="list-style-type: none"> Existing activities on environmental objectives 1 & 2, including amendments Reporting on Taxonomy eligibility <ul style="list-style-type: none"> Environmental objectives 3-6 New activities on environmental objectives 1 and 2 | |
| From 2025 on FY 2024 | Reporting on Taxonomy eligibility & alignment <ul style="list-style-type: none"> Environmental objectives 1 and 2 Reporting on Taxonomy eligibility <ul style="list-style-type: none"> All 6 environmental objectives New activities for environmental objectives 1 and 2 | Reporting on Taxonomy eligibility & alignment <ul style="list-style-type: none"> All 6 environmental objectives New activities on environmental objectives 1 and 2 |
| From 2026 on FY 2025 | Reporting on Taxonomy eligibility and alignment <ul style="list-style-type: none"> All 6 environmental objectives New activities for environmental objectives 1 and 2 | |

Key elements

Process for activities to qualify under EU Taxonomy

- The EU Taxonomy establishes a classification system for sustainable activities based on six environmental objectives covering climate change mitigation and adaptation, sustainable use of water and marine resources, transition to a circular economy, pollution prevention and control, as well as protection and restoration of biodiversity and ecosystems.

- To achieve taxonomy alignment, an activity must substantially contribute to one of the six environmental objectives, ensure no significant harm to the other objectives, and comply with the minimum social safeguards outlined in the regulation and the applicable technical screening criteria.

Reporting, Format and Assurance

- Companies have to report to what extent their activities are covered by the EU Taxonomy (Taxonomy-eligibility) and comply with the criteria set in the Taxonomy delegated acts (Taxonomy-alignment).
- Reporting obligations are laid down in the Disclosures Delegated Act under Article 8 of the Taxonomy Regulation.
- For EU companies, EU Taxonomy disclosures must be integrated into the company's sustainability statement as required by the ESRS. Therefore, there is an indirect assurance requirement in line with the requirements of the CSRD.

Links

[Taxonomy Regulation](#)

[Disclosures Delegated Act \(DDA\)](#)

[EU Taxonomy navigator](#)

[PwC Sustainability Reporting Guide \(SRG\)](#)

2.1.3 CSDDD – Corporate Sustainability Due Diligence Directive

Background

On 25 July 2024, the Corporate Sustainability Due Diligence Directive (CSDDD) entered into force, which complements various EU initiatives such as the Corporate Sustainability Reporting Directive (CSRD) and aims to create an EU-wide transparent and predictable framework that helps companies to assess and manage sustainability risks and impacts with respect to core human rights and environmental risks across their chain of activities. Companies are required to adjust and align their business plans with the transition to a sustainable economy and the limitation of global warming to 1.5°C, in accordance with the Paris Agreement.

To enter into force CSDDD needs to be transposed in the respective EU and EEA member state legislation.

Scope and timeline

Scope

| | |
|--------------------------------------|--|
| EU Member State company | <ul style="list-style-type: none">• Having more than 1'000 employees on average and a net worldwide turnover of more than EUR 450 million.• Being the ultimate parent company of a group where the group has more than 1'000 employees on average and a net worldwide turnover of more than EUR 450 million. |
| (fulfilling one of these conditions) | <ul style="list-style-type: none">• Having entered into or being the ultimate parent company of a group that entered into franchising or licensing agreements in the EU and earning royalties from third-party companies of more than EUR 22.5 million and the company was or is the ultimate parent company of a group that had a net worldwide turnover of more than EUR 80 million. |
| Non-EU company | <ul style="list-style-type: none">• Generating a net turnover of more than EUR 450 million in the EU.• Being the ultimate parent company of a group where the group generated a net turnover of more than EUR 450 million in the EU. |
| (fulfilling one of these conditions) | <ul style="list-style-type: none">• Having entered into or being the ultimate parent company of a group that entered into franchising or licensing agreements in the EU and earning royalties from third-party companies of more than EUR 22.5 million in the EU and the company had or is the ultimate parent company of a group that had a net turnover of more than EUR 80 million in the EU. |

The CSDDD has transitional provisions which include phased implementation and specific timelines for different company sizes. Please refer to the overview below:

Transitional provisions

Application³

| | | |
|------------------------------|---|---|
| EU Member State company | With >3,000 employees on average and >EUR 900 million net worldwide revenue | Financial years starting on or after 1 January 2029 |
| Non-EU company | With >EUR 900 million net revenue in the EU | |
| All other companies in scope | | Financial years starting on or after 1 January 2030 |

Key elements

Due diligence requirements

- To integrate due diligence into policies and risk management systems.

³ As the stop-the-clock proposal has entered into force on 15 April 2025, the application timelines outlined are already reflective of that change.

- The policies in place to be developed in collaboration with the company's employees and their representatives.
- To take appropriate measures to identify and assess actual and potential adverse impacts on human rights and the environment.
- To perform due diligence not just regarding their own operations, but across entities on their entire value chain.

Transition plan

- To develop a transition plan and align their business strategy with limiting global warming to 1.5 °C, in accordance with the Paris Agreement and EU Green Deal.

Enforcement and penalties

- The CSDDD will be enforced at Member State-level.
- Member States will define the rules on effective, proportionate and dissuasive penalties, including pecuniary penalties applicable to infringements of national provisions (after adopting the CSDDD into national law).
- At European level, the Commission will set up a European Network of Supervisory Authorities that will bring together representatives of the national bodies to ensure a coordinated approach.

Links

[Corporate Sustainability Due Diligence Directive \(CSDDD\)](#)

2.1.4 SFDR – Sustainable Finance Disclosure Regulation

Background

The Sustainable Finance Disclosure Regulation (SFDR) is a fundamental pillar of the package of measures implementing the EU Action Plan on Sustainable Finance. By introducing comprehensive sustainability-related disclosure obligations for financial institutions, SFDR aims to provide greater transparency on sustainability within the European financial markets in a standardised way, thus preventing greenwashing and ensuring comparability.

Scope and Timeline

Scope

| | |
|--------------------------------------|--|
| Who does it apply to | <ul style="list-style-type: none">• Financial market participants based in the EU• Financial advisers based in the EU• Non-EU firms marketing financial products in the EU |
| Disclosure requirements ⁴ | <ul style="list-style-type: none">• How sustainability risks and Principal Adverse Impacts (PAIs) are addressed. PAIs to be disclosed by financial market participants of more than 500 employees.• Remuneration policies in relation to integration of sustainability risks• Classification of products according to Articles 6,8 and 9 of the SFDR |

Timeline

| | |
|--------------|--|
| March 2021 | Level 1 - Core requirements: <ul style="list-style-type: none">• Entity level requirements related to sustainability risks and Principal Adverse Impacts (PAIs)• Product level requirements as per Articles 6, 8 and 9 |
| January 2023 | Level 2 – Enhanced requirements (further technical details): <ul style="list-style-type: none">• Entity level requirements related to Principal Adverse Impacts (PAIs)• Product level requirements as per Articles 8 and 9. |

Key elements

Reporting

- The SFDR defines a standard reporting format and templates.

EU Taxonomy alignment

- The SFDR mandates that entities are to disclose their portfolio alignment with the EU Taxonomy.

Links

[Sustainable Finance Disclosure Regulation](#)

⁴ The disclosure requirements listed are not exhaustive; please refer to the full text of the SFDR for a complete list.

2.1.5 CBAM – Carbon Border Adjustment Mechanism

Background

Climate change requires global collaboration, but uneven climate policies can lead to "carbon leakage". Carbon leakage occurs when companies shift production to countries with weaker emission constraints to avoid climate policy costs, potentially increasing overall emissions. To address this, the Carbon Border Adjustment Mechanism (CBAM) was developed by the EU. CBAM ensures that imports into the EU are subject to a carbon price equivalent to that of domestic products, helping to maintain the integrity of the EU's climate goals and prevent domestic efforts from being undermined.

Scope, Timeline and Exemptions

Scope

CBAM covers EU imports of iron and steel, aluminium, electricity, certain fertilizers, cement, and hydrogen, as well as certain precursors (i.e., certain materials used in the production of the stated materials) and a limited number of products made from these materials, such as screws and bolts. The full list of goods is included in Annex I of the CBAM.

Companies that import any of the above included goods into the EU from third countries are subject to CBAM and need to become authorized CBAM declarants (mandatory as of 1 January 2026).

Timeline

| | |
|------------------------------|---|
| October 2023 – December 2025 | Transitional period where declarants (importers and/or indirect customs representatives) have a reporting obligation only (no purchase of CBAM certificates required yet). |
| Starting January 2026 | <ul style="list-style-type: none">Fully operational period where reporting declarants are required to purchase CBAM certificates and obtain verification of the data collected from their suppliers.After verification, the annual CBAM declaration together with the verified annual CBAM declaration report and the certificates need to be submitted to EU authority. |

Exemption

Goods originating from certain countries (e.g. Switzerland) and territories are outside the scope of CBAM. The full list of countries and territories outside the scope are included in Appendix III of the CBAM.

Key elements

Reporting, Format and Application process

- During the transitional phase, importers must submit CBAM reports quarterly on the embedded emissions on imported goods as well as the provisional methodologies for calculating the relevant emissions for the specific CBAM goods.
- Penalties can be imposed for undeclared embedded emissions.
- The CBAM report must be prepared and submitted digitally through an IT system.
- From 2026, importers will need to purchase and surrender CBAM certificates based on verified emissions.
- The application process to become an authorised CBAM declarant launched on 31 March 2025 in the CBAM registry. The launch will allow importers and indirect customs representatives to apply for the status of authorised CBAM declarant.

Links

[Carbon Border Adjustment Mechanism](#)

[Rules related to the status of authorised CBAM declarant](#)

2.1.6 EUDR – EU Deforestation Regulation

Background

The EU Deforestation Regulation (EUDR) is an environmental regulation that prohibits the placement of certain commodities linked to deforestation on the EU market. The EUDR focuses on high-risk commodities and related products.

Scope and Timeline

Scope

The EUDR covers a wide range of products, including cattle, cocoa, coffee, oil palm, rubber, soya, and wood, as well as products derived from these commodities. The full list of commodities is outlined in Annex I of the EUDR.

Applies to Operators or Traders:

- If a company places a relevant commodity or product on the market or exports them, it is considered an operator under the EUDR.
 - If a company makes a product available on the market in the course of a commercial activity without being an operator it is considered a trader under the EUDR.
-

Key elements

Due diligence requirements

- The commodities and products in scope must fulfil three cumulative requirements to be compliant and allowed on the EU market:
 - No or negligible risk of deforestation.
 - Produced in accordance with local legislation.
 - Accompanied by a Due Diligence Statement (DDS).
- Documentation related to the due diligence to be kept for five years.

Reporting

- Companies to publish an annual report about their activities to comply with the requirements under the EUDR.
- DDS to be submitted electronically in the deforestation registry created by the EC.

Links

EUDR

[Guidance document for Regulation \(EU\) 2023/1115 on deforestation-free products](#)

2.2 Swiss Regulation

2.2.1 Swiss Code of Obligations Art. 964a-I

Background

From the 2022 financial year onwards, certain companies (see specification of scope below) are obliged to report publicly on non-financial matters. As of 2024 organisations in scope of the Swiss Sustainability reporting also need to report on climate issues, as specified in the ordinance on climate disclosures (see next chapter).

In addition, due diligence and transparency obligations in relation to minerals and metals from conflict-affected areas and child labour were introduced. The requirements and exemptions which apply from the financial year 2023 onwards are specified in the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

Scope and timeline

| Requirement | Reference | Enactment | Scope |
|--|---------------------|------------|--|
| Transparency in Raw Material Companies | CO 964d-i | 01.01.2022 | Companies/groups in scope of ordinary audit, which are involved in the extraction of minerals, oil, natural gas or in the harvesting of timber in primary forests either themselves or through a controlled entity. |
| Transparency on Non-Financial Matters | CO 964a-c | 01.01.2023 | Companies/groups of public interest, which in two consecutive years exceed the following size criteria: <ul style="list-style-type: none">• at least 500 full-time equivalents on average, and• total assets of CHF 20 million; or• turnover of CHF 40 million |
| Due diligence and transparency in relation to minerals and metals from conflict-affected areas | CO 964j-I and DDTrO | 01.01.2023 | Entities with seat/head office or principal base in Switzerland which import minerals, or metals from conflict-affected and high-risk areas exceeding a certain threshold (see detailed scope in Annex 1 of DDTrO) |
| Due diligence and transparency in relation to Child Labour | CO 964j-I and DDTrO | 01.01.2023 | Entities with seat/head office or principal base in Switzerland which produce / procure products or services in relation to which there is a reasonable suspicion that they have been manufactured or provided using child labour |

Key elements

Transparency in Raw Material Companies

- report annually on payments to government institutions

Sustainability Reporting (report on non-financial matters)

- Double materiality assessment
- Reporting on environmental matters (including climate-related disclosures according to the related ordinance), social issues, employee-related issues, respect for human rights and combating corruption
- No assurance requirement

Due diligence and reporting obligations related to conflict minerals from conflict-affected areas

- Define the supply chain policy (including used instruments) in writing and communicate the policy to suppliers (including integration in contracts) and the public;
- Maintain a management system specifically tailored to the due diligence process. This includes defining roles, responsibilities, and procedures;
- List in writing information about production facilities and service providers in a supply chain traceability system;
- Ensure that concerns in the supply chain in respect to conflict minerals/metals can be reported;
- Identify and assess the risks of adverse effects in the supply chain in the areas of minerals and metals and take appropriate measures; and
- Report on the above; this report is subject to an assurance obligation in accordance with the DDTro.

Due diligence and reporting obligations in relation to Child Labour

- Define the supply chain policy (including used instruments) in writing and communicate the policy to suppliers (including integration in contracts) and the public;
- Maintain a management system specifically tailored to the due diligence process. This includes defining roles, responsibilities, and procedures
- List in writing information about production facilities and service providers in a supply chain traceability system;
- Ensure that concerns in the supply chain in respect to child labour can be reported;
- Identify and assess the risks of adverse effects in the supply chain around child labour and take appropriate measures; and
- Report on the above.

Useful links

[Swiss Code of Obligations Art. 964a-I](#)

[Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour](#)

2.2.2 Ordinance on Climate Disclosures

Background

The Ordinance on Climate Disclosures came into force on 1 January 2024. The disclosure requirements are leaning on the report “Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)” and the annex “Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)”. The aim of the Ordinance on Climate Disclosures is to enhance transparency for investors regarding how businesses are addressing climate-related impacts, risks and opportunities. The disclosure requirements form part of the reporting on environmental matters as per CO 964b (see previous chapter).

Scope and timeline

| Requirement | Reference | Enactment | Scope |
|---------------------|----------------------------------|------------|--|
| Climate Disclosures | Ordinance on Climate Disclosures | 01.01.2024 | Companies/groups of public interest with: <ul style="list-style-type: none">• at least 500 full-time equivalents on average in two consecutive years, and• total assets of CHF 20 million; or• turnover of CHF 40 million. |

Key elements

- Implementation of the Recommendations of the TCFD on the following four elements:
 - governance
 - strategy (including a transition plan comparable with Swiss climate goals)
 - risk management
 - metrics and targets
- Implementation of the recommendations of the TCFD on cross-sectoral and sector-specific guidance
- where possible and appropriate, consideration of "TCFD - Guidance on Metrics, Targets, and Transition Plans"

Links

[Ordinance on Climate Disclosures](#)⁵

⁵ Please note that the legal text is only available in German, French and Italian. A preprint in English is available [here](#).

2.3 Rest of the World / Other Regulations

2.3.1 IFRS – Sustainability Disclosure Standards

Background

Investors increasingly consider sustainability information when making their decisions and require information that is globally comparable and of high quality. The ISSB was formed in November 2021 by the IFRS® Foundation with the intention to develop standards aiming to meet this requirement, and to address a wide range of sustainability-related standards with the aim to reduce complexity, costs and risks to issuers and stakeholders.

The ISSB issued its first two global sustainability disclosure standards on 26 June 2023:

- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2: Climate-related Disclosures

Scope and Timeline

| Standard | Scope | Timeline |
|--|---|--|
| IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information | Like the IFRS® Accounting Standards, jurisdictional bodies will decide whether IFRS Sustainability Disclosure Standards may be used within a certain territory. The standards are not enacted in Switzerland. | Effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted |
| IFRS S2: <i>Climate-related Disclosures</i> | | |

Key elements

Transitional provisions

- The ISSB issued multiple transitional provisions to assist entities in applying these standards.

Compatibility with other standards

- IFRS Sustainability Disclosure Standards are highly compatible.
- From 2024, the IFRS Foundation has taken over the monitoring of Task Force on Climate-related Financial Disclosures (TCFD).
- IFRS Sustainability Disclosure Standards incorporate elements from the Sustainability Accounting Standards Board (SASB) to enhance global comparability.

Links

[IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information](#)

[IFRS S2 - Climate-related Disclosures](#)

[PwC Viewpoint - IFRS Sustainability Disclosure Standards - Guidance, insights and where to begin](#)

2.3.2 Global Reporting Initiative (GRI) Standards

Background

Global sustainability reporting standards for sustainability impacts developed by the Global Reporting Initiative (GRI) and governed by the Global Sustainability Standards Board (GSSB). The objective is to enable organisations of any size to understand and report on their impact in the dimensions of economy, environment and people. Using the GRI is intended to provide structured and transparent information to many varied stakeholders and other interested parties. It can help organisations make their contribution to sustainable development more tangible and transparent.

Scope and Timeline

| | |
|-----------------|---|
| Scope | <ul style="list-style-type: none">• The GRI Standards are designed so they can be applied by any organisation regardless of size, sector or location.• They are voluntary and applicable globally. |
| Timeline | <ul style="list-style-type: none">• The Universal standards were revised in 2021 and came into effect for reporting on 1 January 2023. |

Key elements

Reporting and registration

- The GRI standards consist of three main sections: Universal, Sector, and Topic standards. The Universal standards apply to all organisations, while the Topic and Sector standards are used for additional reporting criteria based on relevance.
- In situations where an organization is not able to fully comply or prefers to only report on certain elements, it allows preparers to report ‘with reference to’ the GRI Standards.
- It is up to the reporting organization to decide on the frequency of reporting. It is recommended, but not required, to align the sustainability reporting with the financial reporting.
- Reports based on the GRI standards can be registered through the GRI Standards Report Registration System. The report is to be submitted once, and it is up to the reporting organization to decide in which language it will be submitted.

Materiality

- The GRI standards emphasize a revised approach to materiality that incorporates due diligence processes for identifying their impact on the economy, environment and society (“impact materiality”).

External assurance

- External assurance is optional. However, an organization is required to describe its approach to external assurance with Disclosure 2-5.

Links

[GRI Standards](#)

[GRI Standards Report Registration-FAQs](#)

2.3.3 SEC (US Securities and Exchange Commission) climate-related disclosure rules (on legal hold)

Background

On March 6, 2024, the SEC adopted rules which result in a significant expansion of required climate-related disclosures in SEC filings. The required disclosures are included in Regulations S-K and S-X and cover strategy, governance, risk management, targets and goals, greenhouse gas emissions, and financial statement effects (collectively, the “SEC climate disclosure rules”). Please note, that the rules are on legal hold.

Scope and Timeline

The final rules are phased in for all SEC registrants with the compliance date dependent upon the status of the registrant as a Large Accelerated filer (LAF), an Accelerated Filer (AF), or non-accelerated filer (NAF), smaller reporting company (SRC), or emerging growth company (EGC).

| Timeline ⁶ | Disclosure and FS effects | | GHG emissions and related assurance | |
|---|---------------------------------------|-----------------------------|-------------------------------------|----------------------|
| | Disclosures, other than GHG emissions | Scope 1 and 2 GHG emissions | Limited assurance | Reasonable assurance |
| Registrant type | | | | |
| Large accelerated filers (LAFs) | FY 2025 | FY 2026 | FY 2029 | FY 2033 |
| Accelerated filers (AFs) (other than SRCs and EGCs) | FY 2026 | FY 2028 | FY 2031 | Not applicable |
| SRCs, EGCs, and non-accelerated filers | FY 2027 | Not applicable | Not applicable | Not applicable |

Key elements

Disclosure contents other than GHG emissions

- Narrative disclosures covering governance, risks, strategy, targets, goals.
- Additionally, to include climate-related financial information in their notes to financial statements, such as the impact of severe weather events and carbon offsets.

Reporting format & other

- To electronically tag climate-related disclosures in Inline XBRL
- Immediately upon adoption, the final rules were met with lawsuits that challenge their validity and enforceability.

Links

[PwC Viewpoint - Navigating the SEC climate-related disclosure requirements](#)

[Fact sheet-The Enhancement and standardisation of climate-related disclosures: Final rules](#)

⁶ The SEC climate-related disclosure rules are on legal hold. The timeline included above is the original timeline.

2.3.4 California climate disclosure bills

Background

In October 2023, in efforts to improve transparency and standardise climate-related disclosures, the California governor signed into law sustainability disclosure bills.

Scope and Timeline

| Bill name | Senate Bill (SB) 253, Climate Corporate Data Accountability Act | Senate Bill (SB) 261, Greenhouse gases: climate-related financial risks | Assembly Bill (AB)1305, Voluntary carbon market disclosures |
|-----------|--|---|--|
| Scope | US entities — including US subsidiaries of non-US parent companies — with annual revenue over \$1 billion that do business in California | US entities — including US subsidiaries of non-US parent companies — with annual revenue over \$500 million that do business in California Error! Bookmark not defined. | Entities that (1) operate and make emissions claims within California, or (2) buy or sell carbon offsets within California |
| Timeline | Annual reporting of scope 1 and scope 2 GHG emissions starting in 2026 (on 2025 information); scope 3 starting in 2027 | On or before 1 January 2026, and biennially thereafter | 1 January 2024, with information updated at least annually |

California Senate Bill (SB) 54, Venture capital companies: reporting, which requires certain human capital disclosures, was also signed into law in October 2023.

Key elements

Framework

- The (SB) 261 is prepared in accordance with the Greenhouse Gas Protocol and the (SB) 253 prepared in accordance with the Task Force on Climate-related Financial Disclosure (TCFD).

Disclosure requirements

- Primary disclosures for (SB) 253 include scope 1, scope 2, and scope 3 greenhouse gas emissions and for (SB) 261 climate-related financial risks and the measures an entity has adopted to reduce and adapt to such risks
- (AB)1305 voluntary disclosures include emissions claims, use of carbon offsets, and sale of carbon offsets

Links

Legal text: [\(SB\) 253](#), [\(SB\) 261](#), [\(AB\) 1305](#)

[PwC Sustainability Reporting Guide](#)

[PwC Viewpoint - California's not waiting for the SEC's climate disclosure rules](#)