



# Regulatory updates

## **Sustainability developments**

Last update: Spring 2026



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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 simplifies EU sustainability reporting rules

- Status:
- Entry into force – “Stop-the-clock” entered into force on 15 April 2025, and most EEA Member States transposed it into domestic law
  - Entry into force – EU Taxonomy: Delegated act applies as of 1 January 2026 and will cover 2025 financial year (option to apply measures starting 2026 financial year)
  - Entry into force – “Content” Directive: On 18 March 2026 with pending Member State transpositions
  - 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 new rules related to the Corporate Sustainability Reporting Directive (CSRD) as well as changes to the Corporate Sustainability Due Diligence Directive (CSDDD), the Carbon Border Adjustment Mechanism (CBAM), and regulations related to InvestEU as well as other EU investment programs. The EC also issued a Delegated Act to introduce changes to the EU Taxonomy Regulation (EU Taxonomy).

The EU published core regulations in the Official Journal of the EU: The ‘**stop-the-clock**’ Directive (on 16 April 2025) and the ‘**Content**’ Directive (on 26 February 2026):

CSRD	
“ <b>Stop-the-clock</b> ”	Postpones ‘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.
“ <b>Content</b> ” <sup>1</sup>	
Scope	<p>EU-undertakings or EU parent undertakings of groups with</p> <ul style="list-style-type: none"> <li>• More than an average of 1’000 employees during the financial year and</li> <li>• More than EUR 450 million net turnover in the financial year</li> </ul> <p>(each assessed on the EU-entity or EU parent undertaking level)</p> <p>Third country undertaking with</p> <ul style="list-style-type: none"> <li>• More than EUR 450 million consolidated net turnover in the EU in the last two consecutive years (assessed on global group level) and</li> <li>• At least one EU subsidiary or EU branch with a net turnover of more than EUR 200 million in the last financial year</li> </ul> <p>(assessed on EU subsidiary or EU branch level)</p>
VSME	Entities with up to 1000 employees can voluntarily report in accordance with the Voluntary Sustainability Reporting Standard for micro, small, and medium-sized enterprises (VSME).
Value chain requirements	Value chain cap applies directly to reporting entities. Requests from entities with up to 1000 employees be limited to the requirements of the VSME.
Assurance requirements	Moving to reasonable assurance has been removed. EC to issue targeted assurance guidelines by July 2027.

<sup>1</sup> Based on the publication of Directive (EU) 2026/470 (“Content” Directive) in the Official Journal of the EU on 26 February 2026.

ESRS standards updates	The requirement to issue sector standards has been removed. Areas targeted for change in the proposed ESRS include substantially reducing the number of mandatory datapoints, prioritizing quantitative datapoints over qualitative text, improving consistency with other EU legislation.
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As part of the Omnibus simplification package, the EC issued a Delegated Act on EU Taxonomy simplifications, as well as modifications to CSDDD and CBAM. The changes are summarised below:

### EU Taxonomy

Scope	Limiting reporting to largest entities, while keeping the possibility to report voluntarily for other large companies within the future scope of the CSRD.
Timeline	Entered into force on 1 January 2026.
Partial alignment	Encouraging gradual transition to the EU Taxonomy, proposal to introduce an option for reporting on activities that are partially aligned with the EU Taxonomy.
Materiality	Introducing a financial materiality threshold and reducing the reporting templates by around 70%.
DNSH criteria	Simplifications to certain complex “Do no Significant harm” (DNSH) criteria.
Ratio simplification	Simplifying calculations required for among others, the main Taxonomy-based key performance indicator for banks, the Green Asset Ratio (GAR).

### CSDDD

Postponement of application	Omnibus postpones the transposition deadline by one year (26 July 2027) and the application of sustainability due diligence requirements to 26 July 2029.
Scope	Limiting reporting to largest EU and non-EU entities
Simplification of requirements	Focusing on systematic due diligence on direct business partners and prolonging interval between regular periodic assessment from annual to 5 years, with ad-hoc assessments where necessary. Transition plan requirements, as well as the EU harmonised liability regime have been removed.
Reduce trickle-down effect	Reducing 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, Omnibus introduces a new CBAM de minimis threshold exemption of 50 tonnes mass.
Compliance	For those importers who remain in the CBAM scope, the 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	Strengthening anti-abuse provisions and developing a joint anti-circumvention strategy together with national authorities

## Links

[Omnibus I](#)

[Omnibus II](#)

['Content' directive](#)

['Stop the clock' directive](#)

['Quick fix' delegated act](#)

[CBAM Simplification](#)

[Questions and answers on the Carbon Border Adjustment Mechanism \(CBAM\)](#)

## Proposal to simplify SFDR

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Status

Entry into force: open

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On 20 November 2025, the European Commission published a proposal to amend the Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector (SFDR). Among other things, the proposed changes would concern a decreased scope, the simplification of disclosures and stricter marketing and naming rules.

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## Link

[SFDR proposal](#)

## Federal council opened consultation on the draft Act on Sustainable Corporate Governance (NUFG)

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Status Decision on next steps expected by mid-2026  
Entry into force: open

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On 1 April 2026, the Federal Council opened the consultation process on the proposed Federal Act on Sustainable Corporate Governance (NUFG). The consultation includes the following:

- Alignment of the applicability thresholds to the Omnibus changes on EU level, i.e., Swiss companies with more than 1,000 FTEs and a worldwide revenue exceeding CHF 450 million or Swiss subsidiaries or branches which are controlled by foreign companies with more than CHF 450 million revenue on the Swiss market.
- Sustainability disclosures must comply with EU standards (ESRS) or an equivalent standard.
- Extended due diligence requirements covering systematic risk assessments and necessary measures related to human rights and environmental protection, not just on child labour and conflict minerals.
- Fines of up to CHF 100'000 for intentional false reporting, failure to report or record-keeping violations.
- The draft introduces a mandatory limited assurance requirement.
- Oversight of sustainability reporting and due diligence would be carried out by the Federal Audit and Sustainability Supervisory Authority, formed through the reorganisation and renaming of the Federal Audit Oversight Authority (FAOA).

The consultation will end on 9 July 2026. The Federal Council must submit the draft resolution and the dispatch no later than 27 November 2026.

### Link

[Press release](#)

## GRI: New Climate Change and Energy standards

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

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GRI

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 fulfil 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.

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### Links:

[Press release: New standards](#)

[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 and was subsequently amended by the ‘stop the clock’ directive and the ‘content’ directive as part of the ‘Omnibus’ package in April 2025 and February 2026 respectively.

##### Scope and timeline

##### Entities in scope

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##### Scope currently applicable

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- (1) Entities in the scope of Non-financial Reporting Directive (NFRD)
  - (2) ‘Large’ entities that are listed and have more than 500 employees
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**Note:** Member States are permitted to exempt entities with less than €450 million in net turnover and fewer than 1'000 employees (on a consolidated basis where applicable) from reporting obligations for financial years starting between 1 January 2025 and 31 December 2026. The applicability of this provision will have to be clarified by each Member State. Entities should monitor developments at the Member State level to determine if and when the exemption will apply.

Scope as per final 'Content' directive	Applicability
EU-undertakings or EU parent undertakings of groups with <ul style="list-style-type: none"> <li>• More than an average of 1'000 employees during the financial year and</li> <li>• More than EUR 450 million net turnover in the financial year</li> </ul> (each assessed on the EU-entity or EU parent undertaking level)	Financial years starting on or after 1 January 2027
Third country undertakings with <ul style="list-style-type: none"> <li>• More than EUR 450 million consolidated net turnover in the EU in the last two consecutive years (assessed on global group level) and</li> <li>• At least one EU subsidiary or EU branch with a net turnover of more than EUR 200 million in the last financial year</li> </ul> (assessed on EU subsidiary or EU branch level)	Financial years starting on or after 1 January 2028

### 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 amended through the 'quick fix' delegated act on 11 July 2027. They contain 12 industry agnostic standards, which are divided into two "cross-cutting" 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 limited assurance of the reported information.

### Links

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

['Stop the clock' directive](#)

['Quick fix' delegated act](#)

['Content' directive](#)

[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"> <li>The companies in scope for the CSRD have to report to what extent their activities are covered by the EU Taxonomy (Taxonomy-eligibility).</li> <li>Please refer to Chapter 2.1.1 – CSRD - Corporate Sustainability Reporting Directive for the relevant scoping criteria.</li> </ul>
Financial entities	<ul style="list-style-type: none"> <li>This includes credit institutions, asset managers, investment firms and insurance/reinsurance companies (refer to Articles 3-6 of the Disclosures Delegated Act (DDA)).</li> <li>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.</li> </ul>

	Financial entities	Non-Financial entities
From 2026 on FY 2025	Reporting on Taxonomy by choosing either: <ul style="list-style-type: none"> <li>Applying the previous reporting rules valid until 31 December 2025 (i.e. Taxonomy eligibility and alignment on all 6 environmental objectives and new activities for environmental objectives 1 and 2)</li> <li>or</li> <li>Applying the reporting rules as amended by the Delegated Act<sup>2</sup> (applicable as of 1 January 2026)</li> </ul>	
From 2027 on FY 2026	Reporting on Taxonomy in line with the simplifications of the Delegated Act: <ul style="list-style-type: none"> <li>No assessment of financial assets when those are below the 10 % threshold</li> <li>Simplified reporting templates for financial entities</li> <li>Simplified 'do no significant harm' criteria</li> </ul>	Reporting on Taxonomy in line with the simplifications of the Delegated Act: <ul style="list-style-type: none"> <li>No assessment of alignment when economic activities are below the 10 % threshold</li> <li>Simplified reporting templates for non-financial entities</li> <li>Simplified 'do no significant harm' criteria</li> </ul>

### 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.

<sup>2</sup> Commission's [Delegated Act 2026/73](#).

#### 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 \(DDA\)](#)

[Delegated Act 2026/73](#)

['Quick fix' delegated act](#)

[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.

### Scope and timeline

#### Scope

EU Member State company  (fulfilling one of these conditions)	<ul style="list-style-type: none"><li>• Having more than 5'000 employees on average and a net worldwide turnover of more than EUR 1.5 billion in the last financial year.</li><li>• 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 75 million and the company was or is the ultimate parent company of a group that had a net worldwide turnover of more than EUR 275 million</li></ul>
Non-EU company  (fulfilling one of these conditions)	<ul style="list-style-type: none"><li>• Generating a net turnover of more than EUR 1.5 billion in the EU.</li><li>• 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 75 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 275 million in the EU.</li></ul>

#### Timeline

EU Member State transposition	Member States must transpose the amendments to CSDDD as set forth in the Omnibus Content Directive by 26 July 2027.
Application of requirements	The sustainability due diligence requirements must be applied as of 26 July 2029.

### Key elements

#### Due diligence requirements

- To integrate due diligence into policies and risk management systems.
- 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 risk-based due diligence considering reasonably available information across own operations, subsidiaries, and where related to their chain of activities to business partners.

#### Enforcement and penalties

- The CSDDD will be enforced at Member State-level.
- Member States define the rules on effective, proportionate and dissuasive penalties, including pecuniary penalties applicable to infringements of national provisions
- 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 \(CSDDD\)](#)  
[‘Content’ directive](#)

## 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

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Who does it apply to	<ul style="list-style-type: none"><li>• Financial market participants based in the EU</li><li>• Financial advisers based in the EU</li><li>• Non-EU firms marketing financial products in the EU</li></ul>
Disclosure requirements <sup>3</sup>	<ul style="list-style-type: none"><li>• How sustainability risks and Principal Adverse Impacts (PAIs) are addressed. PAIs to be disclosed by financial market participants of more than 500 employees.</li><li>• Remuneration policies in relation to integration of sustainability risks</li><li>• Classification of products according to Articles 6,8 and 9 of the SFDR</li></ul>

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#### Timeline

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

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### 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](#)

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<sup>3</sup> 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

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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). Small reporters are exempted by the CBAM de minimis threshold exemption of 50 tonnes mass per year.

#### Timeline

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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"><li>Fully operational period where reporting declarants are required to purchase CBAM certificates and obtain verification of the data collected from their suppliers.</li><li>After verification, the annual CBAM declaration together with the verified annual CBAM declaration report and the certificates need to be submitted to EU authority.</li></ul>

#### Exemption

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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.

- For importers remaining in CBAM scope despite the new de minimis exemption, the simplifications are intended to facilitate compliance with CBAM obligations (e.g., by simplifying the authorisation of declarants, the calculation of emissions, and the management of CBAM financial liability).

### **Links**

[Carbon Border Adjustment Mechanism](#)

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

[Regulation \(EU\) 2025/2083](#)

[Questions and answers on the Carbon Border Adjustment Mechanism \(CBAM\)](#)

[Commission staff working document \(as regards simplifying and strengthening the carbon border adjustment mechanism\)](#)

## 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

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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.

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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.
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#### Timeline

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The EUDR entered into force on 29 June 2023 and applies as of 30 December 2026 for medium and large companies and as of 30 June 2027 for micro and small companies.

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### 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](#)

[Postponement: Regulation \(EU\) 2025/2650](#)

## 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"><li>• at least 500 full-time equivalents on average, and</li><li>• total assets of CHF 20 million; or</li><li>• turnover of CHF 40 million</li></ul>
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.

## 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"><li>• at least 500 full-time equivalents on average in two consecutive years, and</li><li>• total assets of CHF 20 million; or</li><li>• turnover of CHF 40 million.</li></ul>

### 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<sup>4</sup>](#)

<sup>4</sup> Please note that the legal text is only available in German, French and Italian. A preprint in English is available [here](#).

## 2.2.3 Other Swiss Regulations

### Climate and Innovation Act

The Climate and Innovation Act came into force on 1 January 2025. It legally establishes Switzerland's long-term climate goals and supports the shift towards a sustainable and innovative economy.

It specifies that all companies must achieve net-zero emissions by 2050, considering at least their direct and indirect emissions. To reach this goal, companies and industries may develop roadmaps. The federal government will provide companies or industries that prepare such roadmaps by 2029 with foundational materials, standards, and expert advice, potentially incorporating internationally recognized standards.

The federal government guarantees financial support to companies until 2030 for applying innovative technologies and processes that help implement the roadmaps or specific measures outlined in the paragraph above. This funding will be provided through existing support instruments, with specific regulations set by the Federal Council regarding requirements and deadlines. However, no funding will be granted for measures that already receive other subsidies or are covered by existing greenhouse gas reduction programs. The Federal Assembly approves a six-year commitment credit by a simple federal decree.

#### Links

[Climate and Innovation Act](#)<sup>5</sup>

### Federal Act on Unfair Competition (UCA)

According to Article 3, paragraph 1 of the Act against Unfair Competition (UCA), a person engages in unfair competition if they make false or misleading statements about themselves, their goods, works, or services (letter b). The UCA was amended as of January 1, 2025, to include an additional letter (x) stating that a person also acts unfairly if they make claims concerning the climate impact they cause, which cannot be substantiated using objective and verifiable data.

In March 2026, the Federal Office of the Environment (FOEN) released enforcement aid for the assessment of climate-related claims. It offers more detailed instructions on how to meet the legal requirement to support climate claims about products and companies with objective and verifiable evidence.

#### Links

[Federal Act on Unfair Competition Enforcement Aid](#)<sup>6</sup>

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<sup>5</sup> Please note that the legal text is only available in German, French and Italian.

<sup>6</sup> Please note that the enforcement aid is only available in German, French and Italian.

## 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

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- Scope**
- 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**
- 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 <sup>7</sup>	Disclosure and FS effects			
		GHG emissions and related assurance		
Registrant type	Disclosures, other than GHG emissions	Scope 1 and 2 GHG emissions	Limited assurance	Reasonable assurance
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](#)

<sup>7</sup> 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	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 legal hold, initially 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 Task Force on Climate-related Financial Disclosure (TCFD) and (SB) 253 in accordance with the Greenhouse Gas Protocol.

#### 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](#)