

## Hey! What's New? 2025-90

### PwC's 2025 Canadian Sustainability Reporting Insights

An article on PwC Canada's webpage says that the sustainability reporting landscape for Canadian companies is on the brink of a significant transformation. "Businesses that have been operating under largely voluntary reporting frameworks will soon face the challenges of navigating a complex array of disclosure regulations across various jurisdictions."

PwC's annual *Sustainability Reporting Insights* analysis of Canadian companies' disclosures found many companies unprepared to meet these new reporting obligations. "These companies face growing risks," the firm says. "But they also have opportunities to show how sustainability forms a strategic imperative for their organization by viewing these requirements as more than just a compliance exercise."

PwC believes that "sustainability reporting is about more than regulatory compliance and sharing a story of progress. It's an opportunity to make better business decisions and enhance corporate strategy by understanding how sustainability will challenge today's business models, creating both risks and opportunities for growth and reinvention. Given the changing geopolitical landscape, particularly in North America, it's crucial for companies to anchor their sustainability reporting in financial impact and value creation."

PwC used its internally developed generative artificial intelligence (GenAI) tool to analyze 76 climate and sustainability disclosure points in the reports of 250 top Canadian companies. "Regulators will eventually require companies to report nearly all the disclosure points included in our analysis. Yet we found a significant gap: the organizations in our analysis only report approximately half of these disclosure points on average."

The firm notes that many larger companies' sustainability reports will broadly align with the Canadian Sustainability Standards Board's (CSSB) inaugural standards. These standards are based on the International Financial Reporting Standards (IFRS) that are forming the baseline for emerging mandatory sustainability reporting globally. Locally, the Canadian Securities Administrators is also considering the CSSB standards as it finalizes its climate-disclosure rules. And major Canadian investors have called on companies to adopt the CSSB's standards to provide the transparency and comparability needed for making investment decisions.

Yet, PwC found, "even these aligned companies still have considerable work ahead to meet the detailed requirements of these standards. The challenge is even greater for companies that must report under regulations that go beyond climate disclosures, such as Europe's Corporate Sustainability Reporting Directive (CSRD). The European Commission's recent omnibus proposals, covering CSRD, the EU Taxonomy Regulation and other related regulations, suggest jurisdictions that pioneered sustainability reporting requirements are simplifying their disclosure rules. Regardless of potential delays in reporting deadlines, the overall direction remains clear: the demand for sustainability information in decision-making is increasing."

Companies that haven't begun serious preparations face growing compliance risks, the report says. "They also risk giving up ground to competitors with higher-quality disclosures that help attract investors, customers and employees. These standards and leading practices require

organizations to disclose information that's not readily available. Companies can better manage these risks by establishing data-collection systems and processes now, rather than waiting until these emerging reporting requirements become mandatory. We're seeing these measures grow in importance as audit committees and chief financial officers increasingly review and approve a company's sustainability disclosures as part of their governance mandate."

PwC's analysis pinpointed several opportunities for companies to both bridge their compliance gaps and add the precision and details needed to create value through sustainability reporting. Find out what they are at [Canadian Sustainability Reporting Insights | PwC Canada](#).