

Hey! What's New? 2025-109

What's Driving Some Companies' Voluntary Sustainability Reporting

While many jurisdictions continue to work towards ISSB adoption, the EU set out to reduce the number of organizations within the scope of the CSRD and, for those that remain, simplify and defer reporting requirements. Meanwhile, the US Securities and Exchange Commission's climate-related financial disclosure regulations remain in flux.

PwC's inaugural *Global Sustainability Reporting Survey*, based on responses from 496 companies that have reported, or plan to do so in the future, under the CSRD or ISSB frameworks, reveals that "while some have paused reporting plans in response to these changes, many are moving ahead. For example, about 40% of survey respondents planning to report under the CSRD in the future say they'll postpone statutory reporting by two years, in line with the EU's 'stop the clock' directive. An equal number say they'll report on the original timeline, even if not legally required to do so, whether under the CSRD or an alternative framework like the ISSB or the Global Reporting Initiative."

What explains this resolve? According to the survey report, "stakeholder pressure is part of the answer. Investors, customers and some authorities (including some US states) continue to demand high-quality information about how companies are managing sustainability risks and opportunities."

In addition, companies are using this information to inform business decisions, the report says. "More than two-thirds of companies that have already reported under CSRD or ISSB say they gained significant or moderate value, beyond compliance, from the data and insights collected during the reporting process. Those seeing the most value are more likely to be using the insights in areas such as overall business strategy, supply chain transformation, workforce transformation, marketing and risk management."

The survey also discovered that "the mandatory sustainability reporting landscape is evolving. Yet more than half of our survey respondents say internal and external pressure to provide sustainability data and insights has increased over the last year. Less than 10% say pressure has decreased. There were some regional variations, with only a third (34%) of North American respondents reporting increased internal pressure. Even so, a greater number of respondents in all regions reported an increase in external and internal pressure compared to those citing a decrease."

In line with this finding, says the report, "more than 60% of respondents say investment of resources and senior leadership time in sustainability reporting has increased over the last year. Very few respondents report a decrease in investment of resources (5%) or senior leadership time (6%)."

Irrespective of the regulatory environment, notes PwC, "stakeholders such as investors, employees and civil society groups want to know how companies are addressing sustainability-related impacts, risks and opportunities. In *PwC's Global Investor Survey 2024*, more than 70% of investors said the companies they invest in should incorporate sustainability directly into

business strategy. Almost two-thirds said these companies should take further steps to reduce carbon emissions.”

In addition, the report points out, “big companies must deal with reporting requirements in multiple jurisdictions. For example, a multinational company might have subsidiaries in jurisdictions requiring ISSB reporting, other entities subject to the CSRD, as well as US operations covered by state-level requirements.”

It took decades for regulators, investors and companies globally to align on the fundamentals of financial reporting, the report says. “It’s hardly surprising, then, that the early stages of the sustainability reporting journey have seen shifting priorities, timelines and disclosure requirements across jurisdictions. For business leaders, what matters in this context is staying aware of these changes while also keeping focused on the bigger goal: preserving and creating value in a world where sustainability is increasingly material to a company’s performance.”

Download the report at <https://www.pwc.com/gx/en/issues/esg/global-sustainability-reporting-survey.html>.