



Sustainability Reporting Update



JSCCA Annual Conference

October 2026



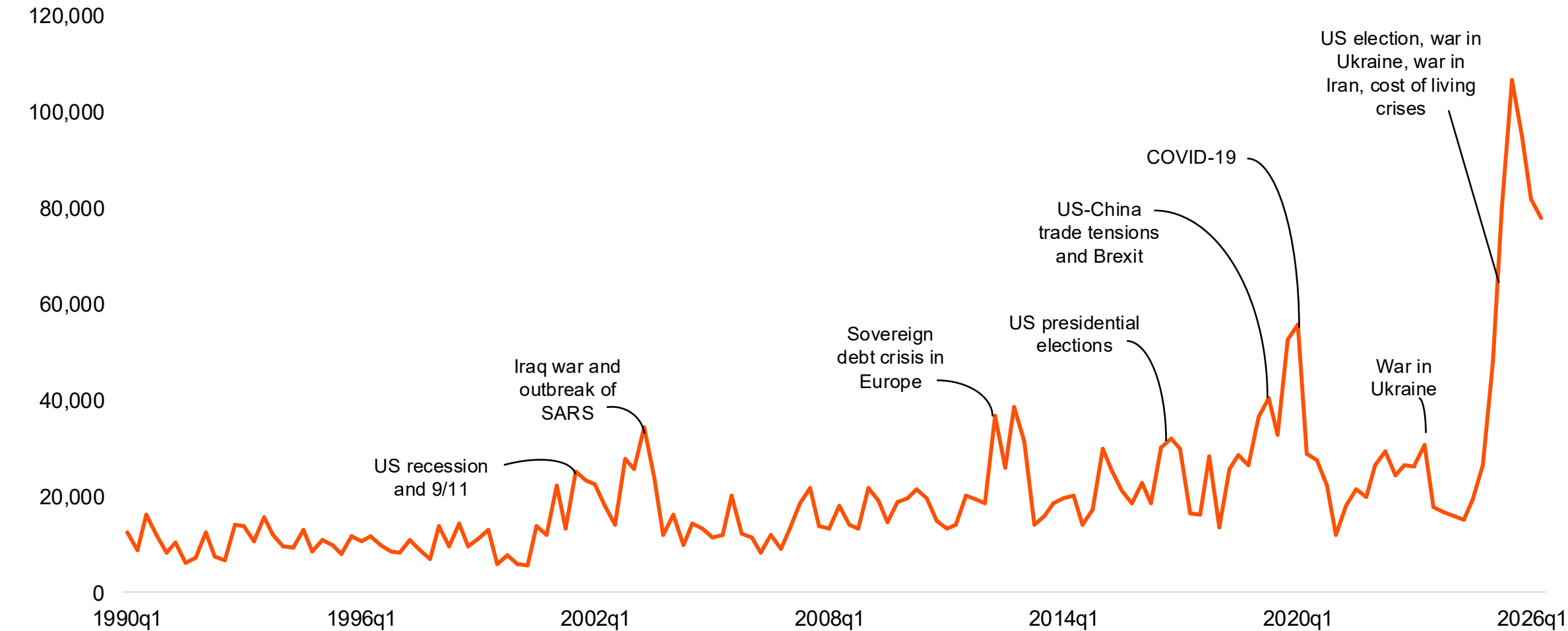
What I'll cover in this session

- 1 Context: the politics of sustainability
- 2 International regulatory and reporting updates
- 3 What's happening in Jersey
- 4 Key takeaways



Context: the politics of sustainability

Compounding geopolitical and other disruptions are fuelling global uncertainty



In this context, the politics of sustainability have changed – but the business case has not

Corporate sustainability may have fallen out of favour in some executive and political circles, but the business case remains strong: companies continue to invest because sustainability initiatives can deliver measurable gains in profitability, resilience and growth.



23%

of companies surveyed increased their climate ambitions over the last 12 months

8% - 13%

higher profitability for consumer goods that integrate sustainability into product design

15% - 59%

valuation premiums for companies in sectors allocating capital to the climate transition

The clearest opportunities for value creation span four core areas

Corporate sustainability may have fallen out of favour in some executive and political circles, but the business case remains strong: sustainability initiatives deliver measurable gains in profitability, resilience and growth.

Research from NYU Stern's Centre for Sustainable Business shows how investment in four areas can lower costs, reduce risk, strengthen supply chains, improve productivity and create new revenue opportunities.



Circularity



Decarbonisation



Sustainable Sourcing



Employee Wellbeing

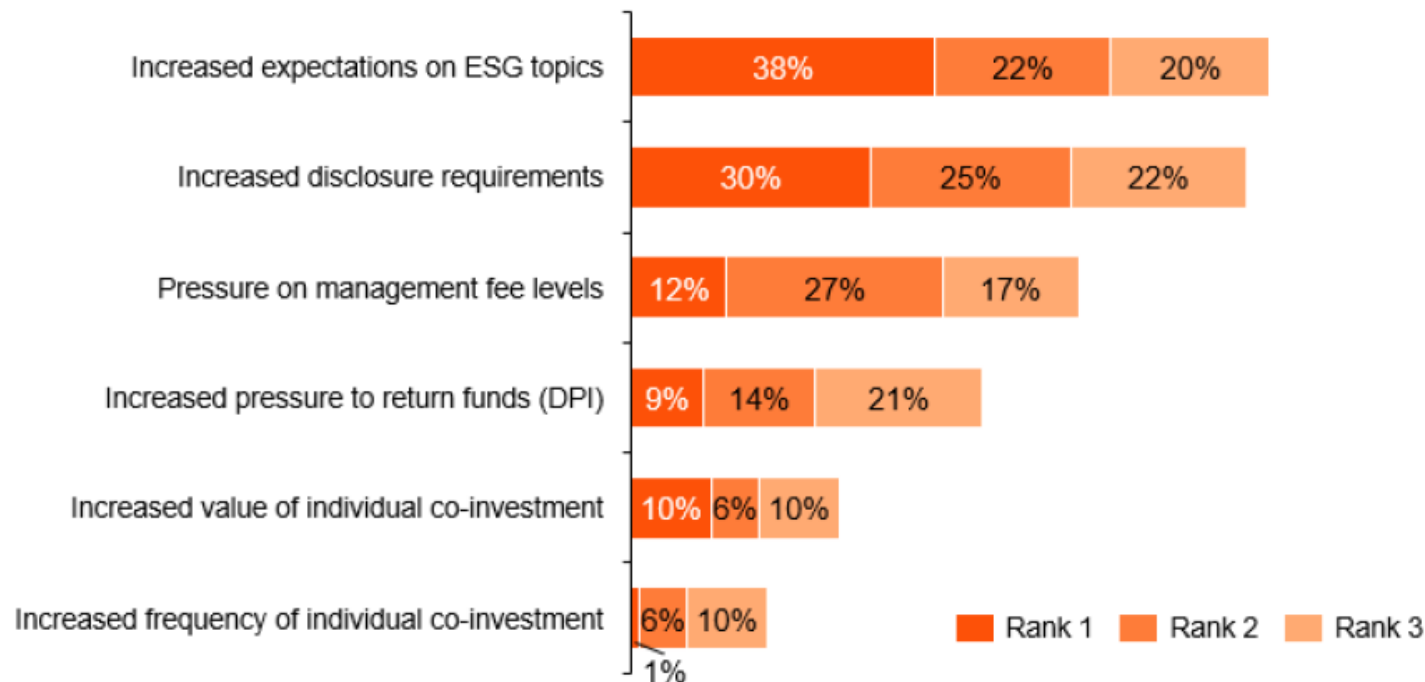
Private capital continues to lead the charge in ESG financing

Even as the regulatory terrain in the EU continues to shift, European PE is approaching sustainability as far more than just a compliance obligation – instead framing it as a competitive advantage.

PwC's 2026 Private Equity Trend Report surveyed over 250 European principals.

A full **100%** of surveyed firms have ESG policies and the associated implementation tools; and 80% embed ESG value levers into buy-side assessments.

Fig. 28 Which of the following best describe the changes in expectations and requirements from your limited partners? (Rank 1 is the biggest change)



2

International regulatory and reporting updates

In 2026, sustainability regulations entered a consolidation phase

A reminder: what we saw in 2025...

EU: CSRD

Disruption caused by the Omnibus I and Stop the Clock directives

EU: ESRS

'Simplification revolution' aimed at reducing compliance and reporting burdens

EU: Pillar 3

Major consultations on expanding sustainability disclosures

EU: SFDR

SFDR 2.0 announced, proposing fundamental regime overhaul

Int'l: ISSB

Announcements to further work on interoperability with other frameworks

... and what meant in 2026:

- **Clarity**

Enhanced guidance and tighter definitions reduced ambiguity and allows for more robust architecture

- **Efficiency**

Requirements streamlined with removal of duplicative efforts, focussing on proportionality and usability

- **Interoperability**

Greater alignment between standards and frameworks, reducing reconciliation efforts and consolidating controls

CSRD, CSDDD, ESRS, NESRS, IROs, DMAs...

The European reporting landscape is complex; however 2026 saw significant progress towards simplification objectives.



The Regulations

- **CSRD**: the EU's Corporate Sustainability Reporting Directive
- **CSDDD**: The EU's Corporate Sustainability Due Diligence Directive



The Standards

- **ESRS**: European Sustainability Reporting Standards
- **NESRS**: Non-European Sustainability Reporting Standards



The Requirements

- **IROs**: "Impacts, Risks and Opportunities" required to be disclosed under ESRS and NESRS
- **DMA**: Double Materiality Assessment (financial materiality and impact materiality)

How the CSRD has evolved through 2026



16 December 2025

Political approval
by EU Council &
Parliament

26 February 2026

Omnibus agreement
is published

16 March 2026

Member states
begin the one year
transposition period

06 May 2026

EC publishes draft
simplified ESRS &
opens consultation

03 July 2026

EC adopts the final
delegated act,
subject to scrutiny

The draft simplified ESRS: what are the main changes?

The number of mandatory datapoints is substantially reduced

Instructions on how to apply Double Materiality are improved

The structure of the standards is simplified and provisions are clarified

Interoperability with global reporting and other EU legislation is enhanced





SFDR 2.0 – what you need to know

On 20 November 2025, the European Commission proposed amendments to the Sustainable Finance Disclosure Regulation (SFDR).

For FMPs the implications are significant: product strategy and governance, reporting processes, investment due diligence and data management will all require substantial redesign.

Article 6

Non-Sustainable

- No asset allocation
- No commitments or exclusions
- No impact reporting required

Article 7

Transition

- Minimum 70% transition-aligned
- Clear and measurable transition objectives
- Pre-set impact theory and reporting

Article 8

ESG Basics

- Minimum 70% ESG-aligned
- Integrates sustainability factors into investment strategy
- CTB exclusions
- Prescribed list of eligible investments

Article 9

Sustainable

- Minimum 70% sustainable
- Clear objectives for sustainability factors
- Full PAB exclusions
- PAI disclosures
- Pre-set impact theory and reporting



SFDR 2.0 is more than just a labelling change

The proposals also impact product operations, data integrity and investor communications.

“Impact” sub-label

Transition and sustainable products may use an “impact” designation where they target a measurable outcome, supported by a pre-set impact theory and reporting.

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Disclosure requirements

Pre-contractual and periodic disclosures are expected to be significantly streamlined.

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Data & estimates

Transparency over data sources and estimates would be enhanced.

Specific FoF requirements

Revised rules are proposed for multi-layer products.

Claims & names

Sustainability claims in marketing and fund names would face tighter restrictions.

Scope relief

Entity-level reporting would reduce, and portfolio-management mandates would be excluded.

A reminder: the ISSB's IFRS Sustainability Disclosure Standards

The ISSB issued two IFRS SDS in 2023, with future standards and work plans being explored.

Structure of the IFRS Sustainability Standards

4 Core Pillars (as per TCFD):



General Requirements

Topical Requirements

Industry specific requirements

Issued Standards

IFRS S1
"General Requirements for Disclosure of Sustainability-related Financial Information"

IFRS S2
"Climate-related disclosure"

Industry-based SASB standards

Key Concepts

Materiality

Fair Presentation

Reporting entity/
boundary

Connected information





Adoption of the ISSB standards is gaining global traction

The 40+ jurisdictions taking steps towards adoption account for:



55%

of global GDP



40%

of global market
capitalisation



>50%

of greenhouse gas
emissions

1 st year	Jurisdiction
2025	Australia, Bangladesh, EU, Hong Kong SAR, Malaysia, Mexico, Pakistan, Singapore, Sri Lanka, Tanzania, Türkiye (2024), Zambia.
2026	Brazil, Jordan, Philippines, Qatar, Chinese Taipei.
2027	Chile, Ghana, Indonesia, Kazakhstan, Japan, Kenya, Rwanda, South Korea, Thailand, UK (through the UK SRS) .
2028	Honduras, Mongolia, New Zealand, Nigeria, Oman, Panama, Peru, Uganda, Zimbabwe.
TBD	Bolivia, Canada, China, Costa Rica, El Salvador, Ethiopia, Kyrgyzstan, Nepal, Switzerland, Uzbekistan.

In 2026 the UK SRS moved from consultation to final publication

On 30 September 2026 the FCA published a policy statement finalising rules requiring in-scope listed companies to report against the UK SRS on a 'comply or explain' basis - replacing existing TCFD-aligned disclosure requirements. The rules also introduce transparency requirements on transition plans for certain issuers and on third-party assurance.

01

COMPLY OR EXPLAIN

Applies across all UK SRS disclosures, with reasons and future steps where requirements are not met.

02

CLIMATE FIRST

One-year Scope 3 relief and two-year relief for wider, non-climate S1 disclosures.

03

CONNECTED REPORTING

S1 and S2 disclosures sit in the annual financial report, with permitted cross-referencing.

04

TRANSPARENCY

Disclose transition-plan status and whether third-party assurance has been obtained.

2028:

First reporting (rules apply 01 Jan 2027) • Financial materiality and S2 gap analysis •
UK SRS/CSRD interoperability • Clear board accountability

Key considerations for UK SRS reporters

- 1 Which entity and listing categories are within scope?**

- 2 Who owns the UK SRS statement of compliance and any explanations?**

- 3 What transitional reliefs will be used, and why?**

- 4 How will sustainability information connect with financial statements?**

- 5 What assurance, if any, will be obtained and how will it be described?**

- 6 How will UK SRS and CSRD work be aligned to minimise duplication?**

- 7 What evidence supports management judgements and board approval?**

- 8 How will progress be monitored before the 2027 reporting period?**

The central governance challenge is making transparent, evidence-based and approved comply-or-explain judgements.

3

What's happening in Jersey

Sustainability Risk

Leading organisations have been assessing **climate risk** years; drive by regulatory factors and the increased frequency of extreme weather events having material financial impacts on businesses, value chains & portfolios.

More recently, consideration of sustainability risk has shifted beyond just climate and is moving towards broader consideration of wider environmental and social issues.

In a financial services context, **greenwashing** refers to the practice of misleading clients, investors, or the public about the environmental sustainability of a financial institution's products, services, or operations.

Business Integrity Risk broadens this definition beyond a “green” (environmental) focus to other elements of “sustainability washing”.

Business Integrity Risk

Jersey's sustainability risk management and anti-greenwashing guidance

In April 2026, the JFSC released new guidance on how regulated firms should manage sustainability risk and business integrity risk.



Sustainability risk management

- Identify, assess, and manage sustainability-related risks, with a focus on climate change.
- Embed these processes within existing governance frameworks rather than creating new structures from scratch.
- Document assessments proportionately and escalate conclusions to the board.

Business integrity risk

- All sustainability-related claims must be factually accurate, substantiable, clear, complete, and balanced.
- Comparisons must be fair and meaningful.

Applicable to all registered persons and firms governed by the JFSC's codes of practice, the guidance is designed to shape supervisory expectations and to prepare firms for formal enhancement of the codes.

The guidance takes effect from Q1 2027 and aligns Jersey with global investor expectations for credible, proportionate sustainability regulation, supporting the Financial Services Competitiveness Programme and Time to Win initiatives.

Some examples of sustainability risks that could have financial implications...



Technology Risk

Investment required in new systems and technology solutions to meet regulatory requirements in other jurisdictions



Insurance Risk

Location and nature of real asset portfolios subject to significant increase in insurance premiums



Transition Risk

Investment decision required to meet new EPC regulations for commercial property or to exit these assets from the portfolio



New Market Risk

Implications of expanding into Luxembourg and the additional regulatory requirements for sustainability disclosures

How do the Business Integrity Risk requirements expand on what's already in the codes?

Existing anti-greenwashing measures		New Business Integrity Risk proposals		
Applicable Codes	• CIF • FSB • Jersey Private Funds Guide	• CIF • FSB • IB	• InsB • Banking • GIMB	• TCB
Scope	Funds marketed as having: • A sustainable investment strategy; and/or • Sustainability objectives.	• All marketing and advertising made by the registered person		
Requirements	Such funds must disclose all material information in relation to the sustainable investment strategy and objectives	• Advertisements must not contain sustainability-related claims that are unclear, misleading or unfair • Claims must be backed up by credible evidence		



Advertisements in respect of the Fund (whether issued by the Fund or its fund service providers) **must not contain sustainability-related claims, whether concerning the Fund, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.**

How might the new requirements impact you?



Risk Management Frameworks

Do your existing processes to identify, analyse, assess, mitigate and monitor risks sufficiently cover sustainability and business integrity risk?



Policies and Procedures

Do you have sufficiently robust policies and procedures to evidence your risk management processes?



Systems and Controls

Are the systems and controls you have in place to identify, assess and monitor these risks appropriate and sufficient?



Employee Skills

Do your reporting, marketing, compliance and risk professionals have sufficient understanding to safeguard your business against these risks?

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Key takeaways

Amid all this change, what does good look like?

Governance and accountability

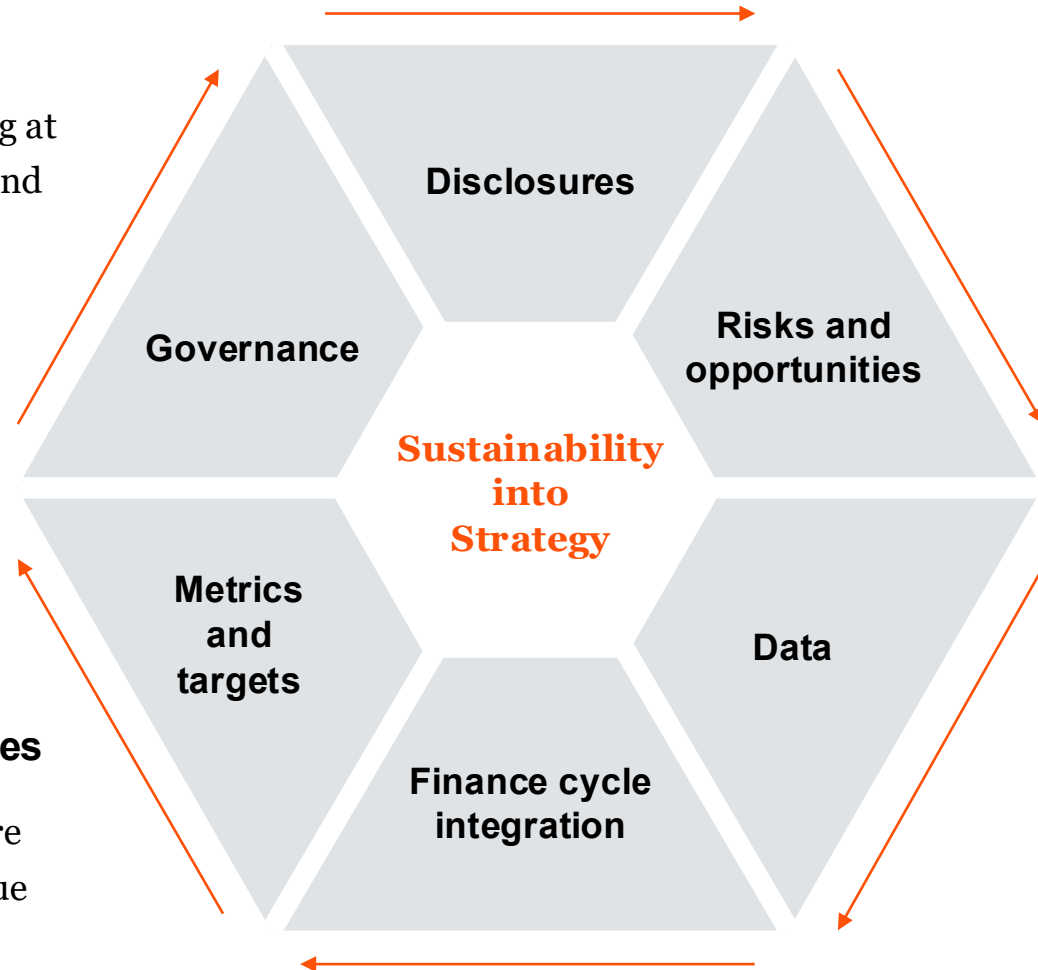
Clear owners for sustainability reporting at board level, defined policies, controls, and evidence to meet anti-greenwashing scrutiny.

KPI relevance

Ensure sustainability KPIs are decision-useful; understanding targets, milestones and methodologies.

Integration into strategic timeframes

Look beyond periodic reporting at where sustainability might be considered in due diligence, underwriting, borrowing, budgeting, value-creation plans, remuneration and exit planning.



Interoperable disclosures

Coherent layering across LP reports, website, templates and external disclosures to tell a consistent story.

Think risks and opportunities

Recent PwC research found 77% of boards recognise sustainability risks but only 64% recognise opportunities.

Data quality and integrity

Standardised data, supplier questionnaires, controls over third-party data and phased external assurance of key metrics.

Key takeaways

1

Forward-looking companies see sustainability as a catalyst for long-term value, not just compliance.

2

Aligning sustainability objectives with core business objectives helps mitigate risks, build resilient operations and seize new opportunities.

3

Countries are seeking to balance regulatory regimes and competitiveness. Differences make it complicated, but investor demand for clarity and consistency of information remains.

4

Jersey has advanced its position on the global stage, bringing risk management guidance in line with international expectations.





Links to further reading

Raising the bar: Jersey's new sustainability risk management and anti-greenwashing guidance



PwC's Third Annual State of Decarbonization Report



Sustainability strategy is in its ROI era



- Government of Jersey – [Sustainable Finance Action Plan](#)
- Jersey Finance – [Sustainable Finance resources](#)
- JFSC – [Sustainable finance homepage](#)

Thank you



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