



The future of
sustainability
reporting
operating model
across financial
services

EY survey results

March 2026



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Why are insurers, asset managers and banks rethinking their sustainability reporting operating models now? The answer lies in a convergence of regulatory requirements and strategic opportunity.

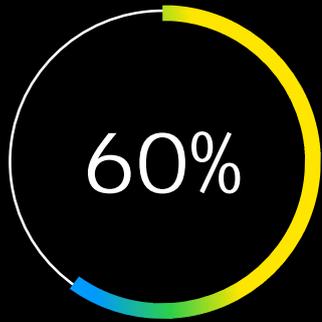
The EU Omnibus Simplification Package, the rise of artificial intelligence (AI) and the challenging political landscape, has left the financial services industry unsure of what is coming next.

EY surveyed 25 financial services firms about their approaches to sustainability reporting, including their relevant capabilities under development, governance structure, processes and technologies.

As firms take stock, five forces emerge as primary drivers influencing how sustainability reporting is executed and embedded into core business operations.

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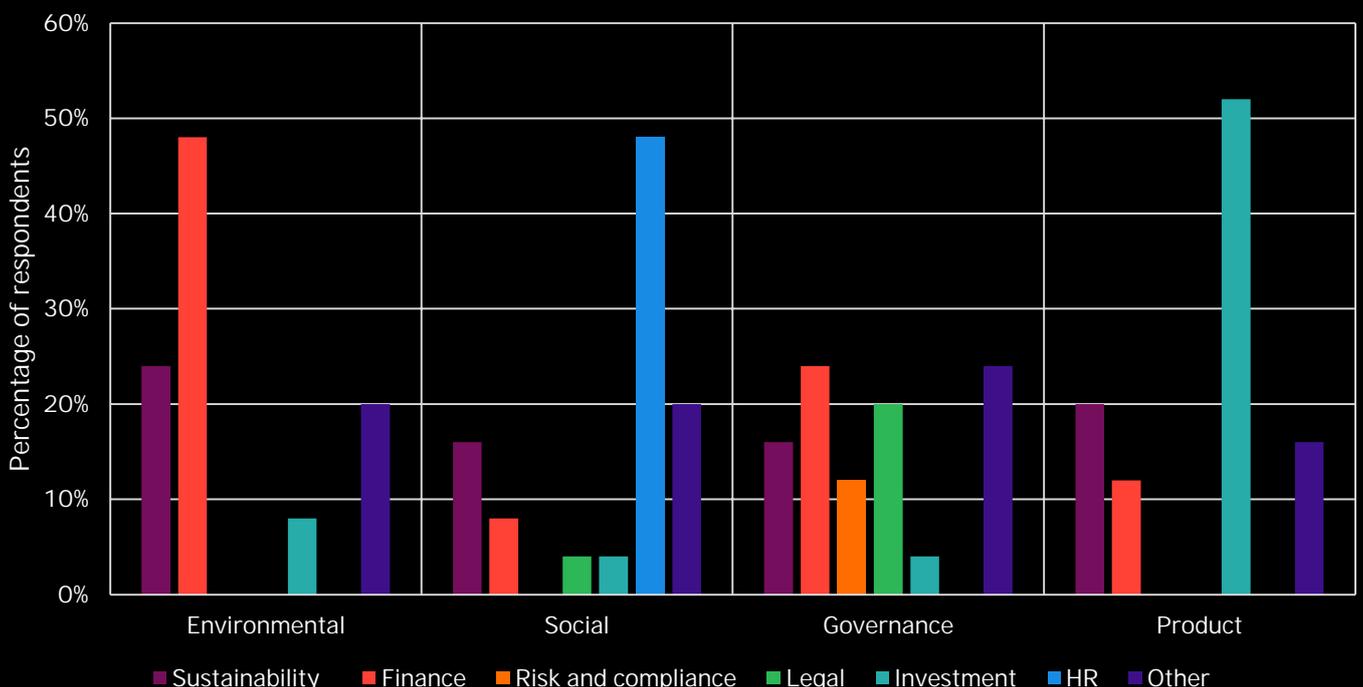
Governance and responsibilities



of respondents have a **hybrid reporting model** – where central governance exists, but local units have autonomy in their organization.

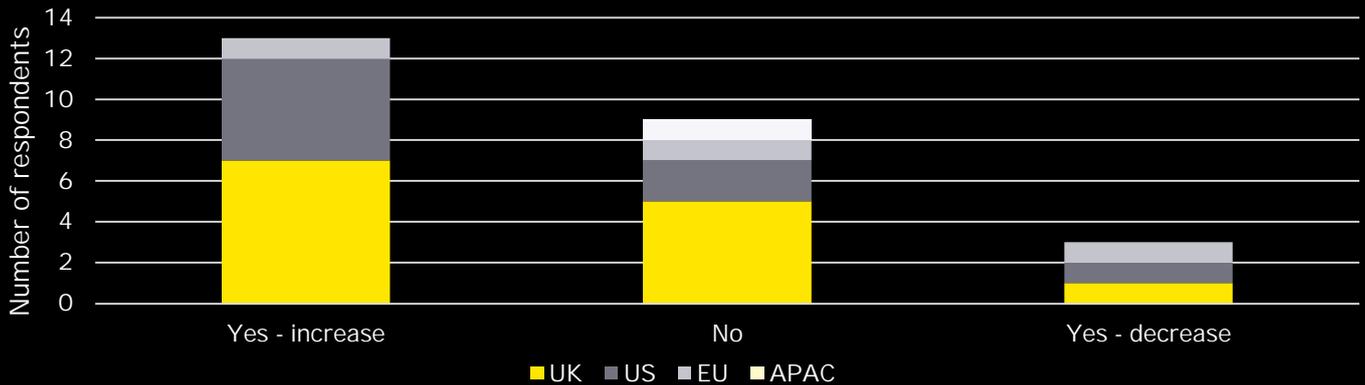
- The survey results show there is no consistent governance reporting model for sustainability reporting approval. Although the majority opt for a hybrid model with group-level oversight, local units tend to have autonomy for local reporting execution, with approval gained through local governance forums.
- In addition, sustainability reporting preparation is moving away from sustainability specialists into business as usual (BAU) functions, such as finance, and risk and compliance. Similarly, the sustainability disclosure controls framework is increasingly aligning with finance. In certain sectors, due to the numerous reporting requirements, more automated solutions are being implemented.
- Specialist skill sets continue to be highly valued by organisations for driving sustainability strategy and creating long-term value (e.g. supporting front office initiatives to commercialize sustainability). Nature and human rights expertise are emerging areas of recruitment focus, fueled by anticipated regulatory developments and commercial opportunities.

Which function prepares the different types of sustainability-related disclosures?



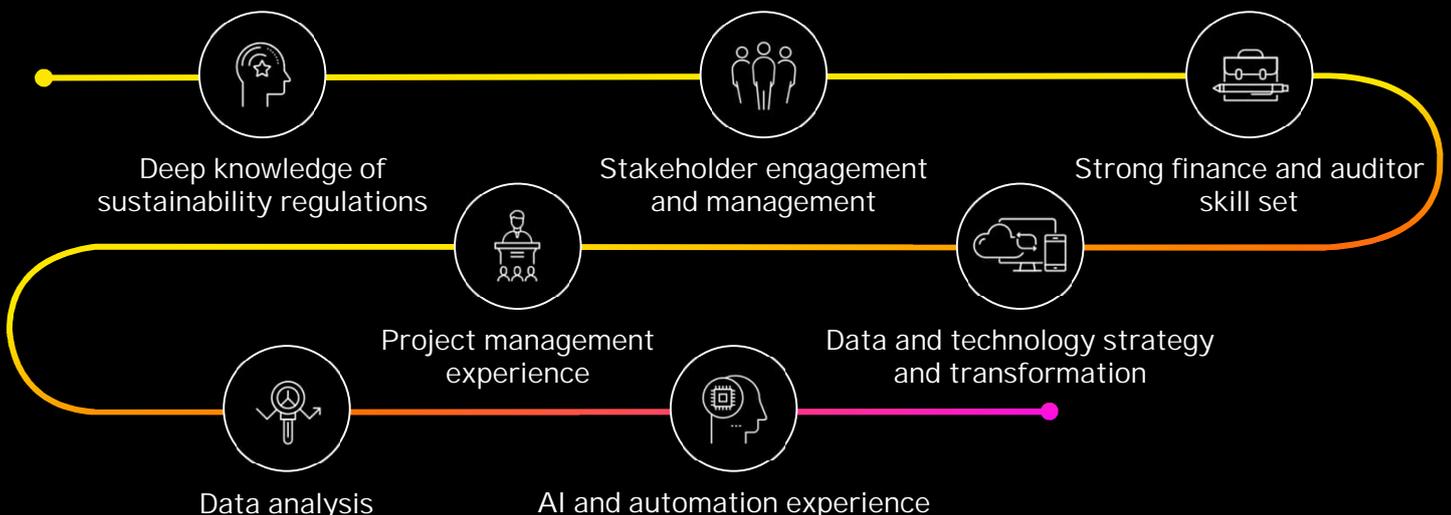
Sustainability disclosures team

Do you anticipate the size of the sustainability-related disclosures team to change within the next five years?

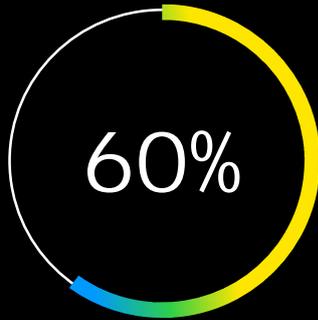


- Sustainability operating models are diverging in size and scale, depending on the firm's sustainability appetite.
- Some firms are planning to remain the same or decrease team size as they look to leverage new data and technology for process efficiency.
- Firms increasing their team size tend to see sustainability as a potential area of commercial growth and are scaling their plans to reflect this. However, it is recognized that future AI developments may reshape long-term headcount strategies.
- Most firms are looking at reinforcing and upskilling BAU risk and compliance staff to protect against perceived heightening regulatory and reputational risk in this area.

Other skill sets required in the longer term include:



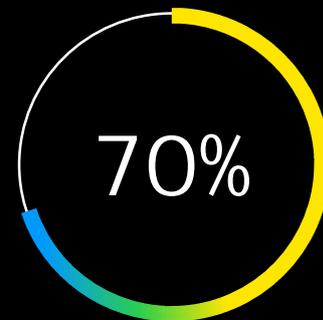
Use of data and technology



of respondents think their **current sustainability data governance structure is not effective.**

- Data quality and coverage challenges remain a significant concern across the industry.
- To address these issues, leading firms are adopting internal data solutions that consolidate multiple data sources under robust governance frameworks.
- These efforts aim to strengthen compliance and respond to regulatory and assurance scrutiny regarding the ownership and accuracy of data that is disclosed.

- Companies have begun to consider AI initiatives that can be leveraged both for sustainability purposes and for wider organizational impact.
- To deploy AI, companies have begun to introduce AI-specific governance and risk processes.
- Peers are currently exploring several potential use cases, including: automated report generation, peer benchmarking, horizon scanning and improved knowledge management.



of respondents anticipate **AI to form part of their sustainability-related disclosure preparation process in the future.**

Note: Participants are allowed to submit multiple responses to survey questions.



Five key drivers shaping operating model change

The financial services industry is at a pivotal moment in its journey toward more robust sustainability practices. Bringing together the results of our survey findings, we highlight five key drivers shaping this transformation. Together, these drivers are restructuring how companies set strategy, manage risk, report performance, and build long-term competitiveness.

- 1 Shifting global sustainability priorities**

Geopolitical tensions and anti-ESG movements have led to a recalibration of global sustainability agendas, leading to some firms downscaling their sustainability operations and reducing their sustainability reporting ambitions.

- 2 Regulatory flux**

Amid ongoing revisions and emerging regulatory frameworks, firms are reassessing their corporate and product sustainability strategies. With rising greenwashing scrutiny and enforcement, some organisations are strengthening reporting controls and embedding an anti-greenwashing culture.

- 3 Budget pressures driving efficiency**

Internal budgets are often under strain, with firms seeking ways to streamline sustainability reporting and embed efficiencies as their capabilities mature. The focus is on doing more with less, without compromising credibility.

- 4 Levels of ambition and market expectation**

Sustainability may not be seen as a strategic priority by all, but regulatory reporting and client expectations remain firm. Organisations are navigating shifting regulatory and political demands while meeting investors and stakeholders' calls for transparency and impact. As a result, they are increasingly open about their sustainability goals and challenges.

- 5 The move to greater commercialisation**

Many firms are seeing sustainability initiatives moving beyond compliance toward a long-term commercial opportunity. Firms are keen to understand what changes are required to future-proof their operating models. The next wave of sustainability is not just about risk mitigation; it's about gaining competitive advantage in product offering, risk management, and brand credibility.

How EY can help

EY supports a broad range of financial services institutions by drawing on our deep experience and insights to help firms reframe their approach to sustainability disclosures. We work with organisations to build reporting capabilities that not only meet today's requirements but also position them to lead in an increasingly transparent, responsible and competitive market.

If you would like to discuss these insights or explore your sustainability operating model further, please contact the team.

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