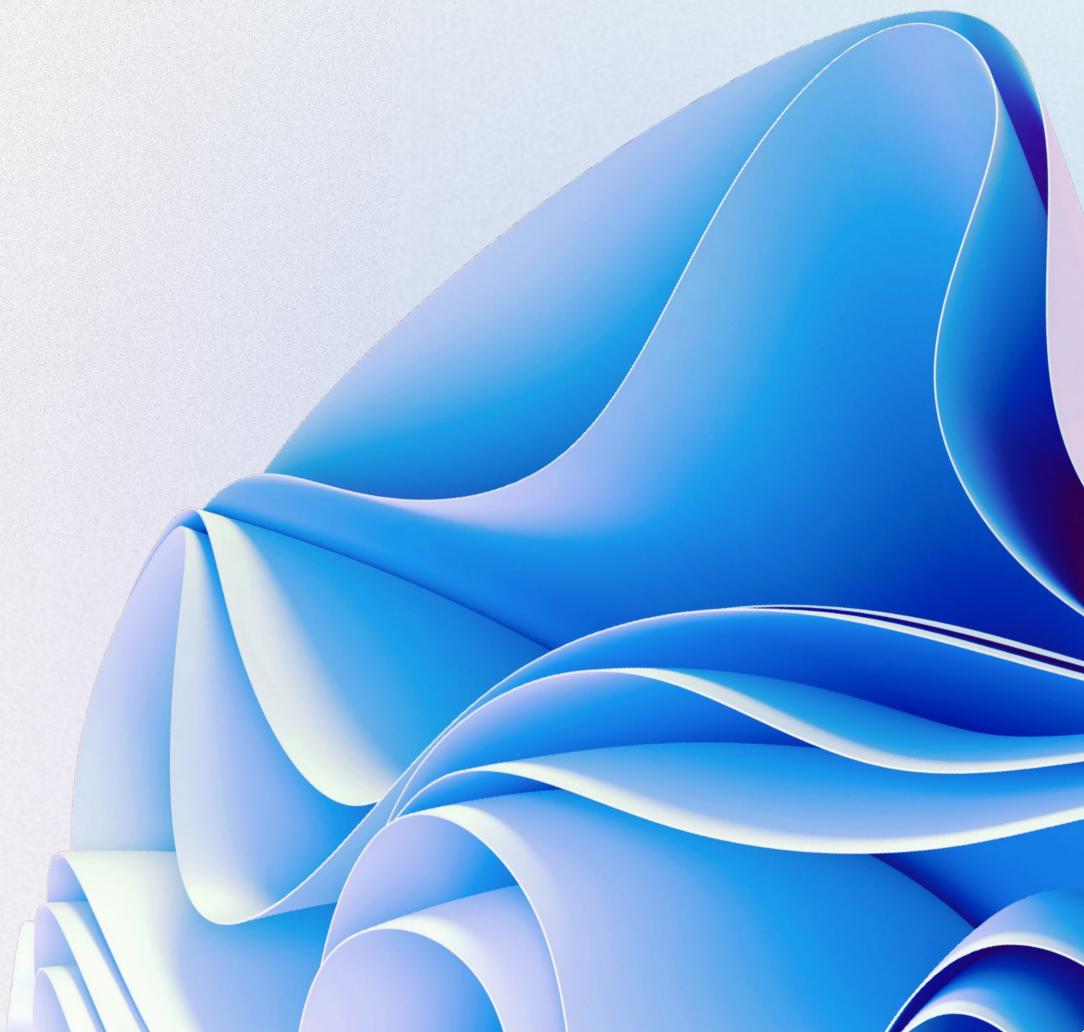
Labrador Transparency

2026 Sustainability Reporting Trends with Insights for 2027

November 2026



Introduction

Labrador Transparency's lead advisors – with an average of 20+ years of career experience with corporate disclosures and sustainability – will be sharing targeted insights to help you navigate the evolving sustainability reporting landscape. Delivered as a series, each piece will spotlight key trends, regulatory and voluntary updates, and actionable elements to consider as you prepare your sustainability and related reporting for the next season.

US sustainability is shifting from broad sustainability commitments to a more focused approach grounded in core business priorities, compliance, commercial relevance, and resilience. What's more, companies are thinking more strategically about how best to reach their AI and human readers.

Below are our observations on key themes and updates coming out of the 2026 reporting season and a preview of our upcoming Thought Pieces as we move into 2027.

2025–2026 Season Takeaways

Worldwide, sustainability reporting is shifting from broad voluntary commitments and reporting to more standardized and compliance-led sustainability reporting. Against a backdrop of economic and geopolitical strain, market uncertainty and anti-ESG (Environmental, Social and Governance) pressures in the U.S., over the last two years some companies have quietly stayed the course while others have adjusted—sometimes scaling back—their sustainability teams, goals and targets, and reporting.

Overall, trends coming out of the 2026 reporting season demonstrate that corporate sustainability reporting has become more complex than ever before. Forthcoming Labrador Sustainability Trends Thought Pieces will help you navigate this ever-changing landscape.

2026 Season (FY2025 Reporting Year) by the Numbers

58% of companies are putting a higher priority on sustainability compliance.

57% of companies say they have maintained and 24% strengthened their previously announced sustainability targets compared to 16% that have weakened or abandoned them.

63% of companies (mostly large companies) have scaled back their communications about sustainability or rethought how they talk about it.

68% of Chief Sustainability Officers expect global sustainability progress to hold steady or accelerate over the next year.

Key Trends and Insights

Recalibration, not retreat

Sustainability in the U.S. is recalibrating rather than retreating. Despite political and economic headwinds and competing investments like artificial intelligence (AI), 46% of U.S. companies have expanded their sustainability budgets and teams over the last two years (compared to 25% who scaled back), and over 80% say they are maintaining or strengthening their sustainability targets. What has changed is how much some U.S. companies are publicly discussing their sustainability initiatives: 63% say they have rethought or scaled back how they publicly talk about sustainability in the last year. In this thought piece we give an overview of what U.S. companies are considering as they move into the 2026-2027 reporting season.

What's in a (report) name?

No corporate report has changed names more often over the last few years than a company's sustainability report. Our annual benchmarking of reporting from a weighted subset of the S&P 250 found more diversity in report names this past season than over the last few years. In this thought piece, we will discuss the possible reasons why and what to consider if you're thinking of changing yours.

From strategy to reporting: embedding governance in sustainability

Governance remains central to sustainability reporting as companies are increasingly expected to show how sustainability topics are embedded in board oversight, executive accountability, and core business strategy. For companies, this means governance disclosures must demonstrate credible decision-making, not just policy statements. This thought piece discusses key governance functions for a sustainability strategy and analyzes trends in governance disclosures across companies in 6 industries.

[1] Davies, John and Hansell, Saul. (June 2026). The State of the Sustainability Profession in 2026. Trellis.

Climate reporting is evolving

Although has been enjoined by the courts, California's SB 261 Climate-Related Financial Risk Act has pushed some companies to update their TCFD or IFRS S2-aligned reporting in anticipation of future compliance. Over 150 companies have voluntarily submitted climate reporting links to CARB in response. This thought piece will highlight some best practices and unique reporting elements companies are using to discuss their climate-related governance, strategy, risk management, and metrics and targets.

Transitions towards CSRD

While a majority of U.S. companies within scope of the EU's Corporate Sustainability Reporting Directive (CSRD) may not need to comply until 2028, some are taking steps now to align their voluntary sustainability reporting with its requirements. This thought piece will share examples of how companies are getting ahead of the transition.

Corporate culture absorbs DEI

Following the 2024 Executive Orders and rising anti-DEI sentiment, companies have faced a complex balancing act regarding DEI initiatives. By 2026, U.S. companies have largely settled on consistent internal approaches. Most have reduced disclosure of specific targets and programs while maintaining broader commitments, often reframing DEI under terms like "inclusion" or "belonging," and absorbing those concepts into the larger discussion of corporate culture. In addition, many companies that removed disclosures entirely are now encountering stakeholder and shareholder pressure to restore transparency.

Supply chain management tightens

Although not legally required yet in most jurisdictions, stakeholders increasingly expect transparency on supply chain risks and impacts. At the same time, evolving regulations like the scaled-back EU Corporate Sustainability Due Diligence Directive (CS3D) and regulations across Asia and Latin America are pushing companies toward comprehensive environmental and human rights due diligence across their value chain. This shift signals a move beyond broad commitment-based approaches and towards risk-based management of environmental and human rights impacts in supply chains, though companies still have much room for improvement.

About Labrador Transparency

Labrador Transparency exists to offer the science of transparency to corporations wishing to communicate effectively with their readers.

Our experienced and passionate team is composed of attorneys, designers, project managers, thinkers, and web developers. We collaborate together around a process that encompasses drafting, editing, designing, and publishing across all digital and print channels.

We are thrilled that communications prepared by Labrador Transparency have contributed to trustful relationships between our clients and their readers, whether investors, employees, or other stakeholders.

In turn, our commitment to our clients has resulted in meaningful long-term relationships with some of the most respected public and private companies in the world.

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