Pierag

# ESG Perspective

Key insights on the evolving ESG landscape, highlighting essential regulatory updates, market trends, and their real-world impact on businesses and policymakers



**EDITION**

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**www.pierag.com**

# This issue at a glance

## Environmental Regulation & Pollution Control

- European Union (EU) Adopts Simplified Emissions Rules for Poultry and Pig Farms (October 8, 2026)

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## Sustainability Reporting, Disclosure & Assurance

- Institute of Chartered Accountants of India (ICAI) Issues Standard on Sustainability Assurance (SSA) 5000 to Standardize Sustainability Assurance Practices (September, 2026)
- ICAI Releases Sustainability Reporting Maturity Model (SRMM) Version 3.1 for Manufacturing Sector and Version 3.2 for Service Sector (September, 2026)
- European Banking Authority (EBA) Releases Framework 4.4 Technical Package Covering Pillar 3 ESG Disclosures and IFRS 18 (October 12, 2026)
- European Securities and Markets Authority (ESMA) Sets Out 2026 European Common Enforcement Priorities for Corporate Reporting (October 13, 2026)

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## Sustainable Finance & Taxonomies

- Ukraine Approves ESG and Sustainable Finance Roadmap (2026-2028) (October 1, 2026)
- ESMA Issues Guidance to Strengthen Credibility of Impact and Climate Transition Claims (October 12, 2026)
- Canada's Taxonomy Council Releases Final Methodology for Sustainable Finance Taxonomy (October 20, 2026)

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## Climate Targets & Carbon Markets

- Europe's First Gold Standard Soil Carbon Credits Issued to Scale Regenerative Agriculture (October 6, 2026)
- Science Based Targets initiative (SBTi) Extends Near-Term Climate Target Pathway for Financial Institutions (October 8, 2026)

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## Nature & Biodiversity

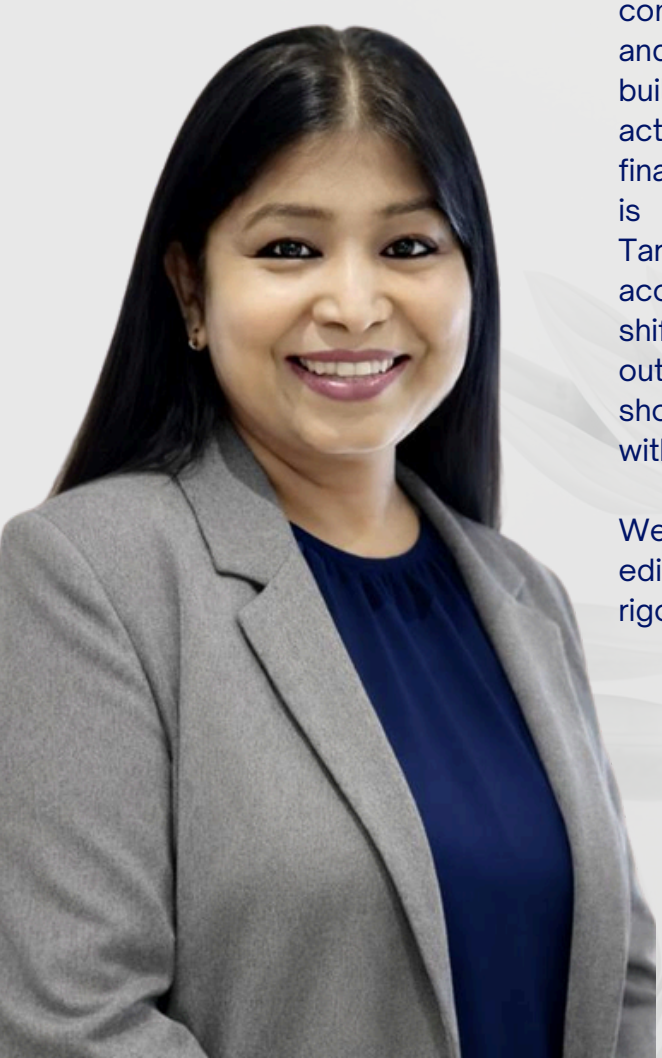
- Science Based Targets Network (SBTN) Launches Science-Based Targets for Nature 2.0 to Accelerate Corporate Nature Action (October 12, 2026)
- International Union for Conservation of Nature (IUCN) Calls for Ecological Integrity to Become a Core Measure of Conservation Success (October 19, 2026)

# FOREWORD

We are pleased to present the November 2026 edition of ESG Perspective. This issue brings together twelve developments across five areas: environmental regulation, sustainability reporting and assurance, sustainable finance and taxonomies, climate targets and carbon markets, and nature and biodiversity.

One theme runs through this month's updates: frameworks are becoming simpler to use, but the bar for credibility is rising. The EU's new operating rules for poultry and pig farms replace fragmented national permitting with harmonized, proportionate standards, and the EBA's Framework 4.4 package aims to lower reporting costs while strengthening ESG risk disclosures. At the same time, ESMA's 2026 enforcement priorities and its thematic notes on impact and transition claims make it clear that sustainability statements will be judged on evidence, not intent.

For Indian businesses, the most significant developments come from ICAI. SSA 5000, aligned with the International Auditing and Assurance Standards Board (IAASB's) International Standard on Sustainability Assurance (ISSA) 5000, sets a consistent basis for sustainability assurance engagements for periods beginning on or after 1 April 2027. The updated SRMM (Versions 3.1 and 3.2) gives manufacturing and service entities a practical way to assess where they stand and plan their path to assurance-ready reporting. Together, they signal that assured ESG data is fast becoming an expectation rather than a differentiator.



Beyond reporting, the architecture of sustainable finance continues to take shape. Canada's taxonomy methodology and Ukraine's 2026-2028 roadmap show more jurisdictions building systems to direct capital toward credible transition activities, while SBTi's extended near-term pathway gives financial institutions greater certainty in target-setting. Nature is also moving up the agenda: SBTN's Science-Based Targets for Nature 2.0 makes target-setting more accessible, and IUCN's guidance on ecological integrity shifts attention from conservation effort to conservation outcomes. Europe's first Gold Standard soil carbon credits show how high-integrity removals can connect climate goals with regenerative agriculture.

We thank you for your continued readership and hope this edition helps you navigate landscape where simplicity and rigor increasingly go hand in hand.

**Sarika Gosain**
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# ENVIRONMENTAL REGULATION & POLLUTION CONTROL

# 01

## EU Adopts Simplified Emissions Rules for Poultry and Pig Farms (October 8, 2026)

**ESG Focus:** Environment (E), Governance (G)



The European Commission has adopted the Uniform Conditions for Operating Rules for the rearing of poultry and pigs (UCOL) under the revised Industrial and Livestock Rearing Emissions Directive (IED 2.0) – Directive 2010/75/EU as amended by Directive (EU) 2024/1785. The UCOL sets harmonized operating standards for poultry and pig farms across the EU, replacing fragmented national approaches with a simpler and more proportionate system to reduce emissions of ammonia, nitrogen, and phosphorus while maintaining strong environmental protection.

The update applies to large poultry and pig farms covered under the Directive, with requirements tailored according to farm size. Instead of complex industrial permitting procedures, Member States may use simplified registration systems, while farmers retain flexibility to choose suitable emission-reduction techniques that meet prescribed environmental standards.

The framework is expected to improve air and water quality, support public health, reduce administrative burden, encourage innovation in farming practices, and create a more level playing field for livestock producers across the EU. It also seeks to make compliance more economically feasible, particularly for smaller and existing farms, through practical measures such as improved manure management, housing practices, and feeding strategies.

The rules will be phased between **2030 and 2032**, depending on the size of the farm.

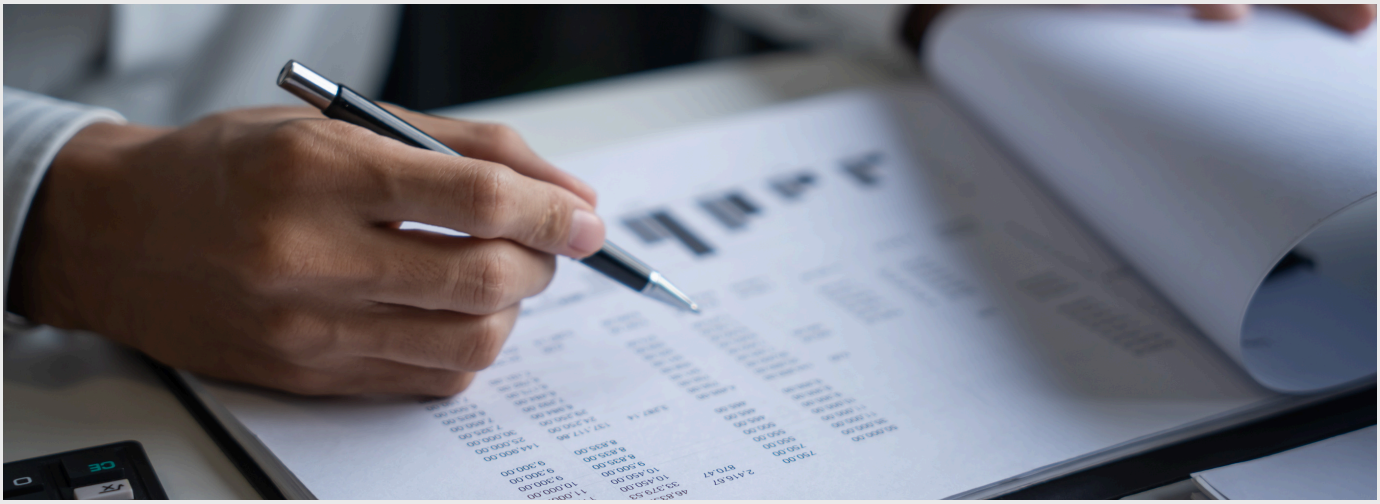
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# SUSTAINABILITY REPORTING, DISCLOSURE & ASSURANCE

# 02

## ICAI Issues SSA 5000 to Standardize Sustainability Assurance Practices (September, 2026)

**ESG Focus:** Governance (G)



The ICAI, through its Sustainability Reporting Standards Board (SRSB), has issued SSA 5000 – General Requirements for Sustainability Assurance Engagements. The standard introduces a consistent, principles-based, and framework-neutral approach to sustainability assurance and is aligned with the ISSA 5000 issued by the IAASB, while incorporating provisions tailored to the Indian regulatory and professional landscape.

The standard is applicable to chartered accountants, assurance practitioners, audit firms, reporting entities, and organizations seeking independent assurance on sustainability disclosures, including ESG-related information.

The issuance of SSA 5000 is expected to enhance the credibility, consistency, and reliability of sustainability reporting in India by establishing clear assurance requirements. The framework will help strengthen stakeholder confidence in ESG disclosures, support regulatory preparedness, and promote greater transparency and accountability in sustainability reporting practices.

The standard was issued in September 2026 and is applicable to sustainability assurance engagements relating to periods beginning on or after 1 April 2027.

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## ICAI Releases SRMM Version 3.1 for Manufacturing Sector and Version 3.2 for Service Sector (September, 2026)

**ESG Focus:** Governance (G), Environment (E), Social (S)

The ICAI, through its SRSB, has released the SRMM Version 3.1 – Manufacturing Sector and Version 3.2 – Service Sector. The framework is designed as a structured self-assessment tool to help manufacturing and service entities evaluate the maturity of their sustainability reporting practices, identify gaps, and establish a roadmap for continuous improvement.

The model also provides an option for independent validation mechanism by Chartered Accountants.

The update is applicable to manufacturing and service-sector entities seeking to assess and strengthen their sustainability reporting and ESG practices. The model enables organizations to evaluate their performance across areas including governance, environmental management, resource efficiency, climate action, human capital, employee well-being, diversity and inclusion, responsible business practices, stakeholder engagement, digital responsibility, and sustainable value creation.

The framework is expected to help organizations enhance the quality and effectiveness of their sustainability practices and disclosures by strengthening internal systems and processes and increase stakeholder confidence in sustainability reporting outcomes.

The publication was released in September 2026 and is available for adoption by manufacturing and service – sector entities.



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## EBA Releases Framework 4.4 Technical Package Covering Pillar 3 ESG Disclosures and IFRS 18 (October 12, 2026)

**ESG Focus:** Governance (G), Environment (E)



The EBA has released the final technical package for version 4.4 of its reporting and Pillar 3 disclosure framework, marking the first phase of implementation aimed at supporting earlier compliance with IFRS 18 and updated Pillar 3 ESG disclosure requirements. The package includes updated Data Point Models (DPM), validation rules, and XBRL taxonomies, along with technical amendments covering ESG risk disclosures, equity and shadow banking exposures, Anti-Money Laundering Authority (AMLA) reporting, liquidity reporting, and IFRS 18-aligned FINREP templates.

The update is applicable to EU banking institutions, credit institutions, third-country branches, supervisory authorities, reporting entities subject to Pillar 3 requirements, and stakeholders involved in prudential and ESG-related reporting. It also supports institutions preparing for IFRS 18 adoption and enhanced disclosure expectations on ESG risks.

The framework is expected to reduce reporting costs, improve data quality and consistency, facilitate regulatory compliance, and strengthen transparency around ESG-related risks. The upcoming simplification measures are also expected to make supervisory reporting more efficient and less burdensome for financial institutions while maintaining regulatory oversight.

The final technical package was released on 12 October 2026, with a second implementation phase anticipated in early 2027.

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## ESMA Sets Out 2026 European Common Enforcement Priorities for Corporate Reporting (October 13, 2026)

**ESG Focus:** Governance (G), Environment (E), Social (S)

The ESMA has released its 2026 European Common Enforcement Priorities, outlining key areas that regulators will scrutinize in the annual reports of listed companies. For sustainability reporting, ESMA has emphasized the continued importance of robust materiality assessments and the need for clear, interconnected disclosures on impacts, risks and opportunities (IROs), policies, actions and targets (PATs), and related metrics under the European Sustainability Reporting Standards (ESRS). ESMA also highlighted focus areas in financial reporting, including geopolitical uncertainties and restructuring-related disclosures, alongside common errors in digital reporting filings.



The priorities apply to listed issuers preparing 2026 annual financial reports, as well as auditors, supervisory authorities, and other stakeholders involved in corporate reporting across the EU.

The update is expected to enhance the quality, comparability, and reliability of sustainability disclosures while strengthening investor confidence and market transparency. It also signals increased regulatory attention on how companies connect sustainability risks, strategy, targets, and performance metrics within their reporting frameworks.

The priorities would be applicable to 2026 annual financial reports published by issuers and reviewed during the subsequent enforcement cycle. The statement was issued on 13 October 2026.

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# SUSTAINABLE FINANCE & TAXONOMIES

# 03

## Ukraine Approves ESG and Sustainable Finance Roadmap (2026–2028) (October 1, 2026)

**ESG Focus:** Governance (G), Environment (E) and Social (S)



The Cabinet of Ministers of Ukraine has approved the Roadmap for Implementing Environmental, Social and Governance (ESG) Approaches and Sustainable Finance Instruments, establishing a structured framework to align Ukraine's financial and economic systems with European sustainable finance practices. The roadmap aims to create regulatory, institutional, and methodological foundations for integrating ESG principles into investment, finance, and public policy.

The update is applicable to financial institutions, investors, businesses, public authorities, and entities involved in investment and financing activities in Ukraine. It is also relevant to organizations preparing for compliance with emerging sustainability-related regulations and disclosure expectations linked to the country's EU accession process.

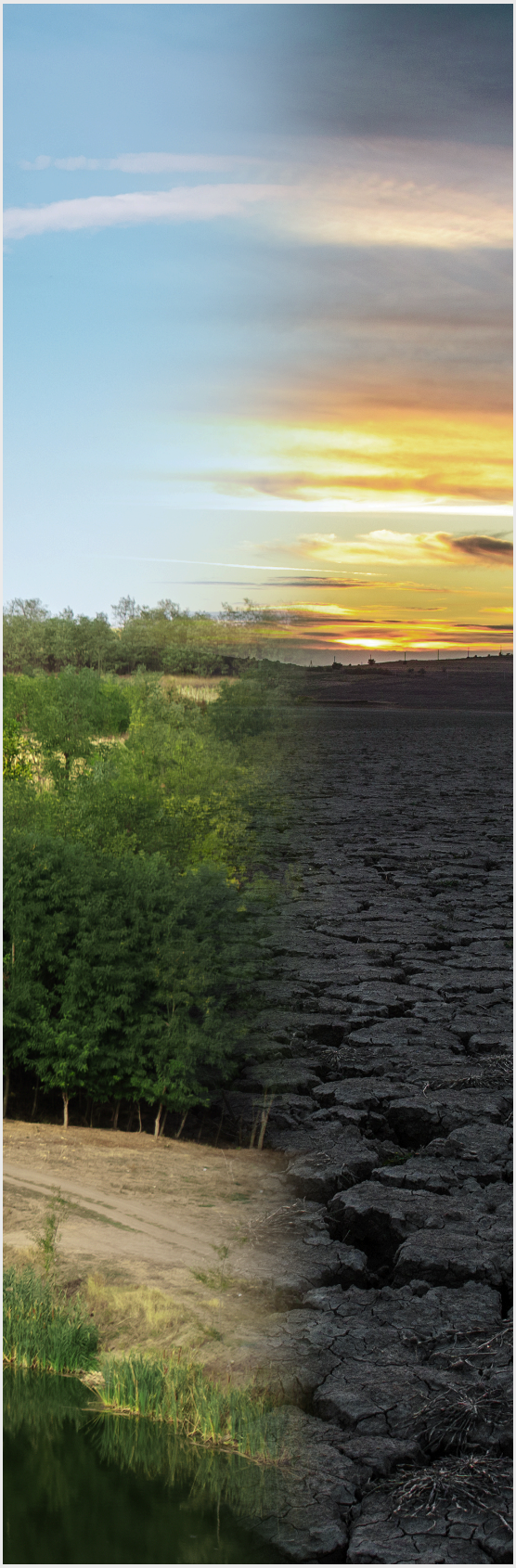
The roadmap is expected to strengthen Ukraine's investment attractiveness by introducing a sustainable finance taxonomy, embedding ESG considerations into public investment management, promoting corporate sustainability due diligence, and improving monitoring of sustainable finance flows. These measures are intended to enhance investor confidence, expand access to capital markets, and support long-term economic recovery and development through responsible investment practices.

The roadmap covers the period 2026-2028 and was approved by the Ukrainian government on 30 September 2026, with implementation activities commencing during this period.

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## ESMA Issues Guidance to Strengthen Credibility of Impact and Climate Transition Claims (October 12, 2026)

**ESG Focus:** Governance (G), Environment (E)



The ESMA has published two thematic notes aimed at improving the quality and credibility of sustainability-related claims made by market participants. The guidance focuses on positive impact claims and climate transition claims, encouraging firms to provide clear, fair, and balanced disclosures. ESMA emphasizes that organizations should transparently communicate the environmental or social impact they intend to achieve, how such outcomes will be delivered, and the methods used to measure and monitor progress. Additionally, for climate transition claims, firms should clearly explain their transition ambitions, implementation plans, key assumptions, data limitations, and approaches to tracking performance.

The guidance applies to market participants across the sustainable investment value chain, including fund managers, bond issuers, benchmark administrators, and investment service providers that communicate sustainability-related information to investors.

The key impact of the update is the strengthening of market integrity and investor trust by encouraging sustainability claims that are clear, fair, balanced, and evidence based. By providing practical examples of good and poor practices, ESMA aims to reduce the risk of greenwashing while fostering greater transparency and comparability across sustainable finance markets. The guidance does not introduce new regulatory requirements but clarifies existing expectations regarding sustainability-related communications.

The thematic notes were published on 12 October 2026.

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## Canada's Taxonomy Council Releases Final Methodology for Sustainable Finance Taxonomy (October 20, 2026)

**ESG Focus:** Environment (E), Governance (G)

The Canadian Sustainable Finance Taxonomy: Methodology Report has been released by the Canadian Taxonomy and Transition Planning Council, establishing the foundational methodology for Canada's sustainable finance taxonomy. The taxonomy aims to provide a science-based framework for identifying economic activities and projects that are credibly aligned with Canada's pathway to achieving net-zero emissions by 2050. The report outlines the taxonomy's objectives, principles, safeguards, scope, categorization framework, and approach for developing sector-specific technical criteria.

The update is relevant for financial institutions, investors, asset managers, corporations, issuers of green and transition bonds, and other market participants seeking to classify, finance, monitor, or report climate-aligned activities and investments.

The methodology is expected to improve transparency and consistency in sustainable finance markets, accelerate capital flows toward low-carbon and transition activities, enhance investor confidence, and strengthen interoperability with global sustainable finance frameworks while reflecting Canada's unique economic and geographic context. It will also support organizations in tracking climate-aligned financing, capital expenditures, and operating expenditures using standardized criteria.

The report was published on 20 October 2026 and serves as the foundational framework for the future development and implementation of Canada's Sustainable Finance Taxonomy, with no separate effective date specified in the methodology.



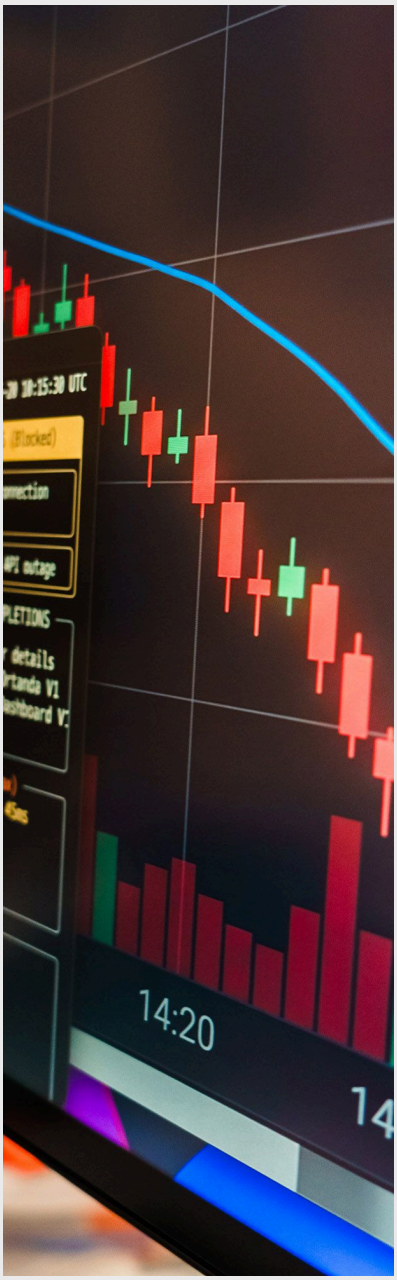
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# CLIMATE TARGETS & CARBON MARKETS

# 04

## Europe's First Gold Standard Soil Carbon Credits Issued to Scale Regenerative Agriculture (October 6, 2026)

**ESG Focus:** Environment (E), Social (S)




South Pole and agtech company Gaïago have announced the first carbon credit issuance worldwide under Gold Standard's Soil Organic Carbon Framework Methodology through the European Soil Revitalization Programme in France and Belgium. The issuance marks a significant milestone in voluntary carbon markets by creating a verified pathway for generating high-integrity soil carbon removal credits while promoting regenerative agricultural practices.

The update is primarily relevant for corporate carbon credit buyers, carbon market participants, and agricultural stakeholders, particularly farmers participating in regenerative agriculture programs across Europe. The programme currently covers an initial 6,000 verified hectares and is expected to expand to more than 39,000 hectares across 727 farms.

The issuance provides organizations with access to scientifically verified carbon removal credits that can support climate strategies and emerging requirements under the SBTi Corporate Net-Zero Standard. In addition to carbon sequestration, the programme is expected to enhance soil fertility, improve water retention, strengthen climate resilience, and create long-term financial incentives for farmers adopting sustainable land management practices.

The programme was launched in 2022 with a planned 20-year operational horizon, while the first carbon credit issuance was announced on 6 October 2026.

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## SBTi Extends Near-Term Climate Target Pathway for Financial Institutions (October 8, 2026)

**ESG Focus:** Environment (E), Governance (G)

The SBTi has announced that financial institutions can continue setting climate targets using their Financial Institutions Near-Term Criteria and without a specified end date. The decision aligns the financial sector framework with the updated Corporate Net-Zero Standard structure, allowing organizations to adopt near-term targets without simultaneously committing to a long-term net-zero target. SBTi has also updated its Mandatory Five-Year Review Guidance and released additional tools, training modules, and implementation resources to support target setting.

The update applies to banks, asset managers, insurance companies, private equity firms, and other financial institutions that use SBTi frameworks to establish and validate science-based climate targets. It is particularly relevant for institutions approaching the end of their current target cycles and those seeking greater certainty in their decarbonization planning.

The move provides long-term clarity and stability for target-setting processes, ensuring that validated targets remain credible throughout their target cycle. It is expected to encourage wider adoption of science-based targets, strengthen climate-related governance, improve investor confidence, and support capital allocation decisions linked to sustainability performance. The enhanced guidance and sector-specific resources will also help institutions implement net-zero strategies more effectively.

The update is effective immediately, with the revised criteria, review guidance, and supporting resources now available to financial institutions.



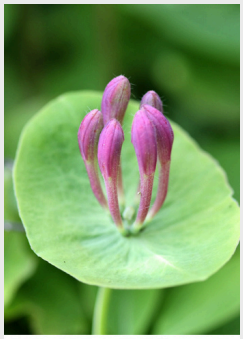
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# NATURE & BIODIVERSITY

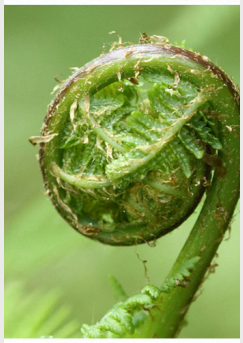
# 05

## SBTN Launches Science-Based Targets for Nature 2.0 to Accelerate Corporate Nature Action (October 12, 2026)

**ESG Focus:** Environment (E), Governance (G)









The SBTN has launched Science-Based Targets for Nature (SBTs for Nature) 2.0, a significant update to its corporate nature target-setting framework aimed at helping companies take more practical, science-based action on nature-related impacts and dependencies. The revision enhances methodologies, guidance, and tools across the entire target-setting journey, including assessment, prioritization, implementation, and disclosure. It introduces more flexible entry pathways, expanded freshwater and land-use coverage, stronger supplier engagement options, and additional resources to support companies in translating targets into measurable action.

The update is applicable to companies across sectors that are assessing, managing, and reducing their impacts on biodiversity, freshwater, land, and other nature-related risks, particularly those operating through complex global value chains with limited data visibility and traceability.

The key impact of the update is improved accessibility and scalability of nature target-setting while maintaining scientific rigor, independent validation, and transparent disclosure requirements. The framework also strengthens alignment with Taskforce on Nature-related Financial Disclosures (TNFD) and Nature Positive Initiative measurement approaches, helping organizations reduce reporting duplication and integrate nature-related assessment, disclosure, target-setting, and transition planning more effectively.

The updated Science-Based Targets for Nature (SBTs for Nature) 2.0 Framework became effective upon its release on 12 October 2026, enabling companies to adopt and implement the revised guidance, methodologies, and tools immediately.

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## IUCN Calls for Ecological Integrity to Become a Core Measure of Conservation Success (October 19, 2026)

**ESG Focus:** Environmental (E), Governance (G)

The IUCN has released new guidance to support the integration of ecological integrity into conservation policy, planning, and implementation. Developed by the IUCN World Commission on Protected Areas (WCPA), Commission on Ecosystem Management (CEM), and Climate Action Commission (CAC), the guidance positions ecological integrity as a unifying concept linking biodiversity conservation, climate action, and human well-being. It seeks to address existing inconsistencies in the definition and measurement of ecological integrity and provides a practical framework for assessing whether ecosystems are functioning, resilient, and capable of recovering from disturbances.

The guidance is applicable to policymakers, conservation agencies, protected area managers, environmental practitioners, and organizations involved in biodiversity and climate-related planning. It is also relevant for governments implementing commitments under the Kunming-Montreal Global Biodiversity Framework, including the 30x30 target, by offering principles and metrics to incorporate ecological integrity into national conservation strategies and targets.

The key impact of the guidance is to strengthen conservation outcomes by shifting focus from measuring conservation efforts alone to evaluating whether ecosystems are maintaining or restoring their ability to support biodiversity, ecosystem functions, and community resilience.

The guidance was launched on 19 October 2026.




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# PIERAG PERSPECTIVE

**From the desk of –**
Shubham Bindal, Director – AI & Digital

**From Calculating to Proving: What AI Changes in ESG Data**

Over the past year, the questions clients ask about their ESG data have changed. It used to be “Can you help us calculate this?” Now it is “Can you help us prove this?” Verifiers, regulators and large customers are no longer satisfied with a well-presented number. They want to see where it came from.

That is where the real effort lies. Imagine an Indian steel or aluminium exporter responding to a request from an EU buyer for embedded emissions data under Carbon Border Adjustment Mechanism (CBAM). Now that CBAM’s definitive phase has made verified data a cost line rather than just a reporting line, the stakes are higher. The final figure may be a single number per tonne. Behind that number, there are thousands of documents: electricity bills, fuel invoices, production logs and supplier certificates. Many of them are scanned, in different formats, and spread across plants and inboxes. Most teams compile this by hand, and gaps usually surface late, when someone asks for a document, no one can find.

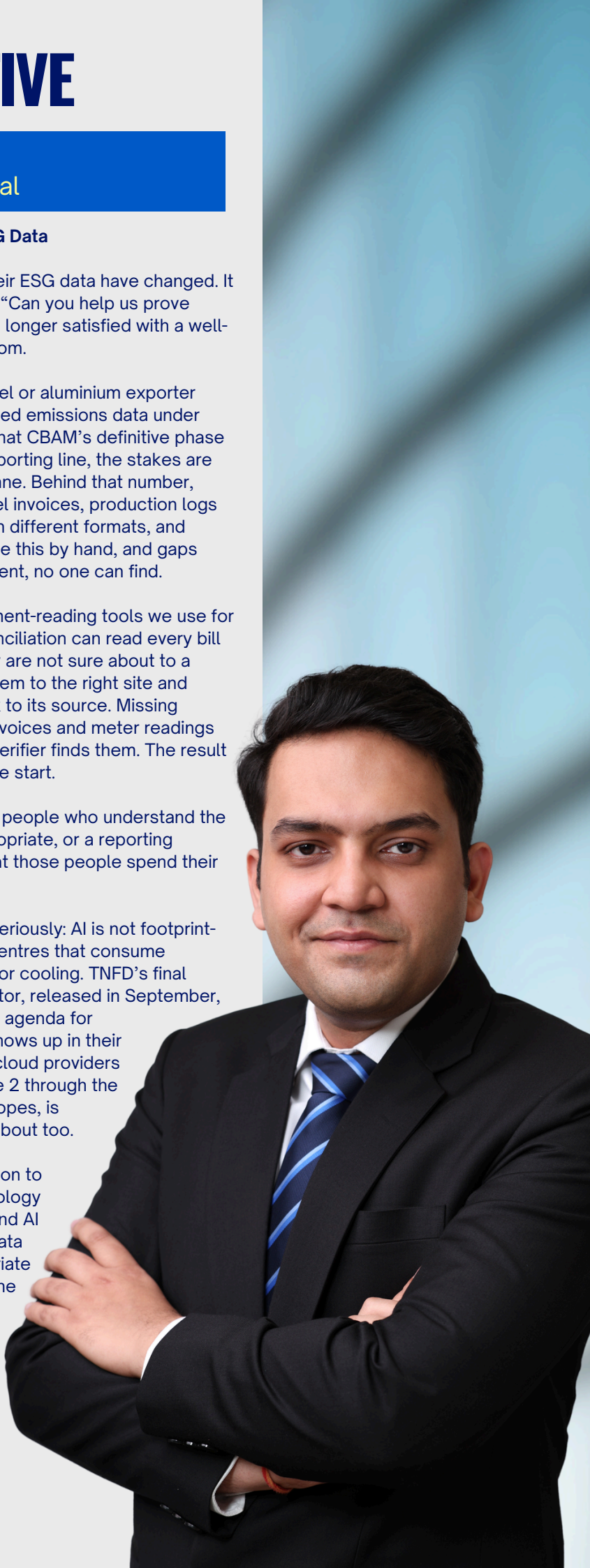
AI is now well suited to this problem. The same document-reading tools we use for finance teams for invoice processing and ledger reconciliation can read every bill and invoice, not just a sample, and send the ones they are not sure about to a reviewer. They pull out the relevant numbers, relate them to the right site and period, and track every number in the final report back to its source. Missing months, unusual spikes and discrepancies between invoices and meter readings are flagged before the report goes out, not after the verifier finds them. The result is a faster report with the evidence trail built in from the start.

AI does not replace judgement, though. You still need people who understand the standards to know whether an emission factor is appropriate, or a reporting boundary is drawn correctly. The only difference is that those people spend their time judging, rather than chasing paperwork.

There is another side to this that boards should take seriously: AI is not footprint-free. Every model running in the cloud relies on data centres that consume significant energy and, often, large volumes of water for cooling. TNFD’s final guidance for the technology and communications sector, released in September, puts data-centre water risk squarely on the disclosure agenda for providers. For companies deploying AI at scale, this shows up in their own reporting. Emissions from compute bought from cloud providers fall under Scope 3, while run on-premise add to Scope 2 through the electricity they use. Water use, though outside the scopes, is increasingly something investors and customers ask about too.

This is not a reason to slow down adoption. It is a reason to treat AI adoption as much an ESG decision as a technology decision. Know how much you use it. Ask your cloud and AI providers for emissions and water data and use that data instead of spend-based estimates. Select the appropriate model size for your task, instead of always going for the biggest model.

At Pierag, we use AI to make ESG data provable. We build tools that link every number to its evidence, and our professionals review the judgements that matter. We are applying the same standard to our own use of AI. If sustainability reporting is moving from claims to proof, the tools we use to produce it should be able to prove themselves too.



## About Us

Pierag Consulting was founded in February 2021 by Abhishek Gupta, Thomas Raffa and Pierian Services as a unique business model to serve clients globally by blending domestic proficiency with global expertise. Since then, we have been serving prominent clients across the US, SEA, India and UK in the field of Accounting Advisory, Business Risk, Technology Risk, Assurance, ESG &Sustainability, Deals Advisory, Tax and Digital.

With highly skilled team members, we are fueled by our purpose of 'Inspiring people to do things that inspires them' and our values of 'Excellence, Equity & Empathy'.

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