

Outlook of the Sustainability Landscape: AA Expert Insight

February 18th, 2026

NEW YORK

LONDON

RIYADH

DUBAI

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Welcome & Introduction

Presenters

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AccountAbility is an ESG Advisory and Standards firm

About AccountAbility

AccountAbility is a global consulting and standards firm that works with businesses, investors, governments, and multilateral organisations to innovate and advance the global sustainability / ESG agenda by improving the practices, performance, and impact of organisations.



ADVISORY

Practical, relevant, and innovative solutions customised to meet client needs



STANDARDS

Simple, adaptable, and easy-to-use frameworks to guide responsible and impact-driven performance



INSIGHTS

Expert perspectives, forward-looking trends, and industry context

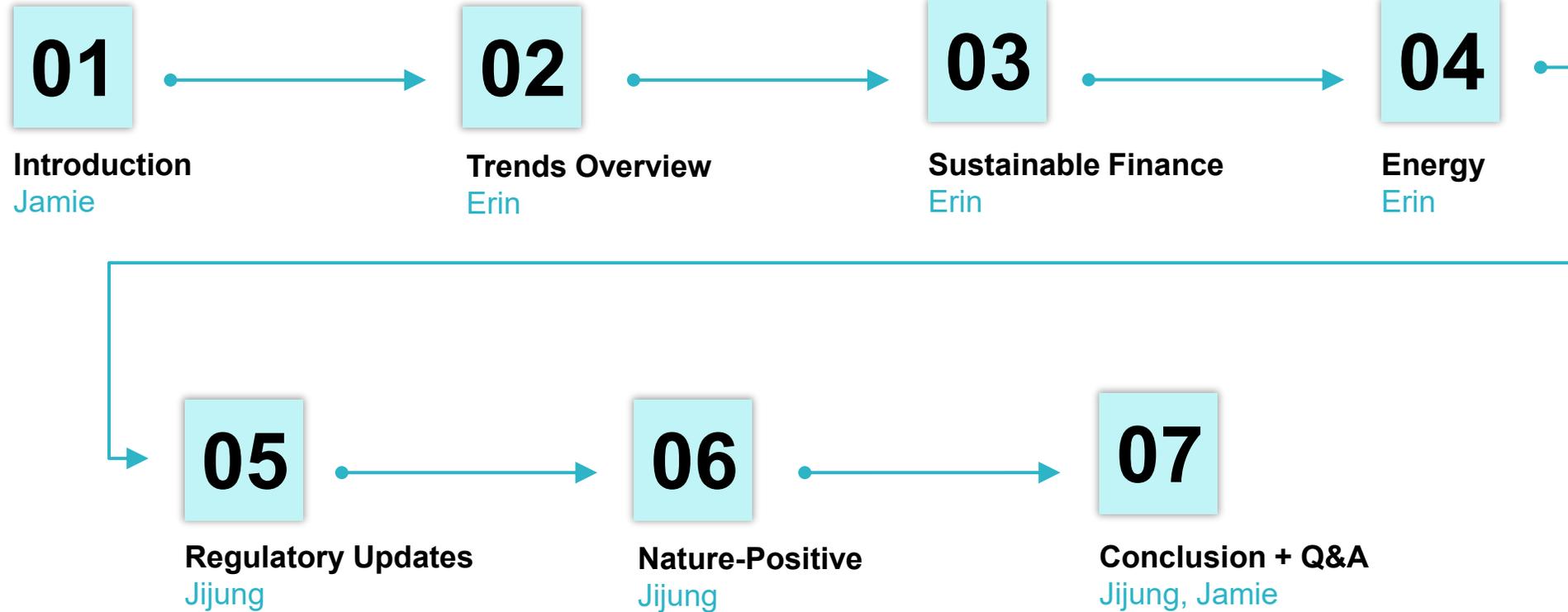
 <small>POWERED BY STATISTA</small>	World's Best Management Consulting Firms	2022
		2023
		2024
		2025

	Leading Management Consultants	2018	2022
		2019	2023
		2020	2024
		2021	

 <small>CAPITAL FINANCE INTERNATIONAL</small>	Best ESG Strategy Development Partner Winner Global	2021
		2022
		2023
		2024

Roadmap

An overview of today's webinar



02

Trends Overview

2025 Sustainability Trends

How 2025 trends are carrying over into 2026



Geopolitical & regulatory uncertainty

Reshaping corporate sustainability messaging and stakeholder engagement



Energy Reliability and Affordability

Increased energy consumption has caused electricity bill prices to rise on average 30% since 2021



New Opportunities in Nature Financing

Nature-based solutions offer potential savings of \$104B by 2030



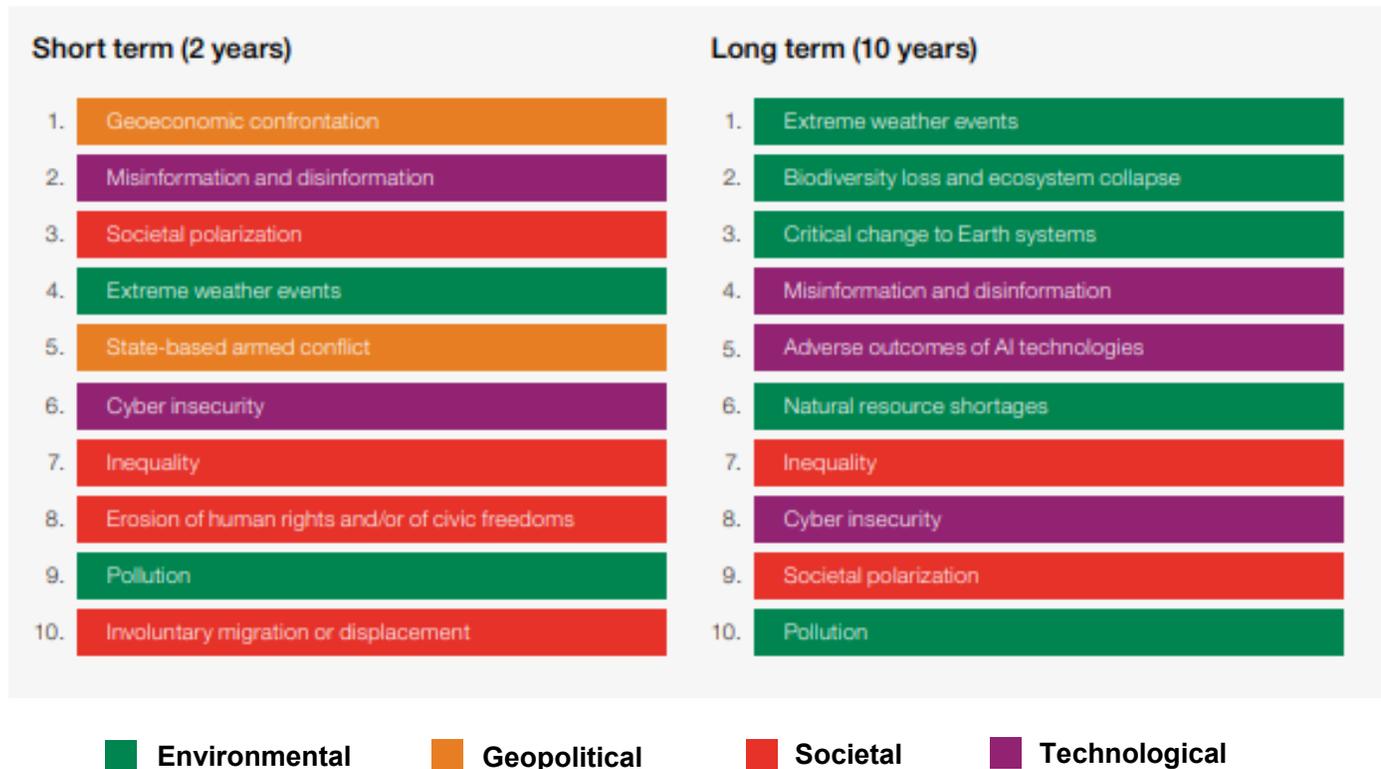
Continued emphasis on sustainability strategy

Embedding short and long-term strategy is key despite political headwinds

WEF 2026 Global Risks Report

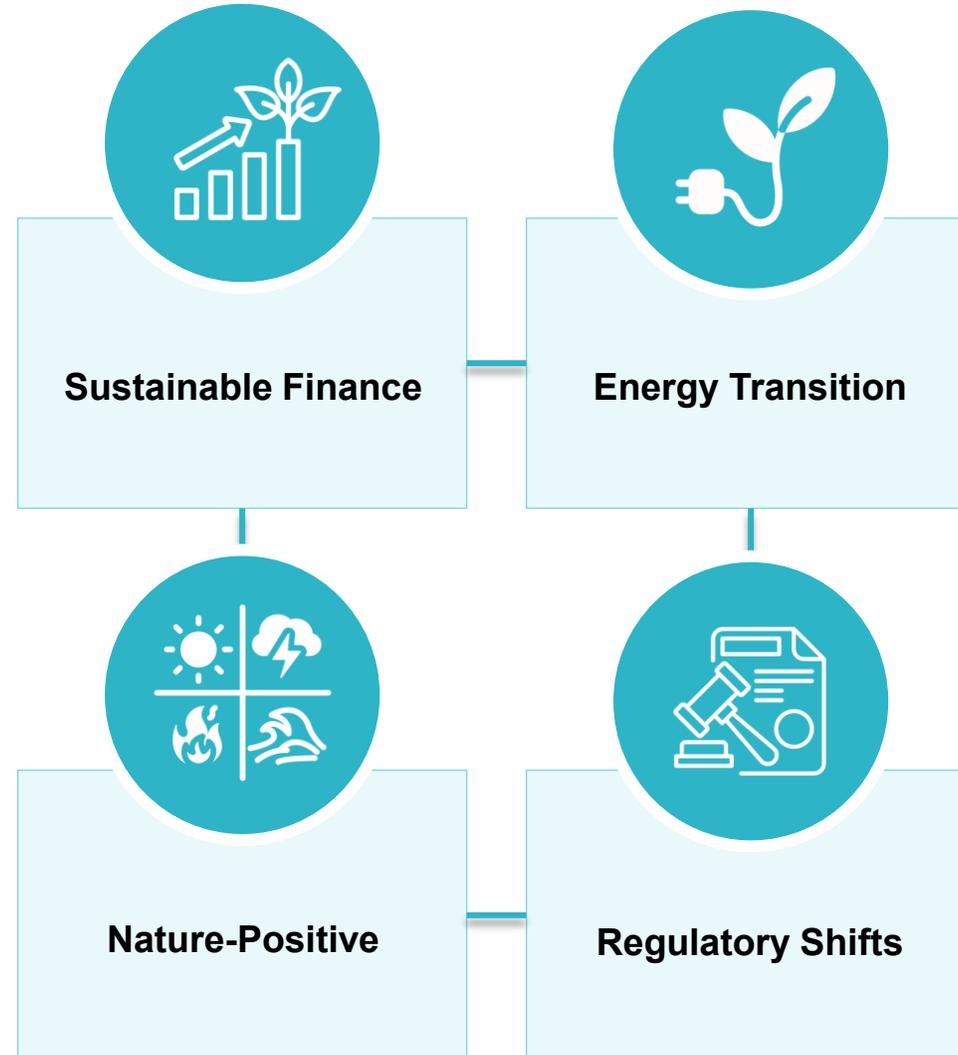
2026 will continue to be marred by uncertainty

Global risks ranked by severity, short term (2 years) and long term (10 years)



Overview of 2026 Sustainability Trends

Areas of Focus



03

Sustainable Finance Outlook

2026 Sustainable Debt Market Trends

Expected bond issuance volumes and projected growth



**Sustainability &
Sustainability-
Linked Bonds**



Green Bonds



Social Bonds



Blue Bonds

1

ING predicts that global sustainable debt issuance will reach \$1.6 billion in 2026, up 5% from 2025

2

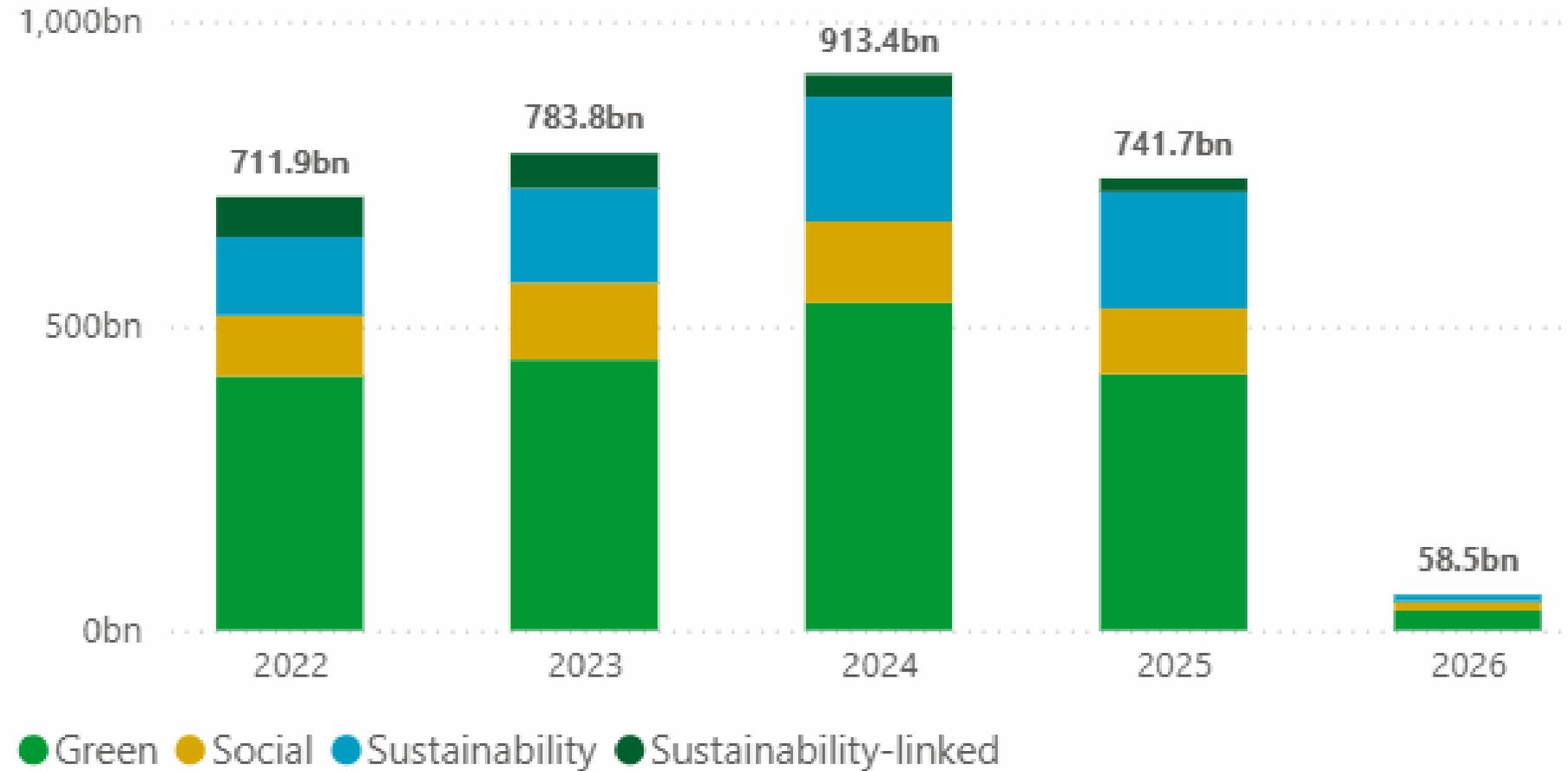
HSBC Global Investment Research estimates that the green bond supply will rise by 3%, sustainability bonds will increase by 3%, and social bonds will decrease by 6%

3

EMEA region leads in sustainable debt issuance supported by governments and financial institutions, with Canada, Latin America, and the Middle East expecting growth

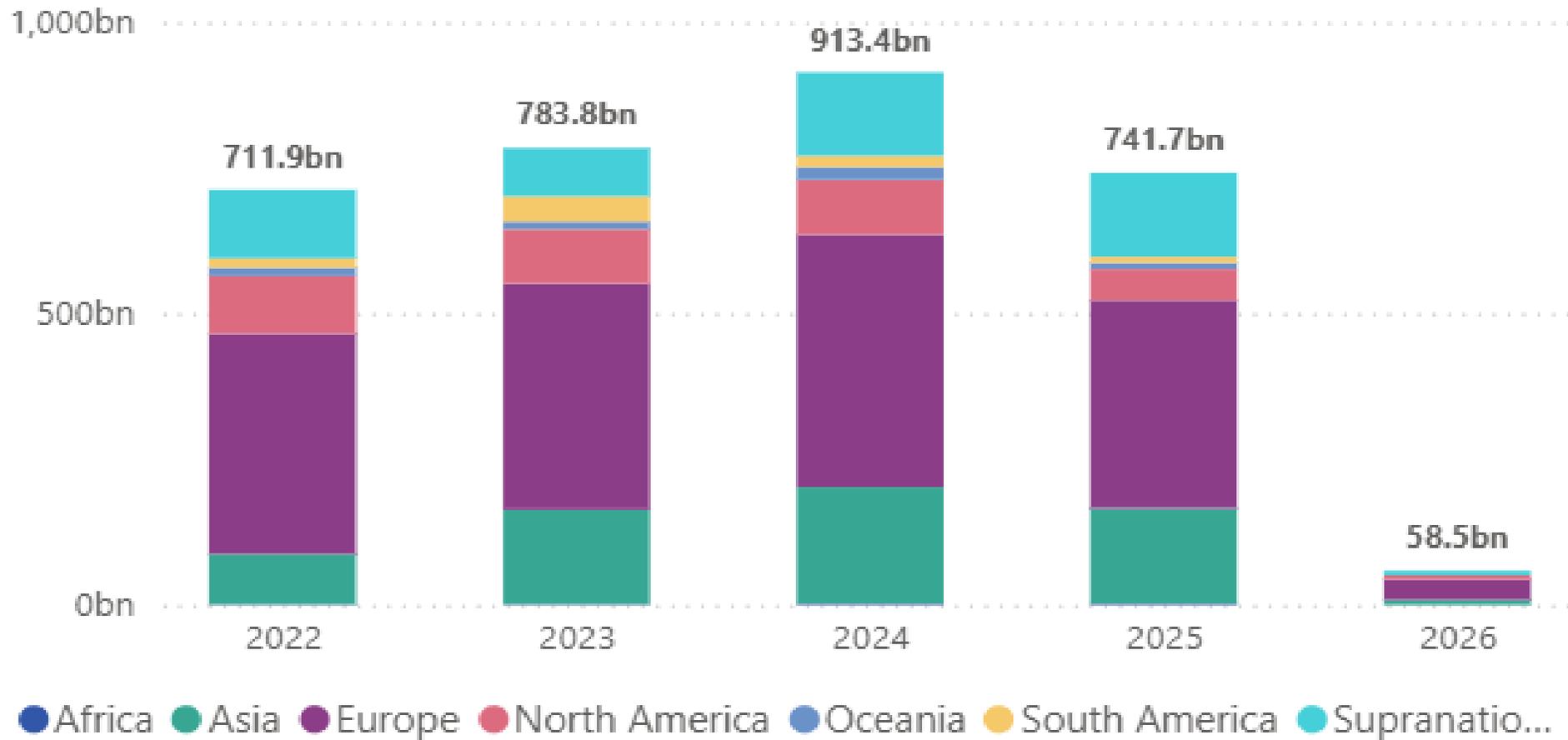
Categorical Sustainability Bond Issuance Trends

Sustainable bond issuance per category (USD bn)



Regional Sustainability Bond Issuance Trends

Sustainable bond issuance per region (USD bn)



Emergence of Transition Bonds

Transition bonds are emerging as a new class in the bond market to help hard-to-abate sectors reach their emission reduction goals

Transition Bonds: Innovative debt instruments specifically designed to fund emissions reduction and decarbonization projects in high-emitting sectors such as airlines, cement and manufacturing

Why Transition Bonds Matter

- **40%** of global emissions come from hard-to-abate sectors
- Provide funding opportunity to help organizations reach their climate transition pathways
- Require less stringent funding requirements compared to traditional green and sustainability bonds, increasing availability to a wider variety of industries

Types of Projects They Support

- **Infrastructure Retrofits** – Upgrading existing facilities to improve energy efficiency and reduce operational emissions across manufacturing facilities
- **Asset Retirement & Replacement** – Early phase-out of high-carbon assets and replacement with low-emission alternatives
- **Transportation Alternatives** – Shifting from diesel powered transport systems to electric fleets, or to those powered by sustainable fuels

Key Figures

45%
YoY Growth Rate

\$500B
Potential Market Size

\$40B
2026 Projected Issuance

Nature & Biodiversity Inclusion

Nature financing is gaining traction with a new influx of private capital



Public & Private Financing

- UNEP State of Nature 2026 Report states that public finance is dominant form of funding for nature at **\$197 billion** in 2023
- Private funding for nature-based solutions (NbS) rising to **\$23.4 billion** (8% increase year over year)
- Nature-related private assets under management rose **elevenfold** from **\$9 billion** in 2020 to **\$102 billion** in 2024



Nature Transition Plans

- Financial institutions are increasingly adopting nature transition plans, setting targets for zero-deforestation and regenerative agriculture to mitigate supply chain risks
- Since 2025, 566 companies have formally adopted Taskforce on Nature-Related Financial Disclosure (TNFD) recommendations, with **asset managers (22%)** and **banks (13%)** leading the uptake
- **620+** companies have adopted TNFD across **50** countries



Innovative Instruments

- **Sovereign Debt for Nature Swaps:** Developing countries can alleviate foreign debt by investing in local conservation efforts
- World Bank reports that **7** countries engaged in swaps unlocking **\$12 billion** in financing
- **Biodiversity Credit Market:** Similar to carbon market with credits representing positive biodiversity outcomes
- ERM reports that the market reached a value of **\$6 million** in April 2025

UNEP State of Nature 2026 Report states that funding must triple by 2030 to meet 1992 Rio Convention Targets

Case Studies: Transition Financing

Barclays has recently identified a separate transition financing framework

Transition Financing



Barclays Transition Finance Framework

- Framework explicitly separates transition activities from its Sustainable Finance Framework
- Targets **11** high-emitting sectors such as energy, mining, cement, and aviation
- Defines transition finance as funding for activities that support greenhouse gas (GHG) reduction
- Initially published in February 2024, with Version 2.0 published in February 2026

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Energy Transition



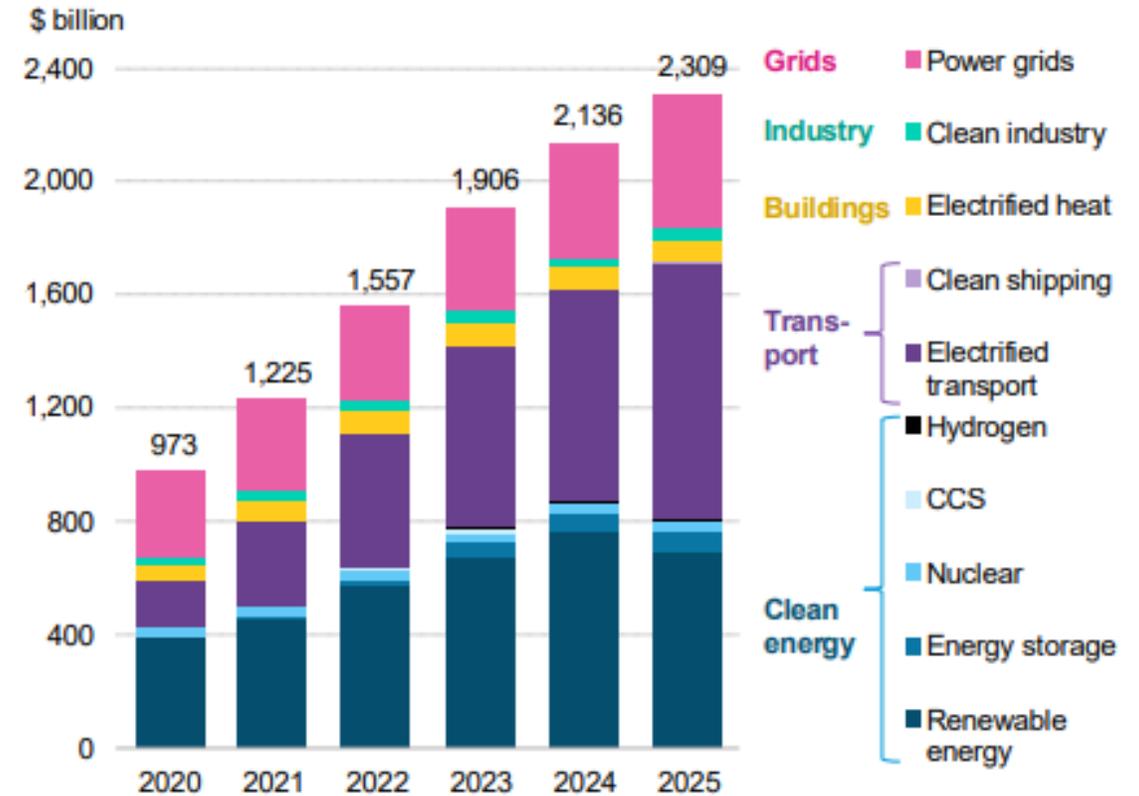
Energy Resilience and Reliability

Energy security, affordability, and economic competitiveness are becoming core to shaping sustainability and corporate strategy

Energy Market Trends

- Global data center-based power demands are expected to increase **17%** in 2026 and **14%** YoY through 2030
- U.S residential energy price by **6.6%**, outpacing the inflation rate of **2.9%** in 2025
- Energy diversification in various forms of renewable energy can help provide reliability as energy demand continues to surge
- The levelized cost of energy (LCOE) indicates that renewable energy sources are cost-effective compared to traditional energy sources
- Emerging markets provide a prime opportunity for renewable energy expansion as they are expected to account for **75%** of energy consumption by 2050

Global energy transition investment, by sector



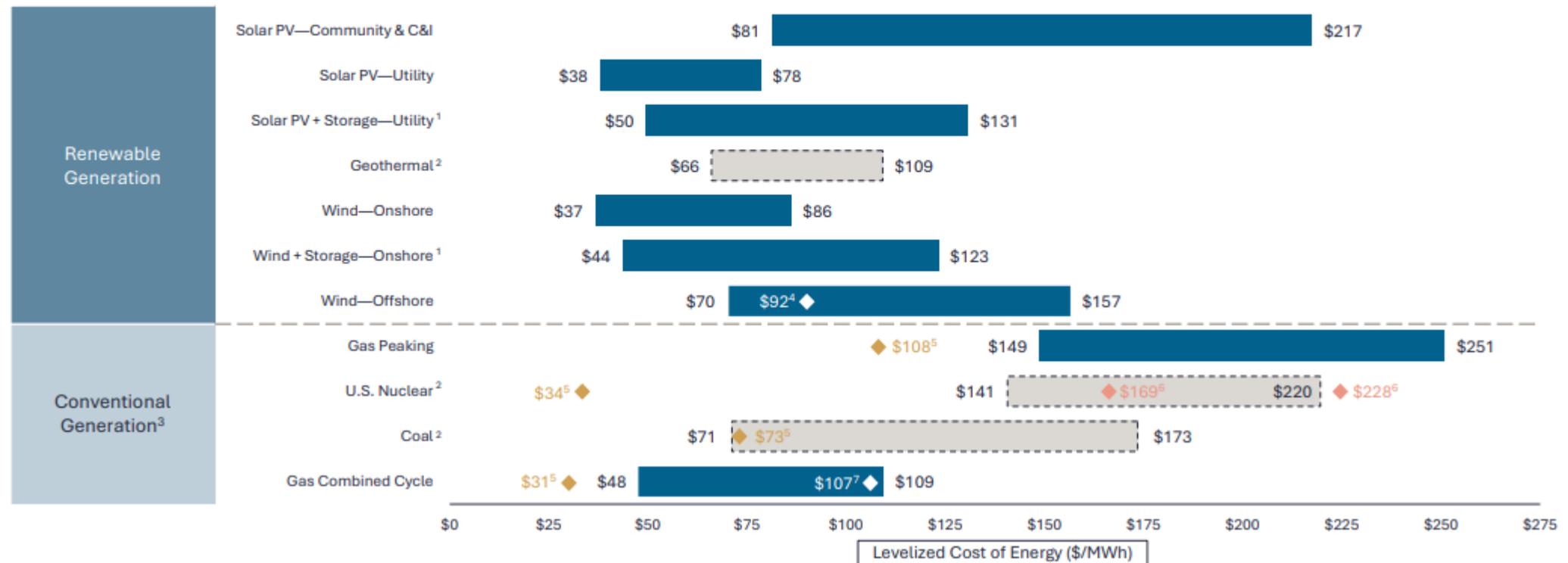
Source: BloombergNEF. Note: CCS refers to carbon capture and storage.

Levelized Cost of Energy (LCOE)

LCOEs highlight the cost effectiveness of renewable energy investment

Levelized Cost of Energy Comparison—Version 18.0

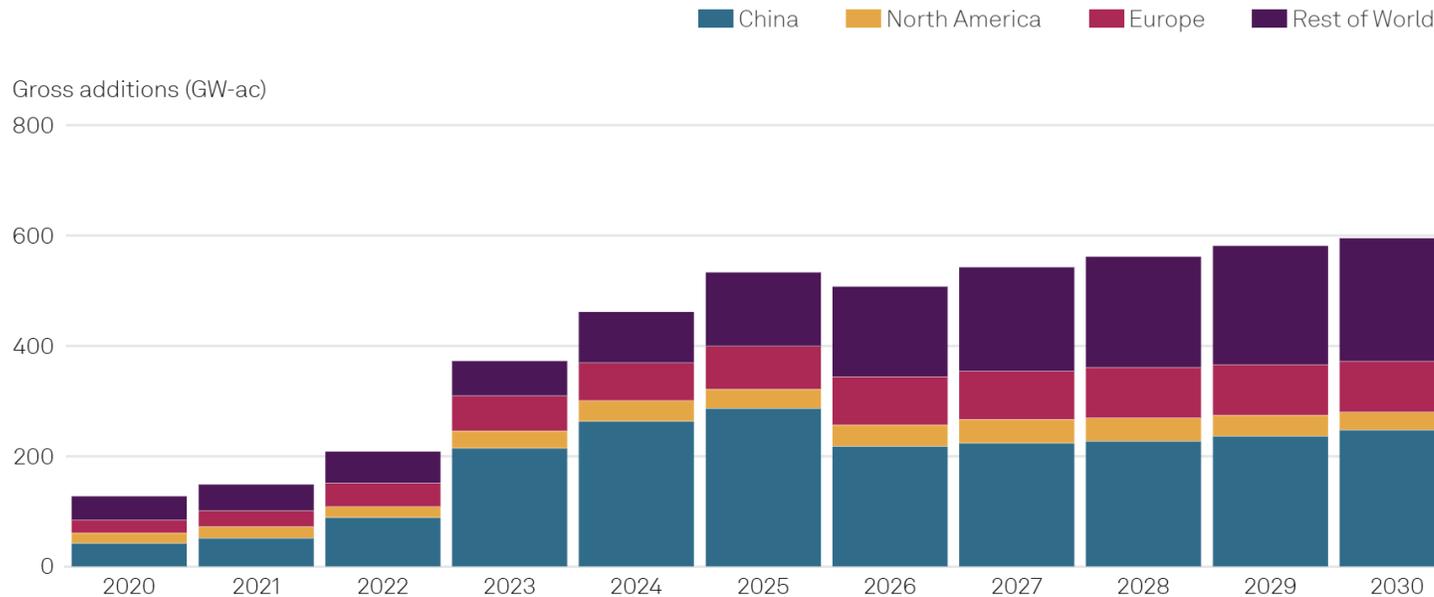
Selected renewable energy generation technologies remain cost-competitive with conventional generation technologies under certain circumstances



Clean Energy Landscape – Renewables

Investments will continue to increase with investments from emerging markets 2027 and on

Global solar PV capacity additions to 2030



Source: S&P Global Energy • As of November 2025

Emerging markets provide a prime opportunity for renewable energy expansion as they are expected to account for 75% of energy consumption by 2050

Corporate Strategy: Power Purchase Agreements

Advances in AI are leading to increased Big Tech PPAs in the U.S.

What are PPAs?

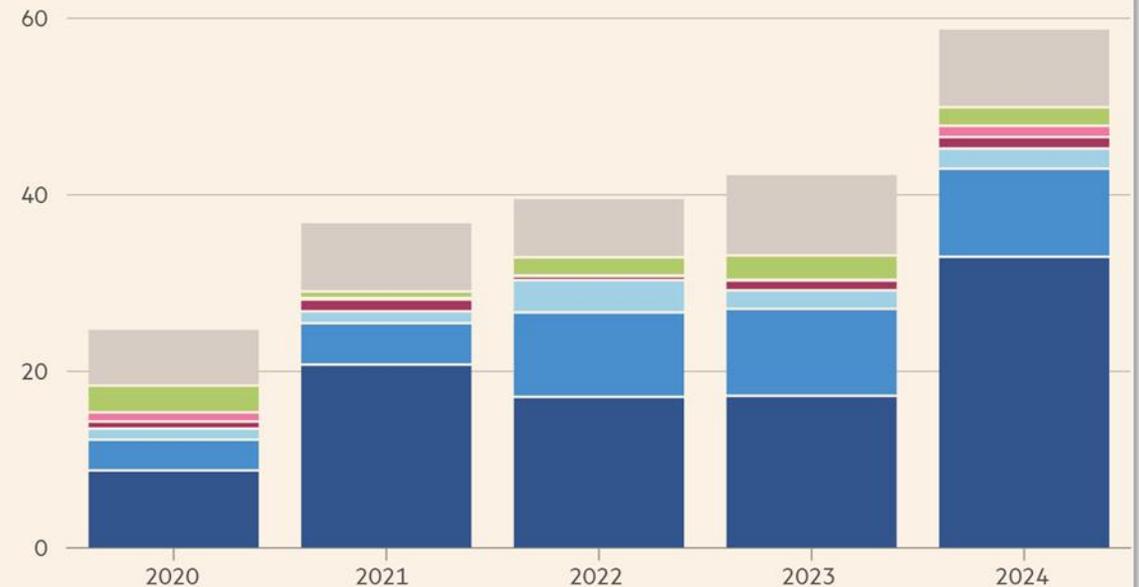
- Power Purchase Agreements (PPAs) are long-term contracts between buyers who purchase electricity from energy producers
- Benefits include financial stability for both buyers and sellers, leading to renewable innovations

Impact of AI on Renewables Industry

- The **tech industry** was the largest buyer of renewable energy PPAs in 2024
- The amount of purchase power agreements (PPAs) increased to **35%**
- As AI use increases, big tech's data centers will require large amounts of reliable energy
- Spend on U.S. data centers nears **\$500 billion** in 2026

Global PPA volumes by off-taker (GW)

Legend: Tech (dark blue), Materials (medium blue), Manufacturing (light blue), Consumer staples (red), Government/university (pink), Communications (green), Other* (grey)



Source: BloombergNEF • *Includes financial and insurance, industrials, oil and gas, healthcare, food and beverage, and retail

Case Studies – Tech PPAs

Big Tech Companies were largest purchasers of power-purchase agreements in 2024

Big Tech Companies



**Largest purchaser of PPAs in 2024*



Supplier Benefits

- Renewable energy producers are looking for long-term commitments for projects to ensure profitability and limited risks

Big Tech Benefits

- Consistent clean energy supply at lower costs

Why Renewables?

- Big tech firms are looking towards renewables to improve **energy efficiency** and **accessibility** and support wider organizational sustainability goals
- In 2021, Big tech reported progress in their energy transition performance
 - Google sourced **18.3 TWh** of renewable electricity
 - Microsoft sourced **13 TWh**
 - Meta sourced **9.4 TWh**

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Regulatory Shifts



Global Disclosure Updates

Reporting regulation remains fragmented globally

Key Changes

European Union



EU Omnibus I

- **CSRD**: Reporting will be required from companies with over **1,000** employees and a net annual turnover of over **€450 million**
- **CSDDD**: Due diligence required from companies with **5,000 employees** and a net annual turnover of over **€1.5 billion**
- **European Sustainability Reporting Standard (ESRS)**: EFRAG proposes a **61%** reduction of mandatory datapoints, simplifying materiality assessments

United States



- **Climate Disclosure Rule**: Halted by Securities and Exchange Commission in March 2025
- **California SB253 (Climate Corporate Data Accountability Act)**: Reporting requirements for companies with revenues over **\$1 billion** in revenue (Scope 1 & 2 emissions is set for **August 2026**)
- **California SB261 (Climate-Related Financial Risk Act)**: Requires disclosures of climate-related financial risks for companies generating over **\$500 million**

APAC



- **Australia**: Phase 2 of mandatory climate reporting requirements will commence in July 2026
- **Philippines**: Philippines Financial Reporting Standards (PFRS) mandatory sustainability and climate-related disclosures reporting beginning in 2026

Global Convergence with ISSB

Many countries are adopting reporting standards aligned with ISSB recommendations

		Key Changes
China		<ul style="list-style-type: none">China implemented ISSB IFRS S2 standard in January 2026, making the second-largest economy aligned with global reporting standards
United Kingdom		<ul style="list-style-type: none">UK published drafts for UK Sustainability Reporting Standards (SRS): UK SRS S1 and UK SRS S2 in June 2025 aligned with ISSB IFRS S1 and IFRS S2 disclosures
Canada		<ul style="list-style-type: none">Canadian Sustainability Standards Board (CSSB) released final standards (CSDS 1 and CSDS 2) aligned with ISSB in December 2024; paused mandatory disclosures in April 2025

Rising demand for sustainability assurance

In 2026, assurance practices are becoming more standardized

In some jurisdictions, assuring sustainability or ESG reports is mandatory and local laws may have global ramifications

		Assurance Highlights
European Union		<ul style="list-style-type: none">• CSRD mandates limited assurance for sustainability reporting• The Committee of European Auditing Oversight Bodies (CEAOB) is preparing technical advice on limited assurance for the European Commission in 2026
United States		<ul style="list-style-type: none">• SB 253: Limited assurance is required for Scope 1 & 2 emissions in 2026; mandatory requirements will be coming
Singapore		<ul style="list-style-type: none">• Accounting and Corporate Regulatory Authority and Singapore Exchange Regulation require mandatory limited assurance for Scope 1 & 2 emissions beginning for listed companies in FY2029

Benefits of sustainability assurance



Proves accuracy and reliability of data, supports ESG scorings, enhances decision making, results in continuous improvement, strengthens stakeholder relationships

Case Study – Energy Vault x SAS

Sustainability Assurance Services conducted a Type 2 Moderate (Limited) Assurance

Energy Vault Use of AA1000 AS



- Energy Vault was reporting in alignment with GRI standards and UN SDGs
- Sought out independent validation of its management approach and environmental and social KPIs

Assurance Engagement – AA1000AS v3

- SAS conducted a **Type 2 Moderate (Limited)** Assurance engagement using AA1000AS v3 (2018)
- Materials reviewed included stakeholder engagement outputs, materiality assessments, and more
- Assessed adherence to AA1000 principles (Inclusivity, Materiality, Responsiveness, and Impact)
- Evaluated reliability and quality of disclosed performance data

Benefits

- ✓ Focused materiality topics
- ✓ Improved transparency
- ✓ Stronger evidence
- ✓ Actionable insights
- ✓ Positive assurance conclusion

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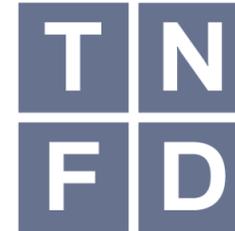
Nature-Positive



Nature-focus

Integration of nature into corporate sustainability

According to the WWF, 55% of global GDP (\$58 trillion) depends on nature and its ecosystem services



**ISSB
Alignment with
TNFD**



- TNFD paused its technical work in November 2025 as ISSB will begin integrating nature-related risks into their standards based on TNFD's LEAP approach
- Set to produce an exposure draft by October 2026 in time for Convention on Biological Diversity COP17
- Signals integration of nature disclosures into climate reporting practices

Nature-focus

Integration of nature into corporate sustainability



- TNFD's **Locate, Evaluate, Assess, Prepare** (LEAP) approach is a tool that supports organizations in accurately identifying their nature related risks and aligning disclosures with TNFD recommendations
- Barclays applied the LEAP framework to its Mining and Power portfolios in 2024 and 2025 to identify nature-related risks; informed bank's updated Sustainable Finance framework to include nature criteria

Challenges in Nature-Related Disclosures

Various challenges exist in conducting accurate nature-related risk assessments



Data Gaps & Quality

- Data gaps for land use change, pollution, and biodiversity
- Lack of **high-quality nature-related data** makes nature-related reporting **less accurate**
- Biodiversity data is difficult to translate into balance sheets



Supply Chain Opacity

- Suppliers **lack resources, capacity, or willingness to collect and share data**
- Often **lack visibility** into their own sourcing, thus risk assessments often only cover a portion of the supply chain
- Scale of value chains is complex



Structural Challenges

- While recommendations like TNFD exist, there is a **lack of standardized** sector transition pathways
- Companies **are limited in knowledge and confidence** to disclose against frameworks

Case Study – WWF Risk Filter Suite

WWF's free tools enable companies to measure and assess nature-related risks

WWF Risk Filter Suite



- Corporate level or portfolio-level screening tools that identify risks and inform strategies, goals setting, and investment decisions

Biodiversity + Water Risk Filter

- Users upload and manage their data in a secure online platform to perform their biodiversity and water risk assessments
- These tools inform users on
 - Industry-specific biodiversity and water impacts and dependencies
 - Provide biodiversity and water risk maps
 - Assess physical, regulatory, and reputational risks across operations, supply chain, and investments
- AstraZeneca, H&M, and Mondi have used the tool to perform water and biodiversity assessments

07

Conclusion + Q&A

Key Takeaways

Integrating trends into core business operations creates long-term organizational value

Tracking and embedding sustainability trends builds resilience in an unpredictable geopolitical landscape



Translating global sustainability shifts into operational decisions unlocks competitive advantage



Connecting sustainability to core business lines accelerates long-term value creation

Q&A Session

Question time!



THANK YOU

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