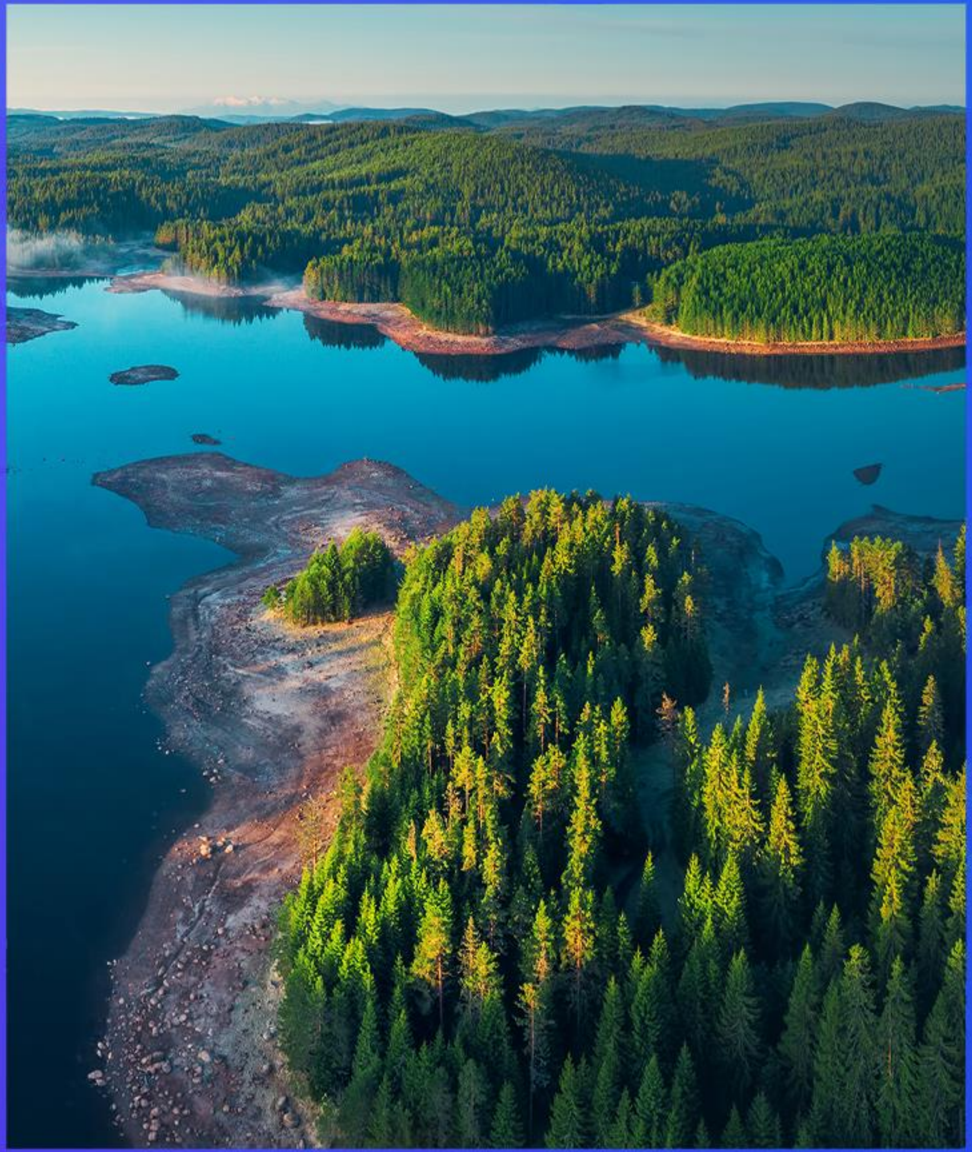
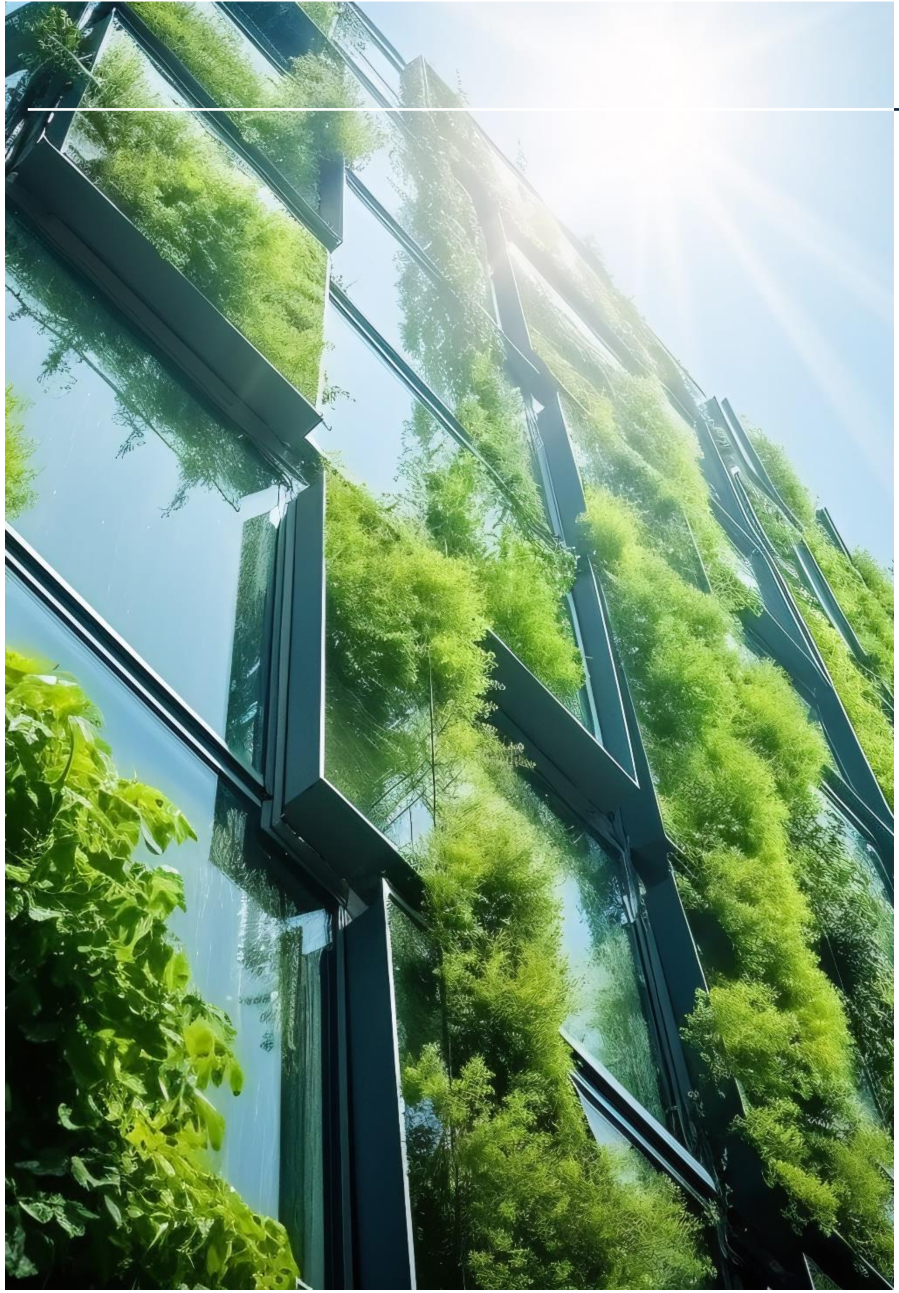
Evolution of sustainability reporting in Asia Pacific

Beyond the Horizon





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Adapting to a new era in ESG reporting

As companies globally embrace ESG, they are coming under increasing pressure to demonstrate how they are integrating sustainable business principles into their strategies and operations.

We can expect to see more and more regulations emerging, with global organizations increasingly obliged to report under multiple frameworks.

Europe has taken the lead in the shape of the Corporate Sustainability Reporting Directive (CSRD), potentially affecting approximately 50,000 businesses operating in the European Union (EU). The implications, however, extend beyond Europe to include EU subsidiaries of non-EU parents, which will have to meet the final European Sustainability Reporting Standards (ESRS), which detail what must be reported as part of the CSRD.

But this is just the start, with the US Securities and Exchange Commission's proposed climate rule also pending, and new requirements being introduced in many other countries.

According to KPMG's 2022 Global CEO Outlook, 69 percent of CEOs see significant stakeholder demand for increased transparency and reporting on ESG matters and 72 percent feel that stakeholder scrutiny regarding ESG issues – such as climate change and gender equality – will continue to accelerate.

Stepping up to the challenge

KPMG professionals recently assessed the CSRD readiness of 200 companies across the world and found that many are falling short. An analysis of the top 250 Europe, Middle East and Africa mandates showed that only 11 percent of the required disclosures were available. These findings emphasize the scale of the task facing companies as they strive to adapt to reporting under the ESRS. The CSRD's double materiality assessment means affected organizations must disclose a large amount of information, both qualitative and quantitative.

The scope of reporting is extending beyond environmental and social topics to encompass the entire value chain. It's fair to say that even those companies that are more advanced on their ESG reporting journey may have to play a fast game of catch-up to satisfy the new requirements.

In many cases, companies' current environmental reporting is limited to climate-related aspects. However, they will soon have to report on a far wider range of environmental topics such as the circular economy, pollution, water and marine resources, biodiversity and resource use — where these are found to be material.

Social topics are also coming under the regulatory spotlight, with a growing need for companies to report not just on their own workforce, but also on workers across the value chain, affected communities and consumers, and end-users. Mounting disclosures on business conduct policies include corruption and bribery prevention, supplier relationship management, lobbying activities and payment practices.

Both the range of indicators that companies need to report on, as well as the depth of information required, are expanding. But it's not about meeting reporting requirements alone; companies must create an entire ESG reporting management and measurement system based upon materiality, establish policies and action plans for achieving compliant reporting, and set hundreds of achievable metrics and targets. Their reports need to cover every business unit globally and be sufficiently robust to withstand an independent, external auditor's (limited) assurance opinion.

Jan-Hendrik Gnändiger

Global lead for ESG reporting

KPMG International

The clock is ticking

Effective ESG reporting will not happen overnight and integrating ESG into corporate strategy and operations is a substantial change management exercise. Senior executives should waste no time in hastening their company's transition to a position where non-financial reporting holds the same importance as financial reporting — and be prepared to obtain assurance.

The International Sustainability Standards Board (ISSB) has set a global baseline with its IFRS® Sustainability Disclosure Standards. And now that the ISSB's timelines are aligned with the EU, companies may also choose to voluntarily adopt IFRS Sustainability Disclosure Standards regardless of local requirements. Such dual compliance is especially relevant for larger, international companies reporting under multiple frameworks.

What steps can companies take? An initial pre-assessment should involve a high-level overview to identify where the organization stands in relation to existing and upcoming requirements. An impact and readiness assessment can then give a more detailed understanding of reporting performance, uncovering any gaps and determining the key metrics to meet existing and future regulations. Finally, a readiness project plan should be created, with ESG targets and a cross-functional governance structure to collect, report and approve ESG data.

Meeting the objectives of the CSRD and other regulations can help avoid allegations of greenwashing and/or financial penalties and reputational damage. More importantly, the metrics and targets can play an important role in transitioning to a sustainable, low-carbon and people-friendly future, where companies that lead in ESG will be first in the queue for investment, more resilient to the impact of climate change, and more attractive to customers and prospective employees.

Message from Asia Pacific leaders

The ESG regulatory environment in Asia-Pacific has evolved significantly in recent years. More and more organizations recognize the growing importance of sustainable business practices and responsible corporate behavior. There has also been increased recognition among governments, regulators and businesses on the importance of ESG factors in corporate decision-making and investor relations.

The region has witnessed a surge in investor interest in ESG factors. By providing standardized metrics and guidelines, ESG reporting enables stakeholders to assess an organization's sustainability initiatives, risk management practices and ethical conduct. Institutional investors, asset managers and financial institutions are increasingly incorporating ESG considerations into their investment decision-making processes. It is now acknowledged that ESG performance can have a material impact on a company's long-term financial performance and risk profile. As a result, many organizations in Asia-Pacific are under growing pressure to disclose reliable and meaningful ESG information to not only attract investment, but also to enhance their goodwill and maintain a competitive edge.

As ESG reporting and the related regulatory landscape in Asia-Pacific continues to evolve, the region will play a critical role in promoting sustainable development, addressing pressing environmental and social challenges, and meeting the demands of an evolving investment landscape. Organizations should embrace the principles of ESG and the region's commitment to responsible business practices with the aim of ensuring a more sustainable and inclusive future.

Dong-Seok Derek, Lee

Partner, Head of ESG,
KPMG Asia Pacific

Message from Asia Pacific leaders

I am delighted to present this report, which focuses on the evolution of sustainability reporting regulations and guidelines in the Asia Pacific region. As this report highlights, sustainability reporting systems and available guidance across Asia Pacific are highly diverse. The ISSB's release of the S1 and S2 standards in June 2023 has provided a global baseline, with moves by each Asia Pacific jurisdiction to consider their application. However, compliant reporting with unique regulations for each country, as well as adherence to global standards, is required. In addition, the speed of evolution and deepening of sustainability reporting systems are amplifying.

One of the driving factors is the movement to link sustainability issues to the economic development of nations and regions (such as ASEAN) . The growing number of environmental and social issues, including climate change-related challenges, has emphasized the need for sustainable finance as an enabler in achieving sustainable development. Investors rely on transparent and reliable sustainability reporting by companies to make critical investment decisions and assist in promoting sustainability.

This demand has led to the evolution of mandatory disclosure requirements — which were previously voluntary — reflecting stakeholder expectations, including those of investors. Moreover, a specific movement is promoting assurance for mandatory disclosure requirements to establish an ecosystem that facilitates efficient and reliable reporting. Engaging in purposeful dialogue is key to promoting company sustainability reporting. Stakeholders can deepen engagement with companies by effectively utilizing specific disclosure systems and clearly conveying their expectations, leading to a high cost-benefit ecosystem.

We trust this report will prove helpful as you navigate the progress of sustainability reporting in each Asia Pacific country, as well as its development in the future.

Kyoichi Seishi

Partner, Leader of ESG Reporting,
KPMG Asia Pacific

Executive Summary

Coping with the expansion of statutory disclosure requirements

ESG information voluntarily disclosed by companies has been in keeping with available standards and guidelines. However, as demand from stakeholders and the importance of ESG information grows, it is increasingly becoming a legal requirement for sustainability reporting. Specific sectors such as financial institutions have received particular attention, and in several countries and territories, measures are being implemented to mandate assurance and to ensure the reliability of disclosed information.

If it is mandatory to disclose ESG data, a higher level of reliability will be required, and preparation will therefore be necessary to obtain such assurance. It will be imperative to strengthen the information collection process to include non-financial information, where the implementation of internal control systems related to sustainability reporting is expected.

Addressing the enhancement of reporting practices on sustainability topics

Sustainability reporting has traditionally focused on environmental (E) information, but recently, certain jurisdictions have begun placing greater importance on disclosing social (S) information. Moreover, the scope of reporting is expanding to encompass the entire value chain, from a company or group to both upstream and downstream impacts. Consequently, there is an increased need for companies to carry out due diligence on sustainability issues to ensure that they report responsibly to stakeholders.

New regulatory and standard-setting developments have the potential to clarify interpretations in step with reporting practices' continued evolution and to enhance transparency in sustainability reporting. The expectation is that reporting practices will continue to mature.

Comprehensive reporting strategy for enterprise value creation

The nature and purpose of sustainability-related disclosure requirements, and the specific requirements themselves, differ across Asia Pacific countries and territories. Attempting to address each of these divergent requirements separately may not provide benefits commensurate with the costs involved.

Each reporting requirement can be seen as a result of stakeholder expectations for particular information. It is crucial to understand these expectations and to view sustainability reporting as a business issue to be addressed, rather than simply a matter of compliance with regulations. Creating a cycle of feedback from stakeholders on disclosure content and reflecting it in management improvements is desirable, allowing sustainability reporting requirements to become a strategic means of communication with stakeholders.

Asia Pacific highlights

ESG reporting has seen substantial progress since I began conducting environmental reporting in 1999, followed by sustainability reporting in 2001. In those days, reporting was merely CSR-driven, conducted on a voluntary basis to meet multiple stakeholders' expectations. Ten years later, the soft law of sustainability reporting, "Comply or Explain," emerged in Asia-Pacific. From there, the region has witnessed the rapid development of mandated ESG reporting regulations, alongside the growing public clamor for greater social and environmental accountability among businesses.

Today, reporting requirements consist of many evolving vital aspects, including materiality, climate disclosure, TCFD and investment-grade data. These requirements demand a more comprehensive treatment of the reporting process — and a more resolute commitment among companies to comply thoroughly and transparently.

It has been a long journey of more than two decades for non-financial reporting globally. However, the world is facing an even more challenging future, one shaped by carbon and resource constraints, and persisting social challenges. In this regard, reporting goes beyond simple regulations and compliance; it is also a crucial instrument for revealing how a company delivers solutions that serve the interests of our common future, and how businesses create long-term value for their stakeholders. It's time to scale sustainable solutions in all sectors and leverage efforts towards achieving the SDGs with deeper impact.

The transformation of ESG reporting into a globally universal business practice is an encouraging step in the right direction. From here, capital markets and the financial sector can be expected to continuously drive more meaningful disclosure, and quality reports will be part of the license to operate. The region has been following Western reporting regulations such as CSRD in the EU for quite some time; this report focuses on the evolution of ESG reporting regulatory requirements in Asia Pacific. It is, I believe, the first ever in the region, and it aims to deliver valuable information on regional ESG reporting standards to a wide range of stakeholders, in both the public and private sectors. We are pleased to present you this report as part of our Impact Plan.

Dr.Niven Huang

Managing Director,
KPMG Sustainability Consulting Co., Ltd.,
Taiwan

Glossary

CSRD
Corporate Sustainability Reporting Directive

ESRS
European Sustainability Reporting Standards

GRI
Global Reporting Initiative

IFRS
International Financial Reporting Standards

ISSB
International Sustainability Standards Board

SASB
Sustainability Accounting Standards Board

SEC
Securities and Exchange Commission

TCFD
Task Force on Climate-related Financial Disclosures

Global ESG reporting frameworks

ISSB (International Sustainability Standards Board) standards

ISSB issued its first set of standards in June 2023, effective from January 2024, with individual jurisdictions deciding on adoption.

Formed by the IFRS Foundation in November 2021, ISSB aims to create high-quality global sustainability disclosure standards, primarily for investors and financial markets. ISSB released two standards: IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). These align with governance, strategy, risk management, and metrics and targets, consistent with the framework of TCFD recommendations. For the development of IFRS sustainability disclosure standards, the ISSB not only builds on the SASB standards and TCFD recommendations, but also enhances the international applicability of those standards so that companies can continue their current reporting based on the SASB and TCFD.

Source: Created by KPMG based on various publicly available materials.

SASB (Sustainability Accounting Standards Board) standards

Published in 2018, SASB standards have become a resource of the IFRS Foundation since August 2022. SASB Standards focus on sustainability issues that significantly affect a company's cash flow, access to finance and cost of capital, mainly for investors and financial providers. These standards enable companies to disclose sustainability-related risks and opportunities relevant to 77 industries, which helps them manage and communicate this material information efficiently.

GRI (Global Reporting Initiative) standards

GRI first launched its sustainability reporting standards in 2000, aiming to ensure that companies follow responsible environmental practices. It expanded to cover social, economic and governance issues. GRI offers universal standards, sector-specific standards (such as Oil and Gas, Coal, Agriculture, Aquaculture and Fishing) and topic standards. These standards are not just for companies but are also relevant for investors, policymakers, capital markets and civil society. They emphasize a double materiality approach, considering both financial materiality and impact materiality.

TCFD (Task Force on Climate-related Financial Disclosures) recommendations

TCFD, formed in 2015 by the Financial Stability Board, provides recommendations for companies to disclose climate-related information that help investors, lenders and insurers assess climate risks. It focuses on four areas: governance, strategy, risk management, and metrics and targets. It also encourages disclosure on strategy and metrics and targets, subject to materiality assessments.

TCFD recommendations are highly focused on climate risks and opportunities, especially in the shift towards a lower-carbon economy.

CSRD (Corporate Sustainability Reporting Directive)

CSRD aims to align with other EU sustainable finance initiatives and the Taxonomy Regulation. Companies subject to CSRD are required to report according to European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG). With 12 sector-agnostic ESRSs, CSRD emphasizes double materiality, where companies assess materiality in both financial and impact dimensions. It requires assurance on disclosures.

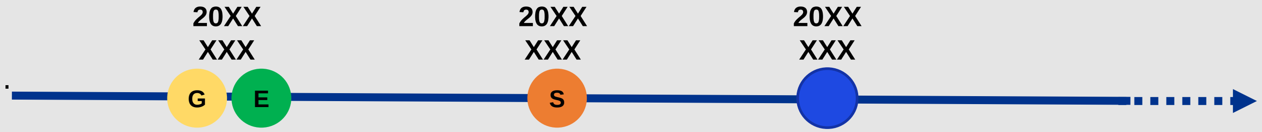
Market insights

Market insights – what to expect

The following pages cover insights on sustainability reporting frameworks in 13 Asia Pacific markets. Each market insight will include the following content.

Market Name

This section provides the **Executive Summary** focusing on the history and future prospects of ESG reporting regulatory requirements (‘**evolution**’).



This section provides important milestones and/or events relating to the evolution of ESG reporting(as announcement date basis).

Market Leader

ESG	Type	Title	Details	Scope	Effective	Ref.

- G E S
- This list includes **major requirements / guidance** which would have wider impacts (i.e., NOT comprehensive) by order of importance and/or relevance at October 2023.
- ”Type” column indicates whether it is **mandatory (M) or voluntary (V)**
- ”Scope” column indicates whether it is applicable for a **listed company (L)** or a **non-listed company (N)**
- ”Ref.” column indicates to which framework (among ISSB standards/TCFD recommendations/SASB standards/GRI standards/Security Exchange rules) this item is related.

ISSB Standards Adoption / Application

- This section provides current status on adoption / application of the ISSB standards (e.g., establishment of standard-setting bodies).

Notes

- This section provides other information, if any

Glossary

- This section provides other information, if any

Australia

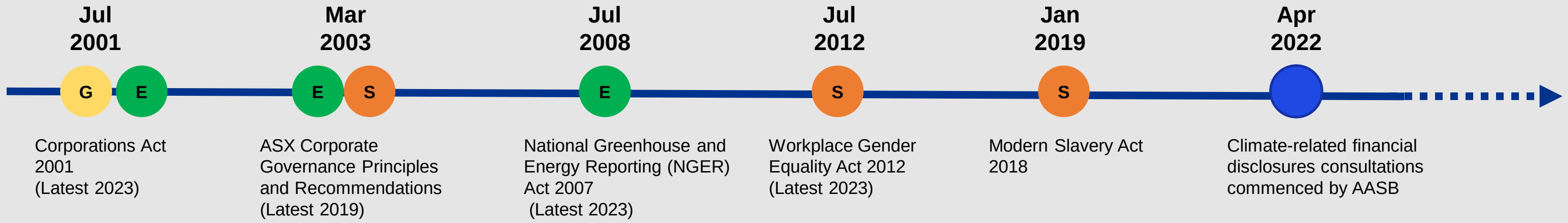
Australia's approach to Environmental, Social, and Governance (ESG) reporting and disclosures has been voluntary so far. Businesses that chose to disclose often referred to guidelines provided by the **TCFD** and the **GRI**.

The recent introduction of the first two IFRS Sustainability Disclosure Standards is a pivotal development in the **ISSB's** ambition to establish a global standard for sustainability reporting. Here's a snapshot of the current situation in Australia:

Australia's Treasury has chosen a **"climate first" stance** in its efforts to adapt to global sustainability standards. The focus is primarily on the impact of climate change and how businesses report on this crucial issue. The **Australian Accounting Standards Board (AASB)** has recently published an Australian exposure draft which includes two [draft] **Australian Sustainability Reporting Standards (ASRS)** to localise IFRS S1 that deals with general climate-related disclosures, and IFRS S2 that pertains specifically to climate-related disclosures. This aims to ensure that the standards are relevant and effective within the Australian context.

A significant hurdle for Australia is the legislative process to achieve mandated standards. However progress is being made with exposure drafts for Australian Equivalents to IFRS S1 and S2 standards (ASRS 1 and 2) are currently being consulted on by the AASB. Additionally the Australian Treasury have indicated a tiered application of these standards with groups 1, 2 and 3 being mandated over the next 4 years. A notable difference in the Australian standards is the removal of the link to SASB industry metrics and the replacement reference to Australian metrics linked to ANZIC.

Despite the challenges, there is a clear momentum towards establishing robust sustainability reporting standards in Australia. The ongoing consultations and increased focus on climate-related disclosures signify a move in the right direction.



Peter Trace

Partner,
ESG Reporting Consulting,
KPMG Australia

ESG	Type	Title	Details	Scope	Effective	Ref.
E	M	National Greenhouse and Energy Reporting Act 2007 (Amended)	The NGER Scheme is a **national system for reporting** greenhouse gas **(GHG) emissions**, **energy consumption** and **energy production** by certain Australian corporations.	L & N	Jul 2008	-
G E S	M	ASX Corporate Governance Principles and Recommendations (4th Edition)	The ASX Corporate Governance Principles and Recommendations set out recommended **corporate governance practices** for entities **listed on the ASX** that are likely to achieve good governance outcomes and meet the reasonable expectations of most investors in most situations. These are mandatory on an 'apply or explain' basis.	L	Jan 2003	TCFD
E	V	CPG 229: Climate Change Financial Risks	Final CPG 229 is designed to assist **banks, insurers** and **superannuation trustees** with managing **climate-related risks and opportunities** within their existing risk management and governance practices.	L & N (Financial institutions)	Nov 2021	TCFD
E	V	Regulatory Guide 247: Effective Disclosure in an Operating and Financial Review (Updated August 2019)	This regulation sets out guidance for directors on providing useful and meaningful information to shareholders or unit holders when preparing an **operating and financial review (OFR)** in a directors' report. Updated for sustainability considerations in 2019.	L	Mar 2013	TCFD
S	M	The Commonwealth Modern Slavery Act 2018	The Act Requires a **statement** about **modern slavery** to be given annually to the Minister for Home Affairs, describing the risks of modern slavery in the operations and supply chains of reporting entities and entities owned or controlled by those entities.	L & N	Jan 2019	-
S	M	Workplace Gender Equality Act 2012	This Act requires relevant employers to file **Gender Equality reports** each year containing gender composition of the workforce and governing bodies of relevant employers, equal renumeration between women and men, availability and utility of employment terms, conditions and practices	L & N	Jul 2018	-
E	V	ASIC Info Sheet 271 How to avoid greenwashing when offering or promoting sustainability-related products	Provides information about misrepresenting the extent to which a financial product or investment strategy is environmentally friendly, sustainable or ethical for responsible entities of managed funds, corporate directors of corporate collective investment vehicles (CCIVs), and trustees of registrable superannuation entities (issuers).	L & N (Financial institutions)	Jul 2022	TCFD

Type: Mandatory (M), Voluntary (V) **Scope:** Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

- The AASB has published an Australian exposure draft which includes two [draft] ASRS equivalent to the first two IFRS Sustainability Disclosure Standards **but limited in scope to climate-related financial disclosures,** with final ASRS expected to be released by 30 June 2024.
- Federal legislation is currently being worked on to confirm the timing and in-scope entities to which these standards will apply.
- Current expectations are that they may apply from **1 July 2024** for **large companies**, with a focus on **climate disclosures first**. Further standards are expected to follow.

Notes

- Australia **does not have mandatory TCFD reporting regulation,** however the TCFD has been voluntarily adopted by a significant percentage of our top 100 listed organisations. TCFD recommendations are supported by all Australian standard-setters and regulators for organisations seeking to make climate-related disclosures in the absence of mandatory disclosures.
- Australia does **not have a plan to adopt the SEC climate rule or ESRS regulations**, however there are some Australian companies who are also listed on the SEC or that operate in EU jurisdictions and will be subject to the reporting requirements.

Glossary

- AASB: Australian Accounting Standards Board
- ASX: Australian Securities Exchange Limited
- NGER: National Greenhouse and Energy Reporting

China

China's 2030 carbon emissions peaking and 2060 carbon neutrality goals announced in 2020 mark a milestone in its ESG journey with its additional emphasis on corporate social responsibility and corporate governance. While ESG has become the long-term strategy for China's national development, ESG reporting by Chinese companies is in its early stages, and regulatory requirements are fragmented across industries and government agencies. The Ministry of Ecology and Environment (MEE) issued Measures for the Administration of Legal Disclosure of Enterprise Environmental Information, effective as of February 2022, and a mandatory environmental information disclosure system is to be established by 2025 to cover a wider range of enterprises. Listed companies are required to publish their CSR performance and are encouraged to disclose their ESG performance annually under both the Shanghai Stock Exchange and Shenzhen Stock Exchange's regulations updated in 2022.

Patrick Chu

Partner, National Head of ESG Reporting and Assurance KPMG China

Jan 2002 (G): CSRC issued Code of Corporate Governance

Dec 2007 (S): SASAC targeted state-owned enterprises to establish a CSR reporting system

Jun 2021 (E, S): CSRC released revised guidelines on the format of annual and semi-annual reports of listed companies

Dec 2021 (E): MEE released environmental disclosures requirements

Apr 2022 (G, E, S): Corporate ESG Disclosure Guidelines (T/CERDS 2-2022)

ESG	Type	Title	Details	Scope	Effective	Ref.
E	M	Measures for the Administration of Legal Disclosure of Enterprise Environmental Information	The MEE issued the "Measures for the Administration of Legal Disclosure of Enterprise Environmental Information" which applies to the disclosure of **environmental information** by enterprises in accordance with the law and their supervision and management activities.	L & N	Feb 2022	-
G E S	M	Guidelines on the format of the annual and semi-annual reports for listed companies.	The China Securities Regulatory Commission (CSRC) released revised guidelines on the format of the annual and semi-annual reports for listed companies. The reports now include a new section "Section 5: **Environmental and Social Responsibility**" with **detailed disclosure requirements**.	L	Jun 2021	-
G E S	M	No.1 Self-regulatory Guidelines of the Shanghai Stock Exchange for Listed Companies: Standardized Operation	These guidelines include specific rules for **Corporate Social Responsibility** (CSR) **disclosure** and aim to enhance the regulation and governance of listed companies on the main board.	L	Jan 2022	-
G E S	M	No.1 Self-regulatory Guidelines of the Shenzhen Stock Exchange for Listed Companies: Standardized Operation of Listed Companies	The **Shenzhen Stock Exchange** has streamlined and updated its self-regulatory rules for listed companies by merging and revising the existing "Guidelines for the Regulation of Listed Companies on the Shenzhen Stock Exchange (Revised 2020)."	L	Jan 2022	-
G E S	V	T/CERDS 2-2022: Guidance for Enterprise ESG Disclosure	The guideline is the first **comprehensive disclosure standards** in China to serve as a guidance for **ESG disclosure** and **corporate governance**, including both qualitative and quantitative disclosure indicators.	L & N	Jun 2022	-
E	M	Guidelines on Environmental Information Disclosure for Financial Institutions	The guidelines aim to regulate the **environmental information disclosure** practices of **financial institutions** and apply to four types of institutions: commercial banks, capital management institutions, trust companies, and insurance companies.	L & N (Financial institutions)	Jul 2021	-
E	M	Green Finance Guidelines for Banks and Insurers	The guidelines mandate **banking** and **insurance institutions** to enhance **internal control management** and **information disclosure**. They must create a green finance assessment and evaluation system, along with implementing incentive and restraint measures.	L & N (Banks & Insurance institutions)	Jun 2022	-
G E S	V	Work Plan for Improving the Quality of Listed Companies Held by Central Enterprises	This document encourages central enterprises to take an active role in shaping ESG information disclosure rules, ESG performance ratings and ESG investment guidelines tailored to China's characteristics.	L & N	May 2022	-

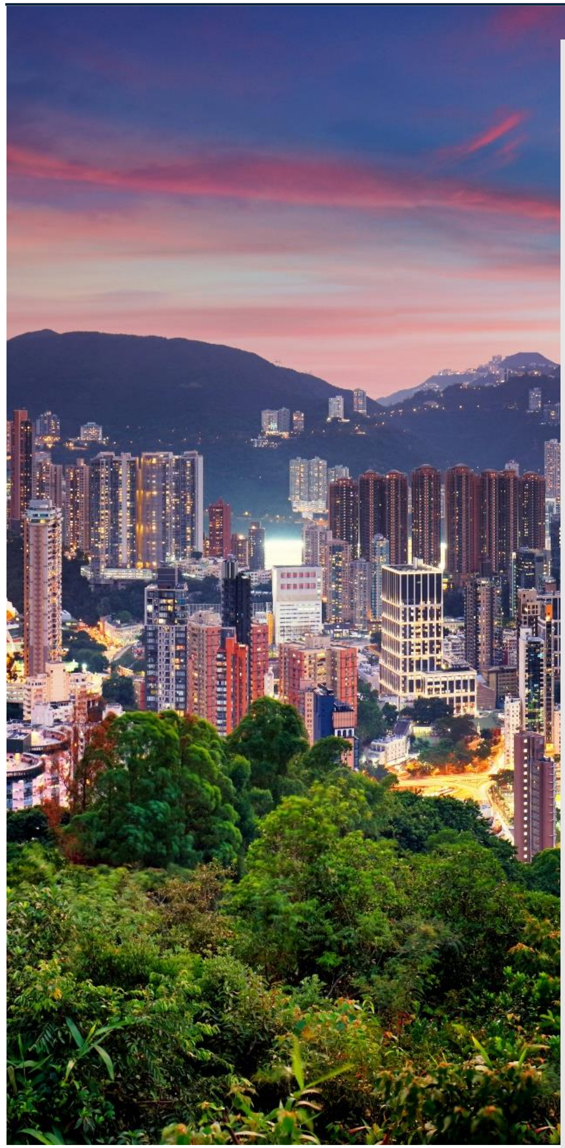
Type: Mandatory (M), Voluntary (V) **Scope:** Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

- IFRS Foundation and Ministry of Finance China signed a Memorandum of Understanding (MoU) and established a Beijing office of the IFRS Foundation. The Beijing office, opened in mid-2023, acts as a hub for stakeholder engagement in Asia. During the comment period of ISSB's exposure draft, the Ministry of Finance China and China Securities Regulatory Commission have shown different levels of support through their letters.

Glossary

- CSRC: China Securities Regulatory Commission
- MEE: Ministry of Ecology and Environment
- SASAC: State-owned Assets Supervision and Administration Commission



Hong Kong (SAR), China

Hong Kong's ESG reporting landscape has undergone significant changes over the past decade, placing greater emphasis on transparency and accountability.

In 2013, the Hong Kong Exchanges and Clearing Limited (HKEX) introduced a voluntary framework for sustainability reporting, which became a mandatory obligation in 2016. This pivotal shift demonstrated HKEX's commitment to aligning with global guidelines and expectations.

To ensure its regulations remain in line with the evolving international landscape and to position Hong Kong as a key international sustainable finance hub, HKEX has consistently reviewed and enhanced its standards. In April 2023, HKEX issued a consultation paper following the exposure drafts of the ISSB in March 2022. The proposed changes mandate that all listed companies include climate-related disclosures in their ESG reports. HKEX intends to consider ISSB's guidance on scaling and phasing-in of requirements, and targets to implement the listing rules amendment on January 1, 2025. This proactive step showcases HKEX's determination to maintain a robust and forward-looking ESG reporting regulatory framework that not only keeps pace with global norms but also addresses the pressing issue of climate change.

Irene Chu

Partner, ESG Advisory
KPMG China

Jan 2005	G	Code of Corporate Governance (Listing Rules, Appendix 14) (Latest 2022)
Dec 2012	G E S	HKEX implemented ESG Reporting Guide (Latest 2020)
Mar 2014	E	Companies Ordinance (Chapter 622)
Jan 2016	G E S	HKEX made the ESG Reporting Guide mandatory for listed companies (Listing Rules, Appendix 27)
Jul 2020	G	HKEX implemented further changes to improve the ESG Governance and disclosure framework
Apr 2023	E	HKEX issues consultation consultant paper on enhancement of climate-related disclosures

ESG	Type	Title	Details	Scope	Effective	Ref.
G	M	Corporate Governance Code and Related Listing Rules	The Corporate Governance (CG) Code outlines the principles of good corporate governance. For listed companies, the Listing Rules mandate the **inclusion of a CG Report in their annual reports.** This report must detail the company's corporate governance practices as per the prescribed information. Non-compliance with the mandatory disclosure requirements will be considered a violation of the Listing Rules.	L	Jul 2005	-
G E S	M	Main Board Listing Rules - Appendix 27: Environmental, Social and Governance Reporting Guide	The ESG Reporting Guide became mandatory to listed companies in Hong Kong in 2016. More than 30 **specific KPIs** are to be reported on a comply or explain basis.	L	Jan 2016	GRI, TCFD
E	M	Supervisory Policy Manual GS-1: Climate Risk Management	As part of the Hong Kong Monetary Authority (HKMA)'s supervisory policy manual, GS-1 is applicable to all authorized institutions. The manual provides guidance to **banks** on the key elements of **climate risk management** as well as to set out the HKMA's approach to, and expectations in, reviewing banks' climate risk management.	L & N (Authorized Institution, including Banks)	Dec 2021	TCFD
E	M	Fund Manager Code of Conduct (FMCC)	The FMCC (Fund Manager Code of Conduct) lays down conduct guidelines for individuals licensed by or registered with the Securities and Futures Commission (SFC) who are engaged in managing collective investment schemes (CIS) and/or discretionary accounts. In 2021, the SFC made amendments to the FMCC, mandating that Fund Managers overseeing CIS must factor in climate risks when making investment and risk management decisions, and also ensure proper disclosures in this regard.	L & N (Fund manager under collective investment schemes)	Nov 2022	-
E	V	Guidance on Climate Disclosure (HKEX)	The Guide provides practical guidelines to facilitate listed companies in complying with the **TCFD recommendations**.	L	Nov 2021	TCFD
G E S	M	Circular to Management Companies of SFC-Authorized Unit Trusts and Mutual Funds on Green or Environmental, Social, and Governance Funds	The Circular outlines the SFC's guidelines regarding the application of requirements from the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes, and Unlisted Structured Investment Products to SFC-authorized funds that incorporate climate change, green, ESG or sustainability factors in their investment process.	L & N (ESG Fund)	Jan 2022	-

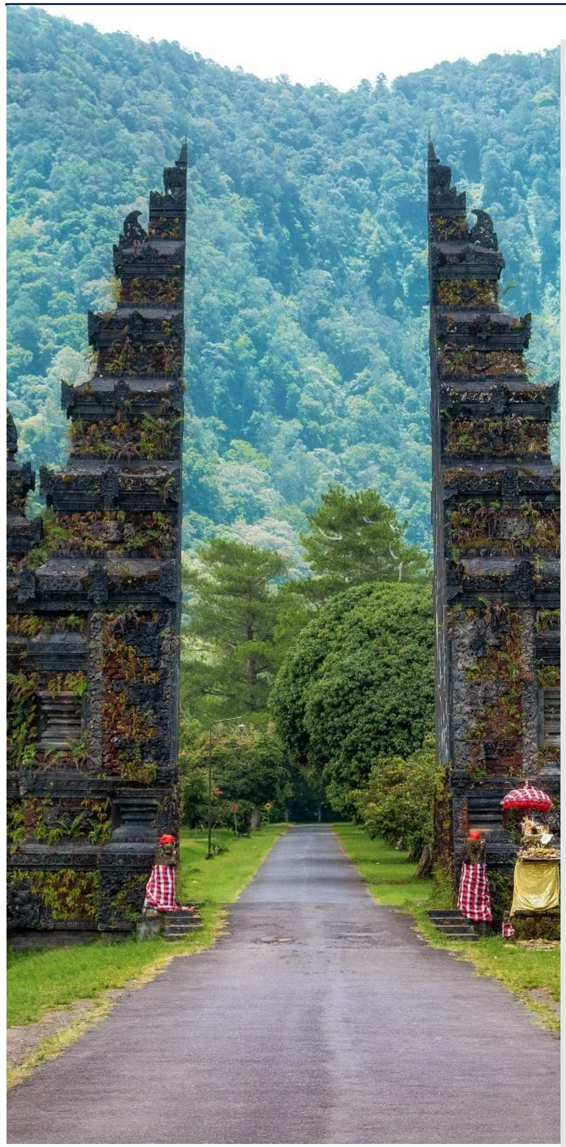
Type: Mandatory (M), Voluntary (V) **Scope:** Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

- In April 2023, the HKEX issued a consultation paper seeking views and comments on proposed changes to their ESG Reporting Code. The proposals seek to enhance climate disclosures and are substantially aligned with the ISSB S2 Climate-related Disclosures. Climate-related disclosures will move away from "comply or explain" to mandatory disclosure.

Glossary

- FMCC: Fund Manager Code of Conduct
- HKEX: Hong Kong Exchanges and Clearing Limited
- SFC: Securities and Futures Commission



Indonesia

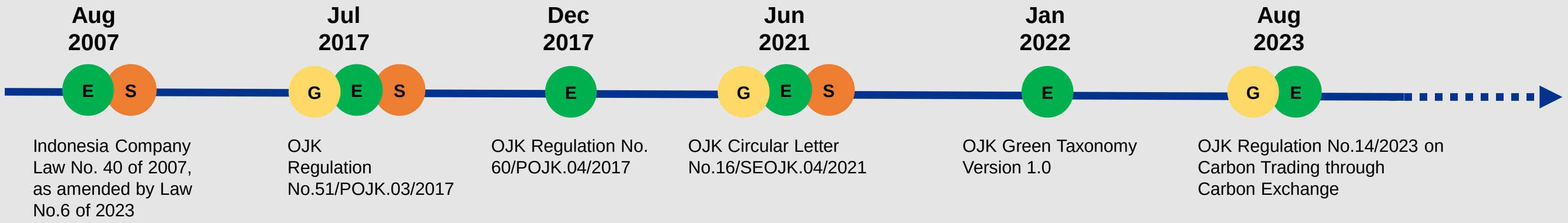
Indonesia's ESG reporting regulatory landscape comprises of the reporting provisions applicable for publicly listed companies, including financial institutions under the supervision of the Financial Services Authority Regulation (OJK) and non-publicly listed (private) companies. For example, the enactment of Law No.40 of 2007 on Limited Liability Companies, as lastly amended by Law No. 6 of 2023 (the "Company Law"), stipulates that the annual report shall incorporate social and environmental responsibility and is required to be approved in the annual general meeting of shareholders.

OJK released Sustainable Finance roadmaps in 2014 and 2021 as Phases I and II. These roadmaps act as a basis for laws and policies, such as, OJK regulation on the implementation of sustainable finance (POJK No.51/POJK.03/2017), green bonds (POJK No. 60/POJK.04/2017), form and content of annual reports (OJK Circular Letter No. 16/SEOJK.04/2021) and Green Taxonomy Version 1.0.

This thought leadership on Indonesia's regulatory framework for ESG reporting will primarily focus on the regulations disseminated by OJK that are applicable for publicly listed companies and private companies.

Michael Horn

ESG Advisory Partner
KPMG in Indonesia



ESG	Type	Title	Details	Scope	Effective	Ref.
G E S	M	The Financial Services Authority Regulation No.51/POJK.03/2017	The OJK has introduced a regulation that enforces **sustainable finance applications** among financial services institutions, issuers and publicly listed companies. The regulation mandates the publication of a **sustainability report** (published annually) and **five-year sustainable finance action plan** (updated every five years and progress against the five-year plan annually reported, applicable for the financial sector).	L & N (financial institutions, issuers, and publicly listed companies)	Jul 2017	Security Exchange
E	M	The Financial Services Authority Regulation No. 60/POJK.04/2017	This provides guidelines and requirements for the issuance of **green bonds and sukuk**, including the criteria for eligible projects, reporting obligations, and the certification process. The regulation mandates that issuers of green bonds and sukuk must include the environmental expert's review in their annual reports to OJK on an annual basis.	L & N (issuers)	Dec 2017	Security Exchange
G E S	M	The Financial Services Authority Circular Letter No. 16/SEOJK.04/2021	Further issuance technical guidance regarding the form and content of the **annual report** for issuer or public listed company.	L & N (issuers & publicly listed companies)	Jun 2021	Security Exchange
E	V	Green Taxonomy Version 1.0	Green taxonomy guides **Indonesian bank** to **categorize** various sectors and sub-sectors of Indonesian high emissions producing market **using *Klasifikasi Baku Lapangan Usaha Indonesia*** (Indonesia Standard Industrial Classification).	L & N (financial institutions)	Jan 2022	Security exchange
E S	M	Company Law No. 40 of 2007, as amended by Law No.6 of 2023, and implementing regulation under Government Regulation No.47 of 2012 on Social and Environmental Responsibility of Limited Liability Companies. Relevant article: Social and Environmental Responsibility aspect (Chapter 5 Article 74)	This law briefly describes an **expectation for Social and Environmental Responsibility** to be included in annual reports and a must for companies in the natural resources industry (Chapter 5 Article 74). Sanction can be imposed to natural resources companies that omitted to implement the social and environmental responsibility.	N (company in natural resources sector)	Aug 2007	-
G E	M	The Financial Services Authority Regulation No.14/2023 on Carbon Trading through Carbon Exchange	The Financial Services Authority Regulation on Carbon Trading through the Carbon Exchange is a guideline and reference for **Carbon Trading through the Carbon Exchange** conducted by market organizers and a reference for the Financial Services Authority to regulate and supervise. This regulation also **includes mandatory reporting requirement on carbon trading transaction** to be submitted to the Financial Services Authority and the ministry of environmental and forestry.	N (carbon exchange operator)	Aug 2023	Security exchange

Type: Mandatory (M), Voluntary (V)

Scope: Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

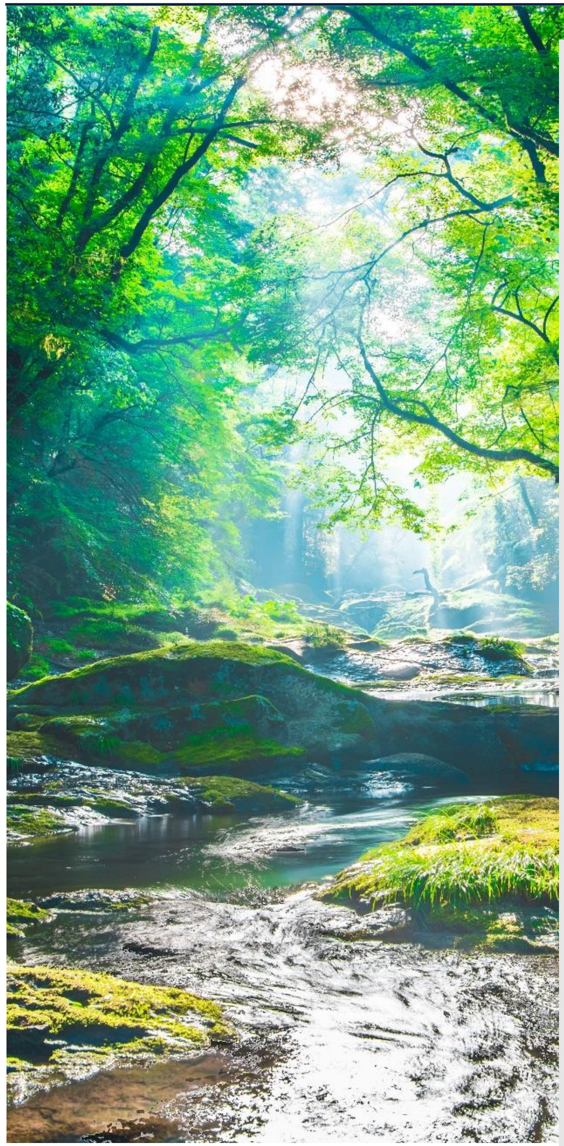
- OJK establishes a foundational provision for the adoption of international standards in an annual report content. Through its Circular Letter No. 16/SEOJK.04/2021, publicly listed companies are permitted to adopt international standards when necessary, thereby expanding the minimum standard of information to be disclosed in the annual report.
- Furthermore, in line with these efforts to enhance reporting standards, a press release by the ***Ikatan Akuntan Indonesia* (IAI** or Indonesian Institute of Chartered Accountants) on June 27, 2023, states that **IAI fully supports the issuance of two inaugural standards by the ISSB,** which were released in 2023. To prepare for the adoption of these ISSB standards, IAI is currently in the process of establishing the *Dewan Standar Keberlanjutan* (IAI's Sustainability Standards Board). However, the official adoption date is yet to be determined. (Source: *Berita* IAI (iaiglobal.or.id))

Notes

- In accordance with the Financial Services Authority Regulation No. 51/POJK.03/2017 Chapter I Article 3, the following entities are **required to publish their sustainability reports**:
  - Foreign banks (starting from 2019)
  - Publicly listed companies (starting from 2020)
  - Indonesian-based commercial banks (starting from 2020)
  - Other financial institutions, including insurance companies, rural banks, pension funds, etc. (within the timeline of 2020 to 2025)

Glossary

- IAI: *Ikatan Akuntan Indonesia* (Indonesian Institute of Chartered Accountants)



Japan

In 1997, the “Environmental Reporting Guidelines” were issued by the Ministry of the Environment, encouraging companies to disclose environmental reports. With the introduction of the GRI Standards (GRI Guidelines), the reporting format has evolved from an environmental report to a sustainability report. After that, various initiatives such as the IIRC's "International Integrated Reporting Framework" and the METI's 2017 publication of the "Guidance for Collaborative Value Creation" have prompted Japanese companies to improve the disclosure of non-financial information.

As part of the latest revision of the Corporate Governance Code in 2021, listed companies on the Prime Market and Standard Market of the Tokyo Stock Exchange are required, on a “comply or explain” basis, to disclose their sustainability-related initiatives in their Corporate Governance Reports, including climate change-related disclosures for those on the Prime Market.

Additionally, starting in the fiscal year ending March 2023, listed companies have to include sustainability-related information (including those relating to human capital investments) within a dedicated section of their annual securities reports under the securities regulation. Furthermore, the **Sustainability Standards Board of Japan (SSBJ)** established in July 2022, aims to publish its first standards before March 2025, building on disclosure requirements of IFRS S1 and S2.

Kyoichi Seishi

Partner, Sustainable Value Services Division
KPMG in Japan

Jun 1997 (G E S)
Environmental Reporting Guidelines (Latest 2018)

Feb 2014
Stewardship Code (Latest 2020)

Jun 2015 (G E S)
Corporate Governance Code (Latest 2021)

Sep 2015
The Government Pension Investment Fund (GPIF) became a signatory to the UN-PRI

Mar 2019 (G E S)
Principles Regarding the Disclosure of Narrative Information was released (JFSA)

Jul 2022
SSBJ was established

Jan 2023
The JFSA finalized the amendments to the "Cabinet Office Order on Disclosure of Corporate Affairs" and other orders

ESG	Type	Title	Details	Scope	Effective	Ref.
G E S	M	"Cabinet Office Order on Disclosure of Corporate Affairs" and other relevant and applicable cabinet office orders (JFSA)	The finalized Cabinet Office Order provides amendments to the narrative information section of the Annual Securities Reports. This amendment requires a **mandatory disclosure framework** mainly for "**corporate initiatives regarding sustainability**" and "**corporate governance**".	L(& N)	Jan 2023	-
G E	M	Japan's Corporate Governance Code (Tokyo Stock Exchange (TSE))	In the revised Code in 2021, Supplementary Principles 3.1.3 states that "Companies should appropriately disclose their initiatives on sustainability when disclosing their management strategies." "In particular, companies listed on the **Prime Market** should collect and analyze the necessary data on the **impact of climate change-related risks and earning opportunities** on their business activities and profits, and enhance the quality and quantity of disclosure based on the TCFD recommendations,…or an equivalent framework."	L	Jun 2021	TCFD
E	M	"Act on Promotion of Global Warming Countermeasures" and "Act on Rationalizing Energy Use"	The "Act on Promotion of Global Warming Countermeasures" requires entities that **emit large amount of greenhouse gases** ("specified emitters") to calculate their own **greenhouse gas emissions** and **report** them **to the government**. Regarding energy related CO2 emissions, it is allowed to report them using the periodic reports based on the "Act on Rationalizing Energy Use".	L & N	Apr 2006	-
E	M	"Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement"	Business operators targeted by the establishment of Pollutant Release and Transfer Resisters (**PRTR**) system are required to confirm the released/transferred amount of **class 1 designated chemical substances**, and **report** them **to the government** every year. The targeted business operators are chosen based upon the business category, scale, and annual amount of chemical substances to handle.	L & N	Apr 2001	-
G E S	V	Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 (Guidance for Collaborative Value Creation 2.0) (Ministry of Economy, Trade and Industry (METI))	This guidance is a framework for building a company-specific **value-creation scenario** and leading to high-quality information disclosure and dialogue. The ITO Review 3.0 recommends to treat this Guidance as a "volume on practice" for incorporating SX (sustainability transformation) into management and dialogue with investors.	L & N	Aug 2022	-

Type: Mandatory (M), Voluntary (V) **Scope:** Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

- The SSBJ was established in July 2022 under the umbrella of the Financial Accounting Standards Foundation (FASF).
- The Japan Financial Services Agency (JFSA) signaled that it will designate the SSBJ as the standard-setting body responsible for the development of sustainability reporting standards under the disclosure regime of the securities regulations in Japan.
- The SSBJ started to develop Japanese versions of IFRS S1 and S2, with anticipation that its two standards will be incorporated into the disclosure requirements of annual securities reports in the future.
- **The SSBJ** aims to **achieve the following:**
  - The **exposure drafts** of Japanese versions of IFRS S1 and S2 are expected to be published **before March 31, 2024**.
  - The **finalized standards** are targeted to be released **before March 31, 2025.**

Notes

- In Japan, there has been an increasing demand for sustainability-related information, resulting in the implementation of **various initiatives** to bolster the disclosures of such information via integrated reports, sustainability reports, and websites.
- The number of Japanese companies issuing **integrated reports** has been steadily growing. The percentage of companies that issue integrated reports makes up 91% of companies of the Nikkei 225. (Source: Survey of Corporate Reports in Japan 2022, KPMG in Japan)
- The Japanese **government** has continued to emphasize the importance of achieving sustainable growth by tackling social issues. In fact, human capital management is one of the core elements of its "New Capitalism" initiatives.
- To achieve this, the government has implemented policy measures to promote **sustainable finance**. The Expert Panel on Sustainable Finance administered by the JFSA has recommended various measures to promote sustainable finance.

Glossary

- JFSA: Japan Financial Services Agency
- SSBJ: Sustainability Standards Board of Japan

Malaysia

In recent years, there have been significant developments in the sustainability landscape in Malaysia, particularly with respect to climate change. In September 2022, Bursa Malaysia Securities Berhad (Bursa Malaysia) announced the enhanced sustainability reporting requirements in the Main Market Listing Requirements (Main LR) and the ACE Market Listing Requirements (ACE LR), which includes climate change-related disclosures that are aligned with the TCFD Recommendations, followed by Bank Negara Malaysia (BNM) releasing a policy document on Climate Risk Management and Scenario Analysis for financial institutions.

In 2023, ahead of the announcement of IFRS Sustainability Disclosure Standards (ISSB Standards), the Securities Commissions Malaysia (SC) has set up a national level Advisory Committee on Sustainability Reporting (ACSR) to support the implementation of IFRS Sustainability Disclosure Standards. However, further details are awaited.

Nevertheless, the Bursa Malaysia's Main LR which includes a TCFD-aligned disclosure will set a good foundation for listed companies in Malaysia to adopt the IFRS Sustainability Disclosure Standards.

Oy Cheng Phang

Partner and Head of Sustainability Advisory, KPMG in Malaysia

Apr 2021 — G

Malaysian Code on Corporate Governance (MCCG, 2021 update)

Sept 2022 — G E S

Bursa Malaysia Sustainability Reporting Guide and Toolkits (3rd Edition)

Nov 2022 — E

Policy Document on Climate Risk Management and Scenario Analysis by Bank Negara Malaysia (BNM)

ESG	Type	Title	Details	Scope	Effective	Ref.
G E S	M	Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements (Main LR) in relation to Enhanced Sustainability Reporting Framework	Bursa Malaysia Securities Berhad (Bursa Malaysia) announced the enhanced sustainability reporting requirements in the Main Market Listing Requirements (**Main LR**), with the aim to elevate the sustainability practices and disclosures of listed issuers. This includes **climate change-related disclosures** that are aligned with TCFD Recommendations (TCFD-aligned disclosures).	L	Sep 2022	TCFD GRI
G E S	M	Amendments to Bursa Malaysia Securities Berhad ACE Market Listing Requirements (ACE LR) in relation to Enhanced Sustainability Reporting Framework	The sustainability reporting requirements for **ACE Market listed corporations** have also been strengthen to align with those of the Main Market. ACE Market listed corporations are now required to disclose a basic plan to transition towards a low carbon economy ("**transition plan**"), with regards to **climate change reporting**.	L	Sep 2022	GRI
G E S	M	Bursa Malaysia Sustainability Reporting Guide and Toolkit (3rd Edition)	In tandem with the issuance of the Enhanced Sustainability Disclosures, Bursa Malaysia has also issued an **updated Sustainability Reporting Guide** (3rd edition), as well as 6 **updated Toolkits** containing guidance to listed issuers in complying with the Enhanced **Sustainability Disclosures**.	L	Sep 2022	TCFD GRI
E	M	Policy Document on Climate Risk Management and Scenario Analysis by BNM	This policy document sets out principles and requirements on **climate risk management** and **scenario analysis** for **financial institutions** to enhance the financial sector's resilience against climate-related risks and to facilitate a just and orderly transition to a low-carbon economy.	L & N (Financial Institutions)	Nov 2022	TCFD
G	M	Malaysian Code on Corporate Governance (MCCG)	The 2021 update of the MCCG introduces best practices and guidance to strengthen board oversight and the integration of sustainability considerations in the strategy and operations of companies.	L & N	Apr 2021	-

Type: Mandatory (M), Voluntary (V) **Scope:** Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

- On 24 May 2023, The Securities Commission Malaysia, with endorsement from the Ministry of Finance, has set up a national level ACSR to support the implementation of the IFRS Sustainability Disclosure Standards in Malaysia.
- However, further details are awaited.

Notes

- There is a transition period for the implementation to Bursa Malaysia Securities Berhad Main Market Listing Requirements (**Main LR**) in relation to Enhanced Sustainability Reporting Framework. Main Market listed corporations will adopt the enhanced sustainability disclosures in a phased manner. The disclosure of the prescribed sustainability information will take effect for the financial year ending (FYE) **on or after 31 December 2023**, with the transition culminating in the disclosure of the TCFD-aligned information for FYE **on or after 31 December 2025**.
- There is a transition period for the implementation to Bursa Malaysia Securities Berhad ACE Market Listing Requirements (**ACE LR**) in relation to Enhanced Sustainability Reporting Framework. ACE Market listed corporations will adopt the enhanced sustainability disclosures in a staggered manner. The disclosure of the prescribed sustainability information will take effect for the financial year ending (FYE) **on or after 31 December 2024**, with the process concluding by disclosing the basic transition plan for FYE **on or after 31 December 2026.**

Glossary

- ACSR: Advisory Committee on Sustainability Reporting
- BNM: Bank Negara Malaysia

New Zealand

To date, regulation has focused on climate with the Aotearoa New Zealand Climate Standards and the Carbon Neutral Government Programme coming into effect in late 2022 and early 2023. The New Zealand Stock Exchange issued broader ESG guidance for listed entities and the New Zealand standard-setter’s mandate has been extended to allow it to issue non-binding guidance on ESG matters. However, currently there is no mandate to issue standards that require reporting beyond climate-related matters.

Sanel Tomlinson

Principal, IMPACT measurement and reporting,
KPMG in New Zealand

Dec 2017 – G – NZX Corporate Governance Code ESG Guidance Note (Latest 2023)

Dec 2020 – E – Carbon Neutral Government Programme

Oct 2021 – E – The Financial Sector Amendment Act 2021 assented

Dec 2022 – E – Climate Standards NZ CS1, 2 and 3

ESG	Type	Title	Details	Scope	Effective	Ref.
E	M	Aoteaora New Zealand Climate Standards (NZ CS1, 2, 3)	Around 200 of New Zealand's **largest financial market reporting entities** (Climate Reporting Entities or CREs) start reporting against the standards from 1 January 2023. The standards are based on TCFD recommendations.	L & N (Financial institutions)	Jan 2023	TCFD
E	M	Assurance Requirement for New Zealand Climate Standards	A mandate for limited **assurance** (at a minimum) over GHG metrics and targets reported in annual climate reporting using the Aotearoa New Zealand Climate Standards.	L & N (Financial institutions)	Oct 2024	-
E	M	Financial Markets Authority approach to oversight of climate-related disclosures in the financial statements	The regulator announced its areas of interest for 2023-2026 will include entities' assessment of climate change and its effect on their financial statements, and consistency between information presented outside of the financial statements relating to climate change and the financial statements.	L & N (Financial institutions)	June 2023	-
E	M	Carbon Neutral Government Programme	The programme's aim is to make a number of organisations within the **public sector carbon neutral from 2025**. Participants should: measure, verify and report their emissions annually; set reduction targets and plans; introduce a plan to reduce their organisation's emissions; and offset remaining gross emissions from 2025 to achieve carbon neutrality.	N (Government entities)	Dec 2022	-
G E S	M	NXZ Corporate Governance Code – updated Guidance Note	The NZX updated its ESG Guidance Note (2017) to accompany its Corporate Governance Code. Listed entities must make **ESG disclosures** in or linked to Annual Reports, on a **'comply or explain' basis**.	L	Apr 2023	Security Exchange
E	M	Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act (the Act)	The government issued the Act to require **mandatory climate-related disclosures** for some **large financial market participants**. This has led to the Aotearoa New Zealand Climate Standards effective from January 2023.	L & N (Financial institutions)	Oct 2021	-

Type: Mandatory (M), Voluntary (V) **Scope:** Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

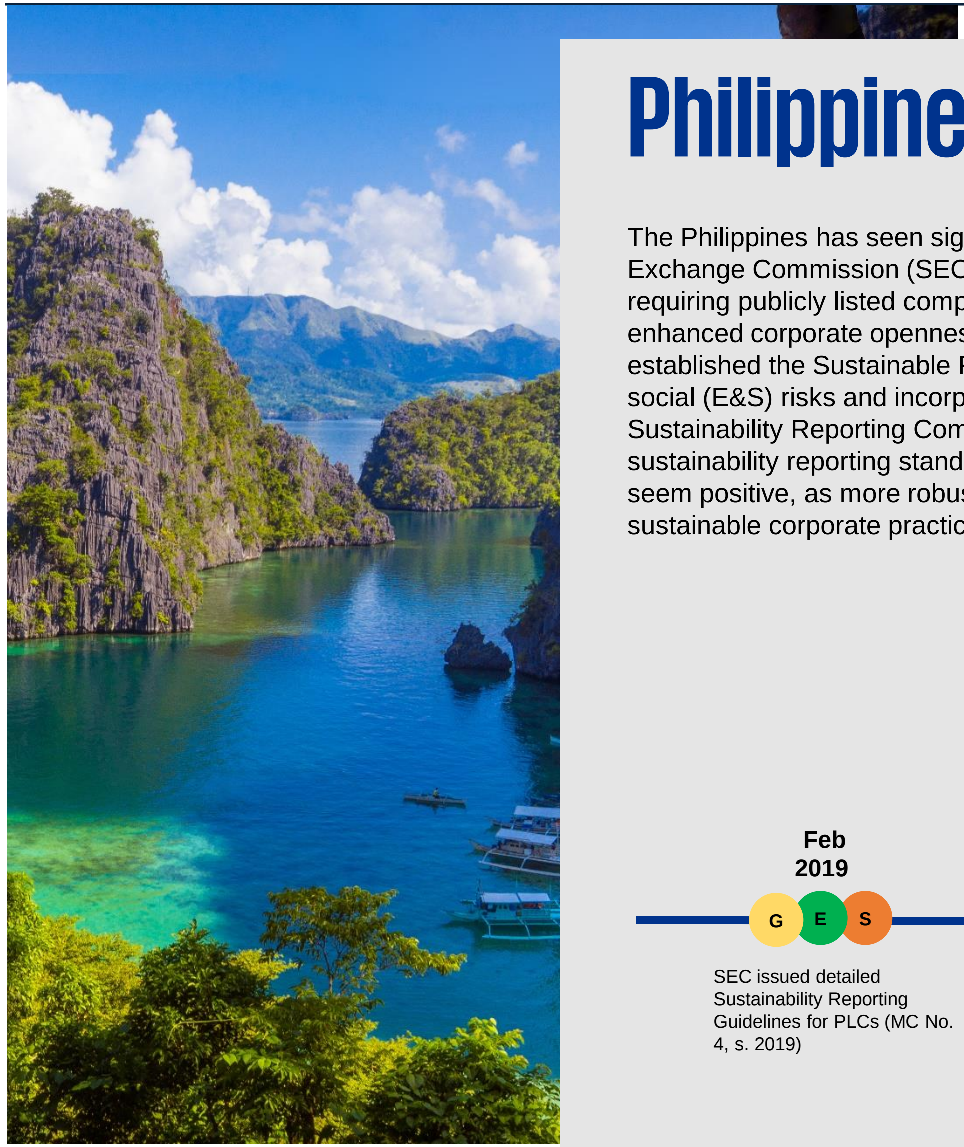
- We have our **own Climate Standards that were issued in December 2022 and are effective from December 2023 financial year end.** As with the ISSB standards, our Climate Standards are based on the TCFD recommendations — so the base principles are similar and our standard-setter has issued a summary of differences. Currently there is no expectation that the ISSB standards will be adopted in New Zealand or that the New Zealand standards will be updated for any differences with the international standards.

Notes

- Assurance
  - The Act **mandates assurance over GHG metrics and targets** reported in annual climate statements. This applies to around 200 of New Zealand's **largest financial market reporting entities** for reporting years **ending after 27 October 2024**. The **External Reporting Board (XRB)** released a temporary assurance standard in August 2023 that includes ethical, quality management and reporting requirements, and allows the application of either ISAE 3410 or ISO 14064-3:2019. While the mandatory assurance engagement has a narrow scope, the Act allows entities to voluntarily seek a higher level of assurance, and/ or assurance over other parts of the climate statement.
  - The Carbon Neutral Government Programme requires **independent assurance over the GHG emissions inventory** in line with ISAE 3410 or ISO 14064-3:2019 and allows both reasonable and limited assurance, whilst recommending reasonable assurance where practicable.
- Prospective legislation on social reporting
  - The government has indicated that it will consider two pieces of legislation relating to corporate social reporting. One to address modern slavery through public reporting of actions to address risks in operations and supply chains. The second to publicly report on gender pay-gaps.

Glossary

- NZX: New Zealand's Exchange



Philippines

The Philippines has seen significant developments in ESG reporting in recent years. The Securities and Exchange Commission (SEC) Memorandum Circular No. 4, Series of 2019, was a pivotal milestone, requiring publicly listed companies to report on sustainability. This circular has laid the groundwork for enhanced corporate openness. Furthermore, the Bangko Sentral ng Pilipinas' (BSP) Circular No. 1085 established the Sustainable Finance Framework, which requires banks to manage environmental and social (E&S) risks and incorporate sustainability into their reports. The formation of the Philippine Sustainability Reporting Committee (PSRC) demonstrates the commitment to adhering to international sustainability reporting standards. Looking ahead, the prospects for ESG reporting in the Philippines seem positive, as more robust regulations may continue to be developed, supporting responsible and sustainable corporate practices.

Kristine Aguirre

ESG Lead,
KPMG in the Philippines

Feb 2019

G E S

SEC issued detailed Sustainability Reporting Guidelines for PLCs (MC No. 4, s. 2019)

April 2020 - Sep 2022

BSP issued policies and guidance on Sustainable Finance Framework which outlines sustainability-related disclosure requirements to be included in banks' annual reports.

Sep 2022

The Professional Regulatory Board of Accountancy generally approved the adoption of the IFRS Sustainability Disclosure Standards.

Oct 2022

The FSRSC established the PSRC which is currently acting for local adoption of IFRS S1 and S2.

ESG	Type	Title	Details	Scope	Effective	Ref.
G E S	M	Codes of Corporate Governance	The Codes of Corporate Governance are intended to raise the corporate governance standards to a level at par with regional and global counterparts, applicable to publicly listed companies (PLCs), public companies (PCs), registered issuers (RIs) and Insurance Commission (IC) regulated companies. It introduces **non-financial and sustainability reporting measures** and requires a company under a "comply or explain" approach to have a clear and focused policy on the disclosure of non-financial information.Submission of an annual corporate governance report is required to facilitate disclosure of compliance/non-compliance with the code. The SEC also released a separate issuance for PLCs: the Sustainability Reporting Guidelines, which focuses on economic, environmental and social disclosures (see below).	L & N	Various	-
E S	M	Sustainability Reporting Guidelines for Publicly-listed Companies	The SEC issued Memorandum Circular No. 4, series of 2019 in February 2019, which provides guidelines for sustainability reporting by publicly listed companies in the Philippines. The circular requires companies to submit an annual sustainability report, applying the guidelines on a "comply or explain" approach. The Guidelines are intended to help PLCs assess and manage **non-financial performance** across **economic**, **environmental**, and **social** aspects of their organization and enable them to measure and monitor their contributions towards achieving universal targets of sustainability, such as the UN Sustainable Development Goals, as well as national policies and programs.	L	2019 annual reports	Security Exchange
E S	M	Sustainable Finance Framework for Banks	The BSP Monetary Board approved the sustainable finance policy framework that sets out the expectations of BSP on the integration of sustainability principles, including those covering environmental and social (E&S) risk areas, in the corporate governance and risk management frameworks as well as in the strategic objectives and operations of banks. It requires banks to report certain general ESG-related disclosures in their annual reports. The requirement was issued through BSP Circular No. 1085, s. 2020 and full compliance is required after a 3-year period from becoming effective. It was further supplemented by policies and guidance in Circular No. 1128, s.2021, Circular Letter No. CL-2022-11, Circular No. 1149, s.2022 and Memorandum No. M-2022-042.	L & N (All banks)	May 2020	-

Type: Mandatory (M), Voluntary (V)   **Scope:** Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

- The PSRC was established by the Financial and Sustainability Reporting Standards Council (FSRSC) to evaluate and provide interpretation and guidance on the International Sustainability Standards Board's IFRS Sustainability Disclosure Standards for local use. The PSRC consists of 17 member organizations who are endorsed to and approved by the FSRSC and are tasked to comment on exposure drafts of sustainability disclosure standards or proposed regulations with sustainability reporting relevance that may be issued by financial sector regulators and other relevant government agencies or stakeholders, such as the SEC, BSP, Insurance Commission (IC), Commission on Audit and the Philippine Stock Exchange.

Glossary

- BSP: Bangko Sentral ng Pilipinas
- FSRSC: Financial and Sustainability Reporting Standards Council
- PSRC: Philippine Sustainability Reporting Committee
- SEC: Securities and Exchange Commission

Singapore

The 2021 announcement from the Singapore Exchange (SGX) with regard to Sustainability Reporting for Listed Companies marked a significant milestone for ESG reporting in Singapore. Most notably, it imposes detailed reporting requirements on listed companies, and explicitly references the TCFD as a best practice template to follow for reporting, cementing Singapore's support for a global standard on sustainability reporting.

Further to this, Singapore has also demonstrated strong investment in establishing a standardized approach to sustainability reporting by setting up the Sustainability Reporting Advisory Committee, a joint endeavor between SGX and the Accounting and Corporate Regulatory Authority (ACRA), with the objective of localizing and adopting the ISSB's disclosure standards.

Cherine Fok

Partner, ESG
KPMG in Singapore

Mar 2001	G	Code of Corporate Governance (Latest 2018)
Jul 2016	G E S	SGX Sustainability Reporting Guide first issued (supplemented by the 2021 announcement)
Jan 2019	E	Carbon Tax implementation
Dec 2021	G E S	SGX announced enhanced sustainability reporting requirements (including climate, board diversity and ESG metrics).
Mar 2023	E	Singapore passes the Carbon Pricing (Amendment) Act 2022

ESG	Type	Title	Details	Scope	Effective	Ref.
G E S	M	Sustainability Reporting requirements (1/2)	The SGX is requiring issuers to provide **climate-related disclosures** based on recommendations of the **TCFD**. Fiscal years beginning on or after 1/1/2022: All issuers (comply or explain basis) Fiscal years beginning on or after 1/1/2023: Mandatory for issuers in the (i) financial, (ii) agriculture, food and forest products, and (iii) energy industries Fiscal years beginning on or after 1/1/2024: Mandatory for issuers in the (i) materials and buildings, and (ii) transportation industries	L	Jan 2022 and onwards	TCFD Security Exchange
G E S	V	Sustainability Reporting requirements (2/2)	The SGX has supplemented its disclosure requirements by also issuing a common set of **27 core ESG metrics** in order to encourage consistency among issuers. The metrics are not mandatory and serve as an optional point of reference for entities to incorporate into their disclosures. The SGX notes in particular that issuers should not be limited to the Core ESG Metrics and should still conduct a **materiality assessment** to ensure the relevance and completeness of their reported metrics.	L	Jan 2022 and onwards	TCFD Security Exchange
E G	V	Environmental Risk Management Guidelines (for Banks, Asset Managers, and Insurers) (MAS)	The Monetary Authority of Singapore (MAS) has issued guidelines setting out its expectations on **environmental risk management procedures** to be followed by all **banks**, **asset managers** and **insurance companies**. They cover governance and strategy, risk management, and disclosure of environmental risk information, and make reference to **TCFD** as an example of best practice.	L & N (Financial institutions)	Jun 2022	TCFD

Type: Mandatory (M), Voluntary (V) **Scope:** Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

- The SGX and ACRA have set up a Sustainability Reporting Advisory Committee (SRAC) to develop a roadmap and provide input on ISSB standards for implementation in Singapore. The SRAC is currently undergoing a consultation process with key industry players.

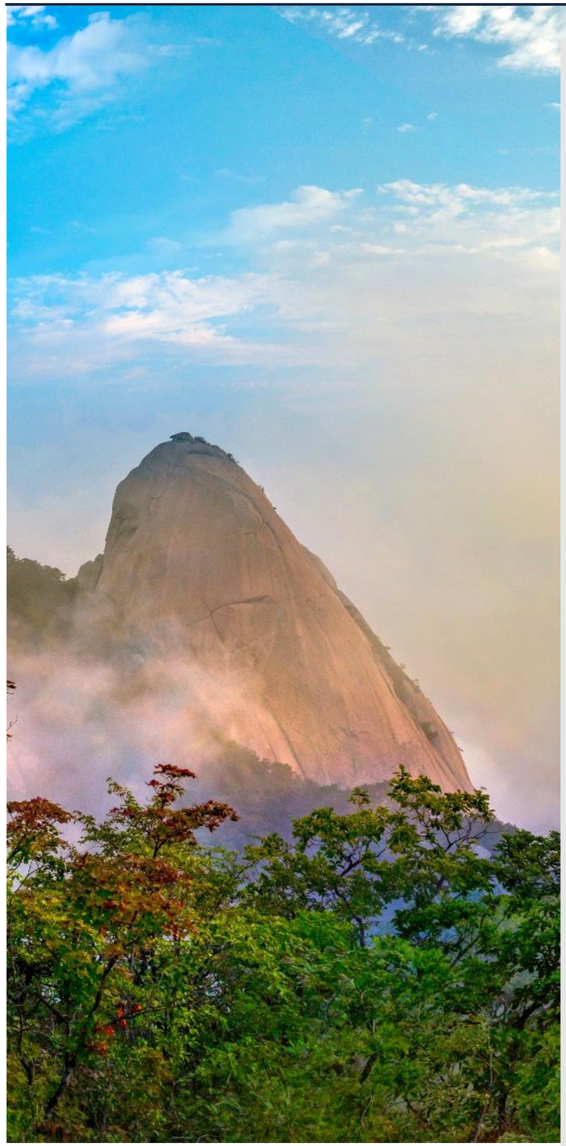
Notes

Carbon Tax

- Carbon tax in Singapore is set at the following rates:
  - 2019 to 2023: S$5/tCO2e
  - 2024 to 2025: S$25/tCO2e
  - 2026 to 2027: S$45/tCO2e
- The tax applies to a subset of facilities and sub-sectors, namely:
  1. manufacturing and manufacturing-related services;
  2. supply of electricity, gas, steam, compressed air and chilled water for air-conditioning; and
  3. water supply and sewage and waste management.
- Singapore's ambitions are to further increase the carbon tax to reach S$50-80/tCO2e by 2030.
- The carbon tax is **levied on facilities that directly emit at least 25,000 tCO2e of GHG emissions annually**

Glossary

- SGX: Singapore Exchange
- SRAC: Sustainability Reporting Advisory Committee



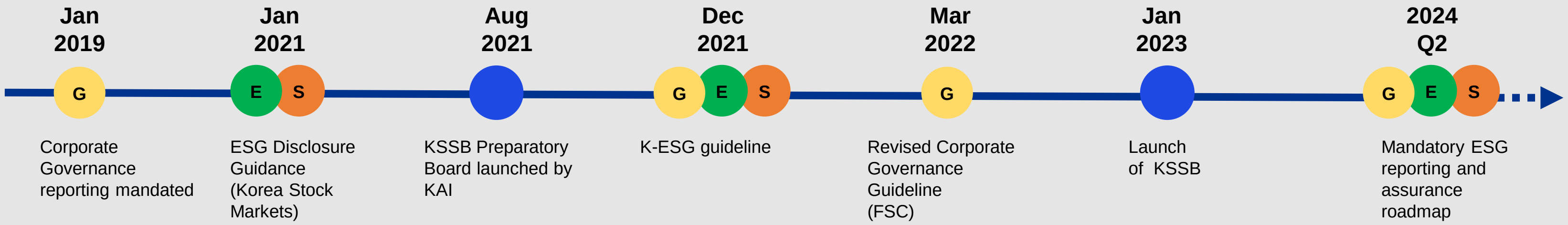
South Korea

Over the last 10 years, sustainability reporting has increased as a voluntary disclosure in South Korea and it has been rapidly increasing around listed companies in accordance with ESG's global momentum. In 2019, considering South Korea's specific governance structure, the government regulated the mandatory disclosure of corporate governance reports for listed companies with assets of KR2 trillion or more to ensure transparency, and plans to gradually expand it to all listed companies by 2026.

To facilitate ESG reporting and reduce the burden on preparing it, the government set local ESG guidelines, such as K-ESG guidance and ESG disclosure guidance. But as key reporting standards or rules such as IFRS sustainability disclosure standards, US SEC climate rule, and ESRS under CSRD are recently announced or scheduled to be announced, it is expected that the South Korean government will announce a roadmap to mandate sustainability reporting and assurance, as well as establish reporting standards in the first half of 2024. Likewise, corporate governance reporting, sustainability reporting and assurance will be phasing in starting from the listed companies with certain level of assets in 2026 or after and might be applied to all listed companies by 2030. For the adoption of IFRS S1 and S2 standards, the Korea Sustainability Standards Board (KSSB) was established within the Korea Accounting Institute (KAI) in 2023, and the draft KSSB standards will be released by March 2024.

Jeong Hwan Hwang

Partner,
ESG Center of Excellence in KPMG in Korea,
ESG Assurance regional leader in KPMG Asia Pacific



ESG	Type	Title	Details	Scope	Effective	Ref.
G	M	Mandatory Corporate Governance reporting and revised guideline	Since 2019, the Korea Exchange has made it mandatory for companies listed on the Korea Composite Stock Price Index (KOSPI) Stock Market with total assets of KRW 2 trillion or more to disclose annual corporate governance reports. In 2022, there has been a recent revision to **extend this requirement to all listed companies, which will come into effect from the year 2026.**	L	Jan 2019	Security Exchange
E S	V	ESG disclosure guidance	The Korea Exchange (KRX) released "ESG disclosure guidance" to help companies prepare sustainability reports. This covers practical guidance on how to prepare ESG report and **25 key topics** related to E and S.	L	Jan 2021	Security Exchange
G E S	V	K-ESG Guidelines	The Ministry of Trade, Industry, and Energy of South Korea has published the 'K-ESG Guidelines.' These guidelines aim to outline the key elements of ESG management.	L & N	Dec 2021	-
G E S	M	Announcement from Financial Services Commissions (FSC)	Starting in 2026 or after, companies listed on KOSPI market with assets of more than 2 trillion won will be required to publicly post an ESG report, and the requirement will be extended to all KOSPI-listed companies in 2030, according to the FSC.	L	2026 or after	ISSB SASB (KSSB)

Type: Mandatory (M), Voluntary (V)

Scope: Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

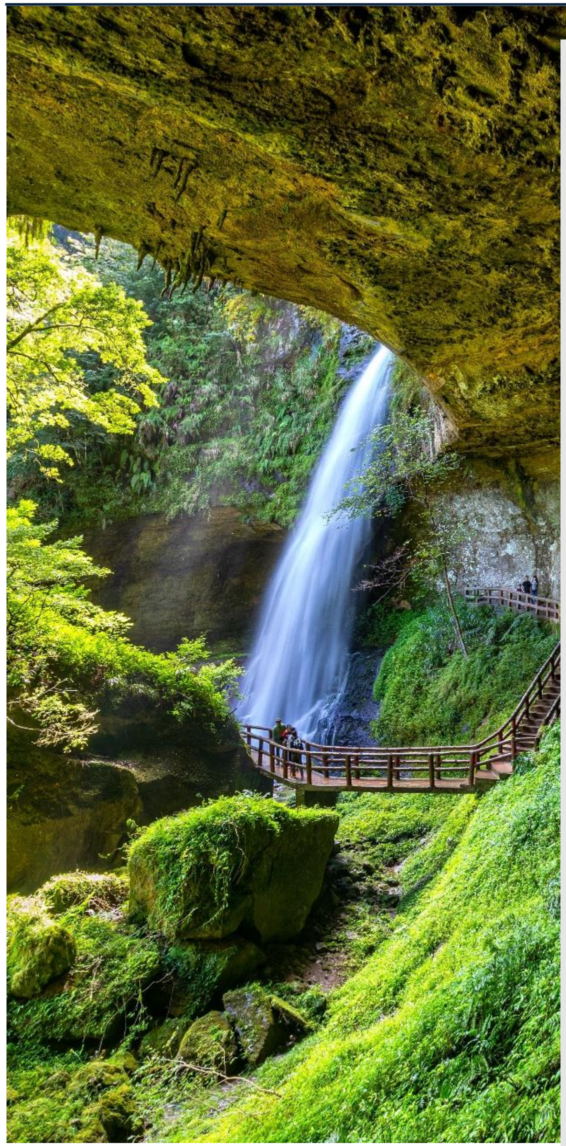
- The KSSB Preparation Committee was established within KAI along with Korea Accounting Standard Board for the introduction of ISSB in 2021. The KSSB was formally established in January 2023 to initiate the enactment of the KSSB Standard. With the release of the ISSB Standard in June 2023, the draft KSSB Standard is expected to be completed and distributed by March 2024. Therefore, it is expected to adopt the ISSB-based KSSB Standard as an ESG reporting standard.

Notes

- Korea does not have mandatory TCFD reporting regulation.
- Korea does not have a plan to adopt ESRS and as such there is not ESRS reporting regulation. But some Korean companies who operates in EU jurisdiction and subject to it are currently preparing ESRS reporting system to respond to it.
- Korea does not have a plan to adopt US SEC climate rule. A few Korean companies listed in SEC are interested in this rule and working with external advisors to implement this rule to disclosure the requirements along with IFRS S2.
- For assurance, limited assurance will be mandated along with mandating ESG reporting in 2026 or after.

Glossary

- FSC: Financial Services Commission
- KAI: Korea Accounting Institute
- KOSPI: Korea Composite Stock Price Index
- KSSB: Korea Sustainability Standards Board



Taiwan

In September 2014, Taiwan Financial Supervisory Commission (FSC) announced that listed companies from the food, financial and chemical industries, those with annual food and beverage revenue accounting for more than 50% of total revenue, and those with paid-in capital of more than NT$10 billion will mandatorily need to prepare and publish corporate social responsibility (CSR) reports. A third-party assurance from a CPA is required for food companies as well as listed companies whose 50% revenue was derived from food and beverages. The disclosures are applied in reference with the GRI standard. In December 2021, the "CSR report" has been renamed as "Sustainability Report" and the new requirement was published. Taiwan Stock Exchange Corporation (TWSE) and Taipei Exchange (TPEx) have expanded the scope of listed companies, which now include those with a paid-in capital of above NT$2 billion but less than NT$5 billion, requiring them to prepare a Sustainability Report beginning 2023. At the same time, chemical, finance and insurance companies were also required to provide a third-party assurance from a CPA beginning 2022. Additionally, the disclosure in sustainability reporting with reference to SASB standards and TCFD will also be mandatory from 2023. In August 2023, FSC released the roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards, which will be implemented in stages according to capital size beginning with paid-in capital of more than NT$10 billion, which will be required to compile FY2026 information and report in 2027. Until 2029, all listed companies will be required to publish sustainability information aligned with IFRS Sustainability Disclosure Standards in their annual report.

- **Sep 2014** (G E S) Corporate Governance Roadmap (2013-2017)
- **May 2018** (G E S) Corporate Governance Roadmap (2018~2020)
- **Aug 2020** (G E) Corporate Governance 3.0 - Sustainable Development Roadmap
- **Nov 2020** (E) Green Finance Action Plan 2.0
- **Nov 2022** (E) Green Finance Action Plan 3.0
- **Mar 2023** Action Plan for Sustainable Development of Listed Companies (2023)
- **Aug 2023** Roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards

Lotus Huang

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ESG	Type	Title	Details	Scope	Effective	Ref.
E	M	Disclosure requirements of climate change related information in annual report	Climate information (reference to TCFD) will be fully applicable to TWSE and TPEx listed companies starting in 2024. As for greenhouse gas related climate information, the mandatory disclosure of category 1 and category 2 inventory and affirmation will be implemented in stages starting in 2024 according to the capital size and industry. All listed companies are required to complete greenhouse gas inventory taking by 2027, and greenhouse gas inventory verification before 2029.	L	Jan 2024	TCFD
G E S	M	Rules Governing the Preparation and Filing of Sustainability Reports	A listed company which meets the requirements under Article 2 of Rules Governing the Preparation and Filing of Sustainability Reports by TWSE or TPEx is required to prepare Corporate Social Responsibility Report (CSR) by reference to GRI standard beginning FY2013 information and report in 2014. In December 2021,"CSR report" has been renamed as "Sustainability Report". From 2023, the disclosure in sustainability report with reference to SASB standards and TCFD will also be required.	L	Sep 2022	TCFD SASB GRI
E	M	Guidelines for Climate Risk Disclosures for Insurers	Taiwan's FSC has issued these guidelines for **insurers** on the **climate risk disclosures.** The FSC references the recommendations of the TCFD as the framework to establish the guidelines on climate-related financial disclosures.	L & N (Insurance companies)	Jun 2023	TCFD
E	M	Guidelines for Climate Risk Disclosures for Domestic Banks	FSC has issued these guidelines for **domestic banks** on the **climate risk disclosures.** The FSC references the recommendations of the TCFD as the framework to establish the guidelines on climate-related financial disclosures.	L & N (Banks)	Jun 2023	TCFD
	V	Taiwan Sustainable Taxonomy	The Taxonomy is intended to encourage companies to voluntarily disclose information on whether their primary economic activities are in compliance with the Taxonomy. In addition, financial institutions are encouraged to refer to the Taxonomy in assessing possible investment and financing deals, and to actively engage with enterprises.	L	Dec 2022	-

Type: Mandatory (M), Voluntary (V)   **Scope:** Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

- On August 17th,2023, Taiwan FSC released the roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards.
- The key points are as follows:
  1. Alignment Approach:
     - FSC is going to adopt ISSB Standards, which will become effective after endorsed by the FSC.
  2. Applicable Entities and Timeline: FSC will take a phase-in approach to adopt starting from FY2026
     - Phase I: The large cap (with **capital over NT$ 10 bn**) listed companies will be required to compile **FY2026** information and report in 2027.
     - Phase Ⅱ: The listed companies with **capital over NT$ 5 bn and less than NT$ 10 bn** will be required to compile **FY2027** information and report in 2028.
     - Phase III : **Other** listed companies will be required to compile **FY2028** information and report in 2029.
  3. Location and timing of disclosures:
     - FSC will amend “Regulations Governing Information to be Published in Annual Reports of Public Companies”, requiring companies to disclose sustainability information in accordance with ISSB Standards in their annual reports, and to publish the sustainability information at the same time as the financial statements.
  4. Disclosure Content:
     - Considering the difference in capability for listed companies to disclose sustainability-related information, the FSC decided to provide sufficient flexibility for companies to prepare for adoption of ISSB Standards and use the transition reliefs (such as considering only climate issues in the first year, temporary exemption from the disclosure of Scope 3 greenhouse gas emissions and comparative information in the initial year of application, and different method for measuring greenhouse gas emissions prescribed by the FSC).

Glossary

- FSC: Financial Supervisory Commission
- TPEx: Taipei Exchange
- TWSE: Taiwan Stock Exchange Corporation

Thailand

Sustainability reporting in Thailand has been continually supported by the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) starting from 2008 until now. This reporting evolution has gradually focused more on the impact of corporate sustainability activities, starting from the governance perspective in the past (descriptive guideline), to the more required measurable impact reporting in terms of Form 56-1 One Report enforcement in 2022. Moreover, since the ISSB has recently established IFRS S1 and S2 with the strong support of the International Organization of Securities Commissions (IOSCO), companies in Thailand will have to monitor future announcements from the Thailand SEC regarding reporting enforcement starting now.

Ganesan Kolandevelu

Partner, Advisory
KPMG in Thailand

- **Feb 2008** — Corporate Social Responsibility Guidelines
- **Jun 2012** (G E S) — SET Guidelines for Sustainability Reporting
- **Jan 2014** — SEC has required disclosures of policies and activities around CSR.
- **Mar 2017** (G) — SEC Corporate Governance Code (Latest 2017)
- **Dec 2020** — SET announced its support for the TCFD
- **Jan 2022** (G E S) — Form 56-1 One Report

ESG	Type	Title	Details	Scope	Effective	Ref.
	V	Corporate Social Responsibility Guidelines	The Stock Exchange of Thailand (SET) adjusted the direction of CSR disclosure in mandated Annual Report by emphasizing **CSR-in-process**, in addition to donation or volunteering which is a social responsibility outside of the business process or CSR-after-process.	L	Feb 2008	GRI
G E S	V	Guidelines for Sustainability Reporting (SET)	The SET first published "Guidelines for Sustainability Reporting" in 2012 according to GRI framework. SET later published "Business Sustainability Reporting Guidelines" in 2017 to help listed companies understand sustainability reporting processes more clearly. (The guidelines have been updated from time to time and still ongoing)	L	Jun 2012	GRI
G	V	Corporate Governance Code (SEC)	Corporate Governance Code was developed from The Principles of Good Corporate Governance for Listed Companies 2012, published by the Stock Exchange of Thailand. Most of the content was adopted with some adjustment regarding the order and presentation to be in accordance with the context of the Board of Directors' duties in each business process. Some new content was also added to cover changing ideas or factors. The goal was for the Corporate Governance Code to be a guideline to support the Board of Directors of listed companies in establishing a good corporate governance mechanism.	L	Mar 2017 (latest update)	-
G E S	M	56-1 One Report	The SEC enforced new disclosure practice as 56-1 One Report where the topic of "Corporate Social Responsibility" is changed to **"Driving Business for Sustainability"** to reflect the actions taken in relation to **business operations for sustainability** as well as disclosure of **sustainability information** included in business processes. This enhances the disclosure of **environmental**, **social** and **governance information** in the Company's business processes. The Company shall disclose an overview of its sustainability management policy, Sustainability Management Goals Managing impacts on value chain stakeholders, Environmental Sustainability Management and Sustainability Management in Social Dimension. The SEC's sustainability disclosure guide is also based on sustainability standards such as GRI.	L	Jan 2022	GRI

Type: Mandatory (M), Voluntary (V)   **Scope:** Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

- The Federation of Accounting Professions Under The Royal Patronage of His Majesty The King has established the drafts 2 guidelines for financial disclosures related to sustainability, general disclosures (TFRS S1) and climate disclosures (TFRS S2). Those 2 drafts are in line with IFRS Sustainability Disclosure guidelines and are subject to change per final version from ISSB.

- Thai listed companies can voluntarily report their sustainability performance in the form of the Sustainability Report.
- The SET established the voluntary Sustainability Reporting Guide and ESG Metrics in line with GRI Standards and SDGs.
- On 1 January 2014, the SEC required the disclosure of policies and activities around CSR. The SEC has revised the disclosure criteria by requiring listed companies and companies requesting permission to issue securities for sale to disclose information about CSR operations in publicly disclosed documents, such as the Annual Report, Annual Registration Statement (Form 56-1) on the company's website and the Registration Statement for the Offering of Securities (Form 69-1), effective from 1 January 2014.
- On 30 December 2020, the SEC announced its support for the TCFD. The SEC announced its official support for the TCFD to raise awareness and encourage the business sector to incorporate climate risk factors into their business operations strategies and risk management, as well as disclose information in accordance with international standards. It was to help elevate the Thai capital market towards sustainable development, in line with the 20-year National Strategy starting in 2018 and the United Nations' Sustainable Development Goals.

Glossary

- SEC: Securities and Exchange Commission
- SET: Stock Exchange of Thailand

Vietnam

In recent years, Vietnam has taken substantial steps towards ESG implementation, buoyed by government initiatives and growing corporate awareness. Notably, the Prime Minister's pledge at COP26 in 2021 to achieve net-zero emissions by 2050 underscores the nation's commitment to combat climate change. Key legislative strides in environmental protection, emissions tracking and ESG disclosure further highlight Vietnam's commitment. Governance stands as a primary focus for Vietnamese businesses, driven by shareholder and stakeholder demands for transparency. Yet, regulatory opacity poses a hurdle for ESG advancement. The absence of clear regulations for adopting ESG international reporting frameworks and standards has led to confusion among businesses, leaving a significant portion unaware of how to conduct proper ESG reporting practices. Addressing this gap through education and awareness-raising is crucial for the advancement of ESG reporting in Vietnam. Looking ahead, Vietnam's ongoing ESG journey will continue to require strong government, corporate and public collaboration, reflecting the collective pursuit of ambitious ESG goals for the nation's sustainable future.

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KPMG in Vietnam

Aug 2019	G	Corporate Governance Manual by the State Securities Commission
Nov 2020	E	Law on Environment protection 2020
Nov 2020	G E S	Circular 96/2020/TT-BTC (Ministry of Finance)
Jan 2022	E	Circular 01, Decree 06 & Decree 08 (MONRE)
Jan 2022	E	Decision 01
Oct 2022	E	Decision 2626 (MONRE)
Dec 2022	E S	Circular 17 (SBV)

ESG	Type	Title	Details	Scope	Effective	Ref.
E	M	Law on Environment protection 2020 (LEP 2020)	The goal of the Law is to improve environmental quality, protect people's health, preserve ecological balance & biodiversity, and sustainable economic development.	L & N	Jan 2022	-
E	M	Circular 01/2022/TT-BTNMT	The Ministry of Natural Resources and the Environment (MONRE)'s Circular provides detailed guidance and explanations on the implementation of the LEP 2020	L & N	Jan 2022	-
E	M	Decree 06/2022/ND-CP on GHG Emissions and Protection of Ozone Layer	The Decree requires applicable organizations to report on the **result of their GHG emission reduction**, including information about GHG emissions and outcomes of implementing the measures to reduce GHG emissions.	L & N	Jan 2022	-
E	M	Decree 08/2022/ND-CP	Decree 08 provides detailed explanations of some articles within the LEP 2020	L & N	Jan 2022	-
E	M	Decision 01/2022/QD-TTg	The Prime Minister promulgated a comprehensive list of sectors and facilities which emit greenhouse gases that must carry out GHG accounting and report to relevant authorities. Also, the Decision requires such facilities to carry out decarbonization in accordance with a provided timeline.	L & N	Jan 2022	-
E	M	Decision 2626/2022/QD-BTNMT	The MONRE issued the Decision outlining list of emission factors for greenhouse gas inventory and reporting.	L & N	Oct 2022	-
G E S	M	Circular 96/2020/TT-BTC Regulation of Corporate Governance and Disclosure in Public and Listed Companies	The Ministry of Finance issued a Circular which provides guidelines on disclosure of information on the securities market. In particular, public and listed companies are required to disclose in their annual reports an **ESG Report**. The ESG report should include **greenhouse gas emissions**, **energy consumption**, **water consumption**, **compliance with the law on environmental protection**, **policies concerning employees**, **responsibility for local community**, and **investments and other community development activities**. The ESG report should also include an assessment related to environmental and social responsibilities of the company (prepared by the Board of Directors), and the corporate objectives of the company with regard to corporate environment, society and community sustainability.	L	Jan 2021	-
E S	M	Circular 17/2022/TT-NHNN	State Bank of Vietnam's (SBV) guidance on the implementation of environmental and social risks management and reporting in credit granting activities of **financial institutions.**	L & N (Financial Institutions)	Dec 2022	-
E S	M	Official Dispatch 9050/NHNN-TD	The SBV requires **financial institutions** to report periodically on credit granting activities for green sector and assessment of embedded environmental and social risks.	L & N (Financial Institutions)	Nov 2017	-
G	V	Corporate Governance Manual	Published by the State Securities Commission in collaboration with the International Finance Corporation (IFC). The Manual was launched with the objective of promoting capital markets and sustainable economic development and offering a series of recommendations on the best corporate governance practices according to the OECD.	L	Aug 2019	-
G E S	V	Decision 167/2022/QD-TTg	This decision relates to the PM's approval of the support program for private sector to achieve sustainability during the period 2022-2025	L & N	Feb 2022	-

Type: Mandatory (M), Voluntary (V)

Scope: Listed company (L), Non-listed company (N)

ISSB Standards Adoption / Application

- There have been no recent developments in Vietnamese legislation that specifically mention ISSB.

Glossary

- LEP: Law on Environment protection
- MONRE: Ministry of Natural Resources and the Environment
- SBV: State Bank of Vietnam

Read more

Big shifts, small steps – Survey of Sustainability Reporting 2022
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Australia

Survey of Sustainability Reporting 2022 – China Insights
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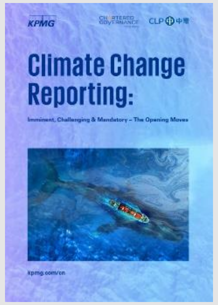

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