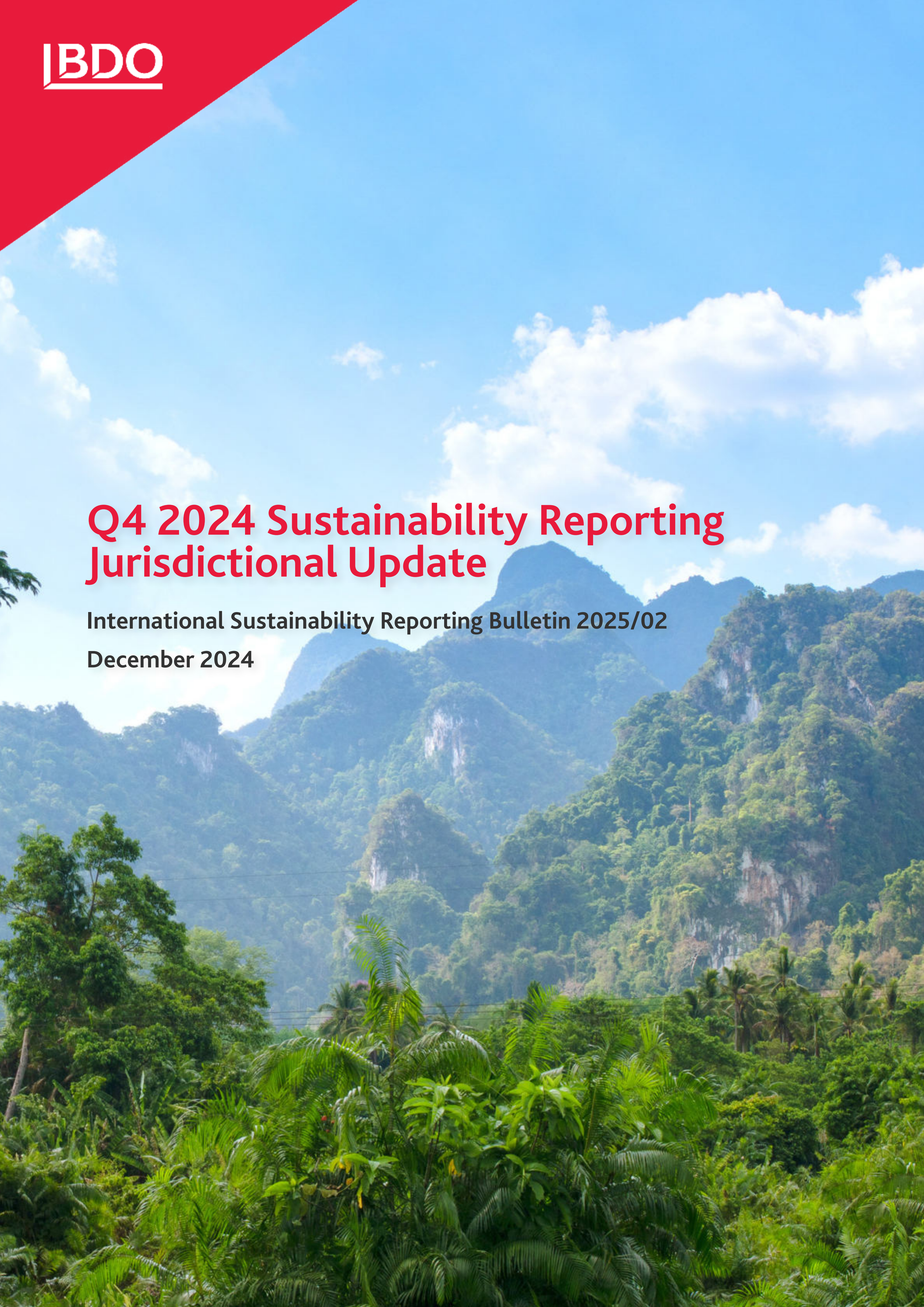

Q4 2024 Sustainability Reporting Jurisdictional Update

International Sustainability Reporting Bulletin 2025/02

December 2024

CONTENTS

Background

The International Sustainability Standards Board (ISSB) and other standard setters and regulators in major jurisdictions have been very active during 2023 and in 2024 by beginning to bring sustainability reporting frameworks into laws and regulations and by planning to and publishing consultations on proposed requirements and/or a proposed roadmap.

In the United States (US), the California final amendments to SB 253 and SB 261 signed into law in September 2024 allow consolidated climate reporting at the parent company level, modify the Scope 3 emissions reporting requirement to begin in 2027, and maintain the 2026 reporting start date, with California Air Resources Board (CARB) regulations now due by July 2025. In addition, the European Commission (EC) released FAQs to clarify various aspects of the Corporate Sustainability Reporting Directive (CSRD), covering sustainability information, assurance, intangible resources, third-country undertakings, and SFDR.

This publication provides a 'snapshot' of sustainability reporting developments for selected jurisdictions, including those being developed for use by entities in the European Union (EU) and the US.

BDO also issues quarterly ISR Bulletin sustainability reporting updates as sustainability standards are evolving quickly.

Although it is comprehensive, this summary is not exhaustive and does not include all standard setting activities of the ISSB and other organisations.

EXECUTIVE SUMMARY

The overview of recent developments in sustainability reporting and climate-related regulations at the International Financial Reporting Standards Foundation and in the EU and the US highlights a growing global momentum towards standardised and mandatory disclosure of environmental, social, and governance information by companies.

In the EU, the EC has released Frequently Asked Questions (FAQs) to help investors understand the EU Taxonomy, covering topics like general requirements, interoperability with CSRD's European Sustainability Reporting Standards (ESRS), verification and assurance requirements, technical criteria for environmental objectives, and 'Do No Significant Harm' (DNSH) criteria.

Jurisdictions on the adoption journey include but are not limited to Malaysia, China, Pakistan, UK, Canada, Australia, Thailand, Japan, Hong Kong, Brazil, Switzerland, Qatar, Kenya. The jurisdictions currently holding open consultations on sustainability disclosure are Thailand, Japan, Switzerland, and Qatar.

Despite ongoing legal challenges to SB-253 and SB-261, the California Air Resources Board (CARB) continues its efforts, as shown by its recent Enforcement Notice for the Climate Corporate Data Accountability Act (SB 253), indicating no enforcement action for incomplete Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions reporting for the first report due in 2026, provided companies make a good faith effort to retain relevant data.

Major recent events in jurisdictional sustainability reporting

The following is a summary of some of the key recent sustainability reporting developments in various jurisdictions. Note that this list is not exhaustive:

JURISDICTION	SUMMARY
European Union	On 13 November 2024, the EC released FAQs to clarify various aspects of the new CSRD, covering sustainability information under Articles 19a/29a and 40a of the Accounting Directive, assurance of sustainability reporting, key intangible resources, requirements for third-country undertakings, and the Sustainable Finance Disclosures Regulation (SFDR).
	The EC has released a new set of FAQs to help investors understand the EU Taxonomy, covering general requirements, interoperability with CSRD's ESRS, verification and assurance, technical screening criteria for environmental objectives, and DNSH criteria.
United States	The U.S. Securities and Exchange Commission's (SEC) climate disclosure rules are on hold pending court challenges, but companies may still need to comply with other regulations like California's Climate laws or the EU's CSRD. Several U.S. states have introduced similar climate disclosure legislation, creating a sense of inevitability for climate reporting.
	In September 2024, California laws SB-253 and SB-261 were amended slightly. Reporting still begins in 2026; however, the deadline for the CARB to develop and adopt emissions reporting requirements was pushed back from January to July 2025. This further compresses the timeline for companies to prepare reports, making planning ahead even more crucial. Companies will be forced to begin tracking emissions beginning in 2025, while CARB's regulations would not be adopted until months later. The amendments allow for emissions reporting to be consolidated at the parent company level, and they remove a deadline for Scope 3 emissions to be reported within 180 days of Scope 1 and Scope 2 data. In addition to the recent updates, California's requirements are being challenged in federal court. Despite challenges, the CARB will not enforce penalties for incomplete Scope 1 and Scope 2 GHG emissions reporting in 2026 if companies make a good faith effort to retain relevant data.
	California law, AB-1305 *Voluntary Carbon Market Disclosures*, remains in place. The first report is due on 1 January 2025.

Jurisdictional update – European Union

The ESRS were formally brought into EU law and published in the Official Journal, marking a major step towards the implementation of the ESRS, with reporting set to begin for some companies as soon as the 2024 financial year.

The table below sets out an overview of key changes that will be introduced by the CSRD in comparison to the existing Non-Financial Reporting Directive (NFRD), based on the agreed compromise text, together with a more detailed explanation of the very significantly expanded scope, a summary of what companies need to prepare for, and when:

Key Changes Introduced by the CSRD

REQUIREMENT	NFRD	CSRD
Companies that are required to report	Large public interest entities with more than 500 employees. Public interest entities are: ▶ Listed companies ▶ Banks and insurance companies.	Companies listed on an EU regulated market, both EU and non-EU (except for listed micro entities[1]). All large entities, defined as those meeting two out of the following three criteria **: ▶ More than 250 employees ▶ More than EUR 50m turnover ▶ More than EUR 25m total assets. This includes subsidiaries of non-EU groups. Insurance undertakings and credit institutions regardless of their legal form. Non-EU groups which generate more than EUR 150m net turnover in the EU for each of the last two consecutive financial years and which have a subsidiary or branch in the EU (if a subsidiary, either a large – as defined above – or a listed on an EU regulated market entity (excluding micro entities) and, if a branch, one which generates more than EUR 40m turnover in the preceding financial year).
When do the requirements apply?	Years ended 31 December 2018 onwards.	**Year ending 31 December 2024** ▶ Large PIE (a parent of a large group, or a large stand-alone undertaking, with over 500 employees listed on an EU regulated market), both EU and non-EU ▶ Large insurance undertakings and credit institutions regardless of their legal form with more than 500 employees. **Year ending 31 December 2025** ▶ All other large entities (a parent company of a large group, or a large stand-alone undertaking). **Year ending 31 December 2026** ▶ SMEs listed on an EU regulated market[2], small and non-complex credit institutions and captive insurance and reinsurance undertakings (except for listed micro entities[1]). **Year ending 31 December 2028** ▶ Non-EU undertakings.

REQUIREMENT	NFRD	CSRD
How many EU companies will need to comply with the requirements?	11,600	49,000
Scope of the requirements	▶ Environmental protection ▶ Social responsibility and treatment of employees ▶ Human rights ▶ Anti-corruption and bribery ▶ Diversity on company boards ▶ Environmental protection ▶ Social responsibility and treatment of employees ▶ Human rights ▶ Anti-corruption and bribery ▶ Diversity on company boards.	NFRD requirements plus: ▶ Disclosure of information about intangibles (including social, human and intellectual capital) ▶ Additional forward looking information ▶ Reporting that is consistent with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy ▶ Double materiality concept, which expands the consideration of sustainability beyond an entity's capital market value, to include the entity's wider effects on society and the environment.
Assurance	Not required	Mandatory ▶ Initially limited assurance, to be expanded to reasonable (audit) assurance in future.

[1] Micro entities are those which do not exceed two of the following three thresholds: EUR 900,000 turnover, EUR 450,000 total assets, 10 employees.

[2] Listed SMEs can defer application of the reporting requirements to years ending 31 December 2028 if a statement is included in their management report of why the sustainability information was not provided.

* Listed SMEs can defer application of the reporting requirements to years ending 31 December 2028 if a statement is included in their management report of why the sustainability information was not provided.

** A Commission Delegated Directive published by the EC in September 2023, was adopted. This resulted in increases in the financial thresholds in the Accounting Directive for determining the size category of a company. The increases were designed to account for inflation in the EU since the previous thresholds were put in place. As a result, there is an increase in the threshold for "large" entities of approximately 25%: the turnover threshold has increased from €40 million to €50 million and the balance sheet threshold from €20 million to €25 million. EU Member States are required to pass laws and regulations that are necessary to enable the application of the new thresholds for financial years beginning on or after 1 January 2024, with an option for each Member State to apply the new thresholds for financial years beginning on or after 1 January 2023.

Communication from the EC on the interpretation of certain legal provisions on sustainability reporting introduced by CSRD

On 13 November 2024, the EC released a series of FAQs to clarify various aspects of the new CSRD. These aspects had also been previously addressed by European Financial Reporting Advisory Group (EFRAG).

The FAQs cover several key points:

- FAQs on sustainability information to be reported under Articles 19a/29a of the Accounting Directive (individual and consolidated sustainability statement)
- FAQs on sustainability information reported under Article 40a of the Accounting Directive
- FAQs on the assurance of sustainability reporting
- FAQs on key intangible resources

- Additional FAQs on requirements for third-country undertakings
- FAQs on SFDR.

EC releases EU Taxonomy FAQs

The EC has released a new set of FAQs to assist investors with the EU Taxonomy, its classification system for defining sustainable economic activities.

The FAQs address several key topics, including general Taxonomy requirements, interoperability of the Taxonomy with The CSRD's ESRS, verification and assurance requirements, technical screening criteria for specific activities for each of the six environmental objectives, and clarifications for reporting obligations under the Climate and Environmental Delegated Acts. It also has a section dedicated to questions about the DNSH criteria.

US SEC and state legislation

California Law Targets Carbon Offset Transparency

A California law, AB-1305, mandates that companies marketing or selling voluntary carbon offsets in the state must disclose detailed information about the projects generating these credits. This includes explaining how the claims are achieved and whether third-party validation is involved. Effective 1 January 2025, the law also requires certain companies making "net zero" or similar claims, and those purchasing or using voluntary carbon offsets, to provide these disclosures. An amendment bill, AB 2331, was introduced in February 2024. However, it was not voted on in the Assembly before the legislative term concluded, and consequently, it was not signed into law.

California Climate Legislation

In September 2024, the California Governor signed into law SB 219, which incorporates final amendments to two significant bills, the Climate Corporate Data Accountability Act (SB 253) and Greenhouse Gases: Climate-Related Financial Risk (SB 261).

SB-253 *Climate Corporate Data Accountability Act* requires companies with revenues greater than $1 billion that do business in California to report annually on their Scope 1, Scope 2, and Scope 3 emissions in accordance with the GHG Protocol. SB-261 *Greenhouse Gases: Climate-Related risk* requires companies with revenues greater than $500 million that do business in California, to publish a biennial climate-related financial risk report in accordance with the TCFD framework.

The amendments for SB 253 allow climate reporting to be consolidated at the parent company level, instead of the prior requirement for subsidiary companies in scope of the law to provide separate reports. The amendments also slightly modify the Scope 3 emissions reporting requirement, which will begin in 2027 on a schedule specified by the CARB, instead of within 180 days of Scope 1 and Scope 2 disclosures.

The law maintains the initial 2026 date for companies to begin reporting, despite previous recommendations to delay the reporting deadline. The CARB is responsible for developing and adopting regulations to implement the Act. Initially, the CARB was required to complete this by 1 January 2025, but the amendments introduced in SB 219 extended the deadline to 1 July 2025. The shortened timeframe between the adoption of these regulations and the 2026 compliance date reduces the time available for companies to address the new regulations. Companies are encouraged to use this time to move toward full compliance. As we enter 2025 amid changes in the U.S. federal administration, states like California are poised to play a crucial role in shaping the future of climate disclosure regulations across the nation.

Although the regulations do not explicitly define 'doing business in California,' future legislation may provide clearer guidance. Meanwhile, companies operating in California and meeting the specified annual revenue thresholds are subject to these laws, regardless of where they are domiciled.

Legal challenges to SB-253 and SB-261 are ongoing. On 5 November 2024, the U.S. District Court for the Central District of California denied a motion to declare the regulation unconstitutional under the First Amendment. The court stated that more information is needed to make a final determination on whether these laws infringe upon companies' First Amendment rights. This leaves the door open for future challenges if new evidence comes to light. While the future of these rules remains uncertain, they will remain in effect during the litigation process.

Despite these challenges, the CARB is continuing its efforts, as evidenced by its recent Enforcement Notice for the Climate Corporate Data Accountability Act (SB 253). In this notice, the CARB indicated it will not take enforcement action against a reporting entity for incomplete reporting of its Scope 1 and Scope 2 GHG emissions for the first report due in 2026 (for 2025 data), as long as the company makes a good faith effort to retain all data relevant to emissions reporting. Companies of all sizes, both private and public, will be affected by these mandatory disclosure rules.

AS COMPARED TO SB 253		
DESCRIPTION	**SB 253**	**AS AMENDED BY SB 219**
Scope 1 and Scope 2 emissions	Beginning in 2026	Beginning in 2026 on or by a date to be determined by the CARB, and annually thereafter
Scope 3 emissions	Beginning in 2027 and annually thereafter, no later than 180 days after public disclosure of its Scope 1 and Scope 2 emissions	Beginning in 2027 on a schedule specified by the CARB
Limited assurance for Scope 1 and Scope 2 emissions	Beginning in 2026	No change
Reasonable assurance for Scope 1 and Scope 2 emissions	Beginning in 2030	No change
Limited assurance for Scope 3	Beginning in 2027	Beginning in 2030*
Payment of annual fee	Upon filing disclosure	No specific deadline

* During 2026, the state board shall review and evaluate trends in third-party assurance requirements for Scope 3 emissions. On or before 1 January 2027, the state board may establish an assurance requirement for third-party assurance engagements of Scope 3 emissions. The assurance engagement for Scope 3 emissions shall be performed at a limited assurance level beginning in 2030.

AS COMPARED TO SB 261		
DESCRIPTION	**SB 261**	**AS AMENDED BY SB 219**
Publication of the climate-related financial risk report in accordance with TCFD framework or IFRS Sustainability Disclosure Standards issued by the ISSB, on companies' website	On or before January 1, 2026, and biennially thereafter	No change
Payment of fee	On or before January 1, 2026, and biennially thereafter	No change

SEC Climate disclosure rules

The U.S. Securities and Exchange Commission's (SEC) climate disclosure rules are on hold pending court challenges. While the implementation of the SEC Climate rules remains unknown, it is anticipated that the incoming Trump administration will reduce federal rulemaking or reverse some ESG policies. However, companies may be required to comply with other regulations, including California's Climate laws or the EU's CSRD which remain in force.

While federal climate action in the U.S. remains uncertain, states, such as New York, Illinois and Washington have introduced climate disclosure legislation with reporting requirements similar to California's climate laws. These state-level policies create a sense of inevitability for climate reporting in the US, independent of the outcomes of the California and SEC regulations. Moreover, as these states align their disclosure legislation with California's, reporting fragmentation is likely to decrease.

The following is a summary of the final rules:

QUANTITATIVE DISCLOSURES WITHIN THE FINANCIAL STATEMENTS	
Expenditure metrics	▶ Expenses, losses, and capitalised amounts incurred as a result of severe weather events and other natural conditions to be separately disclosed, unless the aggregate impact is <1% of the absolute value of income or loss before income tax expense or benefit for expenses and losses or stockholders' equity or deficit for capitalised amounts for that fiscal year and de minimis.
Expenditure metrics	▶ Expenses, losses, and capitalised amounts directly related to carbon offsets and renewable energy credits or certificates (RECs) if used as a material component to achieve climate-related targets or goals.

QUANTITATIVE DISCLOSURES OUTSIDE THE FINANCIAL STATEMENTS	
Scope 1 and Scope 2 GHG emissions	▶ Material direct GHG emissions (Scope 1) and indirect GHG emissions from purchased electricity and other forms of energy (Scope 2), to be separately disclosed by LAF and AF that are not otherwise exempted.
Expenditure metrics	▶ Material expenses directly related to climate-related activities as part of a strategy, transition plan and/or targets and goals.

QUANTITATIVE DISCLOSURES
▶ Climate-related risks identified that have had or are reasonably likely to have a material impact on the strategy, results of operations, or financial condition in the short-term (i.e. the next 12 months) and in the long-term (i.e. beyond the next 12 months.
▶ Activities to mitigate or adapt to a material climate-related risk, and a description of direct material expenditures incurred and material impacts on financial estimates and assumptions.
▶ Whether the estimates and assumptions used in the financial statements were materially impacted by exposures to risks and uncertainties associated with, or known impacts from, severe weather events and other natural conditions such as hurricanes, tornadoes, flooding, drought, wildfires, extreme temperatures, and sea level rise, or any climate-related targets or transition plans disclosed by the registrant. If so, how the development of such estimates and assumptions were impacted by the events, conditions, and disclosed targets or transition plans identified above.
▶ Identified actual and potential material climate-related risks on the registrant's strategy, business model and outlook.
▶ Registrant's process to identify, assess and manage material climate-related risks and whether they are integrated into the registrant's overall risk management system or processes.
▶ Activities such as transition plans, scenario analysis, or internal carbon prices used to mitigate or adapt to a material climate-related risk.
▶ Climate-related targets or goals that have materially impacted or are reasonably likely to materially impact the business, results of operations, or financial condition.
▶ Oversight and governance of material climate-related risks by the registrant's board and management.

The final rules become effective 60 days after publication in the Federal Register and phase-in is as follows:

COMPLIANCE DATES UNDER THE FINAL RULES						
Registrant Type	**Disclosure and Financial Statement Effects Audit**		**GHG Emissions/Assurance**			**Electronic Tagging**
	All Reg. S-K and S-X disclosures, other than as noted in this table	Certain Items (Item 1502(d)(2), Item 1502(e) (2), and Item 1504(c)(2))	Scope 1 and Scope 2 GHG emissions	GHG emissions disclosures - Limited Assurance	GHG emissions disclosures - Reasonable Assurance	Inline XBRL tagging for subpart 1500
LAF	FYB 2025	FYB 2026	FYB 2026	FYB 2029	FYB 2033	FYB 2026
AFs (other than SRCs and EGCs)	FYB 2026	FYB 2027	FYB 2028	FYB 2031	N/A	FYB 2026
SRCs, EGCs, and NAFs	FYB 2027	FYB 2028	N/A	N/A	N/A	FYB 2027
'FYB' refers to any fiscal year beginning in the calendar year listed. 'NAF' refers to non-accelerated filer.						

Other Jurisdictional Updates

JURISDICTION	SUMMARY	MORE INFORMATION
Malaysia	In December 2024, the Malaysian Stock Exchange (Bursa Malaysia Securities Berhad) announced amendments to its listing requirements, mandating main and ACE market participants to provide sustainability disclosures in accordance with the Malaysian National Sustainability Reporting Framework (NSRF). The NSRF requires the use of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and IFRS S2 *Climate-related Disclosures* (IFRS S2) for sustainability-related information. Following a consultation that concluded in October 2024, the use of the International Sustainability Standards Board's (ISSB™) International Financial Reporting Standards (IFRS®) Sustainability Disclosure Standards - IFRS S1 and IFRS S2 will be phased in as follows: ▶ Large main market listed issuers (with a market capitalisation of RM2 billion and above) from 1 January 2025. ▶ Remaining main market listed issuers from 1 January 2026. ▶ ACE market listed companies from 1 January 2027. Listed issuers can utilise transition reliefs, focusing on a climate-first approach, for two full financial years for main market listed issuers and three full financial years for ACE market listed companies.	Press release NSRF
China	In December 2024, the Chinese Ministry of Finance (MOF), along with other Chinese ministries and institutions, released the '*Sustainability Disclosure Standards for Business Enterprise - Basic Standard (Trial)*'. This standard is currently for voluntary application until mandatory requirements are established. It outlines general requirements for corporate sustainability disclosure, covering general provisions, disclosure objectives and principles, information quality requirements, disclosure elements, other disclosure requirements, and supplementary provisions. Specific standards and application guidelines will be provided later.	Press release 'Sustainability Disclosure Standards for Business Enterprise - Basic Standard (Trial)' (in Chinese language) FAQs (in Chinese language)
Pakistan	In January 2025, the Securities and Exchange Commission of Pakistan (SECP) declared a phased adoption of the ISSB standards. In the first instance, IFRS S1 and IFRS S2 will be required for listed companies based on criteria like total assets, turnover, and number of employees. Following a consultation that ended in October 2024, the largest listed entities must apply the standards for annual reporting periods starting from 1 July 2025. The second and third tiers of listed entities will follow in July 2026 and July 2027, respectively. From July 2027, the standards will also apply to unlisted licensed public interest entities. Requirements for assurance on sustainability reporting by the entity's auditor will be apply from the second year of reporting.	Press release

JURISDICTION	SUMMARY	MORE INFORMATION
United Kingdom	The Financial Reporting Council (FRC), acting as the Secretariat for the UK Sustainability Disclosure Technical Advisory Committee (TAC), has published the TAC's final recommendations to the Secretary of State for Business and Trade. These recommendations endorse the first two IFRS Sustainability Disclosure Standards for use in the UK. Commissioned in May 2024, the TAC assessed IFRS S1 and IFRS S2, concluding that UK Sustainability Reporting Standards would benefit the public good. The TAC also suggested minor amendments, such as extending the 'climate first' reporting relief from one to two years and developing guidance for aligning IFRS S1 with existing UK requirements. These recommendations were agreed upon in a public meeting on 5 December 2024.	Press release UK endorsement of IFRS S1 and IFRS S2: Technical assessment and endorsement recommendations FRC project page
Canada	As covered in the press release published by the Department of Finance Canada, the Government of Canada has a plan to introduce voluntary 'Made-in-Canada' sustainable investment guidelines and mandatory climate-related financial disclosures for large, federally incorporated private companies. In December 2024, the Canadian Sustainability Standards Board (CSSB) announced finalisation of Canadian Sustainability Disclosure Standard 1, *General Requirements for Disclosure of Sustainability-related Financial Information* (CSDS 1) and Canadian Sustainability Disclosure Standard (CSDS) 2, *Climate-related Disclosures* (CSDS 2). Key changes from the exposure draft are that compared to IFRS S1 and IFRS S2, the CSSB proposed additional transition relief of one year in its exposure drafts (Proposed CSDS 1 and Proposed CSDS 2) for the following: ▶ The effective date of the standards. ▶ The start date for reporting on sustainability matters beyond climate. ▶ The start date for reporting on Scope 3 GHG emissions. The CSSB decided to retain these transition reliefs from the exposure drafts and added the following further transitional reliefs when finalising CSDS 1 and CSDS 2: ▶ Two additional years of relief for the start of aligned reporting, with such reporting required within the first six months following the second- and third-year end respectively. ▶ Three years of relief for only the quantitative aspects of scenario analysis data reporting (not qualitative aspects). ▶ An additional year of transition relief for Scope 3 GHG emissions reporting.	Canadian Sustainability Standards Board project page Summary of Modifications to IFRS S1 and IFRS S2 Detailed Changes: From Exposure Drafts to Final Standards

JURISDICTION	SUMMARY	MORE INFORMATION
Australia	In November 2024, the Australian Securities and Investments Commission (ASIC) has issued a draft regulatory guide released for public consultation on the Australian sustainability reporting regime. The guide provides proposed instructions on who must prepare a sustainability report, how the regime will interact with existing legal obligations, and how ASIC will oversee the sustainability reporting requirements.	Press release
Thailand	The Securities and Exchange Commission of Thailand (SEC Thailand) has released a hearing document '*Principles on guidelines for enhancing sustainability disclosures in line with ISSB Standards*', which was open for comments until 19 December 2024. The document is a proposal to amend the current sustainability reporting requirements in Thailand to align with IFRS S1 and IFRS S2 with the aim to ease the reporting burden on listed companies and enhance comparability among them. The timetable proposed for adopting IFRS S1 and IFRS S2 is shown below: ▶ From 2026: Companies listed in the SET50 group ▶ From 2027: Companies listed in the SET100 group ▶ From 2029: Listed companies and new issuers in SET ▶ From 2030: Listed companies and new issuers in MAI, REIT, IFF, and the Infra Trust and Property Fund. The disclosure of GHG emission information will be subject to limited assurance.	Hearing document
Japan	The Sustainability Standards Board of Japan (SSBJ) released an exposure draft (ED) '*Revised Proposals Related to the Calculation Period for the Reporting of Metrics*'. The comment period closed on 10 January 2025. On 29 March 2024, the SSBJ released three exposure drafts on Japanese sustainability disclosure standards and began a consultation process. Following the comment period ended on 31 July 2024, the SSBJ reviewed the feedback and decided to re-expose the proposals concerning the calculation period for reporting metrics. The new ED suggests that if the calculation period for reporting metrics differs from the reporting period of sustainability-related financial disclosures and related financial statements, entities must align these periods to ensure connectivity between the sustainability-related financial disclosures and financial statements.	Press release Exposure draft

JURISDICTION	SUMMARY	MORE INFORMATION
Hong Kong	In December 2024, the Government of the Hong Kong Special Administrative Region has published a roadmap detailing mandatory sustainability disclosures. Key points include: ▶ Main board issuers must report climate-related disclosures based on IFRS S2 from 1 January 2025 on a 'comply or explain' basis, and large cap issuers must provide all climate-related disclosures based on IFRS S2 from 1 January 2026. ▶ A consultation in 2027 will consider mandating these standards for large cap issuers from 1 January 2028. ▶ Certain non-listed financial institutions will also be required to apply these standards by 2028. ▶ A sustainability assurance regime will be developed using international standards. Following the Hong Kong Government's roadmap for mandatory sustainability disclosures, the Hong Kong Institute of Certified Public Accountants (HKICPA) has published the final Hong Kong sustainability disclosure standards, fully aligned with the ISSB standards effective from 1 August 2025: ▶ HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ▶ HKFRS S2 Climate-related Disclosures.	Press release from the Government of the Hong Kong Special Administrative Region HKFRS S1 HKFRS S2 Infographic on the standards, links to an explanatory memorandum, FAQs, a live webinar and an implementation support platform
Brazil	The Brazilian Comissão de Valores Mobiliários (CVM) announced new resolutions that will make the standards issued by the Comitê Brasileiro de Pronunciamentos de Sustentabilidade (CBPS) mandatory starting 1 January 2026. These standards are aligned with IFRS S1 and IFRS S2. The resolutions, which were finalised after a public consultation that ended on 13 June 2024, include CVM Resolutions 217 and 218. These resolutions include the standards titled CBPS № 01 ('*General Requirements for Disclosure of Sustainability-related Financial Information*') and CBPS № 02 ('*Climate-related Disclosures*'). Early adoption of these standards is permitted if both are applied together and the entity discloses this early application. Additionally, these resolutions are to be used in conjunction with CVM Resolution 193, which governs the preparation and disclosure of sustainability-related financial information based on the ISSB standards, as well as the assurance of that information. CVM Resolution 219, published alongside CVM Resolutions 217 and 218, amends Resolution 193 to change the deadline for voluntary early disclosure of sustainability-related financial information to provide these disclosures within nine months of the fiscal year's end.	Press release Resolution 217 (CBPS № 01) Resolution 218 (CBPS № 02) Resolution 219 (amendments to CVM Resolution 193)

JURISDICTION	SUMMARY	MORE INFORMATION
Switzerland	The Federal Council of Switzerland has initiated a consultation on amending the '*Ordinance on Climate Disclosures*', with the comment period ending on 21 March 2025. The proposal allows entities to fulfil climate-related reporting obligations using internationally recognised standards or sustainability reporting standards in the European Union. It also sets minimum requirements for net-zero roadmaps for financial companies and corporates, and mandates the use of a human- and machine-readable electronic format for reporting. If approved, the amended '*Ordinance on Climate Disclosures*' will take effect on 1 January 2026.	Press release and consultation document
Qatar	The Qatar Financial Centre Regulatory Authority (QFCRA) released proposed amendments to the General Rules on Corporate Sustainability Reporting. These amendments aim to align current sustainability reporting requirements with IFRS S1 and IFRS S2. The public can comment on these amendments until 25 March 2025. The QFCRA plans to implement the new corporate sustainability reporting framework using a phased and proportionate approach. This approach will consider the varying levels of readiness and capacity among entities to adopt the ISSB standards. Additionally, the QFCRA intends to develop and implement an assurance framework for sustainability reporting. This framework will be based on a newly developed international assurance standard for sustainability information.	Consultation paper and attachments
Kenya	The Institute of Certified Public Accountants of Kenya (ICPAK) announced a roadmap for adopting the ISSB standards in Kenya. The roadmap outlines the following timelines for mandatory adoption: ▶ From 1 January 2027: • Public interest entities will adopt IFRS S1 and IFRS S2. ▶ From 1 January 2028: • Large enterprises will adopt IFRS S1 and IFRS S2, public interest entities will be required limited assurance. ▶ From 1 January 2029: • Small- and medium-sized entities will adopt the standards, with large enterprises having limited assurance and public interest entities moving to reasonable assurance with limited Scope 3 disclosures. ▶ From 1 January 2030: • Small- and medium-sized entities will move to limited assurance, large enterprises will move to reasonable assurance with limited Scope 3 disclosures and public interest entities will move to reasonable assurance.	Roadmap

JURISDICTION	SUMMARY	MORE INFORMATION
	▶ From 1 January 2031: • Small- and medium-sized entities will move to reasonable assurance with limited Scope 3 disclosures and large enterprises will be required reasonable assurance. ▶ From 1 January 2032: • Small- and medium-sized entities will move to reasonable assurance. The timing for public sector entities' adoption is yet to be determined.	

Sustainability Reporting Resources

International Sustainability Reporting Bulletin 2025/01 31 December 2024 Sustainability Reporting Update

BDO has published *International Sustainability Reporting Bulletin 2025/01 31 December 2024 Sustainability Reporting Update*. This publication provides a 'snapshot' of sustainability reporting developments with a focus on the updates following the ISSB's issue of two IFRS Sustainability Disclosure Standards on 26 June 2023 and the EC's adoption of the ESRS on 31 July 2023.

BDO published EU Reporting: Corporate Sustainability Reporting Directive – Summary of Scope and Requirements

2024 is the first year in which companies are required to report in accordance with the EU's CSRD, which replaces the NFRD. *EU Reporting: Corporate Sustainability Reporting Directive – Summary of Scope and Requirements* sets out an overview of key changes that have been introduced by the CSRD in comparison to the NFRD, together with a more detailed explanation of the very significantly expanded scope, the timing of adoption by different entities, and a high-level summary of what companies need to prepare for. It also includes an overview of the first batch of general sector-agnostic ESRS, and how (and the extent to which) the CSRD links these to IFRS Sustainability Disclosure Standards published by the ISSB at the International Financial Reporting Standards (IFRS) Foundation.

BDO published Corporate Sustainability Reporting Directive ('CSRD' for Non-EU Companies)

Corporate Sustainability Reporting Directive ('CSRD' for Non-EU Companies) provides an executive summary of the CSRD, what is required by the CSRD, which non-EU entities are in scope of the CSRD and when as well as provides references to further resources available, making it a useful resource for those familiarising themselves with these new standards.

Sustainability At a Glance - IFRS Sustainability Disclosure Standards

IFRS S1 and IFRS S2 set a 'global baseline' for disclosure of sustainability-related financial information and are expected to be endorsed and/or adapted by many jurisdictions worldwide. *Sustainability At a Glance - IFRS Sustainability Disclosure Standards* summarises IFRS S1 and IFRS S2 into a few pages, making it a useful resource for those familiarising themselves with these new standards.

Sustainability At a Glance - European Sustainability Reporting Standards

BDO has published *Sustainability At a Glance - European Sustainability Reporting Standards (ESRS)*. *Sustainability At a Glance - European Sustainability Reporting Standards (ESRS)* has been compiled to assist in gaining a high-level overview of the ESRS and summarises the disclosure requirements of each topical ESRS including certain definitions.

Sustainability At a Glance – The Greenhouse Gas Protocol

Sustainability At a Glance – The Greenhouse Gas Protocol summarises measuring Scope 1, Scope 2 and Scope 3 emissions into a few pages, making it a useful resource for those familiarising themselves with this protocol.

For further information and guidance on sustainability, please refer to BDO's Global Sustainability Reporting Micro-site.

For further information on the proposed SEC Climate Disclosure rule, please refer to BDO US's Sustainability and ESG site.

www.bdo.global

FOR MORE INFORMATION:

Sustainability Reporting Policy Committee