Q1 2024 Sustainability Reporting Jurisdictional Update

(Including the US SEC's final climate-related disclosure rules)

International Sustainability Reporting Bulletin

2024/02

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Background

The International Sustainability Standards Board (ISSB) and other standard setters and regulators in major jurisdictions have been very active during 2023 and the first quarter of 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. The US Securities and Exchange Commission (SEC) continues work on its proposed climate reporting rule. In addition, two state senate bills were signed into California Law to increase transparency and to support standardisation of the climate-related disclosure.

This publication provides a 'snapshot' of sustainability reporting developments for selected jurisdictions, including those being developed for use by entities in the 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.

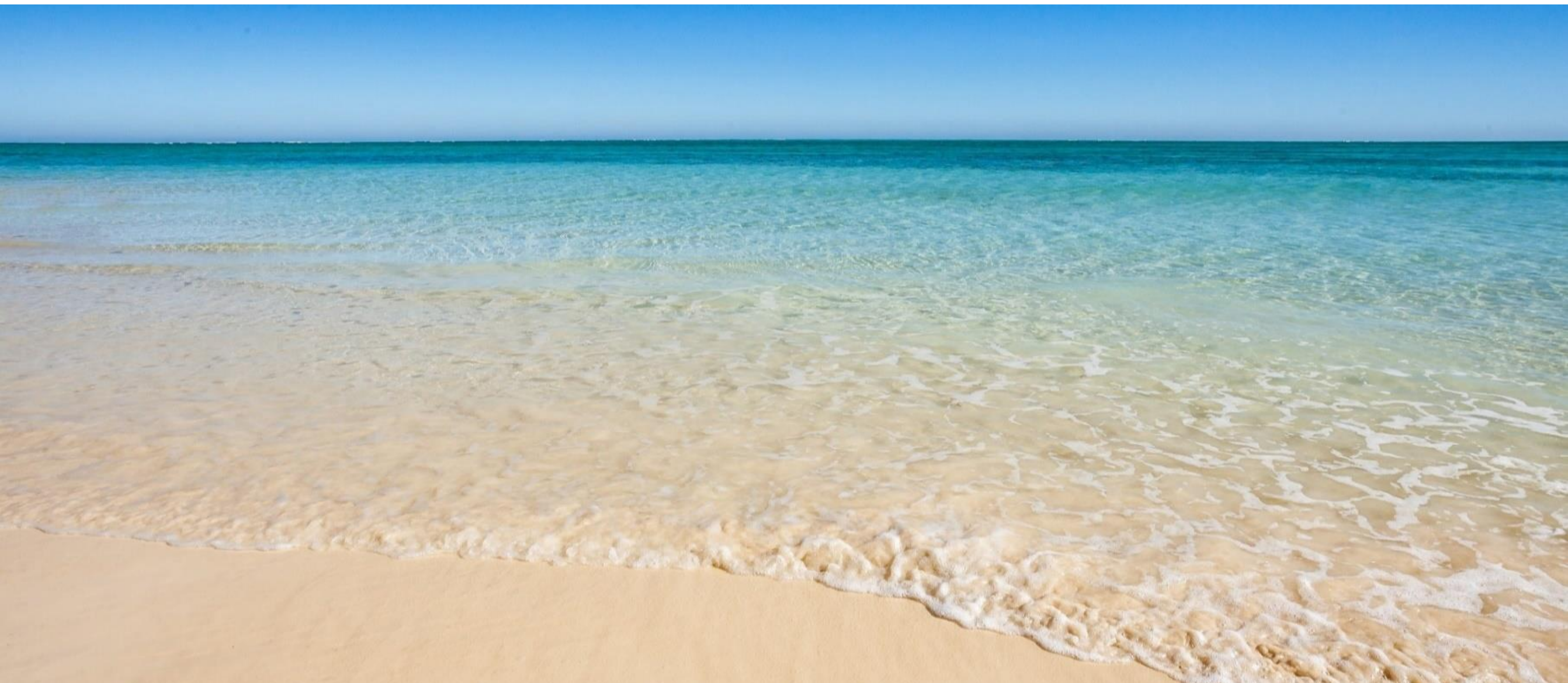
Executive Summary

The overview of recent developments in sustainability reporting and climate-related regulations at the IFRS Foundation and in the European Union (EU) and the United States (US) highlights a growing global momentum towards standardised and mandatory disclosure of environmental, social, and governance (ESG) information by companies.

The IFRS Foundation has issued its Preview of the Inaugural Jurisdictional Guide to support jurisdictions in their adoption of IFRS S1 and IFRS S2. Jurisdictions on the adoption journey include but are not limited to Australia, Brazil, Canada, Hong Kong, Japan, Kenya, Nigeria, Mexico, Philippines, Singapore and the UK.

In the EU, the adoption of the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD) underlines the commitment to harmonising sustainability reporting practices across member states. The provisional agreement reached by the European Council (EC) and Parliament further demonstrates efforts to refine sustainability reporting standards and enforce compliance among companies operating within the EU market.

Meanwhile, in the US, the SEC's adoption of the final climate-related disclosure rules reflects a shift towards enhancing transparency and accountability in disclosing climate-related risks and impacts. The final rules include some significant changes from the proposed rules including the elimination of the requirement to disclose Scope 3 emissions. State-level initiatives, such as the enactment of climate disclosure mandates in California and the introduction of similar bills in New York and Illinois, signify a broader push towards regulatory action at sub-national levels to address climate change.



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	The ESRS were formally brought into EU law and published in the Official Journal.
	The EC and the European Parliament reached a provisional agreement on the time limits for the adoption of sustainability reporting standards for certain sectors and for certain third-country undertakings amending the CSRD. However, this does not affect the timing of adoption of those standards, although the publication and adoption of sector standards is now expected to be over a number of years.
	The European Securities and Markets Authority (ESMA) has released draft guidelines concerning the enforcement of sustainability information. The ESMA will proceed by reviewing the feedback received on the draft guidelines, with plans to publish the final version by Q3 2024.
	ESMA has released European common enforcement priorities for 2023 annual financial reports.
	A Commission Delegated Directive published by the European Commission in September 2023, to amend the turnover and balance sheet thresholds for micro, small and large entities was adopted.
United States	The SEC adopted climate-related disclosure rules at its meeting held on 6 March 2024. The final rules include some significant changes from the proposed rules including the elimination of the requirement to disclose Scope 3 emissions, narrowing of the scope for certain disclosure requirements, and extending certain phase-in periods.
	The two state senate bills signed into California Law require certain public and private US entities, including foreign entities with US-based subsidiaries doing business in California to provide quantitative and qualitative climate disclosures.
	New York has introduced a draft bill titled the *Climate Corporate Accountability Act*, SB 897A. This bill is currently undergoing the initial review process and is being reviewed by the Senate Committee - Environmental Conservation Committee.
	New York has introduced a draft bill to enact SB 6298A, Advanced Clean Fleets regulation with the goal of achieving 100% of new passenger cars and trucks sold or leased in the state shall be zero-emissions by 2035. This bill will go into effect 180 days after it is signed into law.
	A new California law, AB-1305, requires companies that market or sell voluntary carbon offsets in the state to disclose numerous details about the projects generating the credits — including location, timeline, and whether there is third-party validation.

Jurisdiction	Summary
	Illinois has proposed the [Climate Corporate Accountability Act] (HB 4268), a mandatory climate disclosure regime for the state, which mirrors California's recent climate laws.

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	Listed companies (except for listed micro entities). All large companies, 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 turnover in the EU and which have a subsidiary or branch in the EU (if a subsidiary, either a large - as defined above - or a listed entity and, if a branch, one which generates more that EUR 40m turnover).
When do the requirements apply?	Years ended 31 December 2018 onwards	**Year ending 31 December 2024** • Entities currently within the scope of the NFRD **Year ending 31 December 2025** • All other large entities **Year ending 31 December 2027** • Listed SMEs, small and non-complex credit institutions and captive insurance undertakings **Year ending 31 December 2028** • Non-EU undertakings

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	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 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.

*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 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.

EC and Parliament Provisionally Extend Deadline for the Adoption of Certain Sustainability Reporting Standards

The EC and the European Parliament reached a provisional agreement on the time limits for the adoption of certain sustainability reporting standards under CSRD. This agreement extends the deadline for sectors and for certain third-country undertakings which may provide more time for companies to prepare for the sector standards. Specifically, the sectorial ESRS and specific standards for large non-EU companies will now be adopted in June 2026, a two-year extension from the original schedule. This extension will enable companies to focus on implementing the initial ESRS while allowing more time for the development of sector-specific sustainability standards as well as standards for specific third-country companies. The application date for third country companies remains set at the financial year 2028 in accordance with the CSRD. While supporting the objectives of the Commission's proposal, the provisional agreement modifies the legal nature of the text from a Commission decision to a directive to align with the proposal's legal basis. Additionally, it recommends that the Commission publishes eight sector-specific reporting standards as they become available before the new deadline on 30 June 2026 (this compares to the original proposal for 42 sector standards to be adopted by June 2024).

EU fails to approve Corporate Sustainability Due Diligence Directive

The EU has failed to reach an agreement on the corporate sustainability due diligence directive (CSDDD), which pertains to the obligation of large companies to assess if their supply chains involve forced labour or environmental harm. This failure to approve comes after objections from countries including Germany and Italy. To proceed to a final vote in the EU Parliament, the CSDDD required a qualified majority of 15 EU countries representing 65% of the EU population. The failure to agree means the Council and Parliament must renegotiate the text, potentially delaying the Directive until after the next EU Parliament elections.

ESMA Issues European Common Enforcement Priorities for 2023 Annual Financial Reports

The ESMA has released European common enforcement priorities for 2023 annual financial reports. ESMA has set out the priorities related to non-financial statements on climate and other environmental matters relating to the Article 8 of the Taxonomy Regulation, targets, actions and progress, and Scope 3 emissions. The thematic review report provides practical examples from selected issuers' 2022 Annual Financial Reports, pertaining to disclosures of climate-related matters in financial statements, to illustrate aspects of past recommendations and requirements published by ESMA, enforcers and the International Accounting Standards Board (IASB).

ESMA Issues Draft Guidelines on Sustainability Information Enforcement

ESMA has also published draft guidelines regarding the enforcement of sustainability information. The public comments period on these guidelines concludes on March 15, 2024. According to the press release, the primary objectives of the draft guidelines are to ensure that national competent authorities supervise the sustainability information of listed entities under the CSRD, the ESRS, and Article 8 of the Taxonomy Regulation in a converged manner. Additionally, the guidelines aim to establish consistency and equally robust approaches to supervising both sustainability and financial information of listed entities, to facilitate increased connectivity. ESMA plans to proceed by reviewing the feedback received on the draft guidelines, intending to publish the final version by the third quarter of 2024.

Sustainability standards for SMEs

EFRAG has launched a public consultation on two Exposure Drafts on sustainability standards for SMEs - for listed SMEs (ESRS LSME ED) and voluntary reporting standard for non-listed SMEs (ESRS VSME ED).

The ESRS LSME will be issued as delegated act and will be effective on 1 January 2026 with an option to opt out for an additional two years. As per the press release by EFRAG, the purpose of the ESRS LSME ED is to set reporting requirements that are proportionate and relevant to the scale and complexity of the activities and to the capacities and characteristics of LSMEs.

The ESRS VSME ED proposes a simple reporting tool to assist non-listed SMEs in responding to requests for sustainability information that they receive from business counterparts (i.e., banks, investors or larger companies for which non-listed SMEs are suppliers) in an efficient and proportionate manner as well as to facilitate their participation in the transition to a sustainable economy.

The Exposure Drafts are open for comments until 21 May 2024.

Jurisdictional Update - United States

SEC Climate disclosure rules

In an effort to provide investors with more consistent, comparable and reliable information about the impact of climate-related risks on registrants, the SEC adopted new rules to enhance and standardise climate-related disclosures for investors. Most significantly, the rules not only require disclosure of greenhouse gas (GHG) emissions in annual reports and registration statements, but they also require large accelerated and accelerated filers to obtain assurance over certain emission disclosures. Additionally, all registrants will be required to provide numerous climate-related disclosures within their financial statements and elsewhere in their filings.

The rules are applicable to both domestic and foreign registrants and would require significantly enhanced climate-related disclosures in registration statements and annual reports (e.g., on Form 10-K). The financial statement disclosures would be presented in a footnote to the consolidated financial statements, while the other disclosures enumerated below would be presented in a newly created subpart 1500 of Regulation S-K. Registrants will be required to electronically tag both the qualitative and quantitative climate-related disclosures in Inline XBRL.

Before adopting the final rules, the SEC received more than 24,000 comment letters in response to the proposed rules issued in March 2022. The final rules are a less prescriptive approach and modify the proposed rules based on comments received. The most significant modifications to the proposed rules include the following:

- Elimination of the proposed requirement to describe board members' climate expertise.
- Elimination of the proposed requirement for all registrants to disclose Scope 1 and Scope 2 emissions and instead require such disclosure only for large-accelerated filers (LAF) and accelerated filers (AF), on a phased in basis, and only when those emissions are material and with the option to provide the disclosure on a delayed basis.
- Exempting smaller reporting companies (SRCs) and emerging growth companies (EGCs) from the Scope 1 and Scope 2 emissions disclosure requirement.
- Eliminating the proposed requirement to provide Scope 3 emissions disclosure.
- Removing the requirement to disclose the impact of severe weather events and other natural conditions and transition activities on each line item of a registrant's consolidated financial statements.
- Focusing the required disclosure of financial statement effects on capitalized costs, expenditures expensed, charges, and losses incurred as a result of severe weather events and other natural conditions in the notes to the financial statements.
- Requiring disclosure of material expenditures directly related to climate-related activities as part of a registrant's strategy, transition plan and/or targets and goals disclosure requirements outside of the financial statements rather than within the financial statements.

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 of 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))	Scopes 1 and 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 2026
'FYB' refers to any fiscal year beginning in the calendar year listed. 'NAF' refers to non-accelerated filer.						

For more information on the SEC's proposed and adopted climate-related disclosure rule, refer to BDO USA's Preparing for the Proposed SEC Climate Disclosure Rule.

California Climate Legislation

In a bid to increase transparency and encourage standardised climate-related disclosure, the two state senate bills signed into California Law require certain public and private US entities, including foreign entities with US-based subsidiaries doing business in California to provide quantitative and qualitative climate disclosures.

- GHG emissions law. SB-253, the Climate Corporate Data Accountability Act, mandates the disclosure of GHG emissions.
- Climate risks law. SB-261, the Climate-Related Financial Risk Act, mandates the disclosure of climate-related financial risks and measures adopted to reduce and adapt to such risks.

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 based on the GHG Protocol.

- Disclosure obligations would begin in 2026 for Scope 1 and 2 emissions, and in 2027 for Scope 3 emissions

- The law would also require companies to obtain third party assurance for their emissions reporting, with a limited assurance beginning in 2026 for Scope 1 and 2 emissions, and reasonable assurance in 2030.
- A limited assurance level for Scope 3 beginning in 2030.

SB-261 *Greenhouse Gases: Climate-Related risk* applies to companies that do business in California and with revenues greater than $500 million to prepare a climate-related report in accordance with the TCFD framework, beginning 1 January 2026, and biennially thereafter.

The laws have been enacted and the California Air resources Board (CARB) is set to develop regulations by 2025, before companies start filing disclosures in 2026.

New York legislation

New York has proposed a draft legislation titled the *Climate Corporate Accountability Act*, SB 897A. This bill resembles the recent CA SB 253 and is applicable across industries, mandates that private and public companies with revenues greater than $1 billion and operating within the state of New York to report annually on their Scope 1, Scope 2, and Scope 3 emissions following the GHG Protocol. Additionally, the proposed legislation includes requirements for third party verification and is expected to become effective two years after it is enacted. Currently, the bill is undergoing the initial review process and is being reviewed by the Senate Committee on Environmental Conservation.

Moreover, New York has put forth another draft bill, SB 6298A, aimed at implementing the Advanced Clean Fleets regulation. The objective is to ensure that by 2035, 100% of new passenger cars and trucks sold or leased in the state are zero-emission vehicles. For medium-duty and heavy-duty vehicles, including fleets, sold or leased in the state be zero emissions, the bill proposes the following targets:

- 50% by 2031
- 80% by 2036
- 100% by 2041

The legislation will come into effect 180 days after its enactment.

California Law Targets Carbon Offset Transparency

A new California law, AB-1305, requires companies that market or sell voluntary carbon offsets in the state to disclose numerous details about the projects generating the credits — including location, timeline, and whether there is third-party validation. The law also mandates disclosures for certain companies that make “net zero” or similar claims and for certain companies that purchase or use voluntary carbon offsets and make “net zero” or similar claims.

Illinois introduces Climate Act

Illinois has introduced the Climate Corporate Accountability Act (HB 4268), proposing a mandatory climate disclosure framework for the state, modelled after recent climate legislation in California. Under this bill, all US entities with annual revenue exceeding $1 billion and operating in Illinois would be required to verify and disclose their Scope 1, 2, and 3 emissions. Reporting for Scope 1 and 2 emissions would commence on January 1, 2025, with an additional 180-day period provided for disclosing Scope 3 emissions data. If the law is passed, the Secretary of State will develop and adopt reporting and verification rules by July 2024, and contract an emissions registry to establish a publicly accessible digital platform for housing the disclosures by January 2025. The legislation also includes provisions to ensure alignment with SEC reporting requirements.

HB 4268 further mandates that reporting entities calculate their emissions in accordance with the Greenhouse Gas Protocol, and that disclosures undergo verification by an emissions registry, or a third-party auditor approved by the state.

Other Jurisdictional Updates

<table>
<tr><th>Jurisdiction</th><th>Summary</th><th>More Information</th></tr>
<tr><td rowspan="2">Australia</td><td>The Australian Accounting Standards Board (AASB) has published an exposure draft (ED SR1), presenting its proposed standards for companies to report climate-related information, based on the recently released IFRS Sustainability Disclosure Standards. ED SR1 is available for comments until March 1, 2024, and comprises three draft Australian Sustainability Reporting Standards (ASRS Standards):
• [draft] ASRS 1 General Requirements for Disclosure of Climate-related Financial Information, developed using IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information as the baseline but with a scope limitation to climate-related financial disclosure;
• [draft] ASRS 2 Climate-related Financial Disclosures, developed using IFRS S2 Climate-related Disclosures as the basis; and
• [draft] ASRS 101 References in Australian Sustainability Reporting Standards, developed as a service standard that would be updated periodically to list the relevant versions of any non-legislative documents published in Australia and foreign documents that are referenced in ASRS Standards.</td><td>AASB website
BDO Australia website</td></tr>
<tr><td>Australia is exploring using IFRS Sustainability Disclosure Standards as the basis for climate-related disclosure requirements. However, the proposals would amend certain of the requirements of IFRS Sustainability Discolosure Standards, meaning that they would not be used as a baseline Consequently, reporting requirements in Australia not would be consistent with them.</td><td>IFRS Agenda paper on ISSB Adoption Strategy</td></tr>
<tr><td>ASEAN region</td><td>During its Annual Conference in Indonesia on October 16, 2023, the IFRS Foundation entered into a protocol with the ASEAN Capital Markets Forum (ACMF). This protocol outlines the framework for ACMF's forthcoming collaboration with the ISSB in the ASEAN region. It encompasses discussions regarding the adoption of the IFRS Sustainability Disclosure Standards in the region, initiatives for capacity building to aid in the implementation of IFRS S1 and IFRS S2, and mechanisms to enable input from the ACMF into the development of IFRS Sustainability Disclosure Standards.</td><td></td></tr>
<tr><td>Brazil</td><td>The Brazilian Ministry of Finance and the Comissão de Valores Mobiliários (CVM) have announced plans to integrate the IFRS Sustainability Disclosure Standards into the Brazilian regulatory</td><td>Press Release</td></tr>
</table>

Jurisdiction	Summary	More Information
	framework. They have outlined a roadmap that transitions from voluntary adoption starting in 2024 to mandatory implementation on January 1, 2026.	
Canada	The Canadian Sustainability Standards Board (CSSB) has announced that it will commence its public consultation process to establish sustainability reporting standards in March 2024. It is expected that the consultation process will conclude by June 2024. It is expected that the CSSB will issue a proposed Canadian standard based on IFRS Sustainability Disclosure Standards, while considering whether changes are required for the Canadian market.	CSSB to launch public consultation on sustainability disclosure standards
China	The Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE), and Beijing Stock Exchange (BSE), which are China's three major stock markets, have announced new sustainability reporting guidelines for listed companies. These guidelines entail the adoption of a "double materiality" approach to sustainability reporting, targeting hundreds of larger-cap and dual-listed issuers starting from 2026. More information is available here.	
Hong Kong	The Hong Kong Stock Exchange (HKEX) has postponed the enforcement of mandatory ISSB-aligned climate-related disclosures until 1 January 2025 to allow issuers additional time to acquaint themselves with the new disclosure requirements. Hong Kong is exploring using IFRS Sustainability Disclosure Standards as a baseline for climate-related disclosure requirements.	Press Release IFRS Agenda paper on ISSB Adoption Strategy
Latin America, excluding Brazil	The IFRS Foundation has released the Spanish translation of IFRS S1 and S2, enabling companies across Latin America to initiate adoption of the Standard, with the IFRS S2 translation to follow soon. Additionally, the Portuguese translation is anticipated to be available in the coming months. Latin American jurisdictions have been leading in mandating sustainability-related financial disclosures. Both Chile and Colombia have mandated use of the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and Sustainability Accounting Standards Board (SASB) Standards, which serve as the foundation for the IFRS Sustainability Disclosure Standards. Furthermore, national standard-setters in Mexico are publicly discussing their intentions to incorporate the IFRS Sustainability Disclosure Standards into their frameworks.	IFRS Sustainability Disclosure Standards in Spanish Press Release

Jurisdiction	Summary	More Information
	The Superintendency of Banks of Panama declared its endorsement of the ISSB and its commitment to promoting regulated entities to use the IFRS Sustainability Disclosure Standards.	Press Release
Malaysia	The Advisory Committee on Sustainability Reporting in Malaysia, established by the Ministry of Finance and chaired by the Securities Commission, has announced plans to initiate a six-month consultation regarding the adoption of the ISSB sustainability reporting standards in the country.	Press Release
New Zealand	The New Zealand External Reporting Board has released Staff Guidance regarding climate-related matters in financial statements. The guidance addresses the following areas: • Impact of climate-related matters in financial statements • Consistency between financial statements and climate-related disclosures Differences between financial statements and climate-related disclosures.	Staff Guidance
Philippines	The Philippines Securities and Exchange Commission has announced it will release revised sustainability reporting guidelines, which incorporate IFRS S1 and IFRS S2, later this year.	SEC Philippines Notice
Taiwan	Taiwan's Financial Reporting Council (FRC) published a "Roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards." The topics covered are the alignment approach, target entities and timeline, location of disclosure, and disclosure content.	Press Release
United Kingdom	The UK Transition Plan Taskforce initiated a consultation concerning its sector-specific guidance for developing climate transition plans. Draft guidance has been released for three finance sub-sectors (banking, asset management, and asset ownership) and four sectors within the real economy (oil and gas, metals and mining, food and beverage, and electric utilities and power generators). The consultation period for these drafts remained open until 29 December 2023. UK is exploring using IFRS Sustainability Disclosure Standards as a baseline for all sustainability-related risks and opportunities. It should be noted that the TCFD Listing Rules 2022 remain compulsory for in-scope companies in the UK. Both IFRS S1 and IFRS S2 integrate the four fundamental recommendations of TCFD reporting (governance, strategy, risk management, and metrics & targets). The UK will integrate the IFRS Sustainability	Press Release IFRS Agenda paper on ISSB Adoption Strategy TCFD Listing Rules 2022

Jurisdiction	Summary	More Information
	Disclosure Standards into the UK Sustainable Disclosure Standards (UK SDS), deviating from the IFRS Sustainability Disclosure Standards only where necessary for UK-specific matters. For further information on comparison between the TCFD recommendations and IFRS S1 and S2 please see here. The UK initiated a consultation to gather views on the costs, benefits and practicalities of Scope 3 GHG emissions reporting. This aims to provide insights to the government's decision on whether to endorse the IFRS Sustainability Disclosure Standards in the UK. The consultation was open for comments until December 14, 2023.	Call for Evidence
International	Accounting for Sustainability (A4S) has released the third edition of 'Navigating the Reporting Landscape'. This publication provides an overview of recent significant advancements in corporate reporting, focusing on trends in sustainability reporting and sustainability-related financial reporting.	The third edition of 'Navigating the Reporting Landscape'
Other	Singapore is exploring using IFRS Sustainability Disclosure Standards as a baseline for all sustainability-related risks and opportunities. Kenya, Nigeria, Zimbabwe, and Sri Lanka have declared their intention to fully adopt the standards, with specifics to be determined, including phase-ins and the scope of entities obligated to adhere to the standards. Furthermore, a few more jurisdictions intend to release consultations on proposed requirements and/or a proposed roadmap, including Japan and Korea.	IFRS Agenda paper on ISSB Adoption Strategy

Sustainability Reporting Resources

International Sustainability Reporting Bulletin 2024/01 31 December 2023 Year-end Sustainability Reporting Update

BDO has published International Sustainability Reporting Bulletin 2024/01 31 December 2023 Year-end Sustainability Reporting Update. This publication provides a 'snapshot' of sustainability reporting developments with a focus on the updates following the International Sustainability Standards Board's issue of two IFRS Sustainability Disclosure Standards on 26 June 2023 and the European Commission's adoption of the European Sustainability Reporting Standards on 31 July 2023.

Sustainability At a Glance - IFRS Sustainability Disclosure Standards

IFRS S1 and 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 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

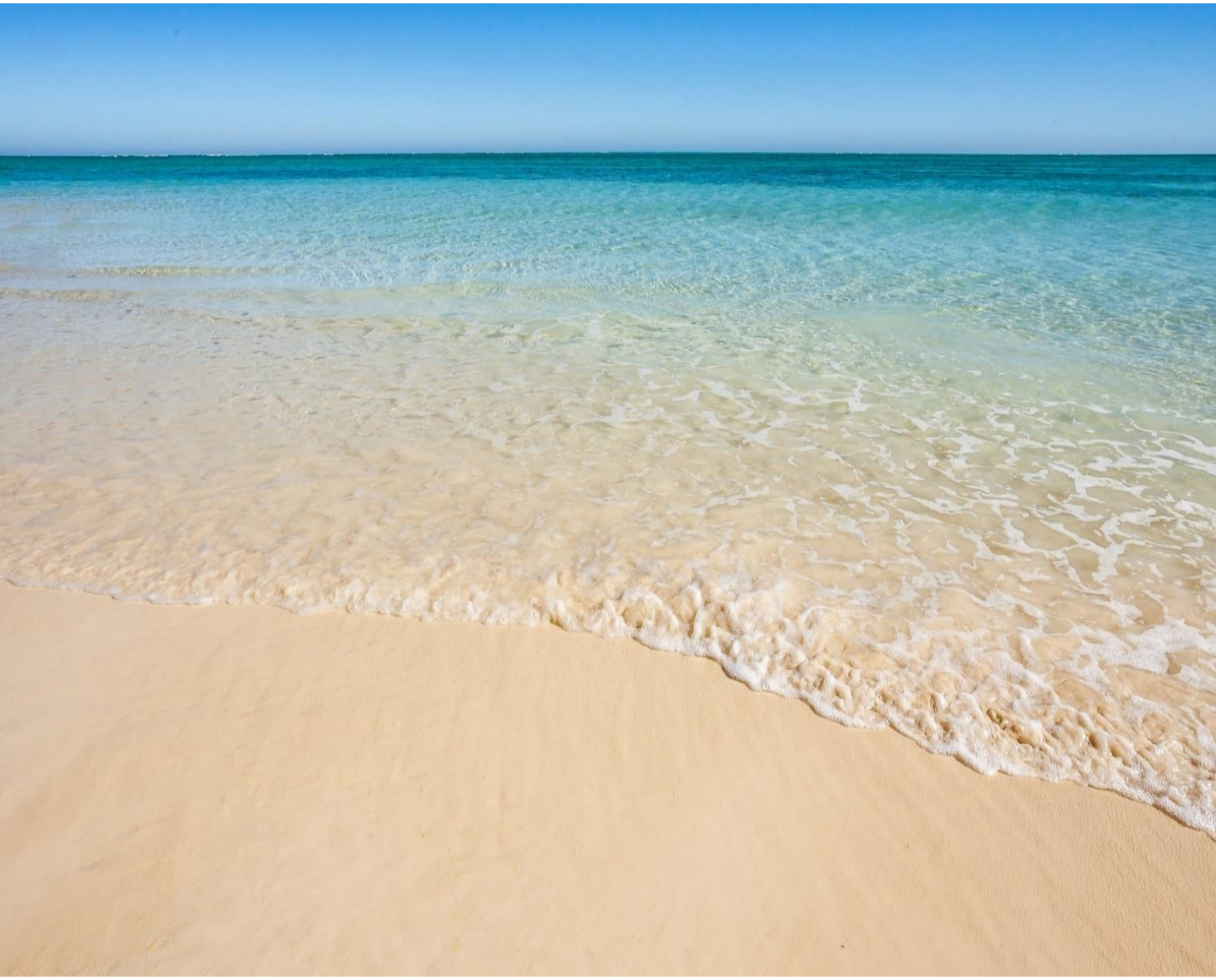
BDO has published *Sustainability At a Glance - European Sustainability Reporting Standards (ESRS)*. The requirements of the new standard are complex, and BDO's *Sustainability At a Glance – European Sustainability Reporting Standards (ESRS)* summarises all topical ESRSs into a few pages per standard.

Sustainability At a Glance – The Greenhouse Gas Protocol

Sustainability At a Glance – The Greenhouse Gas Protocol summarises measuring scope 1, 2 and 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.



FOR MORE INFORMATION:

[Sustainability Reporting Policy Committee]

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