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Sustainability Reporting Revolution in APAC: What You Need to Know

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Insights on Sustainability Reporting to Help You Meet the Demands of Your Consumers

Welcome to our latest insights on the evolving world of sustainability reporting in the Asia-Pacific (APAC) region! Over the years, there's a palpable shift towards Environmental, Social, and Governance (ESG) reporting with many countries in the region embracing this change at their own pace.

In APAC, key reporting frameworks like the **Global Reporting Initiative (GRI)** and the **Task Force on Climate-Related Financial Disclosures (TCFD)** have already made a significant impact. But recently, there's a new standard that is fast becoming the go-to framework – the **International Sustainability Standards Board (ISSB)**. Since releasing its first international sustainability standards in June 2023.

These developments have far-reaching implications for businesses across the Asia-Pacific region as they strive to meet global sustainability reporting standards. Keep reading as we share more on everything you need to know about the ISSB regulations and uncover their relevance for APAC organisations.

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The Great Sustainability Movement Towards Mandatory Reporting

APAC's Sustainability Reporting Wave

A significant shift towards a stricter reporting regime for firms across Asia is underway, with several jurisdictions embracing mandatory sustainability reporting rules. This development includes Australia, Japan, Hong Kong, Malaysia, New Zealand, the Philippines, and Singapore. This wave indicates a growing commitment to sustainability and transparency in the region.

Divergence in Implementation

Although the adoption of International Sustainability Standards Board (ISSB) standards is becoming widespread, variations exist in the scope and timeline for compliance. These discrepancies are particularly noticeable concerning non-listed companies and external assurance practices aimed at combatting greenwashing. The divergence in implementation may lead to inconsistencies in reporting quality and comparability, both within and across jurisdictions.

Benefits and Concerns

The shift towards mandatory sustainability reporting is expected to enhance the transparency and quality of Environmental, Social, and Governance (ESG) data. Improved data availability will benefit investors and facilitate sustainable investment decisions. However, concerns persist around regulatory arbitrage, compliance costs, and the concentration of assurance services. These concerns may impact the effectiveness and fairness of the new reporting regime.

Regulating Assurance Providers

As sustainability assurance gains prominence, questions arise regarding the independence and competency of assurance providers. Robust oversight and qualification standards are essential to ensure reliable assurance outcomes. Regulatory bodies should establish guidelines and requirements to maintain the quality and credibility of sustainability assurance services.

Penalties and Enforcement

While some jurisdictions have laid out penalties for non-compliance, enforcement mechanisms vary. This inconsistency raises doubts about the effectiveness of regulatory measures in promoting accountability. To ensure the success of the new reporting regime, authorities must develop and implement robust enforcement mechanisms, including appropriate penalties for non-compliance and consistent monitoring of reporting practices.

The International Sustainability Standards Board (ISSB) and its Significance in APAC

The ISSB's mission is to create high-quality, globally accepted sustainability disclosure standards that provide:


Decision-useful information to investors


Enhance the investor-company dialogue


Provide investors with comparable and reliable sustainability-related disclosures

In APAC, countries such as Australia, Japan, and Singapore are consulting on the introduction of sustainability-related disclosures in their regulatory frameworks through the adoption or other use of the ISSB Standards. Elsewhere in the world, countries like Brazil, Costa Rica, Sri Lanka, Nigeria, and Turkey have already announced decisions to adopt or otherwise use the ISSB Standards.

For APAC businesses, adopting the ISSB regulations will bring several benefits and challenges. On the one hand, adhering to a globally accepted set of sustainability disclosure standards will enhance the credibility and comparability of their sustainability reports. This, in turn, can lead to improved investor confidence, better access to capital, and a stronger reputation in the market.

On the other hand, businesses will need to invest in updating their data collection, processing, and reporting systems to align with the ISSB Standards. This may require significant resources and expertise, particularly for smaller companies. However, early adoption of the ISSB Standards can help businesses stay ahead of the curve and demonstrate their commitment to transparency and sustainability. Consultancy companies can also provide a helping hand with manoeuvring through the ISSB Standards and understanding what standards will apply to your business.

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When will ISSB be Implemented Across APAC

2023
- Large financial institutions and listed issuers in New Zealand began reporting.

2024
- Publicly listed firms in the Philippines will report under revised sustainability reporting guidelines.
- In Australia, large listed and non-listed companies to start reporting and obtaining external limited assurance on Scope 1, 2 and 3 emissions.
- External limited assurance on Scope 1, 2 and 3 emissions required for climate reporting entities in New Zealand.

2025
- Listed issuers in Singapore will begin disclosing Scope 1 and 2 emissions, in line with revised sustainability reporting rules.
- Hong Kong-listed companies will start disclosing Scope 1 and 2 emissions.
- Main market-listed issuers in Malaysia may start reporting.

2026
- Singapore-listed companies to start disclosing Scope 3 emissions.

2027
- Large Australian entities will need to obtain external reasonable assurance for Scope 1 and 2 emissions.
- In Singapore, large non-listed companies will begin disclosing Scope 1 and 2 emissions, while listed issuers need to obtain external limited assurance for them.
- Publicly listed Hong Kong companies to start disclosing Scope 3 emissions.
- Malaysia's Ace market listed and large non-listed firms may start reporting.

2028
- Large non-listed firms in Singapore to start obtaining external limited assurance for Scope 1 and 2 emissions.

Sustainability reporting has become a vital guide for businesses and stakeholders as we navigate the intricate world of ESG matters. The creation of the ISSB is a game-changer, paving the way for a unified reporting framework that fosters consistency and comparability.

As more jurisdictions and organisations acknowledge the significance of ESG integration and adopt ISSB standards, trust and credibility among stakeholders will soar.

At its heart, sustainability reporting is all about crafting a better world for everyone. By joining forces and embracing a unified reporting framework, we can create a brighter future based on transparency, responsibility, and a collective dedication to sustainability.

Curious about taking the first step towards making meaningful changes to your sustainability reporting? Talk to us and, together, we can make a difference, one report at a time.

About BoardRoom

BoardRoom is Asia Pacific's leader in Corporate and Advisory Services with a strong and reputable 50-year track record. Headquartered in Singapore we were ranked amongst Forbes Asia's Top 200 Companies under a Billion. With our strong presence in the region, and a direct office presence in Singapore, Malaysia, Hong Kong, China and Australia, we are well positioned to support you, wherever your plans take you.

Our smart business solution suite comprises of the following services:

- Global Tax & Accounting
- Regional Payroll
- Corporate Secretarial
- ESG Services
- Share Registry
- Employee Share Plans

Clients have put their trust in us for years because we remain committed to the highest levels of compliance and service excellence. The awards and certifications we've received in recent years are testament to our promise to help clients comply and thrive.

Let us help you

As an experienced corporate services provider, we welcome any opportunity to discuss your business needs to see where we may be able to support you on your growth journey.

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