Your Guide to ESG Verification and Reporting

Contents

Executive summary

As the emphasis on sustainable and responsible business practices continues to grow, companies that proactively excel in Environmental, Social and Governance (ESG) reporting stand to benefit significantly in terms of stakeholder trust, market competitiveness, and resilience amid evolving regulations.

Understanding reporting disclosure requirements is crucial for compliance with new and upcoming laws. Effective disclosure standards promote best practices, enabling companies to demonstrate greater transparency and ethical operations, thereby meeting the increasing demands from consumers and investors.

This guide provides businesses with the insights needed to understand reporting requirements in their specific regions. The lack of uniformity in ESG disclosure regulations across jurisdictions poses challenges, especially for companies operating globally. Some regions have mandatory ESG disclosures, while others rely on voluntary frameworks or industry-specific standards. This inconsistency complicates compliance and creates difficulties for investors in assessing the true impact of ESG factors on financial performance and risk profiles.

Despite progress in developing globally recognised frameworks like the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD), achieving a global standard remains a work in progress. This guide aims to help businesses navigate ESG reporting complexities by outlining various guidelines, enabling them to comply and report effectively.

Each section includes:

- The significant disclosures
- Their applicable country
- A brief summary
- Links to requirements

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Disclosure standards vs due diligence regulations

Before addressing regulations, it's essential to understand the differences and similarities between public disclosure standards and due diligence laws. Although distinct, these concepts are linked in the context of corporate responsibility and regulatory compliance. Understanding both components is crucial for developing frameworks that enhance reporting and ensure effective due diligence.

Key contextual highlights in this section

- Differences between reporting disclosures and due diligence laws
- Challenges of disclosure standards
- Benefits of disclosure standards
- Aligning with reporting requirements: dos and don'ts

Disclosure standards vs due diligence regulations

Differentiating reporting disclosures and due diligence laws

Reporting disclosure standards refer to frameworks or guidelines that outline how companies should disclose information related to their ESG. Supply chain due diligence regulations are legal or policy frameworks that require companies to conduct thorough assessments and take preventive measures to address potential adverse impacts within their supply chains.

Entities may use sustainability disclosure standards to guide their overall ESG reporting, while also complying with specific supply chain due diligence regulations relevant to their industry or the regions in which they operate.

While reporting disclosure standards guide companies in transparently reporting their broader sustainability efforts, supply chain due diligence regulations mandate a specific focus on identifying and addressing risks within the supply chain to promote responsible business conduct.

Disclosure frameworks are growing in importance as they serve as the framework for businesses to comply with due diligence laws. Internal documentation and external reporting are central components within the due diligence systems that companies must establish to comply with regulations. For example, under the EU's proposed Corporate Sustainability Due Diligence Directive (CSDDD), companies would also be required to report publicly on their due diligence system. However, if the organisation is also in the scope of the Corporate Sustainability Reporting Directive (CSRD), no additional reporting obligations apply. Businesses must consider both disclosure standards and regulatory requirements to efficiently report risks and implement robust processes to mitigate said risks in their supply chains.

Disclosure standards	Due diligence regulations
Purpose Disclosure standards are designed to promote transparency and accountability by establishing a set of consistent and comparable metrics for reporting on sustainability and responsible business practices.	**Purpose** These regulations aim to ensure that companies identify and mitigate risks related to human rights abuses, environmental harm, and unethical practices in their supply chains.
Establish a process for reporting ESG information.	Establish a process or the "how" companies are mitigating the ESG risks they report.
Usually voluntary, however, there is an increasing number of countries mandating reporting requirements (e.g., CSRD in the EU).	Often mandatory legal requirements, many of which use the Organisation for Economic Co-operation and Development (OECD) due diligence guidelines as a central framework.
A set of guidelines that companies follow to report their environmental, social, and governance (ESG) strategies, governance, and performance to stakeholders.	A set of rules and guidelines that companies must follow to ensure that their supply chains are free from human rights abuses, environmental damage, and other negative impacts.
Scope Reporting disclosure standards may cover a wide array of topics, including environmental performance, social responsibility, and corporate governance, extending beyond the supply chain.	**Scope** Supply chain due diligence regulations specifically address the practices and impacts within the supply chain, focusing on issues like labour rights, environmental sustainability, or human rights.
Examples Common reporting standards include the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD).	**Examples** Notable examples include the German Supply Chain Due Diligence Act (LkSG) and the proposal for the European Union's Corporate Sustainability Due Diligence Directive (CSDDD).

Disclosure standards vs due diligence regulations

Challenges of disclosure standards:

Complexity of global supply chains

Modern supply chains often span multiple countries and involve numerous intermediaries. Tracking and reporting on every stage of this process can be a challenge, particularly for small and medium-sized enterprises.

Resource intensive

Developing and maintaining a robust disclosure process can be resource-intensive, requiring significant time, money, and expertise. This can be a particular challenge for smaller companies.

Lack of standardisation

Different jurisdictions may have different disclosure requirements, and there are various additional voluntary reporting frameworks that companies can choose from. Different reporting revisions globally create a challenging landscape for companies reporting their sustainability efforts to their stakeholders.

This lack of standardisation can make it difficult for companies to know what information they should disclose and how to present their strategy and performance. Varying standards also create challenges for investors discerning the true impact of ESG factors on a company's financial performance and risk profile due to inconsistencies in reporting metrics.

Benefits of disclosure standards:

Although challenging, disclosure standards promote best practices for businesses, and those that proactively embrace and excel in ESG reporting are likely to reap the long-term benefits in terms of stakeholder trust, market competitiveness and resilience amid the evolving regulatory landscape.

With effective disclosure standards, companies can display greater transparency in their operations. Consumers and investors place increasing pressure on businesses to prove that they operate ethically and sustainably. By adhering to globally recognised disclosure standards, such as the Global Reporting Initiative (GRI) or those mandated in their respective markets, companies can demonstrate that they are maintaining sustainable operations.

Disclosure standards also help companies identify and manage the risks in their supply chains and comply with regulatory requirements. Some jurisdictions legally require companies to disclose aspects of their supply chain operations. Standards help companies meet these requirements. We can expect to see further evolution in disclosure standards as companies, regulators, and stakeholders continue to grapple with the challenges and opportunities of sustainable development.

Disclosure standards vs due diligence regulations

Aligning with reporting requirements: dos and don'ts

Dos

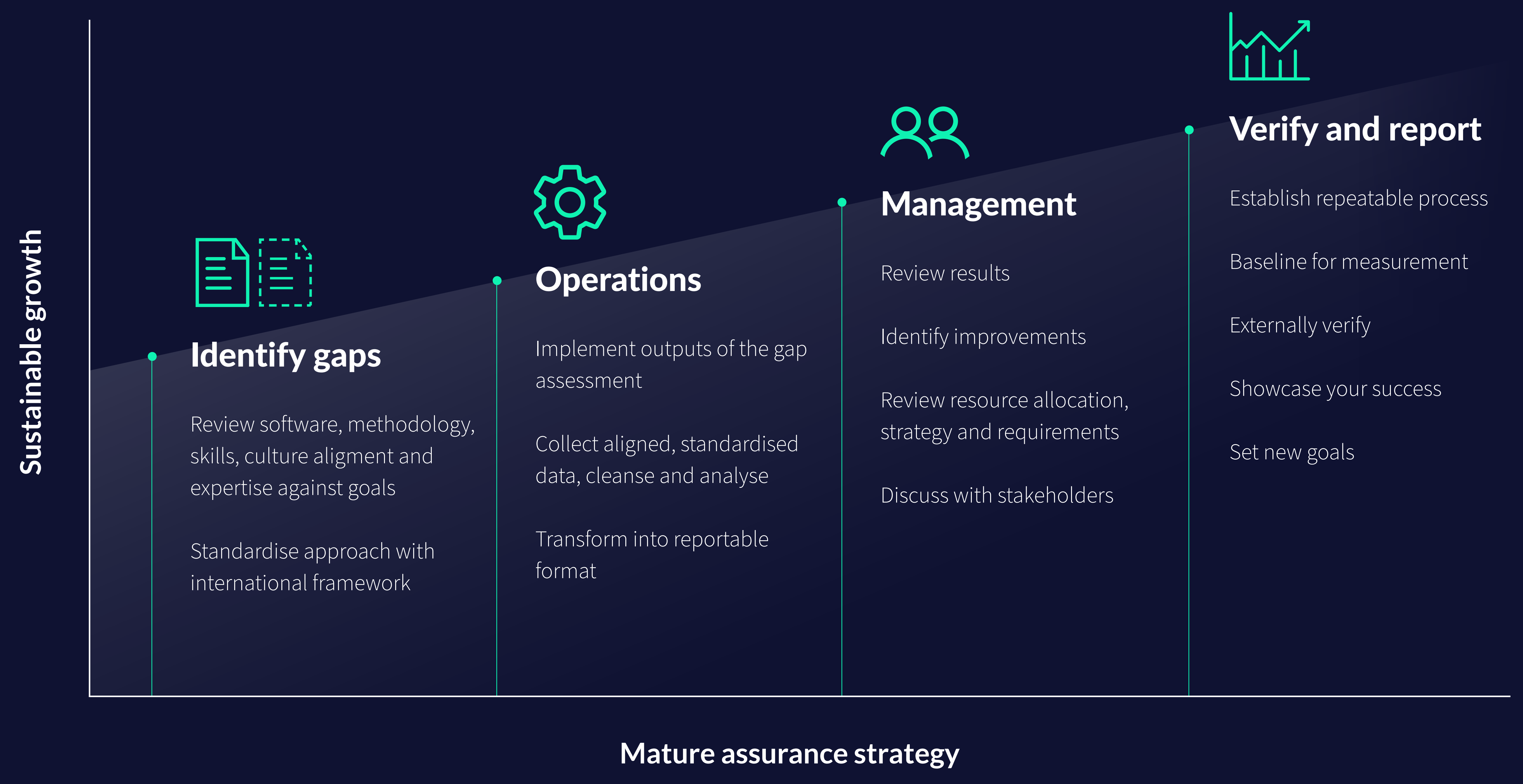
- Understand their requirements and objectives
- Build a culture of climate reporting and improvement
- Determine accountabilities within the organisation
- Review and standardise data collection, remediation and methodology
- Establish a repeatable process with required controls - cadence, data quality, reporting capability and frequency
- Develop a written report
- Implement third-party verification - 70% of investors think verification should be mandatory[5]

Don'ts

- Create unclear boundaries
- Greenwash
- Have inconsistent or incomplete reporting
- Enforce poor stakeholder engagement
- Use a one-size-fits-all approach
- Limit report validation or verification
- Under-prioritise Scope 3 emissions
- Have limited expertise in-house

5. PWC global investor survey, 2021 →

How to embed good practice:



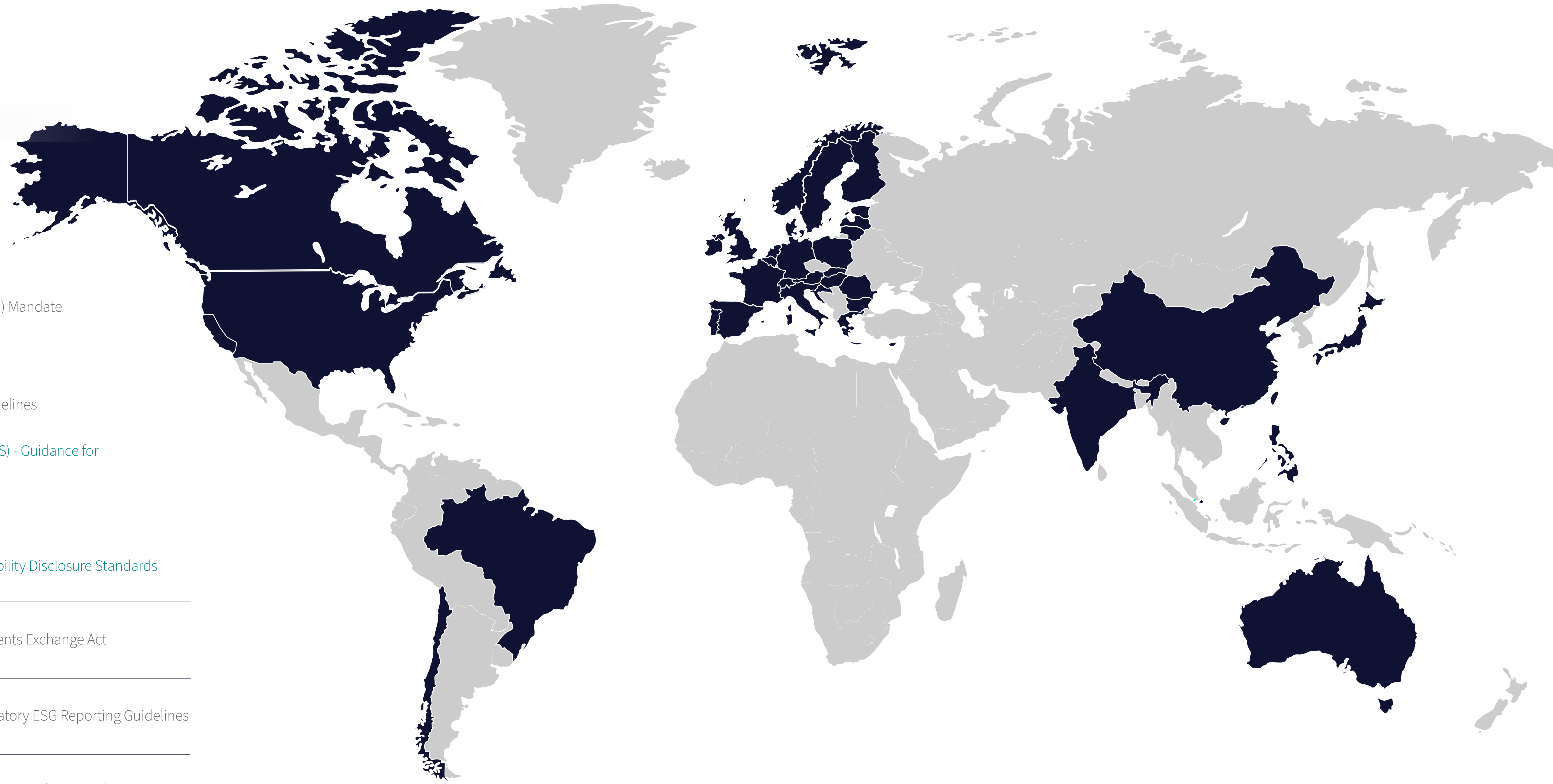
Our reporting disclosure map

The map below outlines the differing reporting disclosure requirements across jurisdictions – both in effect and pending.
Click on the regions flag below for more details.

Applicable regulations | Regulations under development

Region	Disclosure requirements
EU	• The Non-Financial Reporting Directive • The Corporate Sustainability Reporting Directive (CSRD) • Sustainable Finance Disclosure Regulation (SFDR)
Canada	• Canadian Securities Administrators (CSA) Proposed ESG and Climate Related Disclosures
US	• US Securities and Exchange Commission (SEC) Proposal for Mandatory Climate Disclosure
California	• SB 253 - Climate Corporate Data Accountability Act • SB 261 - Greenhouse Gases: Climate-Related Financial Risk.
Brazil	• Brazil Central Bank (BCB) Resolution 4945/2021 Social, Environmental and Climate Responsibility Policy (PRSAC) • Brazil Securities and Exchange Commission (CVM) resolution 193
Chile	• Financial Market Commission (CMF) General Standard No 461
India	• Securities and Exchange Board (SEBI) Business Responsibility and Sustainability Report (BRSR)
Switzerland	• ESG Reporting under the Swiss Code of Obligations (CO)
Finland	• Finnish Accounting Act

Region	Disclosure requirements
Norway	• Norwegian Accounting Act
UK	• Companies Act 2006 • Regulations 2013 • Energy and Carbon Reporting • Task Force on Climate-related Financial Disclosures (TCFD) Mandate • UK Sustainability Disclosure Standards
China	• China Securities Regulatory Commission (CSRC) ESG Guidelines • China Stock Exchanges Mandatory Reporting Guidelines • China Enterprise Reform and Development Society (CERDS) - Guidance for Enterprise ESG Disclosure
Taiwan	• Taiwan Stock Exchange Mandatory ESG Disclosure • Taiwan Financial Supervisory Commission (FSC) Sustainability Disclosure Standards
Japan	• Japan Financial Services Agency (JFSA) Financial Instruments Exchange Act
Hong Kong	• Hong Kong Exchanges and Clearing Limited (HKEX) Mandatory ESG Reporting Guidelines
Philippines	• Philippine Securities and Exchange Commission (SEC) Memorandum Circular No. 4
Singapore	• Singapore Exchange (SGX) Sustainability Reporting
Austrailia	• Proposed Climate and Sustainability Reporting Standards



United Kingdom

The Companies Act 2006 (Strategic Report & Directors' Report) Regulations 2013

Applies to:
Companies incorporated in the UK. Large companies include all UK public companies (plc's) and large private companies with >250 employees and either a turnover of more than £36 million or a balance sheet of more than £18 million.

What it says:
The Companies Act 2006 requires obligated companies to include a strategic report and a directors report as part of their annual reporting that includes an overview of the business, its strategy and any risks and uncertainties being faced. The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 introduced the requirement for large and medium-sized companies to include information on environmental, employee and social matters in their strategic report.

Full requirements →

UK Sustainability Disclosure Standards

Applies to:
Currently under development - the UK Sustainability Disclosure Standards (SDS) will form the basis of any future requirements in UK legislation or regulation for companies to report on risks and opportunities relating to sustainability matters, including risks and opportunities arising from climate change

What it says:
They will set out the requirements for corporate disclosures on sustainability-related risks and opportunities. Based on the Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB).

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

Applies to:
Companies with more than 500 employees and more than £500m annual turnover.

What it says:
Obligated companies are required to disclose potential risks and opportunities associated with climate change, including a description of:

- Governance arrangements for assessing and mitigating climate-related risks and opportunities.
- The mechanisms for identifying, assessing and managing those risks and opportunities.
- How processes for the above are integrated into the overall risk management process.
- The main climate-related risks and opportunities of operations.
- The time periods over which they are assessed.
- The impact (actual and potential) of the main risks and opportunities of the business model and strategy.
- An analysis of the resilience of the business model and strategy considering different climate related scenarios.
- The entity's climate-related targets and performance against them.
- The entity's KPI's to assess progress against targets.

Full requirements 1 → Full requirements 2 →

Streamlined Energy and Carbon Reporting

Applies to:
Listed companies of any size, large unquoted companies incorporated in the UK and large Limited Liability Partnerships (LLPs). Companies are large if they meet at least two of the following three criteria in a reporting year: a turnover of £36 million or more; a balance sheet of £18 million or more; or 250 employees or more.

What it says:
The reporting requirements differ for quoted companies, large unquoted companies and LLPs. In addition to reporting global scope 1 and 2 GHG emissions, and a chosen emissions intensity ratio in the Directors reports, quoted companies are required to report their underlying global energy use, the split between energy use in the UK and other countries, together with comparisons with previous years. Scope 3 reporting is voluntary, but is strongly recommended where emissions sources are material. Unquoted large companies and large LLPs are required to report UK energy use from electricity, gas and transport fuel and their associated GHG emissions, including at least one intensity metric. Quoted and unquoted companies and LLPs are required to report energy use, GHG emissions and at least one emissions intensity metric. The relevant report must also include a description of measures taken to improve the businesses' energy efficiency in that year, together with energy savings from the actions reported.

Voluntary independent assurance on the accuracy, completeness and consistency of energy use, GHG emissions data and energy efficiency action is encouraged.

Full requirements →

The European Union (EU)

The Non-Financial Reporting Directive

Applies to:
Large public interest companies with more than 500 employees, including: listed companies; banks; insurance companies; other companies designated by national authorities as public-interest entities until the application of the EU Corporate Sustainability Reporting Directive (CSRD).

What it says:
Large companies must publish information related to:

- Environmental matters.
- Social matters and treatment of employees.
- Respect for human rights.
- Anti-corruption and bribery.
- Diversity on company boards (in terms of age, gender, educational and professional background).

Full requirements →

Sustainable Finance Disclosure Regulation (SFDR)

Applies to:
EU investment management firms and advisors, including asset managers, banks and insurers. It also includes non-EU firms who target the EU market through the Alternative Investment Fund Managers (AIFM) Directive.

What it says:
Organisations subject to the SFDR are required to disclose how they address sustainability risks, principal adverse impacts, and sustainable investment marketing. The requirements vary based on the type of organisation – large financial market participants, small financial market participants (< 500 employees) and financial advisers are based on the type of financial product:

- Products that either integrate ESG risk considerations into the investment decision-making process, or explain why sustainability risk is not relevant.
- Products that promote social and/or environmental characteristics, and may invest in sustainable investments, but do not have sustainable investing as a core objective.
- Products that have a core sustainable investment objective.

Full requirements →

The Corporate Sustainability Reporting Directive (CSRD)

Applies to:

- Companies listed on regulated markets in the EU (apart from listed micro-enterprises), and large companies that meet two out of three of the following criteria: more than 250 employees, a turnover of over €40 million and over €20m total nassets.
- Listed SMEs.
- Non-EU companies with a net turnover of €150 million in the EU, and with at least one subsidiary or branch in the EU.

What it says:
Companies subject to the CSRD will have to report according to **European Sustainability Reporting Standards (ESRS)**. They are required to report in a dedicated section of their company management reports, and include:

- Environmental matters – including science-based targets, EU Taxonomy and climate risk-related reporting.
- Social matters and treatment of employees.
- Respect for human rights.
- Anti-corruption and bribery.
- Diversity on company boards (in terms of age, gender, educational and professional background).
- Provide information that is:
- Qualitative and quantitative.
- Forward-looking and retrospective.
- Based in the short, medium and long-term.

Independent assurance of the reported information is required to a limited level of assurance, with reasonable assurance potentially required at a later date.

Full requirements →

Switzerland

ESG Reporting under the Swiss Code of Obligations (CO)

Applies to:
Companies publicly listed on the stock exchange, companies that require a license, recognition, authorisation or registration from the Swiss Financial Market Supervisory Authority FINMA (such as banks or insurers) and companies that have issued bonds outstanding and have an annual average of 500 full-time employees and exceed at least one of the following two thresholds: balance sheet total of CHF 20 million or revenues of CHF 40 million in two consecutive business years. Companies meeting these requirements can be exempt if they are controlled by another eligible entity, or are required to prepare an equivalent report under a foreign law, such as the EU CSRD.

What it says:
Obligated companies must publish additional disclosures within the entity's report on non-financial matters including: climate disclosures, significant ESG risks to their business, how their company's principal business activities relate to ESG matters, and the KPIs used to measure their ESG progress and performance.

Full requirements →

Norway

Norwegian Accounting Act

Applies to:
All public listed companies, various issuers of securities obliged to submit annual accounts and listed in a marketplace, and legal entities otherwise obliged to submit annual accounts pursuant to Norwegian regulations.

What it says:
Companies must report on key ESG factors, including human rights, employee rights, social conditions, gender and non-discrimination, external environment and combatting of corruption.

Full requirements →

Finland

Finnish Accounting Act

Applies to:
Insurance companies, credit institutions (both foreign and domestic holding an activity license in Finland), companies that are publicly traded and companies that have on average 500 or more employees during a financial year.

What it says:
Companies must submit an annual sustainability report containing a short description of the company's business model, information regarding the company's environmental and social impact, how it ensures that human rights are being respected and the measures taken to mitigate corruption and bribery.
In addition it must include a description of the policies the company follows to manage and mitigate the risks related to the above sustainability issues, and a description of its internal due diligence processes.

Full requirements →

The United States

US Securities and Exchange Commission (SEC) Proposal for Mandatory Climate Disclosure

Applies to:
All publicly-listed SEC reporting companies, starting with 'large accelerated filers' - publicly traded companies with a market cap above $700 million, and potentially to any company with total assets in excess of $10 million and 500 or more record holders of a class of equity security, each measured at the end of its fiscal year and Other SEC registrants.

What it says:
Influenced by the TCFD, filers will be required to disclose:

- Material ESG themes, topics, risks, and focus areas.
- How the board and management exercise their oversight and set climate-related targets and goals.
- Sustainability and ESG performance targets, goals, and progress.
- Sustainability and environmental risks (including climate change) affecting the company.
- How sustainability and ESG risks could or are impacting operating results, financial performance, and shareholder value.
- Scope 1-2-3 GHG disclosure.
- Any analytics tools, such as scenario analysis, the registrant uses to assess the impact of climate-related risks on its business and consolidated financial statements, or that support business model resilience in light of foreseeable climate-related risks.
- Relevant information on an organisation's use of carbon offsets, credits, and/or renewable energy credits or certificates as part of the company's overall net emissions reduction strategy.

All publicly-listed SEC reporting companies, starting with 'large accelerated filers' - publicly traded companies with a market cap above $700 million, and potentially to any company with total assets in excess of $10 million and 500 or more record holders of a class of equity security, each measured at the end of its fiscal year and Other SEC registrants.

Full requirements →

California SB 253 - Corporate Data Accountability Act

Applies to:
Companies that do business in California and exceed a total annual revenue of US$1bn.

What it says:
Obligated businesses will be required to report their greenhouse gas emissions annually, in line with the Greenhouse Gas Protocol. This includes the mandatory disclosure of Scope 1 and Scope 2 emissions by 2026. By 2027, companies will be required to report Scope 3 emissions from the previous financial year.

Third-party assurance is mandatory: limited assurance for Scope 1 and 2 emissions by 2026 and reasonable assurance by 2030. Scope 3 emissions will require third-party limited assurance starting in 2030.

Full requirements →

California SB 261 - Greenhouse Gases: Climate-Related Financial Risk

Applies to:
Companies that do business in California and exceed total annual revenue of US $500mn.

What it says:
Obligated businesses will be required to disclose their climate-related financial risks and the actions they are taking to reduce and adapt to them. The disclosures must be aligned with the TCFD and made available on the company's website.

Full requirements →

Austrailia

Proposed Climate and Sustainability Reporting Standards

Applies to:
Companies that do business in California and exceed total annual revenue of US $500mn.

What it says:
Obligated businesses will be required to disclose their climate-related financial risks and the actions they are taking to reduce and adapt to them. The disclosures must be aligned with the TCFD and made available on the company's website.

Canada

Canadian Securities Administrators (CSA) Proposed ESG and Climate Related Disclosures

Applies to:
Large Canadian banks, insurance companies, and federally regulated financial institutions, together with certain ESG provisions for Canadian listed companies.

What it says:
Financial institutions will be required to make climate-related disclosures requirements based on TCFD including:

- Governance – board oversight of assessing and managing climate-related risks and opportunities.
- Strategy - short, medium and long-term climate-related risks and opportunities, the impact on its business, strategy and financial planning.
- Risk management - how climate related risks are identified, assessed and managed and how processes are integrated into its overall risk management.
- Metrics and targets - the ESG metrics and targets used to assess and manage climate-related risks and opportunities, including scope 1, 2 and 3 emissions.
- In addition, Canadian corporations must report at least annually on the corporation's board and management diversity.

Full requirements →

China

China Securities Regulatory Commission (CSRC) ESG Guidelines

Applies to:
All listed companies.

What it says:
All listed companies have an obligation under their Investor Relations Management to report information on the company's environment, society and governance (ESG), and the risks and challenges that the company is facing or may face in the future.

Full requirements →

China Stock Exchanges Mandatory Reporting Guidelines

Applies to:
Larger companies listed on the Shanghai Stock Exchange (SSE), the Shenzhen Stock Exchange (SZSE) and Beijing Stock Exchange (BSE) as well as dual-listed companies with securities on both domestic and foreign markets. Note that the requirements are voluntary for the BSE.

What it says:
The guidelines require the reporting of governance, strategy, impact, risk and opportunity management, indicators and goals. Including both the risks and impact of sustainability issues on the organisation, as well as on the organisation's impacts on environment and society. ESG categories to be covered include climate change (scope 1, 2 and 3 emissions), ecosystem and biodiversity protection, circular economy, energy use, supply chain security, and rural revitalisation, as well as anti-corruption and anti-bribery, among others. Mandatory requirements shall be in force in 2026 for the 2025 reporting period.

China Enterprise Reform and Development Society (CERDS) - Guidance for Enterprise ESG Disclosure

Applies to:
Larger companies listed on the Shanghai Stock Exchange (SSE), the Shenzhen Stock Exchange (SZSE) and Beijing Stock Exchange (BSE) as well as dual-listed companies with securities on both domestic and foreign markets. Note that the requirements are voluntary for the BSE.

What it says:
The guidelines require the reporting of governance, strategy, impact, risk and opportunity management, indicators and goals. Including both the risks and impact of sustainability issues on the organisation, as well as on the organisation's impacts on environment and society. ESG categories to be covered include climate change (scope 1, 2 and 3 emissions), ecosystem and biodiversity protection, circular economy, energy use, supply chain security, and rural revitalisation, as well as anticorruption and anti-bribery, among others. Mandatory requirements shall be in force in 2026 for the 2025 reporting period.

Full requirements →

Hong Kong

Hong Kong Exchanges and Clearing Limited (HKEX) Mandatory ESG Reporting Guidelines

Applies to:
All listed companies.

What it says:
Reporters are required to follow the defined principles of materiality, the provision of quantitative information, balance and consistency. The report must include a mandatory statement from the board containing:

- Disclosure of the board's oversight of ESG issues.
- The Board's ESG management approach and strategy.
- The Board's progress review on ESG goals and targets.

They must report on the process of selecting the material ESG factors, standards and methodologies used, and the changes in methods or KPIs and an explanation of the reporting boundaries of their ESG report. Independent assurance is encouraged.

Full requirements →

Taiwan

Taiwan Stock Exchange (TWSE) Mandatory ESG Disclosure

Applies to:
All companies listed on the TWSE and the Taipei Exchange (TPEx).

What it says:
Listed companies must prepare and publish an annual sustainability report following the requirements of the Global Reporting Initiative (GRI). In addition, companies in specific sectors must augment their reports with specified metrics per sector. Assurance of reported scope 1 and 2 emissions is required according to a phased implementation timetable.

Full requirements →

Taiwan Financial Supervisory Commission (FSC) Sustainability Disclosure Standards

Applies to:
Phase 1 – The largest listed companies (with capital over NT$ 10 bn) will be required to report in 2027 the 2026 financial year reports.

Phase 2 – Listed companies with capital over NT$ 5 bn and less than NT$ 10bn will be required to report in 2028 the 2027 financial year reports.

Phase 3 – Other listed companies will be required to report in 2029 the 2028 financial year reports.

What it says:
The reports must be in accordance with the ISSB standards.

Full requirements →

India

Securities and Exchange Board of India (SEBI) Business Responsibility and Sustainability Report (BRSR)

Applies to:
The top 1,000 listed companies by market capitalisation.

What it says:
Organisations must annually report based on the nine principles stipulated in the National Guidelines on Responsible Business Conduct (RBC Guidelines) which address key sustainability matters, such as business ethics and transparency, human rights, environmental safety, and fair labour practices.

Full requirements →

Japan

Japan Financial Services Agency (JFSA) Financial Instruments Exchange Act

Applies to:
All listed companies.

What it says:
Listed companies are required to submit their securities registration statement and annual securities report to include: governance, risk management, strategy, and targets relating to the environment, society, employees, human rights, anti-corruption, anti-bribery, governance, cybersecurity, and data security.

Full requirements →

Singapore

Singapore Exchange (SGX) Sustainability Reporting

Applies to:
All SGX listed companies.

What it says:
SGX listed companies must prepare and publish an annual sustainability report on the following:

- Material ESG factors.
- Climate-related disclosures consistent with the TCFD recommendations.
- Policies, practices and performance.
- Targets.
- Sustainability reporting framework.
- Board statement and associated governance structure for sustainability practices.
- Independent assurance is encouraged.

Full requirements →

The Philippines

Philippine Securities and Exchange Commission (SEC) Memorandum Circular No. 4

Applies to:
All listed companies.

What it says:
Publicly listed companies are required to submit sustainability reports in relation to their non-financial performance across the economic, environmental and social aspects of their organisations in line with GRI and TCFD.

Full requirements →

Brazil

Brazil Central Bank (BCB) Resolution 4945/2021 Social, Environmental and Climate Responsibility Policy (PRSAC)

Applies to:
Financial institutions and companies with shares traded on the stock market.

What it says:
Companies must establish a Social, Environmental and Climate Responsibility Policy (PRSAC) and implement actions aimed at its effectiveness. The PRSAC must define the principles and guidelines relating to social, environmental and climate aspects to be observed by the company. Companies must appoint a director and committee responsible for complying with the provisions of the resolution.

The following must be disclosed to the public:

- The PRSAC.
- The actions implemented with a view to the effectiveness of the PRSAC.
- The list of products and services offered by the institution that contribute positively to social, environmental and climate aspects.
- A list of pacts/agreements/commitments (national or international) on the subject and followed by the company.
- And the mechanisms used to promote stakeholder participation.

Full requirements →

Brazil Securities and Exchange Commission (CVM) resolution 193

Applies to:
All public companies.

What it says:
Public companies and investment funds will be required to report against the ISSB reporting standards from 2026.

Full requirements →

Chile

Financial Market Commission (CMF) General Standard No 461

Applies to:
Chilean banks, insurance companies, general fund managers, stock exchanges and open joint stock corporations.

What it says:
Obligated organisations must include in their Annual Report to the CMF their ESG policies, objectives, and practices.

Full requirements →

What next: understanding the new era of risk

The era of Assurance 4.0 - a new era of risk management - is here. Businesses face a rapidly changing world and there is growing recognition of the environmental, social and governance challenges faced by businesses, and society as a whole.

Incentives for improving ESG business strategy include reputation management, regulatory compliance, attracting investment and addressing consumer expectations. Ultimately, businesses must engage with ESG principles and data to maintain stakeholder trust and transparency with stakeholders and, ultimately, create a sustainable business for the future.

In recent research conducted by Verdantix[1], the need for improvements in the processes for mandatory ESG and sustainability disclosure reporting were the top ESG priority reported by those surveyed, and the majority reported that the financial impacts of climate policy change alone in the next three years could equate to losses ranging from $1m - $100m.

To achieve compliance and enhance overall ESG reporting and due diligence, businesses must prioritise two areas:

Examine their current strategies and develop a deeper understanding of potential ESG risks and opportunities.

This requires enhancing visibility over business operations across the entire value chain and conducting a deeper diagnostic of risk areas.

Begin prioritising ESG risk management as a core practice in overall business management.

How are you currently monitoring your suppliers and business partners? By using management systems, understanding the needs of stakeholders and identifying the risks and opportunities in their supply chain, businesses of any size, sector, or market can understand their impact on the environment. The management system functions of action planning can enable the delivery of the actions needed, whilst the performance evaluation and improvement elements (monitoring, audit and management review) can ensure performance can be tracked, compared and continually improved. Embedding sustainability throughout the organisation's core business operations, making it part of every role and function, makes it manageable, the resulting disclosures therefore accurate, and facilitates the requirements for independent assurance.

1. Verdantix: The Most Challenging Climate Reporting Requirements Of The EU's CSRD →

LRQA

Peace of mind for your stakeholders

Our experts independently verify your data, information and reports to drive credibility and confidence.

We can verify any information that your organisation tracks, targets, measures, or publishes. We'll also support your existing verification programmes or work with you to build new ones that support your unique requirements. This could include company-specific criteria and standards, or ways to cascade verification best practices throughout your supply chain.

Enhance transparency, meet ESG corporate objectives and build stakeholder trust through independent verification and report assurance with LRQA.

LRQA Verification Services →

YOUR FUTURE. OUR FOCUS.

About LRQA:

LRQA is the leading global assurance partner, bringing together decades of unrivalled expertise in assessment, advisory, inspection and cybersecurity services. Our solutions-based partnerships are supported by data-driven insights that help our clients solve their biggest business challenges.

Operating in more than 150 countries with a team of more than 5,000 people, LRQA's award-winning compliance, supply chain, cybersecurity and ESG specialists help more than 61,000 clients across almost every sector to anticipate, mitigate and manage risk wherever they operate.

In everything we do, we are committed to shaping a better future for our people, our clients, our communities and our planet.

Get in touch

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