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Resource Paper

Adoption of Sustainability Reporting Standards in Asia-Pacific Countries

Trends, Requirements, and Insights
for Multinational Corporations



September 2025



Overview

Sustainability reporting requirements in the Asia-Pacific (APAC) region have evolved significantly over the past decade and their increasing adoption across APAC comes at a time when similar efforts in the European Union are encountering political and legal resistance.

In the EU, the Corporate Sustainability Reporting Directive, mandating comprehensive sustainability disclosures based on the concept of *double materiality*, has faced pushback over its broad scope, complexity, and its high compliance costs. Meanwhile, many APAC countries integral to the global economy are aligning with the *financial-materiality*-based IFRS Sustainability Standards. Both APAC-domiciled companies and multinational corporations (MNCs) meeting certain thresholds may be subject to new reporting regulations that vary between jurisdictions. Other MNCs with APAC suppliers, partners, or investors should also stay current on country-level regulatory developments, which may lead to increased quantity and quality of sustainability expectations within the region.

In this paper we:

- + Highlight trends in APAC sustainability disclosure regulations
- + Present requirements in select countries considered major players in the global economy due to GDP, number/type of exports, and growing markets
- + Discuss implications for multinational corporations (MNCs)

Trends in APAC Sustainability Reporting Regulations



Widespread adoption

Countries across Asia-Pacific join a growing list of jurisdictions around the world that are adopting corporate sustainability reporting guidelines, implemented to address such challenges as high greenhouse gas emissions, poor labor conditions, and air pollution.

Malaysia and Vietnam were among the early movers introducing mandatory sustainability reporting requirements for both domestic companies and corporations listed on their stock exchanges, as early as 2015. Countries like Taiwan and India already have regulations in place requiring certain companies to report in line with existing sustainability reporting standards and frameworks.

In recent years, other APAC countries have begun to phase in mandatory requirements for both domestic and foreign companies, while countries with a voluntary approach expect to mandate disclosure in the near term.



Alignment with existing reporting standards

Sustainability reporting regulations across the Asia-Pacific region have widespread alignment with international frameworks, particularly the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB).

This alignment supports the ISSB's goals of establishing globally-adopted sustainability disclosure standards, enabling consistent and comparable reporting, and reducing the reporting burden for companies.

The IFRS sustainability framework includes two main standards—S1 for general sustainability disclosures, roughly aligning with the SASB Standards, and S2 for climate-related disclosures, roughly aligning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Most APAC countries are adopting both S1 and S2.

Other existing sustainability reporting standards that some APAC jurisdictions are aligning with include the Global Reporting Initiative (GRI) standards and the Sustainability Accounting Standards Board (SASB) standards.



Adoption of a financial materiality approach

The alignment with IFRS signals the prevalence of a financial materiality approach to sustainability reporting, focusing on how the management of environmental, social, and governance risks and opportunities may affect financial performance.

China stands out as the country among the group that, despite aligning with IFRS, has chosen to integrate a double materiality approach into its framework.



Evolving regulations

Sustainability-related regulations in APAC are continuously evolving and expanding, with a trend toward mandatory phase-ins. Reporting frameworks that are currently voluntary are expected to become mandatory over time. Expanded requirements, such as mandates for the disclosure of Scope 3 emissions and the solicitation of third-party assurance, have been noted by many countries in the region. Staying up-to-date on regulatory developments is essential for those that may be subject to report.

Sustainability Reporting Requirements in Selected APAC Countries

Ordered by implementation timeline; not inclusive of all APAC jurisdictions; years listed reflect the reporting period

LEGEND

 Reporting requirements are still under development or to be confirmed

Country ¹	Alignment with Existing Standards	2025	2026	2027	2028	2029	2030
Australia ² Australian Sustainability Reporting Standards (ASRS)		Large public and proprietary companies providing annual financial reports to Australia's Securities and Investments Commission meeting two of three criteria: > 500 employees, > A\$500 million in revenue, and > A\$1 billion in assets, as well as companies that are registered under the NGER act or are required to be registered under s12(1) of the NGER Act, and are members of a group that meets the threshold in s13(1)(a) of the NGER Act, need to issue a sustainability report aligned with standards based on IFRS S2	Medium-sized public and proprietary companies meeting two of three criteria: > 250 employees, > A\$200 million in revenue, and > A\$500 million in assets, as well as asset owners with AUM > A\$5 billion, as well as companies that are registered under the NGER act or that are required to be registered under s12(1) of the NGER Act, need to issue a sustainability report aligned with standards based on IFRS S2	Small public and proprietary companies meeting two of these three criteria: > 100 employees, > A\$50 million in revenue, and > A\$25 million in assets need to issue a sustainability report aligned with standards based on IFRS S2			
India Business Responsibility and Sustainability Report (BRSR) Framework	 	Top 500 companies listed on Indian stock exchanges by market capitalization will be required to seek reasonable assurance on their sustainability data on a comply-or-explain basis, and begin reporting value chain information	Top 1,000 companies listed on Indian stock exchanges by market capitalization will be required to seek reasonable assurance on their sustainability data on a comply-or-explain basis, and begin reporting value chain information				
Malaysia National Sustainability Reporting Framework (NSRF)		All companies listed on the Main Market with market cap ≥ RM2 billion need to align with standards based on IFRS S2	All other companies listed on the Main Market need to align with standards based on IFRS S2	All companies listed on the ACE Market and large non-listed companies with revenue ≥ RM2 billion for two consecutive years need to align with standards based on IFRS S2; all companies listed on the Main Market with market cap ≥ RM2 billion need to align with IFRS S1 in addition to S2	All other companies listed on the Main Market need to align with IFRS S1 in addition to S2	All companies listed on the ACE Market and large non-listed companies with revenue ≥ RM2 billion for two consecutive years need to align with IFRS S1 in addition to S2	
Singapore Climate-Related Disclosure (CRD) Standards	 	Companies listed on the STI index of the SGX stock exchange need to report Scope 1 and 2 emissions, and align with standards based on IFRS S2	Companies listed on the STI index of the SGX stock exchange must begin reporting on Scope 3 emissions	SGX-listed companies with market capitalization > S\$1 billion need to report Scope 1 and 2 emissions and align with standards based on IFRS S2 ³	All other SGX-listed companies and non-listed companies with > S\$1 billion in revenue or S\$500 million in assets need to report Scope 1 and 2 emissions and align with standards based on IFRS S2 ^{3,4}		
China ^{5,6,7} Corporate Sustainability Disclosure Standards – Basic Standards (CSDS)	 		Dual-listed and companies listed on SSE 180, STAR 50, Shenzhen 100, and ChiNext stock market indices need to align with standards based on IFRS S2			Non-listed large companies; small and medium-sized enterprises (SMEs) listed on SSE 180, STAR 50, Shenzhen 100, and ChiNext stock market indices need to align with standards based on IFRS S2	
Taiwan The Financial Supervisory Commission's Roadmap for the Adoption of IFRS Sustainability Disclosure Standards	  		All companies listed on TWSE or TPEx with paid-in capital > NT\$10 billion must align with standards based on IFRS S1 and S2, and report in line with GRI and SASB until these standards are retired by Taiwan's regulatory body	All companies listed on TWSE or TPEx with paid-in capital between NT\$5 and NT\$10 billion must align with standards based on IFRS S1 and S2, and report in line with GRI and SASB until these standards are retired by Taiwan's regulatory body	All other companies listed on TWSE or TPEx must align with standards based on IFRS S1 and S2, and report in line with GRI and SASB until these standards are retired by Taiwan's regulatory body		
Indonesia ⁶ Pernyataan Standar Pengungkapan Berkelanjutan (PSPK)				Publicly traded and publicly accountable companies, including listed companies and financial service companies, may need to report in line with IFRS S1 and S2	All public interest entities and large private companies may need to report in line with IFRS S1 and S2		
South Korea ^{7,8,9} Korean Sustainability Disclosure Standards (KSSB)	 			After 2026, and phased in thereafter, reporting requirements based on IFRS S2 will likely be required; large KOSPI-listed companies with assets ≥ 2 trillion are projected to be in the first group of companies subject to this requirement			
Japan ¹⁰ Sustainability Standards Board of Japan (SSBJ) Standards				All companies listed on the Prime Market of the Tokyo Stock Exchange with market capitalization ≥ ¥3 trillion	All companies listed on the Prime Market of the Tokyo Stock Exchange with market capitalization ≥ ¥1 trillion	All companies listed on the Prime Market of the Tokyo Stock Exchange with market capitalization ≥ ¥500 billion	

Note: Vietnam, with reporting requirements already in place ahead of many other countries in the region, is an early mover in mandating sustainability-related disclosures.

1 – Links to actual standards were provided when possible; links were provided to references when standards were not available or were not translated into English; 2 – S2 is mandatory, while S1 is voluntary; 3 – Issuers listed after June 30th, 2025 will be required to report after the first full financial year after listing; 4 – Large non-listed companies may be required to report Scope 3 emissions, no earlier than fiscal year 2029, with at least two years' notice; 5 – Uses a double materiality approach; 6 – Size thresholds TBD. 7 – Companies encouraged to apply the standards on a voluntary basis beginning in 2025; 8 – Includes two mandatory standards KSSB 1 and KSSB 2 (based on IFRS S1 and S2) and an additional, voluntary standard, KSSB 101, a country-specific set of standards; 9 – Expansion of requirements expected in future years; 10 – Full adoption across all Prime Market-listed companies expected in the future

Current as of September 2025



Implications for Multinational Companies

Implementation timelines, scopes, and requirements differ across jurisdictions, so MNCs with operations, suppliers, customers, or market exposure in APAC should evaluate if and how new reporting obligations will apply to their business. Whether reporting is legally required or not, the adoption of standards may influence investor engagement, a regional reporting strategy, supply chain transparency, and general competitiveness.



Decision-Useful Information for Investors

As APAC markets continue to assume a growing role in the global economy, MNCs with exposure in the region may face investor pressure for transparent, comparable sustainability data. Access to capital may also be affected due to institutional investors in APAC prioritizing integration of ESG into issuer companies' management strategies.

To ensure strong relations with APAC-based investors, U.S. companies may choose to disclose sustainability data consistent with APAC requirements—even in the absence of U.S. mandates or APAC mandates that directly impact multinational companies.



The Need for Regional Strategy

Unlike the EU's Corporate Sustainability Reporting Directive (CSRD), which would apply uniformly across member states with little variation, the APAC sustainability reporting mandates are fragmented by country. As a result, companies subject to regional reporting will need to develop market-specific roadmaps that identify commonalities across individual country requirements to ensure compliance across jurisdictions while streamlining resource use and minimizing reporting burdens.



Supply Chain Transparency

Sustainability disclosure requirements in APAC countries will likely lead to more transparency about supply chain impacts for companies that buy from or sell to the region. To comply with emerging regulations aligned with the ISSB's standards, both domestic companies and MNCs will likely need to enhance their operational and upstream emissions tracking to demonstrate ESG due diligence.



Competitive Landscape

Though sustainability reporting requirements may be considered a burden, they offer multinational companies an opportunity to differentiate themselves from competitors. Companies that adapt to regional requirements or recommendations may gain strategic advantages by appeasing regional stakeholders such as customers or regional investors that are interested in companies' sustainability performances. By aligning with sustainability disclosure standards, even if they remain voluntary for now, companies may have better luck securing contracts, attracting investments, hiring talent, and setting premium pricing in APAC markets and abroad.



An evolving global regulatory landscape

APAC countries' adoption of sustainability disclosure requirements contrasts with the contentious regulatory climate in other regions of the world. Whether APAC jurisdictions will continue advancing their regulations or reconsider in light of global trends remains an open question. Additionally, as the ISSB revises its climate-related disclosures (IFRS S2) to ease reporting burdens, it remains to be seen whether APAC countries will adjust their own requirements, many of which are aligned or inspired by IFRS sustainability disclosure standards.

G&A Institute Can Help

G&A offers a variety of services designed to help companies report on sustainability matters:

- + **Strategic Roadmaps:** Our strategy and reporting roadmap service makes sense of complex jurisdictional requirements and helps to consolidate and prioritize efforts.
- + **Gap Analyses and Report Development:** We provide gap analyses and report development services to ensure compliance with relevant sustainability standards.
- + **Expertise Across Standards:** With experience in GRI, ISSB, CSRD, TCFD, SASB, and others, we have a strong understanding of the various materiality assessment approaches—financial, impact, and double materiality—and can help address differences across sustainability standards.

Set up a call to discuss how APAC sustainability reporting may impact your company and how we can help you stay compliant with global disclosure requirements.

Navigating the way to sustainability

[Get Started](#)



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