

ESG Reporting Requirements & Trends in Major Asian Markets

This piece of research offers a brief summary of ESG reporting requirements, related legislations and regulations and future trends (primarily focusing on the **Environmental** and **Social** aspects of the overarching ESG concept) in key Asian jurisdictions (in alphabetical order).

(A)

Australia

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> • ESG Reporting Guide for Australian Companies¹ by Financial Services Council and the Australian Council of Superannuation Investors – Public disclosure of ESG data remains voluntary. • The Australian Securities Exchange (ASX)² and the Corporate Governance Council revised the Corporate Governance Principles and Recommendations (now third edition)³ to include ESG risks and how they are managed, which issuers are required to disclose on a ‘comply or explain’ basis. • On a “comply or explain” basis, companies should have in place and disclose a code of conduct, which addresses issues such as creating a non- 	<ul style="list-style-type: none"> • National Greenhouse and Energy Reporting Act (2007)⁶ – Companies meeting the thresholds in areas of greenhouse gas emissions, energy production and consumption are required to report. • Corporations Act (2001)⁷ - If the operations of the public companies are subject to any particular and significant environmental regulation, they are required to give details in the director’s reports. Employers with more than 100 employees must annually submit a report on workplace gender equality under the Workplace Gender Equality Act 2012. Indicators such as equal remuneration between women and men are covered. Furthermore, on a “comply or explain” basis, a diversity policy or a brief summary of the policy

¹ **ESG Reporting Guide for Australian Companies (First Edition 2011):** http://acsi.org.au/images/stories/ACSI/Documents/esg_reporting_guide.pdf

² **Australia Securities Exchange:** <http://www.asx.com.au/>

³ **Corporate Governance Principles and Recommendations, ASX Corporate Governance Council (Third Edition):** <http://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-3rd-edn.pdf>

⁶ **National Greenhouse and Energy Reporting Act (2007):** <https://www.comlaw.gov.au/Details/C2014C00813>

⁷ **Corporations Act (2010):** <https://www.comlaw.gov.au/Details/C2015C00336>

<p>discriminatory workplace, employees' human rights, etc. for directors, senior executives and employees.</p> <ul style="list-style-type: none"> • Under the Financial Services Reform Act⁴, Australian Securities and Investments Commission (ASIC) introduced guidelines⁵ for investment products to disclose the extent to which labour standards, or environmental, social, or ethical considerations are taken into account in the selection, retention and realisation of the investment. 	<p>should be in place and disclosed by the companies. Measurable objectives e.g. gender diversity on the Board or a gender breakdown across the entire organisation should be disclosed.</p> <ul style="list-style-type: none"> • ASIC introduced Regulatory Guide 247⁸ in 2013 to give effect to the Corporations Act 2011, which requires listed companies to include a discussion of environmental and other sustainability risks in the company's directors' report. • Workplace Gender Equality Act⁹ – requires that companies with more than 100 employees to report on various gender quality indicators (e.g. equal remuneration between women and men).
<p>Future Trends</p>	
<ul style="list-style-type: none"> • Current trajectory implies a move by ASX towards greater mandatory ESG reporting in the short term (1-2 years). 	

⁴ Financial Services Reform Act: <http://www.stakeholderforum.org/fileadmin/files/Government%20disclosure%20efforts.pdf>

⁵ Australian Securities and Investments Commission Section 1013DA disclosure guidelines: <http://download.asic.gov.au/media/1239069/rg65-published-30-november-2011.pdf>

⁸ Regulatory Guide 247 issued by ASIC: <http://download.asic.gov.au/media/1247147/rg247.pdf>

⁹ Workplace Gender Equality Act: <https://www.wgea.gov.au/about-legislation/workplace-gender-equality-act-2012>

(B)**Brunei**

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> • Brunei focuses on labour-related aspects laid out in ‘Laws of Brunei, Chapter 93 Labour’¹⁰. These are broadly applicable to ESG aspects and reporting. • As regards the environmental aspect, “Chapter 46 Forest”¹¹ and “Chapter 102 Wild Life Protection”¹² in the Laws of Brunei also reflect the government’s determination to address some of the country-specific environmental issues in Brunei. These, too, are broadly applicable to ESG aspects and reporting. 	
Future Trends	
<ul style="list-style-type: none"> • Brunei is unlikely to issue ESG reporting requirements in the medium term (3-5 years). 	

¹⁰ Laws of Brunei, Chapter 93 Labour: http://www.ilo.org/wcmsp5/groups/public/@ed_protect/@protrav/@ilo_aids/documents/legaldocument/wcms_117278.pdf

¹¹ Laws of Brunei, Chapter 46 Forest: http://www.endangeredearth.com/wp-content/uploads/es_laws/Brunei-Darussalam-Forest-Act.pdf

¹² Laws of Brunei, Chapter 102 Wild Life Protection: http://www.esabii.biodic.go.jp/database/others/documents/Brunei_law102.pdf

(C)**Mainland China**

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> • Shanghai Stock Exchange (SSE)¹³, which is a supportive regulatory organisation of ESG, mandates all listed companies to disclose CSR practices.¹⁴ • SSE issued a Notice on Strengthening Listed Companies' Assumption of Social Responsibility (Shanghai CSR Notice) and the Guidelines on Listed Companies' Environmental Information Disclosure (Shanghai Environmental Disclosure Guidelines)¹⁵ in order to provide CSR disclosure guidance. • Shenzhen Stock exchange (SZSE)¹⁶ mandates social responsibility disclosure for companies listed on Shenzhen Stock Exchange. • Social responsibility reports¹⁷ should be published by any state-owned enterprise under the State-owned Assets Supervision and Administration Commission ("SASAC"). 	<ul style="list-style-type: none"> • Environment Information Disclosure Act, 2008 mandates to disclose environmental information¹⁸. • Green Securities Policy, 2008¹⁹ requires listed companies to disclose more information about their environmental record. • The revised Environmental Protection Law (2015)²⁰ requires companies to disclose pollution data and holds government agencies responsible for disseminating information publicly. It also requires entities to disclose information (e.g. concentration and total volume) about the discharge of certain key pollutants in their emissions.

¹³ Shanghai Stock Exchange: <http://english.sse.com.cn/>

¹⁴ Sustainable Stock Exchanges Initiative: <http://www.sseinitiative.org/fact-sheet/sse/>

¹⁵ Exchanges and sustainable investment: <http://www.world-exchanges.org/sustainability/m-6-7-1.php>

¹⁶ Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies: <http://www.szse.cn/main/en/rulseandregulations/sserules/2007060410636.shtml>

¹⁷ "Guidelines to the State-Owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities" issued by SASAC in January 2008: <http://en.sasac.gov.cn/n1408035/c1477196/content.html>

¹⁸ Global Reporting Initiatives: <https://www.globalreporting.org/information/policy/initiatives-worldwide/Pages/China.aspx>

¹⁹ "Environmental Disclosure in China: An Examination of the Green Securities Policy", Wang and Bernell, *The Journal of Environment and Development*, December 2013.

²⁰ Mainland China's Environmental Protection Law, Articles 44, 45 and 55: <https://www.chinadialogue.net/EnvironmentalProtection-Law-2014-eversion.pdf>

Future Trends

- Environmental legislation is becoming increasingly stringent and comprehensive.
- Green Credit Policy 2008²¹ requires Chinese banks to integrate their environmental information and lending processes and criteria.
- Mainland's focus on the sustainability of financial market is growing.²²
- Introduction of mandatory environmental reporting by all companies listed on Mainland exchanges is possible in the future.

²¹ **China water risk:** http://chinawaterrisk.org/zs_regulations/zs_water-policy/zs_water-policy-initiatives/?lang=zh-hans

²² **Greening China's Financial System:** <http://www.iisd.org/publications/greening-chinas-financial-system>

(H)**Hong Kong**

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> • The Hong Kong Exchanges and Clearing Limited (HKEx) introduced the voluntary Environmental, Social and Governance Reporting Guide which was appended to the HKEx Main Board Listing Rules²³. • HKEx Listing Rules (Appendix 16)²⁴ – listed companies are required to offer a high-level discussion of ESG issues in the directors’ reports (for accounting periods ending on or after 31 Dec 2015). • HKSAR Environmental Protection Department is seeking carbon footprint data from listed companies on a voluntary basis²⁵. 	<ul style="list-style-type: none"> • Hong Kong has a comprehensive set of legislation²⁶ covering environmental performance, working conditions and labour practices. • The Building Energy Code²⁷ requires minimum levels of energy efficiency in buildings and owners of commercial buildings need to conduct regular energy audits. • Companies Ordinance (Cap 622)²⁸ – ESG-related issues are to be discussed in the director’s reports of all Hong Kong incorporated companies (unless exempted).

²³ **Hong Kong Stock Exchange Appendix 27 Environmental, Social and Governance Reporting Guide:**

https://www.hkex.com.hk/eng/rulesreg/litrules/mbrules/documents/appendix_27.pdf

²⁴ **Hong Kong Stock Exchange Appendix 16 Disclosure of Financial Information:** https://www.hkex.com.hk/eng/rulesreg/litrules/mbrules/documents/appendix_16.pdf

²⁵ **Environmental Protection Department Carbon Footprint Repository for Listed Companies:** <http://www.carbon-footprint.hk/>

²⁶ **Environmental Legislation:** http://www.epd.gov.hk/epd/english/laws_regulations/envir_legislation/laws_maincontent_el.html;

Labour Practices legislation: <http://www.labour.gov.hk/eng/legislat/content2.htm>

²⁷ **Building Energy Code:** http://www.emsd.gov.hk/emsd/eng/pee/eersb_pub_cp.shtml

²⁸ **Companies Ordinance (Cap 622):**

[http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/707C1C4DC6BDF92848257A5500549A21/\\$FILE/CAP_622_e_b5.pdf](http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3FA94825755E0033E532/707C1C4DC6BDF92848257A5500549A21/$FILE/CAP_622_e_b5.pdf)

Future Trends

- The HKEx is holding a public consultation²⁹ on “Review of the Environmental, Social and Governance Reporting Guide” till September 2015. Depending on the outcomes of the public consultation, some elements of the current ESG reporting guide (proposed that the environmental aspects and KPIs as well as the General Disclosures of each of the reporting Aspects) might be upgraded to “comply or explain”. The revised guide is intended to take effect for financial years starting on or after 1 January 2016 and listed companies would need to start data collection in order to publish ESG reports under the new guide in 2017. ac
- The Energy Saving Plan for Hong Kong’s Built Environment 2015-2015+³⁰ was published by Environment Bureau in collaboration with Development Bureau and Transport and Housing Bureau set out new targets and requirements for achieving building energy efficiency.
- Current trajectory implies a move by HKEx towards greater mandatory ESG reporting in the short term (1-2 years).

²⁹ Hong Kong Stock Exchange Consultation Paper – Review of the Environmental, Social and Governance Reporting Guide:

<https://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201507.pdf>

³⁰ Energy Saving Plan for Hong Kong’s Built Environment 2015-2025+: <http://www.enb.gov.hk/sites/default/files/pdf/EnergySavingPlanEn.pdf>

(I)**India**

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> The Department of Public Enterprise launched the latest version of the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises in 2013³¹. Particular foci are on employee rights and welfare. The Indian Ministry of Corporate Affairs issued the revised National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business³² in 2011. The Securities and Exchange Board of India (SEBI) mandates listed companies to submit Business Responsibility Reports³³ (including measures on Social, Environmental and Economic performance), and Quarterly Compliance Reports (including a corporate governance report).³⁴ 	<ul style="list-style-type: none"> The Companies Bill (2012)³⁵ mandates for-profit-making companies to spend 2 percent of their profits on CSR activities. Indian Factories Act (1987)³⁶ mandates reporting on labour and employment, working hours, accidents, and health and safety to the relevant state governments. Publication of this information is not mandatory. The Environmental Protection Act (1986)³⁷ mandates relevant organisations to submit annual environmental audit reports to the relevant State Pollution Control Board.

³¹ **Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises (2013):**

http://dpe.nic.in/sites/upload_files/dpe/files/Revised_CSR_Guidelines2_31122012.pdf

³² **National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business from the Ministry of Corporate Affairs (2011):**

http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf

³³ **The Economic Times:** http://articles.economictimes.indiatimes.com/2012-08-14/news/33201486_1_governance-norms-sebi-child-labour

³⁴ **Corporate Governance in listed Companies – Clause 49 of the Listing Agreement:** <http://www.sebi.gov.in/circulars/2004/cfdcir0104.pdf>

³⁵ **Companies Bill (2012):** http://mca.gov.in/Ministry/pdf/The_Companies_Bill_2012.pdf

³⁶ **India Factories Act (1987):** <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/32063/64873/E87IND01.htm>

³⁷ **Environmental (Protection) Act (1986):** http://www.moef.nic.in/sites/default/files/eprotect_act_1986.pdf

Future Trends

- In 2014, SEBI mandated several ESG requirements on listed companies in India, calling for greater voting data transparency and at least one female director on the board of the companies.
- In 2015, the Bombay Stock Exchange (BSE) announces that a CSR Exchange will soon be established³⁸. Building on The Companies Act of 2013, NGOs will be able to register on the forthcoming exchange.

³⁸ Initiative for Responsible Investment at Harvard University: <http://hausercenter.org/iri/about/global-csr-disclosure-requirements>

Indonesia

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> The government enacted a company law (Law No. 40/2007) making it mandatory for all listed companies to report on implementation of Social and Environment responsibility in the annual report (Article 66).³⁹ The market regulator requires listed companies to disclose information on corporate social responsibility in a separate section in the annual report.⁴⁰ 	<ul style="list-style-type: none"> Article 74 of the Law Number 40 of 2007 on Indonesia's Limited Liability Company Law requires companies that affect the environment to implement CSR program.⁴¹ The labour laws and policies of Indonesia include legislation on manpower labour inspection and occupational safety.⁴² State Owned Enterprise Minister Regulation (No. SE-443/MBU/2003, 2003) requires state-owned enterprises to report programs about partnership and community development in an audited report.⁴³ Besides, a report covering the environmental development is required to submit to the Ministry/ shareholders according to State Owned Enterprise Minister Regulation (No. KEP-05/MBU/2007, 2007).⁴⁴
Future Trends	
<ul style="list-style-type: none"> The Indonesia Stock Exchange and KEHATI (the Indonesian Biodiversity Foundation) launched the SRI-KEHATI Index in 2009, which acts as an indicator to access the performance of the companies on corporate social responsibility.⁴⁵ It can be seen as an attempt to implement sustainable development in the private sector through recognition of companies with good environmental and social performance.⁴⁶ 	

³⁹ Limited Liability Company (Law No.40/2007): http://www.bkpm.go.id/file_uploaded/uu-no-40-2007-english-version.doc

⁴⁰ Bapepam Introduces Requirement for the Disclosure of Ultimate Shareholders : <http://www.legal500.com/c/indonesia/developments/21741>

⁴¹ Indonesia Company Law: <http://www.indonesiacompanylaw.com/2012/04/26/corporate-social-responsibility-by-limited-liability-companies/>

⁴² Labour Inspection Structure and organization: http://www.ilo.org/labadmin/info/WCMS_153136/lang--en/index.htm

⁴³ Global Reporting Initiatives: <https://www.globalreporting.org/information/policy/initiatives-worldwide/Pages/Indonesia.aspx>

⁴⁴ Global Reporting Initiatives: <https://www.globalreporting.org/information/policy/initiatives-worldwide/Pages/Indonesia.aspx>

⁴⁵ SRI KEHATI INDEX: http://kehati.or.id/en/site_content/14-green-investment/51-indeks-sri-kehati-2.html

⁴⁶ SRI KEHATI INDEX: http://kehati.or.id/en/site_content/14-green-investment/51-indeks-sri-kehati-2.html

(M)**Macao**

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> • Employment Policy, Worker's Rights and Prohibition of Illegal Work⁴⁷, as well as air, noise and water pollution control standards⁴⁸ are all broadly applicable to ESG aspects and reporting. 	
Future Trends	
<ul style="list-style-type: none"> • The Environment Protection Planning of Macao (2010-2020) published by The Environmental Protection Bureau in Macao outlines strategies to encourage corporates to reduce emission, implement environmental management system etc.⁴⁹ 	

⁴⁷ **Labour Regulations:** <http://www.dsal.gov.mo/english/law.htm>

⁴⁸ **Environmental Regulations (Chinese version only):** <http://www.dspa.gov.mo/law.aspx>

⁴⁹ **The Environment Protection Planning of Macao (2010-2020):** <http://www.dspa.gov.mo/envplanningbook/a/en/ebook/part5/>

Malaysia

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> As part of its disclosure requirements, listed companies are required to include the details of CSR activities or practices they have taken in their annual report. If there are none, they need to include a statement to that effect.⁵⁰ ESG disclosure requirements are set forth in the Main Market Listing Requirements, Malaysian Code on Corporate Governance 2012⁵¹ and the Corporate Governance Guide (2nd Edition)⁵² Powering Business Sustainability Reporting for Listed Companies assists boards in applying the principles and good practices of corporate responsibility and sustainability in reporting.⁵³ 	<ul style="list-style-type: none"> The Securities Commission Malaysia (SC) launched the Sustainable and Responsible Investment (SRI) Sukuk framework in 2014 such that the financing of sustainable and responsible investment initiative⁵⁴ would be facilitated. Malaysian government law (2007) requires all listed companies to publish corporate social responsibility information in their annual reports.⁵⁵ The Environmental Quality Act (1974) sets out the legal framework for environmental discharges and emissions, and the approval mechanism for mandatory Environmental Impact Assessments of certain prescribed activities as designated by the Minister of Natural Resources and Environment.⁵⁶
Future Trends	
<ul style="list-style-type: none"> Malaysian public listed companies rank amongst the top scorers in the ASEAN Corporate Governance Scorecard Country Report and Assessments 2013-2014.⁵⁷ Looking forward, the implementation of the Corporate Governance Blueprint 2011 by the Securities Commission Malaysia is expected to further strengthen the corporate governance disclosure (including ESG) framework which companies listed in Malaysia are to adhere to.⁵⁸ 	

⁵⁰ Sustainable Stock Exchanges Initiative: <http://www.sseinitiative.org/fact-sheet/bursa/>

⁵¹ Malaysian Code On Corporate Governance 2012: <http://www.sc.com.my/malaysian-code-on-corporate-governance-2012/>

⁵² Corporate Governance Guide (2nd Edition): http://www.bursamalaysia.com/misc/system/assets/7257/CG_Guide2.pdf

⁵³ Sustainable Stock Exchanges Initiative: <http://www.sseinitiative.org/fact-sheet/bursa/>

⁵⁴ Securities Commission Malaysia Press Release: http://www.sc.com.my/post_archive/sc-introduces-sustainable-and-responsible-investment-sukuk-framework/

⁵⁵ Initiative for Responsible Investment at Harvard University: <http://www.stakeholderforum.org/fileadmin/files/Government%20disclosure%20efforts.pdf>

⁵⁶ ENVIRONMENTAL QUALITY ACT, 1974: <http://faolex.fao.org/docs/pdf/mal13278.pdf>

⁵⁷ ASEAN Corporate Governance Scorecard - Country reports and assessments 2013–2014: http://www.theacmf.org/ACMF/upload/adbcg2014_7th.pdf

⁵⁸ Corporate Governance Blueprint 2011: http://www.sc.com.my/wp-content/uploads/eng/html/cg/cg2011/pdf/cg_blueprint2011.pdf

Myanmar

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> • Corporate Social Responsibility initiatives or disclosure remain voluntary.⁵⁹ • Myanmar Forest Policy (1995) has been formulated to focus on the environment and sustainable development and use of forests.⁶⁰ • The Environmental Conservation Law (2012) sets out environmental quality standards.⁶¹ 	
Future Trends	
<ul style="list-style-type: none"> • Basic sustainability and CSR practices might be possible in the medium term (3-5 years).⁶² 	

⁵⁹ **Leading market entry to Myanmar with CSR: a huge need for support** : <http://www.ipra.org/itl/03/2014/leading-market-entry-to-myanmar-with-csr-a-huge-need-for-support>

⁶⁰ **United Nations Development Programme**: <http://www.mm.undp.org/content/myanmar/en/home/mdgoverview/overview/mdg7.html>

⁶¹ **Environmental Conservation Law (2012)**: http://www.gms-eoc.org/uploads/resources/144/attachment/3b_Mulqueeny_ADB_Myanmar_environmental_laws.pdf

⁶² **Myanmar and CSR: Creating and Implementing Successful Strategy**: <http://inleadvisorygroup.com/myanmar-and-csr-creating-and-implementing-successful-strategy/>

(N)**New Zealand**

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> • The Climate Change Response Act (2002) provides implementation, operation and administration of the greenhouse gas emissions trading scheme (ETS) in New Zealand.⁶³ • Under the Emission Trading Scheme (ETS), certain sectors are required to acquire and surrender emission units to account for their direct greenhouse gas emissions or the emissions associated with their products. The establishment of an Energy Efficiency and Conservation Authority (EECA) demonstrates commitment to integrate energy efficiency and renewable energy into the economy.⁶⁴ 	
Future Trends	
<ul style="list-style-type: none"> • New Zealand's First Biennial Report published in (2013) provides new requirements and specific details that presents New Zealand's progress towards fulfilling its commitments under the United Nations Framework Convention on Climate Change (UNFCCC). With this in place since 2013, increasing pressure on companies to disclose their greenhouse gas emissions is expected.⁶⁵ 	

⁶³ **Climate Change Response Act 2002:** <http://www.legislation.govt.nz/act/public/2002/0040/latest/DLM158584.html>

⁶⁴ **The New Zealand Emissions Trading Scheme:** <https://www.climatechange.govt.nz/emissions-trading-scheme/>

⁶⁵ **New Zealand's first biennial report under the United Nations Framework Convention on Climate Change:** <http://www.mfe.govt.nz/publications/climate-change/new-zealands-first-biennial-report-under-united-nations-framework>

(P)**The Philippines**

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> Voluntary Reporting – there is neither sustainability guidelines nor sustainability-related indices available.⁶⁶ Corporate Governance Guidelines for Companies listed on the Philippine Stock Exchange are implemented under a ‘comply or explain’ approach.⁶⁷ 	<ul style="list-style-type: none"> House Bill 4575 (2011) prohibits publicly listed companies from retaining certain amount of profit except when justified by the corporate social responsibility programmes approved by the board of directors. Besides, large tax payers need to include activities relating to CSR in their annual reports and submit to the Securities and Exchange Commission (SEC).⁶⁸ Clean Water Act (2004)⁶⁹ and Clean Air Act (1999)⁷⁰ can help listed companies to make environmental changes and improve their overall access to clean water and air. The Senate of the Philippines passed legislation to institutionalize and incentivize corporate social responsibility among large taxpayers according to the Corporate Social Responsibility Act (2011).⁷¹
Future Trends	
<ul style="list-style-type: none"> The Securities and Exchange Commission may amend provisions of the Corporation Code of the Philippines to strengthen corporate governance. More ESG disclosure requirements possible in the medium term (3-5 years).⁷² 	

⁶⁶ Sustainable Stock Exchanges initiatives: <http://www.sseinitiative.org/fact-sheet/pse/>

⁶⁷ CG Guidelines for Companies Listed on the Philippine Stock Exchange: <http://www.pse.com.ph/stockMarket/pseCorporateGovernance.html?ref=guidelines>

⁶⁸ HOUSE OF REPRESENTATIVES OF THE PHILIPPINES Press Release: <http://www.congress.gov.ph/press/details.php?pressid=5192>

⁶⁹ Clean Water Act: http://ap.fftc.agnet.org/ap_db.php?id=281

⁷⁰ Clean Air Act : <http://www.chanrobles.com/philippinecleanairact.htm#.VcBpfPmqgko>

⁷¹ Corporate Social Responsibility Act (2011): <http://www.senate.gov.ph/lisdata/1097993571.pdf>

⁷² “SEC pushes amendments to corporation code” – philstar: <http://www.philstar.com/business/2015/07/13/1476206/sec-pushes-amendments-corporation-code>

(S)**Singapore**

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> • Guide to Sustainability Reporting for Listed Companies is to provide guidance on voluntary disclosure on general environmental and social matters.⁷³ 	<ul style="list-style-type: none"> • Employment Act⁷⁴ and Workplace Safety & Health Act⁷⁵ cover both social and labour relations areas. • Energy efficiency legislation mandates minimum environmental sustainability standards for existing buildings.⁷⁶ • Energy Conservation Act (2012) requires energy-intensive companies to disclosure information about energy consumption, energy management strategies as well as conservation plan.⁷⁷ • The revised Code of Corporate Governance in 2012 requires company boards to extend their responsibility to include sustainability and ethical guidance.⁷⁸

⁷³ **Guide to Sustainability Reporting for Listed Companies:**

http://rulebook.sgx.com/net_file_store/new_rulebooks/s/g/SGX_Sustainability_Reporting_Guide_and_Policy_Statement_2011.pdf

⁷⁴ **Employment Act:** <http://www.mom.gov.sg/employment-practices/employment-act>

⁷⁵ **Workplace Safety and Health Act:** <http://www.mom.gov.sg/workplace-safety-and-health/workplace-safety-and-health-act>

⁷⁶ **Existing Building Legislation:** http://www.bca.gov.sg/EnvSusLegislation/Existing_Building_Legislation.html

⁷⁷ **Mandatory Energy Management Practices:** <http://www.nea.gov.sg/energy-waste/energy-efficiency/industry-sector/mandatory-energy-management-practices>

⁷⁸ **Code of Corporate Governance – Monetary Authority of Singapore:**

http://www.mas.gov.sg/~media/resource/fin_development/corporate_governance/CGCRevisedCodeofCorporateGovernance3May2012.pdf

Future Trends

- Singapore is clearly progressing towards mandatory sustainability reporting, but a shift away from a voluntary approach may materialise in the short to medium term (2 to 4 years)⁷⁹.
- SGX is currently embarking on a one-year consultation exercise (starting from May 2015) to determine which parts of the SGX Sustainability Reporting Guide should be elevated to “comply or explain”⁸⁰. Mr. Mangus Bocker, the then-Chief Executive Officer of SGX, announced a roadmap to upgrade sustainability reporting to a “comply or explain” basis and it is expected that the “comply or explain” requirement would be implemented in financial year 2017⁷³.
- More efforts can be done to encourage companies on sustainability reporting according to the Sustainable Singapore Blueprint 2015, which was published by Ministry of the Environment and Water Resources⁸¹.

⁷⁹ **“SGX to make sustainability reporting mandatory” – Eco-Business:** <http://www.eco-business.com/news/sqx-make-sustainability-reporting-mandatory/>

⁸⁰ **“Sustainability reporting in Singapore - the next chapter” - CSR Asia:** <http://csr-asia.com/csr-asia-weekly-news-detail.php?id=12501>

⁸¹ **Sustainable Singapore Blueprint 2015:** <http://www.mewr.gov.sg/ssb/files/ssb2015.pdf>

South Korea

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> Green Posting System (2012) required listed firms on the Korean Stock Exchange to include information about GHG emissions and energy usage and the certificate of green technology and green business in the annual reports⁸². The Financial Supervisory Service specified that insurance companies are to disclose the performances on contribution to the society.⁸³ KPX announced a Korean SRI Index in 2009 in order to assess the policies, performance and reporting on ESG issues.⁸⁴ 	<ul style="list-style-type: none"> Ministry of Environment issued the Environmental Reporting Guidelines (2007) based on Global Reporting Initiative (GRI)'s G3 Guidelines, which contains extensive environmental reporting requirements, covering areas such as environmental risk evaluation, environmental accounting and environmental performance evaluation.⁸⁵ The Ministry of Knowledge Economy developed BEST Sustainable Management guidelines (2006) based on GRI's G3 Guidelines.⁸⁶
Future Trends	
<ul style="list-style-type: none"> Green Finance is a growing trend and reducing greenhouse gas emissions has become a national priority⁸⁷ The Green Climate Fund (www.gcfund.org)⁸⁸ and the Global Green Growth Institute⁸⁹ (www.gggi.org) have chosen Incheon and Seoul respectively for their global headquarters. The presence of these reputable green organisations in Korea may bolster growth of ESG disclosure in years to come. 	

⁸² **Global Reporting Initiatives:** <https://www.globalreporting.org/information/policy/initiatives-worldwide/Pages/South-Korea.aspx>

⁸³ **Global Reporting Initiatives:** <https://www.globalreporting.org/information/policy/initiatives-worldwide/Pages/South-Korea.aspx>

⁸⁴ **Initiative for Responsible Investment at Harvard University:** <http://www.stakeholderforum.org/fileadmin/files/Government%20disclosure%20efforts.pdf>

⁸⁵ **Global Reporting Initiatives:** <https://www.globalreporting.org/information/policy/initiatives-worldwide/Pages/South-Korea.aspx>

⁸⁶ **Global Reporting Initiatives:** <https://www.globalreporting.org/information/policy/initiatives-worldwide/Pages/South-Korea.aspx>

⁸⁷ **“South Korea to cut 2030 greenhouse gas emissions by 37 percent from BAU levels” – Reuters:** <http://www.reuters.com/article/2015/06/30/us-climatechange-southkorea-idUSKCN0PA04N20150630>

⁸⁸ **Green Climate Fund:** <http://news.gcfund.org/>

⁸⁹ **Global Green Growth Institute:** <https://www.globalreporting.org/information/policy/initiatives-worldwide/Pages/South-Korea.aspx>

Sri Lanka

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> • Sri Lanka has a number of environmental⁹⁰ and labour laws⁹¹ which broadly cover some of the ESG Aspects. • The Colombo Stock Exchange (CSE) specified that one of its listing rules is to have good corporate governance. Besides, sustainability reporting is included in the corporate governance code.⁹² • The Government has recognised the importance of sustainable development to boosting the national economy.⁹³ 	
Future Trends	
<ul style="list-style-type: none"> • Companies are more actively involved in CSR activities⁹⁴ and some private sector companies have established organisations (e.g. CSR Lanka) to promote and facilitate CSR implementation.⁹⁵ 	

⁹⁰ **Forest Department:** http://www.forestdept.gov.lk/web/index.php?option=com_content&view=article&id=111&Itemid=106&lang=en

Coast Conservation and Coastal Resource Management Department: <http://www.coastal.gov.lk/index.php?lang=en>

⁹¹ **Labour Legislations:** http://www.labourdept.gov.lk/index.php?option=com_content&view=article&id=65&Itemid=59&lang=en

⁹² **Sustainable Stock Exchanges Initiative:** <http://www.sseinitiative.org/fact-sheet/colombo-stock-exchange/>

⁹³ **Information on National Sustainable Development Strategy or Equivalent:** <http://www.un.org/esa/agenda21/natlinfo/countr/slanka/nsds.pdf>

⁹⁴ **Corporate responsibility, philanthropy and development – University of Sussex:**

<https://www.sussex.ac.uk/webteam/gateway/file.php?name=corporate-responsibility-and-development-global-insights-08-web.pdf&site=11>

⁹⁵ **CSR Lanka:** <http://www.csrsrilanka.lk/profile.php>

(T)**Taiwan**

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> According to the latest announcement from the Taiwan Stock Exchange (TWSE) in 2015, specified listed companies will be obliged to comply with mandatory CSR reporting as per the GRI G4 guidelines.⁹⁶ The Corporate Social Responsibility Best Practice Principles launched in 2010 are a basic set of guidelines for Taiwan Stock Exchange (TWSE) and Gre Tai Securities Market (GTSM) listed companies and requires them to produce CSR reports on a “Comply or Explain” basis.⁹⁷ 	<ul style="list-style-type: none"> Regulation by the Financial Supervisory Commission (FSC) requires listed food processing companies, financial services companies, chemical industry companies and companies with more than NT\$10 billion of paid-in capital to disclose their CSR performance.⁹⁸
Future Trends	
<ul style="list-style-type: none"> Greater levels of engagement and education programmes from FSC and TWSE are likely as an attempt to push for progress.⁹⁹ According to the report survey done by a sustainability report platform in Taiwan, climate change is considered as a top risk issue in terms of its impact by most business.¹⁰⁰ 	

⁹⁶ The Taiwan Stock Exchange (TWSE) Press Release: http://www.twse.com.tw/en/about/press_room/tsec_news_detail.php?id=15960

⁹⁷ TWSE Press Release: http://www.twse.com.tw/en/about/press_room/tsec_news_detail.php?id=8212

⁹⁸ “Requiring certain listed companies to compile Corporate Social Responsibility Reports” - Financial Supervisory Commission Press Release: http://www.fsc.gov.tw/en/home.jsp?id=54&parentpath=0.2&mcustomize=multimessage_view.jsp&dataserno=201409240002&aplistdn=ou=news,ou=multisite,ou=english,ou=ap_root,ou=fsc,c=tw&toolsflag=Y

⁹⁹ Corporate Governance Center of Taiwan Stock Exchange: <http://cgc.twse.com.tw/responsibilityResult/promoteEventEn>

¹⁰⁰ “CSR overviews and trends in Taiwan” – European Chamber of Commerce Taiwan: http://www.ecct.com.tw/events_upcomingdetail.aspx?pcseq=4&cseq=33&seq=291

Thailand

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> In 2007, the Stock Exchange of Thailand (SET) established the Corporate Social Responsibility Institute (CSRI), indicating that CSR is taken seriously.¹⁰¹ Sustainability reporting¹⁰² is mandated by the Securities and Exchange Commission of Thailand. In 2012, SET issued a guidance document including the principles, theory and implementation of social responsibility. It contains GRI G3.1 Guidelines and parts of the document are based on ISO 26000, UN Global Compact etc.¹⁰³ 	<ul style="list-style-type: none"> The Occupational Safety, Health and Environment Act¹⁰⁴, The Enhancement and Conservation of National Environmental Quality Act¹⁰⁵ and the Environmental Quality Standard¹⁰⁶ can be applied to all companies.
Future Trends	
<ul style="list-style-type: none"> More listed companies in Thailand have been selected for the Dow Jones Sustainability Indices (DJSI)¹⁰⁷ SET is developing a sustainability index to pursue ESG reporting.¹⁰⁸ 	

¹⁰¹ “Raising ESG awareness and standards among listed companies” – World Federation of Exchanges : <http://www.world-exchanges.org/sustainability/m-3-0.php>

¹⁰² Sustainable Stock Exchanges Initiative: <http://www.sseinitiative.org/fact-sheet/set/>

¹⁰³ Global Reporting Initiative: <https://www.globalreporting.org/information/policy/initiatives-worldwide/Pages/Thailand.aspx>

¹⁰⁴ The Occupational Safety, Health and Environment Act : http://www.aseanoshnet.org/images/News_images/pdf/OSH%20ACT.pdf

¹⁰⁵ The Enhancement and Conservation of National Environmental Quality Act: http://www.pcd.go.th/info_serv/en_reg_envi.html

¹⁰⁶ Environmental quality standard: http://www.pcd.go.th/info_serv/en_regulation.html

¹⁰⁷ “Ten Thai listed companies selected for Dow Jones Sustainability Indices” –The Stock exchange of Thailand:

<https://www.set.or.th/set/pdfnews.do?file=http%3A%2F%2Fwww.set.or.th%2Fdat%2Fnews%2F201409%2F14060391.pdf>

¹⁰⁸ “Sustainable Investment, Immortality and your Stock Portfolio” - Bangkokpost: <http://www.bangkokpost.com/print/534019/>

(V)**Vietnam**

ESG Reporting Requirements	Related Legislation and Regulations
<ul style="list-style-type: none"> ESG Reporting is voluntary in Vietnam. However, The State Securities Commission (SSC) has been working with the International Finance Corporation (IFC) to publish “Sustainability Reporting Handbook for Vietnamese Companies” to promote ESG disclosures by listed companies.¹⁰⁹ 	<ul style="list-style-type: none"> The Environmental Protection Law (2014) (effective from 1 Jan 2015) includes provisions for polluter pays’ measures, payments for natural resource use, rehabilitation of affected areas, environmental protection plan, mandatory environmental impact assessments and responses to climate change.¹¹⁰ The Labour Code passed in 2012 addresses issues such as working hours, minimum wages/ overtime, rights of women/ young workers, occupational health and safety, collective bargaining and settlement of labour disputes¹¹¹
Future Trends	
<ul style="list-style-type: none"> Ho Chi Minh City Stock Exchange (HOSE), Hanoi Stock Exchange (HNX) and Vietnam Investment Review (VIR)’s sister publication Dau tu Chung khoan organised an annual reports award ceremony which featured a Sustainability Reporting Award. It shows that sustainability is gaining importance in Vietnam.¹¹² More ESG disclosure requirements possible in the medium term (3-5 years). 	

¹⁰⁹ Sustainability Reporting Handbook for Vietnamese Companies:

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/learning+and+adapting/knowledge+products/publications/publications_handbook_vietnam-sus

¹¹⁰ “Environmental Protection Law 2014: Improving Sustainability of Environment Protection” – Vietnam Business Forum:

http://vccinews.com/news_detail.asp?news_id=31850

¹¹¹ “Vietnam’s New Labor Code: Key Changes for Employers” – Tilleke & Gibbins:

<http://www.tilleke.com/resources/vietnam%E2%80%99s-new-labor-code-key-changes-employers>

¹¹² “Top firms scoop awards at ARA 2015” – Vietnam Breaking News: <http://www.vietnambreakingnews.com/2015/06/top-firms-scoop-awards-at-ara-2015/>