

31 December 2025 Sustainability Reporting Jurisdictional Update

International Sustainability Reporting Bulletin

ISRB 2026/02

January 2026

CONTENTS

1 Background	2 Major recent events in jurisdictional sustainability reporting
3 Jurisdictional update – European Union	4 Jurisdictional update – United States of America
5 Other jurisdictional updates	6 Sustainability reporting resources

Background

The International Sustainability Standards Board (ISSB) and other standard setters and regulators in major jurisdictions have been very active during 2023, 2024 and in 2025 by beginning to bring sustainability reporting frameworks into laws and regulations and by planning to and publishing consultations on proposed requirements and/or a proposed roadmap.

In the United States (US), the California Air Resources Board (CARB) continues to develop regulations under the California climate disclosure rules Senate Bills (SB) 253 and SB 261, and the U.S. Securities and Exchange Commission's (SEC) climate disclosure rules remained unenforced and awaiting either formal SEC action or a court decision as of December 2025.

In addition, the European Parliament (EP) approved the 'Omnibus I' proposals from the European Commission (EC) published in February 2025, while EC separately issued a delegated act extending transitional reliefs for 'wave one' entities applying the European Sustainability Reporting Standards (ESRS).

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

BDO also issues periodic International Sustainability Reporting (ISR) Bulletin [sustainability reporting updates](#) as sustainability standards are evolving quickly. Although it is comprehensive, this summary is not exhaustive and does not include all standard setting activities of the ISSB and other organisations.

EXECUTIVE SUMMARY

The overview of recent developments in sustainability reporting and climate-related regulations at the International Financial Reporting Standards Foundation and in the EU and the US highlights a growing global momentum towards standardised and mandatory disclosure of environmental, social, and governance information by companies.

In the EU, European Financial Reporting Advisory Group's (EFRAG) submitted its final technical advice to the EC with 12 draft simplified revised ESRS, while the EC published in the EU Official Journal its Delegated Regulation simplifying the EU Taxonomy, effective 1 January 2026 for 2025 reporting, with an option for companies to defer until 2026.

Jurisdictions on the adoption journey of the International Sustainability Standards Board's (ISSB™) International Financial Reporting Standards (IFRS®) Sustainability Disclosure Standards - IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and IFRS S2 *Climate-related Disclosures* (IFRS S2) (ISSB Standards), include but are not limited to Malaysia, China, UK, Australia, Thailand, Japan, Philippines, Nepal, New Zealand, Nigeria and Singapore. There are currently no open consultations on sustainability disclosure while some of the jurisdictions which finalised their sustainability reporting requirements aligned with the ISSB standards are China, Philippines and Thailand. Final United Kingdom sustainability reporting standards (UK SRS) are expected to be published early 2026.

In the US, in late 2025, the CARB issued its initial rulemaking package for SB 253 and SB 261. The Notice of Proposed Rulemaking was published on 23 December 2025, initiating a 45-day public comment period. Although first reports were initially due by 1 January 2026, the U.S. Court of Appeals for the Ninth Circuit issued an injunction on 18 November 2025, that temporarily paused enforcement of SB 261 pending the outcome of an appeal scheduled for 9 January 2026. The injunction does not extend to SB 253 compliance.

Major recent events in jurisdictional sustainability reporting

The following is a summary of some of the key recent sustainability reporting developments in various jurisdictions. Note that this list is not exhaustive:

JURISDICTION	SUMMARY
European Union	<p>On 16 December 2025, the EP approved the provisional agreement reached in trilogue negotiations to simplify and reduce the scope of sustainability reporting and due diligence requirements for companies. This marks the completion of the EC's 'Omnibus I', proposed by the EC in February 2025.</p> <p>BDO has published a web article outlining the most significant changes, including revisions to the scope of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).</p> <p>EP approves simplified sustainability reporting and due diligence rules – Omnibus I - BDO</p> <p>Separately, the EC has published in the EU Official Journal a 'quick fix' delegated act, extending transitional reliefs for entities already applying the ESRS. The delegated act is effective from 13 November 2025.</p>
	<p>On 3 December 2025, following the close of public consultation in September 2025, EFRAG submitted its final technical advice to the EC with 12 draft simplified ESRS. To support stakeholders, EFRAG has also issued factsheets outlining the changes to each ESRS.</p> <p>BDO has published an article highlighting the main simplifications and expected next steps.</p> <p>EFRAG submits technical advice on draft simplified ESRS to the EC</p>
	<p>The EC's Delegated Regulation introducing measures to simplify the application of the EU Taxonomy in the form of a Delegated Act amending the Taxonomy Disclosures, Climate and Environmental Delegated Acts adopted by the EC on 4 July 2025 has now been published in the EU Official Journal. The changes take effect from 1 January 2026 and apply to reporting for the 2025 financial year, with an option for companies to defer application until reporting for 2026.</p>
United States	<p>In July 2025, the U.S. SEC confirmed that it would not revisit its climate disclosure rules and requested the Court of Appeals for the Eighth Circuit to resolve ongoing legal challenges. The Eighth Circuit responded by pausing litigation against the SEC's climate disclosure rules. The rules remain unenforced and awaiting either formal SEC action or a court decision as of December 2025.</p>
	<p>In late 2025, the CARB issued its initial rulemaking package for SB 253 and SB 261. The Notice of Proposed Rulemaking was published on 23 December 2025, initiating a 45-day public comment period. Although first reports were initially due by 1 January 2026, the U.S. Court of Appeals for the Ninth Circuit issued an injunction on 18 November 2025, that temporarily paused enforcement of SB 261 pending the outcome of an appeal scheduled for 9 January 2026. The injunction does not extend to SB 253 compliance.</p>

Jurisdictional update – European Union

The ESRS were formally brought into EU law and published in the Official Journal, marking a major step towards the implementation of the ESRS, with reporting set to begin for some companies as soon as the 2024 financial year.

In February 2025, the EC released a set of proposed changes to simplify sustainability and due diligence reporting ('[Omnibus I](#)'), including simplifying ESRS issued in December 2023. The proposals include changes to the scope and timing of adoption of the CSRD, EU Taxonomy Regulation and the CSDDD. These proposals would significantly affect the scope and extent of sustainability reporting requirements in the EU.

BDO has published an article that contains the key information you need to know about these proposed changes.

[The EC's first Omnibus arrives - key takeaways - BDO](#)

BDO also published [The EC's First Omnibus - Key Proposed Changes to the CSRD](#), which provides an overview of the first Omnibus package of proposals published by the EC on 26 February 2025. The proposals aim to simplify and streamline the reporting requirements of the CSRD, the EU Taxonomy regulation, and the CSDDD, while ensuring transparency and compliance with the European Green Deal.

EP and European Council have approved the 'stop-the-clock' directive, delaying CSRD and CSDDD application timelines by up to two years to ease regulatory pressure, especially on micro, small, and medium-sized enterprises (SMEs).

EFrag submits technical advice on draft simplified ESRS to the EC

Following public consultation which ended in September 2025, EFRAG has delivered its final technical advice to the EC with 12 [draft simplified ESRSs](#) on 3 December 2025.

EFRAG has also prepared a series of '[factsheets](#)' which summarise the changes by each ESRS.

BDO has published an article that contains the information on the main simplifications and next steps:

[EFRAG submits technical advice on draft simplified ESRS to the EC](#)

EFRAG hosted a [conference](#) on 4 December 2025 to release its draft simplified ESRS following the delivery of EFRAG's Technical Advice to the EC.

The event featured insights from policymakers and experts, reflections from former Chair Patrick de Cambourg at the end of his mandate, and the launch of the [ESRS E-Hub platform](#).

EFrag issues supporting materials for draft simplified ESRS

EFRAG has released [supporting materials](#) to accompany the draft simplified ESRS, including the Basis for Conclusions, which also summarises feedback from the public consultation, and documents such as a cost-benefit analysis, amendment logs, comparative text tables, and an explanatory note on Article 29b and its Annex. These materials clarify how the draft standards were revised in response to stakeholder input.

EP approves simplified sustainability reporting and due diligence rules – Omnibus I

On 16 December 2025, the EP approved a provisional agreement to simplify and reduce the scope of sustainability reporting and due diligence requirements for companies. This followed the completion of trilogue negotiations. This approval concludes the 'Omnibus I' released as a set of proposed changes to simplify sustainability and due diligence reporting by the EC in February 2025.

BDO has published a web article which summarises the most significant areas, including the changes in scope for the CSRD and CSDDD:

[EP approves simplified sustainability reporting and due diligence rules – Omnibus I - BDO](#)

EC 'quick fix' delegated act on transitional reliefs released in the Official Journal

The EC has [published](#) in the EU Official Journal a '[quick fix](#)' [delegated act](#) to extend transitional reliefs for entities already applying the ESRS. The delegated act was effective from 13 November 2025.

In July 2025, the EC adopted a targeted 'quick-fix' delegated act to amend the first set of ESRS, with the objective of easing the reporting burden for 'wave one' undertakings, which are the undertakings which were required to report for financial year 2024 under the CSRD. These undertakings were not covered by the 'stop-the-clock' directive EU 2025/794, which deferred reporting obligations for 'wave two' and 'wave three' entities to financial year 2027 and beyond.

The 'quick-fix' allows 'wave one' undertakings to omit certain disclosures for their **second year** of reporting in financial year 2025 starting **on or after 1 January 2025**, aligning their obligations more closely with those of smaller entities, i.e. under 750 employees, that benefit from phase-in reliefs. Specifically, undertakings may omit full disclosures under ESRS E4 *Biodiversity and ecosystems*, S2 *Workers in the value chain*, S3 *Affected communities*, and S4 *Consumers and end-users*, provided the topics are not deemed material. For ESRS S1 *Own workforce*, a range of metrics—including data on non-employees, collective bargaining, social protection, disability inclusion, training, health and safety, and work-life balance, etc.—may be excluded for financial years 2024 through 2026. However, if any of these topics are assessed as material, undertakings must still provide summarised disclosures under ESRS 2 *General Disclosures*, paragraph 17.

However, based on the precise text of the legislation, application of the extended reliefs is not allowed for undertakings with a financial year starting before 1 January 2025. For example, those with their **first** financial year beginning on 1 July 2024 and ending on 30 June 2025 will not benefit from these reliefs in their first CSRD report as the 'quick fix' does not allow earlier application before reporting periods beginning on or after 1 January 2025. Consequently, undertakings with over 750 employees must disclose all the disclosure requirements from E4, S2, S3, and S4 in their first CSRD report, considering that according to the initial version of Appendix C of ESRS 1 *General requirements* the phase-in provisions are only applicable to undertakings with less than 750 employees.

'Wave one' undertakings with **up to 750 employees** have also received extended relief under the ESRS 'quick-fix' provisions. Initially permitted to omit disclosures of Scope 3 GHG emissions and total GHG emissions for financial year 2024, these undertakings may now continue to exclude this information through financial years 2025 and 2026. Additionally, they are allowed to omit **all** disclosures under ESRS S1 *Own workforce* for the same three-year period.

EU recommends Voluntary Sustainability Reporting Standard for SMEs

The EC has [recommended](#) a voluntary sustainability reporting standard for small and medium-sized enterprises (SMEs), developed by EFRAG, to help them respond to information requests from larger companies and financial institutions subject to the CSRD. This interim measure aims to enhance SMEs' access to sustainable finance, and improve their competitiveness, while also serving as a safeguard against excessive data demands from value chain partners until a formal delegated act is adopted.

EFRAG issued a [press release](#) welcoming EC's recommendation on voluntary sustainability reporting standard for SMEs.

EU Taxonomy

EC issues draft notice on implementing the amendments to the EU Taxonomy Disclosures Delegated Act

On 17 December 2025, the EC has published FAQ-based [draft commission notice](#) to help stakeholders interpret and implement the amendments to the EU Taxonomy Disclosures Delegated Act introduced by the Omnibus Delegated Act.

EU publishes Delegated Act introducing simplified EU Taxonomy requirements

The EC's Delegated Regulation introducing measures to simplify the application of the EU Taxonomy in the form of a Delegated Act amending the Taxonomy Disclosures, Climate and Environmental Delegated Acts adopted by the EC on 4 July 2025 has now been published in the [EU Official Journal](#).

The changes are effective from 1 January 2026 and apply to reporting for the 2025 financial year, with an option for companies to apply from 2026 financial year. The main simplification measures are covered in the [press release](#).

US SEC and state legislation

California Climate Legislation

In late 2025, the CARB issued its initial rulemaking package for SB 253 and SB 261. The proposed regulations seek to establish definitions for revenue and doing business in California — key criteria that determine whether companies must comply with SB 253 and SB 261.

The Notice of Proposed Rulemaking was published on 23 December 2025, initiating a 45-day public comment period. CARB is expected to hold a board meeting on 26 - 27 February 2026, to consider and vote on the proposed regulations.

[SB 253](#) requires companies in scope to disclose their Scope 1, Scope 2, and Scope 3 GHG emissions and obtain independent third-party assurance of their data. Initial disclosure requirements, which cover Scope 1 and Scope 2 reporting, begin in 2026.

[SB 261](#) requires covered companies to publish a climate-related financial risk report every two years, aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) or an equivalent framework. To assist entities in meeting these obligations, CARB has issued non-authoritative guidance, including the [Climate-Related Financial Risk Disclosures Checklist](#), which outlines a suggested approach for preparing a report that satisfies SB 261 requirements. CARB emphasizes that the checklist is advisory only and does not replace the statutory requirements. Although first reports were initially due by 1 January 2026, the U.S. Court of Appeals for the Ninth Circuit issued an injunction on 18 November 2025, that temporarily paused enforcement of SB 261 pending the outcome of an appeal scheduled for 9 January 2026. The injunction does not extend to SB 253 compliance.

CALIFORNIA CLIMATE DISCLOSURE HIGHLIGHTS		
	SB 253	SB 261
Companies in Scope	Public and private U.S. companies with total annual revenue ¹ > \$1 billion and do business in California ²	Public and private U.S. companies with total annual revenue ¹ > \$500 million and do business in California ²
Requirements & Frequency	Scope 1, Scope 2 & Scope 3 GHG data (annual)	Climate-Related Financial Risk Report (biennial)
First Reports Due	Scope 1 & Scope 2 ³ : 10 August 2026 (reporting period determined by fiscal year end ⁴) Scope 3 ⁵ : 2027 (fiscal year 2026 data)	1 January 2026, deadline on hold due to federal appeals court injunction
Assurance Requirements	Limited Assurance ⁵ <ul style="list-style-type: none"> ▶ Scope 1 & Scope 2: 2027 (fiscal year 2026 data) ▶ Scope 3: 2030 (fiscal year 2029 data). Reasonable Assurance ⁵ <ul style="list-style-type: none"> ▶ Scope 1 & Scope 2: 2030 (fiscal year 2029 data). 	None currently

CALIFORNIA CLIMATE DISCLOSURE HIGHLIGHTS

¹ Revenue is defined as total gross receipts, regardless of whether the revenue was generated within California. CARB is proposing that applicability is to be determined by the lesser of the company's two previous fiscal years of revenue. CARB's proposed definition of revenue is based on the gross receipts definition according to [California Revenue and Taxation Code \(RTC\) Section 25120\(f\)\(2\)](#) and as reported in a company's California Franchise Tax Board (FTB) filings. See [CARB slide 21](#) for details.

² CARB's proposed definition for doing business in California aligns partially with [RTC Section 23101](#). Under the proposal, a company is considered to be doing business in California if (1) it is actively engaging in any transaction for the purpose of financial or pecuniary gain or profit, and (2) it fulfills either of the following conditions during any part of a reporting year:

- ▶ The company is organised or commercially domiciled in California.
- ▶ The company's sales in California, as defined in [RTC Section 25120 \(e\) or \(f\)](#), exceed the [2024 inflation-adjusted threshold of \\$735,019](#). This total includes sales by a company's agent or independent contractor. California apportioned sales should be determined per [RTC Sections 25135 and 25136](#), as modified by [25137](#), which establish criteria for assessing whether a sale takes place in California. Sales within the state are reported on Schedule R-1 of a company's FTB filing.

³ CARB is proposing a compliance date of 10 August 2026, for the first SB 253 reporting deadline and is exercising enforcement discretion for the first year of compliance according to an [enforcement notice](#) issued in December 2024. CARB has also indicated that it will not issue penalties in the first reporting year to companies acting in good faith. According to CARB's November 2025 workshop and related [FAQ document](#), companies that were not collecting data or were not planning to collect data when the enforcement notice was issued on 5 December 2024, are not required to submit Scope 1 and Scope 2 data for the first reporting cycle. Instead, these companies should provide a statement to CARB that says they did not submit a report because they were not collecting data or planning to collect data at the time of the enforcement notice. Furthermore, limited assurance is not required for 2026 reporting — another aspect of CARB's discretion related to the enforcement notice.

⁴ If the fiscal year ends between 1 January 2026 and 1 February 2026, companies should report data from the fiscal year ending in 2026. If the fiscal year ends between 2 February 2026 and 31 December 2026, companies should report data from the fiscal year ending in 2025.

⁵ CARB plans to launch a subsequent rulemaking process in 2026 to establish requirements for SB 253 compliance in 2027 and beyond, including reporting due dates and other details.

SEC Climate Disclosure Rules

In July 2025, the U.S. SEC confirmed in a status report to the U.S. Court of Appeals for the Eighth Circuit that it would not review or reconsider its climate disclosure rules at this time. The SEC requested the court to resolve the pending legal challenges, emphasizing the need for judicial clarity on its authority and future rulemaking.

In September 2025, the Eighth Circuit responded by pausing litigation against the SEC's climate disclosure rules, stating that it is the SEC's responsibility to decide whether the rules will be rescinded, modified, or defended in court. As a result, the rules remain unenforced and awaiting either formal SEC action or a court decision.

As of December 2025, there have been no further regulatory action or changes to the status of these rules. Companies are not required to comply with the SEC climate disclosure rules at this time and should continue to monitor future developments.



Other Jurisdictional Updates

Jurisdictional profiles

According to the IFRS Foundation, 40 jurisdictions are progressing with the ISSB standards, either through adoption or ongoing integration into their regulatory frameworks.

The IFRS Foundation has released 17 [jurisdictional profiles](#) to provide transparency and evidence of progress towards the adoption of the ISSB standards. The profiles detail each jurisdiction's targets and current status regarding sustainability-related disclosure requirements, providing a clear picture of global progress towards a global baseline for sustainability disclosures for capital markets.

Additionally, 16 snapshots provide an overview of other jurisdictions' regulatory approaches still under finalisation.

ISSB Jurisdictional Rationale Guide: supporting global adoption

The ISSB has launched at the IFRS Sustainability Symposium the release of a [Jurisdictional Rationale Guide for the adoption or other use of ISSB standards](#) to assist jurisdictions in evaluating the adoption or other use of ISSB standards.

JURISDICTION	SUMMARY	MORE INFORMATION
Africa	<p>The Pan African Federation of Accountants (PAFA) has introduced a platform to strengthen Africa's capacity for sustainability reporting. It provides interactive, role-based learning courses in line with ISSB standards, the Transition Plan Disclosure Framework, and the International Integrated Reporting Framework.</p> <p>The PAFA has also launched the Forum for Advancing Sustainability and Integrated Reporting in Africa. This initiative aims to strengthen the continent's leadership in sustainability disclosure and integrated reporting.</p>	
Australia	<p>The Australian Accounting Standards Board (AASB) has introduced a knowledge hub dedicated to AASB S2 <i>Climate-related disclosures</i> (AASB S2), which are based on IFRS S2. This hub serves as a comprehensive repository of information designed to help in the preparation of climate-related financial disclosures using AASB S2.</p> <p>The AASB has released a comparison document showing that AASB S2 is fully aligned with the core recommendations of the TCFD. Any differences identified relate only to non-core recommendations.</p> <p>A joint research report by the Australian Auditing and Assurance Standards Board (AUASB), the AASB, and Chartered Accountants Australia & New Zealand (CA ANZ) reveals a significant increase in climate-related disclosures by ASX-listed entities. The report '<i>Preparedness of ASX-listed entities for climate-related reporting and assurance requirements</i>' highlights a rise in disclosure rates from 48.4% in 2023 to 67.4% in 2024. This trend reflects growing readiness for the AASB S2 and Standard on Sustainability Assurance ASSA 5000 General Requirements for Sustainability Assurance Engagements standards and indicates overall shift towards climate reporting.</p> <p>The Australian Government conducted a consultation on guidance for climate-related transition planning. This proposed guidance aims to align internationally, making it easier to compare transition plans. The consultation closed on 24 September 2025.</p>	<p>AASB S2 Knowledge Hub</p> <p>Comparison document</p> <p>Joint research report 'Preparedness of ASX-listed entities for climate-related reporting and assurance requirements'</p> <p>Consultation paper</p>

JURISDICTION	SUMMARY	MORE INFORMATION
	<p>The AASB has published educational material on the requirements for disclosing <i>GHG emissions applying AASB S2</i> Climate-related Disclosures. This guide explains the context and rationale behind these requirements, highlights the role of the GHG Protocol in supporting AASB S2 disclosures, and outlines main considerations for implementing the specific GHG-related requirements.</p> <p>The AASB has issued guidance titled '<i>Disclosing Information about Anticipated Financial Effects—Applying AASB S2 Climate-related Disclosures</i>'. This resource aims to help companies understand how to report anticipated financial impacts of climate-related risks and opportunities, following stakeholders request for practical educational material.</p>	<p>Educational material on GHG disclosure requirements applying AASB S2</p> <p>Guidance 'Disclosing Information about Anticipated Financial Effects—Applying AASB S2 Climate-related Disclosures'</p>
China	<p>In December 2025, the Chinese Ministry of Finance (MoF) has released '<i>Corporate Sustainability Disclosure Standard No. 1 – Climate (Trial)</i>' largely aligned with IFRS S2. It requires reporting on governance, strategy, risk and opportunity management, and metrics and targets. Mandatory scope and timing will be announced later. Voluntary adoption is permitted in the meantime.</p>	<p>'Corporate Sustainability Disclosure Standard No. 1 – Climate (Trial)'</p>
Japan	<p>The Japanese Financial Services Agency (FSA) conducted a consultation on proposed amendments to introduce mandatory sustainability reporting for listed companies with an average market capitalisation of at least 1 trillion yen. The consultation period closed on 26 December 2025.</p> <p>Under the proposals, these entities would be required to include sustainability-related disclosures in their securities reports and other relevant documents, following the Sustainability Standards Board of Japan (SSBJ) standards.</p> <p>The requirements would be phased in from fiscal year ending on or after 31 March 2027 for entities with an average market capitalisation of 3 trillion yen or more, and from fiscal year ending on or after 31 March 2028 for entities with an average market capitalisation of at least 1 trillion yen but less than 3 trillion yen.</p> <p>For the first two fiscal years, entities may opt for a two-step disclosure process, i.e. not including sustainability-related disclosures in accordance with the SSBJ standards for the first two fiscal years and allowing later correction by submission of SSBJ-compliant information via the semi-annual report for the subsequent fiscal year.</p>	<p>Consultation document</p>
Malaysia	<p>The Malaysian Advisory Committee on Sustainability Reporting (ACSR) has issued illustrative sustainability reports for the plantation and construction sectors. These examples align with ISSB standards and aim to support companies in preparing disclosures under Malaysia's National Sustainability Reporting Framework.</p>	<p>Illustrative sustainability reports for the plantation and construction sectors</p>

JURISDICTION	SUMMARY	MORE INFORMATION
Nepal	<p>The Accounting Standards Board (ASB) of Nepal conducted a consultation document seeking input on the draft Nepal Sustainability Reporting Standards (NSRS), which aim to align with IFRS S1 and IFRS S2. The consultation period was open until 16 August 2025.</p>	
New Zealand	<p>The New Zealand External Reporting Board (XRB) has issued staff guidance on GHG emissions, emphasising data quality and addressing scientific and estimation uncertainties. This guidance aims to clarify key points and resolve potential differences in interpretation as entities implement the Aotearoa New Zealand Climate Standards (NZ CS).</p> <p>The New Zealand External Reporting Board (XRB) has also issued another publication in its series on GHG emissions. The guidance 'Excluding GHG Emissions Sources' guidance aims to assist preparers in making informed decisions about excluding certain GHG emissions sources.</p> <p>Additionally, the XRB has published guidance on anticipated financial impacts, considering requirements of NZ CS 1 <i>Climate-related Disclosures</i> (NZ CS 1). NZ CS 1 requires entities to disclose the anticipated financial impacts of climate-related risks and opportunities, including the time horizons over which these impacts are expected to occur. The guidance explains how to assess or measure the material physical and transition risks on an entity's future financial position, financial performance, and cash flows.</p> <p>The New Zealand External Reporting Board (XRB) has released a feedback summary on its consultation regarding the international alignment of its NZ CS. Respondents largely supported aligning the NZ CS with global frameworks like IFRS S2 and AASB S2 to enhance comparability, reduce duplication, streamline reporting processes, meet investor expectations and improve market access. However, concerns were raised about premature adoption, with many advocating for a phased approach to avoid compliance burdens and allow time for capacity building. There was also strong support for mutual or unilateral recognition of climate standards between New Zealand and Australia to streamline reporting and improve efficiency.</p> <p>The New Zealand External Reporting Board (XRB) has initiated a consultation to gather feedback on its proposal to extend the adoption provisions for reporting and assurance of Scope 3 GHG emissions, as well as the adoption provision for reporting anticipated financial impacts, by two additional reporting periods. The XRB proposes to implement these reliefs by amending NZ Climate Standard 2 <i>Adoption of Aotearoa New Zealand Climate Standards</i> (NZ CS 2) and NZ Standard on Assurance Engagements 1 Assurance Engagements over GHG Emissions Disclosures (NZ SAE 1). The consultation closed on 24 September 2025.</p>	<p>Guidance on GHG gas emissions</p> <p>Guidance on excluding GHG emissions sources</p> <p>Guidance on anticipated financial impacts</p> <p>Consultation document</p> <p>Request for information feedback</p> <p>Proposed 2025 Amendments to Climate and Assurance Standards</p> <p>MBIE press release</p> <p>XRB press release</p>

JURISDICTION	SUMMARY	MORE INFORMATION
	<p>The New Zealand Ministry of Business, Innovation & Employment (MBIE) will increase the mandatory climate reporting threshold for listed companies from NZD 60 million to NZD 1 billion in market capitalisation. The legislative changes are expected to be enacted in 2026.</p> <p>The New Zealand External Reporting Board (XRB) has granted two additional reporting periods for adopting Scope 3 GHG emissions disclosure, assurance, and anticipated financial impact requirements. Related amendments will be made to NZ CS 2 and NZ SAE 1.</p> <p>The New Zealand External Reporting Board (XRB) has updated NZ CS 2 and NZ SAE 1.</p> <p>These amendments grant an additional two years for adoption provisions covering:</p> <ul style="list-style-type: none"> ▶ Anticipated financial impacts ▶ Scope 3 GHG emissions (including comparatives and trend analysis) ▶ Assurance of Scope 3 GHG emissions. 	<p>Amendments to NZ CS 2</p> <p>Amendments to NZ SAE 1</p>
Nigeria	<p>The Financial Reporting Council of Nigeria (FRCN) has initiated a public consultation on a revised roadmap for adoption of the ISSB standards and sustainability reporting guidelines. Stakeholders may submit comments until 20 January 2026. Originally released in April 2024, the roadmap has been revised to extend the reporting requirements to government bodies and government-related organisations. These entities will now be required to begin sustainability reporting for the reporting periods beginning on or after 1 January 2028.</p> <p>The timeline for limited assurance has also been adjusted. Limited assurance on sustainability disclosures will now apply in years four and five of reporting (previously years three and four), transitioning to reasonable assurance from year six (previously year five).</p> <p>For Scope 3 GHG emissions, scenario analysis, and transition plans, limited assurance will be required from year six (previously year five), with reasonable assurance beginning in year seven (previously year six).</p> <p>To support transparency and aid implementation, the FRCN has also issued a sustainability reporting guideline addressing practical considerations arising from the adoption of ISSB standards in Nigeria.</p>	<p>Public consultation</p> <p>Original release</p> <p>Revised roadmap for adoption of the ISSB standards</p> <p>Sustainability reporting guideline</p>

JURISDICTION	SUMMARY	MORE INFORMATION
Philippines	<p>The SEC of the Philippines has adopted the Philippine Financial Reporting Standards (PFRS) on Sustainability Disclosures aligned with IFRS S1 and IFRS S2. Publicly listed companies listed in the Philippine Stock Exchange (PLCs) and large non-listed entities (LNLs) are required to adopt PFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> and PFRS S2 <i>Climate-related Disclosures</i> according to a phased timeline:</p> <p><u>Fiscal year beginning on or after 1 January 2026:</u></p> <ul style="list-style-type: none"> ▶ Tier 1: PLCs with a market capitalisation > PHP 50 billion as of 31 December 2025 <p><u>Fiscal year beginning on or after 1 January 2027:</u></p> <ul style="list-style-type: none"> ▶ Tier 2: PLCs that are not Tier 1 with a market capitalisation > PHP 3 billion as of 31 December 2025 <p><u>Fiscal year beginning on or after 1 January 2028:</u></p> <ul style="list-style-type: none"> ▶ Tier 3: all PLCs that are not Tier 1 or 2, including those that only have debt securities listed on the Philippine Dealing & Exchange Corp as well as LNLs with an annual revenue > PHP 15 billion for the immediately preceding financial year <p>External limited assurance over Scope 1 and Scope 2 GHG emissions becomes mandatory two years after each tier's initial adoption of the standards, moving over time toward reasonable assurance. External assurance is required to be in accordance with the International Standard on Sustainability Assurance (ISSA) 5000.</p> <p>The available transition reliefs are the followings:</p> <ol style="list-style-type: none"> 1. Companies may limit disclosures to climate related risks and opportunities for one year (Tiers 1 & 2) and two years (Tier 3). 2. Sustainability reports may be issued after the related financial statements, either: <ul style="list-style-type: none"> • With the next Q2 or half-year interim report, or • Within nine months after the reporting period if no interim statements are issued. <p>Relief applies for one year across all tiers.</p> 3. No comparative information required for the first year across all tiers. 4. Alternative GHG measurement methods (other than the GHG Protocol) may be used for one year for all tiers. 5. Scope 3 GHG emissions disclosure is deferred for two years for all tiers. 	<p>SEC memorandum</p>

JURISDICTION	SUMMARY	MORE INFORMATION
Singapore	<p>The Accounting and Corporate Regulatory Authority of Singapore (ACRA) and the Singapore Exchange Regulation (SGX RegCo) announced an extension of the timelines for climate reporting requirements implementation for listed and large non-listed companies.</p> <p>The revised effective dates are as follows:</p> <ul style="list-style-type: none"> ▶ Disclosure of Scope 1 and Scope 2 GHG emissions: <ul style="list-style-type: none"> • FY2025 for Straits Times Index (STI) listed companies, non-STI listed companies with a market capitalisation of ≥ S\$1bn, and remaining listed companies; • FY2030 for large* non-listed companies. ▶ Other climate-related disclosures based on ISSB standards: <ul style="list-style-type: none"> • FY2025 for STI listed companies; • FY2028 for non-STI listed companies with a market capitalisation of ≥ S\$1bn; • FY2030 for remaining listed companies and large* non-listed companies. ▶ Disclosure of Scope 3 GHG emissions: <ul style="list-style-type: none"> • FY2026 for STI listed companies; voluntary for other categories. ▶ External limited assurance for Scope 1 and Scope 2 GHG emissions: <ul style="list-style-type: none"> • FY2029 for STI listed companies, non-STI listed companies with a market capitalisation of ≥ S\$1bn, and remaining listed companies; • FY2032 for large* non-listed companies. <p>* Large companies are defined as those with an annual revenue of ≥ S\$1bn and total assets of ≥ S\$0.5bn.</p>	<p>Press release</p>
Thailand	<p>The SEC of Thailand (SET) has finalised sustainability reporting rules aligned with the ISSB standards, following a public consultation launched in September 2025.</p> <p>The phased adoption timeline in breakdown by fiscal years is the following:</p> <ul style="list-style-type: none"> ▶ 2027: Listed companies in the SET50 index ▶ 2028: Listed companies in the SET100 index ▶ 2029: All SET listed companies ▶ 2030: Listed companies in the Market for Alternative Investments (MAI) listed companies, Real Estate Investment Trusts, Infra Trusts, Property Funds, and Infrastructure Funds <p>The implementation of the standards allows a phased in approach with transition relief measures permitted. Initial implementation will follow a climate first approach, requiring disclosure of Scope 1 and Scope 2 GHG emissions and mandatory assurance. Assurance may be provided by the Thailand GHG Management Organization (TGO) registered providers or providers that carry out assurance in line with internationally accepted assurance standards.</p>	<p>Press release</p>

JURISDICTION	SUMMARY	MORE INFORMATION
United Kingdom	<p>The UK government is finalising the UK SRS S1 and UK SRS S2 and, following stakeholder feedback, will remove fixed dates for transitional reliefs so that timing can instead be set through government regulations or FCA rules.</p> <p>Final UK SRS, updated for recent ISSB amendments, is expected to be published in early 2026.</p>	<p>Update on UK government process to finalise UK Sustainability Reporting Standards</p> <p>FRC project page</p> <p>UK SRS guidance page</p>

Sustainability Reporting Resources

Illustrative Sustainability Report - IFRS Sustainability Disclosure Standards

BDO has published its inaugural [illustrative sustainability report prepared in accordance with IFRS Sustainability Disclosure Standards for the year-ended 31 December 2025](#). This publication illustrates how IFRS Sustainability Disclosure Standards may be applied to a medium-sized enterprise and focuses on climate-related risks and opportunities.

International Sustainability Reporting Bulletin 2026/01 31 December 2025 Sustainability Reporting Jurisdictional Update

BDO has published [International Sustainability Reporting Bulletin 2026/01 31 December 2025 Sustainability Reporting Update](#). This publication provides a 'snapshot' of sustainability reporting developments with a focus on the updates following the ISSB's issue of two IFRS Sustainability Disclosure Standards on 26 June 2023 and the EC's adoption of the ESRS on 31 July 2023.

BDO published EU Reporting: Corporate Sustainability Reporting Directive – Summary of Scope and Requirements

2024 was the first year in which companies were required to report in accordance with the EU's CSRD, which replaces the NFRD. [EU Reporting: Corporate Sustainability Reporting Directive – Summary of Scope and Requirements](#) sets out an overview of key changes that have been introduced by the CSRD in comparison to the NFRD, together with a more detailed explanation of the very significantly expanded scope, the timing of adoption by different entities, and a high-level summary of what companies need to prepare for. It also includes an overview of the first batch of general sector-agnostic ESRS, and how (and the extent to which) the CSRD links these to IFRS Sustainability Disclosure Standards published by the ISSB at the IFRS Foundation.

BDO published Corporate Sustainability Reporting Directive ('CSRD' for Non-EU Companies)

[Corporate Sustainability Reporting Directive \('CSRD' for Non-EU Companies\)](#) provides an executive summary of the CSRD, what is required by the CSRD, which non-EU entities are in scope of the CSRD and when as well as provides references to further resources available, making it a useful resource for those familiarising themselves with these new standards.

Sustainability At a Glance - IFRS Sustainability Disclosure Standards

IFRS S1 and IFRS S2 set a 'global baseline' for disclosure of sustainability-related financial information and are expected to be endorsed and/or adapted by many jurisdictions worldwide. [Sustainability At a Glance - IFRS Sustainability Disclosure Standards](#) summarises IFRS S1 and IFRS S2 into a few pages, making it a useful resource for those familiarising themselves with these new standards.

Sustainability At a Glance - European Sustainability Reporting Standards

BDO has published [Sustainability At a Glance - European Sustainability Reporting Standards \(ESRS\)](#). Sustainability At a Glance - European Sustainability Reporting Standards (ESRS) has been compiled to assist in gaining a high-level overview of the ESRS and summarises the disclosure requirements of each topical ESRS including certain definitions.

Sustainability At a Glance – The Greenhouse Gas Protocol

[Sustainability At a Glance – The Greenhouse Gas Protocol](#) summarises measuring Scope 1, Scope 2 and Scope 3 emissions into a few pages, making it a useful resource for those familiarising themselves with this protocol.

BDO published The EC's First Omnibus - Key Proposed Changes to the CSRD

[The EC's First Omnibus - Key Proposed Changes to the CSRD](#) provides an overview of the first Omnibus package of proposals published by the EC on 26 February 2025. The proposals aim to simplify and streamline the reporting requirements of the CSRD, the EU Taxonomy regulation, and the CSDDD, while ensuring transparency and compliance with the European Green Deal.

For further information and guidance on sustainability, please refer to BDO's Global [Sustainability Reporting Micro-site](#).

For further information on the US SEC and state legislation, please refer to BDO US's [Sustainability and ESG site](#).



This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Neither BDO IFR Advisory Limited, and/or any other entity of BDO network, nor their respective partners, employees and/or agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

The BDO network (referred to as the 'BDO network' or the 'Network') is an international network of independent public accounting, tax and advisory firms which are members of BDO International Limited and perform professional services under the name and style of BDO (hereafter 'BDO member firms'). BDO International Limited is a UK company limited by guarantee. It is the governing entity of the BDO network.

Service provision within the BDO network in connection with International Financial Reporting Standards (IFRS) Accounting Standards (comprising IFRS Accounting Standards, International Accounting Standards, and Interpretations developed by the IFRS Interpretations Committee and the former Standing Interpretations Committee), and other documents, as issued by the International Accounting Standards Board, IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board, and European Sustainability Reporting Standards (ESRS) published in the Official Journal of the European Union, is provided by BDO IFR Advisory Limited, a UK registered company limited by guarantee. Service provision within the BDO network is coordinated by Brussels Worldwide Services BV, a limited liability company incorporated in Belgium.

Each of BDO International Limited, Brussels Worldwide Services BV, BDO IFR Advisory Limited and the BDO member firms is a separate legal entity and has no liability for another entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BV, BDO IFR Advisory Limited and/or the BDO member firms. Neither BDO International Limited nor any other central entities of the BDO network provide services to clients.

BDO is the brand name for the BDO network and for each of the BDO member firms.

© 2026 BDO IFR Advisory Limited, a UK registered company limited by guarantee. All rights reserved.

www.bdo.global