

## **Reforming ESG: a European and Global South perspective**

Simone Borghesi,<sup>1,2\*</sup> Valeria Costantini,<sup>3,4</sup> Alessio D'Amato,<sup>4,5</sup> Ilaria Dibattista,<sup>1,2</sup> Phoebe Koundouri,<sup>6,7</sup> Qinci Li,<sup>8</sup> Matteo Mazzarano,<sup>1,2</sup> Thomas Sterner,<sup>9</sup> Mira Manini Tiwari,<sup>1,2</sup> Peter Vis<sup>1,10</sup> and Anastasios Xepapadeas<sup>6,11</sup>

<sup>1</sup> European University Institute (EUI), Florence, Italy; <sup>2</sup> University of Siena, Siena, Italy; <sup>3</sup> University Roma Tre, Rome, Italy; <sup>4</sup> SEEDS Sustainability Environmental Economics and Dynamics Studies (SEEDS), Ferrara, Italy; <sup>5</sup> University Tor Vergata, Rome, Italy; <sup>6</sup> Athens University of Economics and Business, Athens, Greece; <sup>7</sup> Denmark Technical University, Copenhagen, Denmark; <sup>8</sup> Paris School of Economics, Paris, France; <sup>9</sup> University of Gothenburg, Goteborg, Sweden; <sup>10</sup> Rud Pedersen Public Affairs, Brussels, Belgium; <sup>11</sup> University of Bologna, Bologna, Italy

\*Corresponding author. E-mail: [Simone.borghesi@unisi.it](mailto:Simone.borghesi@unisi.it)

### **ONLINE APPENDIX**

## Appendix

A comparison of domestic ESG reporting regulations in the Global South and the EU's NFR, with a focus on the environmental pillars.

For the purposes of completeness and to illustrate the spectrum of regulations, we analysed all countries in the UNCTAD definition of Global South. Within this, we filtered by countries that have a gross domestic product (GDP) per capita (purchasing power parity at current international dollar) equal to or higher than \$11,740 (the lowest bracket in the World Bank's categorisation of national GDP<sup>1</sup>) *and/or* at least 100 listed domestic companies.<sup>2</sup> Table A1 includes cases for which there are mandatory reporting *regulations* (i.e., the table does not include countries in which there are currently only ESG reporting *guidelines* to be implemented on a voluntary basis).<sup>3</sup> The sources used for the compilation of this table are listed below it.

---

<sup>1</sup> World Bank (2023). GDP per capita, PPP (current international \$).

<https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD?end=2023&start=2023&type=shaded&view=map>

<sup>2</sup> World Bank (2022). Listed domestic companies (total). <https://databank.worldbank.org/source/world-development-indicators/Series/CM.MKT.LDOM.NO>

<sup>3</sup> Narrower regulations have not been included, such as Peru's Supreme Decree No. 052-2010-EM (which concerns only the mining sector, and the disclosure are only submitted to the Ministry of Energy and Mines, rather than to the public) and Supreme Decree No. 019-2009-MINAM (which requires titleholders of investment projects that will have an environmental impact to obtain prior approval of an *environmental management instrument*, with a *community relationship plan*).

**Table A1.** A comparison of domestic ESG reporting regulations in the Global South and the EU’s non-financial reporting (NFR) regulations, with a focus on the environmental pillars

Context	Real GDP PPP Per capita	Listed domestic companies	Regulation	Reference year	Domestic companies subjected to the regulation	Company's social and environmental impacts	Environmental and social impacts on company's financial outcomes	Emission scopes	Requirement of independent auditing
<b>EU</b>	60,349	5,880 (2018)	Corporate Sustainability Reporting Directive	2023/2024	Large companies (listed and non-listed); SMEs listed on the European regulated market; small and non-complex credit institutions; captive insurance undertakings	Yes	Yes	Scopes 1 and 2. Scope 3 discretionary.	Yes
<b>Brazil</b>	20,584	361	Social, Environmental and Climate Responsibility Policy (Resolution 4,945; revision of 4.327). National Monetary Council Resolution 4,943 From 2024: Resolution 59 on voluntary disclosures aligned with the IFRS Sustainability	2021 (revision of 2014)	Financial institutions: banks, credit unions, investment funds, payment institutions, and other Central Bank-authorized entities. From 2026: mandatory for public companies.	Suggested	Suggested	Based on climate-related risk exposure, evaluated by company	No, but Central Bank oversight

			Disclosure Standards.						
<b>Chile</b>	32,285	400	General Rule No. 461 (NCG 461)	2021 (update on 2015)	Public listed companies (with minimum UF 1 million in consolidated assets), public securities providers, and in 2025 all other entities supervised by the financial market commission (financial institutions and large corporations)	Yes	Yes	Scopes 1 and 2. Scope 3 discretionary.	No
<b>China</b>	24,558	11,497	CSRC Measures for the administration of legal disclosure of enterprise environmental information	2021	Major polluters, major energy consumers, and users and/or dischargers of toxic or harmful substances. Public listed companies and bond-issuing companies and their subsidiaries (if these have previously been penalised for certain	Yes	Yes	Scopes 1 and 2. Scope 3 voluntary, or if requested by industry-specific standards.	No

					environmental violations in the previous year).				
<b>Hong Kong</b>	71,482	2,414	Hong Kong Stock Exchange (HKEX) ESG Reporting Guide (Appendix 27 and 20)	2023 (latest update on original from 2016)	Listed companies	Yes	Yes	Scopes 1 and 2 (from 1 January 2025 onwards). Scope 3 (from 1 January 2025): Main Board issuers (large companies), 'comply or explain'; discretionary for GEM Issuers (small-medium companies). From 1 January 2026 mandatory for LargeCap Issuers (largest economic value of stocks).	No
<b>India</b>	10,176	2,168	Business Responsibility and Sustainability Reporting (BRSR) Core Framework	2023 (latest update; replaced former 2011 regulation in 2022)	Top 1000 listed entities (by market capitalisation)	Yes	Yes	Scopes 1 and 2	Yes, only for the top 150 listed entities (by market capitalisation). To increase to top 1000 by financial year 2026-2027.
<b>Indonesia</b>	15,613	825	OJK Regulation No. 51/POJK.03/2017	2017	Public listed companies and financial institutions supervised by the Indonesian	Yes, discretionary	Yes	None required. Publicly listed companies required to disclose emission reduction efforts.	No

					Financial Services Authority				
<b>Malaysia</b>	37,248	963	Bursa Malaysia Sustainability Reporting Requirements	2022 (update on 2016)	Main Market-listed companies	Yes	Yes	All discretionary	No (requires internal assurance statement)
<b>Nigeria</b>	6,318	173	Sustainability Disclosure Guidelines	2018	Listed companies	Yes	Yes	All discretionary	No
<b>Peru</b>	16,717	186	Superintendent's Resolution No. 018-2020-SMV/02: Corporate Sustainability Report	2015	Listed companies	Yes	Yes	All discretionary	No
<b>Philippines</b>	10,756	283	Securities and Exchange Commission: Code of Corporate Governance for Publicly Listed Companies and Code of Corporate Governance for Public Companies and Registered Issuers	2016 and 2019	Public listed companies with a public float of at least 50%, and public companies and registered issuers	Yes	Yes	All discretionary	No
<b>Singapore</b>	141,500	425	SGX Listing Rules	2024 (update on 2016)	Listed companies (all industries from 2025). From 2027: large non-listed companies with annual revenue of at least SGD 1	Yes	Yes	Listed companies: Scopes 1 and 2. Scope 3 required from Financial Year 2026. Large non-listed companies: Scopes 1 and 2 in	No, but declaration of whether the disclosure has been externally assured or

					billion and total assets of at least SGD 500 million			2027. Scope 3 2029 or later.	not, and by whom
<b>South Africa</b>	15,847	237	Companies and Intellectual Property Commission ESG Reporting Guidelines	2023 (mandatory from 2025)	Public and state-owned companies	Yes	Yes	None	No
<b>Thailand</b>	23,423	810	Securities and Exchange Commission 56-1 One Report	2020	Listed companies and 'Sustainable and Responsible Investing' (SRI) funds	Yes	Yes	Scopes 1 and 2	No

## Sources

**Bursa Malaysia** (2022) Sustainability Reporting Guide and Toolkits (3<sup>rd</sup> Edition). Available at <https://bursasustain.bursamalaysia.com/droplet-details/resources/sustainability-reporting-guide-3rd-edition>

**Central Bank of the United Arab Emirates** (2024) Principles for Sustainability-Related Disclosures. Available at <https://rulebook.centralbank.ae/en/rulebook/principles-sustainability-related-disclosures>

**Dal-Ri Murcia F** (2024) ESG Disclosure by Brazilian Public Companies. *Revista de Gestão Social e Ambiental* **18**(2). DOI: 10.24857/rgsa.v18n2-174

**Ernst and Young, Peru Ministry of Foreign Affairs, and Perupetro** (2024) Peru's Energy Investment Guide 2024/2025. Available at

<https://cdn.www.gob.pe/uploads/document/file/6778833/5873508-peru-s-energy-investment-guide-2024-2025.pdf>

**Financial Market Commission of Chile** (2021) CMF issues regulation incorporating sustainability and corporate governance requirements in Annual Reports. Available at <https://www.cmfchile.cl/portal/principal/613/w3-article-49809.html>

**Hong Kong Stock Exchange** (2022) Appendix 27 Environmental, Social and Governance Reporting Guide. Available at <https://en-rules.hkex.com.hk/rulebook/environmental-social-and-governance-reporting-guide-1>

**Johannesburg Stock Exchange** (n.d.) Sustainability and Climate Disclosure Guidance. Available at <https://www.jse.co.za/our-business/sustainability/jses-sustainability-and-climate-disclosure-guidance>

**National Financial Regulatory Administration of China** (2022, June 2) CBIRC Releases the Green Finance Guidelines for Banking and Insurance Sectors. <https://www.cbirc.gov.cn/en/view/pages/ItemDetail.html?docId=1055048&itemId=98>





**Securities and Exchange Commission, the Philippines** (2016) MC No. 19 s. 2016 – Code of Corporate Governance for Publicly-Listed Companies. Available at <https://www.sec.gov.ph/mc-2016/mc-no-19-s-2016/#gsc.tab=0>

**Securities and Exchange Commission, the Philippines** (2019) MC No. 24 s.2019 – Code of Corporate Governance for Public Companies and Registered Issuers. Available at <https://www.sec.gov.ph/mc-2019/mc-no-24-s-2019-code-of-corporate-governance-for-public-companies-and-registered-issuers/#gsc.tab=0>

**Shen H, Lin H, Han W and Wu H** (2023) ESG in China: A review of practice and research, and future research avenues. *China Journal of Accounting Research* **16**(4). DOI: 10.1016/j.cjar.2023.100325

**Singapore Exchange** (n.d.) Sustainability Reporting. Available at <https://www.sgx.com/sustainable-finance/sustainability-reporting> (retrieved 20 September, 2024)

**Sustainable Banking and Finance Network and the International Finance Corporation** (2022) Brazil Country Progress Report: 2022. <https://documents1.worldbank.org/curated/en/099807106132229140/pdf/IDU07c39adc903ba504e6c08add007d72bac2003.pdf>

**Sustainable Banking and Finance Network and the International Finance Corporation** (2022) Brazil Country Progress Report: 2022. <https://documents1.worldbank.org/curated/en/099807106132229140/pdf/IDU07c39adc903ba504e6c08add007d72bac2003.pdf>