

ANNEX II

# Amplifying the “S” in ESG: Global Regulatory and Legislative Frameworks of Social Indicators



ESG

Amplifying the S





REUTERS/Fatih Saribas

## Research Overview

A team of lawyers from the White & Case Business & Human Rights Group conducted a pro bono review of existing legislative and regulatory frameworks governing ESG disclosure requirements for companies, with a focus on social disclosure. The team reviewed disclosure laws and regulation, government action and stock exchange regulation in 45 countries across the Americas (8 countries), EMEA (25 countries) and Asia (12 countries) as of February 2021. The below findings represent a sample overview of social disclosure obligations applicable to companies to assist in identifying trends within the broader ESG framework.

### Trends

- 1. Increased ESG requirements over the last five years.** ESG laws and regulations have become increasingly prevalent over the last five years. Of 234 total laws and regulations surveyed, 114 (or 48.7%) were passed in the last 5 years, and 54 (23.1%) were passed in the last 2 years. There has also been an increasing trend towards action by stock exchanges. While fewer stock exchange regulations were issued overall (106 stock exchange actions vs 128 government actions), actions taken over the last 5 years and 2 years both showed higher stock exchange action than government action. Many countries have joined sustainable stock exchange initiatives and/or have issued a sustainability index of countries meeting certain ESG requirements.

	2016-2021	2019-2021	Total reviewed
<b>Government Action</b>	51 (39.8%)	17 (13.3%)	128
<b>Stock Exchange</b>	63 (59.4%)	37 (34.9%)	106
<b>Total</b>	114 (48.7%)	54 (23.1%)	234

**Government & Stock Exchanges Drivers for ESG disclosure requirements 2016-2021:**

All 7 financial centers surveyed (US, UK, China, Hong Kong, Germany, Japan and Singapore) issued a new law, regulation or guidance with respect to ESG in the last 5 years.

2. **Mandatory reporting and compliance regulatory requirements address S issues generally as opposed to identifying specific social indicators.** Laws primarily reference environmental, social and governance or corporate social responsibility topics rather than describe topics in detail. Those that go into detail frequently reference “social” issues generally or labor issues rather than more specifics. Human Capital Management is an area of increased interest, including gender requirements for boards. Other major topics include: global health and safety, human rights, community relations, supply chain and modern slavery. Specific topics are more likely to be listed in reporting guidelines rather than the text of a law. 32 (71%) jurisdictions, including the EU, have promulgated laws imposing such mandatory reporting and compliance requirements.
3. **Voluntary Disclosure for Investors.** Almost all countries have voluntary social corporate reporting requirements rather than mandatory reporting requirements. Securities reporting is for the most part largely voluntary with respect to ESG issues: 42 (93.3%) jurisdictions have adopted voluntary reporting and compliance regulatory requirements or stock exchange guidelines or indices. For countries with mandatory disclosure, this is focused on issues that are “material” for investors.
4. **Voluntary Guidelines from Stock Exchanges.** Stock exchanges of 28 countries (62.2%) have issued voluntary guidelines relating to ESG reporting. Such guidelines are targeted to listed companies and provide information on reporting beyond what, if any, social reporting is required by law in these countries. They list key issues companies may be interested in with a focus on the issue of materiality.
5. **Comply or explain.** Commonly, disclosure laws and regulations apply to companies on a “comply or explain” basis, where companies are required to either comply with sustainability requirements or provide an explanation on why they are not in compliance with such requirements. Among the 45 jurisdictions surveyed, 18 (41%) jurisdictions adopted “comply or explain” disclosure requirements either through reporting laws and compliance regulations or stock exchange guidelines.
6. **Reference to third-party standards.** 14 jurisdictions (31.1%), including the EU, have adopted either mandatory reporting and compliance regulatory requirements or stock exchange guidelines referencing third-party standards, including but not limited to the Global Reporting Initiative, Sustainability Accounting Standards Board, OECD Guidelines for Multinational Enterprises, International Integrated Reporting Council, Task Force on Climate-related Financial Disclosures, UN Guiding Principles on Business and Human Rights, and the UN Global Compact but do not recommend one particular approach.
7. **Additional Subject Matter Trends:**
  - a. **Government Guidance and Human Rights National Action Plans.** EU member states, notably Belgium, Czech Republic and Norway, released guidance statements relating to their intentions to adopt further ESG regulation or other National Action Plans discussing next steps for implementation of the UN Guiding Principles on Business & Human Rights.
  - b. **Pension Funds.** In the early 2000s, 6 EU countries (Belgium, Denmark, France, Germany, Italy and Sweden) passed laws regarding ethical, social and environmental disclosures by pension funds. Canada and Chile passed similar measures in 2015 and 2020 respectively, resulting in 17.8% of countries with pension fund disclosure requirements in place, suggesting the requirements may be spreading outside of Europe. The US Department of Labor is considering the use of ESG criteria in pension fund investment.



#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
1	Americas	Argentina	<p><b>2008</b> Buenos Aires City Council passes <a href="#">Law 2594</a> requiring all local and international companies in the city with over 300 employees to generate annual sustainability reports. Companies are required to produce their reports in accordance with the Global Reporting Initiative's G3 indicators and the AccountAbility AA1000 Series of Standards.</p>	<p><b>2020</b> Bolsas y Mercados Argentino (BYMA) has included in its <a href="#">Listing Rules</a> sections that require issuers of shares to issue a sustainability report together with the issuer's annual accounting documentation.</p> <p><b>2019</b> BYMA establishes a <a href="#">Sustainability Index</a> jointly with Inter-American Development Bank with the UN SDGs. The Index aims to identify leading companies within the Capital Markets for their sustainability practices.</p> <p><b>2017</b> Bolsa de Comercio de Buenos Aires (Buenos Aires Stock Exchange) signs <a href="#">Sustainable Stock Exchange commitment letter</a>. Traded companies are required to issue an audited statement on social and environmental responsibility and report the rules or initiatives they have adopted to carry out their policies on corporate responsibility on an annual basis.</p>
2	Asia	Australia	<p><b>2018</b> <a href="#">Modern Slavery Act</a>: Requires large Australian entities and foreign entities carrying on business in Australia to report annually on the risks of modern slavery in their operations and supply chains and the actions taken to address those risks.</p> <p><b>2012</b> <a href="#">The Workplace Gender Equality Act</a>: Non-public sector companies with over 100 employees must submit a report to the Workplace Gender Equality Agency on gender equality.</p> <p><b>2001</b> Australia introduces its new ethical disclosure requirements under the <a href="#">Financial Services Reform Act</a>. Issuers of financial products are required to make a Product Disclosure Statement concerning the labor standard considerations and environmental, social and ethical deliberations are taken into account in investment decisions.</p>	<p><b>2015</b> The Australian Securities Exchange (ASX) issues <a href="#">ESG reporting guide for Australian Companies</a>.</p> <p><b>2014</b> ASX updates its <a href="#">Corporate Governance Principles and Recommendations</a>, requiring companies to disclose if they have material exposure to environmental and social sustainability risks and how they plan to manage and mitigate this risk.</p> <p><b>2003</b>, revised in <b>2007</b> and <b>2010</b>. <a href="#">ASX Listing Rule 4.10.3</a> requires entities to disclose in the corporate governance statement of their annual report the extent to which the company has followed the recommendation set by the ASX Corporate Governance Council during the reporting period on a comply or explain basis.</p>
3	EMEA	Austria	<p><b>2018</b> <a href="#">Public Procurement Act</a> incorporates gender equality requirements for public procurement.</p> <p><b>2010</b> Austria issues sustainable public procurement <a href="#">action plan</a>.</p> <p><b>2009</b> <a href="#">respACT</a> (previously CSR Austria) issued the CSR guidelines "<a href="#">Success and Social Responsibility - A Guide to Future-Proofing Your Business</a>".</p> <p><b>2002</b> Federal Procurement Act provides social aspects can be considered in procurement.</p>	<p><b>2019</b> According to the <a href="#">Austrian Stock Exchange Act</a>, institutional investors and asset managers shall develop and disclose an engagement policy describing how they monitor investee companies on social and environmental impact and corporate governance.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
4	EMEA	Belgium	<p><b>2017</b> Belgian <u>National Action Plan</u> on Business &amp; Human Rights developed a plan to implement the UN Guiding Principles on Business and Human Rights.</p> <p><b>2006</b>, revised in <b>2010</b>. The Federal Action Plan for CSR is developed to promote CSR in Belgium and stimulate companies to integrate it into their management.</p> <p><b>2003</b> Under <u>Loi Pensions Complémentaires</u> (Occupational Pension Law), pension fund managers are required to disclose the extent to which they take into account ethical, social and/or environmental criteria in their investment policies in publicly available annual reports.</p>	<p><b>2020</b> Euronext Brussels releases <u>Guidelines to Issuers for ESG Reporting</u>, which aim to guide listed companies in their interactions with investors and the wider ESG community, to help them understand how to address ESG issues as a key component of investor relations, as well as the main principles to consider when preparing an ESG report.</p>
5	Americas	Brazil		<p><b>2017</b> Novo Mercado Listing Regulation requires listed companies to disclose a code of conduct comprising its duties toward civil society, such as social and environmental responsibility, respect for human rights and labor relations.</p> <p><b>2016</b> <u>New Value – Corporate Sustainability</u> guidelines released for listed companies.</p> <p><b>2011</b> B3 launched the “<u>Report or Explain for Sustainability or Integrated Reporting</u>” to encourage publicly listed companies to voluntarily disclose their environmental, social and governance (ESG) information, following comply or explain.</p> <p><b>2000</b> Bovespa launches <u>Novo Mercado</u>, an index for listed companies that voluntarily adopt corporate governance practices in addition to those required by law. This initiative encouraged companies to commit to enhanced corporate governance disclosure.</p>
6	Americas	Canada	<p><b>2020</b> The <u>Large Employer Emergency Financing Facility (LEEFF)</u> provide short-term liquidity assistance to large Canadian employers who have been affected by COVID-19. Companies that receive LEEFF funding are required to complete annual climate-related disclosure report, highlighting how corporate governance, strategies, policies and practices will help manage climate-related risks and opportunities.</p>	<p><b>2020</b> Release of Toronto Stock Exchange updated <u>Primer</u> for Environmental and Social Disclosure.</p> <p><b>2013</b> Canada launches <u>SVX</u>, the Social Venture Exchange, one of the first social stock exchanges.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
6 cont.	Americas	Canada	<p><b>2018</b> <u>Canadian Responsible Enterprise Ombudsperson (CORE)</u>. The CORE is mandated to investigate allegations of human rights abuses linked to Canadian corporate activity abroad. The CORE is empowered to start its own investigations, compel evidence, mediate disputes, make recommendations to the government for further action and monitor the implementation of remedies and recommendations.</p> <p><b>2015</b> The Ontario Securities Commission announces <u>changes to the Disclosure of Corporate Governance Practices instrument</u> to increase transparency for investors and other stakeholders regarding the representation of women on boards of directors and in senior management, and will apply to all non-venture issuers reporting in the participating jurisdictions.</p>	
7	Americas	Chile	<p><b>2021</b> Superintendencia de Pensiones releases rules requiring Chile's retirement plans to <u>report on how they incorporate ESG risks into the investment process that will take effect in May 2021</u>.</p>	<p><b>2017</b> Bolsa de Comercio de Santiago releases <u>Guide to Responsible Investment</u> in connection with Ernst &amp; Young to promote responsible investment and incorporation of ESG by investors in investments decisions.</p> <p><b>2017</b> Bolsa de Comercio de Santiago issues guidance for listed companies entitled <u>How to include ESG Factors: design and construction of sustainability reports</u>.</p> <p><b>2015</b> <u>Norma de Carácter General Number 386</u> – Modifica Norma de Carácter General Number 30 de 1989: Requires listed companies to disclose gender diversity.</p> <p><b>2012</b> <u>Norma de Carácter General Number 341</u> “Establishing Norms for the Disclosure of Information relating to the Adoption of Corporate Governance Standards by Listed Companies.” All corporations (public and private) are required to submit a questionnaire regarding compliance with the regulator’s principles of corporate governance on a comply or explain basis. The responses are posted on its website.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
8	Asia	China	<p><b>2011</b> Guidelines published asking companies to comply with regulations and laws, public ethics and commercial conventions, keep business creditability, oppose improper competition and eradicate corruption in commercial activities.</p> <p><b>2008</b> China's State-owned Assets Supervision and Administration Commission (SASAC) releases a directive strongly encouraging state-owned enterprises to follow sound CSR practices and report on CSR activities. While this directive is not binding, SASAC holds a lot of influence in the business community, and such a directive demonstrates serious commitment to corporate social responsibility.</p> <p><b>2008</b> The Ministry of Commerce (MOC) drafts voluntary guidelines on Corporate Social Responsibility Compliance by Foreign Invested Enterprises; a plan to encourage foreign companies to integrate best practice standards that advance China's social fabric. According to the guidelines, a CSR-compliant company must consider its economic, social, and environmental impacts on Chinese society.</p>	<p><b>2020</b> Shenzhen Stock Exchange (SSE)'s <u>2020 Disclosure Evaluation Measures</u> provide the SSE shall emphasize whether ESG disclosures have been made by companies, and the quality and thoroughness of such disclosures.</p> <p><b>2008</b> The SSE issues the Shanghai CSR Notice and the <u>Shanghai Environmental Disclosure Guidelines</u> on strengthening listed companies' assumptions of social responsibility. Listed companies that promote CSR are offered incentives, such as priority election into the Shanghai Corporate Governance Sector or simplified requirements for examination and verification of temporary announcements. The SSE has also developed the concept of social contribution value per share to measure a company's value creation. The Shanghai Environmental Disclosure Guidelines allow for the SSE to take "necessary punishment measures" against companies for violations of the disclosure rules.</p> <p><b>2006</b> <u>SSE issues Social Responsibility Instructions to Listed Companies.</u></p>
9	Americas	Colombia	<p><b>2007</b> Andean Corporate Governance Code: Corporate governance code that covers companies in five countries in South America: Bolivia, Colombia, Ecuador, Peru and Venezuela, requires a report on internal corporate governance policies, which companies must implement on a comply or explain basis.</p>	<p><b>2020</b> Bolsa de Valores de Colombia releases <u>Guide for the Preparation of ESG Reports for Issuers in Colombia.</u></p>
10	EMEA	Czech Republic	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2018</b> <u>National Action Plan</u> for business and human rights released.</p>	<p><b>2004</b> <u>Corporate Governance Code based on OECD Principles:</u> This Corporate Governance Code based on the OECD Principles (2004) updated the original Corporate Governance Code based on the OECD Principles of 2001, drawn up by the Securities Commission.</p>
11	EMEA	Denmark	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2017</b> <u>National Action Plan on business and human rights</u> to implement the UNGPs.</p>	<p><b>2019</b> Nasdaq Copenhagen releases <u>guidance on ESG reporting</u> for public and private companies. The guide was initially published in 2017 as a voluntary support program for companies. Disclosure remains voluntary.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
11 cont.	EMEA	Denmark	<p><b>2009</b> The <u>2001 Danish Financial Statements Act</u> provides for companies to disclose supplemental reports on social responsibility, employee conditions, environmental issues and ethical objectives. This law is expanded in 2009 to include reporting on general CSR policy, environment, anti-corruption and bribery social and staff matters, climate and human rights. Companies may report under the Global Reporting Initiative, United Nations Global Compact, United Nations Principles of Responsible Investment, OECD Requirements for Multinational Companies, ILO Declaration on Multinational Enterprises and Social policy, and ISO Standards. There are executive orders concerning financial reports that apply to pension funds, insurance companies, credit institutions and fund brokers.</p>	
12	Americas	Ecuador	<p><b>2012</b> Amendment to <u>disability law</u> requires employers who meet certain criteria to hire a minimum of four percent of individuals with disabilities.</p> <p><b>2009</b> The <u>Mining Law</u>, issued by the Sector Ministry, the National Mining Company and the Regulations, and Control Body requires those entitled to mining rights to maintain records on consumption of materials, energy, water and other resources that reflect their operations (Art. 73). Included companies must also present an annual environmental audit that allows the control entity to monitor and verify compliance, and shall inform relevant stakeholders that represent social, environmental and union interests about the probable impacts of the mining activity (Art. 78 and 88).</p>	
13	EMEA	Finland	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2011</b> The Finnish government adopts a <u>resolution</u> asking non-listed, state-owned companies and state majority-owned companies to report their sustainability performance.</p> <p><b>1997</b> <u>Finnish Accounting Act</u>: Requires certain companies to include material non-financial issues in the director's report of the annual/financial report and refers to guidelines such as the OECD, UN Global Compact and GRI.</p>	<p><b>2020</b> New recommendations published in the <u>Finnish Corporate Governance Code 2020</u>, amending the <u>Finnish Corporate Governance Code 2015</u> applicable to all companies listed on Nasdaq Helsinki. The code is issued by the Finnish Securities Market Association. All issuers of shares traded on the exchange must comply with the code. One significant change relates to the composition of a company's board of directors with relation to gender.</p>



#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
14	EMEA	France	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2019</b> The Law of May 22, 2019 for the growth and transformation of the company (“Loi PACTE”) introduces into the management objectives of companies the consideration of the social and environmental stakes of their activity. Article 1833 of the French Civil Code states that “a company shall be managed in its social interest, taking into consideration the social and environmental stakes of its activity.” However, these provisions have long been included in the French Commercial Code, at least for listed companies since 2002 and for large companies since 2011, which must indicate in their Management Report “the manner in which the company takes into account the social and environmental consequences of its activity.”</p> <p><b>2017</b> <u>Duty of Vigilance Law</u>. Requires subject companies to establish a vigilance plan to allow for the identification and prevention of severe violations of human rights in its business and at certain subcontractors and suppliers.</p> <p><b>2011</b> Parliament passes a law that states the proportion of women directors should not be below 40 percent in listed companies or non-listed companies with revenues or total assets over €50 million or employing at least 500 persons. The sanctions for noncompliance are that nominations would be void and fees suspended for all board members.</p> <p><b>2010</b> The <u>Grenelle II Act</u> is passed, requiring companies to include ESG information in their annual report and to consider social and environmental impacts of their activity.</p> <p><b>2001</b> The <u>New Economic Regulations Act</u> (“NRE”) had introduced mandatory extra-financial reporting for listed companies. It mandates publicly listed companies to disclose data on 40 labor and social criteria in their annual reports to shareholders. The law does not require third-party verification or impose penalties for noncompliance.</p> <p><b>2001</b> The <u>Law on Public Pension Reserve Funds</u> requires disclosure on how firm investment policy guidelines have addressed social, ethical and environmental considerations.</p>	<p><b>2020</b> The <u>French Financial Market Authority</u> (“AMF”) publishes a policy comprising eight positions and 10 recommendations to prevent the risk of greenwashing. The policy ensures ESG reporting is clear, accurate and <u>does not mislead investors</u>.</p> <p><b>2020</b> On March 5, 2020, AMF came out in support of a revision of the Extra-Financial Directive (EU Directive 2014/95/EU) (see <u>AMF’s feedback to the EU Inception Impact Assessment on the revision of the Non-financial Reporting Directive</u>).</p> <p><b>2019</b> In its November 2019 <u>Report on the social, societal and environmental responsibility of listed companies</u>, the AMF details the 12 key issues in extra-financial reporting and guides listed companies in this process.</p> <p><b>2019</b> In July 2019 The ACPR and AMF announced the implementation of <u>a new mechanism to monitor and independently assess the climate-related commitments taken by Paris financial entities</u>.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
15	EMEA	Germany	<p><b>2019</b> <u>German Corporate Governance Code</u>: Listed companies must adhere to the principles on a comply or explain basis and they are also recommended for private companies. The principles require ethically sound and responsible behavior.</p> <p><b>2017</b> <u>Transparency on Pay Act</u>: enumerates that companies must provide remuneration transparency upon request.</p>	<p><b>2020</b> Deutsche Borse introduces <u>new stock index rules</u> which tighten company reporting obligations.</p> <p><b>2013</b> Deutsche Borse releases voluntary <u>Communicating sustainability</u> guidelines for listed companies.</p>
15	EMEA	Germany	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2011</b> The German Council for Sustainable Development (GCSD) develops a <u>German Sustainability Code</u>. It includes 20 criteria and 27 GRI Performance Indicators that describe what should be taken into account in sustainability and reporting analysis. It is based on the Sustainability Reporting Guidelines of GRI and the European Federation of Financial Analyst Societies (EFFAS).</p> <p><b>2004</b> The <u>Reform Act on Accounting Regulations</u> (BillReg) requires that companies examine and report on key financial and non-financial indicators that materially affect the development or performance of the company in their annual report.</p> <p><b>2002</b> The <u>Insurance Supervision Act</u> states that pension fund trustees must inform the beneficiaries, in writing, whether and how ecological, ethical and social needs have been considered in the investment decisions.</p>	<p><b>2007</b> Deutsche Borse establishes the <u>DAXglobal Sarasin Sustainability Germany Index</u> and the <u>DAXglobal Sarasin Sustainability Switzerland Index</u> which follow companies that meet sustainability requirements of the Sarasin Sustainability Matrix.</p>
16	EMEA	Greece	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2006</b> <u>Law 3487</u> transposes the EU Modernization Directive 2003/51/EC into Greek national legislation and states that an analysis of environmental and social aspects necessary for “an understanding of the company’s development, performance or position” should be included in the directors’ reports.</p>	<p><b>2019</b> Athens Stock Exchange issues <u>ESG Reporting Guide for listed companies</u>.</p>
17	Asia	Hong Kong		<p><b>2020</b> Hong Kong Stock Exchange (SEHK) introduced more <u>robust ESG guidance</u> for listed companies. The guidance consists of both mandatory comply or explain provisions and recommended disclosures.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
17 cont.	Asia	Hong Kong		<p><b>2019</b> SEHK seeks <u>views on ESG rules</u> and publishes ESG guidance materials setting out our expected disclosure on ESG matters and requiring disclosures on gender diversity in the listing documents of new applicants.</p> <p><b>2013</b> SEHK releases <u>Listing Rule amendments</u> to the <u>Corporate Governance Code</u> and Corporate Governance Report relating to board diversity requiring that companies should have a policy concerning diversity of board members, and should disclose the policy in the corporate governance report.</p>
18	EMEA	Hungary	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2004</b> Act XCIX implements the EU Modernization Directive (2003/51 EC directive). There is no specific detailed guidance for reporting on these disclosures.</p>	
19	Asia	India	<p><b>2019</b> Securities and Exchange Board of India (SEBI) introduced a requirement in 2012 for the top 100 listed entities based on market capitalization to produce business responsibility reports in line with the 2011 National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business. As of <u>December 2019</u>, this law has been extended to the 1000 largest listed companies. The National Stock Exchange and BSE (formerly Bombay Stock Exchange) provide oversight of this law and support its implementation.</p> <p><b>2014</b> <u>SEBI</u> mandates greater voting data transparency and at least one female director on the board for listed firms.</p> <p><b>2013</b> <u>The Companies Bill 2013</u> makes it mandatory for companies with a net worth of more than Rs 500 crore or turnover of Rs 1,000 crore to adopt a CSR policy. This includes the development of a CSR committee consisting of three or more directors and one independent. Companies with a minimum net worth of Rs 500 crore, turnover of Rs 500 crore or profit of Rs 5 crore are required to spend at least two percent of their three-year average annual net profit on social welfare initiatives. The previous Companies Act (2008) had required Board of Directors Reports to contain disclosure of energy conservation activities.</p>	<p><b>2018</b> BSE (formerly Bombay Stock Exchange) releases <u>Guidance on ESG Disclosures</u>.</p> <p><b>2011</b> SEBI mandates listed companies report on ESG initiatives they have undertaken, according to the key principles enunciated in the <u>National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business</u> framed by the Ministry of Corporate Affairs. The new rule is immediately applicable only to the top 100 companies by market capitalization.</p> <p><b>2008</b> BSE announces <u>sustainable stock exchanges</u>.</p>



#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
19 cont.	Asia	India	<b>2009</b> India's Ministry of Corporate Affairs issues <u>Voluntary Guidelines for Corporate Social Responsibility</u> to encourage Indian corporations to improve CSR. The guidelines outline six core elements for companies to address, including adopting sustainable environmental policies, undertaking activities for economic and social development of communities and geographic areas, and disseminating information on CSR policy, activities and progress. Relevant information shall be disseminated to all stakeholders and the public through their website, annual reports and other communication media.	
20	Asia	Indonesia	<b>2012</b> Government Regulation No. 47 of 2012 on social and environmental responsibility of Limited Liability Companies provides that every company has social and environmental responsibility, which is an obligation for companies that are engaged in business related to natural resources. <b>2010</b> The government of Indonesia adopts a law that requires listed companies to report on the effects of their activities on society and the environment on a comply or explain basis. <b>2007</b> Article 74 of Indonesia's <u>Limited Liability Company Law</u> mandates that companies involved in operations that affect natural resources create and implement corporate social responsibility programs or will be subject to government sanctions.	<b>2017</b> Indonesia Stock Exchange releases <u>Application of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies in 2017</u> . This requires all listed companies to publish sustainability reports, starting from companies in the Banking sector in 2019, and broadening to other listed companies in 2020.
20	Asia	Indonesia	<b>2007</b> Article 15 of <u>Law 25 2007</u> requires every company to implement corporate social & environmental responsibility. The article contains an understanding that there is an obligation for all companies to carry out CSR.	
21	EMEA	Ireland	<b>Complies with EU Regulations</b> (see EU entry below) <b>2017</b> <u>National Plan on Corporate Social Responsibility</u> .	<b>2020</b> Euronext issues <u>Guidelines to Issuers for ESG Reporting</u> which aim to guide listed companies in their interactions with investors and the wider ESG community, to help them understand how to address ESG issues as a key component of investor relations, as well as the main principles to consider when preparing an ESG report.
22	EMEA	Israel	<b>2013</b> Publication of the <u>Sustainable Development Guide for Governmental Companies</u> , a comprehensive guide for implementing sustainable considerations in the everyday operations of the company.	

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
23	EMEA	Italy	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2011</b> <a href="#">Law 120/2011 Gender Balance on Boards</a> mandates a 33 percent quota for women on boards of public companies with 300+ employees listed on the stock exchange. Key components: Noncompliance is met with fines up to 1 million euros; law expires in 2022; to monitor its uptake, the securities regulator reviews gender representation on the boards of Italian listed companies annually.</p> <p><b>2007</b> <a href="#">Legislative Decree No. 32/2007</a> transposes EU modernization directive (2003/51 EC) into law. It states that directors' reports should include financial and non-financial key performance indicators relevant to the specific business of the company, including information relating to environmental matters.</p> <p><b>2002</b> Pension funds are required to disclose non-financial factors affecting their investment decisions.</p>	<p><b>2018</b> Borsa Italiana S.p.A. addresses gender balance on corporate boards in its <a href="#">Public Companies' Corporate Governance Code</a>, most recently <a href="#">modified</a> in January 2020.</p> <p><b>2017</b> London Stock Exchange Group, which operates Borsa Italiana, addresses ESG reporting in the ESG Guidance report: <a href="#">Revealing the big picture: Your guide to ESG Reporting</a>.</p> <p><b>2012</b> Commissione Nazionale per la Società e la Borsa (CONSOB) issued Article 144-undecies.1 in the <a href="#">CONSOB Regulation No. 11971 of May 14, 1999</a>, a rule requiring public company bylaws to include procedures for keeping gender balance on boards.</p>
24	Asia	Japan	<p><b>2020</b> Japan's Financial Services Authority (FSA) publishes a stewardship code, called the "<a href="#">Principles for Responsible Institutional Investors</a>." The Code exists on a voluntary comply or explain basis and aims to encourage long-term sustainable returns based on "seven principles to guide investors on their stewardship responsibilities." It seeks to promote asset owner and management transparency and engagement with stakeholders on issues that affect the long-term value of shares.</p>	<p><b>2020</b> Japan Exchange Group, Inc. and Tokyo Stock Exchange, Inc. releases <a href="#">Practical Handbook for ESG Disclosure</a>.</p> <p><b>2017</b> Japan Exchange Group joins SSE and requires disclosures in Corporate Governance Code. In this <a href="#">Corporate Governance Code</a>, "corporate governance" means a structure for transparent, fair, timely and decisive decision-making by companies, with due attention to the needs and perspectives of shareholders and also customers, employees and local communities. This Corporate Governance Code establishes fundamental principles for effective corporate governance by listed companies in Japan.</p>
25	Asia	Kazakhstan		<p><b>2018</b> Kazakhstan Stock Exchange releases updated <a href="#">Methodology for Preparing an Environmental, Social and Governance Report</a> which promotes strengthening cooperation between exchanges, investors and regulators, originally published in 2016.</p> <p><b>2016</b> Kazakhstan Stock Exchange <a href="#">Corporate Governance Code</a>: The annual report of listed companies must include information on social and environmental liability and corporate governance structure.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
26	Asia	Malaysia	<p><b>2014</b> The Securities Commission of Malaysia launched the <u>Sustainable and Responsible Investment (SRI) Sukuk framework</u>, updated in 2019 to facilitate the financing of sustainable and responsible investment initiatives.</p>	<p><b>2018</b> Bursa Malaysia issues <u>Sustainability Reporting Guide</u> for listed companies.</p> <p><b>2010</b> Bursa Malaysia launches <u>its Business Sustainability Program</u> to encourage Malaysian publicly listed companies to integrate sustainability into their business strategies.</p> <p><b>2007</b> Bursa Malaysia updates its listing requirements to implement government policy mandating disclosure of corporate responsibility data in annual reports.</p> <p><b>2007</b> Bursa Malaysia creates and publishes a framework for corporate social responsibility reporting and practices for listed companies.</p>
27	EMEA	Netherlands	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2018</b> <u>Dutch Stewardship Code</u> adopted, recommending that asset managers monitor environmental and social impact of investee companies.</p> <p><b>2010</b> The government <u>states</u> its intention to have 100 percent sustainable procurement by taking into account environmental and social consideration in its awarding of contracts. Companies must meet the minimum standards and contract provisions dictated in a criteria requirement document. The tenderers must, in their proposals, demonstrate and provide means of proof that they comply with or respond to the criteria.</p>	<p><b>2020</b> Euronext issues <u>Guidelines to Issuers for ESG Reporting</u> which aim to guide listed companies in their interactions with investors and the wider ESG community, to help them understand how to address ESG issues as a key component of investor relations, as well as the main principles to consider when preparing an ESG report.</p> <p><b>2020</b> <u>Dutch Authority for Financial Markets</u> published a position paper on the important role of the financial sector in the transition to a more sustainable society.</p> <p><b>2016</b> <u>Sustainable Finance Platform</u> adopted by De Nederlandsche Bank to promote and increase awareness of sustainable funding in the financial sector.</p> <p><b>2015</b> Euronext <u>joins</u> Sustainable Stock Exchanges Initiative</p>
28	EMEA	Nigeria		<p><b>2018</b> Nigerian Stock Exchange (NSE), a member of the Sustainable Stock Exchanges, adopts <u>Sustainability Disclosure Guidelines</u> including comprehensive social disclosures.</p> <p><b>2014</b> NSE and Nigeria's Convention on Business Integrity announce the launch of a <u>Corporate Governance Rating System</u> that will rank NSE-listed companies based on their corporate governance practices and anti-corruption policies.</p>
29	EMEA	Norway	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2015</b> Business and Human Rights <u>National Action Plan</u> for the implementation of the UN Guiding Principles and OECD Multinational Guidelines.</p>	<p><b>2020</b> Euronext issues <u>Guidelines to Issuers for ESG Reporting</u> which aim to guide listed companies in their interactions with investors and the wider ESG community, to help them understand how to address ESG issues as a key component of investor relations, as well as the main principles to consider when preparing an ESG report.</p>



#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
29 cont.	EMEA	Norway	<p><b>2013</b> The Norwegian government passed <u>legislation</u> which requires large companies to disclose information on how they integrate social responsibility into their business strategies. The regulation endorses the GRI Guidelines and UN Global Compact Principles; it exempts companies that already publish CSR reports using these frameworks. The government's 2009 <u>White Paper</u> on Corporate social responsibility in a global economy promoted international reporting frameworks including the UN Global Compact and GRI.</p> <p><b>2007</b> <u>Norwegian Code of Practice for Corporate Governance</u>, issued by the Norwegian Corporate Governance Board, mandates that companies listed on OsloBørs publish a statement on the companies' principles for corporate governance in accordance with the Norwegian Code of Practice for Corporate Governance, or the equivalent code for companies with a primary listing on a foreign stock exchange. The purpose of the Code of Practice is to clarify the respective roles of shareholders, boards of directors and executive officers beyond the requirements of the legislation.</p> <p><b>2003</b> <u>Public Limited Liability Companies Act</u> is amended to require ASAs (publicly listed companies over a certain size) to make women 40 percent of their boards or risk dissolution.</p> <p><b>1998</b> The <u>Norwegian Accounting Act</u> requires the inclusion of working environment, gender equality and environmental issues in the Director's report. It does not specify principles or indicators the companies should report against. Moreover, it does not require third-party verification nor impose penalties or fines for noncompliance.</p>	<p><b>2016</b> OsloBørs issues <u>Guidance on the reporting of corporate responsibility</u> for listed companies.</p>
30	Americas	Peru	<p><b>2018</b> <u>Peru 2021</u> launches which aims to mobilize companies and people to develop business solutions in line with the SDGs.</p> <p><b>2015</b> National Holding Fund for State Enterprises (<u>Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado - FONAFE</u>) approved through Directive No. 068-2015/DE-FONAFE the <u>Guidelines for Corporate Social Responsibility</u> applicable to 32 state-owned companies (whose total value exceeded US\$30 billion) that span the electric, financial, oil and gas industries, among others.</p>	<p><b>2020</b> Peru's Capital Market Superintendency (SMV) launched an update to the <u>annual sustainability report</u> including features in line with the new advances and trends of sustainability practices.</p> <p><b>2018:</b> Lima Stock Exchange published <u>Green Bond Guidelines</u> - a nonmandatory framework which outlines general terms for the issuance of green bonds.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
30 cont.	Americas	Peru	<p><b>2014</b> The <u>Responsible Investment Program</u> (Programa de Inversión Responsable), a joint initiative between the private finance sector, the Lima stock exchange and the Peruvian state-owned development bank COFIDE, is launched. It aims at promoting responsible and sustainable investment and acts as a platform coordinating the activities of the financial actors in the country.</p> <p><b>2007</b> <u>Corporate Governance Andean Code</u>: Corporate governance code that covers companies in five countries in South America: Bolivia, Colombia, Ecuador, Peru and Venezuela, requires a report on internal corporate governance policies, which companies must implement on a comply or explain basis.</p>	<p><b>2017</b> Bolsa de Valores de Lima issues <u>Guia de Usuario para facilitar el llenado del Reporte de Sostenibilidad Corporativa</u>, now under the auspices of the <u>Programa de Inversión Responsable</u>.</p> <p><b>2015</b> SMV adopted <u>Resolution SMV No. 033-2015-SMV.01</u> that includes mandatory sustainability report, expecting companies to indicate what international standards they use.</p>
31	Asia	Philippines	<p><b>2020 / 2021</b> (Developing): Philippines House of Representatives considering a new <u>Corporate Responsibility Act</u>. If passed, the bill would require all domestic and foreign business organizations, established and operating under Philippine laws, to observe corporate social responsibility in the operations of their businesses in the country.</p> <p><b>2011</b> <u>Corporate Social Responsibility Act</u> update from 2009 legislation: mandates corporations to take responsibility for social and environmental impacts. The 2011 update to the bill requires large tax paying corporations to report on CSR activities as part of the annual report.</p>	<p><b>2019</b> Philippine Stock Exchange (PSE) issues <u>Sustainability Reporting Guidelines for Publicly Listed Companies</u>.</p> <p><b>2012</b> PSE plans launch of <u>Maharlika Board</u> that creates listing and disclosure rules for companies that voluntarily abide by corporate governance practices in addition to those required by law.</p>
32	EMEA	Poland	<p><b>Complies with EU Regulations</b> (see EU entry below)</p>	<p><b>2019</b> Warsaw Stock Exchange launches <u>WIG-ESG Index</u>, assigning constituents ESG scores.</p> <p><b>2013</b> Warsaw Stock Exchange joins the Sustainable Stock Exchange (<u>SSE</u>).</p> <p><b>2009</b> Warsaw stock exchange initiates <u>RESPECT Index</u> project covering Polish companies listing the highest corporate governance, reporting and investor relations standards, including ESG.</p>
33	EMEA	Portugal	<p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2018</b> Portuguese Institute of Corporate Governance adopts <u>Corporate Governance Code</u>, revised in 2020, which is of voluntary adhesion and observance is based on a comply or explain basis, covering issues such as diversity which aims to incorporate the <u>Comissao do Mercado de valores mobiliarios</u> (CMVM) code.</p>	<p><b>2020</b> Euronext Lisbon issues <u>Guidelines for ESG Reporting for issuers</u>.</p> <p><b>2013</b> <u>Comissao do Mercado de valores mobiliarios</u> issues <u>Corporate Governance Code</u> for listed companies.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
33 cont.	EMEA	Portugal	<b>2004 <u>Social Balance Law</u></b> : This labor legislation required companies with more than 10 and fewer than 100 employees must issue a report on employment, labor management, health and safety, training and salaries.	
34	EMEA	Romania	<b>Complies with EU Regulations</b> (see EU entry below)	<p><b>2020</b> Bucharest Stock Exchange issues ESG initiative to promote responsible investing and highlight the importance of ESG standards.</p> <p><b>2015</b> The Bucharest Stock Exchange launches a <u>Corporate Governance Code</u> applicable to companies whose shares are admitted to trading on the Main Market. The corporate governance framework aims to promote higher standards of governance and transparency in listed companies. Enforcement of the new rules is based on the comply or explain principle.</p>
35	Asia	Russia		<p><b>2019</b> The Moscow Exchange begins calculating and publishing daily sustainability indices. The <u>Responsibility and Transparency Index</u> is comprised of the 22 listed companies that lead the way in terms of ESG disclosure. The Sustainability Vector Index consists of the 15 listed companies that post the best results based on ESG metrics such as atmospheric emissions, consumption of energy and water, wages and social support for employees.</p> <p><b>2015</b> The Moscow Exchange implements new listing rules to upgrade the requirements for issuers to meet the Central Bank's new <u>Corporate Governance Code</u>. The Code is a set of voluntary principles and recommendations on corporate governance for public companies (primarily adhered to by those listed on the stock exchange). The Code is based on the comply or explain principle and regulates areas such as the board of directors, the corporate secretary and the disclosure of information. In particular, the Code recommends that boards take into account both financial and nonfinancial risks affecting a company's activities (including ethical, social, ecological and operational risks) and applicable social and ecological standards.</p>



#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
36	EMEA	Saudi Arabia	<p><b>2008</b> Funded by the Saudi government and supported by the Saudi General Investment Authority (SAGIA), the <u>Saudi Arabian Responsible Competitiveness Index (SARCI)</u> is created to enhance company and country level competitiveness. The annual assessment evaluates the strength of a company's strategy, management, engagement processes and performance systems. The published <u>report</u> demonstrates how companies are supporting the development of a responsible business climate and driving productivity through responsible business practices in product and service innovation, communications and branding.</p>	<p><b>Late 2020/Early 2021</b> The Saudi Tadawul Stock Exchange in connection with MSCI is planning to launch an <u>ESG index</u> which will include 70 Saudi listed companies. This will be supported by ESG guidelines for listed companies.</p> <p><b>2017</b> The Saudi Capital Market Authority (CMA) implements the <u>Corporate Governance Regulations</u> for joint stock companies listed on the Saudi Stock Exchange. The Regulations are mandatory except for the provisions that are stated as being guiding only. The Regulations' objectives include: achieving transparency, impartiality and equity in the Exchange, its transactions, and the business environment and raising the awareness of Companies in respect of the concept of professional conduct and encouraging them to adopt and develop such concept. The Regulations provide detailed provisions on the composition of the board of directors, external auditors and the disclosure of information (especially in relation to the remunerations of the board).</p> <p><b>2006</b> The CMA brings into force the Saudi Corporate Governance Code (SCGC). The SCGC provides the main guiding principles for all public firms listed on the Saudi stock market. The CMA requires companies to explain any non-implemented provisions – the comply or explain principle.</p>
37	Asia	Singapore		<p><b>2019</b> The Monetary Authority of Singapore established the <u>Corporate Governance Advisory Committee (CGAC)</u> as a permanent, industry-led body to advocate good corporate governance practices among listed companies in Singapore. The CGAC will identify current and potential risks to the quality of corporate governance in Singapore and monitor international trends. The CGAC will also revise the Practice Guidance to clarify the Code from time to time, and recommend updates to the Code. The CGAC will not carry regulatory or enforcement powers or provide opinion on ongoing cases and investigations.</p> <p><b>2018</b> Singapore Exchange <u>Sustainability Reporting Guide for listed issuers to assist with compliance with the mandatory sustainability reporting rules.</u></p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
37 cont.	Asia	Singapore		<p><b>2018</b> The <u>Code on Corporate Governance</u> came into effect in 2003 and was last updated in 2018. It came under the purview of the Monetary Authority of Singapore and Singapore Stock Exchange (SGX) in 2007. It provides principles and guidelines to listed companies and their boards to impel them towards a high standard of corporate governance, with the objective of creating sustainable and financially sound enterprises that offer long-term value to shareholders. Under the Listing Manual, companies are required to describe their corporate governance practices with specific reference to the principles of the Code in their annual reports and to disclose any deviations from any guideline of the Code together with appropriate explanations. The Code operates on a comply or explain basis.</p> <p><b>2016</b> The SGX implements <u>mandatory sustainability reporting</u> for all listed companies on a comply or explain basis. Statements of financial position and comprehensive income provide a snapshot of the present and an account of the past year, while sustainability reports of environmental, social and governance factors show the risks and opportunities within sight, managed for future returns. Taken together, the combined financial and sustainability reports enable a better assessment of the issuer's financial prospects and quality of management.</p>
38	EMEA	South Africa	<p><b>2017</b> <u>King IV</u> sets out voluntary principles and practices in a Corporate Governance Code, and is applicable to all organizations irrespective of their form or manner of incorporation. The Code implements an 'Apply and Explain' approach to disclosure (as opposed to King III which used an 'Apply Or Explain' basis). This means that the application of the principles is assumed and that an explanation should be disclosed on the practices that have been implemented and how these support achieving the associated governance principle. Companies should produce a Sustainability Report and a Social and Ethics Committee Report on an annual basis.</p> <p><b>2011</b> <u>Code for Responsible Investing in South Africa</u> correlates to the UN PRI and promotes engagement with ESG issues.</p>	<p><b>2017</b> Companies seeking to list on the Johannesburg Stock Exchange (JSE) have to <u>comply</u> with the King IV corporate governance codes.</p> <p><b>2015</b> Johannesburg Stock Exchange (JSE) creates the <u>FTSE/JSE Responsible Investment Index, a socially responsible investment index</u>. The index is made up of the FSTE/JSE Responsible Investment Index (comprising 61 listed companies) and the FTSE/JSE Responsible Investment Top 30 Index (comprising the Top 30 companies ranked by FTSE ESG Rating). The intention of the indices is to promote sustainable and transparent business practices with a focus on ESG concerns. When calculating the ESG ratings in the indices, factors such as pollution &amp; resources, human rights, tax transparency and labor standards are considered.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
38 cont.	EMEA	South Africa	<p><b>2009</b> The <u>Mineral Resources and Petroleum Royalty Bill</u> requires certain companies to disclose Social and Labor Plans to the government, describing how they will address the social impacts of their operations during and post operation.</p> <p><b>2008</b> The <u>Companies Act</u> holds directors personally liable for poor performance and poor public disclosure of information.</p> <p><b>2004</b> The <u>Broad-Based Black Empowerment Act</u> requires disclosure on corporate initiatives regarding Black empowerment.</p>	
39	EMEA	Spain	<p><b>2020</b> Forética, a business organization focused on sustainability and CSR, issues a <u>COVID-19 response</u>.</p> <p><b>2020</b> The <u>Climate Change and Energy Transition Bill</u> is passed. Spain aims to cut carbon emissions to net zero by 2050. Notably, from 2023, financial institutions must propose strategies to align their portfolios with the Paris Agreement.</p> <p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2011</b> The <u>Sustainable Economy Law</u> says that government-sponsored commercial companies and state-owned business enterprises shall adapt strategic plans to file annual corporate governance and sustainability reports in accordance with generally accepted standards, and must mention whether this information has been examined by an independent third-party. If the corporation has more than one thousand employees, this report must also be sent to the Spanish <u>CSR Council</u>. The law suggests that the government will make available a set of indicators for self-evaluation in accordance with international standards on social responsibility.</p> <p><b>2007</b> Spanish Parliament passes the <u>Law of Equality</u>, requiring listed companies to nominate women to 40 percent of all board seats. The government will take compliance into account in the awarding of public contracts.</p>	<p><b>2016</b> Bolsas y Mercados Espanoles issues <u>Voluntary Market Guidance for Corporate Reporting on ESG Information</u>.</p> <p><b>2016</b> The <u>FTSE4Good IBEX</u> is established. In order for a company to be eligible for selection into the index, its stock must be included in the IBEX 35 Index and/or a Spanish constituent in the FTSE Spain All-Cap Index. The FTSE4Good IBEX Index provides a tool for socially responsible investment, as well as a benchmark to enhance current corporate responsibility practices through the evolution of the selection criteria. Current selection criteria consider factors such as climate change, human rights and supply chain labor standards.</p> <p><b>2015</b> The <u>Corporate Governance Code</u> for listed companies is revised, including a call for at least 30 percent female representation on boards of directors by 2020 and emphasizes the importance of corporate social responsibility. Compliance continues to be voluntary and subject to the 'comply or explain' principle.</p>



#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
40	EMEA	Sweden	<p><b>2016</b> The <u>Swedish Corporate Governance Code</u> comes into force in 2008, revised in 2016. The Corporate Governance Code aims to create conditions for active and responsible ownership and ensure as much transparency as possible towards shareholders, the capital markets and society in general. The Corporate Governance Code is not mandatory. Companies may deviate from individual rules provided that they report each deviation and explain the reason for such deviation. The Corporate Governance Code may be applied voluntarily by listed and non-listed companies.</p> <p><b>Complies with EU Regulations</b> (see EU entry below)</p> <p><b>2016</b> Swedish government <u>policy</u> issued for corporate social responsibility drawing on the UN Global Compact and other standards.</p> <p><b>2015</b> Government Communication 2015/16:69 presents the government's view on CSR issues.</p> <p><b>2009</b> The Public Pension Funds Act is <u>reformed</u>. The Act introduced in 2000 prompts national pension funds to draw up annual business plans that describe how environmental and ethical issues are considered in investment decisions. The law states that companies may not own shares in companies that violate the funds' policies on the environment and ethics.</p> <p><b>2007</b> The Swedish government adopts <u>guidelines</u> stating that by 2009 all state-owned companies will be required to produce an annual sustainability report in accordance with the GRI G3 guidelines.</p>	<p><b>2019</b> The <u>ESG Reporting Guide</u> is released. This is a voluntary initiative since the Swedish Stock Exchange does not require the participation of its listed companies. The Guide aims to help companies navigate the evolving standards on ESG data disclosure. As part of their ESG reporting, companies can elect to disclose any or all Corporate Governance Data, Social Data and Environment Data. Data is provided by companies using a 'respond or explain' rationale. This means that if data is omitted, comments should be made by the company to explain the reasons why. As examples of the types of Corporate Governance Data sought, companies are asked to provide a percentage of the total board seats occupied by women and of the committee chairs occupied by women (as compared to men).</p> <p><b>2007</b> The OMX publishes its Wholeheartedly Proud Policy, reserving the right to delist companies who violate ethical norms.</p>
41	Asia	Thailand	<p><b>2020</b> Chief executives of 110 companies in Thailand sign up to UN <u>Women's Empowerment Principles</u>.</p> <p><b>2015</b> Thailand issues <u>Gender Equality Act</u> criminalizing discrimination based on gender.</p>	<p><b>2020</b> Thaipat Institute <u>releases ESG emerging list</u>, featuring listed companies with promising ESG performance.</p> <p><b>2020</b> Stock Exchange of Thailand (SET) revises the <u>SET Group Corporate Governance Policy and Code of Conduct</u> for listed companies derived from the OECD principles for good corporate governance.</p> <p><b>2015</b> SET creates the <u>Thailand Sustainability Investment List</u>, listing companies with outstanding ESG aspects.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
41 cont.	Asia	Thailand		<p><b>2012</b> SET issues <u>Guidelines for the preparation of sustainability reports</u>.</p> <p><b>2010</b> SET establishes the Corporate Social Responsibility Institute to encourage the business sector to move towards sustainable growth.</p> <p><b>2006</b> SET issues the <u>Principles of Good Corporate Governance for Listed Companies</u>. Listed companies on the SET are required to demonstrate, in their annual registration statement, how they comply with the exchange's corporate governance principles.</p>
42	EMEA	United Kingdom	<p><b>2020</b> The UK Government <u>announces</u> that it is seeking comment on a proposal to implement legislation requiring due diligence by companies focusing on commodity-driven deforestation from their supply chains. The proposed legislation would make it illegal for larger businesses to use products unless they comply with local laws to protect natural areas.</p> <p><b>2019</b> New <u>pension investment rules</u> come into force requiring UK pension scheme trustees to consider ESG factors when making decisions.</p> <p><b>2013</b> The UK Financial Reporting Council (FRC) revised <u>Guidance on the Strategic Report</u>, including companies' disclosures on environmental, social and diversity issues. The Strategic Report replaced the existing 'business review' section of annual reports and requires companies to provide a complete picture of their business activity, including social effects, calling into question what is material in business reporting.</p> <p><b>2018/2016</b> The FRC issues an updated version of the <u>UK Corporate Governance Code</u> on a comply or explain basis, including a requirement for companies to tailor executive pay to long-term company performance and allow for cash to be clawed back in the event of poor results.</p> <p><b>2017</b> UK employers with 250 or more employees are required to annually publish gender pay gap information on their websites. The <u>Gender Pay Gap Information Regulations</u> require subject companies to publish their first statements by early April 2018.</p>	<p><b>2020</b> The Financial Conduct Authority has published a <u>policy statement</u>, containing the final rules and guidance as well as a Technical Note, proposing that certain UK issuers make climate change disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures, or explain why they have not. This includes the TCFD's recommended disclosures on risk management and governance. This proposal would apply to roughly 480 companies with a UK premium listing and includes companies on the FTSE 100 index.</p> <p><b>2018</b> the London Stock Exchange published <u>guidance</u> for issuers on the integration of ESG into investor reporting and communication. This Reporting guidance was aimed at both large and small companies, and intended to help both companies with a long history of ESG reporting, as well as those less experienced with it, moving beyond the mandatory voluntary reporting debate. The Guidance aligns itself with the UN Sustainable Stock Exchanges initiative model guidance for exchanges.</p> <p><b>2013</b> The UK-based <u>Social Stock Exchange (SSE)</u> opened in 2013 and aims to combine profitable trading with social or environmental missions and includes healthcare, development projects, clean technologies and help for disadvantaged communities. Its mission is to lower the cost of capital raising for companies with a social purpose.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
42 cont.	EMEA	United Kingdom	<p><b>2015</b> <u>The UK Modern Slavery Act</u>: Organization conducting business in the UK with worldwide revenues of at least £36 million are required to publish a transparency statement describing the steps taken in the last financial year to ensure their business and supply chains are free from modern slavery and human trafficking.</p> <p><b>2013</b> The <u>Social Value Act</u> places a duty on public bodies to consider social, economic and environmental well-being of stakeholders ahead of a procurement. The Act applies to the provision of services, or the provision of services together with the purchase or hire of goods or the carrying out of works.</p> <p><b>2006</b> The British Companies Act mandates that companies listed on the London Stock Exchange disclose, in their annual Business Review, information on environmental, workplace, social and community matters “to the extent that they are important to understanding the company’s business.”</p> <p><b>2000</b> <u>Stakeholder Pension Schemes Regulations</u> state that managers must provide a written statement of the principles governing their decisions about investments, which must include, “the extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realization of investments.”</p>	
43	Americas	United States	<p><b>2021</b> Department of Labor to reverse <u>2020 rule</u> limiting the use of ESG, or environmental, social and governance, funds in 401(k) retirement plans.</p> <p><b>2015</b> <u>US Federal Acquisition Regulation</u> anti-human trafficking provisions: Prohibits specified human trafficking conduct in connection with US federal contracts and, under certain circumstances, requires a compliance plan to be adopted and certifications to be provided.</p> <p><b>2017</b> <u>Countering America’s Adversaries Through Sanctions Act 2017</u>: Creates a rebuttable presumption that goods, wares, articles and merchandise mined, produced or manufactured wholly or in part by the labor of North Korean nationals or citizens (wherever located) is forced labor. As a result, under the US Tariff Act, the goods will be denied US entry absent clear and convincing evidence that they were not generated with forced labor; primarily enforced by DHS and OFAC.</p>	<p><b>2020</b> Securities and Exchange Commission (SEC) adopts new <u>disclosure rule</u> for public companies on human capital management.</p> <p><b>2019</b> NASDAQ launched its first <u>Environmental, Social and Governance (ESG) guide</u> in March 2017 and amended it in 2019. Although ESG reporting is voluntary, the Guide highlights benefits such as lower costs of capital, reduced shareholder turnover, etc. Among the social indicators, Nasdaq survey shows that 85% of its listed companies report at least one of gender diversity metrics, 84% report nondiscrimination and 84% report global health &amp; safety, 67% report at least one child &amp; forced labor metrics and 83% report at least one of the human rights metrics.</p>

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
43 cont.	Americas	United States	<p><b>2010</b> <u>California Transparency in Supply Chains Act</u>: This state law with extraterritorial application requires any manufacturer or retailer “doing business” in California, as defined in the California Revenue and Taxation Code, regardless of where it is incorporated, and with a global turnover of US\$100 million or more to produce a statement published on the company’s website disclosing how it is working to eradicate slavery and human trafficking from its direct supply chain for the goods it offers for sale within five mandatory disclosure categories enforced by the California AG.</p> <p><b>1975</b> The Home Mortgage Disclosure Act, enacted by Congress in 1975 and implemented by the Federal Reserve Board’s Regulation C, requires lending institutions to <u>report</u> public loan data, in order to prevent red-lining and lending discrimination.</p>	<p><b>2013</b> NYSE Euronext joins the <u>United Nations’ Sustainable Stock Exchanges (SSE) Initiative</u>. It is the only carbon neutral exchange group. NYSE-Listed companies make up 87% of both CDP’s S&amp;P 500 Disclosure Leadership Index and the Dow Jones Sustainability Index.</p> <p><b>2013</b> NYSE Governance Services launches suite of integrated resources (including “a range of training programs, advisory services, benchmarking analysis and scorecards, exclusive access to peer-to-peer events and thought leadership on key governance topics for company directors and C-level executives”) for private and public companies looking to advance their corporate governance, risk, ethics and compliance practices.</p> <p><b>2010</b> <u>Section 1502 of the Dodd-Frank Act</u> requires certain companies to disclose annually their use of conflict minerals if those minerals are “necessary to the functionality or production of a product [they produce].” If they use conflict minerals originating from the Democratic Republic of the Congo or an adjoining country, those companies are to provide a report describing, among other matters, the measures taken to exercise due diligence on the source and chain of custody of those minerals, which must include an independent private sector audit of the report that is certified by the person filing the report.</p> <p><b>2003</b> The New York Stock Exchange adopts corporate governance rules requiring that listed companies adopt and disclose a code of business conduct and ethics.</p>
44	EMEA	Zimbabwe	<p><b>2015</b> A <u>National corporate governance code</u> (Zimcode) launched with apply or explain basis. The code requires public entities to formulate a Code of Conduct and Ethical Framework (6.11) and Corporate Social Responsibility Plan (6.13.1) to guide company behavior. Also, a Corporate Governance Report (6.10) and Annual CSR Report (6.13.2) must be included in financial disclosures.</p>	<p><b>2019</b> Zimbabwe Stock Exchange Limited releases <u>new listing requirements</u> including sustainability information and disclosure.</p>



#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
45	EMEA	European Union	<p><b>2021</b> <u>EU Conflict Minerals Regulation</u>: Will require EU importers of tin, tantalum, tungsten and gold in mineral or metallic form to conduct due diligence and make certain disclosures concerning the 3TG that they import into the European Union.</p> <p><b>2020</b> The European Commission has presented a proposal to have legislation enshrining the EU’s political commitment to be climate neutral by 2050. The “European Climate Law” sets the 2050 target and the EC has also launched a public consultation on the future European Climate Pact, which will involve the public as well. Among other things, the Commission will propose a new 2030 EU target for greenhouse gas emission reductions.</p> <p><b>2020</b> The Technical Expert Group on Sustainable Finance has published the final report on EU taxonomy as of March 2020 and the European Commission is expected to pass the first series of legislation adopting the standards in the Taxonomy report possibly by the end of 2020. The <u>EU Taxonomy on Sustainable Finance</u> provides that minimum safeguards shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Different disclosure requirements are imposed based on the size of the companies, number of employees and whether they are listed, etc.</p> <p><b>2019</b> The European Parliament endorsed the EU objective of achieving net zero greenhouse gases on 14 March 2019. On 12 December 2019, the European Council endorsed the <u>objective</u> of a climate neutral EU by 2050. On 22 March 2019, the Council published the text of the political agreement on the proposed regulation on <u>sustainability-related disclosures in the financial services sector (SFDR)</u> requiring sustainability-related disclosures by financial market participants.</p>	

#	Region	Country	Disclosure Efforts by Governments	Disclosure Efforts by Stock Exchanges
45 cont.	EMEA	European Union	<p><b>2014</b> The European Parliament passes a vote to require mandatory disclosure of nonfinancial and diversity information by certain large companies and groups on a comply or explain basis. This vote amends <a href="#">Directive 2013/34/EU</a> and affects all European-based “Public Interest Entities” (PIEs) of 500 employees or more as well as parent companies. Affected companies must disclose information on policies, risks and outcomes as regards environmental matters, social and employee aspects, respect for human rights, anti-corruption and bribery issues, and diversity in their board of directors.</p> <p><b>2014</b> <a href="#">EU Directive on disclosure of non-financial and diversity information</a> affects over 6,000 companies. From fiscal year 2017, these companies should include environmental and social information, including human rights, anti-corruption and bribery matters and diversity, in their annual reports (on a comply or explain basis). The European Commission will publish non-binding guidelines on methodologies and KPIs.</p> <p><b>2013</b> The European Parliament passes a law requiring oil, gas, mining and logging companies to disclose the payments they make for access to natural resources in all countries where they operate. The <a href="#">regulation</a> is a part of the European Accounting and Transparency Directives and will come into effect in the fall of 2015.</p> <p><b>2006</b> <a href="#">Regulation (EC) No 166/2006</a> of the European Parliament and of the council notes the establishment of a European Pollutant Release and Transfer Registration (the PRTR Regulation). This is a publicly accessible electronic database containing information about releases of pollutants by corporations and transfers of waste specified by the PRTR Regulation.</p> <p><b>2005</b> The EU updates the Modernization Directive to include disclosure requirements for corporations, specifically the following: “the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters.” In 2001, <a href="#">Regulation 761/2001</a> opened the EU Eco-Management and Audit Scheme (EMAS), a management tool for voluntary environmental performance reporting. In 2002, the European Multi-Stakeholder’s Forum on CSR recommended that CSR reporting remain strictly voluntary.</p>	

Prepared by White & Case