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Comparative review on ESG disclosure framework in Asia: Singapore, Hong Kong, and Malaysia against EU benchmarks

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Abstract

Driven by intensifying investor scrutiny and cross-border regulatory spillover, the demand for globally comparable sustainability reporting has sharpened. This study investigates why ESG disclosure frameworks diverge across Asia-Pacific jurisdictions, specifically examining how historical policy continuity shapes current configurations in Hong Kong, Singapore, and Malaysia relative to the EU's ESRSs. A qualitative comparative analysis is employed, systematically mapping each Asian framework against the ESRSs across mandatory scope, assurance requirements, sectoral coverage, and phased implementation. The concept of policy continuity serves as the central analytical lens, enabling a process-oriented interpretation of institutional evolution rather than a static gap assessment. Asian frameworks demonstrate marked heterogeneity, with voluntary approaches, staggered roadmaps, and narrower sectoral applications contrasting with the EU's comprehensive mandatory regime. Policy continuity emerges as a double-edged instrument in that it preserves regulatory predictability and local stakeholder trust, yet simultaneously anchors legacy practices that impede rapid alignment with the EU's accelerating trajectory. Divergent reporting standards are fundamentally embedded in each jurisdiction's unique institutional layering. The analysis confirms that path dependency does not preclude deliberate recalibration, but substantive convergence demands intentional, periodic policy interventions. Regulators should conduct structured gap analyses and evidence-based periodic reviews of domestic guidelines. Strategically balancing local developmental priorities with global norms will enhance cross-jurisdictional comparability, strengthen international investor confidence, and reduce compliance fragmentation for multinational enterprises operating across these markets.

Keywords: Asia-Pacific, ESG regulations, ESG reporting, Policy comparison, Policy continuity, Multi-stream framework, European Sustainability Reporting Standards, Disclosure framework.

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Contribution of this paper to the literature

Although ESG and sustainability initiatives have evolved along distinct tracks across jurisdictions, few studies have clarified the differences and what drives these differences. This study fills that gap by employing the multiple-streams framework and policy continuity perspective to compare Asia-Pacific regions with ESRSs and uncover why these divergent paths emerge.

1. Introduction

Amidst fears that the development of globalized supply chains is increasingly destroying the planet and human society, which growing concerns have prompted investors, lobbyists, and non-government organizations (NGOs) through the government agenda to require corporations to take responsibility for sustainability disclosures (Chung, Bayne, & Birt, 2024; Lavin & Montecinos-Pearce, 2021) including the aspects of Environmental, Social, and Governance (ESG). On the other hand, as social and environmental funds have grown rapidly over the past decade, corporations around the world have also begun to realize that their investors are interested not only in financial performance but also in non-financial performance (Abdul Rahman & Alsayegh, 2021; Atan, Razali, Said, & Zainun, 2016; Janicka & Sajnóg, 2022; Peng & Isa, 2020; Zyznarska-Dworczak, 2022). This broader focus aims to guarantee margins of financial returns and achieve perpetual growth in their investment profiles.

Based on the changing development of global financing needs, ESG reporting has become a mandatory requirement for governments in most countries to the listed companies. In fact, there are differences in the pace of development of ESG disclosure across countries and jurisdictions. In recent years, European policymakers have increased their efforts to create an exhaustive guide for specific corporations, the European Sustainability Reporting Standards (ESRSs), with the aim of improving ESG disclosure practices within the scope of the European Union. The gaps between the developed jurisdictions and those jurisdictions that want to develop sustainable finance still exist.

In Asia-Pacific, Singapore, Malaysia, and Hong Kong are the jurisdictions that have actively been engaging in the ESG movement for a decade (Mohamad, Saad, & Abdullah, 2021). These regions' governments and political agendas have also been actively pushing for the development of guides for ESG disclosure, following the pace of development in sustainable finance, to dedicate to developing regional and global economic cooperation and investment. However, their ESG guide development still appears to lag behind the European Union, causing the attractiveness and competitiveness of their listed companies for investment worldwide to be relatively weak, particularly in ESG funding and sustainable financing.

One reason for this is that corporations have not provided information that is more timely, relevant, credible and comparable, or that demonstrates improved ESG performance (Abdul Rahman & Alsayegh, 2021; Arvidsson & Dumay, 2022). Another reason may be that their formulated guides for ESG disclosure are different from the international standard, leading to a lack of comparability for worldwide investors (Barth, 2013; Habib, Hasan, & Al-Hadi, 2017). Given that these three jurisdictions urgently need to match the trend in developing comparability (Kambe, Tamamura, & Ito, 2021), we consider that the ESG disclosure guides in these three jurisdictions should be reviewed accordingly. In this regard, the main purpose of this article is to compare the differences in the guides for the ESG disclosure framework among Singapore, Hong Kong, and Malaysia, using ESRSs as a benchmark.

2. Trends of ESG Reporting

The concept of ESG is proposed based on the concerns of international organizations regarding corporate social responsibility (CSR) and sustainable development of financial institutions. It is a concept that emerged alongside the Principles for Responsible Investment (PRI). The acronym ESG stands for Environmental, Social, and Governance and encompasses the criteria used to evaluate an organization's impact in these areas. Beyond financial measures, ESG represents a comprehensive approach that companies adopt to foster sustainable business practices and create enduring value. The initiatives advocated from 2004 to 2006 have established the framework for the development of ESG. In 2009, the development of ESG was rapidly propelled by the actions of stock exchanges, investors, regulators, and other authorities. By the end of 2023, a total of 73 exchanges worldwide had published ESG guidance and required listed companies to disclose ESG information. Currently, the general guidelines referred to as ESG disclosure guidance are widely accepted globally, with nearly 96% of stock exchanges accepting the criteria proposed by the Global Reporting Initiative (GRI). In addition to the GRI, there are the main ESG reporting frameworks prevalent around the world; the details are shown in Table 1.

Table 1. Major General Guidelines and Frameworks for ESG disclosure.

General Guidelines and Frameworks	Institution
GRI Criteria	Global Reporting Initiative (GRI)
SASB Standards	Sustainability Accounting Standards Board (SASB)
TCFD Suggestions	Financial Stability Board (FSB)
Environmental Information Disclosure	Carbon Disclosure Project (CDP)
CDSB disclosure framework	Climate Disclosure Standards Board (CDSB)
OECD Guidelines for Multinational Enterprise on Responsible Business Conduct	Organisation for Economic Co-operation and Development (OECD)
ISO 26000 Social Responsibilities Guidance	International Organisation for Standardization (ISO)
The International <IR> Framework	International Integrated Reporting Council (IIRC)
Science Based Targets Initiative (SBTi)	The Science Based Targets initiative (SBTi)
Communication on Progress (COP)	United Nations Global Compact (UNGC)
International Financial Reporting Standards (IFRS)	International Sustainability Standards Board (ISSB) formed by the IFRS Foundation

2.1. European Union

With over 2,400 ESG regulations worldwide, the European Union's members have been introducing different regulations separately based on various international regulations on the ESG movement before 2024. In 2014, the

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European Union (EU) issued Directive 2014/95/EU (NFRD)[1], requiring corporations closely related to public interests (all listed companies) to disclose non-financial and diversity information. All EU members were required to issue legislation by December 2016 and implement it starting January 2017. Based on the Directive, EU members could decide the guides and forms of disclosure, as well as whether to adopt the principle of 'Safe Harbor' individually. Most exchanges within EU member states issued regulations based on the Global Reporting Initiative (GRI) criteria, and some regulations were based on or included elements from ISSB, IIRC, TCFD, SDGs, UNGC, German Sustainability Code, and OECD Guidelines (World Federation of Exchanges, 2023). In November 2022, the EU issued the Corporate Sustainability Reporting Directive (CSRD), which evolved from the Non-Financial Reporting Directive (NFRD), setting a new standard for transparency and accountability in corporate sustainability reporting, to replace the NFRD starting January 2024. Additionally, in July 2023, the collated regulations of the CSRD, known as the European Sustainability Reporting Standards (ESRSs), were issued, detailing the reporting requirements for listed corporations. Compared to the NFRD, the CSRD mandates compliance for around 50,000 companies and encompasses listed companies across all EU member states, excluding micro-enterprises, covering a significant portion of the EU market (European Commission, 2023). Besides the CSRD being a primary driver of the ESG movement, current working directives and policies for EU corporations are shown in Table 2. It can be observed that the EU has issued numerous directives and policies to regulate most listed corporations under the EU-regulated market and non-EU company branches that meet specific thresholds to implement ESG reporting requirements. These policies and directives intersect and complement each other, ensuring consistency in the EU's sustainable finance goals and signifying a cohesive approach toward sustainable finance and investment.

Table 2. Directives and policies in European Union.

Directives/Policies	Requirements
Sustainable Finance Disclosure Regulation (SFDR)	It emphasizes transparency that extends from organisational strategies to individual financial products. Larger firms must publish detailed reports on considering the principal adverse impacts of their investment decisions. In comparison, smaller firms are offered flexibility to comply or explain their approach.
Corporate Sustainability Reporting Directive (CSRD)	Environmental impact: Companies must report on their environmental performance, including their energy use, resource consumption, and impact on biodiversity. Social responsibility: The directive calls for disclosures on labour practices, respect for human rights, and community engagement. Governance: Firms must provide insights into their governance structures, particularly how they integrate sustainability into their decision-making processes. Risk management: There is an emphasis on disclosing how businesses identify and address sustainability-related risks and opportunities.
European Sustainability Reporting Standards (ESRSs)	Corporations are required to conduct materiality assessments based on the dimensions of 'impact' and 'finance' and to report the important sustainability-related issues and matters in any dimension. It needs to disclose a series of impacts, risks and opportunities on the environment, social and governance. It also requires corporates to identify and report the impact, risk and opportunity on the whole value-chain and release the report along with the Financial Statements. It includes the standards below: Cross-cutting Exposure: General Requirements; General Disclosures Environment: Climate; Pollution; Water and marine resources; Biodiversity and ecosystem; Resource use and circular economy Social: Own workforce; Workers in the value chain; Affected communities; Consumer and end-users Governance: Business conduct
Corporate Sustainability Due Diligence Directive (CSDDD)	This Directive establishes a corporate due diligence duty, which is identifying, bringing to an end, preventing, mitigating and accounting for negative human rights and environmental impacts in the company's own operations, its subsidiaries and its value chains. In addition, certain large companies need to have a plan to ensure that their business strategy is compatible with limiting global warming to 1.5 °C in line with the Paris Agreement. The Directive also introduces duties for the directors of the EU companies covered, including setting up and overseeing the implementation of the due diligence processes and integrating due diligence into the corporate strategy. In addition, when fulfilling their duty to act in the best interest of the company, directors must take into account the human rights, climate change and environmental consequences of their decisions.
Carbon Border Adjustment Mechanism (CBAM)	It imposes new standards for international trade under the EU climate policy, including that importers must purchase CBAM certificates corresponding to the carbon price within the EU Emissions Trading System (ETS) and that EU companies should collect and report the data of the embedded emissions of imported products.
EU Taxonomy	Companies are required to delve into Taxonomy's requirements and evaluate how they apply to their operations, develop strategies to embed Taxonomy criteria into their business models and report, anticipate future changes and refine their practices to align with EU's sustainability goals.

2.2. Hong Kong

The Guidelines of Environmental, Social, and Governance (ESG) were introduced in 2012 by the Hong Kong Stock Exchange (HKEX) to encourage listed companies to voluntarily conduct ESG reporting as a best practice, initiating the ESG movement. In 2015, HKEX published the *Consultation Paper on the Review of the Environmental, Social, and Governance Reporting Guide*, which proposed upgrading certain ESG disclosure obligations in the Guide

[1] 'DIRECTIVE 2014/95/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups', available at https://eur-lex.europa.eu/eli/dir/2014/95/oj

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from voluntary to *"Comply or Explain"* for the 'Environmental' and 'Social' aspects starting in 2016 (Hong Kong Exchanges and Clearing Limited, 2015). In 2019, HKEX issued a revised version of the *ESG Guidelines* that balanced multiple interests and referenced international standards. The detailed international standards and ESG reporting framework are shown in Table 3. In 2020, HKEX revised the ESG Reporting Guidelines to include elements of the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) and encouraged listed companies to familiarize themselves with the new Institutional Sustainable Standards Board (ISSB) climate disclosure standards and to commence reporting in accordance with the TCFD recommendations as soon as possible (Hong Kong Exchanges and Clearing Limited, 2023). Similarly, in 2019, the Hong Kong Securities and Futures Commission (SFC) released a circular to management companies of SFC-authorized unit trusts and mutual funds to enhance the disclosure standards of green or ESG funds, with further additions released in 2021 (Securities and Futures Commission, 2019). Regarding general funds in Hong Kong, the SFC issued a circular in 2021 requiring managers of collective investment schemes (CIS) to consider climate risks and make climate disclosures as part of their investment process (Securities and Futures Commission, 2021). Currently, the ESG regulatory framework in Hong Kong primarily targets listed companies, banks, and asset managers. For listed companies, HKEX requires certain mandatory disclosures and other 'comply or explain' provisions, covering issues related to a corporation's governance and reporting, including Governance Structure (how the corporation and its board oversee, manage, and track ESG issues/goals); Reporting Principles (how the ESG report is compiled, how material issues are identified, and how quantitative standards (e.g., for emissions or energy consumption) are calculated); and Reporting Boundary (the process used to identify which operations are included in the ESG report). In order to strengthen ESG disclosure practices and guideline formulation, the Hong Kong government has set up an ESG Steering Group to continuously explore policy initiatives in line with international standards (Hong Kong Monetary Authority, 2024b). For example, the steering group is working on a local green classification system aligned with the EU Taxonomy policy, exploring the possibilities of building a platform for emissions rights trading and financial services, and has launched Climate Risk Stress Tests (CRST) twice (in 2021 and 2023) to assess the potential impact of climate change on the Hong Kong banking sector.

Table 3. The ESG frameworks of Hong Kong[2].

Frameworks	Entities
• Climate Change, Forests and Water Security 2022 Questionnaires	Carbon Disclosure Project
• CDSB Framework for reporting environmental & climate change information	Climate Disclosure Standards Board (CDSB)
• Corporate Sustainability Assessment for inclusion in the Dow Jones Sustainability Indices	Dow Jones Sustainability Indices
• GRI Sustainability Reporting Standards • Linking the GRI Standards and HKEX ESG Reporting Guide	Global Reporting Initiative (GRI)
• IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information • IFRS S2 – Climate-related Disclosures	International Sustainability Standards Board (ISSB) formed by the IFRS Foundation
• ISO 26000:2010 Guidance on Social Responsibility	International Organization for Standardization (ISO)
• Guidelines for Multinational Enterprises	Organisation for Economic Co-operation and Development (OECD)
• Final Report: Recommendations of the TCFD	Task Force on Climate-related Financial Disclosure (TCFD)
• Sustainable Development Goals (SDGs)	United Nations Development Programme
• International Integrated Reporting Framework • Integrated Thinking Principles • SASB Standards	Value Reporting Foundation

2.3. Singapore

Since 2017, issuers listed on the Singapore Exchange (SGX) have been required to publish, on a 'comply or explain' basis, an annual sustainability report to foster greater transparency towards investors on key sustainability issues across listed companies. In 2022, SGX bolstered the annual sustainability disclosure requirements to mandate specific climate-related disclosures for all SGX-listed issuers. From 2022, all issuers are required to provide climate reporting on a 'comply or explain' basis. From 2023 onwards, listed companies are required to disclose their climate-related risks based on TCFD recommendations. From 2024 and beyond, climate reporting will be mandatory for issuers in more specified sectors (Singapore Exchange, 2024). In order to facilitate consistent ESG disclosures across issuers, MAS and SGX launched ESGenome in September 2022, a disclosure portal to allow investors to access ESG-related data and information as reported by issuers, in accordance with aligned metrics (Monetary Authority of Singapore, 2022). Meanwhile, MAS issued a set of Guidelines on Environmental Risk Management (ERM Guidelines) requiring banks, asset managers, and insurers to implement certain risk management practices and provide regular disclosures in relation to environmental risks faced by these financial institutions (Monetary Authority of Singapore, 2023). Additionally, MAS has indicated that it will set up a standardized framework for ESG disclosures based on the baseline sustainability reporting standard published by the ISSB (Monetary Authority of Singapore & Exchange, 2022). SGX has prescribed the TCFD recommendations for climate-related disclosures and proposed that listed issuers should give priority to globally recognized frameworks and disclosure practices to guide their reporting for other sustainability aspects (Singapore Exchange, 2024). Table 4 shows the detailed reference information of disclosure resources focused on individual standards and frameworks.

[2] Available at: https://www.hkex.com.hk/Listing/Sustainability/ESG-Academy/External-References/ESG-Frameworks?sc_lang=en

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Table 4. Disclosure resources are focused on individual standards and frameworks[3].

Frameworks/Standards	Brief
Disclosure Standards/Frameworks	
Global Reporting Initiative (GRI)	GRI serves to assist organisations to understand and report on their impacts on the economy, environment, and people. It contains the GRI Universal Standards, which apply to all organisations, the GRI Sector Standards, which are applicable to specific sectors and the GRI Topic Standards that list disclosures relevant to a particular topic.
Sustainability Accounting Standards Board (SASB)	SASB helps organisations identify, manage, and communicate financially material sustainability information to investors
International Sustainability Standards Board (ISSB)	ISSB aims to deliver a comprehensive global baseline of sustainability-related disclosure standards that details information about companies' sustainability-related risks and opportunities.
Carbon Disclosure Project (CDP)	CDP provides a structure for collecting data on companies' environmental impacts such as carbon emissions, water usage and deforestation. They offer three questionnaires – climate change, forests, and water security – with individual methodologies used to score companies based on their environmental transparency and action.
International Integrated Reporting Council (IIRC)	IIRC brings together material information about an organisation's strategy, governance, performance, and prospects in a way that reflects the commercial, social, and environmental context it operates.
Task Force on Climate-related Financial Disclosures (TCFD)	The TCFD recommendations are designed to enhance disclosure on climate-related risks and opportunities organised across four pillars: (1) governance, (2) strategy, (3) risk management and (4) metrics and targets.
Additional Disclosure Guide	
ISCA Climate Disclosure Guide	This guide seeks to help Singapore-listed companies meet SGX's requirements for climate reporting. In addition, given the strong signals from key stakeholder groups, even non-listed companies must consider if sufficient climate-related information is available to meet stakeholder expectations, and this guide will be useful for voluntary adoption of the TCFD recommendations as well.

2.4. Malaysia

The beginning of formal ESG reporting in Malaysia started when Bursa Malaysia (BM) issued the first guidelines on sustainability reporting in 2014, emphasizing the need for listed companies to disclose their sustainability practices in their annual reports. In the following year, BM launched a comprehensive sustainability reporting guide, instructing Malaysian companies to integrate sustainability into their corporate culture and decision-making processes. In 2016, BM formally required all listed companies to conduct mandatory sustainability reporting to enhance transparency and accountability in corporate sustainability practices. In 2018, BM revised the sustainability reporting guide to include more detailed disclosure requirements, highlighting the importance of identifying and managing material ESG risks and opportunities in line with global development trends (Bursa Malaysia Securities Berhad, 2019). In response to growing market concerns about climate change, BM encouraged companies to adopt TCFD recommendations from 2020, which included disclosing climate-related risks and opportunities and their potential financial impacts. Immediately afterwards, BM released an updated version of the sustainability reporting guide to keep pace with global best practices, providing details on climate-related disclosures and enhanced requirements for governance and social factors. In detail, the focus on governance was strengthened, with more detailed requirements for board oversight and risk management related to ESG factors (Bursa Malaysia Berhad, 2022). On the 24th of September 2024, Malaysia, through the Advisory Committee on Sustainability Reporting (ACSR), launched the National Sustainability Reporting Framework. This framework serves as a crucial guide for how we, as a nation (Malaysia), will align our sustainability efforts, particularly with respect to reporting, with globally recognized standards set by the International Sustainability Standards Board (ISSB), specifically IFRS S1 General Requirements for Sustainability-related Disclosures and IFRS S2 Climate-related Disclosures. Malaysia intends, with the standards in force, to improve transparency and thus accountability as well as trust in companies. Companies were required to provide a clearer demonstration of how sustainability is integrated into their strategic planning (Securities Commission Malaysia, 2024). In recent years, to achieve more tailored and relevant ESG disclosure practices, BM introduced sector-specific guidelines and new requirements for ensuring stakeholder engagement and materiality assessments, helping companies in different industries address unique sustainability challenges and opportunities. The detailed disclosure framework for sustainability reporting is shown in Table 5.

Table 5. Disclosure framework in Malaysia.

Frameworks/Standards	Brief
Disclosure Standards/Frameworks	
Malaysian Code on Corporate Governance (MCCG) of Securities Commission Malaysia	The MCCG introduces best practices and guidance to– • improve board policies and processes including those related to director selection, nomination and appointment; • strengthen board oversight and the integration of sustainability considerations in the strategy and operations of companies; and • encourage the adoption of the best practices, particularly those found to have relatively lower levels of adoption, as highlighted in the SC's Corporate Governance Monitor report.
Global Reporting Initiative (GRI) Standards 2021	GRI serves to assist organisations to understand and report on their impacts on the economy, environment, and people. It contains the GRI Universal Standards, which apply to all organisations, the GRI Sector Standards, which are applicable to specific sectors and the GRI Topic Standards that lists disclosures relevant to a particular topic.
Sustainability Accounting Standards Board (SASB) – Securities & Commodity Exchanges	SASB helps organisations identify, manage, and communicate financially material sustainability information to investors
World Federation of Exchanges (WFE) Sustainability Principles	Principle 1: Exchanges will work to educate participants in the exchange ecosystem about the importance of sustainability issues; Principle 2: Exchanges will promote enhanced availability of investor-relevant, decision-useful ESG information; Principle 3: Exchanges will actively engage with stakeholders to advance the sustainable finance agenda;

[3] Available at: https://www.sgx.com/sustainable-finance/sustainability-knowledge-hub#Disclosure%20Resources

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Frameworks/Standards	Brief
	Principle 4: Exchanges will provide markets and products that support the scaling-up of sustainable finance and reorientation of financial flows; Principle 5: Exchanges will establish effective internal governance and operational processes and policies to support their sustainability efforts
IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information IFRS S2 – Climate-related Disclosures	Four key objectives: 1. to develop standards for a global baseline of sustainability disclosures; 2. to meet the information needs of investors; 3. to enable companies to provide comprehensive sustainability information to global capital markets; 4. and to facilitate interoperability with disclosures that are jurisdiction-specific and/or aimed at broader stakeholder groups.

3. The Differences in Guides for ESG Disclosure Framework among Singapore, Hong Kong and Malaysia, Against ESRSs

With the development of ESG in recent years, nearly all jurisdictions engaging in ESG initiatives are following the pace set by the EU. Singapore, Hong Kong, and Malaysia have been continuing to keep up with this trend. There is no doubt that the upcoming ESRSs will become an internationally applicable standard and benchmark for other jurisdictions to follow. The governance authorities in Singapore, Hong Kong, and Malaysia have already required listed companies to mandatorily disclose their sustainability practices on a 'comply or explain' basis.

Notably, Singapore, Malaysia and the EU have integrated ESG standards into their sustainability reporting, treating ESG disclosure as part of the overall sustainability reports. Hong Kong, however, has formulated the Environmental, Social, and Governance Reporting Guide separately. Despite continuously modifying their guides to keep up with the ESRSs in recent years, Singapore, Hong Kong, and Malaysia are still lagging behind in establishing comprehensive guides for ESG disclosure. Their different paces may cause questionable comparability and recognition of these companies' ESG reports worldwide.

Undoubtedly, the divergences in standards originate from the regulatory frameworks used in their guides. In the EU, the ESRSs are comprehensive and well-covered because it involves and reference numerous international frameworks, unlike Singapore, Hong Kong, and Malaysia, as shown in Table 6. The ESRSs incorporate the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), and International Sustainability Standards Board (ISSB) as the basis of their reporting framework. In contrast, Singapore, Hong Kong, and Malaysia have less comprehensive reporting frameworks. They have different paces and orientations in their guide formulations compared to the ESRSs, as shown in Table 7. It is evident that the ESRSs cover a broader range of international and regional standards and guides than those of Hong Kong, Singapore, and Malaysia. Each of the four jurisdictions has its own preferences for references to international standards and guidelines, as well as other resources. However, it can be seen that they consistently select GRI as the primary reporting framework and TCFD as a supplementary framework to formulate ESG standards/metrics. The guides of these four jurisdictions are also formulated based on their local standards and guidelines. For example, the formulation of the ESRSs has referred to the EU Emissions Trading Scheme (EU-ETS), EU Whistleblowing Directive, European Climate Law, and so on. Similarly, the SGX Core ESG Metrics were formulated according to the commonly reported metrics by SGX issuers and SGX-ST Listing Rules, while the Bursa Malaysia sustainability reporting guide was developed by referencing the Malaysian Sustainable Palm Oil (MSPO) and the Roundtable on Sustainable Palm Oil (RSPO), among others.

Table 6. Table of other resources for ESG disclosure framework (European Union).

ESG reporting guides	References to international standards/guidelines and other resources
ESRSs	Sustainable Finance Taxonomy
	EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks
	Capital requirements regulation (CRR)
	Commission Recommendation of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations
	EU Emissions Trading Scheme (EU-ETS)
	European Climate Law
	EMAS III (Voluntary participation by organisations in a community eco-management and audit scheme)
	EU Whistleblowing Directive
	Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
	GHG Protocol
	Transparent Project and Natural Capital Protocol
	Recommendations of the Task Force for Nature-Related Financial Disclosure (TNFD)
	Global Reporting Initiative (GRI) Standards
	Exposure Drafts (ED) IFRS S1 and IFRS S2
	UN Sustainable Development Goals (SDGs)
	UN Guiding Principles on Business and Human Rights
	OECD Guidelines for Multinational Enterprises
	UN Global Compact
	Tripartite Declaration of Principles of the International Labour Organisation concerning Multinational Enterprises and Social Policy, and the Fundamental Principles and Rights at Work (ILO core conventions)
	ISO 26000 standard on social responsibility (ISO)
	UN Principles for Responsible Investment
	ICGN Global Governance Principles

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Table 7. Table of other resources for ESG disclosure framework (Hong Kong, Singapore, Malaysia).

ESG reporting guides	References to international standards/guidelines and other resources
HKEX ESG reporting guide	Organisation for Economic Co-operation and Development's G20/OECD Principles of Corporate Governance (G20/OECD)
SGX Core ESG Metrics	World Economic Forum (WEF) Stakeholder Capitalism Metrics
	Ministry of Manpower, Singapore
	Commonly reported metric by SGX issuers
	SGX-ST Listing Rules
Bursa Malaysia sustainability reporting guide	the FTSE Russell FTSE4Good Criteria
	Bank Negara Malaysia's Strategy Paper on Value-based Intermediation: Strengthening the Roles and Impact of Islamic Finance
	Malaysian Sustainable Palm Oil (MSPO)
	Roundtable on Sustainable Palm Oil (RSPO)
	National Sustainability Reporting Framework
	GHG Protocol

3.1. Summary

The frameworks set out in the guides formulated by Singapore, Hong Kong and Malaysia differ from the ESRSs. The ESRSs have formulated a guide involving comprehensive and wide-ranging topics with metrics based on numerous reporting frameworks, and they have set out a series of stringent disclosure requirements, such as materiality assessment. Specifically, they require that listed companies' ESG reports disclose stakeholder engagement mandatorily and align with the principle of double materiality. In contrast, the other three jurisdictions do not have such strict requirements for ESG disclosure. In addition, it can be found that the ESRSs formulate ESG guides that are more consistent with SDGs than those of Singapore, Hong Kong, and Malaysia. In contrast, the indicator themes set out in the guides of the three jurisdictions have appeared more scattered and have their own characteristics that meet the needs of their respective social development. Jurisdictions in the Asia-Pacific region are clearly more flexible and unique in the application of international frameworks for their regional ESG disclosure establishment. This uniqueness originates from the relevant previous policies on the development of sustainability and the degree to which sustainability is developed and its place on the political agenda. These factors result in differences in international frameworks adopted across jurisdictions. By comparing the guides of these three jurisdictions against the ESRSs, it can be found that some differences originate from the inputs in the policy process and the transmission and inheritance of previous policies. In this regard, the following section explores the influences of prior policies on the guides for ESG disclosure among the three jurisdictions.

4. Discussions: The Perspective of Policy Continuity and Multi-Stream Framework

While the consensus on the trends of ESG in recent years is developing consistently, there are differences in the formulation of guides for ESG disclosures among Singapore, Hong Kong, Malaysia, and the European Union. It must be acknowledged that any comparison is a construction in a sense. It discerns which elements or segments of social reality are to be related to one another and along what dimensions (Azarian, 2011). In this study, we identify differences in the adoption of ESG disclosure frameworks between Singapore, Hong Kong and Malaysia and the EU. These differences originate from the relevant previous policies on the development of sustainability and the degree to which sustainability is developed and its place on the political agenda. Causing this to happen are the forces of institutional factors that have been playing an important role in the policy process, ensuring the stability of regional policy implementations and the achievement of regional policy objectives (Aninat, Londregan, Navia, & Vial, 2006; Breuer, Leininger, Malerba, & Tosun, 2023; Molinas, Pérez Liñán, & Saiegh, 2004). The influences of institutional factors can ensure the policy agenda can be continued, even though people, authorities, and leadership will change over the long-term development of society. Of course, the continuity of institutions influences the policy-making process, ensuring that the color of policy experience on policy change does not fade over time (Liverani, Hawkins, & Parkhurst, 2013; Schulz & Konig, 2000). Inevitably, although this will lead to the policy process becoming cautious, it can ensure that policy results and intended outcomes remain on track.

In the area of policymaking, Lindblom (1979) described these conditions as incrementalism and proposed an incremental model, indicating a process of policymaking that achieves massive changes in public policy through implementing small changes slowly over time. It depends on and seeks the participation, input, and knowledge of all individuals and groups involved in the issue at hand. This indicates that previous policies are more or less involved in present policies. Similarly, in the area of policy processes, previous policies can be regarded as a stream that influences the formulation of subsequent policies. As the multi-stream framework proposed by Kingdon (1984) suggests, policy change happens through the integration of the stream of problems, the stream of politics, and the stream of policy when the gears of the policy-formulating machine start turning. Although previous policies may not play a major role in the policy process for achieving policy change, their effects do exist and are necessary because they provide experience for policy entrepreneurs working on the policy agenda. Likewise, the policy stream can be regarded as one of the toolkits for external and internal actors promoting policy change. When those external and internal actors seek to promote policy change to fit social development, they are prepared to use experiences related to previous policies, regardless of whether those experiences prove useful.

In fact, the guides for ESG disclosure among these four jurisdictions are not generated in isolation; they are formulated in alignment with a series of policies, regulations, acts, directives, ordinances, or laws that address environmental and social issues (Liu, Demeritt, & Tang, 2019; Pareek & Pasumarti, 2021). The ESG standards and metrics are not created out of nowhere; most are extensions and refinements of previous and current policies.

An interesting finding is that the more policies previously developed to guide relevant issues, the better the coverage of topics and indicators in the ESG guidelines. This could reflect that those jurisdictions with well-covered topics and metrics in the ESG guides have made great efforts in governance on relevant issues. Additionally, the reasons for the differences among these jurisdictions can be found in the reviews of the documents. For example, Hong Kong published and revised a series of ordinances related to nature conservation and the endangered species of animals and plants, corresponding to the topic of "The Environment and Natural Resources" in its ESG guides.

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The trace can also be found in the topic of anti-corruption, aligning with the *Prevention of Bribery Ordinance* published in Hong Kong. Malaysia also set the topic with metrics related to anti-corruption and bribery in its ESG guides according to the Malaysian *Anti-Corruption Commission (Amendment) Acts*.

The European Union and Singapore, like Hong Kong and Malaysia, formulated topics with metrics based on their own policy documents. For example, the *Marine Spatial Planning (MSP) Directive* and *Common Fisheries Policy (CFP)* serve as the basis for the EU to develop the topic of "Water and Marine Resources." A series of acts, such as the *Workplace Safety and Health Act*, the *Inspection Programme for Safe Machines*, the *Work Injury Compensation Act*, *workplace safety and health training*, *work accident reporting*, and *factory notification and registration*, reflect that Singapore emphasizes employee safety and health comprehensively, which is also reflected in the ESG guidelines.

Regarding this, the relatedness between the policy documents and the guides for ESG disclosures helps prove the coherence and consistency of policy contents with objectives across different policies over time.

It is clear that the formulation of guides for ESG disclosure among these four jurisdictions cannot occur without the push from government policies in economic development. The European Commission presented the *Sustainable Europe Investment Plan* in January 2020 and the EU *Circular Economy Action Plan* in March 2020 to attract public and private investment worldwide, promote circular economy processes, foster sustainable consumption, and guarantee less waste. At the end of 2023, the Parliament approved an EU act for critical raw materials to ensure an adequate and diversified supply for Europe's digital economy and green transition, prioritizing reuse and recycling.

In Hong Kong, the government set up *Green and Sustainable Finance (GSF)* in 2018 and increased the total funding from HK$100 billion to HK$200 billion in 2022 to encourage Hong Kong companies to participate in sustainable and environmentally efficient investments and raise more capital (Government of the Hong Kong Special Administrative Region, 2022). In 2021, the government also launched the *Green and Sustainable Finance Funding Scheme* to support green financing for small, medium, and large-scale Hong Kong companies (Hong Kong Monetary Authority, 2024a).

In Singapore, the Monetary Authority of Singapore (MAS) has been progressing its comprehensive strategy to transform sustainable finance and launched the *Green Finance Action Plan* in 2019. Singapore has implemented a wide range of ESG-related policies for the development of sustainable and ESG financing, including a green and sustainable finance grant scheme, green bond principles, ESG skills training subsidies, and government sustainable debt issuance (Monetary Authority of Singapore, 2020).

Malaysia launched the *New Investment Policy* in 2022 to encourage sustainable and holistic economic growth by anchoring on a clear set of national priorities, such as the National Investment Aspirations, including targets to enhance ESG practices that improve capabilities for a de-risked economy against ESG factors and the compliance and quality of ESG reporting.[4]

In summary, the development process of the guides for ESG disclosures involves a series of previous policies aligning with relevant issues in the environment, society, or economy, which have also played roles in the agenda for the formulation and revision of the guides for ESG disclosure in recent decades.

5. Conclusion

Because different standards have been formulated by various jurisdictions, the comparability of ESG reports worldwide faces challenges. This study compares the guides for ESG disclosure among Hong Kong, Singapore, and Malaysia, using the ESRSs proposed by the European Union as a benchmark. The findings emphasize the significant differences among the regions in the ESG guide framework and reveal the origins of these differences based on the perspective of policy continuity and the multi-stream framework. It was discovered that previous policies associated with the environment, society, and the economy have played roles in the development of guides for ESG disclosure among the jurisdictions, including the European Union. Given that impacts cannot be entirely avoided, the differences among the jurisdictions are likely to exist for a longer period of time. Hence, we consider that aligning global ESG reporting practices will require bridging these regional disparities by identifying common principles while respecting local policy contexts. The enterprise should establish harmonized frameworks that incorporate both global benchmarks and regional priorities to enhance transparency, comparability, and the financing potential of companies worldwide.

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