# Board Responsibility and Sustainability-Related Disclosure in Asia

# Board Responsibility and Sustainability-Related Disclosure in Asia

OECD
BETTER POLICIES FOR BETTER LIVES

**Please cite this publication as:**
OECD (2025), *Board Responsibility and Sustainability-Related Disclosure in Asia*, OECD Publishing, Paris, https://doi.org/10.1787/8d2672e7-en.

ISBN 978-92-64-63179-3 (print)
ISBN 978-92-64-52634-1 (PDF)
ISBN 978-92-64-58219-4 (HTML)

**Photo credits:** Cover © aaaaimages/Getty Images.

Corrigenda to OECD publications may be found at: https://www.oecd.org/en/publications/support/corrigenda.html.

# Foreword

The report *Board responsibility and sustainability-related disclosure in Asia* outlines the role of boards in overseeing sustainability-related disclosures and highlights policy priorities to strengthen governance across the region. This report analyses law and enforcement of sustainability disclosures in a selection of Asian jurisdictions (the People's Republic of China, Hong Kong (China), India, Indonesia, Japan, Korea, Singapore and Viet Nam) and advanced markets from other regions (France and the United Kingdom). These jurisdictions portray varying levels of economic development, common law and civil law traditions, different degrees of corporate and securities law enforcement, and distinct sustainability-related disclosure regimes. The analysis has been enriched by inputs from policymakers and regulators.

Chapter 1 maps the sustainability disclosure ecosystem, capturing evolutions and regional specificities. It reviews the scope and standards of sustainability-related disclosure, examines assurance frameworks, and proposes a definition for the concept of "sustainability washing".

Chapter 2 examines directors' duties and responsibilities in the surveyed jurisdictions. It discusses judicial standards of review applied to board decision-making and approaches to holding directors accountable for breaches of applicable laws and regulations.

Chapter 3 assesses private and public enforcement strategies for sustainability-related disclosures. It distinguishes legal actions by initiator and legal basis and considers the interaction between the enforcement approaches.

Chapter 4 sets out policy recommendations in five key levers of reforms aimed at mitigating and tackling sustainability washing from a regulatory and supervisory standpoint.

This report has been developed by the Capital Markets and Financial Institutions Division of the OECD Directorate for Financial and Enterprise Affairs. It was prepared by Param Nayankumar Pandya, Eliot Evain-Wilkes, Hitesh Tank and Yunus Emre Yildirim, under the supervision of Caio de Oliveira, Head of the Sustainable Finance and Corporate Governance Team, and Serdar Çelik, Head of Division. Daniel Blume from the Division and OECD Corporate Governance Committee delegates provided comments.

Comments and questions should be addressed to cm.sustainability@oecd.org.

# Table of contents



## TABLES

# Abbreviations and acronyms

| | | | |
|---|---|---|---|
| AMF | Autorité des Marchés Financiers | IOSCO | International Organization of Securities Commissions |
| ASIC | Australian Securities & Investments Commission | IPO | Initial Public Offering |
| BRSR | Business Responsibility and Sustainability Reporting | ISSA | International Standard on Sustainability Assurance |
| CSRD | Corporate Sustainability Reporting Directive | KOSPI | Korea Composite Stock Price Index |
| ESG | environmental, social and governance | KSSD | Korea Sustainability Standards Board |
| ESMA | European Securities and Markets Authority | KSDS | Korean Sustainability Disclosure Standards |
| ESRS | European Sustainability Reporting Standards | OECD | Organisation for Economic Co-Operation and Development |
| ESV | Enlightened Shareholder Value | SASB | Sustainability Accounting Standards Board |
| EU | European Union | SEBI | Securities and Exchange Board of India |
| FCA | Financial Conduct Authority | SEC | Securities Exchange Commission |
| FRC | Financial Reporting Council | SSBJ | Sustainability Standards Board of Japan |
| FY | Fiscal Year | STI | Straits Time Index |
| HOSE | Hochiminh Stock Exchange | TCFD | Task Force on Climate-Related Financial Disclosures |
| G20 | Group of Twenty | UK | United Kingdom |
| GEM | Growth Enterprise Market | US | United States |
| GHG | greenhouse gases | USD | United States dollar |
| GRI | Global Reporting Initiative | VNSI | Vietnam Sustainability Index |
| IFRS | International Financial Reporting Standards | | |

# Executive summary

The report *Board Responsibility and Sustainability-Related Disclosure in Asia* sets out the responsibilities of company boards in overseeing sustainability-related disclosures and identifies policy priorities to strengthen governance across the region. As sustainability risks and opportunities become critical to enterprise value, boards are expected to ensure the integrity of disclosures that directly affect market confidence, investor decision-making, and long-term corporate performance. This report situates these expectations within the global regulatory landscape while focusing on the distinctive challenges and responses emerging in Asia.

The sustainability disclosure ecosystem in Asia is rapidly evolving. Most of surveyed Asian jurisdictions have put in place mandatory sustainability disclosure frameworks, covering all material sustainability matters. With the exception of Singapore, these jurisdictions have generally adopted local disclosure standards, in some cases drawing on international frameworks (e.g. Hong Kong (China) and Japan). While India and Viet Nam have already put in place assurance-related requirements to further enhance the quality of sustainability disclosures, most other surveyed jurisdictions are also actively considering such requirements (e.g. Japan, Korea, and Singapore).

The report also underscores the importance of broadening the remit of the term "greenwashing" to "sustainability washing" – defined as "companies spreading disinformation or misinformation in their sustainability disclosures or sustainability-related claims". "Disinformation" implies intent – knowingly providing incorrect, incomplete or misleading information, whereas "misinformation" reflects a failure by the board and senior executives to take reasonable steps to ensure accuracy and completeness. Any such assessment must be contextual: directors should not be automatically held accountable where there is insufficient clarity on disclosure expectations or a shortage of suitably experienced professionals to support their oversight. This report calls for more detailed examination of "sustainability washing" and its implications from a regulatory and policy lens.

As it is the case in other regions, board members in Asia have a legal obligation to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. In the People's Republic of China (hereafter 'China') and India, the interest of the company is understood to include equally the interests of shareholders and non-shareholders constituents such as employees, creditors and consumers (hereafter 'stakeholders'). In most other Asian jurisdictions under study, the interests of shareholders are central to directors but they should also take into account the interests of stakeholders. In all cases, failure to implement and maintain an adequate information and reporting system about a critical issue could constitute bad faith and, therefore, a breach to directors' duty of loyalty.

The relevant disclosure frameworks in the surveyed jurisdictions explicitly assign to the board of directors the responsibility to exercise effective oversight over company disclosures, including those related to sustainability. Some surveyed jurisdictions have adopted the Business Judgement Rule (e.g. Hong Kong (China), Indonesia, Japan, Korea and Singapore), where board members are protected against litigation if they made a business decision diligently, with procedural due care, on a duly informed basis and without any conflicts of interest. Even in jurisdictions where such a rule has not been adopted (e.g. India and Viet

Nam), the judicial standard of review of board decisions largely requires a subjective assessment that defers to directors the determination of the best interest of the company. However, objective standards of review are emerging in some jurisdictions (e.g. Hong Kong (China) and Singapore) to hold directors accountable in some circumstances.

There is an overall lack of private enforcement actions for sustainability washing in surveyed Asian jurisdictions. However, regulators have stepped up to engage with companies and nudge them to improve their sustainability disclosure practices using effective engagement tools. This report focuses on engagement and enforcement approaches to improve the quality of sustainability-related disclosure, comparing institutional investor engagement, private litigation, public enforcement of securities law, and mechanisms under other sectoral laws. Asian regulators have employed an adaptive approach to the enforcement of breach of sustainability disclosure requirements. Adaptive strategy refers to regulators implementing the engagement and enforcement tools that are used for breach of financial disclosure requirements to remedy breach of sustainability disclosure requirements, including, for instance, advice letters requesting companies to remedy non-compliance with disclosure requirements and capacity building for company officers.

On this basis, the report outlines five interlinked policy priorities to strengthen the governance of sustainability-related disclosures in Asia:

- **Strengthening legislative and regulatory certainty to enhance consistency in disclosure requirements.** Regulators must clearly establish the requirements in the sustainability-related disclosure frameworks and the enforcement avenues for the breach of sustainability disclosure requirements.
- **Fostering meaningful engagement with companies and stakeholders to build trust and encourage effective compliance.** Regulators should use engagement tools such as infringement notices or advice letters to secure better compliance with applicable sustainability disclosure requirements. Regulators may create a platform for relevant market participants to come together and develop best practices for sustainability disclosure.
- **Developing a multi-layered enforcement toolkit combining private and public mechanisms to improve accountability.** Regulators need to employ a range of enforcement tools, which may be suitable for an escalation strategy, holding directors accountable for any serious breach of sustainability disclosure requirements.
- **Leveraging technology to improve data quality, monitoring, and assurance processes.** Companies are using technology to improve their sustainability disclosure practices and regulators are also adopting technology for supervisory purposes. Asian regulators need to track these developments and employ them to enhance market integrity.
- **Building institutional and professional capacity to ensure directors and regulators are equipped to meet evolving expectations.** Regulators should encourage and conduct training for corporate directors and senior management on improving sustainability disclosure practices at the company level. At the regulatory level, securities regulators should explore the possibility for co-operation with national regulators supervising other sustainability-related matters, such as advertising law, and with foreign securities regulators, with the goal of developing a better enforcement strategy to tackle sustainability washing.

Taken together, these measures can underpin a coherent policy framework that strengthens board accountability for sustainability-related disclosures without discouraging companies from reporting material sustainability matters. Reinforcing the role of boards is integral to corporate governance reform and to positioning Asian markets to align with global sustainability best practices.

# 1 The Sustainability Disclosure Ecosystem

This chapter presents the evolving ecosystem for sustainability-related disclosure. It maps the scope of disclosure across Asian jurisdictions at study. It also analyses assurance frameworks as a credibility lever noting progressive alignment with international assurance standards. Finally, it develops the notion of "sustainability washing" in the corporate disclosure context.

The G20/OECD Principles of Corporate Governance (the G20/OECD Principles) provide guidance to help policy makers evaluate and improve the legal, regulatory and institutional framework for corporate governance, with a view to supporting market confidence and integrity, economic efficiency, sustainable growth and financial stability. They specifically recommend that "the corporate governance framework should provide incentives for companies and their investors to make decisions and manage their risks, in a way that contributes to the sustainability and resilience of the corporation" (OECD, 2023, p. 44[1]).

When developing a corporate governance framework, jurisdictions adopt different approaches regarding its scope and implementation, as well as the assurance and monitoring of disclosed information. These differences raise the question as to how different frameworks and approaches to their implementation and enforcement may impact the likelihood of "sustainability washing" cases as discussed later in this report.

## 1.1. Scope and Standards for Sustainability-Related Disclosure

As some investors focus on how companies identify, assess, and manage material risks and opportunities related to climate change and broader sustainability issues, many jurisdictions already require, plan to require, or recommend that companies disclose sustainability-related information. Jurisdictions may determine different scopes of sustainability-related disclosures (Section 1.1.1) and how to implement them (Section 1.1.2).

### *1.1.1. Scope*

The G20/OECD Principles emphasise that sustainability disclosures should be consistent, comparable, and reliable. They should include both retrospective and forward-looking information that a reasonable investor would consider material to investment or voting decisions. The G20/OECD Principles define sustainability-related information as material if it can reasonably be expected to influence an investor's evaluation of a company's value or affect their investment or voting choices (OECD, 2023, p. 45[1]).

Materiality can be approached from two perspectives: financial (single) materiality and double materiality. Financial materiality focuses on how climate and other sustainability-related risks and opportunities affect a company's financial performance and position (Grant Thornton, 2023[2]). Double materiality, a concept introduced by the European Union, considers both the financial impact of environmental and social factors on the company and the company's own impact on the environment and society (European Commission, 2019[3]). Under European Union (EU) law, companies exceeding a certain size threshold are now required to report sustainability information using the double materiality concept (EU, 2022[4]).

The G20/OECD Principles note that environmental and social issues should be included within the scope of sustainability disclosures if they can reasonably be expected to influence a company's value. Examples include environmental liabilities under existing regulations or Greenhouse Gas (GHG) Emissions that could be capped or taxed in the future. However, the assessment of what constitutes material information may evolve over time and will depend on local context, company-specific factors, and regulatory requirements (OECD, 2023[1]).

An important element in implementing sustainability disclosures is defining which companies are subject to the requirements. In some jurisdictions, disclosures are mandated or encouraged only for large publicly listed companies. Others extend the scope to include certain non-listed companies. The criteria used to determine applicability typically involve factors such as the number of employees, the company's market capitalisation, or total assets.

The scope of sustainability disclosures includes a range of key content areas. These cover metrics related to sustainability goals (e.g. GHG emission reduction targets), climate-related transition plans, value chain information (e.g. human rights concerns within the supply chain), and other material sustainability issues beyond climate, such as biodiversity, human capital, and labour rights.

Across most Asian jurisdictions discussed below, material sustainability issues beyond climate are generally recognised as part of the scope of sustainability-related disclosures. Many of these jurisdictions also include metrics related to a company's sustainability goals.

## Table 1.1. Sustainability-related Disclosure Content Coverage

| Jurisdiction | Framework | Sustainability matters | Disclosure of metrics for sustainability-related goals | Transition plan disclosure | Value chain information |
|---|---|---|---|---|---|
| China | Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)<br><br>Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)<br><br>Continuous Supervisory Guidelines No. 11 for Companies Listed on Beijing Stock Exchange—Sustainability Report (For Trial Implementation)<br><br>Corporate Sustainability Disclosure Standards—Basic Standards (Trial) | All material sustainability matters | R, C | R, C | R |
| France | Article L225-102-1 of the Commercial Code *(CSRD transposed)* | All material sustainability matters | L | L | L |
| Hong Kong (China) | Main Board: Environmental, Social and Governance Reporting Code<br><br>GEM Board: Environmental, Social and Governance Reporting Code | All material sustainability matters | R, C | R | R |
| India | SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 | All material sustainability matters | L | - | L |
| Indonesia | OJK Regulation Number 51/POJK.03/2017<br><br>OJK Regulation Number 29/POJK.04/2016<br><br>OJK Circular No 16/SEOJK.04/2021 | - | - | - | - |
| Japan | Cabinet Office Order on Disclosure of Corporate Affairs<br>Japan's Corporate Governance Code | All material sustainability matters | L | PC | - |
| Korea | Code of Best Practices for ESG Disclosure Rules on KOSPI Market | All material sustainability matters | PC | PC | PC |
| Singapore | Mainboard: Sustainability Report \| Rulebooks: Listing Rules 711A and 711B<br>Catalist: Sustainability Report \| | All material sustainability matters | R | R | R |

| Jurisdiction | Framework | Sustainability matters | Disclosure of metrics for sustainability-related goals | Transition plan disclosure | Value chain information |
|---|---|---|---|---|---|
| | Listing Rules 711A and 711B | | | | |
| Viet Nam | Circular 96 (read with Appendix IV) Decree 47 (provisions for disclosure by SOEs - Form No. 4 in Appendix II) | All material sustainability matters | L | - | - |
| United Kingdom | FCA's Climate related Disclosure Regime: UK Listing Rules UKLR 6.6.6(8),UKLR 14.3.24, UKLR 16.3.23 and UKLR 22.2.24 UK Companies Act requirements for companies and for LLPs | Only climate-related matters | L, R | PC | - |

Key: **PC** = public consultation or under active consideration; **L** = requirement by the law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles, including frameworks set by the regulator or stock exchange following a "comply or explain" approach; **"-"** = absence of a specific requirement or recommendation.

In the **People's Republic of China (China)**, the scope of sustainability-related information covers all key elements – metrics for sustainability goals, transition planning, value chain information, and other material sustainability topics beyond climate. China has introduced the draft Corporate Sustainability Disclosure Guidelines – Basic Guidelines (Trial Implementation) (Basic Guidelines) with an aim to standardise corporate sustainability disclosures in China. These standards are based on International Financial Reporting Standards (IFRS) S1 and S2, however, they adopt a double materiality driven framework (Slaughter & May, 2025[5]). Thus, companies would not only be required to evaluate climate impact on company's operations, but also the impact of the company's operations on the environment, economy, and society. They are currently applicable on a voluntary basis.

In **France**, companies must disclose information on sustainability goals, climate transition plans, value chains, and other material non-climate sustainability matters, as required by the EU Corporate Sustainability Reporting Directive (CSRD). The directive has been transposed into French law and is effective since 2024.

In **Hong Kong (China)**, listed issuers are required to disclose certain sustainability metrics on a "comply-or-explain" basis in accordance with the Hong Kong Listing Rules. Effective 1 January 2025, listed issuers are further required to disclose certain climate-related information such as their climate-related metrics and targets, transition plans and effects of climate-related risks and opportunities on value chain pursuant to the ESG Reporting Code under the Hong Kong Listing Rules. These latest climate-related disclosure requirements are developed based on IFRS S2.

In **India**, disclosures include metrics, value chain information and all material sustainability matters. While the sustainability disclosures framework – Business Responsibility and Sustainability Reporting (BRSR) – does not explicitly mandate disclosure of a transition plan, it has several disclosure requirements that align with requirements under a climate-related transition plan (such as details of environmental and social risks and opportunities for their business, the approach to address them and their financial impact). Further, issuers of 'transition-labelled debt securities' are required to disclose transition plans.

In **Indonesia**, currently, none of the key components mentioned above are covered under the sustainability disclosure framework.

In **Japan**, the scope was previously limited to metrics and other non-climate sustainability information. Japan broadened its scope following a public consultation initiated by the Sustainability Standards Board of Japan (SSBJ) in 2024 (SSBJ, 2024[6]). In March 2025, the SSBJ adopted its inaugural Sustainability Disclosure Standards, which now also include transition plans (SSBJ, 2025[7]).

In **Korea**, sustainability disclosures are not currently mandatory. In April 2024, the Korea Sustainability Standards Board (KSSB) released an exposure draft of the Korean Sustainability Disclosure Standards (KSDS) for public consultation. The proposed standards would require disclosures on value chain information, transition planning, and non-climate sustainability matters. However, the KSDS has not yet been formally adopted (IFRS Sustainability, 2025[8]).

In **Singapore**, the listing rules require the disclosure of metrics for sustainability-related goals, value chain information and disclosure on all material sustainability matters. The listing rules also require listed issuers to start incorporating the climate-related disclosure requirements of the IFRS Sustainability Disclosure Standards from FY2025, which includes disclosure of climate-related transition plans, if any.

In the **United Kingdom**, metrics for sustainability goals and climate-related matters are subject to disclosure. However, certain entities, such as listed companies, banks, and insurance firms, must also disclose information on employees, social issues, human rights, and anti-corruption and anti-bribery efforts (Sections 414CA and 414 CB of the UK Companies Act, 2006). The UK government consulted on exposure drafts of two UK Sustainability Reporting Standards, from June to September 2025 (GOV.UK, 2025[9]). It is also consulting on the development of an oversight regime for the assurance of sustainability-related financial disclosures, alongside options to take forward climate-related transition plan requirements (GOV.UK, 2025[9]; GOV.UK, 2025[10]).

In **Viet Nam**, the sustainability disclosures include metrics for sustainability goals, climate-related transition plans, and other non-climate material sustainability matters, such as policies related to employees and responsibility to the local community (Slaughter and May, 2024[11]).

### *1.1.2. Implementation*

In most Asian jurisdictions covered in this report, the disclosure of sustainability-related information is mandated through laws, regulations, or listing rules. While some jurisdictions limit these requirements to listed companies, others extend them to include large non-listed entities as well.

Globally, it is common to implement sustainability reporting obligations through a phased approach, typically based on company size and listing status. Often, the largest listed companies are required to comply first, followed by smaller companies based on market capitalisation. In terms of intended audience, some jurisdictions identify investors, both equity and debt holders, as the primary users of sustainability disclosures, while others adopt a broader approach, recognising multiple stakeholders as the primary users.

## Table 1.2. Sustainability-related Standards and Coverage

| Jurisdiction | Sustainability-related disclosure | Disclosure standards | Coverage of companies | Phasing in implementation | Primary users of the sustainability-related disclosure |
|---|---|---|---|---|---|
| China | R, C | Local | Listed and non-listed companies | 2026 | Multiple stakeholders |
| France | L | ESRS | Listed and non-listed companies | - | Multiple stakeholders |
| Hong Kong (China) | R | Local standards (climate reporting based on IFRS S2) | Listed companies only | 2025-2026 | Multiple stakeholders |
| India | L | Local standards (allows inter-operability with other reporting frameworks) | Listed companies only | - | Multiple stakeholders |
| Indonesia | L | - | Listed and non-listed companies | 2019-2025 | Multiple stakeholders |
| Japan | L, C | Local standards (based on TCFD, IFRS | Listed and some non-listed companies | 2026 | - |

| Jurisdiction | Sustainability-related disclosure | Disclosure standards | Coverage of companies | Phasing in implementation | Primary users of the sustainability-related disclosure |
|---|---|---|---|---|---|
| | | Sustainability Standards) | | | |
| Korea | C | - | Listed companies only | 2026 | - |
| Singapore | R, L | IFRS Sustainability Standards (for climate reporting) | Listed companies and some non-listed companies | 2025<br>2030 | Multiple stakeholders |
| Viet Nam | L | - | Listed and non-listed companies | - | - |
| United Kingdom | R, L | TCFD | Listed and non-listed companies | - | - |

Source: Sustainability-related disclosures frameworks in the jurisdictions under study, as per Table 1.1.
Key: **L** = requirement by the law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles, including frameworks set by the regulator or stock exchange following a "comply or explain" approach; **"-"** = absence of a specific requirement or recommendation.

In **China**, sustainability disclosures are mandated under stock exchange listing rules and complemented by the Corporate Sustainability Disclosure Standards - Basic Standards (Trial) issued by the Ministry of Finance which operate on a voluntary/trail basis and do not impose binding mandatory disclosure obligations to listed companies. Broader ESG guidelines exist for all types of companies. Listed companies must report based on local standards, with 2025 disclosures due by April 2026 (PWC, 2024[12]). China recognises multiple stakeholders as primary users of sustainability-related information. The Basic Guidelines have been proposed to be put in place in a phased manner by 2030. However, a detailed implementation plan for the Basic Guidelines, which would serve as the key corporate sustainability disclosure standard for companies in China, has not been published.

In **Hong Kong (China)**, the stock exchange requires listed companies to disclose sustainability information pursuant to the Environmental, Social and Governance Reporting Code set out in the Hong Kong Listing Rules. Effective from 1 January 2025, new climate-related disclosure requirements developed based on IFRS S2 are introduced to the Environmental, Social and Governance Reporting Code. Under the new requirements: (i) all listed issuers are required to disclose scope 1 and 2 GHG emissions on a mandatory basis starting from 2025; (ii) all Main Board issuers must report on the new climate-related disclosure requirements (other than disclosure of scope 1 and 2 GHG emissions) on a "comply or explain" basis starting from 2025, and (iii) large-cap issuers are further required to report on all these requirements on a mandatory basis starting from 2026. GEM issuers are encouraged to make climate-related disclosures (other than disclosure of scope 1 and 2 GHG emissions, which is mandatory) voluntarily.

In **India**, the Securities and Exchange Board of India (SEBI) requires the top 1000 listed companies by market capitalisation to disclose sustainability information under local standards. India recognises multiple stakeholders as primary users of this information.

In **Indonesia**, a regulation issued by the Financial Services Authority (OJK) mandates sustainability disclosures for both listed and non-listed companies. Indonesia recognises multiple stakeholders as primary users.

In **Japan**, sustainability disclosures are required by regulation and are recommended under the Corporate Governance Code. The requirement applies to listed and certain large non-listed companies, using local standards aligned with Task Force on Climate-related Financial Disclosures (TCFD) and IFRS Sustainability Standards. From fiscal years beginning April 2025, companies may voluntarily adopt the new SSBJ Standards. From fiscal years beginning April 2026, these standards will become mandatory for companies listed on the Prime Market, with a market capitalisation of JPY 3 trillion or more. From April

2027, this threshold will be decreased to JPY 1 trillion, thus requiring more companies to adopt the SSBJ Standards (FSA, 2024).

In **Korea,** KOSPI-listed companies with assets over KRW 500 billion must publish a corporate governance report, a requirement that will apply to all KOSPI-listed companies from 2026. The report must state whether the company complies with the Korea Institute of Corporate Governance and Sustainability's Code of Best Practices – including its sustainability recommendations – and explain any non-compliance. KOSPI represents Korea's largest companies by market capitalisation. The KSSB is developing local disclosure standards aligned with ISSB, but these remain in draft form. As a result, listed companies currently disclose sustainability information to the Korea Exchange on a voluntary basis, referencing international standards such as ISSB, TCFD, SASB, and GRI (OECD, 2025[13]).

In **Singapore**, the Singapore Exchange mandates sustainability disclosures for listed companies. All listed companies must disclose Scope 1 and 2 GHG emissions from the financial year commencing on or after 1 January 2025 (FY 2025). Straits Times Index (STI) constituent listed companies will also report other ISSB-based climate-related disclosures (excluding Scope 3 GHG emissions) from FY 2025, with disclosure on Scope 3 GHG emissions commencing from FY 2026. For non-STI constituent listed companies, other ISSB-based climate-related disclosures (excluding Scope 3 GHG emissions) will be mandatory from either FY2028 or FY2030 depending on the company's market capitalisation; and disclosure of Scope 3 GHG emissions is voluntary (SGX, 2024[14]). For large non-listed companies, ISSB-based climate-related disclosures (including Scope 1 and 2 GHG emissions) will commence from FY 2030; and Scope 3 GHG emissions reporting is voluntary. Singapore recognises multiple stakeholders as primary users.

In **Viet Nam**, sustainability disclosures are mandated by national laws and regulations, covering both listed and non-listed entities, including state-owned enterprises. Moreover, there are voluntary tools, such as the Vietnam Sustainability Index (VNSI), launched in July 2017. VNSI measures the performance of the top 20 sustainable listed companies on Hochiminh Stock Exchange (HOSE). Constituents are selected from the 100 largest companies on HOSE (SSE, n.d.[15]). While there is no mandatory reporting standard, GRI Standards are promoted by the State Securities Commission (SSC) and the HOSE (SSC, 2016[16]) (Viet Nam News, 2017[17]).

The **EU** mandates sustainability disclosures for large and listed companies. In 2025, the EU Commission introduced two "Omnibus" packages aimed at making sustainability reporting more efficient. These include measures to enhance accessibility, streamline due diligence, and reinforce the carbon border adjustment mechanism. The proposals are currently under review by the European Council (European Commission, 2025[18]).

In **France**, the French law mandates sustainability reporting for both listed and non-listed companies, based on European Sustainability Reporting Standards (ESRS) (Article L225-102-1 of the Commercial Code). The primary audience for disclosures is identified as multiple stakeholders.

In the **UK**, sustainability-related disclosure is required under both legal provisions and listing rules, and must follow the standards set by the TCFD (UK Listing Rules; Companies Act). These requirements apply to listed equity issuers, as well as specific UK-registered companies and limited liability partnerships.

## 1.2. Assurance of Disclosed Information

As outlined in Principle VI.A.5 of the G20/OECD Principles, having sustainability-related disclosures reviewed by an independent, competent, and qualified attestation service provider strengthens investor confidence in the reported information. It also facilitates comparability of sustainability data across companies. However, the G20/OECD Principles acknowledge that when providing high-quality assurance for all disclosed sustainability information is impractical or too costly, mandatory assurance for key metrics, such as GHG emissions, may be a more feasible alternative.

### Table 1.3. Sustainability-related assurance frameworks

| Jurisdiction | Framework | Assurance service providers | Application year(s) | | | Assurance Standard |
|---|---|---|---|---|---|---|
| | | | Phasing in implementation | Limited assurance | Reasonable assurance | |
| China | - | - | No | - | - | - |
| France | L | A, S | Yes | 2025 – 2028 | - | Limited assurance guidelines of the French High Authority for Audit (English version) |
| Hong Kong (China) | PC | - | - | - | - | - |
| India | L | A, S, O | Yes | 2024 – 2025 | 2027 – 2028 | - |
| Indonesia | - | - | No | - | - | - |
| Japan | PC | - | No | - | - | - |
| Korea | PC | O | No | - | - | - |
| Singapore | PC | A,S | Yes | 2029 - 2032 | - | (a) ISSA 5000 or a Singapore standard equivalent to ISSA 5000; (b) ISAE 3000 or SSAE 3000; or (c) Singapore Standard ISO 14064-3 |
| Viet Nam | L | - | - | - | - | - |
| United Kingdom | PC | - | No | - | - | - |

Key: **PC** = public consultation or under active consideration**;** **L** = requirement by the law or regulations; **R** = requirement by the listing rule; **C** = recommendation by the codes or principles; **"-"** = absence of a specific requirement or recommendation; **A** = statutory auditors; **S** = sustainability-related assurance service providers with accreditation by a public organisation; **O** = assurance service providers without any accreditation by a public organisation.

Note: For assurance standards, the international standards in parentheses indicate that the regulator announced the intention to adopt the international standards or develop domestic assurance standards with reference the international standards.

In some Asian jurisdictions, such as **China**, **Indonesia**, and **Viet Nam**, there is currently no formal assurance framework for sustainability-related information disclosure. However, in other jurisdictions, such as **Hong Kong (China)**, **India**, **Japan**, **Korea**, **Singapore**, and the **UK,** assurance frameworks are either already established, under public consultation, or actively being considered by policymakers. Additionally, in **France**, as in other EU countries, assurance of sustainability information disclosure is required by law.

In **Hong Kong (China)**, the government introduced a roadmap for sustainability disclosure in December 2024 (GovHK, 2024[19]). In line with the roadmap, the Hong Kong Institute of Certified Public Accountants (HKICPA) published the local assurance standard, which is fully aligned with ISSA 5000 published by the International Auditing and Assurance Standards Board (IAASB), in March 2025. In October 2025, the HKICPA updated its Code of Ethics for Professional Accountants to incorporate the new ethics standards for sustainability assurance, which is fully aligned with the International Ethics Standards for Sustainability Assurance published by the International Ethics Standards Board for Accountants (IESBA) (HKICPA, 2025[20]). Additionally, the Accounting and Financial Reporting Council (AFRC) plans to release a proposed regulatory framework for sustainability assurance for public consultation in 2025, covering registration of assurance providers, implementation of relevant standards, and the broader regulatory structure (Linklaters, 2025[21]).

In **India**, the SEBI introduced mandatory assurance requirements in 2023 for listed companies' Business Responsibility and Sustainability Report (BRSR) Core, which provides detailed ESG disclosures. SEBI allows a range of assurance or assessment providers, including statutory auditors, accredited sustainability assurance or assessment service providers, and assurance or assessment service providers without any accreditation by a public organisation, without limiting the role exclusively to chartered accountants. The scope includes GHG emissions and other ESG factors. SEBI has adopted a phased implementation: the top 500 listed companies must obtain assurance or assessment for the 2025–2026 financial year, extending to the top 1 000 companies between 2026–2027. Notably, companies retain the flexibility to choose which assurance standards to apply (SEBI, 2023[22]).

In **Japan**, policymakers are actively considering the implementation of a mandatory framework for sustainability assurance. In February 2024, a Working Group on the Disclosure and Assurance of Sustainability Information was established in response to a request from the Minister of State for Financial Services. This expert group is tasked with examining the applicability and timing of the SSBJ Standards and exploring appropriate assurance approaches (IFLR, 2025[23]).

## 1.3. Sustainability Washing

There is a lack of a comprehensive definition that encompasses the primary attributes of 'Greenwashing' (Pears, Baines and Williams, 2023[24]). This term has been used to refer to untrue or exaggerated claims by companies, particularly regarding their commitment to the environment (Wrobel and Fishman, 2025[25]). The contours of this term are shaped based on the broad scope of its content and the regulatory prism through which it is viewed. While there is greater understanding of the term 'greenwashing' under different legal and regulatory frameworks such as financial regulation, consumer protection, and advertising standards, it is less understood in terms of corporate disclosures.

Greenwashing may have adverse long-term effects on the stock returns of a company engaged in such practices (Leong et al., 2025[26]). It may also erode investors' trust in the market. As corporate sustainability disclosures have gained momentum globally, it is useful to further analyse the contours of 'greenwashing' in the corporate context.

This report refers to 'greenwashing' in the context of corporate sustainability disclosures as 'sustainability washing' to truly reflect the scope and remit. Three core features are crucial in understanding the remit of 'sustainability washing'. These are: (i) disinformation; (ii) misinformation; and (iii) sustainability-related claims. Each of these three are discussed as under:

> *'Sustainability washing' refers to companies spreading **disinformation** or **misinformation** in their **sustainability disclosures** or **sustainability-related claims**.*

First, **disinformation** refers to a company or its officials wilfully misrepresenting or making false disclosures which deceive or are likely to deceive the user of such information. Company officials could either make incorrect disclosures or omit critical information with intent to not present a true and fair picture of their company's sustainability performance. Most importantly, there are two key constituents which would determine the standard of proof and the object in case of disinformation leading to sustainability washing – the intent and the likelihood to cause deception. Further, any disinformation would still amount to sustainability washing if it is likely to deceive the intended user of the information. Sustainability washing may or may not result in an immediate damage to investors or provide the company engaging in such practices with an unfair or undue advantage. However, such practices undermine investors' trust and confidence, which is harmful to the integrity of markets. Thus, the requirement is limited to the extent that such disinformation is likely to cause deception and the fact that investors were deceived would only amount to an aggravating factor.

For example, in 2025, if a fossil fuel company proposes an ambitious target of becoming carbon neutral by 2040 while still investing in new fossil fuel assets, this may amount to sustainability washing if the company does not adopt a credible transition plan within a reasonable period. Furthermore, this overly ambitious target may also become an aggravating factor in determining whether there was wilful misrepresentation with the intent to deceive investors. Companies may want to set ambitious targets to positively signal their commitment. However, if such targets are not verifiable, or backed by credible corporate strategies with a reasonable technical basis, and devoid of a feasible action plan, they are likely to fall within the remit of 'sustainability washing' or 'greenwashing' in particular (Climateworks Centre, 2025[27]).

Second, **misinformation** comprises instances when the company or its officials make selective, non-credible, or inaccurate disclosures, which deceive or are likely to deceive the user of such information. Misinformation is spread by a company or its officials through including, but not limited to, partial, selective, unclear, unintelligible, vague, oversimplistic, ambiguous or untimely information, and unsubstantiated statements or disclosures. Such misinformation may also be the result of an omission of relevant information or due to actual provision of information. The intent of the wrongdoer will not be a precondition to prove misinformation.

Misinformation may result from the use of uncertain or unclear assumptions regarding a company's sustainability performance. For instance, companies, while referring to certain products or overall operations, may claim that they are 'carbon neutral'. However, such claim may amount to sustainability washing if the company uses carbon offsets of unproven credibility to mitigate a significant carbon footprint. Such claim may mislead investors and consumers to believe that the company has no environmental impact. Further, meaningfully underestimating GHG emissions (including Scope 3 emissions, as applicable) may also mislead investors, thus amounting to "sustainability washing".

This distinction between disinformation and misinformation has implications for sanctioning a breach of sustainability disclosures. Disinformation stems from an intent to deceive and, subject to applicable laws in relevant jurisdictions, may result in onerous enforcement sanctions, including criminal liability. Misinformation could be understood to include negligent conduct, or the lack of robustness and appropriateness of due diligence efforts or other required systems and processes at the entity level. Misinformation may be difficult to prove in court, including due to technical difficulties in the content and scope of sustainability disclosures and attribution.

Third, the consideration of **sustainability disclosures** or **sustainability-related claims** is significant to determining the scope of the term sustainability washing. Greenwashing, which most often is used in the context of environment-related matters, has been used to refer to two types of disclosure: (i) sustainability disclosure that is typically backward-looking, including, for instance, GHG emissions in the previous financial year; (ii) sustainability-related claims that relate to an objective, which can be quantitative, such as net-zero targets, or more open, such as supporting one of the sustainable development goals. The concept of 'sustainability washing' adopted in this report encompasses disinformation and misinformation related to both types of disclosure, including information in sustainability reports that are largely backward-looking but also sustainability-related claims.

# 2 Directors' Responsibility

This chapter examines the evolving role and legal responsibilities of directors in ensuring effective governance and credible sustainability-related disclosure across jurisdictions. It underscores directors' duties to integrate sustainability considerations into their oversight, strategy, and disclosure functions. Finally, the chapter examines the different standards adopted by the courts to review board decision-making and the approach to hold directors' accountable for breach of applicable laws and regulations.

## 2.1. The Role of Directors in Contemporary Corporate Governance

Directors play a crucial role in corporate governance by overseeing a company's strategic direction and senior executives while ensuring their accountability. Directors establish long-term goals while tracking executive activities and upholding ethical and legal standards. Directors use board meetings and committees as platforms to evaluate financial reports, risk management strategies, and corporate policies to protect shareholder interests and maintain business integrity.

Principle VI.C of the G20/OECD Principles recommends that the board of directors must adequately consider material sustainability risks and opportunities when fulfilling their key functions. The board has a vital role in establishing effective governance and internal controls that enhance the reliability and credibility of sustainability-related disclosures. Certain boards have also established specialised committees for advice on sustainability matters for the board's decision-making.

Directors may need to maintain a proactive approach by frequently updating their understanding of governance trends and best practices amid increasing regulatory scrutiny and stakeholder activism, in order to operate effectively in today's complex corporate environment. Sustainability-related disclosure requirements are closely linked to the fiduciary duties of directors in the jurisdictions under study, as discussed below.

## 2.2. Directors' Duties in Asia and other regions

### *2.2.1. Directors' Duties to Consider Sustainability Matters*

Fiduciary duties are the cornerstone of corporate law. These duties include a duty of care and a duty of loyalty. Directors are required to act in good faith, with diligence and care (referred to as the '**duty of care**') and in the best interests of the company (referred to as the '**duty of loyalty**'). The duty of care focuses on responsible decision-making, and the duty of loyalty ensures integrity and commitment to the company's success. Together, these duties ensure that directors exercise adequate oversight and uphold the integrity of corporate decision-making.

Traditionally, corporate law is mostly concerned with managing the inter-relationship between the company, its management and its shareholders. However, in corporate laws worldwide, boards' consideration of the interests of non-shareholder constituencies – employees, creditors, clients, and the society at large ('**stakeholders**') – has gained momentum and ranges in terms of a spectrum.

At one end of the spectrum are some jurisdictions that only regard shareholders' interests as paramount ('**shareholder primacy model**'). Scholars who advocate for this approach have argued that contractual arrangements and other statutes are more appropriate to protect stakeholders' interests than corporate laws (Luca Enriques, 2017[28]). More broadly, academics have classified the corporate law in the US, and Delaware law in particular, as being rooted in a shareholder primacy tradition (Schwartz, 2024[29]). While directors can adopt a single-minded focus on shareholder value maximisation in the case of the shareholder primacy model, sustainability matters that impact shareholders' interests cannot be ignored by the boards.

At the other end of the spectrum, some jurisdictions accord equal status to shareholders and stakeholders' interests in corporate decision-making ('**pluralist model**'). Directors are required to balance any competing interests of shareholders, stakeholders, and stakeholders among themselves. India represents a paradigmatic example of the pluralist model of stakeholder governance – company directors in India must consider the interests of shareholders and stakeholders alike (Varottil, 2016[30]). Similarly, in France, the legal framework requires directors to have due regard to the social and environmental impacts of the company's activities (Segrestin, 2020[31]). Sustainability considerations become more salient in jurisdictions that have adopted a pluralist model of stakeholder governance, as stakeholders' interests have the same priority accorded to shareholders' interests.

In between lie other jurisdictions that have adopted a mixed approach wherein the long-term interests of shareholders are prioritised; however, in doing so, stakeholders' interests may be considered ('**enlightened shareholder value model**'). Under this model, directors have a clearer insight into prioritising shareholders' interests if there is any conflict. However, they cannot ignore stakeholders' interests if such failure to consider adversely impacts the company's long-term interests. A clear example of this model is Section 172 of the UK Companies Act, 2006, which requires directors to have regard to stakeholders' interests in promoting the success of the company and its members as a whole. The 'enlightened shareholder value model' is also reflected in Principle V.A of the G20/OECD Principles, which recommends board members to act "in the best interest of the company and the shareholders, taking into account the interests of stakeholders".

The extent of consideration of stakeholders' interests and priorities varies in these three models. In the shareholder primacy model, sustainability matters that have a direct and significant impact on share prices would still be required to be considered by the board of directors. For instance, wherever climate and nature-related risks are regarded as financially material risks, they must be considered by company directors (OECD, 2022[32]).

In the enlightened shareholder value model, directors must also accord a similar level of consideration to sustainability matters. However, while in the shareholder primacy model the emphasis may be on factors that more evidently relate to profit maximisation, the enlightened shareholder value model requires directors to consider stakeholders' interests with greater flexibility on how they may impact the long-term value of the company.

Since each stakeholder constituency is on an equal footing and absent a hierarchy, directors have a heightened responsibility to consider stakeholders' interests in the pluralist model. Directors may be required to justify any trade-off between shareholders and stakeholders in a given board decision. They may have to demonstrate that, based on available information and expertise, directors rightly factored in any sustainability-related risks in their decision-making process. Further, courts may be more likely to expect a relatively higher standard of care from directors in pluralist jurisdictions concerning the board's consideration of sustainability matters.

The enforcement of directors' duties to consider stakeholders' interests is non-existent, and no successful action has yet been taken to court. This is because of many factors, which will be further elaborated in Chapter 3, such as standing requirements for shareholders and stakeholders to initiate an enforcement action, the standard of review adopted by courts, and the operation of the business judgment rule. Additionally, other institutional factors, such as the nature of corporate ownership and the conduciveness of the legal systems to facilitate legal action, are also vital factors that impact enforcement.

Asian jurisdictions within the scope of this report can be classified as aligning with the pluralist and enlightened shareholder value conception with one exception.

## Table 2.1. Different Corporate Governance Models

| Jurisdiction | Sustainability-related disclosure | Governance Model | Directors should consider the interest of: |
|---|---|---|---|
| China | R, C | Pluralist (L) | Stakeholders (including shareholders) |
| France | L | Pluralist | Stakeholders (including shareholders) |
| Hong Kong (China) | R | ESV (R) | Priority to Shareholders |
| India | L | Pluralist (L) | Stakeholders (including shareholders) |
| Indonesia | L | ESV | Priority to Shareholders |
| Japan | L, C | ESV (C) | Priority to Shareholders |
| Korea | C | Shareholder Primacy (L) | Priority to Shareholders |

| Jurisdiction | Sustainability-related disclosure | Governance Model | Directors should consider the interest of: |
|---|---|---|---|
| Singapore | R, L | ESV (C) | Priority to Shareholders |
| United Kingdom | R, L | ESV (L) | Priority to Shareholders |
| Viet Nam | L | ESV | Priority to Shareholders |

Key: **L** = requirement by the law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles, including frameworks set by the regulator or stock exchange following a "comply or explain" model; **ESV** = Enlightened Shareholder Value Model; **Pluralist** = Pluralist Model; **Shareholder Primacy** = Shareholder Primacy Model

The newly revamped **Chinese** company law also has a stakeholder focus. It requires that a "company shall take into full consideration the interests of its employees, consumers and other stakeholders, as well as the protection of the ecological environment and other public interests and assume social responsibilities" (Standing Committee of the National People's Congress, 2023[33]). Board members and senior executives owe a duty of diligence to the company and are required to act in the best interests of the company and exercise reasonable care (Standing Committee of the National People's Congress, 2023[33]). Further, Article 3 of the Municipal Corporate Governance Guidelines requires directors to 'protect the legitimate rights of shareholders and ensure that they are treated fairly, *respect the basic rights and interests of stakeholders*, and *effectively enhance the overall value of the enterprise*' (CSRC, 2018[34]). In continuation of this stakeholder-oriented corporate law, China published recently the Basic Guidelines containing corporate sustainability reporting standards (Ministry of Finance, 2024[35]).Three stock exchanges have also put in place guidelines for the preparation of ESG reports by listed companies (ESG Reporting Guidelines, 2025). This framework largely aligns with international standards but also accounts for China-specific considerations (Yang, 2025[36]).

The 'stakeholder model' has gained more acceptance in **France** (Lechani, 2024[37])**.** The duties of corporate managers extend beyond shareholders to the best interests of the company (Alogna et al., 2020[38]) with courts assessing decisions based on the company's overall social interest (*intérêt social*) rather than solely shareholder interests (Civil Code, art. 1833).

In **India**, the Companies Act requires directors of a company to act "in the best interests of the company, its employees, the shareholders, the community and for the protection of the environment" (Companies Act, 2013[39]). The judiciary has read into the term 'environment' in Section 166(2) to include consideration of the risks corporations face due to climate change (M.K. Ranjitsinh v. Union of India, 2021[40]). The highest court has also recognised the '*right against the adverse effects of climate change*' within the Constitution of India (M.K. Ranjitsinh v. Union of India, 2024[41]). Hence, for directors of Indian companies, considering matters such as climate risk and sustainability is not merely a choice but an obligation that, if ignored, runs the risk of liabilities for breach (Varottil, 2022[42]). Listed companies in India must also make sustainability disclosures in their annual report under the BRSR framework as provided in the listing regulations (SEBI, 2015[43]).

Company law in other jurisdictions, such as **Indonesia**, **Viet Nam, Japan**, and **Singapore**, do not explicitly require directors to consider stakeholders' interests. However, other instruments and judicial precedents have laid emphasis on the board to consider sustainability matters particularly when such consideration is relevant for the creation of long-term shareholder value (Atkins, 2019[44]). For example, when a company is selling a manufacturing plant, it may be in the long-term interests of the company and its shareholders to consider the interests of the employees of the plant and the community around it that there is no liability risk which may erode shareholder value.

In **Indonesia**, company directors are required to act in the interests of the company (The Law of the Republic of Indonesia, 2007[45]). Indonesian companies in the natural resources sector are required to integrate environmental considerations into their operations and prepare an environmental and social responsibility implementation report as part of annual reporting (The Law of the Republic of Indonesia, 2007[45]) read with Government Regulation No. 47 of 2012 Regarding Corporate Social and Environmental

Liability). A combined reading of these provisions and practice suggests that directors of Indonesian companies must consider sustainability matters, including climate risks (Eddymurthy, 2024[46]).

In **Viet Nam**, directors are required to 'perform their duties in an honest and prudent manner for the best interests of the company and its shareholders' (Ministry of Finance, 2020[47]). This duty to arrive at decisions which are in the best interests of the company includes the duty to consider stakeholders' interests (OECD, 2023[48]).

Company law in **Japan** does not have an express statutory requirement for directors to consider stakeholders' interests and related sustainability matters. Notably, when shareholders' interests conflict with those of other stakeholders, directors must prioritise the company's best interests, as their legal duty is to the company and its shareholders (Yamada, 2025[49]). However, Japan has a long history of concern for stakeholders' interests beyond shareholders' interests (Sarra, 2012[50]). For instance, the Japanese Corporate Governance Code, a voluntary code for listed companies, requires that "companies should take appropriate measures to address sustainability issues, including social and environmental matters" positively and proactively (JPX, 2021[51]). It is important for company directors to implement a risk management system that adequately addresses risks emanating from sustainability matters such as climate risk, in order for directors to fulfil their duty to oversee the long-term sustainability of the company (Yamada, 2025[49]).

Like Japan, **Singapore**'s company law does not provide an express statutory requirement to consider sustainability matters. Directors are required to consider the interests of the company in their decision-making (Section 157, 159, Companies Act 1967). Courts in Singapore have expressed that 'company's interest does not simply mean profit maximisation or profit maximisation by any means' (Ho Kang Peng v Scintronix Corp Ltd, 2014[52]). Singapore's Corporate Governance Code Principle 13 furthers engagement with a myriad of stakeholders (MAS, 2018[53]). Directors of companies in Singapore have also acknowledged that they are allowed to consider stakeholder's interests in the company's governance (Tan, 2019[54]).

Under **Hong Kong (China)** law, directors owe fiduciary duties to the company, including the duty to act in good faith and in the best interests of the company (Lim, 2021[55]). In addition, directors also owe non-fiduciary duties, the most crucial of which is the duty to exercise reasonable care, skill and diligence (Hong Kong e-Legislation, 2025[56]). The Hong Kong Listing Rules requires boards to prioritise long-term sustainable growth for shareholders and value creation for all stakeholders (HKEX, 2025[57]). Listed companies must also disclose how they engage with shareholders and stakeholders and assess material ESG issues that are significant to investors and other stakeholders (HKEX, 2025[57]; HKEX, 2025[58]). Thus, per a leading legal opinion, wherever sustainability risks such as climate risks are financially material, directors must consider the same (Stock, 2021[59]).

The law in **Korea** is aligned more closely with shareholder primacy than the stakeholder model of governance. Directors' duties are owed to the company, and the consideration of stakeholders' interests is not explicitly mentioned (OECD, 2023[48]). Under the revised Korean company law, directors are required to perform their duties 'in good faith' for the 'interest of the company' and 'shareholders' as per statutes and the articles of incorporation.

### *2.2.2. Directors' Duties to Make Disclosures*

Directors are responsible for ensuring that the company follows all applicable rules and regulations and establishes proper compliance and risk management systems (OECD, 2023[1]). They must also typically declare that the company has complied with all applicable rules and regulations. Certain jurisdictions have provided a direct obligation in their respective company laws requiring directors to oversee compliance with relevant laws (for instance, China and Hong Kong (Standing Committee of the National People's Congress, 2023[33]; Hong Kong e-Legislation, 2025[56])). Thus, provided facts and circumstances warrant, one may argue that failure to comply with any applicable law could amount to a breach of directors' duties under company law.

This general obligation on directors to ensure that the company complies with rules and regulations has also translated into specific duties regarding financial and non-financial disclosures. Regarding financial disclosures, regulatory frameworks for listed companies (read with accounting standards) in many jurisdictions require directors to provide a 'true and fair view' of the company's financial position. Climate-related (and sustainability-related) risks can pose 'material' financial risks, which may merit a distinct accounting treatment (IFRS, 2023[60]). For instance, these risks can adversely impact the estimated residual value and expected useful lives of assets or lead to a fall in demand for certain products due to regulation or changes in consumer preferences. These impacts may need to be accounted for in the financial statements and communicated to all relevant stakeholders (Bompas, 2024[61]). Investors have also asked their portfolio companies to provide financial statements that reflect the anticipated financial effects of identified climate risks and impacts (CCLI-CGI, 2024[62]).

Sustainability reporting frameworks in the jurisdictions under study also require the board of directors to ensure proper oversight (OECD, 2023[1]). Most importantly, sustainability reporting (including climate-related disclosure) is directly relevant across directors' strategy, risk oversight and disclosure functions (Baker, 2024[63]). Some boards have also established sustainability committees mandated to assist the board in sustainability matters (OECD, 2025[64]). Members of these committees would be required to play a proactive role in shaping systems and processes that provide the basis for high-quality disclosures.

## Table 2.2. Directors' Responsibilities based on Sustainability Disclosure Frameworks

| Jurisdiction | Sustainability-related disclosure | Relevant Framework | Directors' obligations under disclosure framework | | |
|---|---|---|---|---|---|
| | | | Oversight / Approval Requirement | Disclose Sustainability-related Governance Structures | Liability |
| China | R, C | Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) | Yes (Article 4) | Yes (Article 12) | Yes (Article 61)<br>Supervisory measure or disciplinary sanction by the Exchange |
| | | Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) | Yes (Article 4) | Yes (Article 12) | Yes (Article 61)<br>Supervisory measure or disciplinary sanction by the Exchange |
| | | Continuous Supervisory Guidelines No. 11 for Companies Listed on Beijing Stock Exchange—Sustainability Report (For Trial Implementation) | Yes (Article 4) | Yes (Article 12) | Yes (Article 60)<br>Supervisory measure or disciplinary sanction by the Exchange |
| | | Corporate Sustainability Disclosure Standards—Basic Standards (Trial) | Yes (Article 19) | Yes (Article 19) | - |
| France | L | Article L225-102-1 of the Commercial Code *(CSRD transposed)* | - | - | - |
| Hong Kong (China) | R | Main Board: Environmental, Social and Governance Reporting Code<br>GEM Board: Environmental, Social and Governance Reporting Code | - | Yes (Paragraph 13) | Yes (Main Board Listing Rules 2A.09 and 2A.10) |

| Jurisdiction | Sustainability-related disclosure | Relevant Framework | Directors' obligations under disclosure framework | | |
|---|---|---|---|---|---|
| | | | Oversight / Approval Requirement | Disclose Sustainability-related Governance Structures | Liability |
| India | L | SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 | Yes | Yes | Yes (Regulation 98-99)<br>Exchange may impose fine, suspend trading, freeze assets of the promoters or other appropriate action. |
| Indonesia | L | OJK Regulation Number 51/POJK.03/2017<br>[Note: Not available/ English]<br>OJK Regulation Number 29/POJK.04/2016 | Yes<br>(Regulation 2, 16, 18) | Yes<br>[Note: This one appears to be the general circular for Annual Reports] | Yes<br>(Regulation 19) |
| | | OJK Circular No 16/SEOJK.04/2021 | - | - | - |
| Japan | L, C | Cabinet Office Order on Disclosure of Corporate Affairs<br>Japan's Corporate Governance Code | -<br>Yes (Section 3) | -<br>Yes (Section 3) | - |
| Korea | C | Code of Best Practices for ESG<br>Disclosure Rules on KOSPI Market | Yes (Principle II) | Yes (Principle V) | - |
| Singapore | R, L | Practice Note 7.6 Sustainability Reporting Guide (Mainboard)<br><br>Practice Note 7/F Sustainability Reporting Guide (Catalist) | Yes | Yes | For board responsibility, please refer to Paragraph 3.1 of Practice Note 7.6 (Mainboard) / 7F (Catalist) Sustainability Reporting Guide |
| Viet Nam | L | Circular 96 (read with Appendix IV)<br>Decree 47 (provisions for disclosure by SOEs - Form No. 4 in Appendix II) | Yes (Article 6) | Yes | - |
| United Kingdom | R, L | FCA's Climate related Disclosure Regime: UK Listing Rules UKLR 6.6.6(8), UKLR 14.3.24, UKLR 16.3.23 and UKLR 22.2.24<br>UK Companies Act requirements for companies and for LLPs | Yes | Yes | General penalties for violation of the UK Companies Act and UKLR will be applicable. |

## 2.3. Standards of Review

This section discusses the standard of review i.e. the standard adopted by the courts to review board decision-making and the approach to hold directors accountable for breach of applicable laws and regulations. This section forms the basis of the plausible enforcement of sustainability disclosures in the next chapter.

### *2.3.1. Standard of Review*

There are broadly two standards of review adopted by courts across different jurisdictions: (a) subjective standard; and (b) objective standard.

The subjective standard is the default standard used by courts wherein courts are more deferential to the decision taken by the board of directors. The subjective standard acts as a proxy to the 'business judgement rule' in jurisdictions where such rule is not recognised either in their respective company law frameworks or in court decisions. The business judgement rule refers to a legal assumption that the decisions undertaken by the board of directors is in the company's interests and that courts would not engage in an objective assessment of such a decision. However, upon evidence, this rule may be rebutted by litigants and courts may then be required to review a board's decision. The business judgement rule may either be recognised under the provisions of the company law (for instance, in **Indonesia**) or through judicial interpretations by courts of law (for instance, in **the UK**).

**China**, **France**, **India**, and **Viet Nam** do not formally recognise business judgement rule. However, they adopt a subjective standard to the extent that courts generally defer to the decision of the board of directors as regards to those being in the company's best interests.

The objective standard is a more rigorous standard that requires directors to act in a more prudent manner, given their specific skills and expertise. This standard focuses on the outcome of a board decision and allows the court to question whether no 'reasonable' director of equivalent skills and expertise would have arrived at such a decision in the first place.

Courts in certain jurisdictions such as **Hong Kong (China)**, **Japan**, **Singapore**, and the **United Kingdom** have adopted a mixed approach of recognising a combination of subjective and objective tests.

### Table 2.3. Business Judgment Rule and Standard of Review

| Jurisdiction | Business Judgement Rule | Subjective Standard | Objective Standard | References |
|---|---|---|---|---|
| China | No | Yes | - | Sustainability Policies and Practices for Corporate Governance in Asia |
| France | No | Yes | - | The International Bar Association Company Director Checklist - France |
| Hong Kong (China) | Yes | Yes | Yes | Directors Liability and Climate Risk: White Paper on Hong Kong |
| India | No | Yes | - | The Business Judgment Rule: The Indian context |
| Indonesia | Yes | Yes | - | The Law of the Republic of Indonesia Law n. 40, 2007 |
| Japan | Yes | - | Yes | ESG, Externalities, and the Limits of the Business Judgment Rule |
| Korea | Yes | Yes | - | Sustainability Policies and Practices for Corporate Governance in Asia |
| Singapore | Yes | Yes | Yes | Sustainability Policies and Practices for Corporate Governance in Asia |
| Viet Nam | No | Yes | - | Sustainability Policies and Practices for Corporate Governance in Asia |
| United Kingdom | Yes | Yes | Yes | Business judgment and director accountability: a study of case-law over time |

These standards have wide-ranging ramifications in so far as consideration of sustainability matters is concerned. In the event of a breach, the standard at which the board would be held accountable would determine the level and extent of consideration of sustainability matters in the first place. For instance, boards may be more likely to effectively engage with the management if the courts adopt an objective standard to view the role of the board of directors in case there is a liability event.

### *2.3.2. Approaches*

Since the enforcement of directors' duties for not considering stakeholders' interests (or for breach of sustainability-related disclosure requirements) is relatively less developed in Asia (Slaughter & May, 2024), countries could turn to other regions and prevalent law and jurisprudence for reference. This sub-section discusses the existing enforcement approaches in three advanced economies – the United States, the United Kingdom, and Australia. There are primarily two enforcement approaches: (i) under the relevant company law for breach of directors' duties, on account of a breach of other applicable regulations, including the breach of the duty to make adequate disclosures; and (ii) under the relevant securities law, for violation of regulatory provisions requiring sustainability disclosures.

Furthermore, enforcement actions for misleading and deceptive sustainability related claims by companies under other regulations, such as consumer protection law, advertising related rules, and financial regulation, would complement corporate and securities law enforcement.

There are primarily two prevalent approaches under company law aimed at holding directors accountable if they fail to consider the interests of stakeholders. These are (i) Caremark Claim; and (ii) Stepping Stone Liability.

### *Caremark Claim*

The first approach is often called the 'Caremark Claim' or oversight duties. This approach finds its basis in the *In re Caremark International Inc. Derivative Litigation*, (1996) ('Caremark Claim') (Law Justia U.S., 1996[65]). The Caremark case is a landmark ruling by the Delaware Court of Chancery, which established that a corporate board's failure to implement and maintain an adequate information and reporting system could constitute bad faith and a breach of the director's duty of loyalty. This case involved alleged violations by Caremark employees of US federal and state laws and regulations applied to health care providers.

Subsequent judicial precedents have drifted away from a plain application of Caremark. *Marchand v. Barnhill (2018)* marked a pivotal moment in Delaware corporate law, emphasising the board's duty to implement and monitor mission-critical compliance systems. In this case, a Caremark claim arose from a deadly listeria outbreak at Blue Bell Creameries. Although a compliance programme existed, the Delaware Supreme Court held that because food safety was integral to the company's operations, the board had a heightened obligation to ensure it was regularly informed of safety violations.

The court declined to dismiss the claim, finding the board had failed to establish any system ensuring it received and addressed reports of food safety problems, such as setting up a board level committee on food safety, regular discussions about food safety in board meetings, or any protocols of escalating food safety related information at the board level, among others. Thus, the court inferred that this was an intentional and sustained neglect amounting to breach.

In *Teamsters Local 443 v. Chou* (2019), the Delaware court extended Caremark duties beyond traditionally defined "mission critical" functions, highlighting a broader societal interest in protecting public health. The board of AmerisourceBergen (an American drug wholesale company) faced claims it inadequately oversaw compliance in a subsidiary distributing cancer drugs. Despite evidence of a compliance programme and outside legal advice, the court imposed heightened oversight duties due to the grave risks posed to patients. This expansion suggested that even when a subsidiary's activities are financially peripheral, directors may be held liable if oversight failures endanger human lives and public safety.

*Re Boeing Company Derivative Litigation* (2021) further developed Caremark by emphasising directors' responsibility for oversight of high-risk, safety-sensitive operations. Following two fatal 737 MAX crashes, the court found Boeing's board failed to establish systems to monitor airplane safety, despite operating in a highly regulated, life-critical industry. The board did not form safety-focused committees, did not regularly discuss safety, and passively accepted management's reassurances even after clear warning signs. The court concluded this amounted to bad faith, as the directors knowingly disregarded their oversight duties in the face of significant risks, thus allowing the claim to proceed.

In the current context, one may argue that failure to comply with sustainability reporting requirements would amount to a breach of directors' duties if these obligations were 'mission critical' to the company. For instance, if an oil major fails to disclose its stranded assets based on culpability, the directors could be liable for breach of directors' duties (Barker, Williams and Cooper, 2021[66]). It is pertinent to note that the Caremark duty has emerged from Delaware (US), a 'shareholder primacy' jurisdiction. Thus, with certain caveats, the 'Caremark Claim' may be better suited to be argued in jurisdictions where consideration of stakeholders' interests is secondary to shareholders' interests. However, commentators have warned that a 'Caremark claim' is one of the most difficult to prove in a court of law, because the 'mission critical' test as laid down by Delaware court is subjective, and various other institutional factors make it difficult for such claim to be successful elsewhere (Fiegenbaum, 2025[67]).

There is also room for applying the Caremark claim outside of the US. An Asian extension of the Caremark claim has been seen in the Tokyo District Court verdict in the TEPCO Derivative Suit on the Fukushima Nuclear Accident (Goto, 2024[68]). In a shareholder derivative suit, the Tokyo District Court ruled that former TEPCO directors breached their duty of care by ignoring a government report warning of a potential tsunami risk to the Fukushima 1st Nuclear Power Plant before the 2011 disaster. As a result, they were ordered to pay ¥13.321 trillion (~USD 85 billion as of May 26, 2024) in damages to the company (TEPCO, 2022[69]). This case is notable because a Caremark claim was successful despite any specific violation of laws or regulations, with heavy reliance placed on failure on the part of the board of directors to take preventive measures. It should be noted that the Tokyo High Court overturned the district court ruling in June 2025. The court ruled in favour of the executives, finding that the massive natural catastrophe that caused the disaster was not foreseeable (The Japan Times, 2025[70]).

### *Stepping Stone Liability*

The second approach has emerged from a novel judicial interpretation of breach of directors' duties in Australia. This approach is referred to as the "stepping stone" liability. Establishing serious contravention of the applicable laws and regulations against the company would constitute the first stepping stone. Such corporate fault then leads to the second stepping stone: a finding that the directors breached their statutory duties by exposing the company to civil liabilities or criminal prosecution by failing to ensure compliance with applicable rules and regulations (A. Herzberg, 2012[71]). This approach has been applied in the case of breach of continuous disclosure requirements in Australia (Ramsay, 2021[72]). Thus, directors may also face personal liability whereby facilitating the making of the misleading representation, they will be found to have breached their own duties of care (Hutley, 2021[73]).

Courts in Australia have held that directors are liable for breach of directors' duties for failing to ensure that the disclosures they approved were not misleading and/or deceptive (Black, 2025[74]). In one instance, the court also noted that the board chair uncritically accepted the information, as provided by the management, without challenging the correctness of the advice or the assumptions (ASIC, 2019[75]). The stepping stone approach has been critiqued as not being a legitimate interpretation of the general statutory duties (Zhou, 2025[76]). However, courts have resonated well with this approach as it is seen as a more natural interpretation of directors' duties (Black, 2025[74]).

Some fundamental differences between the Caremark claim and stepping stone approach are noteworthy. Caremark involves direct liability for directors who fail to oversee or implement compliance systems, requiring a clear link between this failure and the company's breach. It covers a broad range of compliance issues and has a high burden of proof. In contrast, stepping stone liability is indirect, arising when a director's inaction contributes to a company's breach, which then becomes the basis for holding the director personally liable. It is narrower in scope, focusing on specific breaches, and may only require proof that the director was aware of the risk of the company's breach and failed to take necessary steps.

Additionally, judicial precedents in Australia suggest another critical approach. Courts have held that failure to prevent a contravention of the Corporations Act or taking steps that would give rise to such violation could be held as a breach of directors' duties should facts warrant the same (Black, 2025[74]; Jade, 2014[77]; Jade, 2016[78]). Since sustainability reporting requirements in Australia stem from the Corporations Act, one may argue that failure to make adequate sustainability disclosures could be tantamount to a breach of directors' duties.

Further, the question pertaining to breach of disclosure obligations regarding climate risks amounting to a breach of directors' duties has reached the courts in Australia, albeit later settled. An investor argued that the superannuation fund had failed to adequately consider and disclose the financial risks associated with climate change in its investment decisions and portfolio management (Columbia Law School, 2018[79]). This case was settled, and the fund agreed to enhance and make its disclosure practices more robust. However, it has been suggested that this settlement is significant and paves the way for more action on this front (Colombo, 2022[80]; Ekaterina Aristova, 2024[81]).

In 2021, the Australasian Centre for Corporate Responsibility initiated legal action as a shareholder against gas company Santos Limited, accusing it of misleading or deceptive conduct relating to representations regarding its plan to reach net zero Scope 1 and 2 greenhouse gas emissions by 2040, contained in its 2020 Annual Report. This marked the first legal case worldwide to challenge a net zero target, and it remains ongoing (ACCR, 2024[82]). This may be one of the most critical legal developments in providing greater impetus to private enforcement actions regarding sustainability-related disclosures globally.

# 3 Enforcement

This chapter examines the different enforcement strategies for sustainability-related disclosures and claims. Then, it distinguishes legal actions through two vectors: who initiated the legal action – i.e. a private party or a regulator –; and on what ground these actions were based – i.e. whether it relates to a violation of the corporate and securities law framework or other laws. Finally, this chapter discusses the interface between the discussed strategies in the context of developing the enforcement landscape to tackle sustainability washing in Asia.

Globally, enforcement relating to misleading or deceptive sustainability disclosures is gaining momentum. A leading study identifies around 120 cases of 'climate-washing' globally during the period of 2016-2023 (Juliana Vélez-Echeverri, 2024[83]). This chapter examines both private and public enforcement.

## 3.1. Private Enforcement

The G20/OECD Principles recommend that "corporate governance framework should facilitate and support institutional investors' engagement with their investee companies". Shareholder engagement on sustainability issues has also gathered momentum in the jurisdictions under study. Further, shareholders have various rights – to request information, exercise voting rights, appoint and remove directors of the company, and initiate legal proceedings against the directors on behalf of the company. Shareholders may first engage with the board of directors to address governance issues, including on sustainability matters. If engagement does not yield the desired outcomes, they may escalate by exercising their shareholder rights – such as voting against directors or submitting resolutions or initiating a legal proceeding – to hold the board accountable.

In the context of sustainability-related matters, institutional shareholders have led several campaigns against certain companies and their directors. While these mechanisms or strategies do not strictly fall within the realm of enforcement, they have yielded results. Further, such campaigns may lead to a settlement which may be beneficial for various stakeholders. These campaigns have also resulted in legal actions against company directors as well. Most importantly, these campaigns may also invite public and regulatory scrutiny, thereby imposing reputational costs or possible sanctions by regulatory authorities.

The aim of investor campaigns and investor-led legal actions is both to ensure that the company and directors are held accountable for breach of sustainability disclosure requirements and to raise the overall quality of sustainability disclosure among all listed companies. This is particularly true with certain emerging markets where data availability, expertise in sustainability practices or disclosure and reporting frameworks, or private enforcement in general, are at a nascent stage.

### *3.1.1. Investor-Board Engagement*

Shareholders may 'voice' their concern regarding different sustainability matters with the board of directors and the senior management through multiple means (OECD, Forthcoming[84]). Shareholders may meet the board to discuss a variety of sustainability-related matters and try to convince directors to reconsider any decisions. Shareholders may also file a shareholder proposal to require enhanced disclosures on sustainability matters or vote against a management resolution at the annual general meeting.

Other stakeholders such as consumers or environmental activists are also effectively engaging with companies to hold them to account for their sustainability commitments. There have been certain instances worldwide when investors have collectively engaged with management of companies on sustainability matters (Puchniak and Varottil, 2025[85]).

If the shareholders or stakeholders are not satisfied by the company's response let alone their actions following their engagement, they may explore the possibility of initiating a legal action against the company. These legal actions may stem from obligations under corporate and securities law or under other laws such as financial regulation, consumer protection law, and advertising standards. Ultimately, if shareholders' concerns are still not addressed, they could divest their investment from a given company.

While this report focuses on corporate and securities law enforcement for 'sustainability washing', it is important to highlight the interface of enforcement actions within the realm of other laws and corporate and securities law enforcement. Thus, this report also discusses private and public enforcement within other laws and regulations aimed at remedying 'sustainability washing'.

### *3.1.2. Corporate and Securities Law Enforcement*

The question of enforcement of directors' duties is an ongoing preoccupation of policymakers, regulators, courts and market practitioners. The enforcement of directors' duties to consider stakeholders' interests is complex – would shareholders have enough incentives to initiate an action upon failure of the board of directors to consider stakeholders' interests (including related to sustainability matters)? Would the court allow shareholders or stakeholders raising concerns on behalf of the company to initiate an action against allegedly delinquent directors? If yes, what judicial standards would be applicable, what would the nature of the remedies be, and to whom would they be available?

#### *Corporate Law Enforcement*

Shareholders may initiate legal actions to hold the board accountable for failure to consider sustainability matters. Recent research highlights that an allegation or legal proceedings on failure to meet a company's climate-related commitments may lead to a fall in the company's share price in the short term (Juliana Vélez-Echeverri, 2024[83]). Such a fall in share prices could also compel shareholders to hold directors accountable. Additionally, other public law avenues for initiating litigation against companies are also available, which have also been successful (Climate Change Litigation Database, 2024[86]).

Primarily, there are two types of legal action under private enforcement of corporate laws – direct action and derivative action. A direct action refers to a legal action initiated by shareholders against the company and its directors, if their actions have been oppressive or prejudicial to interests of the shareholders. A derivative action is also an action initiated by shareholders; however, it serves as a remedy for wrongs committed against the company. A derivative action is technically a legal action on behalf of the company against the directors for breach of their duties.

A fundamental point that needs to be considered, particularly from an enforcement perspective, is that directors owe duties to the company. Thus, only the company may be the proper person to initiate legal action against delinquent directors. Since the company is an artificial juristic person, shareholders may initiate a legal action on behalf of the company for breach of directors' duties in certain circumstances, through a derivative action. In the jurisdictions under study, stakeholders do not have the standing to sue companies under the corporate and securities law framework. Thus, derivative action emerges as the most appropriate tool to proceed against delinquent directors for failure to consider sustainability matters.

In the UK, shareholders have initiated legal actions against directors for failure to adequately consider climate risk in two key cases – McGaughey and Davies v. USS (England and Wales Court of Appeal, 2023[87]) and ClientEarth v. Shell (Climate Change Litigation Database, 2023[88]). McGaughey and Davies sued directors of University Superannuation Scheme Limited, one of the largest superannuation funds in the UK. The plaintiffs argued that the directors' breached their fiduciary duties by using flawed financial assumptions during the COVID-19 market downturn to justify pension cuts, failed to control costs, and neglected to divest from fossil fuels despite beneficiaries' preferences. The High Court acknowledged that beneficiaries could bring such claims but ruled against the plaintiffs, citing the *Foss v. Harbottle* principle, which limits individuals from suing on behalf of a company unless specific exceptions apply. The Court of Appeal later refused to entertain the case on appeal purely on procedural grounds.

In the case involving Shell Plc, the environmental organisation ClientEarth initially sought to engage with Shell Plc urging it to reduce its carbon footprint. Upon failure of the engagement process, ClientEarth bought shares in Shell Plc and initiated a derivative action. The organisation alleged that Shell's directors had breached their duties under UK company law by failing to adequately manage climate-related risks. ClientEarth argued that Shell directors did not put in place adequate measures to effectively implement Shell's commitment to become net-zero by the year 2050. The High Court dismissed the claim and leave to appeal was denied by the Court of Appeal. Thus, both of these shareholder-initiated actions have not been successful.

Three factors have been attributed to the unsuccessful derivative action for breach of directors' duties to consider stakeholders' interests or sustainability matters that are financially material to the company. First, the operation of the business judgment rule precludes courts from reviewing a decision and the adequacy of consideration given by the board of directors to an issue at hand. Certain jurisdictions have afforded a statutory recognition to the business judgment rule under their relevant company law, whereas other jurisdictions provide implicit recognition to the business judgment rule (OECD, 2023[48]). Courts have also, in practice, preferred a laxer, subjective standard of review of board decisions, more generally deferring it to the judgement of the board of directors. However, the operation of this rule and subjective standard of review does not entirely negate the possibility of a legal action. An egregious case where the board completely overlooked sustainability-related risks when it was eminent to consider it in the company's interest would not be covered within the safe harbour of the business judgment rule.

Second, derivative actions in most jurisdictions under study require that the plaintiff shareholder acts in good faith. This requirement may stem from the statute or a judicial pronouncement. There is a lack of clarity on the requirement's real purpose, which has often deterred plaintiffs. For instance, in ClientEarth v. Shell, the plaintiff was a noted international environmental charity that initiated a case against Shell, a major fossil fuel company, for the failure of the board to adequately consider climate risks. The UK court ruled that ClientEarth had a policy agenda and thus, 'ulterior motive' to initiate this claim. Thus, ClientEarth did not meet the good faith requirement. The court also imposed costs on ClientEarth (Climate Change Litigation Database, 2023[88]). This has been seen as a setback for non-governmental organisations initiating strategic litigations to hold corporations accountable for climate change and sustainability-related issues.

Third, the nature of remedies aimed at assuaging a breach of directors' duties to consider stakeholders' interests is declaratory. This is because shareholders or stakeholders benefit only indirectly and to the extent of their equity ownership from any remedy. Since directors owe this duty to the company, remedies also flow to the company. This conundrum has led to activist shareholders seeking a declaratory relief. A declaratory relief in the form of a court declaration that the directors breached their duties may sound less onerous but has several important consequences, such as disqualification of directors or reputational harm to them. However, courts have been reluctant to grant such relief due to the lack of a direct coercive effect (England and Wales Court of Appeal, 2023[87]) (Climate Change Litigation Database, 2023[88]).

In addition to the abovementioned factors, various procedural and substantive barriers have precluded shareholders from seeking effective redressal. For instance, if the plaintiff fails to win the case, then it is also required to defray the legal costs of the defendants. These barriers may impose financial burden on a prospective plaintiff. Additionally, certain common law doctrines are still applied in some jurisdictions such as the UK which make it difficult for parties to truly harness the potential of statutory derivative actions in sustainability matters (McGaughey, 2025[89]).

### *Securities Law Enforcement*

There are two potential avenues for arguing a breach of directors' duties under securities law: (a) a securities class action route where investors initiate proceedings to recover losses caused by false and misleading sustainability disclosures, or (b) enforcement action resultant of an intervention of the securities market regulator (dealt under the Public Enforcement section below). If directors are held liable under securities regulations, shareholders may further initiate a derivative action for breach of directors' duties under the applicable company law framework.

### *Securities Fraud Class Action*

Securities fraud class action suits are legal proceedings initiated by groups of shareholders seeking compensation for violations of securities law including claims of fraudulent statements made in connection with the purchase or sale of a security (Saraceno, 2012[90]). These actions may also encompass claims related to false or misleading sustainability-related disclosures, which may also be tantamount to a breach of directors' duties.

Multiple examples of securities class actions initiated in the US for misleading sustainability-related disclosures exist. A notable example is *Ramirez v. ExxonMobil* (2016) in which investors filed a securities class action in the United States alleging that Exxon and senior executives, including its then-CEO, misled shareholders about the impact of climate risk on the company. The plaintiffs claimed that Exxon's use of a proxy cost of carbon created a misleading impression of how the company accounted for climate risk in its financial planning. While the court allowed certain overvaluation claims to proceed, it rejected class certification over carbon cost statements due to insufficient proof of stock price impact. In 2019, Exxon's directors faced a separate claim for breaching fiduciary duties through misleading statements about stranded assets (Climate Change Litigation Database, 2019[91]).

In August 2024, shareholders of RELX PLC, a global publishing house, filed a securities class action in Massachusetts, accusing the company of overstating climate commitments. The plaintiff's submissions highlighted the apparent contradictions between the company's stated policy objectives and its actual business practices in promoting fossil fuel activities (United States District Court, 2024[92]). This development is unprecedented and may shape the direction of private enforcement actions against companies for sustainability washing.

These cases are not limited to climate but cover a vast range of sustainability-related disclosures. Institutional investors filed a securities lawsuit against Boohoo Group PLC, a fashion retailer, in May 2024, seeking £100 million in damages (Butler, 2024[93]). These investors have alleged that they suffered £100 million in losses due to the non-disclosure of human rights violations in its supply chain, leading to a significant share price drop. This case is the first reported case in the UK where investors have filed a securities lawsuit involving sustainability-related disclosure violations (CCLI, 2024[94]). Thus, securities class action is emerging as an important tool for holding directors and the company accountable for breach of sustainability disclosures, but concrete cases remain so far inexistent.

### *3.1.3. Other Laws*

Enforcement avenues under other laws are critical to corporate and securities law enforcement of sustainability related disclosures and claims. These avenues not only provide stakeholders with a remedy that redresses their grievances but also aids shareholders and regulators in further pursuing a case against delinquent directors. This interface is highlighted in the last section of this chapter (Section 3.3). This part will highlight private party-led enforcement for misleading and deceptive sustainability claims under advertising laws, consumer protection laws, and financial regulation.

Globally, an increasing number of legal actions have been initiated by private parties under laws other than company and securities laws for sustainability-related claims by companies. The KLM case is a leading example of advertising and consumer law based legal action in this regard (District Court of Amsterdam, 2024[95]). Plaintiffs argued that KLM, a Dutch airline, violated consumer law by misrepresenting to consumers in relation to the 'Fly Responsibly' campaign. The court found the campaign to be misleading, as it overstated the benefits of Sustainable Aviation Fuels (SAFs), carbon offsetting, and new technologies. The court also noted that KLM's claims about addressing climate change conflicted with its broader business strategy, which focused on expanding air travel. This case was the first successful case of enforcement against 'greenwashing' and has had major ramifications across the industry. For instance, environmental NGOs sent letters in July 2024 to 71 European airlines, warning that – after the KLM ruling – making claims about SAFs, carbon offsetting, and net zero targets could likely be considered unlawful. It is pertinent to note that 21 European airlines have agreed to modify their practices regarding environmental claims following a dialogue with relevant consumer protection authorities (European Commission, 2025[96]). However, there have been instances when airlines have not been held liable for greenwashing. In August 2024, a US court dismissed a class action lawsuit against United Airlines. The plaintiffs had alleged that the airline had misrepresented its use of SAFs.

On 2 March 2022, three French environmental organisations – Greenpeace France, Les Amis de la Terre France, and Notre Affaire à Tous – filed a civil lawsuit before the Paris judicial tribunal against TotalEnergies SE and a subsidiary. The British NGO ClientEarth later joined the proceedings. The plaintiffs allege that TotalEnergies engaged in misleading commercial practices (defined in French consumer law as *pratiques commerciales trompeuses*), by promoting its public commitment to carbon neutrality by 2050 and its role in the energy transition, while simultaneously continuing fossil fuel investments and failing to disclose material climate-related risks. A landmark hearing took place in June 2025, and the tribunal's ruling was issued on 23 October 2025. The tribunal ordered TotalEnergies to remove from its website communication materials related to carbon neutrality and energy transition within one month, and to publish the tribunal's ruling in a visible manner for a period of 180 days. In the recent past, various banks and financial institutions have been held responsible for 'greenwashing' under advertising laws, consumer laws, and other laws (Batoudaki, 2024[97]). For instance, in December 2024, the UK's Advertising Standards Authority (ASA) prohibited a Lloyds Bank advertisement after receiving a complaint from the campaign group Adfree Cities (ASA, 2024[98]). The ASA ruled the advertisement was misleading, as it exaggerated Lloyds' investment in clean energy while failing to disclose its ongoing support for polluting industries. The authority referred to the bank's sustainability report that contradicted the message in the advertisement, showing substantial financing of high carbon-emitting activities. A similar action was taken against HSBC in 2022 for misleading climate advertisements (ASA, 2022[99]).

Further, in 2024, ClientEarth filed a complaint with France's financial regulator, the Autorité des marchés financiers (AMF), against BlackRock – the world's largest asset manager. The complaint targets 18 BlackRock investment funds marketed as "sustainable" in France, despite holding over $1 billion in fossil fuel investments, mostly in companies expanding fossil fuel activities. ClientEarth argues such investments are incompatible with Paris Agreement goals and would amount to greenwashing.

In 2023, the Canadian Competition Bureau initiated an investigation into Royal Bank of Canada (RBC) following a complaint from Ecojustice, an NGO (Ecojustice, 2022[100]). The complaint alleged that RBC made false and misleading statements about its environmental policies, particularly concerning its financing of fossil fuel projects. If found guilty, RBC could face fines up to CA$10 million.

Interestingly, some financial institutions also have been facing accusations that their sustainability commitments would be misleading considering the operations of their portfolio companies under other laws as well. In 2023, two NGOs – *Comissão Pastoral da Terra* and *Notre Affaire à Tous* – filed a complaint against BNP Paribas under the French Law on the duty of vigilance. BNP Paribas has been accused of offering financial services to companies like Marfrig – one of the world's largest beef producers – without conducting sufficient due diligence. Marfrig's suppliers have reportedly been involved in serious issues such as deforestation in the Amazon, illegal appropriation of indigenous lands, and the use of forced labour on cattle farms.

Asia has seen very limited use of private enforcement avenues for deceptive and misleading sustainability-related claims. However, these actions are mostly under laws other than company and securities laws. For instance, in March 2024, Climate Solutions filed a complaint against eight companies, including SK and POSCO affiliates, accusing them of misleadingly claiming that paying the Green Premium – a fee-based system to support renewable energy – reduced greenhouse gas emissions. The group argues this system does not actually cut emissions, making such advertising deceptive. The complaint was submitted to the Korea Fair Trade Commission and the Korea Environmental Industry and Technology Institute (Slaughter and May, 2024[101]). Further, in 2023, an Australian climate activist group filed a complaint against a power generator company for allegedly misleading sustainability-related disclosures in relation to listing its bonds on the Singapore Stock Exchange (Slaughter and May, 2024[101]).

## 3.2. Public Enforcement

Public enforcement, along with private enforcement, is crucial for maintaining the integrity of markets (Roe, 2008[102]). Public enforcement is vital for multiple reasons, particularly in the case of enforcement in relation to ‘sustainability washing’. First, regulators may have more access to information and resources to pursue companies for violations. Second, private parties may lack incentives to bring a legal action in certain cases. Third, regulators are responsible to maintain overall trust in the markets and exercise effective oversight of all market participants. Fourth, since the entire gamut of sustainability-related disclosures is at a nascent stage, regulators may be better positioned to pursue complex cases, ensure consistent application of disclosure standards, and act in the broader public interest. Public enforcement holds greater significance in jurisdictions where mandatory disclosure regimes provide for certain safe harbours from private enforcement, such as Australia, or where private enforcement is non-existent due to various socio-legal reasons, as is the case in many Asian jurisdictions.

Last, there has been an instance when a regulator had been at the centre of litigation by a leading NGO where the supervision and regulatory approval to an IPO had been met with court scrutiny. ClientEarth argued that the UK Financial Conduct Authority (FCA) accorded its approval to the prospectus of Ithaca Energy, one of UK’s largest oil and gas producers, despite Ithaca’s failure to adequately disclose or describe the materiality of climate-related risks (Climate Change Litigation Database, 2023[103]). Though this challenge was unsuccessful, this case highlights that regulators may need to step up the scrutiny of sustainability–related claims and disclosures (Kwan, 2023[104]).

### *3.2.1. Regulatory Supervision*

Sustainability disclosure-based enforcement still needs room to develop, which may also require regulators and exchanges to engage more closely with company boards to nudge them towards adopting robust sustainability disclosure practices, rather than necessarily applying sanctions during an initial period. Regulators may also need to be mindful of the challenges faced by companies in data collection and validation in terms of certain key aspects of sustainability disclosures. Thus, facilitating an exchange between regulatory agencies and relevant company officials is key towards ensuring effective compliance.

Examples of usage of regulatory supervision tools in the context of sustainability-related claims or disclosure that is in the public domain are rare globally, and particularly among Asian jurisdictions. In July 2024, based on the complaint by ClientEarth, the French regulator, the AMF, reviewed more than 50 sustainable thematic funds totalling around €64 billion of assets under management that are marketed to retail investors in France. In response, the AMF issued reminders to reiterate the regulatory obligations for marketing thematic funds, emphasising the critical importance of ensuring that all provided information is accurate, clear, and not misleading (AMF, 2024[105]). Tools such as reminders or notices are instrumental in ensuring compliance. However, such tools need to be resorted to along with constant regulatory oversight to preclude any gross violations of securities law in the future. A summary of supervisory tools in the jurisdictions under study is provided below.

## Table 3.1. Supervisory Tools

| Jurisdiction | Overall enforcement strategy | Supervisory tools to encourage companies to comply |
|---|---|---|
| China | Adaptive | Engagement; Reviewing and monitoring disclosures; Corrective action; Warning. |
| France | Specific | Engagement; Reviewing and monitoring disclosures. |
| Hong Kong (China) | Adaptive | Engagement; Guidance to companies by regulator; Reviewing and monitoring disclosures; Capacity building. |
| India | Adaptive | Engagement; Reviewing and monitoring disclosures; Guidance to companies by the regulator and stock exchanges, including the establishment of the Industry Standards Forum; Data validation built into xBRL utility; Pre-enforcement intimations or notices (advisory letters) to companies; Annual sectoral compliance report as an annual independent compliance checkpoint. |
| Indonesia | Adaptive | Engagement; Guidance to companies by regulator; Reviewing and monitoring disclosures; Order for Specific Actions. |
| Japan | Adaptive | Engagement; Reviewing and monitoring disclosures. |
| Korea | Adaptive | Engagement; Reviewing and monitoring disclosures. |
| Singapore | Adaptive | Engagement; Reviewing and monitoring disclosures by stock exchange; Guidance to companies by regulator; Capacity building. |
| Viet Nam | Adaptive | Engagement; Remote supervision via the centralised information disclosure system; Incentivising best practices; Capacity building. |
| United Kingdom | Adaptive | Engagement; Reviewing and monitoring disclosures; Guidance to companies by relevant regulators; Thematic reviews; Warning notices; Publishing summaries of recently closed cases. |

Key: **Adaptive** = This enforcement strategy refers to generic disclosure-related enforcement mechanisms being made applicable for breach of sustainability disclosures; **Specific** = This enforcement strategy refers to enforcement tools that are specifically provided for breach of sustainability disclosure requirements. **Engagement** = Regulators/stock exchanges would communicate with companies nudging them to ensure proper compliance with the applicable sustainability disclosure framework.

Securities market regulators have employed differing overall enforcement strategies to tackle greenwashing – specific and adaptive. Existence of a specific enforcement strategy generally presupposes a dedicated sustainability disclosure framework which is followed by certain exclusive provisions regarding its enforcement. For instance, in **Australia**, a law amending the Corporations Act was passed to incorporate the sustainability disclosure framework (The Parliament of the Commonwealth of Australia, 2024[106]). This law provided exclusive power to the Australian securities market regulator to initiate an enforcement action with regard to breach of certain sustainability disclosures, thereby barring private individuals from initiating an action for certain protected statements. These statements include those relating to Scope 3 emissions (including financed emissions), scenario analysis and transition plans within the meaning of the sustainability standards, for a fixed period of three years, and forward-looking statements about climate for one year (Corporations Act, 2001[107]). The draft climate disclosure framework (not in force) in **the United States** also contains a similar provision pertaining to disclosure related to Scope 3 emissions, allowing the US securities market regulator to initiate enforcement action instead of private parties for a certain period of time (Harper Ho, 2023[108]). **France**, which has transposed CSRD requirements, has provided specific monetary penalty and imprisonment for violation of sustainability disclosure requirements for auditors on certain grounds (Journal Officiel, 2023[109]).

In **the United Kingdom**, the FCA and the Financial Reporting Council's (FRC) Corporate Reporting Review team (CRR) operate a joint supervisory strategy under the Listing Rules, Financial Services and Markets Act 2000, and powers in relation to breaches of the UK Market Abuse Regulation, as applicable.

An adaptive strategy mostly refers to a case where the general disclosure framework also includes sustainability-related disclosures. However, adaptive strategy also includes jurisdictions that may have specific sustainability disclosure-related provisions or frameworks, but where breaches are governed under broader disclosure-related enforcement mechanisms. These strategies are not sacrosanct, and regulators may deploy both adaptive and specific strategies based on their requirements.

The Asian jurisdictions under study have largely adopted an adaptive strategy to overall enforcement of sustainability disclosure frameworks. **Japan** has established enforcement mechanisms under the Financial Instruments and Exchange Act (FIEA) for breach of disclosure obligations by listed companies, which also serves as the key legislative instrument for enforcing breach of sustainability disclosures.

**Viet Nam** is currently taking steps to integrate ESG and Sustainability-Related Disclosure (SRD) requirements into circulars and decrees. Circular No. 96/2020/TT-BTC is currently the main legal document guiding disclosure on the securities market, which includes ESG related aspects in annual reports. Thus, the general securities law disclosure enforcement provisions also govern breach of sustainability disclosures.

In certain jurisdictions, while there is a specific sustainability disclosure framework in place, enforcement of the breach of this framework arises from the generic enforcement of securities disclosure requirements. For instance, in **India**, the Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) forms the very edifice of its sustainability disclosure framework. Enforcement avenues are common for breach of disclosure requirements, including for sustainable disclosure requirements, as prescribed under the LODR.

In a similar manner, as per OJK Regulation No. 51/POJK.03/2017 read with OJK Circular No 16/SEOJK.04/2021, financial institutions and listed companies in **Indonesia** are required to submit annual sustainability reports. Breaches of disclosure requirements, including breaches of sustainability disclosure obligations, are enforced in accordance with the provisions of the Indonesian Capital Markets Law.

In **Hong Kong (China)**, listed issuers are required to publish ESG reports in accordance with the ESG Reporting Code under the Hong Kong Listing Rules on an annual basis. As the sustainability disclosure framework forms part of the Hong Kong Listing Rules, any breach of these disclosure requirements would be enforced under the Listing Rules.

In **China**, the stock exchanges have put in place specific guidelines that govern sustainability disclosures for listed Chinese companies. Stock exchanges are empowered to supervise companies in this regard (People's Republic of China, 2019[110]). A warning may be issued against any person who fails to comply with information disclosure obligations (any false or misleading statement or material omission), which would be required to take corrective action (People's Republic of China, 2019[111]).

In **Singapore**, listed issuers are required to publish sustainability reports on an annual basis under the SGX's Listing Rules and breach of these disclosure requirements would be enforced under SGX's Listing Rules.

**France**, as an EU jurisdiction, has transposed the CSRD with *Ordonnance n°2023-1142*, amending notably Article L225-102-1 of the Commercial Code, which aligns with other international frameworks such as the TCFD.

**Korea** currently does not yet have an administrative or judicial enforcement framework in place for sustainability disclosures, as the authorities are currently discussing the development of a sustainability disclosure framework. However, since companies are voluntarily reporting sustainability information, any significant misrepresentation or misleading statements by companies will be designated as the unfaithful disclosure corporation in accordance with the disclosure regulations of the Korea Exchange.

There are considerable advantages to the adaptive strategy. First, regulators do not have to develop new tests or enhance capacity to monitor sustainability disclosures separately. Second, there is reasonable regulatory certainty in relation to breach and enforcement of disclosure provisions, minimising adjudicatory time and resources. However, in such an instance, providing regulatory guidance regarding the manner and scope of interpretation of the existing disclosure framework with reference to sustainability disclosures becomes vital. Regulators must also ensure that a lack of specific capacity and resource constraints does not impair the overall enforcement approach, thereby leading to under-enforcement.

Effective exercise of supervisory tools is essential to encourage companies to comply with sustainability disclosure frameworks. Since sustainability disclosures are relatively nascent, regulators must engage with companies to guide them to enhance their quality and ensure effective compliance. Regulators of all jurisdictions under study have laid emphasis on compliance with sustainability disclosures and have deployed engagement tools to aid corporations in meeting these requirements. These tools include the use of pre-enforcement intimation or notice to nudge companies to improve their sustainability disclosures and remedy any existing gaps.

Based on the monitoring and supervision of the relevant regulatory agency, the regulator would send requests to companies to comply with the relevant sustainability-related disclosure requirements. For instance, in **India**, in 2024-2025, in the broader ESG context, advisory letters were issued to two companies for non-compliance with the continuous listing requirements for green debt securities (based on a regulatory input provided by SEBI). **Indonesia** employs orders requiring specific actions (under OJK Regulation No. 23/POJK.04/2021) to request companies to comply with securities law requirements which may also be helpful in requiring companies with sustainability disclosure requirements. The **Hong Kong** Stock Exchange (HKEX) would follow up with issuers who have not published an ESG report, or whose ESG reports fail to include the information as required under the Hong Kong Listing Rules on a case-by-case basis. Such companies would provide the information through announcements or in subsequent reports.

In **China**, the relevant stock exchanges employ several informal tools such as disclosure quality ratings and comment letters with a view to encourage companies to properly comply with disclosure requirements (Yang, 2024[112]). Use of such measures has led to effective compliance with disclosure requirements (Cao, 2021[113]). Given that sustainability disclosures in China stem from stock exchange guidelines, these engagement measures may also be helpful in nudging companies towards adopting better sustainability disclosure practices.

In **the UK**, the FRC has been engaging with companies on a regular basis since 2021 to require companies' full compliance with TCFD disclosures. Interestingly, FRC has published summaries of certain cases where it had engaged with the company, including 16 cases on climate-related disclosures under the TCFD (FRC, 2024[114]). This practice serves as future guidance for companies on complying with sustainability disclosure requirements, thereby encouraging companies to enhance such compliance and improve their disclosure practices in general.

Globally, regulators have put in place different mechanisms to guide companies in improving their sustainability disclosure practices. This aims to help regulators play a more collaborative role in the orderly development of the market. In this regard, jurisdictions such as **Hong Kong (China), India**, **Indonesia**, **Singapore**, and **the United Kingdom** have issued guidance documents (including in the format of frequently asked questions) to ease the compliance burden of companies, as they grapple with multiple challenges: Hong Kong (China) Implementation Guidance; India – FAQ Guidance; Singapore Guidance; Indonesia Guidance; GRI Indonesia Guidance; UK Guidance. This practice is crucial for ensuring ease of compliance for companies, as going forward, sustainability disclosure requirements will continue to evolve.

To further ensure that concerns of companies are considered, regulators may set up coordination forums between industry and other members of the securities market ecosystem. For instance, the Industry Standards Forum (ISF), supported by India's securities market regulator, consists of members from India's leading industry associations and stock exchanges (SEBI, 2023[115]). The ISF formulates practical industry standards for the effective implementation of complex regulatory requirements, such as India's sustainability disclosure framework – BRSR Core. This co-regulatory approach leverages industry expertise to develop pragmatic solutions, which incorporates market feedback and creates clearer, consensus-driven guidelines for compliance.

Capacity building is another key supervisory measure that resonates with various regulators in the jurisdictions under study. Regulators have advocated for capacity building at the company level and at their level as well. Regulators and stock exchanges are regularly organising training programmes for company officers and directors of companies. Interestingly, **Singapore** has mandated director training on climate change and related aspects (SGX, 2022[116]). **Hong Kong (China)** Listing Rules require that annual directors training must cover ESG topics. Such capacity-building exercises may also be extended to officers of regulatory bodies and stock exchanges, along with greater co-operation among global regulatory agencies to strengthen enforcement against sustainability washing.

Incentivising best practices within a jurisdiction through public recognition initiatives, such as the Vietnam Listed Company Awards in **Viet Nam**, which awards a 'Best Sustainability Report' prize, may also be instrumental in encouraging companies to better comply with sustainability disclosure frameworks (SSC, 2025[117]). Constituting an index of companies based on sustainability performance may be another effective way of providing market-based incentives to enhance compliance. However, this would require more participation by other market participants such as institutional investors which may base investment products on these indexes.

### *3.2.2. Corporate and Securities Law Enforcement*

The securities market regulator is primarily responsible for administering sustainability disclosure requirements (IOSCO, 2023[118]). This is particularly true as most of these requirements stem from securities law and apply to listed companies (OECD, 2023[1]). As per prescribed penalties for violation, the securities market regulator can recognise the matter, thereby leading to judicial or quasi-judicial enquiry.

In the context of public enforcement, regulators may initiate direct or indirect legal proceedings against company directors for breaches of their duties arising from a failure to consider sustainability risks. This ground could be triggered in case of a serious violation that adversely impacts a larger body of a company's stakeholders, including the public at large. For instance, jurisdictions such as Australia, India, and Singapore empower regulators to initiate a judicial action against company directors for breach of directors' duties under their respective company laws. Since regulators are not required to meet various procedural requirements that private parties must comply with, the initial barrier to enforcement is mitigated. However, one has yet to see any major regulatory enforcement action in this regard.

It has been argued that public enforcement of securities law and listing rules is more effective in addressing climate risks (and, by extension, sustainability risks) in Asia (Lim and Varottil, 2022[119]). This is because most securities regulators have wide powers to deal with violations of securities law. An IOSCO survey of various global regulators indicates that enforcement actions against greenwashing have ranged from infringement notices and monetary fines to license revocations, business suspensions, public reprimands, and even potential civil or criminal liability – depending on the severity of the offense (IOSCO, 2023[118]). Regulators also expressed that introducing dedicated penalties or sanctions specifically targeting greenwashing would enhance their ability to address such cases more effectively (IOSCO, 2023[118]). Although authorities have started adjusting their supervisory and enforcement frameworks to combat greenwashing (or sustainability washing as defined earlier in this report), the true adequacy and effectiveness of these measures remain to be thoroughly tested, particularly in Asia.

## Table 3.2. Enforcement Mechanisms

| Jurisdiction | Remedy Mechanisms | Administrative Tools | Criminal Liability |
|---|---|---|---|
| China | Yes | Monetary penalties. | - |
| France | Yes | Monetary penalties; Stock market sanctions. | Individual and/ or Company. |
| Hong Kong (China) | Yes | Monetary penalties; Private reprimand; Public statement involving criticism; Suspension of trading in the listed issuer's securities; Disqualification of individuals; Disgorgement orders. | Individual and/or Company; Disgorgement order. |
| India | Yes | Monetary penalties; Freezing of promoter holdings; Trading suspension; Movement to “Z” category; and compulsory delisting; settlement mechanism. | Disgorgement order. |
| Indonesia | Yes | Written order. | |
| Japan | Yes | Monetary penalties. | Individual and/ or Company. |
| Korea | Yes | Monetary penalties. | Individual and/ or Company. |
| Singapore | Yes | Monetary penalties; prohibition order; reprimand; warning. | Individual and/ or Company. |
| Viet Nam | Yes | Monetary penalties; Correction or removal of information; Public announcements of violations; Business suspension and Delisting. | Individual. |
| United Kingdom | Yes | Monetary penalties; Decision orders/ Final orders. | Company |

As Table 3.2 shows, regulators have wide-ranging powers to enforce breach of disclosure requirements, including breach of sustainability disclosure requirements. These tools range from imposition of monetary penalties, making a private or public reprimand, decision orders to remedy the violation, suspension of trading, and delisting. These tools are resorted to after detailed investigation and if all supervisory and engagement tools are not effective. If these violations are serious – for instance, if disclosures were deliberately false and misleading – criminal sanctions such as fines, imprisonment, and disgorgement of ill-gotten gains or compensation to investors may also be imposed.

Across the globe, based on publicly available sources, regulatory actions under corporate and securities laws against non-financial entities for sustainability-related disclosures remain limited. For instance, in 2021, ClientEarth submitted a complaint to the UK FCA against Just Eat, claiming its annual report misled investors by portraying the business as “sustainable” without outlining a Paris-aligned strategy or emissions reduction commitments in its operating countries (ClientEarth, 2021[120]). This complaint is still pending.

In the Asian jurisdictions examined herein, no significant enforcement actions have been identified under applicable corporate and securities market regulation for breach of sustainability disclosures. However, there are emerging signs of regulatory action on sustainability-related disclosures, even though most of these cases relate to disclosures under prospectus for equity or debt listing. In **India**, in a case involving the IPO of a mining company, SEBI determined that the omission of information regarding the rejection of environmental clearance for the diversion of forest land for iron ore mining constituted a failure to disclose a material fact in the prospectus. As a result, a penalty of ₹5 000 000 was imposed on both the issuer and the merchant banks involved (Varrotill, 2019[121]). A leading opinion on legal liability on climate-risk in India highlights that the ‘trend therefore seeks to demand a higher degree of transparency in statutory disclosures to the market regulator’ (Divan, 2021[122]).

**Singapore** has also seen one case where Market Forces, an Australian NGO, filed a complaint against JERA, a Japanese energy company, that had listed its debt securities on SGX. Market Forces argued that JERA did not comply with listing disclosures and subsequent continuous disclosure requirements by not stating risks regarding its exposure to the Liquified Natural Gas business and litigation which could have had a material financial impact (Market Forces, 2023[123]). Thus, while no public regulatory action appears to have been taken, it reflects growing developments provide lessons from cases of regulatory action aimed at tackling 'sustainability washing'.

### *3.2.3. Other Laws*

Regulatory action against sustainability washing in the financial sector has gained more momentum than against non-financial entities. While the scope of this report does not include a discussion on false and misleading sustainability-related claims by financial entities, the experience may encourage enforcement of such claims made by non-financial entities. The **United States** Securities and Exchange Commission (SEC) initiated multiple enforcement actions against asset managers for disclosure and compliance failures related to ESG investments. For instance, in May 2022, it charged BNY Mellon Investment Adviser, Inc. for making material misstatements and omissions regarding ESG factors in the investment decisions of certain mutual funds under its management. BNY Mellon agreed to settle the charges by paying a USD 1.5 million penalty (SEC, 2022[124]). A similar settlement was agreed between SEC and WisdomTree Asset Management Inc. for mismanagement of three of its ESG funds (SEC, 2024[125]).

**Australia** has led the way regarding regulatory enforcement for making false and misleading sustainability-related claims. It is pertinent to note that all three actions initiated by the Australian securities market regulator (ASIC) are against financial entities.

In 2024, the Federal Court of Australia ruled in two significant cases that ASIC brought. In March, it found that Vanguard Investments Australia Ltd misled the public by falsely marketing a fund as "ethically conscious," violating the ASIC Act. Vanguard has been required to pay AUD 12.9 million in penalties. This was ASIC's first successful sustainability washing civil penalty action (ASIC, 2024[126]). In June, the Court found that LGSS Pty Ltd (Active Super) made misleading ESG-related claims, falsely stating it excluded specific industries and companies. Active Super has been required to pay a penalty of AUD 10.5 million (ASIC, 2025[127]). A third case was against Mercer Superannuation for alleged sustainability claims regarding its "Sustainable Plus" investment options: the Court has ruled against Mercer Superannuation, requiring it to pay a penalty of AUD 11.3 million (ASIC, 2024[128]). These cases have far-reaching ramifications – they provide the Australian securities market regulator with experience in dealing with false and misleading sustainability claims, translating into possible enforcement actions against companies in the future, as Australia embraces mandatory climate-related financial disclosures from 2025 onwards (Balding, 2024[129]).

Other sectoral regulators have also aided in tacking sustainability washing in Asian jurisdictions. In **Singapore**, the Advertising Standards Authority made the nation's first ruling against an air-conditioning manufacturer for a misleading advertisement regarding energy saving through use of air-conditioners (McKenzie, 2023[130]). In 2023, the **South Korean** environmental regulator issued an administrative guidance regarding a claim by SK Enmove over its carbon-neutral lubricant ads, which were based on purchasing carbon credits from Verra. The ads were criticised as greenwashing, since credits do not eliminate emissions from petroleum products. Although a corrective order was initially considered in December 2022, it was downgraded to non-binding guidance as the advertisements and sales had already been halted (Slaughter and May, 2024[101]).

## 3.3. Interface Between Different Strategies

The cases discussed above – arising under advertising standards, consumer protection laws, financial regulation, and other relevant laws – serve as milestones for attributing liability under corporate and securities laws. Additionally, legal doctrines such as Caremark or stepping stone liability may provide viable pathways for holding directors accountable for failures related to sustainability oversight and disclosure. Most importantly, regulators could step in and rely on a private party led action under other laws to establish liability for misleading sustainability claims under corporate and securities law. While no enforcement action has yet been observed under corporate and securities laws in Asia that relied on enforcement on other laws, there are a couple of cases globally that suggest emphasising these interdependencies among different forms of 'sustainability washing'. These enforcement actions are discussed below.

In 2021, the Australasian Centre for Corporate Responsibility (ACCR), an Australian NGO, took Santos, an Australian oil and gas major, to court for misleading claims in relation to Santos' claims regarding (i) natural gas as 'clean' fuel, which may misrepresent the effects of natural gas on climate; and (ii) its commitment to be net-zero by 2040. ACCR has alleged that Santos plans to expand its natural gas operations, and its net-zero plan would depend on undisclosed assumptions about the effectiveness of carbon capture and storage processes. The suit alleges that these misrepresentations are in violation of Australian consumer protection and corporation laws (Climate Change Litigation Database, 2021[131]). While this case is still pending, it is a clear example of the interface between enforcement under other laws and corporate law for misleading and deceptive sustainability claims.

The case of *ClientEarth* v. *Enea* is part of a growing trend of legal actions holding directors accountable for losses in company value due to mismanagement and failure to communicate and consider climate risks properly. In 2018, ClientEarth, an environmental non-profit and shareholder, initiated an action against the directors of Enea, a fossil fuel company, arguing that investing in the Ostrołęka C coal plant in Poland violated its fiduciary duties by neglecting due diligence and risking shareholder value. ClientEarth won the case in 2019 (Climate Change Litigation Database, 2018[132]). In 2020, the company halted funding for the plant's construction. In 2021, Poland's Supreme Audit Office identified poor risk management by Enea and recommended legal action against former board members. In December 2023, the company initiated legal proceedings against management and supervisory board members who supported the project, with shareholder approval granted in January 2024 (ClientEarth, 2024[133]). This case also highlights the interconnectedness of enforcement strategies in enhancing legal liability risks of directors who fail to consider sustainability-related matters in corporate decision-making.

Most importantly, a settlement in cases under these other laws could compel the board of directors to take immediate action. Shareholders sued the Commonwealth Bank of Australia (CBA) over its 2016 annual report, alleging it failed to disclose material climate-related business and investment risks. However, before the court ruled, the complaint was withdrawn as CBA in its 2017 annual report pledged to undertake climate change scenario analysis to estimate climate risks to CBA's business operations (Climate Change Litigation Database, 2017[134]). In another instance, in 2025, EnergyAustralia, an Australian energy company, acknowledged the limitations of the use of carbon offsets by stating that using carbon offsets does not prevent or undo the harms caused by burning fossil fuels (Australia, 2025[135]). This acknowledgement came in the wake of a settlement in relation to a 2023 action by an NGO named Parents for Climate regarding Energy Australia's marketing of its Go Neutral carbon offset product amounted to misleading or deceptive conduct contrary to the Australian consumer law. Thus, a real threat of enforcement could also lead to behavioural change among companies.

Under certain sustainability disclosure frameworks such as in Australia, private enforcement is limited under corporate and securities law. This has been specifically resorted to ensure that companies do not engage in 'greenhushing' – the practice of under-disclosing or underreporting of sustainability related information to avoid liability risk. However, regulatory bodies can also initiate enforcement actions for failing to consider sustainability matters at the board level. There has been limited enforcement regarding violation of sustainability related disclosure requirements, even though the developments mentioned above highlight the interdependence among different domains of law to tackle 'sustainability washing'. Based on global best practices, the next chapter details certain potential reforms that may be considered to improve sustainability-related disclosure and related board accountability in Asia.

# 4 Policy Considerations

This chapter builds on the preceding analysis to set out policy considerations that can help policymakers and regulators improve sustainability-related disclosure and board accountability across Asia.

This report examines corporate and securities law enforcement approaches to address risks of 'sustainability washing', with a focus on Asian jurisdictions. It reviews global best practices while analysing specific enforcement strategies developed within Asia. Such analysis is intended to support the alignment of Asian companies and regulatory frameworks with international standards on sustainability disclosures, along with acknowledging the distinct legal and socio-economic realities of the region.

There are five key levers that can help mitigate and tackle sustainability washing from a regulatory and supervisory standpoint:

- Legislative and regulatory certainty.
- Effective engagement with companies.
- Multi-layered enforcement toolkit.
- Leveraging technology.
- Capacity-building.

## 4.1. Legislative and Regulatory Certainty

Regulators should consider 'sustainability washing' within the legislative and regulatory framework as the first and vital step. It will enable an assessment of whether existing legal provisions adequately address corporate accountability and support enforcement of sustainability-related disclosure requirements.

Where gaps are identified, policymakers and regulators may consider new regulations or legislative amendments to tackle sustainability washing. In doing so, it is advisable to establish an expert committee that brings together relevant stakeholders. This may enhance the consultation process, ultimately leading to a robust framework.

Further, regulators may need to act if there is lack of clarity among companies regarding compliance with corporate sustainability disclosure requirements and enforcement practices. This could include guidance outlining relevant global best practices, clarifying the scope of their regulatory enforcement toolkit, and providing direction regarding future reforms. Most Asian jurisdictions have adopted local standards that inform their corporate sustainability disclosure frameworks, and thus, issuing guidance that clarifies the nature, scope, and inter-operability of these frameworks with international ones would support implementation of clearer and more comparable sustainability disclosures. While most surveyed Asian regulators have issued guidance regarding corporate sustainability practices, there may still be potential for improvement to minimise the incidence of sustainability washing.

Such clarity would benefit the entire securities market ecosystem. First, companies would get a clear indication of the sustainability-related disclosure framework (applicability, scope, and certainty), supporting them in navigating the regulatory apparatus in the event of any non-compliance. Second, the regulators would send a strong and clear signal regarding enforcement against violations of requirements pertaining to sustainability-related disclosures. Last, investors and other market participants would also be informed and assured of the fact that the regulator is monitoring and reviewing sustainability-related disclosures, and that their interests will be safeguarded.

## 4.2. Effective Engagement with Companies

Corporate sustainability disclosures and reporting requirements still pose significant challenges, including unavailability of reliable and accurate data, complex global disclosure frameworks, and lack of talent to oversee sustainability matters (Pucker, 2021[136]). Effective engagement with companies, therefore, remains vital.

Regulatory engagement could take three key forms. First, regulators and stock exchanges exercising oversight over sustainability disclosures of listed companies should use effective engagement tools like notices or letters to communicate minor violations and allow companies to remedy them.

Second, subject to the consent of parties concerned, or on a no-name basis, regulators should publish reports or case summaries of their engagement with companies. Such practice encourages better communication between regulatory agencies and the market. It also helps companies that may be keen to approach the regulator for obtaining more clarity on a particular non-compliance of sustainability disclosure norms. A case-in-point in this regard is the FRC in **the United Kingdom,** which publishes case summaries on a regular basis.

Last, regulators should take the lead in bringing together stock exchanges, listed companies, other market participants such as investors and users of sustainability disclosure information on a platform to develop industry standards and best practices that are better suited for their jurisdiction. Such encouragement from the regulator through the creation of a specific committee or body would be seen as a positive step by market participants as it enhances participatory governance on the ever-evolving issue of sustainability disclosures. The ISF, constituted by SEBI in **India**, serves as an interesting precedent in this case.

## 4.3. Multi-layered Enforcement Toolkit

Private enforcement is non-existent in most Asian jurisdictions for securities law violations, including breach of disclosure requirements, in general, and sustainability disclosures in particular (Lim and Varottil, 2022[119]). Thus, regulators should adopt a two-pronged approach with reference to private enforcement. First, they should not disincentivise or restrict private enforcement avenues unless necessary and in the public interest. Notably, this may be the case if an excessive number of private actions distract executives and board members from their core duties and drive a significant rise in D&O insurance premiums. Second, they should take proactive measures to promote engagement activities aimed at enhancing corporate sustainability by investors and other stakeholders. Subject to the level of development of relevant securities markets, Asian regulators should also enhance assurance-related requirements with a view to ensure greater transparency in corporate sustainability disclosure practices.

Lack of private enforcement casts a wider obligation on the securities market regulator in Asian jurisdictions to preserve and protect market integrity by encouraging greater compliance. A multi-layered enforcement toolkit would serve a dual purpose – in the *ex-ante* sense, it will ensure that companies comply or are forthcoming about non-compliance, and in the *ex-post* sense, bring serious violators to justice.

Regulators may want to review and expand their enforcement toolkit to keep up with the constantly developing corporate sustainability disclosure landscape. A multi-layered enforcement toolkit may consist of: (i) a clear statute-backed mandate for the regulator (including stock exchanges) to employ engagement tools such as issuing notices or letters to secure compliance without adversarial processes; (ii) guidance regarding possible circumstances for which such tools may be employed and standard operating procedures for such engagement tools; (iii) an escalation strategy along with effective regulatory enforcement tools, backed by statutory mandate, with different standard operating procedures for internal and external use. Such enforcement toolkit would be subject to the overall regulatory architecture, and the legislative mandate for the relevant regulator, in addition to capacity constraints. Furthermore, it should consider whether the possible increase in enforcement actions may not have a chilling effect in the companies' willingness to disclose sustainability-related information.

## 4.4. Leveraging Technology

Companies have been using artificial intelligence (AI) and machine-learning tools to comply with their sustainability disclosure obligations. While automation lowers costs and streamlines data collection and analysis, it poses novel challenges in terms of accuracy and reliability of effective monitoring and supervision of these disclosures (S. Bazin, 2025[137]).

Regulators may also employ these approaches to increase monitoring efficiency, and to better understand the technologies used by companies to prepare disclosures, with a particular use case for sustainability disclosures (ADB, 2022[138]). Various regulators have employed or are in the process of employing Artificial Intelligence (AI) and machine-learning driven supervision of corporate disclosures (IOSCO, 2023[118]). For instance, ASIC, **Australia's** securities regulator, has trialled using technology to allow frequently used key terms (such as ESG, green, net-zero, carbon neutral) to be extracted for enhanced scrutiny (IOSCO, 2023[118]). The SFC in **Hong Kong (China)** is also exploring the potential use case of ESG fintech for increased oversight on corporate disclosures (IOSCO, 2023[118]). Other regulators in Asia should also consider tech-enabled supervision practices to mitigate human capacity constraints to better tackle sustainability washing within their jurisdiction.

## 4.5. Capacity Building

Capacity building is key as sustainability disclosure requirements and practices evolve over time, potentially becoming more complex. **Singapore's** model of mandating directors' training and its disclosure in annual reports could be an example of good practice. However, caution should be exercised as such mandate may become a box-ticking compliance requirement. Regulators could also engage with companies by providing relevant inputs to encourage listed companies to provide training to its staff and senior management.

Similar exercises are also required at the regulatory level so that public officials are well informed of global best practices in monitoring sustainability-related disclosures (IOSCO, 2023[118]). Providing training to leverage technology for effective monitoring and supervision of corporate sustainability disclosures must remain a key focus. As discussed above, various sectoral regulators are also at the forefront of tackling sustainability washing in their domain. Their experience and expertise also provide fertile ground for inter-regulatory co-operation in terms of investigation, and enforcement. Thus, training exercises should be conducted for officials of securities market regulator, along with officials from other sectoral regulators such as the competition or trade regulator, advertising regulator. Further, international platforms for regulatory cooperation should also be explored for capacity building and understanding global issues, which may have domestic impact.

# References


A. Herzberg, H. (2012), "Stepping Stones-from Corporate Fault to Directors' Personal Civil Liability", *Federal Law Review*, https://classic.austlii.edu.au/au/journals/FedLawRw/2012/8.html. [71]

ACCR (2024), *Greenwashing Proceedings in Federal Court*, https://www.accr.org.au/news/greenwashing-proceedings-in-federal-court/. [82]

ADB (2022), *Building Regulatory and Supervisory Technology Ecosystems*, https://www.adb.org/sites/default/files/publication/820686/regulatory-technology-ecosystems-asia-financial-stability.pdf. [138]

Alogna, F. et al. (2020), *The Shareholder in France and the United States: A Comparative Analysis of Corporate Legal Priorities*, https://papers.ssrn.com/abstract=3730264 (accessed on 29 September 2025). [38]

AMF (2024), *The Autorité des Marchés Financiers (AMF) publishes the findings of three supervisory initiatives on sustainable finance*, https://www.amf-france.org/en/news-publications/news-releases/amf-news-releases/autorite-des-marches-financiers-amf-publishes-findings-three-supervisory-initiatives-sustainable. [105]

ASA (2024), *ASA Ruling on Lloyds Bank plc*, https://www.asa.org.uk/rulings/lloyds-bank-plc-a24-1244509-lloyds-bank-plc.html. [98]

ASA (2022), *ASA Ruling on HSBC UK Bank plc*, https://www.asa.org.uk/rulings/hsbc-uk-bank-plc-g21-1127656-hsbc-uk-bank-plc.html. [99]

ASIC (2025), *Active Super ordered to pay $10.5 million penalty in ASIC's third greenwashing court action*, https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-042mr-active-super-ordered-to-pay-10-5-million-penalty-in-asic-s-third-greenwashing-court-action/. [127]

ASIC (2024), *ASIC's first greenwashing case results in landmark $11.3 million penalty for Mercer*, https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-173mr-asic-s-first-greenwashing-case-results-in-landmark-11-3-million-penalty-for-mercer/. [128]

ASIC (2024), *ASIC's Vanguard greenwashing action results in record $12.9 million penalty*, https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-213mr-asic-s-vanguard-greenwashing-action-results-in-record-12-9-million-penalty/. [126]

ASIC (2019), *Federal Court finds against Vocation Limited (In Liquidation) and three officers*, https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2019-releases/19-124mr-federal-court-finds-against-vocation-limited-in-liquidation-and-three-officers/. [75]

Atkins, P. (2019), "Social Responsibility and Enlightened Shareholder Primacy: Views from the Courtroom and Boardroom", *Harvard Law School Forum on Corporate Governance*, https://corpgov.law.harvard.edu/2019/02/21/social-responsibility-and-enlightened-shareholder-primacy-views-from-the-courtroom-and-boardroom/. [44]

Australia, E. (2025), *Go Neutral Litigation – EnergyAustralia acknowledges issues with “offsetting” and moves away from carbon offsets for its residential customer products*, https://www.energyaustralia.com.au/about-us/media/news/go-neutral-litigation-energyaustralia-acknowledges-issues-offsetting-and-moves. [135]

Baker, S. (2024), “Sustainability reporting: What directors need to know and do”, *World Economic Forum*, https://www.weforum.org/stories/2024/05/sustainability-reporting-what-directors-need-to-know-and-do/. [63]

Balding, J. (2024), “Redlight for Greenwashing: ASIC’s action on greenwashing”, https://australiainstitute.org.au/post/redlight-for-greenwashing-asics-action-on-greenwashing-jennifer-balding-address-to-the-climate-integrity-summit/. [129]

Barker, S., C. Williams and A. Cooper (2021), *FIDUCIARY DUTIES AND CLIMATE CHANGE IN THE UNITED STATES*, https://ccli.ubc.ca/wp-content/uploads/2021/12/Fiduciary-duties-and-climate-change-in-the-United-States.pdf. [66]

Batoudaki, T. (2024), “Double Trouble: The Rise of Greenwashing and Climate Litigation for Banks”, *Sustainalytics*, https://www.sustainalytics.com/esg-research/resource/investors-esg-blog/double-trouble--the-rise-of-greenwashing-and-climate-litigation-for-banks. [97]

Black, J. (2025), “Several issues in dorectors’ duties - Stepping stones and continuous disclosures; the best interests duty and corporate purpose; and the limits of derivative actions”, *Society of Corporate Law Academics Conference*, https://supremecourt.nsw.gov.au/documents/Publications/Speeches/2025-speeches/BlackJ_20250203.pdf. [74]

Bompas, G. (2024), *The True and Fair Requirement Social Value International - Opinion*, https://static1.squarespace.com/static/60dc51e3c58aef413ae5c975/t/65aee53e9a5b0866faf4c711/1705960801670/True+and+Fair%2C+signed+opinion. [61]

Butler, S. (2024), *Boohoo investors seek £100m in damages after minimum wage row*, https://www.theguardian.com/business/article/2024/jun/06/boohoo-investors-seek-100m-in-damages-after-minimum-wage-row. [93]

Cao, E. (2021), “Does securities enforcement improve disclosure quality? An examination of Chinese listed companies’ restatement activities”, *Journal of Corporate Finance*, https://www.sciencedirect.com/science/article/pii/S0929119920303217. [113]

CCLI-CGI (2024), “Directors’ Duties and Sustainability Disclosure Obligations”, *CGI*, https://hub.climate-governance.org/Resource/directors-duties/directors-duties-and-sustainability-disclosure-obligations. [62]

CGI (ed.) (2024), *Climate Risk, Directors’ Duties and Sustainability Disclosures*, https://hub.climate-governance.org/Resource/directors-duties/climate-litigation?locale=en. [94]

ClientEarth (2024), *Polish energy giant sues former directors and insurer over failed coal power plant investment*, https://www.clientearth.org/latest/press-office/press-releases/polish-energy-giant-sues-former-directors-and-insurer-over-failed-coal-power-plant-investment/. [133]

ClientEarth (2021), *FCA Referral Request Just Eat Takeaway.com N.V*, https://www.clientearth.org/media/qxtptmp0/17-08-2021-clientearth-fca-referral-request- [120]

justeat-takeaway-com-n-v.pdf.

Climate Change Litigation Database, C. (2024), *Milieudefensie v. Shell*, https://www.climatecasechart.com/search?q=Milieudefensie+v+Shell. [86]

Climate Change Litigation Database, C. (2023), *ClientEarth v FCA*, https://www.climatecasechart.com/document/clientearth-v-financial-conduct-authority-ithaca-energy-plc-listing-on-london-stock-exchange_0d93. [103]

Climate Change Litigation Database, C. (2023), *ClientEarth v. Shell*, https://www.climatecasechart.com/document/clientearth-v-shells-board-of-directors_9377. [88]

Climate Change Litigation Database, C. (2021), *ACCR v. Santos*, https://www.climatecasechart.com/document/australasian-centre-for-corporate-responsibility-v-santos_4e07. [131]

Climate Change Litigation Database, C. (2019), *In re Exxon Mobil Corp Derivative Litigation*, https://www.climatecasechart.com/collections/in-re-exxon-mobil-corp-derivative-litigation_999d1d. [91]

Climate Change Litigation Database, C. (2018), *ClientEarth v. Enea*, https://www.climatecasechart.com/document/clientearth-v-enea_82c9. [132]

Climate Change Litigation Database, C. (2017), *Abrahams v. Commonwealth Bank of Australia*, https://www.climatecasechart.com/document/abrahams-v-commonwealth-bank-of-australia-2017_09d7. [134]

Climateworks Centre (2025), *Guide to credibility for corporate climate transition plans*, https://www.climateworkscentre.org/resource/guide-to-credibility-for-corporate-climate-transition-plans/. [27]

Colombo, E. (2022), “From Bushfires to Misfires: Climate-related Financial Risk after McVeigh v. Retail Employees Superannuation Trust”, *Transnational Environmental Law*, https://bora.uib.no/bora-xmlui/bitstream/handle/11250/2991966/from-bushfires-to-misfires-climate-related-financial-risk-after-mcveigh-v-retail-employees-superannuation-trust.pdf?sequence=1. [80]

Columbia Law School (2018), *McVeigh v. Retail Employees Superannuation Trust*, https://www.climatecasechart.com/document/mcveigh-v-retail-employees-superannuation-trust_e138. [79]

Companies Act (2013), *section 166(2), Companies Act*, https://www.mca.gov.in/content/mca/global/en/acts-rules/ebooks/acts.html?act=NTk2MQ==. [39]

Corporations Act, A. (2001), *Section 1707D*, https://www.legislation.gov.au/C2004A00818/latest/text/6. [107]

CSRC (2018), *Rules for the Governance of Listed Companies*, https://www.gov.cn/gongbao/content/2019/content_5363087.htm. [34]

District Court of Amsterdam, N. (2024), *Foundation for the Promotion of the Fossil Free Movement v. KLM Airlines*, https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:RBAMS:2024:1512. [95]

Divan, S. (2021), *Directors' obligations to consider climate change-related risk in India - Legal opinion*, https://ccli.ubc.ca/wp-content/uploads/2021/09/CCLI_Legal_Opinion_India_Directors_Duties.pdf. [122]

Ecojustice (2022), *Application for inquiry regarding the Royal Bank of Canada's apparent false and misleading representations about action on climate change while continuing to finance fossil fuel development*, https://ecojustice.ca/wp-content/uploads/2022/07/2022-06-10-Complaint-to-Competition-Bureau-re_-RBC-climate-representations-Final.pdf. [100]

Eddymurthy, I. (2024), "Directors' Duties Navigator: Climate Risk and Sustainability Disclosures", *Commonwealth Climate and Law Initiative*, https://hub.climate-governance.org/Resource/directors-duties/directors-duties-in-indonesia/pdf. [46]

Ekaterina Aristova, L. (2024), "Climate change on the board: navigating directors' duties", *Journal of Corporate Law Studies*, https://www.tandfonline.com/doi/full/10.1080/14735970.2024.2414466#abstract. [81]

England and Wales Court of Appeal (2023), *Civil Decisions, McGaughey&Davies v. USS*, https://www.bailii.org/ew/cases/EWCA/Civ/2023/873.html. [87]

EU (2022), *Corporate Sustainability Reporting Directive (CSRD) – 2022/2464/EU.*, https://eur-lex.europa.eu/eli/dir/2022/2464/oj/eng. [4]

European Commission (2025), *Commission proposes to cut red tape and simplify business environment*, https://commission.europa.eu/news/commission-proposes-cut-red-tape-and-simplify-business-environment-2025-02-26_en. [18]

European Commission (2025), *Twenty-one European airlines agree to modify their practices regarding environmental claims following dialogue with the Commission and national consumer protection authorities*, https://ec.europa.eu/commission/presscorner/detail/en/ip_25_2608. [96]

European Commission (2019), *Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 209/01)*, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019XC0620(01). [3]

Fiegenbaum, I. (2025), *Caremark's Fractured State*, https://www.americanbar.org/groups/business_law/resources/business-lawyer/2024-2025-winter/caremarks-fractured-state/. [67]

FRC (2024), *CRR Case Summaries and Entity-specific Press Notices*, https://www.frc.org.uk/library/supervision/corporate-reporting-review/crr-case-summaries-and-entity-specific-press-notices/?query=TCFD&quarter=#crr-case-studies. [114]

Goto, G. (2024), "ESG, Externalities, and the Limits of the Business Judgment Rule: TEPCO Derivative Suit on Fukushima Nuclear Accident and the Expansion of Caremark", *The Chinese Journal of Comparative Law*, Vol. Volume 12, https://doi.org/10.1093/cjcl/cxae020. [68]

GOV.UK (2025), *Climate-related transition plan requirements*, https://www.gov.uk/government/consultations/climate-related-transition-plan-requirements. [10]

GOV.UK (2025), *Guidance UK Sustainability Reporting Standards*, https://www.gov.uk/guidance/uk-sustainability-reporting-standards. [9]

GovHK (2024), *Government launches roadmap on sustainability disclosure in Hong Kong*, https://www.info.gov.hk/gia/general/202412/10/P2024121000243.htm. [19]

Grant Thornton (2023), *The European Sustainability Reporting Standards v. International Sustainability Standards Board: What are the differences?*, https://www.grantthornton.sg/insights/esrs-v.-issb-what-are-the-differences/. [2]

Hanawalt, C. and A. Fitch (2025), "The Behavorial Effects of Corporate GHG Emissions Disclosures", *Sabin Center for Climate Change Law*, https://scholarship.law.columbia.edu/sabin_climate_change/256/. [140]

Harper Ho, V. (2023), "Climate Disclosure Line-Drawing & Securities Regulation", *U.C. Davis L. Rev.*, Vol. 684/2023, https://doi.org/10.2139/ssrn.4339497. [108]

HKEX (2025), *Rules and Guidance*, https://en-rules.hkex.com.hk/rulebook/appendix-c1-corporate-governance-code-0. [57]

HKEX (2025), *Rules and Guidance*, https://en-rules.hkex.com.hk/rulebook/appendix-c2-environmental-social-and-governance-reporting-code-0. [58]

HKICPA (2025), *Key Impacts – Ethics Standards for Sustainability Assurance and Other Revisions to the Code Relating to Sustainability Assurance and Reporting*, https://www.hkicpa.org.hk/en/Standards-setting/Standards/Whats-News/2025. [20]

Ho Kang Peng v Scintronix Corp Ltd (2014), , https://www.elitigation.sg/gd/s/2014_SGCA_22. [52]

Hong Kong e-Legislation (2025), *Companies Ordinance*, https://www.elegislation.gov.hk/hk/cap622!en.pdf. [56]

Hutley, N. (2021), *Climate Change and Directors' Duties - FURTHER SUPPLEMENTARY MEMORANDUM OF OPINION*, https://cpd.org.au/wp-content/uploads/2021/04/Further-Supplementary-Opinion-2021-3.pdf. [73]

IFLR (2025), *Japanese ESG developments: mandatory sustainability disclosure in securities reports and new standards*, https://www.iflr.com/article/2el8qebpvrcvk1azno7pc/sponsored/japanese-esg-developments-mandatory-sustainability-disclosure-in-securities-reports-and-new-standards. [23]

IFRS (2023), *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s1-general-requirements.html/content/dam/ifrs/publications/html-standards-issb/english/2023/issued/issbs1/#about. [60]

IFRS Sustainability (2025), *JURISDICTIONAL SNAPSHOT: South Korea*, https://www.ifrs.org/content/dam/ifrs/publications/sustainability-jurisdictions/pdf-snapshots/south-korea-ifrs-snapshot.pdf. [8]

IOSCO (2023), *Supervisory Practices to Address Greenwashing*, https://www.iosco.org/library/pubdocs/pdf/IOSCOPD750.pdf. [118]

Jade (2016), *Australian Securities and Investments Commission v Cassimatis (No 8)*, https://jade.io/article/489597. [78]

Jade (2014), *Australian Securities and Investments Commission v Mariner Corporation Limited* [77]

*[2015] FCA 589*, https://jade.io/article/398014.

Journal Officiel, L. (2023), *Ordonnance no 2023-1142 du 6 décembre 2023*, https://www.legifrance.gouv.fr/download/pdf?id=fOTM7ilGbxcYwc159WYE-xxp0eSIBFgHonwOt6OlvQA=. [109]

JPX (2021), *Japan's Corporate Governance Code*, https://www.jpx.co.jp/english/news/1020/b5b4pj0000046kxj-att/b5b4pj0000046l0c.pdf. [51]

Juliana Vélez-Echeverri, C. (2024), "Climate-washing litigation: towards greater corporate accountability?", *Grantham Research Institute*, https://www.lse.ac.uk/granthaminstitute/news/climate-washing-litigation-towards-greater-corporate-accountability/. [83]

Kwan, J. (2023), "ClientEarth's challenge of FCA approval of an energy company's IPO prospectus: reflections on a novel climate activist approach", *Capital Markets Law Journal*, https://academic.oup.com/cmlj/article/18/4/526/7259099. [104]

Law Justia U.S. (1996), *In re Caremark Intern, Inc. Derivative Litigation :: 1996 :: Delaware Court of Chancery Decisions :: Delaware Case Law :: Delaware Law :: U.S. Law :: Justia*, https://law.justia.com/cases/delaware/court-of-chancery/1996/13670-3.html (accessed on 29 September 2025). [65]

Lechani, I. (2024), *Corporate Governance in the ESG Era: Can France Help the U.S. Catch Up?*, https://journals.library.columbia.edu/index.php/CBLR/announcement/view/698. [37]

Leong, W. et al. (2025), "The Impact of Greenwashing: Risks and Implications for Corporate Performance and Stakeholder Trust", pp. 77-94, https://doi.org/10.2991/978-2-38476-358-0_8. [26]

Lim, E. (2021), "Directors' Liability and Climate Risk: White Paper on Hong Kong", *Commonwealth Climate and Law Initiative*, https://commonwealthclimatelaw.org/wp-content/uploads/2022/05/CCLI-Directors-liability-and-climate-risk-White-paper-on-HK-FINAL.pdf. [55]

Lim, E. and U. Varottil (2022), "Climate risk: enforcement of corporate and securities law in common law Asia", *Journal of Corporate Law Studies*, https://www.tandfonline.com/doi/full/10.1080/14735970.2022.2093833. [119]

Linklaters (2025), *Hong Kong SAR Government publishes roadmap on sustainability disclosures*, https://sustainablefutures.linklaters.com/post/102k2lx/hong-kong-sar-government-publishes-roadmap-on-sustainability-disclosures. [21]

Luca Enriques, H. (2017), *The Basic Governance Structure: Minority Shareholders and Non-Shareholder Constituencies*, https://doi.org/10.1093/acprof:oso/9780198739630.003.0004. [28]

M.K. Ranjitsinh v. Union of India (2024), *The Supreme Court of India*, https://climatecasechart.com/wp-content/uploads/non-us-case-documents/2024/20240321_67806_judgment.pdf. [41]

M.K. Ranjitsinh v. Union of India (2021), *M.K. Ranjitsinh vs Union Of India on 19 April, 2021*, https://indiankanoon.org/doc/165550376/. [40]

Market Forces (2023), *SGX Whistleblower Complaint*, https://www.marketforces.org.au/wp- [123]

content/uploads/2023/02/20230215_SGX_JERA-CO-US300M-3.665B270414_omission-of-material-information.pdf.

MAS (2018), *CODE OF CORPORATE GOVERNANCE*, https://www.mas.gov.sg/-/media/mas/regulations-and-financial-stability/regulatory-and-supervisory-framework/corporate-governance-of-listed-companies/code-of-corporate-governance-6-aug-2018.pdf. [53]

McGaughey, E. (2025), "Fossil fuel divestment, directors' duties, and derivative claims: McGaughey and Davies v. USS Ltd and its directors", *Grantham Research Institute*, https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2025/04/Fossil-fuel-divestment-directors-duties-and-derivative-claims.pdf. [89]

McKenzie, B. (2023), *Singapore: Advertising standards watchdog finds company in breach of advertising code for greenwashing*, https://insightplus.bakermckenzie.com/bm/intellectual-property/singapore-advertising-standards-watchdog-finds-company-in-breach-of-advertising-code-for-greenwashing. [130]

Ministry of Finance (2024), *Notice on the issuance of the "Corporate Sustainability Disclosure Standards - Basic Standards (for Trial Implementation)"*, https://kjs.mof.gov.cn/zhengcefabu/202412/t20241216_3949745.htm. [35]

Ministry of Finance (2020), *GUIDELINES FOR IMPLEMENTATION OF SOME ARTICLES ON ADMINISTRATION O PUBLIC COMPANIES IN THE GOVERNMENT'S DECREE NO. 155/2020/ND-CP DATED DECEMBER 31, 2020 ELABORATING SOME ARTICLES OF THE LAW ON SECURITIES*, https://thuvienphapluat.vn/van-ban/EN/Doanh-nghiep/Circular-116-2020-TT-BTC-guidelines-for-implementation-of-administration-o-public-companies/466659/tieng-anh.aspx. [47]

OECD (2025), *Global Corporate Sustainability Report 2025*, OECD Publishing, Paris, https://doi.org/10.1787/bc25ce1e-en. [64]

OECD (2025), *OECD Corporate Governance Factbook 2025*, OECD Publishing, Paris, https://doi.org/10.1787/f4f43735-en. [13]

OECD (2023), *G20/OECD Principles of Corporate Governance 2023*, OECD Publishing, Paris, https://doi.org/10.1787/ed750b30-en. [1]

OECD (2023), *Sustainability Policies and practices for Corporate Governance in Asia*, OECD Publishing, Paris, https://www.oecd.org/en/publications/sustainability-policies-and-practices-for-corporate-governance-in-asia_c937a2d9-en/full-report/component-6.html#section-d1e8747-1f3975bce4. [48]

OECD (2022), *Climate Change and Corporate Governance*, OECD Publishing, Paris, https://www.oecd.org/en/publications/climate-change-and-corporate-governance_272d85c3-en/full-report/component-6.html#section-d1e3931. [32]

OECD (Forthcoming), *Institutional Investor Engagement and Stewardship*, OECD Publishing, Paris. [84]

Pears, P., T. Baines and O. Williams (2023), *Greenwashing: Navigating the Risk*, https://corpgov.law.harvard.edu/2023/07/24/greenwashing-navigating-the-risk/. [24]

People's Republic of China (2019), *Securities Law, 2019 Revision, Article 197*, [111] https://fyjjxy.zuel.edu.cn/_upload/article/files/68/72/2f6833774fa1b877d91a1fe06d06/addfdf5a-f0b2-4016-bb72-309fa105ff28.pdf.

People's Republic of China (2019), *Securities Law, 2019 Revision, Article 87*, https://fyjjxy.zuel.edu.cn/_upload/article/files/68/72/2f6833774fa1b877d91a1fe06d06/addfdf5a-f0b2-4016-bb72-309fa105ff28.pdf. [110]

Philips (2021), *Exxon's Board Defeat Signals the Rise of Social-Good Activists*, https://www.nytimes.com/2021/06/09/business/exxon-mobil-engine-no1-activist.html. [139]

Puchniak and Varottil, D. (2025), "Climate-Related Shareholder Activism as Corporate Democracy: A Call to Reform Acting in Concert Rules", *The Journal of Corporation Law*, Vol. 50:3, https://jcl.law.uiowa.edu/sites/jcl.law.uiowa.edu/files/2025-03/PuchniakVarottil_Final%20%281%29.pdf. [85]

Pucker, K. (2021), "Overselling Sustainability Reporting", *Harvard Business Review*, https://hbr.org/2021/05/overselling-sustainability-reporting. [136]

PWC (2024), *Guidelines on Self-Regulation of Listed Companies - Sustainability Report (Trial) of the People's Republic of China*, https://www.pwccn.com/en/services/audit-and-assurance/capabilities/publications/guidelines-self-regulation-listed-companies-apr2024.html. [12]

Ramsay, I. (2021), "An Analysis of the use of Stepping Stones Liability against Company Directors and Officers", *Australian Bar Review*, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3811196. [72]

Roe, J. (2008), *Public and Private Enforcement of Securities Laws: Resource-Based Evidence*, https://pcg.law.harvard.edu/wp-content/uploads/papers/2008fall-Speakers_4-15_Jackson.pdf. [102]

S. Bazin, M. (2025), "How AI can transform sustainability reporting", *World Economic Forum*, https://www.weforum.org/stories/2025/09/harnessing-ai-for-sustainability-reporting-path-forward/. [137]

Saraceno, L. (2012), "Securities Class Action", *Encyclopedia of Law and Economics*, https://link.springer.com/rwe/10.1007/978-1-4614-7883-6_729-2. [90]

Sarra, J. (2012), "Kigyo No Shakai-Teki Sekinin: Challenges for Corporate Social", *Allard Research Commons*, https://commons.allard.ubc.ca/cgi/viewcontent.cgi?article=1320&context=fac_pubs. [50]

Schwartz, A. (2024), "McRitchie v. Zuckerberg: Fiduciary Duties are Firm-Specific", *Columbia Law School's Blog on Corporations and the Capital Markets*, https://clsbluesky.law.columbia.edu/2024/05/31/mcritchie-v-zuckerberg-fiduciary-duties-are-firm-specific/. [29]

SEBI (2023), *BRSR Core - Framework for assurance and ESG disclosures for value chain*, https://www.sebi.gov.in/legal/circulars/jul-2023/brsr-core-framework-for-assurance-and-esg-disclosures-for-value-chain_73854.html. [22]

SEBI (2023), *Industry Standards Forum to facilitate ease of implementation of regulations: Industry Associations take next steps*, https://www.sebi.gov.in/media/press-releases/aug-2023/industry-standards-forum-to-facilitate-ease-of-implementation-of-regulations-industry- [115]

associations-take-next-steps_75014.html.

SEBI (2015), *Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations*, https://www.sebi.gov.in/legal/regulations/jul-2024/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-2015-last-amended-on-july-10-2024-_84817.html. [43]

SEC (2024), *IA-6753*, https://www.sec.gov/files/litigation/admin/2024/ia-6753.pdf. [125]

SEC (2022), *SEC Charges Goldman Sachs Asset Management for Failing to Follow its Policies and Procedures Involving ESG Investments*, https://www.sec.gov/newsroom/press-releases/2022-209. [124]

Segrestin, B. (2020), “When the Law Distinguishes Between the Enterprise and the Corporation: The Case of the New French Law on Corporate Purpose”, *Journal of Business Ethics*, https://link.springer.com/article/10.1007/s10551-020-04439-y. [31]

SGX (2024), *SGX RegCo to start incorporating IFRS Sustainability Disclosure Standards into climate reporting rules*, https://www.sgxgroup.com/media-centre/20240923-sgx-regco-start-incorporating-ifrs-sustainability-disclosure. [14]

SGX (2022), *SGX RegCo announces start of sustainability training for company*, https://links.sgx.com/FileOpen/20220317_SGX_RegCo_announces_dir_train.ashx?App=Announcement&FileID=707383. [116]

Slaughter & May (2025), *Mainland China*, https://www.slaughterandmay.com/services/practices/environmental-social-and-governance/esg-in-apac-2025/mainland-china/. [5]

Slaughter and May (2024), *ESG in APAC - Vietnam by YKVN*, https://insights.slaughterandmay.com/esg-in-apac-2024-vietnam/index.html. [11]

Slaughter and May (2024), *ESG in APAC, Jurisdictional overview on ESG reporting, transition planning and greenwashing*, https://www.slaughterandmay.com/services/practices/environmental-social-and-governance/esg-in-apac-2025/. [101]

SSBJ (2025), *SSBJ issues Inaugural Sustainability Disclosure Standards to be applied in Japan*, https://www.ssb-j.jp/en/ssbj_standards/2025-0305.html. [7]

SSBJ (2024), *SSBJ issues Exposure Drafts of Sustainability Disclosure Standards to be applied in Japan*, https://www.ssb-j.jp/en/exposure_drafts/y2024/2024-0329.html. [6]

SSC (2025), *The Viet Nam Listed Companies Awards – VLCA 2025 Sustainable Development Report: A Decade of Shaping Pioneering Enterprises and Elevating Viet Nam’s ESG Standards*, https://ssc.gov.vn/webcenter/portal/ssc/pages_r/l/chitit?dDocName=APPSSCGOVVN1620157654. [117]

SSC (2016), *Environmental and Social (E&S) Disclosure Guide*, https://sseinitiative.org/sites/sseinitiative/files/documents/20161212_es-disclosure-guideline-english.pdf. [16]

SSE (n.d.), *Ho Chi Minh Stock Exchange*, https://sseinitiative.org/stock-exchange/hsx. [15]

Standing Committee of the National People's Congress (2023), *Company Law of the People's Republic of China (Revised in 2023)*, https://www.hkexnews.hk/listedco/listconews/sehk/2024/1107/11432942/2024110700049_c.pdf. [33]

Stock (2021), "Legal Opinion on Directors' Duties and Disclosure Obligation under Hong Kong Law in the Context of Climate Change Risks and Considerations", *CCLI*, https://commonwealthclimatelaw.org/wp-content/uploads/2022/05/CCLI-Legal-Opinion-Hong-Kong-Directors-obligations-and-climate-change.pdf. [59]

Tan, K. (2019), "Directors' duties in Singapore: Law and perceptions", *Research Collection Yong Pung How School Of Law*, https://ink.library.smu.edu.sg/sol_research/2922/. [54]

TEPCO (2022), *TEPCO Shareholder Derivative Lawsuit*, http://tepcodaihyososho.blog.fc2.com/blog-entry-403.html. [69]

The Japan Times (2025), "High court overturns ruling against ex-Tepco executives", *The Japan Times*, https://www.japantimes.co.jp/news/2025/06/06/japan/crime-legal/tepco-high-court-overturn/. [70]

The Law of the Republic of Indonesia (2007), *NUMBER 40 OF 2007 CONCERNING LIMITED LIABILITY COMPANY*, https://cdn.indonesia-investments.com/documents/Company-Law-Indonesia-Law-No.-40-of-2007-on-Limited-Liability-Companies-Indonesia-Investments.pdf. [45]

The Parliament of the Commonwealth of Australia (2024), *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024*, https://parlinfo.aph.gov.au/parlInfo/download/legislation/bills/r7176_first-reps/toc_pdf/24042b01.pdf;fileType=application%2Fpdf?afd_azwaf_tok=eyJraWQiOiJCMERCQzkzNTgwRTlCM0FCNzJBRUMyRDQ4RjU0MDYwRkI5Rjc2ODIzMEE5OUJDOEEyQUE0MUEwMkE0RjIzNTUzIiwiYWxnIjoiUlMy. [106]

United States District Court, D. (2024), *Kip Lyall v. Elsevier Inc, RELX PLC and CELL PRESS INC*, https://admin.climatecasechart.com/wp-content/uploads/case-documents/2024/20240806_docket-124-cv-12022_complaint.pdf. [92]

Varottil, U. (2022), "Responsible Capitalism and Corporate Purpose: The India Way", *ECGI*, https://www.ecgi.global/publications/blog/responsible-capitalism-and-corporate-purpose-the-india-way. [42]

Varottil, U. (2016), "The Stakeholder Approach Towards Directors' Duties under Indian Company Law: A Comparative Analysis", *NUS Centre for Law & Business*, https://law.nus.edu.sg/wp-content/uploads/2020/04/006_2016_Umakanth.pdf. [30]

Varrotill (2019), "DAT Rules on Materiality of Disclosures", *IndiCorpLaw*, https://indiacorplaw.in/2019/11/19/sat-rules-materiality-disclosures/. [121]

Viet Nam News (2017), *Sustainability Reporting Standard launched*, https://vietnamnews.vn/economy/378270/sustainability-reporting-standard-launched.html. [17]

Wrobel, M. and A. Fishman (2025), *ESG Mid-Year Update: Who Still Cares, and Why You Should*, https://corpgov.law.harvard.edu/2025/07/29/esg-mid-year-update-who-still-cares-and-why-you-should/. [25]

Yamada, Y. (2025), "Directors' Duties Regarding Climate Change in Japan: 2025", [49] *Commonwealth Climate and Law Initiative*, https://commonwealthclimatelaw.org/wp-content/uploads/2025/04/CCLI_DirectorsDutiesRegardingClimateChangeinJapan2025.pdf.

Yang, S. (2024), "The Relation between Informal Securities Enforcement by the Stock Exchanges and Formal Securities Enforcement: Evidence from China", *SSRN*, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4853828. [112]

Yang, T. (2025), *China Issues Guidelines on Corporate Sustainability Reporting*, https://www.cliffordchance.com/briefings/2024/07/china-issues-guidelines-on-corporate-sustainability-reporting.html. [36]

Zhou, A. (2025), "A Step Too Far? Rethinking the Stepping Stone Approach to Officers' Liability", *Federal Law Review*, https://www.cambridge.org/core/journals/federal-law-review/article/abs/step-too-far-rethinking-the-stepping-stone-approach-to-officers-liability/440B219195F08CD6D6C22AAD36219AB0. [76]

# Board Responsibility and Sustainability-Related Disclosure in Asia

Company boards play an important role in overseeing sustainability-related disclosure. This report examines how boards in eight Asian economies (China, Hong Kong (China), India, Indonesia, Japan, Korea, Singapore and Viet Nam) oversee sustainability-related disclosures and the legal and regulatory frameworks that shape sustainability reporting. It highlights growing alignment with global standards, as well as diversity in the enforcement of directors' duties, and identifies policy priorities to strengthen sustainability-related governance and transparency.

PRINT ISBN 978-92-64-63179-3
PDF ISBN 978-92-64-52634-1

9 789264 631793