

Towards a Sustainable Future: Lessons and Strategies for Taiwan's ISSB Implementation

15th TAICGOF, Taipei

16 October 2025



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The better the question. The better the answer. The better the world works.



Agenda



1

**ISSB adoption
globally and in
Asia-Pacific**



2

**Key observations
from earlier
sustainability
reports**



3

**Trust and
confidence in
sustainability
reporting**



4

Call to action

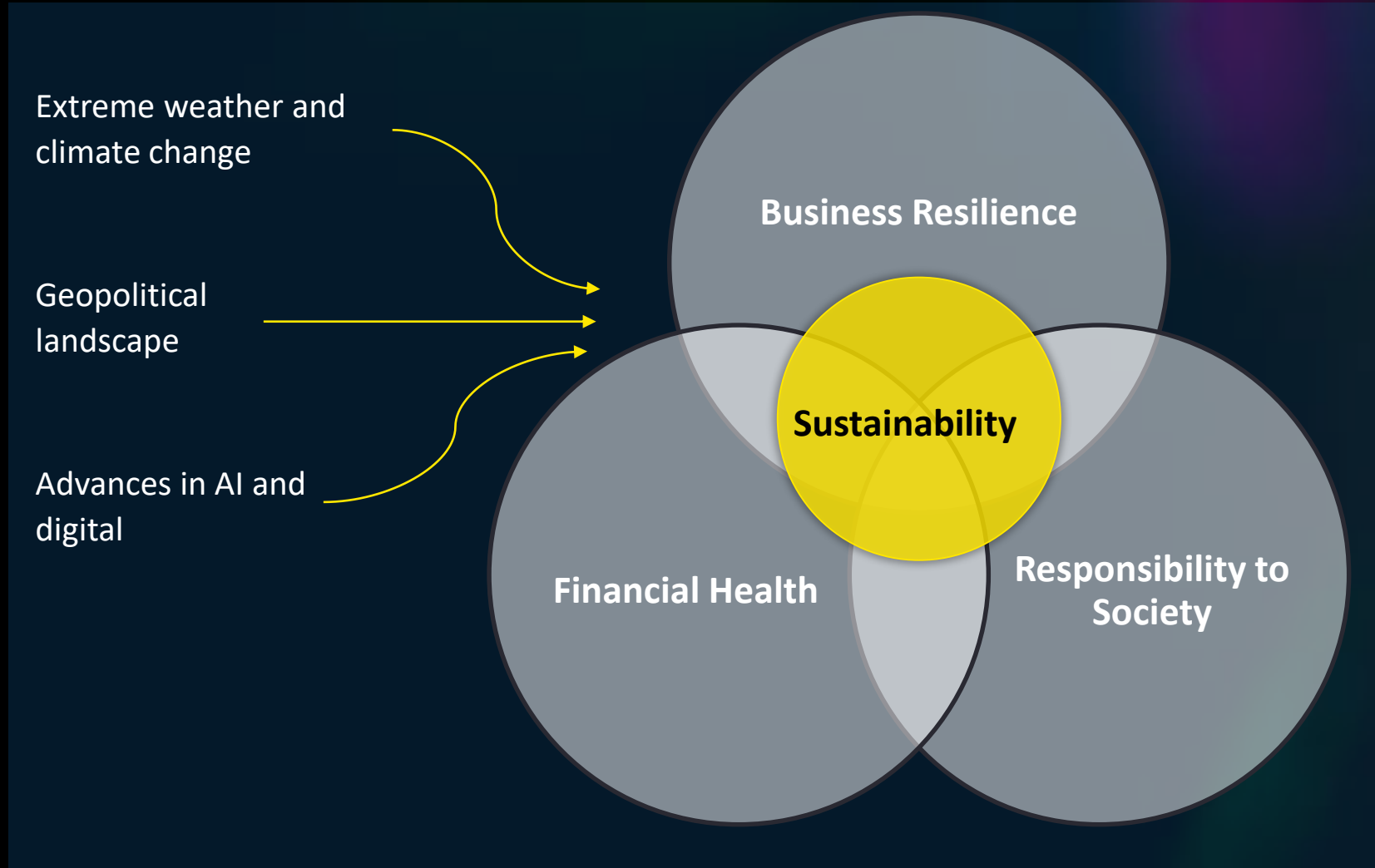
1

ISSB adoption globally and in Asia-Pacific

Headwinds in achieving global sustainability reporting



Pursuing sustainability is a business imperative



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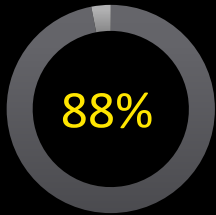
A business that makes nothing but money is a poor business.

”

Henry Ford

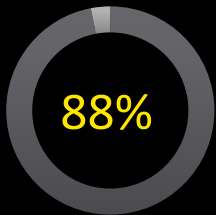
Businesses are moving ahead with sustainability reporting, whether or not required to do so

Morgan Stanley's Sustainable Signals 2025

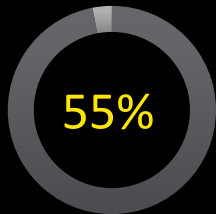


of companies see sustainability as "primarily" (53%) or "partly" (35%) a value creation opportunity.

EY's Institutional Investor Survey (2024)

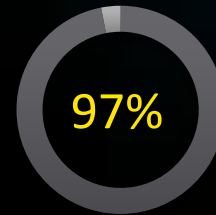


of investors surveyed have increased their use of sustainability information

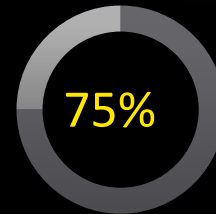


state that the impact of climate change will acutely or substantially affect their investment strategies

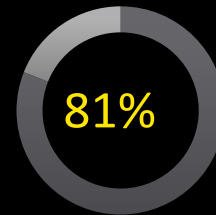
Workiva's survey in Feb 2025 showed that 85% of executives say they will disclose greenhouse gas emissions even if not required to do so. Other findings in the survey include:



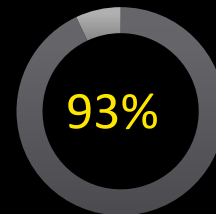
of executives say a strong sustainability reporting program will give businesses a competitive advantage in the next two years.



of executives at companies that do not need to comply with the EU's CSRD say they intend to at least partially align their reporting with the directive.



of executives plan to at least partially disclose Scope 1 and 2 emissions with some level of assurance.



of investors are more likely to invest in companies with integrated and assured reporting.

Adoption of ISSB in Taiwan and in APAC is progressing well

	Taiwan	Indonesia	Malaysia	Philippines	Singapore	Thailand	India	Mainland China	Hong Kong	Japan	South Korea	Australia	New Zealand
Scope	Sustainability & climate	Climate-first	Climate-first	Sustainability & climate	Climate-first	Climate-first	Sustainability & climate	Sustainability & climate	Climate-first	Sustainability & climate	Climate-first	Climate-first	Climate-first
Entities	Listed	Listed (TBC)	Listed & non-listed	Listed & non-listed	Listed & non-listed	Listed	Listed (Top 1000)	Listed & non-listed	Listed & non-listed	Listed (TBC)	Listed (TBC)	Listed & non-listed	Listed & non-listed
First reporting year	FY26	FY27	FY25	FY26 (TBC)	FY25	FY26 (TBC)	FY27	FY25	FY25	FY27 (TBC)	FY26 (at earliest)	FY25	FY23
Relief	Yes	Yes	Yes	Yes	Yes	Yes	Yes	TBC	Yes	Yes	TBC	Yes	Yes
Mandatory Assurance	TBC	TBC	Yes	Yes	Yes	Yes	Yes	TBC	No (encouraged)	TBC	TBC	Yes	Yes
Alignment with ISSB	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes (plus double materiality)	Yes	Yes	Yes	Yes	No (alignment Under consultation)

2

Key observations from earlier sustainability reports

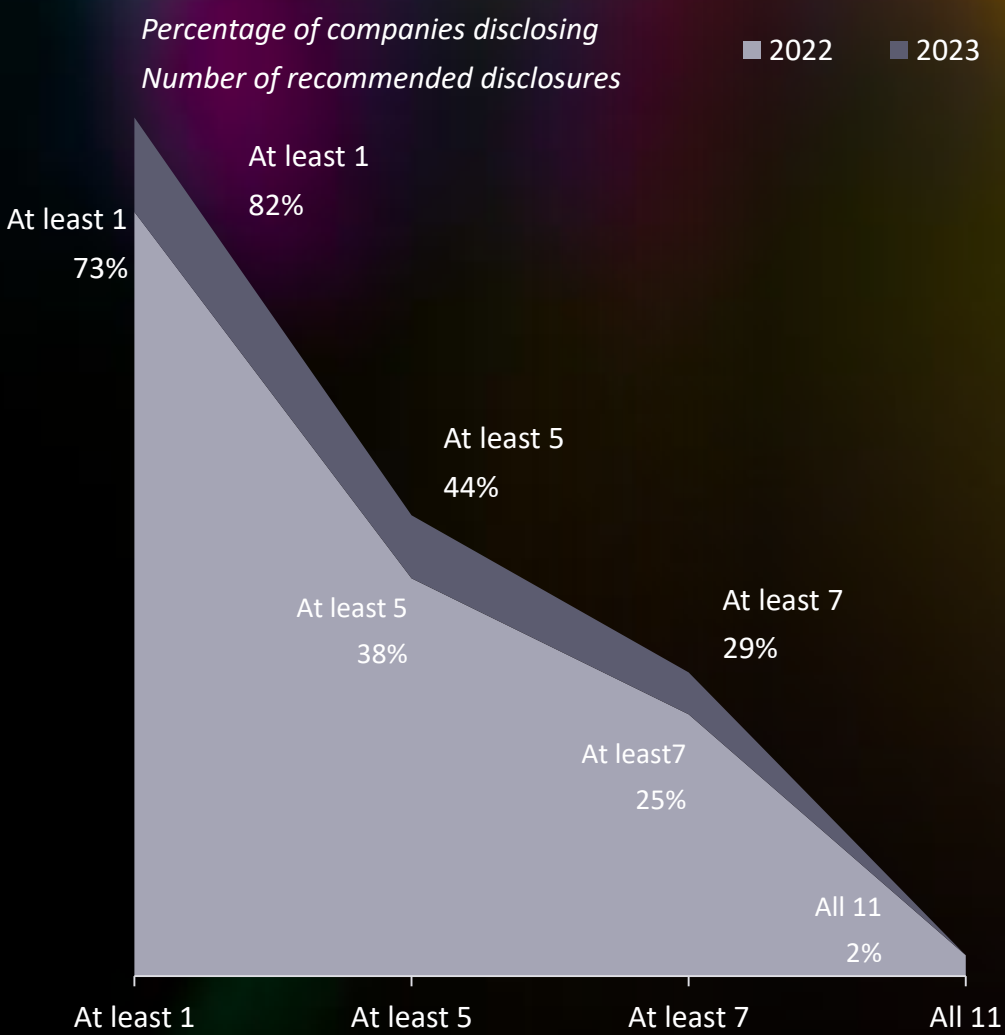
Progress made in climate-reporting since the introduction of TCFD



Progress on Corporate Climate-related Disclosures—2024 Report (published Nov 2024)

Takeaways in numbers

82%	of companies disclosed information in line with at least one of the 11 TCFD recommended disclosures
2-3%	of companies reported in line with all 11 TCFD recommended disclosures
1,000+	companies referenced the ISSB in their reports
30	jurisdictions are on the journey to introducing ISSB Standards in their legal or regulatory frameworks



Observations from first year reporting under EU CSRD



In this report, EY studied 200 reports prepared under the European Sustainability Reporting Standards (ESRS).

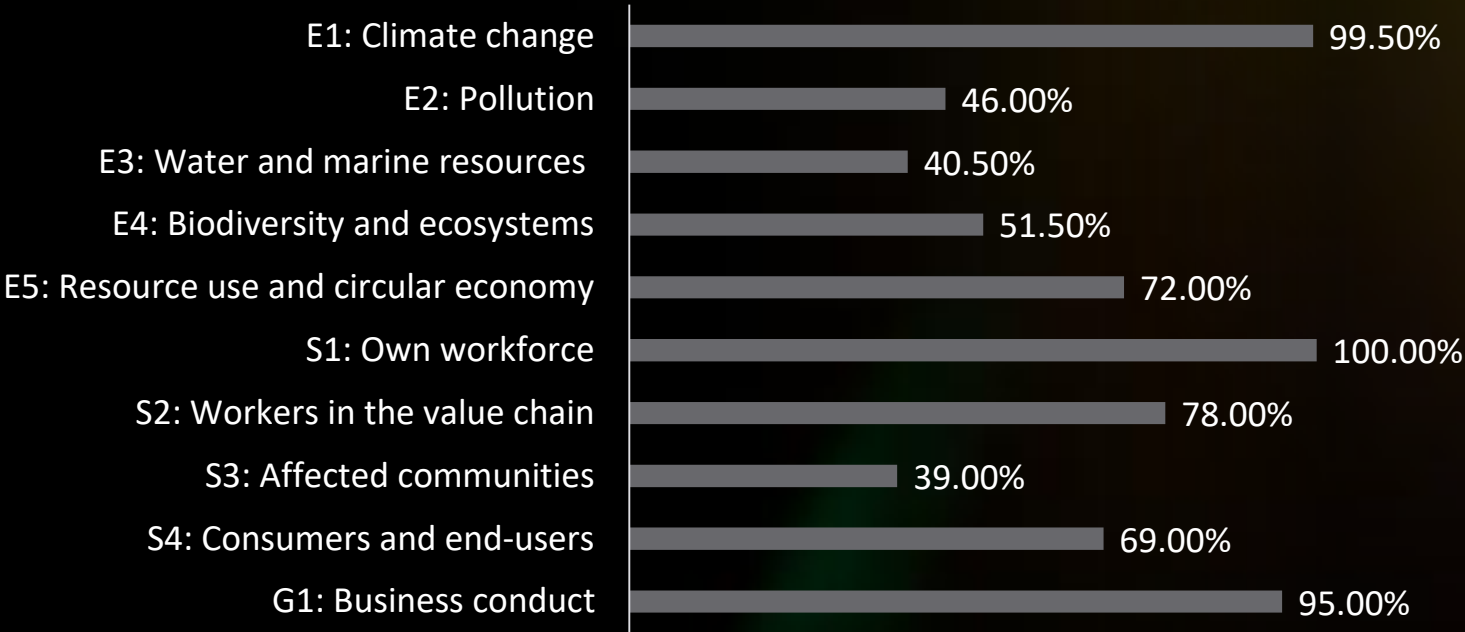


The length of the sustainability statement ranged from 84 – 147 pages, averaging at 123 pages.



All topical standards from ESRS E1 to E5, S1 to S4, and G1 were addressed. 100% of the reports covered the topic on “Own workforce” while the topic on “Affected communities” had the lowest coverage at 39%.

Material topical standards across the sample:



Insights from New Zealand’s first year of climate-related disclosures

Best practices observed

★★★★

Understandability

Enhancing understandability through use of use of tables, titles or sections.

Governance

Organisational structures describing roles and responsibilities of governance- and management level positions and committees.

Processes

Describing processes for identifying, assessing and managing climate-related risks

Less is more

Using appendices to house additional or detailed information not required by standards.

Transparency

Transparent disclosures related to GHG targets and other related information.

Areas for improvement

★★★★

Immaterial or irrelevant risks

Disclosing many immaterial risks thereby obscuring/omitting material risks or disclosing irrelevant risks.

Lack of timelines

No time horizons (i.e., short, medium or long term) indicated for risks and opportunities identified.

Assessment criteria

Criteria for risk and opportunity assessment (e.g., ranking or color codes) provided without further details for primary users.

Incomplete risks

Disclosing a current impact (e.g., a cyclone) but there was no corresponding risk identified.

No scenario analysis

Identification of physical risks using only climate models’ averages, instead of multiple potential outcomes.

Best practices in sustainability reporting



Chunghwa Telecom IFRS Sustainability Disclosure Standards Implementation Project



Best practices observed

Governance

The IFRS project was supervised by the General Manager and executed by two Executive Vice General Managers.

Always Ahead

Expects to fully comply with disclosure requirement ahead of the FSC regulation.

Integrated with ERM

The identified sustainability-related risks with financial materiality will be integrated into ERM processes.

Resource

The IFRS project has cross-departmental members and covers 5 more listed and non-listed significant subsidiaries.

Transparency

Financial materiality applies to sustainability-related risks and opportunities identified by GRI, SASB, TCFD and TNFD.

Implementation key areas

Streamlined reporting

Integrated different perspective (e.g., GRI, SASB, TCFD, TNFD, IR, ESG Rating) into IFRS S1/S2 (financial reporting) process.

Roles and responsibilities

Confirm responsibilities before starting work
→ The right people are more important than fast action.

Collaboration

High degree of consensus on the importance of communication
→ Organizational Culture matters.

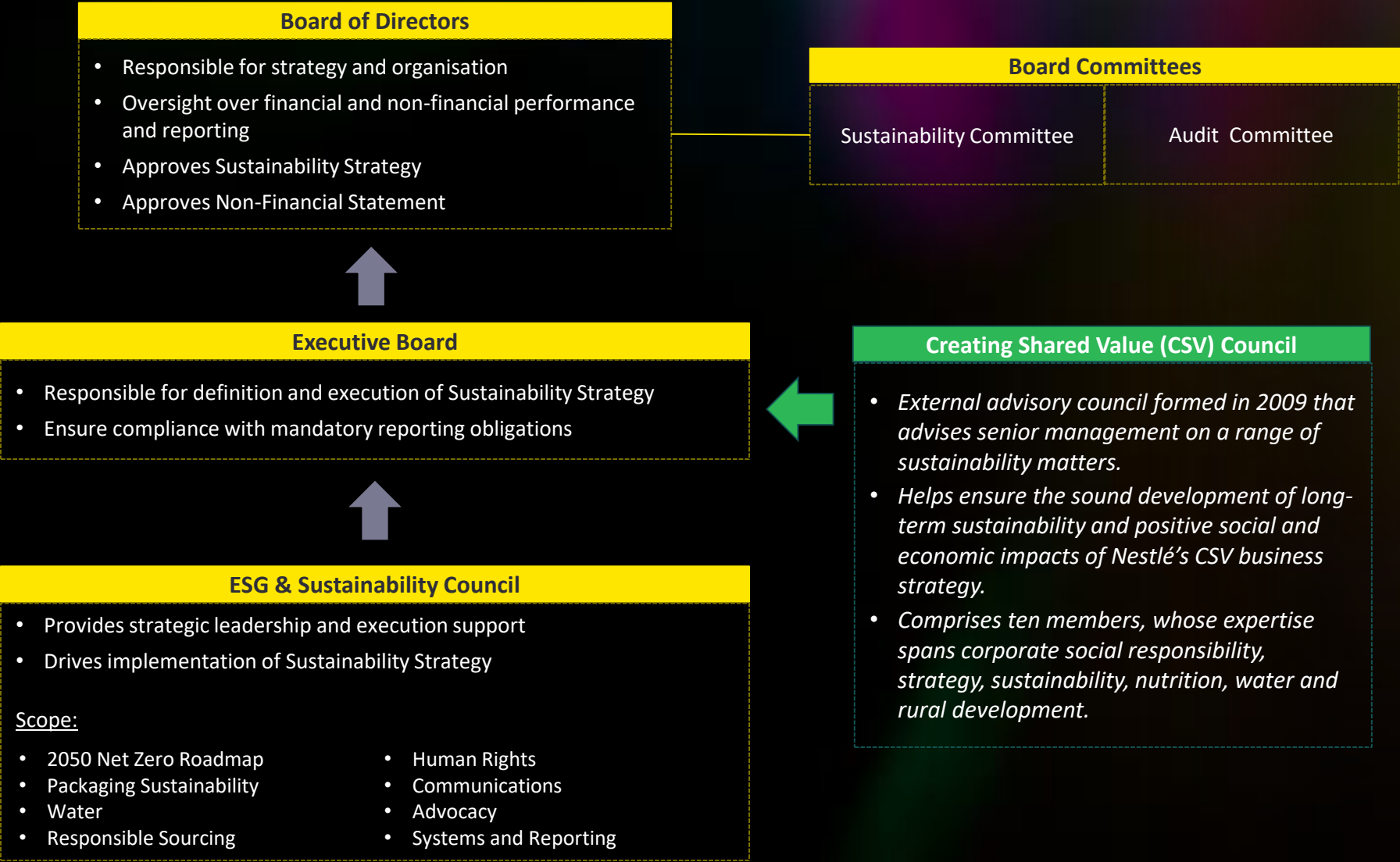
Problem-solving

Greatly improved decision-making efficiency and internal control oversight.

Mindset

Reporting above minimum baselines (least applying exemptions) rather than mere compliance.

Nestlé's governance over sustainability



Pragmatic and transparent approach by CSRD wave 1 reporters

Use of estimates



In the case of Global Warming Potential (GWP) not available in the IPCC report, the information provided directly from the F-gas supplier was considered. The consumption of Operations sites that did not report data (representing approximately 13% within the Scope) has been **estimated based on headcount**. Regarding Retail, 57% of data have been collected through actual records, while the **residual part has been estimated based on the presence of cooling system and m² of stores**.



Designated officers at sites directly enter the data measured for the period January through October and **estimated values for November and December** into a central reporting platform. The estimate is based either on the prior-year data, where necessary restated to reflect special events in the current reporting period, or on updated data from the current reporting period.

In our calculation of Scope 1 and 2 greenhouse gas emissions, we take into account the entire Group in accordance with the financial scope of consolidation, provided a site is environmentally relevant. We regard all sites whose **annual energy consumption exceeds 1.5TJ and/or whose annual water consumption is greater than or equal to Tm3 as environmentally relevant**. The environmental data of the other sites that lie below the thresholds has no relevant impact on the overall environmental data result.

Pragmatic and transparent approach by CSRD wave 1 reporters



Energy consumption and waste data may not in all cases be available in real time or immediately after quarter close. For this reason, energy and waste consumption and Scope 1 and 2, and Scope 3 (category 6) data are **projected for the fourth quarter, extrapolated from the previously known data in the third quarter in the reporting year**. For consistency, Scope 3 (categories 4 and 5) are extrapolated in a similar manner. Similarly, XXX estimates the yearly order quantities required for Scope 3 category 1 and 11 calculations for the fourth quarter based on previously known data.



GHG emissions from upstream transportation and distribution activities are modelled using the EcoTransIT World (ETW) online tool. In cases, where XXX does not have access to information of the actual fuel consumption and/or route information of third-party transportation activities, we use the **ETW and its worldwide transportation route network and vehicle model data set to estimate the emissions** from such activities. XXX uses actual activity data from its transport management systems for the GHG modelling in ETW.



Data reported for 2024 is from the period October 1, 2023 to September 30, 2024. **The previous year is always adjusted to January to December.** To maintain a 12-month reporting period, actual data from 2024 is used, with October-December 2023 data applied as a representative estimate for the corresponding period in 2024, as it reflects the best available data at the time of reporting.

3

Trust and confidence in sustainability reporting

Three lines of defence against greenwashing risks

1

Corporate Governance

Board oversight

Management systems of controls

Internal audit

2

External Assurance

Conduct assurance in accordance with applicable standards

Communicate audit conclusions to users of sustainability reports

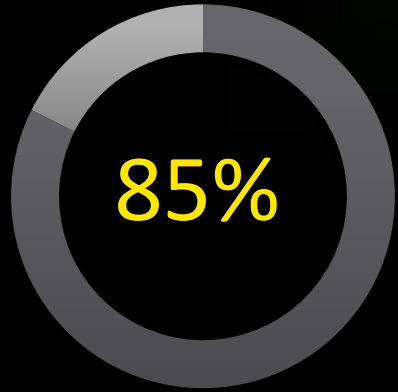
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Regulatory Oversight

Enforcement of non-compliance with reporting standards

Enforcement of non-compliance with assurance standards

Why is sustainability assurance important?



of investors say that greenwashing is a worsening problem
(EY Institutional Investor Survey 2024)

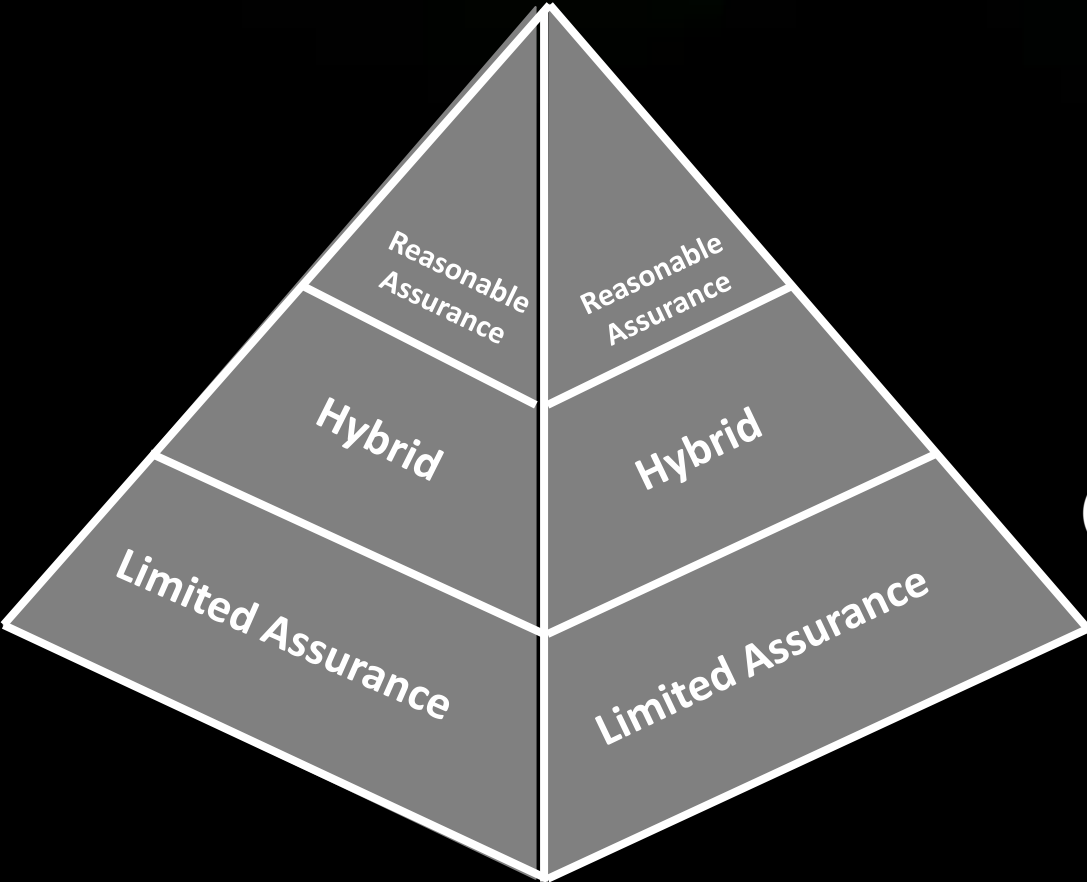
**Builds trust and
confidence with
stakeholders**

**Help meet
regulatory
compliance**

**Creation of audit
trail strengthens
discipline in
reporting process**

**Establish ownership
and accountability**

Observations from assurance engagements on 200 CSRD reports

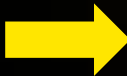


1
(0.5%)



Reasonable Assurance
on entire report

22
(11%)



(Hybrid) Limited + Reasonable
Assurance on selected metrics

177
(89.5%)



Limited Assurance
on entire report

Example of Allianz – reasonable assurance on entire sustainability report



We have conducted a **reasonable assurance** engagement on the Group Sustainability Statement of Allianz SE, Munich, included in section "Sustainability Statement"

In our opinion the accompanying Group Sustainability Statement is prepared **in all material respects** in accordance with the requirements of the CSRD.....

This assurance opinion includes that:

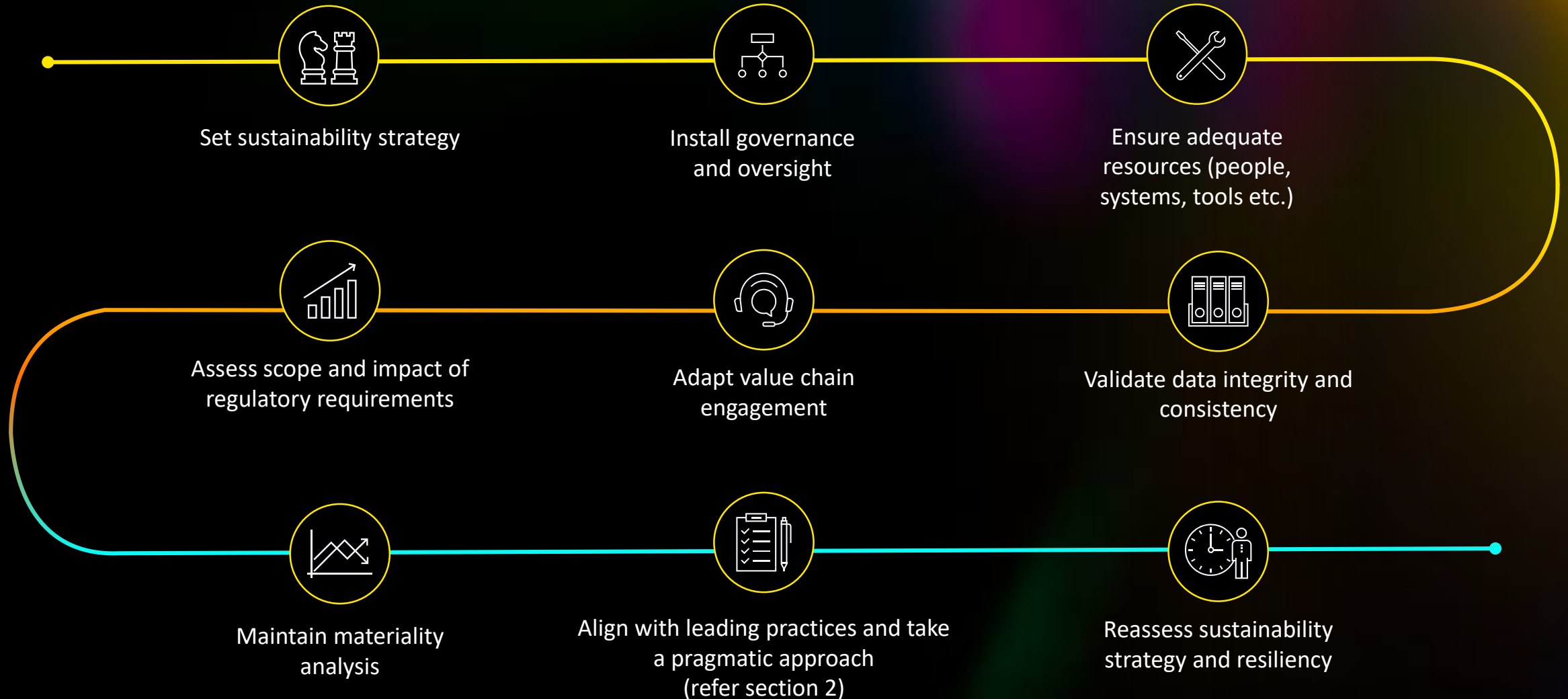
- the accompanying Group Sustainability Statement complies, in all material respects, with the European Sustainability Reporting Standards....



4

Call to action

An iterative approach is needed for companies to achieve their sustainability goals



Leverage on available resources

EY Illustrative Sustainability Reports



Climate disclosures

ESRS requirements

Illustrative Report by Singapore Professional Body



GRI and IFRS Standards

Sustainability Reporting Body of Knowledge by the Accounting and Corporate Regulatory Authority, Singapore

Illustrative Reports by the Securities Commission, Malaysia



Plantation Sector

Construction Sector

“

**We do not inherit the Earth from our ancestors;
we borrow it from our children.**

我們並不是從祖先那裡繼承地球，
而是從我們的子孫那裡借來地球。

“

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