



DISCUSSION PAPER

READINESS FOR SUSTAINABILITY, CLIMATE AND NATURE-RELATED DISCLOSURE

**CROSS-JURISDICTIONAL INSIGHTS
FOR IMPLEMENTATION**

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About the report

This report draws on insights generated through UNDP's work on sustainability, climate and nature-related disclosure. It presents a structured comparative analysis of findings from readiness assessments undertaken in Mongolia, Peru, Kazakhstan and Rwanda, identifying common patterns, gaps and implementation considerations relevant to jurisdictional approaches to sustainability-related disclosure, including climate and nature-related disclosure frameworks.

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Contents

Acronyms and abbreviations	4
Executive summary.....	6
Chapter 1: Introduction.....	8
1.1 Background.....	8
1.2 Overview of the report	10
Chapter 2: Sustainability and climate-related disclosures.....	12
2.1 Ecosystem readiness	12
2.1.1 Policy and regulatory architecture	12
2.1.2 Prevailing legislation and supervisory capacity	14
2.1.3 Data and digital infrastructure.....	15
2.1.4 Support and external professional services.....	16
2.2 Preparer readiness	16
2.2.1 Corporate reporting practices and expertise	16
2.2.2 Internal data systems and processes	19
Chapter 3: Nature-related disclosures	21
3.1 Ecosystem readiness.....	21
3.1.1 Policy environment.....	21
3.1.2 Governance mechanisms and prevailing legislation	22
3.1.3 Nature-related data systems	24
3.2 Preparer readiness	25
Chapter 4: Cross-jurisdictional considerations for implementation	28
4.1 Build on existing institutional and market foundations	28
4.2 Enhance implementation capacity across the reporting ecosystem	28
4.3 Promote efficiency through the global ISSB baseline and interoperability	29
4.4 Strengthen enabling data ecosystems.....	30
4.5 Foster collaborative implementation	30
Chapter 5: Concluding reflections.....	32
Annex	33

Acronyms and abbreviations

Acronym	Full term
AFSA	Astana Financial Services Authority
AIX	Astana International Exchange
ARDFM	Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market
AUM	assets under management
BEES	biodiversity, ecosystems and ecosystem services
BIOFIN	Biodiversity Finance Initiative
BNR	National Bank of Rwanda
CBD COP	UN Biodiversity Conference (Conference of the Parties to the Convention on Biological Diversity)
CDP	CDP (formerly Carbon Disclosure Project)
CDSB	Climate Disclosure Standards Board
CMA	Capital Markets Authority (Rwanda)
EFRAG	European Financial Reporting Advisory Group
ENSA	Encuesta Nacional de Sostenibilidad Ambiental para Instituciones Financieras (Peru)
ERM	enterprise risk management
ESG	environmental, social and governance
ESRS	European Sustainability Reporting Standards
FRC	Financial Regulatory Commission of Mongolia
G7	Group of Seven
G20	Group of Twenty
GBF	Kunming-Montreal Global Biodiversity Framework
GDP	gross domestic product
GHG	greenhouse gas
GRI	Global Reporting Initiative
IAASB	International Auditing and Assurance Standards Board
ICPAR	Institute of Certified Public Accountants of Rwanda
IOSCO	International Organization of Securities Commissions
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
ISSA 5000	International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements
ISSB	International Sustainability Standards Board
JAWG	Jurisdictional Adopters Working Group
KASE	Kazakhstan Stock Exchange
LEAP	Locate, Evaluate, Assess and Prepare
MAS	Monetary Authority of Singapore
MEF	Ministry of Economy and Finance (Peru)
MINAM	Ministerio del Ambiente (Peru)

NBSAP	national biodiversity strategy and action plan
NCA	natural capital accounting
NDC	nationally determined contribution
NGFS	Network for Greening the Financial System
NGO	non-governmental organization
RA	readiness assessment
REMA	Rwanda Environment Management Authority
RGF	Rwanda Green Fund
RSE	Rwanda Stock Exchange
SASB	Sustainability Accounting Standards Board
SBS	Superintendency of Banking, Insurance and Pension Funds Administrators (Peru)
SDG	Sustainable Development Goal
SDMH	Sustainability Disclosure and Management Hubs
SEEA	System of Environmental-Economic Accounting
SMV	Superintendency of the Securities Market (Peru)
SOE	state-owned enterprise
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNEP FI	United Nations Environment Programme Finance Initiative
WWF	World Wildlife Fund
XBRL	eXtensible Business Reporting Language

Executive summary

This report presents key findings from readiness assessments (RAs) supported by UNDP and conducted across different jurisdictions to assess readiness for the adoption and implementation of sustainability-, climate- and nature-related disclosure frameworks. It aims to inform policy discussions and support decision-making on implementation approaches, sequencing and preparedness across jurisdictions.

As jurisdictions increasingly move from considering sustainability-related disclosure reforms to planning their implementation, understanding institutional and market readiness has become an important component of effective implementation. The readiness assessments analysed in this report provide insights into how jurisdictions are approaching this transition in different national contexts. Rather than prescribing a single implementation pathway, the report identifies recurring implementation patterns and enabling factors emerging across jurisdictions.

The analysis draws on recent readiness assessments¹ and implementation approaches across selected countries in Latin America, Asia and Africa, particularly Kazakhstan, Mongolia, Peru and Rwanda. These assessments applied a range of methodologies, including policy and regulatory research, market surveys, benchmarking with peers, stakeholder consultations and pilot studies.

Using the dimensions of the ISSB Jurisdictional Readiness Assessment Guide and Tool as an overarching analytical framework, the report examines cross-cutting findings primarily across ecosystem and preparer readiness, while also drawing out findings relevant to support system readiness.

The analysis covers sustainability and climate-related readiness through the SDMH initiative, nature-related readiness under BIOFIN and the implications of these findings for implementation, sequencing and interoperability across sustainability-related disclosure frameworks.

Key observations from selected jurisdictional readiness assessments

- **The regulatory and institutional landscape for sustainability-related disclosures continues to evolve across the jurisdictions studied.** While national disclosure frameworks remain heterogeneous, with uneven coverage across sectors and varying degrees of alignment with international standards, implementation is generally building on existing institutional and reporting foundations. Ministries of finance, financial regulators, central banks, stock exchanges and other public authorities are playing complementary roles, while existing corporate governance requirements, sustainable finance initiatives and reporting practices provide a foundation for implementation. The assessments also point to the importance of effective institutional coordination as jurisdictions strengthen alignment with internationally recognized standards.
- **Climate-related disclosure remains more mature than nature-related disclosure** across the jurisdictions assessed, particularly in relation to formal requirements, corporate practices, data and methodologies. However, existing sustainability-related reporting practices, particularly the more advanced experience with climate-related reporting, provide an important foundation for strengthening nature-related disclosure. Existing governance arrangements, reporting processes, data systems and implementation experience can support jurisdictions and reporting entities in progressively considering nature-related risks and opportunities within broader sustainability-related financial disclosure systems.
- **Awareness of sustainability-related disclosure developments is increasing across jurisdictions, although technical understanding and implementation capacity remain uneven.** Capacity gaps persist among both reporting entities and supervisory authorities, while spe-

¹ Except for the nature-related readiness assessment for Peru, conducted in November 2022 and updated in February 2024, and the nature-related assessment for Kazakhstan, conducted in 2024, all other readiness assessments were completed in 2025.

cialized reporting, assurance and advisory services remain at different stages of development. These findings reinforce the importance of strengthening implementation capability across the broader reporting ecosystem, including regulators, preparers, professional service providers and other support system actors, alongside regulatory progress.

- **Preparer readiness remains uneven across jurisdictions and sectors. Reporting practices are becoming more widespread and familiarity with international sustainability reporting frameworks is increasing, particularly among listed and larger companies and in more regulated or internationally exposed sectors.** Governance and oversight arrangements generally show greater maturity than strategy, risk management and metrics and targets, while the integration of climate-related risks into enterprise risk management and the identification and management of nature-related risks remain less developed. These differences suggest that implementation planning can reflect existing levels of readiness while progressively strengthening capabilities over time.
- **Data availability, internal systems, methodologies and digital infrastructure remain recurring implementation constraints across jurisdictions.** Preparers face challenges in accessing consistent external datasets and supply-chain information, while internal data collection, controls and measurement systems remain uneven. Digital reporting is also at an early stage, with limited use of specialized platforms, digital taxonomies and machine-readable reporting. Strengthening data ecosystems, common methodologies and digital capabilities therefore emerges as an important enabling condition for implementation alongside the disclosure requirements themselves.

Taken together, the readiness assessments suggest that effective implementation depends not only on the adoption of sustainability-related disclosure requirements, but also on the broader institutional, supervisory and market ecosystem that supports implementation. While implementation pathways differ according to national priorities, institutional arrangements and market readiness, five recurring considerations emerge across jurisdictions: building on existing institutional and market foundations; enhancing implementation capacity across the reporting ecosystem; promoting efficient implementation of the ISSB global baseline and interoperability with other applicable disclosure requirements and frameworks; strengthening enabling data ecosystems; and fostering collaborative implementation.

These considerations are not intended to prescribe a single implementation model. Jurisdictions differ in their policy rationales, institutional arrangements, market structures and levels of readiness, and implementation approaches will therefore need to be adapted to national circumstances. Readiness assessments can provide a structured basis for identifying these circumstances and translating them into proportionate and context-specific implementation pathways, including through the tools available under the IFRS Foundation's jurisdictional adoption toolkit.

Chapter 1: Introduction

1.1 Background

In recent years, the rapid expansion of sustainability frameworks has been accompanied by **increasing investor demand for credible, comparable and decision-useful information** on sustainability and climate-related risks and opportunities.

In response to strong market demand for a comprehensive global baseline of high-quality sustainability disclosure standards, the **IFRS Foundation officially launched the International Sustainability Standards Board (ISSB)² in November 2021**. The ISSB's work has received strong support from governments, leading international organizations and regulatory bodies, including the G7, G20 and the International Organization of Securities Commissions³ (IOSCO), highlighting its timeliness and global relevance. IOSCO has endorsed the ISSB Standards and called on its members to consider ways to adopt, apply or otherwise be informed by them within their jurisdictional arrangements.⁴

The ISSB builds on the work of several market-led, investor-focused reporting initiatives, including the Climate Disclosure Standards Board (CDSB), the Task Force on Climate-related Financial Disclosures (TCFD), the Value Reporting Foundation's International Integrated Reporting Framework and the industry-specific Sustainability Accounting Standards Board (SASB) Standards.

In June 2023, the ISSB issued its two inaugural sustainability-related disclosure standards, *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures*, both centred around four content areas (governance, strategy, risk management and metrics and targets). These standards establish a framework requiring companies to disclose both qualitative and quantitative information on how sustainability and climate-related risks and opportunities affect, or may affect, their financial position, financial performance and cash flows.

Many jurisdictions are considering or advancing regulatory measures for companies to report on their sustainability-related performance, including the adoption of ISSB Standards into legislation. As of August 2026, 46 jurisdictions have adopted or announced formal plans to adopt ISSB Standards, including Australia, Canada, China, Japan, Nigeria, Singapore and the United Kingdom.⁵ The IFRS Foundation tracks jurisdictional adoption on an ongoing basis and supports jurisdictions considering or advancing adoption through a dedicated adoption toolkit, comprising the Jurisdictional Rationale Guide, the Jurisdictional Readiness Assessment Guide and Tool and the Jurisdictional Roadmap Development Tool. The Foundation also works with implementation partners and advisors and engages directly with jurisdictions, including through forums such as the Jurisdictional Adopters Working Group (JAWG).

Within this toolkit, the Jurisdictional Readiness Assessment Guide and Tool identifies three dimensions of readiness for jurisdictions to consider when planning implementation: ecosystem readiness, preparer readiness and support system readiness.

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- 2 The ISSB set four key objectives: (1) develop standards for a global baseline of sustainability disclosures, (2) meet the information needs of investors, (3) enable companies to provide comprehensive sustainability information to global capital markets and (4) facilitate interoperability with disclosures that are jurisdiction-specific and/or aimed at broader stakeholder groups.
 - 3 International Organization of Securities Commissions (IOSCO), 'IOSCO endorses the ISSB's inaugural sustainability standards', 2023. Available at: <https://www.iosco.org/news/pdf/IOSCONEWS703.pdf>.
 - 4 International Organization of Securities Commissions (IOSCO), 'Endorsement of the International Sustainability Standards Board's Standards'. Available at: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD741-Endorsement-Decision.pdf>
 - 5 IFRS Foundation, "Use of IFRS Sustainability Disclosure Standards by jurisdiction". Available at: <https://www.ifrs.org/ifrs-sustainability-disclosure-standards-around-the-world/use-by-jurisdiction/> (accessed on 1 September 2026).

In parallel, growing awareness of **biodiversity loss and nature degradation is driving the demand for dedicated nature-related disclosure frameworks**. In 2020, major international organizations, including UNDP, UNEP FI, the World Wildlife Fund (WWF) and Global Canopy, announced plans to establish the Taskforce on Nature-related Financial Disclosures (TNFD)⁶ as a global framework to address nature-related risks and opportunities in financial reporting.

With support from partners, the TNFD was launched in June 2021, receiving global endorsements from the G7 and G20. In September 2023, the TNFD published its final recommendations, providing a comprehensive framework for reporting nature-related risks and opportunities. The TNFD framework is structured around TCFD's four pillars (governance, strategy, risk management and metrics and targets), as well as the LEAP approach (Locate, Evaluate, Assess and Prepare)⁷ for nature assessments.

As of November 2025, 733 organizations across 56 countries have committed to adopt the TNFD, including financial institutions representing US\$22.4 trillion in assets under management (AUM) and corporations with over US\$9.4 trillion in market capitalization.⁸ The TNFD also supports Target 15 of the Kunming-Montreal Global Biodiversity Framework⁹ (GBF) by providing technical guidance that enables large corporations and financial institutions to routinely monitor, evaluate and report their biodiversity risks, impacts and opportunities.

The TNFD has developed correspondence mappings and guidance with jurisdictional standard setters and regulators, including European Financial Reporting Advisory Group (EFRAG) for the European Sustainability Reporting Standards (ESRS) in Europe.¹⁰ Similar interoperability mappings are available for the CDP corporate questionnaire and the Global Reporting Initiative (GRI) Standards, underscoring the opportunity for GRI's 14,000 reporters globally to align with the TNFD recommendations. These mappings highlight the high level of consistency achieved and have been used by companies to support their nature-related reporting.

In 2024, the ISSB **announced that it would commence work to further consider nature-related reporting requirements**, drawing on the TNFD, with the objective of providing investors and report preparers with a more integrated approach across governance, strategy, risk management and metrics and targets. In 2025, the TNFD and the ISSB formalized their collaboration through a Memorandum of Understanding¹¹ to enable nature-related financial disclosures for use by capital markets. As part of this collaboration, the ISSB launched the Biodiversity, Ecosystems and Ecosystem Services (BEES)¹² research project in 2025 to identify common investor information needs relating to nature-related risks and opportunities¹³ drawing on the TNFD.

In late April 2026, the ISSB agreed to propose requirements for nature-related disclosures in the

6 TNFD was formally launched in June 2021 with G20 support, aiming to complement TCFD by covering nature-related dependencies, impacts, risks, and opportunities beyond just climate.

7 Locate: Identify interfaces with nature - e.g., raw materials, supply chains, land use, water bodies/ Evaluate: Assess dependencies (e.g., pollination, water access) and impacts (e.g., habitat destruction)/ Assess: Analyse nature-related risks and opportunities across time horizons and geographies/ Prepare: Integrate findings into governance, strategy, and disclosures

8 Taskforce on Nature-related Financial Disclosures (TNFD), 'TNFD Adopters'. Available at: <https://tnfd.global/engage/tnfd-adopters/> (accessed on 1 September 2026)

9 Convention on Biological Diversity, 'Target 15: Businesses Assess, Disclose and Reduce Biodiversity-Related Risks and Negative Impacts'. Available at: <https://www.cbd.int/gbf/targets/15> (accessed on 1 September 2026).

10 Taskforce on Nature-related Financial Disclosures (TNFD), 'Standards Alignment'. Available at: <https://tnfd.global/standards-alignment/> (accessed on 1 September 2026).

11 IFRS Foundation, 'IFRS Foundation and TNFD formalise collaboration to provide capital markets with high-quality nature-related information', 2025. Available at: <https://www.ifrs.org/news-and-events/news/2025/04/ifrs-foundation-tnfd-formalise-collaboration/>

12 IFRS Foundation, "Nature-related Disclosures". Available at: <https://www.ifrs.org/projects/work-plan/biodiversity-ecosystems-and-ecosystem-services/> (accessed on 1 September 2026).

13 IFRS Foundation, "ISSB welcomes TNFD's support as it advances nature-related disclosures", 2025. Available at: <https://www.ifrs.org/news-and-events/news/2025/11/issb-welcomes-tnfd-support-nature-related-disclosure/>

form of an IFRS Practice Statement.¹⁴ The proposed Practice Statement would complement IFRS S1 and IFRS S2 by providing incremental requirements for the disclosure of material information about nature-related risks and opportunities. The Practice Statement would minimize disruption for jurisdictions currently implementing the ISSB Standards, while providing a pathway for the ISSB to publish such requirements as an ISSB Standard, whether stand-alone or in another form, at a later stage, subject to public consultation.¹⁵ The ISSB aims to publish an Exposure Draft for public comment in October 2026. While the Practice Statement is not mandatory, countries which adopted ISSB can consider mandating it in their respective jurisdictions.

Jurisdictions in Asia, Africa and Latin America are progressively adopting ISSB Standards into their national sustainability legislation, while many are also exploring how nature-related considerations can progressively be incorporated into broader sustainability disclosure ecosystems. Against this backdrop, the UNDP SDMH and BIOFIN Initiatives are at the forefront of supporting low- and middle-income countries by providing technical assistance, policy support and capacity building to help design and implement these disclosure frameworks.

1.2 Overview of the report

This analysis aims to identify common patterns, gaps and constraints emerging from sustainability disclosure readiness assessments (RAs) conducted for Mongolia, Peru and Kazakhstan under the UNDP SDMH Initiative (hereinafter referred to as the “SDMH RAs”), as well as nature-related RAs conducted for Peru, Kazakhstan and Rwanda under the UNDP BIOFIN Programme (“BIOFIN RAs”). The analysis further explores areas of alignment and divergence between sustainability and nature-related disclosure pathways, as well as opportunities to consider nature-related financial disclosures within broader sustainability disclosure ecosystems. It takes into account differing national priorities, capacities and implementation timelines, with a view to avoiding parallel or duplicative systems. Based on observed patterns and gaps, it formulates high-level, actionable insights intended to inform jurisdictional approaches, UNDP country support and partner coordination.

Using the dimensions of the ISSB Jurisdictional Readiness Assessment Guide and Tool introduced in Section 1.1 as an overarching analytical framework, the analysis examines institutional, regulatory, market and data-related constraints affecting sustainability-, climate-, and nature-related disclosure readiness. The ISSB identifies three key domains of readiness: ecosystem, preparer and support system readiness. The analysis primarily organizes the findings from the underlying readiness assessments around the ecosystem and preparer readiness dimensions, while recognizing that the scope of those assessments does not fully correspond to the scope of the ISSB framework. This analysis focuses on two of those domains:

1. **Ecosystem readiness:** A high-quality sustainability-related financial disclosure regime is supported by each jurisdiction’s reporting, regulatory and supervisory infrastructure. Key dimensions include the policy and regulatory environment, prevailing legislation and supervisory capacity, information and digital infrastructure and the availability of external professional and advisory services.
2. **Preparer readiness:** For the purposes of this analysis, this domain considers the preparedness of reporting entities covered by the underlying readiness assessments to prepare and govern high-quality sustainability-related disclosures. The assessments covered a range of entities, including listed companies, private enterprises, state-owned enterprises (SOEs), financial institutions, and other entities, depending on the scope and objectives of each assessment. This analytical scope is broader than that of the ISSB Jurisdictional Readiness Assessment Guide and Tool, which focuses on readiness for sustainability-related disclosure.

14 An IFRS Practice Statement is available for companies to apply and for jurisdictions to mandate. If a company chooses, or is required by its lawmakers or regulators, to apply an IFRS Practice Statement and wishes to assert compliance with it, the company would be required to comply with all the requirements in the Practice Statement.

15 IFRS Foundation, “ISSB agrees proposed way forward for nature-related disclosures”, 2026. Available at: <https://www.ifrs.org/news-and-events/news/2026/05/issb-agrees-proposed-way-forward-nature-related-disclosures/>

sures by publicly accountable entities.

The third domain of the ISSB Jurisdictional Readiness Assessment framework, support system readiness, covers the broader capacity-building, coordination and collaboration needed to sustain implementation over time. It is not assessed as a distinct domain in its own right in this analysis; however, the readiness assessments reviewed surface findings relevant to this domain. These findings inform the cross-jurisdictional implementation considerations set out in chapter 4.

This analysis acknowledges several limitations. First, it is based on a selected set of sustainability-, climate- and nature-related readiness assessments and associated programme activities conducted under the SDMH and BIOFIN initiatives. Second, some of the underlying assessments may predate recent developments related to the ISSB and the TNFD. Third, readiness assessments across jurisdictions vary in scope, depth, methodology and timing, limiting direct comparability across countries and assessment tools. The Annex provides further details on the methodologies employed by the readiness assessments in each country. Finally, this analysis does not seek to evaluate the quality or merits of individual country readiness assessments, but rather to identify cross-cutting patterns, structural implications and emerging implementation considerations across jurisdictions.

Against this evolving international landscape, jurisdictions face different institutional arrangements, market conditions and implementation priorities. Understanding these differences is therefore critical for implementation planning. The SDMH and BIOFIN Readiness Assessments seek to provide evidence on these differences by analysing the institutional, regulatory and market conditions that shape implementation across jurisdictions.

Chapter 2: Sustainability and climate-related disclosures

As jurisdictions strengthen their sustainable finance systems, an increasing number are advancing efforts to integrate IFRS S1 and S2 into national disclosure regimes. Policymakers and regulators are exploring a range of implementation approaches, reflecting different regulatory priorities, institutional arrangements and market readiness. These include different combinations of mandatory or voluntary requirements, phased implementation pathways and proportionality mechanisms for different entity types or sectors.

At the same time, jurisdictions are seeking to build more coherent national sustainability disclosure ecosystems by aligning existing frameworks with global standards, such as those issued by the ISSB. Most jurisdictions adopting IFRS S1 and S2 are establishing pathways towards full adoption. This approach helps enhance consistency while reducing fragmentation and duplication across reporting systems.

The jurisdictions reviewed show movement from fragmented or voluntary practices towards more standardized disclosure approaches. Key stakeholders from regulatory bodies, standard-setting institutions, financial institutions and corporate sectors are actively shaping the debate on critical enablers and constraints, including policy alignment, regulatory coherence, supervisory capacity, data infrastructure and technical competence. These factors are increasingly recognized as central to the design, sequencing and overall effectiveness of ISSB-based sustainability and climate-related disclosures, particularly as low- and middle-income countries seek to balance global harmonization with domestic implementation capacity constraints.

Kazakhstan, Mongolia and Peru are defining adoption pathways and implementation timelines to integrate the ISSB Standards into their disclosure frameworks, while also building the necessary institutional capacity to support their sustainability reporting journeys.

Implementing sustainability-related financial disclosure frameworks extends beyond the adoption of reporting requirements. The readiness assessments indicate that implementation is influenced by the broader institutional, regulatory and market ecosystem within which disclosures are introduced. This chapter synthesizes findings on ecosystem and preparer readiness emerging from the SDMH RAs.

2.1 Ecosystem readiness

2.1.1 Policy and regulatory architecture

Countries have adopted different governance models to drive their national sustainability-related disclosure regimes, reflecting each jurisdiction's institutional, regulatory and structural context. As observed through the SDMH RAs, the disclosure policy ecosystem is characterized by the presence of multi-layered regulatory structures, with oversight and governance distributed across agencies, including government ministries, financial regulators, central banks and stock exchanges. Countries are increasingly leveraging existing regulatory structures to develop their sustainability disclosure frameworks.

Mongolia offers a nascent but evolving example, where sustainability-related disclosure responsibilities are primarily shared between the Ministry of Finance, the Bank of Mongolia (central bank) and the Financial Regulatory Commission of Mongolia (FRC).

Peru has progressively integrated corporate sustainability and environmental, social and governance (ESG) disclosure into its regulatory framework. It features a multidimensional landscape involving the securities regulator, the Superintendency of the Securities Market (SMV); the financial system regulator, the Superintendency of Banking, Insurance and Pension Funds Administrators (SBS); and the Ministry of Economy and Finance (MEF).

In Kazakhstan, the development of sustainability and climate-related disclosures is largely driven by the Ministry of Finance; market institutions, particularly the Astana International Exchange (AIX) and the Kazakhstan Stock Exchange (KASE); and the financial market regulator, the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (ARDFM).

Sustainability disclosure frameworks continue to evolve across jurisdictions, reflecting different institutional arrangements, policy priorities and stages of market development. Adoption pathways vary in their timelines, their use of transition reliefs, and the scope and phasing of requirements, but Peru, Mongolia and Kazakhstan have each set a jurisdictional target for full adoption of the ISSB Standards in their respective roadmaps. Where voluntary application or guidance is currently in place, this functions as an interim step towards mandatory requirements rather than an endpoint, allowing jurisdictions and market participants to build capacity and readiness while progressively expanding the scope of disclosure requirements.

Across the jurisdictions assessed, sustainability disclosure requirements are generally more developed in regulated segments of the financial and capital markets, reflecting the role of financial regulators, central banks and stock exchanges in advancing sustainability-related reporting. In some jurisdictions, reporting practices and market readiness are also more advanced in sectors such as energy and mining, reflecting regulatory, investor and international market drivers. For instance, the ARDFM in Kazakhstan oversees disclosures primarily in the banking and broader financial sector, while the stock exchanges have issued advisory ESG requirements with varying degrees of alignment with IFRS S1 and S2. In addition, the Astana Financial Services Authority (AFSA) published advisory ESG disclosure guidance in 2024 for banks, fund managers and insurance companies. In 2022, the FRC of Mongolia issued Mongolia's first ESG reporting guidance. In May 2025, its central bank released Climate Risk Disclosure Guidelines.¹⁶ In Peru, listed companies and other issuers of publicly offered securities under the supervision of the SMV are required to submit two mandatory annexes on corporate governance and sustainability as part of their annual reporting obligations. The Public Accounting Directorate within Peru's MEF has approved the use of ISSB Standards into the national sustainability accounting framework.

Against this multi-institutional backdrop, coordination mechanisms are vital to ensuring coherence across sustainability disclosure frameworks and alignment in implementation strategies. To date, market-led and sector-specific initiatives have often played a pioneering role in advancing sustainability disclosure practices in the absence of fully consolidated national approaches. However, given the overlapping nature of institutional mandates and responsibilities, effective coordination among regulatory, supervisory and policy bodies is an essential component of emerging sustainability disclosure systems. In this context, coordination among ministries of finance, central banks and financial regulators is increasingly recognized as a key enabler of effective implementation and system-wide consistency.

In practice, jurisdictions are increasingly establishing inter-institutional governance mechanisms, supported by technical partners and sustainable finance networks, to strengthen coordination and enable more effective implementation of sustainability-related disclosures. These arrangements contribute to building more coherent institutional frameworks and accelerating the development of national reporting ecosystems. Coordination models vary across jurisdictions, ranging from formal institutional structures to more flexible, multi-stakeholder platforms, allowing countries to tailor approaches to their specific contexts. Mongolia and Kazakhstan are establishing dedicated coordination platforms to support the implementation of sustainability-related disclosure requirements, while Peru is building on established institutional arrangements and strengthening formal collaborative efforts between the SMV and the SBS. Across jurisdictions, there is a clear recognition that effective coordination mechanisms are critical to ensuring consistent, efficient and scalable implementation of sustainability disclosure standards. The experience also points to the importance of clear institutional leadership to drive the coordination process. In Mongolia and Kazakhstan, for example, the Ministries of Finance have played a lead-

16 Bank of Mongolia, 'Mongolia Launches Climate-Related Financial Disclosure Guidelines to Strengthen Sustainable Finance', 2025. Available at: <https://www.mongolbank.mn/en/r/9482>

ing role in convening relevant regulators and stakeholders and guiding the development of the national sustainability disclosure roadmap and related implementation decisions.

2.1.2 Prevailing legislation and supervisory capacity

As legal mandates for sustainability reporting continue to evolve across jurisdictions from voluntary guidance toward more formal and sector-specific requirements, enforcement approaches and supervisory arrangements are also advancing. While the pace of development varies across countries, strengthening supervisory capacity is emerging as an important component of effective implementation.

In Kazakhstan, since 2016, AIX and KASE have published guidelines on sustainability disclosures, though they remain advisory in nature. Currently, the ARDFM's ESG disclosure guidelines for banks and financial institutions serve as the country's primary regulatory framework, envisioning mandatory application for financial institutions starting in 2026. In Mongolia, foundational progress began with the financial regulator and the sustainable finance association issuing the country's first ESG reporting and climate risk disclosure guidelines in 2022–2023. This was followed in 2023 by the introduction of ESG disclosure requirements for listed companies on the stock exchange, alongside continued encouragement of voluntary reporting for smaller entities. Further efforts, including climate risk disclosure guidelines issued by the Bank of Mongolia and the Mongolian Sustainable Finance Association, reflect gradual progress in strengthening regulatory and supervisory capacities in sustainable finance. Since 2013, Peru has progressively advanced its supervisory role in sustainability and climate domains through regulations from the SMV, SBS and others on corporate governance and ESG reporting (2015).

Existing laws, regulations and guidelines provide a valuable foundation for the adoption or other use of IFRS S1 and S2. The SDMH RAs indicate that countries' potential adoption of the ISSB Standards would build on the capabilities and practices developed through these existing frameworks, while requiring further alignment with specific ISSB requirements. Although prevailing regulations incorporate some aspects of sustainability, climate and corporate governance, these aspects are largely structured as stand-alone requirements and are not consistently interconnected across the four content areas of the ISSB Standards, for example in relation to materiality, financial effects and scenario analysis. Regulatory expectations from these countries are more strongly aligned with the governance pillar of the ISSB Standards compared to strategy, risk management, and metrics and targets. This reflects the fact that governance-related requirements have often evolved through existing corporate governance and regulatory frameworks, whereas strategy, financial materiality, scenario analysis and quantitative metrics require new institutional capabilities, methodologies and data systems.

In Mongolia, the Securities Market Law and Corporate Governance Code strongly support IFRS S1, advocating for foundational governance structures, board oversight and transparency. Its environment protection law and Nationally Determined Contribution (NDC) targets provide some context for long-term integration of IFRS S2. In Peru's regulatory framework, general information on risk policies is requested as per local guidelines, but integrated management of sustainability or climate-related risks is not required. Peru's guidelines have low alignment with the strategy, risk management and metrics and targets pillars of the ISSB standards; ESG risks are not linked to the business model, nor are time horizons, transition plans or financial impacts defined. Climate resilience and the use of scenarios as discussed in IFRS S2 are not contemplated. Among Kazakhstan's guidelines, ARDFM shows the greatest maturity in the country in relation to both IFRS S1 and S2 standards, especially to governance and risk management, while alignment is weakest to metrics and targets. For instance, ARDFM's guidance does not systematically require granularity of metrics, base periods, intermediate milestones, internal carbon pricing, or the linkage of key performance indicators to the management compensation system.

While progress continues, countries have identified supervisory capacity as a key area for strengthening on their journey towards ISSB adoption, including the need to further develop technical capacity to supervise sustainability-related financial reporting. This highlights a common structural aspect of the sustainability landscape where capacity building advanc-

es alongside regulatory progress. Supervision of sustainability reporting requires specialized knowledge of sustainability and climate-relevant topics such as materiality considerations, climate scenarios, greenhouse gas (GHG) emissions and sectoral dimensions. In addition, where jurisdictional requirements include external assurance or verification, supervisors may need additional technical capacity to assess the quality, consistency and reliability of assurance practices and to oversee the relevant assurance ecosystem. Peru's SMV highlighted the importance of strengthening technical and institutional capacities to support the progressive supervision of sustainability-related disclosures. The RA from Mongolia highlights the need for building institutional capacity for all stakeholder groups, including regulators. In Kazakhstan, strengthening training and knowledge-sharing on sustainability reporting for regulators has been identified as a key priority.

Regulators and supervisors are already enhancing their capacities through specialized training on climate risk assessment, scenario analysis, data auditing and enforcement mechanisms. Although supervisory capacity remains at different stages of development across jurisdictions, regulators are increasingly investing in specialized knowledge and implementation capabilities. Throughout 2025, UNDP supported capacity-building efforts in Kazakhstan, Mongolia and Peru through the SDMH Initiative, delivering country-specific trainings and facilitating roundtables in collaboration with national counterparts, including Kazakhstan's Ministry of Finance, Mongolia's Ministry of Finance and Peru's SMV. Delivered in partnership with the IFRS Foundation and GRI, these activities included a series of online and in-person trainings targeting government officials, regulators, companies and industry associations to support readiness for the adoption or other use of the ISSB Standards.

2.1.3 Data and digital infrastructure

As jurisdictions advance sustainability-related disclosure requirements, access to reliable data, methodologies and digital infrastructure is becoming an increasingly important implementation enabler. Across the jurisdictions reviewed, companies continue to face challenges in accessing consistent external datasets needed to support sustainability and climate-related disclosures. These constraints may affect the consistency and comparability of reported information.

Peru has identified the lack of national data on climate-related risks, including water-related data, as one of the structural challenges that could limit the effective adoption of the ISSB Standards. In an SDMH workshop in Mongolia, companies noted fragmented access to government data, inconsistent measurement practices across sectors and a strong need for publicly accessible national emission factors to promote consistency. Participants from the Ministry of Environment also emphasized the need to share data with companies in a simplified and user-friendly format, noting the highly technical and complex nature of current methodologies.

Across the jurisdictions reviewed, access to methodological and analytical tools needed to support sustainability and climate-related reporting remains uneven. A pilot exercise with a Mongolian company using IFRS S1 and S2, conducted as part of the SDMH RA, highlighted the need for standardized measurement units and clear methodologies to ensure comparability.

Digital solutions may also form part of the infrastructure supporting sustainability reporting. In Kazakhstan, companies have proposed the creation of a single online reporting platform to simplify data submission and analysis. Mongolia's own readiness assessment recommends that the government consider developing a centralized reporting platform or supporting private-sector software solutions, drawing on international examples such as the Monetary Authority of Singapore (MAS)-led Project Greenprint, which sought to facilitate the collection, access and use of ESG data through digital solutions.¹⁷

17 Monetary Authority of Singapore (MAS), 'MAS Launches Digital Platform for Seamless ESG Data Collection and Access', 2023. Available at: <https://www.mas.gov.sg/news/media-releases/2023/mas-launches-digital-platform-for-seamless-esg-data-collection-and-access>

Digital tagging using eXtensible Business Reporting Language (XBRL) taxonomies enables sustainability-related financial disclosures to be machine-readable, supporting users in accessing, comparing and analysing reported information. None of the Peruvian companies surveyed or interviewed reported using digital taxonomies or XBRL formats in their sustainability reporting processes, while Kazakhstan does not currently have a state-approved digital taxonomy for sustainability reporting. The IFRS Sustainability Disclosure Taxonomy provides a digital taxonomy that can be used to tag disclosures prepared in accordance with the IFRS Sustainability Disclosure Standards, providing a reference point for jurisdictions and preparers considering the implementation of digital sustainability reporting. These gaps generally reflect the absence of dedicated technical infrastructure and clear regulatory guidance on digital taxonomies, as well as cost and resourcing constraints, pointing to the early stage of digital reporting infrastructure across the jurisdictions assessed.

2.1.4 Support and external professional services

Demand for specialized sustainability reporting, assurance and advisory expertise is also increasing. A key component of enabling the adoption of ISSB Standards is the availability and capability of service professionals, including those providing reporting, legal, assurance and verification services. Although many companies already use internationally recognized sustainability reporting frameworks such as TCFD, GRI and SASB, specialized reporting and assurance services remain at an early stage of development in many of these markets.

The uptake of assurance remains uneven across the markets. Third-party verification and assurance markets are at varying stages of development across all countries. In Peru, among companies under SMV supervision, 25 percent of voluntary reports have some type of external assurance. In Mongolia, based on the national survey, about 15 percent of organizations indicated that their sustainability reports undergo internal review by an audit committee or internal audit team, while almost 30 percent reported some form of third-party assurance. In Kazakhstan, about 15 percent of organizations already conduct external assurance of their ESG reporting, with a further 27 percent planning to do so. The SDMH RAs also reveal that foreign-invested organizations constitute the highest proportion among organizations that perform internal assurance and third-party assurance. When assurance is conducted, most remains at the “limited assurance” level.

Capacity building for verification and assurance will serve as a critical enabler for strengthening ancillary services as a key part of ecosystem development. The cost of external assurance was identified as a key challenge by companies in Peru. Here, many verifications are carried out by entities whose core activity is not auditing or technical verification, which may have implications for consistency and quality. Building familiarity with sustainability assurance standards, such as the International Standard on Sustainability Assurance (ISSA) 5000,¹⁸ may help jurisdictions progressively strengthen assurance practices as sustainability reporting matures. In addition, jurisdictions can consider proportionate approaches that take into account the cost of assurance, particularly for smaller companies.

2.2 Preparer readiness

2.2.1 Corporate reporting practices and expertise

There is growing awareness and appetite for the introduction of globally harmonized sustainability reporting standards across markets. Although not all entities are familiar with existing ISSB-related technical requirements in detail, global sustainability reporting frameworks, particularly TCFD, GRI and SASB, are commonly known. Technical and operational hurdles persist,

18 International Auditing and Assurance Standards Board (IAASB), ‘International Standard on Sustainability Assurance (ISSA) 5000: General Requirements for Sustainability Assurance Engagements’, 2024. Available at: <https://www.iaasb.org/publications/international-standard-sustainability-assurance-5000-general-requirements-sustainability-assurance>.

especially regarding integration of climate risk management, financial and non-financial disclosures and the internal capacity to implement IFRS S1 and S2.

Sustainability reporting is becoming more widespread across the jurisdictions reviewed, although levels of adoption continue to vary across markets and sectors. In Mongolia, around one fifth of organizations surveyed nationally across sectors reported preparing some form of sustainability or ESG report. Among reporting organizations, large listed companies accounted for the largest share (9 percent), followed by private companies (5.8 percent) and state-owned enterprises (3.7 percent). Smaller proportions were observed for foreign-invested entities, NGOs and medium and small listed companies. In Peru, more than half of companies regulated by the SMV prepare sustainability reports. Among those reports, 46 percent are integrated reports and 54 percent are standalone reports. In Kazakhstan, most entities listed on the KASE publish ESG reports, and around half of unlisted companies already disclose sustainability data.

Across these jurisdictions, companies that report sustainability information commonly draw on established international standards and frameworks. While some markets have local ESG reporting requirements, these guidelines are mostly voluntary and lack harmonization in scope and supervisory expectations. In the absence of strict mandates, companies increasingly use leading international frameworks, primarily the GRI Standards as well as TCFD and the SASB Standards. In Mongolia, the most widely used framework is GRI, followed by SASB. Some companies report under TCFD, ESRS and other reporting frameworks. In the Peruvian and Kazakhstan markets, for companies that use international frameworks, the GRI Standards are the most prevalent framework, followed by TCFD and SASB Standards. The use of international frameworks and standards suggests that some organizations already have an established foundation for global sustainability reporting, which could ease future alignment with IFRS S1 and S2. Even so, applying the ISSB Standards will require familiarization with their specific concepts and core content and, for existing GRI reporters in particular, adjusting to the application of a financial materiality lens — a distinction explored further below.

While all jurisdictions are disclosing sustainability information, there is sectoral variation in the choice of reporting standards and in levels of readiness to implement sustainability standards. The maturity of sustainability reporting varies considerably across sectors. In Kazakhstan, large, systemically important industries, such as finance, oil and gas and energy, exhibit relatively high maturity levels, and greater readiness towards international frameworks and standards like GRI, SASB, and TCFD alongside national methodological guidelines. Other sectors, such as services, transport, and infrastructure, remain in the early stages of implementing ESG disclosure practices. This may reflect higher level of regulation, involvement in international capital markets and the presence of requirements from investors. In the Mongolian market, more financial institutions demonstrate readiness in implementing IFRS S1 and S2 compared to GHG-intensive industries such as energy, mining, manufacturing and transport. Agriculture, construction and infrastructure sectors show the lowest level of readiness.

Listed and large companies are generally better positioned to apply international standards and frameworks at an earlier stage. In most cases, advanced reporting is confined to a few large firms from specific sectors and typically driven by stock exchanges or securities regulators.

In Kazakhstan, companies whose securities are listed on the stock exchange show the highest level of engagement in preparing sustainability-related disclosures aligned with international standards, whereas non-public companies are more likely to refrain from publishing sustainability reports and instead rely on internal, informal approaches. The survey also shows that readiness for implementing IFRS S1 and S2 correlates directly with company size. Large and medium-sized organizations are most proactive and more likely to adopt disclosures under these standards at various timelines.

In Mongolia, readiness to implement IFRS S1 and S2 remains at an early stage for most organizations with private firms accounting for the largest share of low readiness. Meanwhile, Tier I listed companies are in the lead, with around 20 percent showing above-average or high readiness, followed at a distance by state-owned enterprises and Tier II listed entities. Large listed compa-

nies appear to be well positioned to serve as early adopters and help pioneer broader market transition.

The adoption of materiality approaches in sustainability reporting varies across jurisdictions, demonstrating different levels of maturity in how materiality is assessed and reflected in sustainability disclosures. Whereas IFRS S1 and S2 require disclosure of material information about sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects, there are other disclosure frameworks that focus on impact materiality (e.g. GRI Standards) and thus address a broader group of stakeholders. In Mongolia, familiarity with financial materiality is high, likely because most organizations already apply IFRS Accounting Standards, whose materiality approach is consistent with that of the ISSB Standards. Even so, a pilot exercise applying IFRS S1 and S2 with a Mongolian company, conducted as part of the SDMH RA, found that the team performing the assessment initially experienced challenges identifying sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects,¹⁹ pointing to a gap between general familiarity with the concept of financial materiality and its practical application. In contrast, understanding of impact materiality is moderate and awareness of double materiality remains limited to around 35 percent.

In Peru, adoption of the double materiality approach is increasing, though methodological and integration challenges persist. The majority of companies that produce sustainability reports conducted a materiality analysis in the past two years. Among these, two thirds applied the double materiality approach and 21 percent adopted impact materiality. No company reported using financial materiality exclusively. The use of ESG assessments incorporating a double materiality perspective remains low in Kazakhstan, likely because this approach is still in its early stages. Companies that have implemented double materiality show a clear tendency to apply multiple reporting standards simultaneously, using GRI for impact materiality and TCFD for financial materiality. Financial materiality is broadly understood, but familiarity remains more limited around newer, more holistic approaches, especially double materiality. Where additional disclosures are applied, companies seeking to comply with ISSB Standards will need to ensure that their financially material disclosures on sustainability risks and opportunities are presented in a way that is not obscured.

The core content of the ISSB Standards encompasses four key areas: governance, strategy, risk management and metrics and targets. **Among these, governance generally demonstrates the highest level of maturity across the jurisdictions reviewed.** Despite robust frameworks for governance, ethics and risk reporting in most companies, there is no explicit mandate to incorporate climate-related considerations. Thematic responsibilities on sustainability matters are rarely embedded into the roles of the board of directors or senior management, which may limit effective oversight and informed decision-making, with potential implications for strategic or operational areas. In Mongolia, one-third of companies currently allocate budget and resources for sustainability reporting while 23 percent have a dedicated sustainability unit, committee or officer. In Kazakhstan, governance functions in the energy and transport sectors fare better than mining and telecommunications. Jurisdictions can undertake more in-depth analysis on mechanisms to strengthen capacity, particularly corporate governance.

Broader sustainability considerations appear to be relatively more integrated than climate-related risks into enterprise-wide risk management, a pattern observed across all three jurisdictions. In Peru, 55 percent of companies have structured processes for managing sustainability risks, compared to 48 percent for climate-related risks specifically. The survey shows that 29 percent of companies in Kazakhstan integrate climate risks and opportunities into their strategies and decision-making, with 40 percent for sustainable development overall. Scenario analysis is applied by 18 percent for climate risks versus 22 percent for broader sustainable development factors. Mongolia shows the lowest integration of climate-related risks into Enterprise Risk

19 IFRS Foundation, 'Sustainability-related risks and opportunities and the disclosure of material information'. Available at: <https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/issb-materiality-education-material.pdf>

Management (ERM); only 9 percent show full integration, 24 percent partial integration and the remaining 67 percent no integration at all. In addition, less than 5 percent conduct any climate scenario analysis. The impact of climate-related topics on enterprise values is largely viewed through a financial lens.

Reported data are mostly qualitative, without the granularity and depth to clearly demonstrate linkages with business targets and strategies and current and anticipated financial effects. While some large companies and sectors have advanced their data practices, the broader market lags, and corporate sustainability reporting systems are generally limited in scope. Even among the large firms that do publish sustainability or ESG reports, disclosures are primarily qualitative without the use of climate scenario analysis, emissions accounting or quantifiable targets. Many organizations have not integrated credible data reporting practices, in part due to the absence of strong data infrastructure and quantification capabilities. Only 27 percent of surveyed Peruvian companies currently link specific ESG indicators to climate risks and opportunities, while 39 percent connect goals to metrics. While most Mongolian entities track core resource metrics such as electricity, heat, water, energy consumption, fuel use and waste generation, between 80 percent and nearly 90 percent of organizations, depending on the emissions scope, do not measure their GHG emissions. As GHG emissions are subject to specific disclosure requirements under IFRS S2, this points to a significant gap in emissions accounting. Stakeholders in Mongolia also noted that full GHG reporting under IFRS S2 would currently be challenging, including because publicly accessible national emission factors remain limited. Improved access to emission factors, together with additional capacity building on carbon accounting methodologies, including estimation methods, could help improve data consistency. **Key operational metrics are tied to general goals but lack sector traceability** or alignment with international standards, indicating many companies remain in early measurement stages.

Familiarity with IFRS S1 and S2 is growing among companies, but deep technical understanding remains limited. For example, many companies in Peru are familiar with IFRS S1 and acknowledge its relevance, but most have not yet conducted any internal exercises to measure their alignment. Companies lack technical knowledge of IFRS S2. **Across surveys, respondents identified training needs as the most requested external support, followed by support for data systems and legal guidance. In addition to training, government support through templates and technical guidance was identified as a vital need for the industry.**

2.2.2 Internal data systems and processes

Preparers' internal sustainability data availability and control practices remain limited across these jurisdictions. In Mongolia, less than 20 percent of organizations regularly verify the accuracy and completeness of sustainability data and information, indicating that the majority of organizations do not have such processes in place. The use of ESG or sustainability reporting software is similarly limited at less than 3 percent, and the lack of data and information readiness was the second most-cited implementation challenge overall, reported by 58.7 percent of surveyed organizations. The Mongolia survey also found that the majority of companies do not measure their GHG emissions, with measurement of Scope 1 and Scope 2 emissions somewhat more developed than Scope 3. More Mongolian firms track common indicators such as electricity, water, heat and energy consumption compared with critical metrics such as hazardous waste and wastewater, renewable energy consumption and waste treatment.

Similar internal data-management challenges are evident in Kazakhstan. While companies across size categories experience challenges in accessing data for sustainability and climate reporting, the greatest challenge for large companies is the lack of systematic internal data management. Larger firms have more mature data management systems overall, while small and medium firms face greater challenges in collecting data from individual departments and also experience gaps in data from counterparties and suppliers. Less than 30 percent of small and medium organizations integrate ESG metrics into their risk management and stress-testing processes, which the assessment associates in part with limited methodological tools and resources for ESG analytics. Demand for digital tools also varies across sectors, with companies

in the financial, oil and gas and energy sectors showing the greatest interest in digital tools to support sustainability reporting.

These challenges are not unique to the jurisdictions assessed. The comparative review of other jurisdictions within the Kazakhstan RA also identifies data availability and quality as key challenges for reporting, particularly for Scope 3 GHG emissions and supply-chain data.

In Peru, only 29 percent of companies that prepare additional sustainability reports use any form of specialized digital platform, further illustrating the limited uptake of digital tools within preparers' reporting processes.

These constraints do not necessarily prevent jurisdictions from progressing with adoption. The ISSB Standards, for example, include proportionality mechanisms intended to support application where capabilities and resources vary. In practice, data and capacity constraints may therefore inform jurisdictional decisions on sequencing, transition arrangements, capacity-building support and the pace of implementation, rather than precluding adoption altogether.

Chapter 3: Nature-related disclosures

Nature-related risks and opportunities are receiving increasing attention from policymakers, regulators, investors and market participants as understanding grows of the financial implications of biodiversity loss, ecosystem degradation and declining ecosystem services. Global policy initiatives, such as the GBF, together with evolving market practices, have contributed to greater consideration of nature-related issues within broader sustainability discussions. The latest Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) Business and Biodiversity Assessment²⁰ highlights that biodiversity loss represents a systemic risk for businesses, the financial sector and the broader economy, given that all economic activity both depends on and impacts natural systems.

A central finding is that current financial flows remain misaligned with nature-positive outcomes. In 2023, approximately US\$7.3 trillion in public and private finance was directed toward activities with negative impacts on nature, compared to around US\$220 billion invested in conservation and sustainable use.²¹ While businesses can act using existing knowledge and tools, meaningful progress will depend on stronger incentives, improved measurement systems, more transparent disclosures and policy and financial frameworks that better align economic returns with biodiversity outcomes.

As nature-related frameworks, such as those developed by the TNFD, gain traction globally, regulators and policymakers are adapting implementation strategies to address specific challenges, including data gaps and sector-specific dependencies on natural systems.

Jurisdictions are increasingly seeking to align these approaches with existing standards and frameworks to promote interoperability and avoid fragmented reporting requirements.

Alongside ecosystem readiness, which refers to the readiness of the institutional and market infrastructure, successful implementation also depends on the preparedness of reporting entities. The readiness assessments therefore examine the capabilities, reporting practices, governance arrangements and internal systems that influence preparer readiness across jurisdictions.

3.1 Ecosystem readiness

3.1.1 Policy environment

Against the backdrop of mounting nature-related risks, recent **regional and global collaborative efforts in nature-related risk management are gaining momentum**. Regulatory authorities across countries are advocating for markets to recognize, report and integrate these risks and opportunities.

The central banks of Kazakhstan, Peru and Rwanda joined the Network for Greening the Financial System (NGFS)²² between 2021 and 2024. NGFS has been actively working on developing scenarios for nature-related financial risks, launching complementary policy studies on emerging topics such as a conceptual framework for assessing nature-related financial risks, alongside an analysis of emerging trends in nature-related litigation, as well as strengthening collaboration

20 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), 'Media Release: IPBES Business and Biodiversity Assessment', 2025. Available at: <https://www.ipbes.net/bba-report/media-release>

21 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), 'Methodological assessment of the impact and dependence of business on biodiversity and nature's contributions to people (business and biodiversity assessment)', 2026. Available at: <https://www.ipbes.net/business-impact>

22 The Network for Greening the Financial System (NGFS), launched at the Paris One Planet Summit on 12 December 2017, is a group of Central Banks and Supervisors willing, on a voluntary basis, to share best practices and contribute to the development of environment and climate risk management in the financial sector and to mobilize mainstream finance to support the transition toward a sustainable economy. Network for Greening the Financial System (NGFS), 'Origin and purpose'. Available at: <https://www.ngfs.net/en/about-us/origin-and-purpose> (accessed on 1 September 2026).

with relevant stakeholders.²³

In July 2024, NGFS issued guidance to help central banks and regulators evaluate nature-related economic and financial risks. In April 2026, it further launched its “Nature Package”, a new set of materials providing practical tools for central banks and supervisors to integrate nature-related risks into their work. The package included dedicated guidance on navigating nature-related data and metrics; the improvement of modelling tools for nature-related financial risk scenarios; and a dedicated note on the supervision of nature-related financial risks.²⁴

Countries are also **leveraging their membership in the Coalition of Finance Ministers for Climate Action**²⁵ (‘Coalition’), to collaborate on climate and related topics, including nature, by exchanging best practices, outlining challenges, identifying opportunities and coordinating action relevant for mobilizing finance. The Coalition is addressing nature-related risks through its dedicated Nature Workstream²⁶, emphasizing finance ministries’ role in conservation, restoration and sustainable use of ecosystem services. The Coalition hosts multi-stakeholder dialogues at UN Biodiversity Conferences (CBD COP), uniting finance ministers, international organizations and other key stakeholders to tackle barriers to nature-positive finance and integrate nature into NDCs and National Biodiversity Strategies and Action Plans (NBSAPs).

Globally, **the GBF, adopted in December 2022,**²⁷ **has provided further impetus to halt and reverse biodiversity loss** by 2030, while supporting a long-term vision for 2050. Acknowledging capital markets’ key role in directing finance toward nature-positive results, the GBF explicitly includes business and finance-focused targets, especially Targets 14²⁸ and 15²⁹. Complementing these efforts, the TNFD recommendations provide a market-based framework to support organizations in identifying, assessing and disclosing nature-related risks and opportunities.

3.1.2 Governance mechanisms and prevailing legislation

There is a wide variation in governance systems for regulating nature-related financial disclosures, most of which remain at a nascent stage. Countries have been relying primarily on existing environmental laws and climate-related disclosures to supervise institutions in relation to nature-related disclosures. Kazakhstan lacks a centralized state regulator for overseeing businesses’ natural capital data (collection, storage, processing, monitoring and disclosure of related risks/opportunities). Oversight of nature-related information is shared by multiple institutions, including the financial regulator (ARDFM) and stock exchanges (AIX, KASE), with limited, piecemeal disclosure rules applicable in the country. Between 2023 and 2024, ARDFM issued two decrees for banks and other financial institutions: (a) ESG Disclosure Guidelines³⁰ and (b) a meth-

23 Network for Greening the Financial System (NGFS), ‘NGFS publishes two complementary reports on nature-related risks’. Available at: <https://www.ngfs.net/en/press-release/ngfs-publishes-two-complementary-reports-nature-related-risks>

24 Network for Greening the Financial System (NGFS), ‘NGFS 2026 Nature Package’, 2026. Available at: <https://www.ngfs.net/en/publications-and-statistics/publications/ngfs-2026-nature-package>

25 Coalition of Finance Ministers for Climate Action, ‘Member countries’. Available at: <https://www.financeministersforclimate.org/member-countries> (accessed on 1 September 2026).

26 The Coalition’s Nature Workstream supports implementation of the Global Biodiversity Framework, including financial flow alignment, disclosure requirements, subsidy reform and resource mobilization. It also explores natural capital valuation tools and decision support for risk assessment and policy design. Coalition of Finance Ministers for Climate Action, ‘Workstream: Nature’. Available at: <https://www.financeministersforclimate.org/helsinki-principles/workstream-nature>

27 United Nations Environment Programme (UNEP), ‘Kunming-Montreal Global Biodiversity Framework’. Available at: <https://www.unep.org/resources/kunming-montreal-global-biodiversity-framework>

28 Convention on Biological Diversity, ‘Target 14: Integrate Biodiversity in Decision-Making at Every Level’. Available at: <https://www.cbd.int/gbf/targets/14>

29 Convention on Biological Diversity, ‘Target 15: Businesses Assess, Disclose and Reduce Biodiversity-Related Risks and Negative Impacts’. Available at: <https://www.cbd.int/gbf/targets/15>

30 Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (ARDFM), ‘Guidelines on Climate and Sustainable Development Disclosures for Banks and Other Financial Organizations’, Order No. 291 of 28 April 2023, as amended on 30 January 2026. Available at: https://prg.kz/document/?doc_id=36940824

odological guide³¹ on environmental and social risk management. AIX has voluntary disclosure guidelines that include a group of environmental indicators such as ‘climate risk management’ and ‘risks associated with biodiversity loss’.

Rwanda’s sustainability framework centres on its National Bank of Rwanda (BNR) and Capital Markets Authority (CMA). BNR released two key guidelines for regulated financial institutions in 2023-2024: (a) management and disclosure of climate-related and environmental risks, drawing on TCFD and IFRS S2, and (b) disclosure of sustainability-related financial information in line with IFRS S1 and S2. CMA is finalizing ESG reporting standards for listed companies on the Rwanda Stock Exchange (RSE), aligned with TNFD, TCFD and GRI, and covering key economic sectors such as banking, telecommunications, manufacturing, media, retail and health.

In Peru, while explicit mandates for nature-related financial disclosures are still emerging, key public institutions already play an important role in supporting the development of the broader sustainability disclosure framework. The financial system regulator (SBS) and the securities market regulator (SMV) act as primary regulators of sustainability-related financial disclosures, while the central bank of Peru contributes through its participation in international initiatives such as the NGFS. These existing institutional roles provide a strong foundation for the progressive integration of nature-related considerations.

The regulatory and legal setup in these jurisdictions highlights the absence of unified approaches to the disclosure of nature-related risks and opportunities. While progress has been made in developing tools and metrics to monitor natural capital, further efforts are needed to improve coordination, interoperability and integration across policy frameworks. Existing green taxonomies provide a starting point, but nature-related considerations are not yet fully embedded. At the same time, the SASB Standards, which IFRS S1 requires entities to refer to and consider the applicability of, contain meaningful nature-related topics and metrics for entities in specific industries and are in the process of being enhanced.

For Kazakhstan, the National Development Plan approved in 2024³² stands as the primary policy document addressing sustainable natural capital use, including agro-industry and environmental sustainability, while advancing ecosystem-based biodiversity goals. Existing codes, laws and bylaws address some aspects of natural capital utilization and related disclosures. However, no unified code, law or regulatory act comprehensively outlines norms, requirements, or procedures for disclosing natural capital information. Kazakhstan’s green taxonomy is a key document outlining approaches for green financing instruments, but it could be expanded or revised to better address nature-positive economy principles. Similarly, while KASE has established disclosure requirements covering aspects of natural capital use, including biodiversity and water consumption, such information can itself be relevant to understanding nature-related risks and opportunities, including those arising from an entity’s dependencies and impacts on nature. This relationship is reflected, for example, in the SASB Standards, which include industry-specific topics and metrics related to natural resources, such as water withdrawal and consumption. However, KASE’s existing requirements do not comprehensively address the disclosure of nature-related risks and opportunities, leaving scope for further development in this area.

Since 2015, Peru’s securities regulator has required general sustainability reports from listed firms, but these cover broad ESG areas without requiring specific nature or biodiversity information. Peru’s Ministry of Environment (MINAM) leads Peru’s Green Finance Roadmap, a process aimed at integrating ESG considerations into the financial system, defining a green finance taxonomy and advancing the voluntary adoption of climate- and nature-related disclosure frameworks that go beyond current national requirements. However, information generated through

31 Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (ARDFM), ‘Methodological Guidelines on Environmental and Social Risk Management for Banks and Other Financial Organizations’, 2024. Available at: <https://adilet.zan.kz/rus/docs/D24YA000228>

32 Saniya Sakenova, ‘President Tokayev Approves National Development Plan Until 2029’, The Astana Times, 7 August 2024. Available at: <https://astanatimes.com/2024/08/president-tokayev-approves-national-development-plan-until-2029/>

these initiatives on ESG integration, the green taxonomy and green bonds remains dispersed, fragmented and sector-specific, and no cohesive disclosure framework exists.

In Rwanda's case, however, strong environmental governance is reinforced by complementary interplay of legislation and regulation across its central bank, market regulator and environment authority. In addition to the BNR and CMA guidelines mentioned earlier, new BNR and CMA regulations will soon mandate financial institutions and listed companies to begin assessing and disclosing sustainability-related risks. Although over 25 percent of Gross Domestic Product (GDP) is derived from nature-dependent sectors like agriculture, forestry and fishing, financial regulators in Rwanda do not systematically require assessment of nature-related risks and opportunities. In this context, the ISSB's industry-based guidance can support entities in identifying sustainability-related risks and opportunities and associated disclosures that are particularly relevant to their industries. IFRS S1 requires entities to refer to and consider the applicability of the SASB Standards, while IFRS S2 is accompanied by Industry-based Guidance that illustrates industry-specific climate-related disclosure topics and metrics.

Both regulators and companies consider sustainability and climate issues through de facto global initiatives rather than dedicated national policies that contextualize local economic realities. There is evidence, however, that a strong legal foundation for environmental governance, coupled with complementary regulatory ambition, can foster reforms. In Rwanda, laws in environmental, economic and financial spheres operate interdependently, bolstered by a structured, multi-tiered governance model with clearly defined and integrated sectoral mandates. The Rwanda Environmental Management Authority (REMA) provides technical expertise for risk assessment tools that BNR and CMA translate into regulatory guidance, while other institutions, including the Rwanda Green Fund (RGF) and the Institute of Certified Public Accountants of Rwanda (ICPAR), support sustainable investment and green accounting. Strong coordination among the BNR, CMA and REMA reflects the whole-of-government approach that is systematically embedding environmental risks into financial regulation and supervision.

Beyond policy maturity, these markets also face critical shortages of institutional capacity and expertise on nature-related risks. Without formal mechanisms to coordinate capacity-building across institutions and industry, supervisory capabilities remain underdeveloped, especially given the greater complexity of nature-related risks compared to traditional business risks. These challenges are, however, more structural in jurisdictions at an early stage of their sustainability reporting pathway, rather than indicative of national shortcomings. The implementation of nature-related disclosure requirements would necessitate structured coordination among different jurisdictional agencies to build shared understanding of existing mandates and regulations and formalize their collaboration efforts through working groups or similar arrangements.

3.1.3 Nature-related data systems

A critical lever for accelerating nature-related disclosure lies in bridging the data gap in terms of availability, accuracy and accessibility. As environmental crises intensify, nature-related risks, including biodiversity loss, water scarcity, deforestation and land degradation, are becoming increasingly important considerations for businesses, investors, and regulators, posing material financial threats via disrupted operations, supply chain shocks and diminished asset values.

Institutionalizing regular production of natural capital accounts under the UN System of Environmental-Economic Accounting (SEEA) framework and integrating them with national accounts can create a standardized quantitative foundation for monitoring ecosystem changes and sectoral nature dependencies. Both Kazakhstan and Rwanda have advanced natural capital valuation, covering land, forests, water and minerals through Natural Capital Accounting (NCA) based on the SEEA. SEEA-aligned accounts track ecosystem extent, condition, service flows (physical/monetary) and asset values, providing information that can support the assessment of biodiversity trends, land degradation and water provisioning, including TNFD LEAP assessments and disclosures aligned with the TNFD recommendations. This can bridge public-private data gaps, inform policy (e.g., green budgeting) and promote corporate risk management in agriculture, mining and forestry sectors.

In order for companies to start reporting on nature-related risks and opportunities, a number of **data-related gaps need to be addressed:**³³

- Limited coverage: Data gaps persist across nature categories (e.g., oceans, remote areas), realms, and temporal scales, with biases in spatial availability.
- Inconsistency and quality: Varied measurement approaches, lack of standardization, and concerns over timeliness/reliability undermine comparability.
- Access barriers: Strict licensing, paywalls, and non-technical usability limit availability, especially for commercial or value-chain analysis.
- Transparency deficits: Insufficient metadata on models, proxies, and limitations erode trust and integration potential.

The readiness assessments highlight opportunities to strengthen national biodiversity and environmental data systems by consolidating monitoring tools, geospatial platforms and ecosystem service valuation databases, creating interoperable infrastructure aligned with global frameworks such as the GBF. Collaboration across research institutions (data modelling), academia (validation studies), NGOs and government bodies can support comprehensive coverage of remote or underrepresented ecosystems, improving accuracy through peer review and enhancing accessibility via open APIs and public portals. Multi-stakeholder governance can also help prevent institutional and data silos.

3.2 Preparer readiness

While many companies and financial institutions recognize their dependencies and impacts on ecosystems and natural resources, formal requirements to disclose nature-related risks and opportunities arising from those dependencies and impacts remain limited. As a result, corporate reporting on nature-related issues is still largely voluntary, fragmented and predominantly qualitative, with limited linkage to financial performance, strategy or risk management.³⁴

Existing sustainability disclosure standards and frameworks offer different entry points for nature-related reporting, each with a distinct scope. The GRI Standards focus on an organization's impacts, including impacts on nature, applying an impact materiality perspective, while recognizing the interconnections between impacts, dependencies, risks and opportunities. IFRS S1, by contrast, requires companies asserting compliance with the ISSB Standards to disclose material information about sustainability-related risks and opportunities, including those related to nature. The SASB Standards provide industry-specific disclosure topics and metrics, including several relevant to nature, and IFRS S1 requires entities to refer to and consider their applicability when identifying sustainability-related risks and opportunities. The TNFD recommendations provide a dedicated framework for identifying, assessing, managing and disclosing nature-related dependencies, impacts, risks and opportunities.

Companies across Kazakhstan, Peru and Rwanda draw on this landscape mostly on a voluntary basis, using the GRI Standards, the SASB Standards, TCFD recommendations or other local ESG listing guidelines from stock exchanges or other regulators, with sporadic and inconsistent use across jurisdictions. As jurisdictions are still in the early stages of applying IFRS S1 and IFRS S2, evidence of nature-related reporting under the ISSB Standards specifically is expected to build over time. The proposed ISSB Practice Statement on nature-related disclosures would provide further specificity on the disclosure of nature-related risks and opportunities.

Existing sustainability-related reporting practices, particularly the more advanced experience with climate-related reporting, provide an important foundation for strengthening nature-re-

33 The TNFD discussion paper 'A Landscape Assessment of Nature-related Data and Analytics Availability' identifies recurring challenges related to data coverage, measurement approaches, spatial and temporal biases and data access and relevance. Taskforce on Nature-related Financial Disclosures (TNFD), 'A Landscape Assessment of Nature-related Data and Analytics Availability', Discussion Paper, 2022. Available at: https://tnfd.global/wp-content/uploads/2022/03/TNFD_DataDiscussionPaper.pdf

34 IFRS Foundation, 'Nature-related disclosures: Project history'. Available at: <https://www.ifrs.org/projects/work-plan/biodiversity-ecosystems-and-ecosystem-services/#project-history>

lated disclosure. Established governance arrangements, reporting processes, data systems and implementation experience can support entities in identifying and disclosing nature-related risks and opportunities. This builds on, rather than sits separately from, existing sustainability-related financial disclosure requirements: IFRS S1 already requires disclosure of material information about sustainability-related risks and opportunities, including those related to nature. Jurisdictions can therefore leverage existing disclosure frameworks, institutional arrangements and implementation experience as they strengthen the consideration of nature-related risks and opportunities within sustainability-related reporting.

In Kazakhstan, preparedness varies markedly across sectors. Among companies with some form of non-financial reporting, 29 percent publish integrated reports and 26 percent produce standalone sustainability reports that provide some environmental information, most commonly applying the GRI Standards, the Sustainable Development Goals (SDGs) and generic corporate governance guidance; the GRI Standards are the most widely used among real-economy entities and are on par with the SDGs among financial entities. Sectors with international exposure or regulatory requirements, such as financial services, oil and gas and energy, have advanced further in embedding environmental factors into corporate reporting, while others remain at an early stage, without standardized reporting methods or the requisite expertise to assess and report nature-related information. This underscores the need for greater alignment between industry needs and policy development, including technical capacity-building for preparers.

In Rwanda, a green taxonomy and an evolving sustainability disclosure framework are in place, and the Rwanda Stock Exchange's ESG disclosure requirements referring to IFRS S1 and IFRS S2 provide a basis for reporting material sustainability-related risks and opportunities, including those related to nature. Corporate reporting on nature-related issues remains partial and lacks coverage of key elements, including biodiversity dependencies, ecosystem services and associated nature-related risks and opportunities. Sustainability reporting is gaining traction, but nature elements such as water use, soil health and biodiversity receive limited and inconsistent coverage. Among the four leading Rwandan banks that were part of the BIOFIN RA, most do not assess nature-related risks, use biodiversity evaluation tools or integrate ecosystem impacts into investment decisions, pointing to capacity constraints and limited market awareness among preparers.

In Peru, while regulatory mandates for climate and nature-related disclosures remain limited, some companies have voluntarily integrated ESG criteria into their core business strategies, incorporating information on environmental management systems, carbon and water footprint assessments and nature-related impacts reported pursuant to the GRI Standards; many also align with global initiatives such as the United Nations Global Compact, the SDGs and the Paris Agreement. Financial institutions are starting to consider nature-related risks, although systematic integration into governance, strategy and risk management processes remains at an early stage. The environmental information required from the financial sector under guidelines from regulators such as the SMV and the SBS is generally broad and is not specifically framed around the integration of material climate-related risks and transition considerations into corporate strategy. Explicit consideration of nature-related risks and opportunities is even more limited. Findings from Peru's Encuesta Nacional de Sostenibilidad Ambiental para Instituciones Financieras (ENSA), or National Survey on Environmental Sustainability for Financial Institutions, conducted by Peru's MINAM, highlight the need to integrate socio-environmental criteria, including those related to climate and nature, into the strategic planning and operational management of financial institutions. The survey also found that half of financial institutions consider current regulations and legal frameworks inadequate to support the integration of socio-environmental factors that could positively or negatively affect their performance.

Across the three countries assessed, the BIOFIN readiness assessments point to an emerging institutional foundation, including existing regulatory arrangements, green taxonomies and climate-related disclosure infrastructure, that can support the development of nature-related disclosure. However, structured processes for identifying, assessing and managing nature-related risks and opportunities remain limited among companies. Phased implementation that builds

on existing sustainability and climate-related disclosure institutions and processes, together with stronger policy and regulatory signals and targeted technical capacity-building, can help strengthen preparer capacity and support more consistent and decision-useful nature-related disclosure over time.

Chapter 4: Cross-jurisdictional considerations for implementation

The readiness assessments reviewed in this report highlight that jurisdictions are approaching sustainability-related disclosure implementation from different institutional, regulatory and market starting points. While implementation pathways differ across countries, recurring implementation considerations emerge across the jurisdictions reviewed. Rather than prescribing a single implementation model, this chapter synthesizes these cross-jurisdictional implementation considerations to support implementation planning adapted to national circumstances.

How these considerations are applied will depend on each jurisdiction's policy rationale, desired outcomes for implementing sustainability-related disclosures and specific institutional and market circumstances. As highlighted in the IFRS Foundation's Jurisdictional Rationale Guide,³⁵ a clearly articulated rationale can guide subsequent decisions on how, who, what and when to implement sustainability-related disclosure requirements. Accordingly, the considerations presented in this chapter should be understood as potential implementation options emerging from the readiness assessments, rather than as a prescriptive or exhaustive set of recommendations.

4.1 Build on existing institutional and market foundations

Across the readiness assessments, implementation rarely begins from a blank slate. Jurisdictions are building on existing institutional mandates, sustainable finance initiatives, corporate governance frameworks and reporting practices rather than creating entirely new governance structures or reporting systems. Similarly, many reporting entities already have experience applying internationally recognized reporting frameworks, providing an important foundation for strengthening sustainability-related financial disclosures while supporting interoperability with existing reporting practices.

The BIOFIN readiness assessments similarly indicate that, where jurisdictions choose to further consider nature-related financial disclosures, existing sustainability-related reporting arrangements, particularly experience with climate-related reporting, can provide a practical starting point, allowing to build on established institutional structures and reporting experience for implementation.

Implementation considerations

1. Build implementation pathways on existing institutional mandates, reporting practices and sustainable finance initiatives.
2. Leverage existing reporting practices and internationally recognized sustainability reporting frameworks to support implementation while promoting interoperability.
3. Strengthen coordination across sustainable finance strategies, taxonomies, corporate governance frameworks and related policy initiatives to improve institutional coherence.
4. Where relevant, build on existing sustainability reporting arrangements, including experience with climate-related reporting, when strengthening the consideration of nature-related financial disclosures.

4.2 Enhance implementation capacity across the reporting ecosystem

The readiness assessments consistently indicate that implementation extends well beyond reg-

35 IFRS Foundation, 'Jurisdictional Rationale Guide for the adoption or other use of ISSB Standards', 2025. Available at: <https://www.ifrs.org/content/dam/ifrs/around-the-world/jurisdictional-rationale-guide-and-tool/jurisdictional-rationale-guide.pdf>

ulatory adoption. Effective implementation depends on the readiness of the broader reporting ecosystem, including regulators, reporting entities, professional service providers, market institutions, business organizations and supporting technical infrastructure. Across jurisdictions, implementation challenges frequently relate to the capabilities required to apply sustainability-related disclosure requirements, including technical expertise, supervisory readiness, data systems, assurance markets and supporting professional services. Understanding the support system available to jurisdictions to help address these challenges is an important part of readiness.

Beyond regulatory compliance, sustainability-related financial disclosures can also support internal governance, risk management and strategic decision-making, reinforcing the importance of strengthening implementation capability across the ecosystem.

The considerations in this section speak to the capacity dimension of what the ISSB's Jurisdictional Readiness Assessment Guide and Tool identify as support system readiness (see Section 1.2), including the professional service markets, technical infrastructure and institutional capabilities that regulators, preparers and advisory providers need to implement sustainability-related disclosure requirements effectively.

Implementation considerations

1. Strengthen implementation capability across the broader reporting ecosystem, including regulators, preparers and professional service providers.
2. Promote sustainability-related financial disclosures as part of broader governance, risk management and business decision-making processes.
3. Support the development of local advisory, assurance and professional service markets needed for effective implementation.
4. Leverage professional bodies, stock exchanges, business associations and training institutions as scalable platforms for capacity development and knowledge dissemination.
5. Facilitate peer learning and practical implementation exchanges to strengthen technical capability across the reporting ecosystem.

4.3 Promote efficiency through the global ISSB baseline and interoperability

The readiness assessments demonstrate that jurisdictions are advancing sustainability-related disclosure frameworks within evolving reporting landscapes, in which the global baseline of the ISSB Standards coexists with a variety of jurisdictional requirements and widely used voluntary standards and frameworks. Across the jurisdictions reviewed, companies are already building on sustainability reporting frameworks such as GRI, TCFD and SASB, while regulators are progressively adopting or otherwise using the ISSB Standards and considering options for enhancing nature-related disclosures.

Jurisdictions are considering ways to reduce duplication and fragmentation, improve consistency while balancing national priorities with global standards and build on existing reporting practices rather than developing parallel disclosure systems.

Implementation considerations

1. Promote consistency by building implementation on the ISSB Standards as the internationally recognized global baseline for sustainability-related financial disclosures, while allowing for additional requirements that reflect national priorities and broader stakeholder information needs.
2. Where implementation pathways are not yet fully aligned, or are not expected to become

fully aligned, with the ISSB Standards, consider regulatory tools such as passporting³⁶ to help companies navigate different jurisdictional requirements, particularly companies reporting in multiple jurisdictions.

3. Reduce unnecessary duplication by leveraging existing institutional arrangements, reporting systems and market practices when implementing the global baseline and any additional disclosure requirements.
4. Promote interoperability and complementarity across sustainability-, climate- and nature-related disclosure frameworks to support companies making additional disclosures.

4.4 Strengthen enabling data ecosystems

Across the readiness assessments, data availability, methodological consistency and digital infrastructure emerge as enabling conditions for effective implementation. Regulators and reporting entities alike identify challenges relating to data quality, accessibility, comparability and analytical methodologies. These challenges are particularly evident for nature-related information, where methodologies and supporting datasets continue to evolve.

Rather than representing standalone technical issues, data systems form part of the broader implementation ecosystem, supporting more consistent, comparable and decision-useful sustainability-related financial disclosures.

Implementation considerations

1. Improve the availability, accessibility and quality of public sustainability-, climate- and nature-related datasets to support consistent reporting, including by addressing fragmented access to government data and strengthening the provision of user-friendly, decision-useful datasets, such as emissions factors and climate risk data.
2. Encourage collaboration between environmental agencies, statistical offices, financial regulators, research institutions, academia and other relevant stakeholders to improve data coverage, validation, methodological consistency and usability.
3. Where relevant to national priorities, progressively strengthen data ecosystems that support broader sustainability-related financial disclosures, including nature-related information.
4. Develop and disseminate common methodologies, standardized measurement approaches, practical analytical tools and digital tools to improve the quality, consistency and comparability of sustainability-, climate- and nature-related data and support more structured and efficient reporting.
5. Strengthen digital capabilities across the reporting ecosystem, including integrated supervisory tools for regulatory authorities and digital taxonomies and machine-readable reporting systems that improve interoperability, reduce duplicative reporting and enhance data usability for regulators, investors and other users.

4.5 Foster collaborative implementation

The readiness assessments demonstrate that effective implementation of sustainability-related disclosure frameworks is supported by coordinated action across public authorities. As these frameworks span the mandates of ministries of finance, financial regulators, central banks, environmental authorities, stock exchanges and standard setters, coordination mechanisms can help align implementation strategies, reduce regulatory fragmentation and support coherent national sustainability disclosure ecosystems. While institutional models vary across national

36 IFRS Foundation, 'Initiative to facilitate the role of ISSB Standards as a global passport announced at IFRS Sustainability Symposium', 2025. Available at: <https://www.ifrs.org/news-and-events/news/2025/10/initiative-facilitate-role-issb-standards-as-global-passport/>

contexts, implementation is strengthened where roles are clearly defined and supported by complementary institutional mandates.

The assessments also highlight the importance of structured engagement between public institutions and market participants. Across the jurisdictions reviewed, regulators, stock exchanges, companies, industry associations, professional bodies and international organizations have engaged through roundtables, consultations, training programmes and knowledge-sharing initiatives that have helped translate regulatory objectives into implementation while supporting market readiness. Similar observations emerge from the BIOFIN readiness assessments, where international collaboration is supporting the exchange of implementation experience, practical methodologies and technical knowledge for jurisdictions that are exploring nature-related financial disclosures.

The considerations in this section speak to the coordination dimension of what the ISSB's readiness framework identifies as support system readiness (see Section 1.2), including the inter-institutional and public-private mechanisms that align mandates, reduce fragmentation and translate regulatory objectives into coherent implementation across public authorities and market participants.

Implementation considerations

1. Strengthen policy-level coordination by leveraging existing inter-institutional mechanisms or establishing new ones among relevant public authorities, with clear and complementary roles to support regulatory alignment and coherent implementation.
2. Promote structured public-private collaboration to support consistent implementation of disclosure requirements as well as coordinated capacity-building and knowledge exchange across institutions and stakeholders.
3. Foster international collaboration and peer learning to support convergence of approaches and enhance access to shared tools, methodologies and implementation experience.

Chapter 5: Concluding reflections

The SDMH and BIOFIN readiness assessments demonstrate that jurisdictions are approaching sustainability-related disclosure reforms from different institutional, regulatory and market contexts. While levels of readiness vary, the assessments reveal recurring implementation considerations that emerge across jurisdictions, despite differences in governance arrangements, market maturity and national priorities. Building on existing institutional and reporting foundations, strengthening implementation capability across the reporting ecosystem, promoting effective cross-border regimes and interoperability to support efficient reporting by companies, fostering collaboration and investing in enabling data systems consistently emerge as important considerations for implementation planning.

The findings also reinforce the value of readiness assessments beyond their diagnostic function. By identifying existing strengths, implementation priorities and institutional opportunities, they provide a structured basis for implementation planning that reflects national circumstances while drawing on internationally recognized sustainability-related disclosure frameworks and implementation experience. In this way, readiness assessments drawing on the ISSB's adoption toolkit³⁷ can support jurisdictions and support system actors in designing targeted implementation approaches that are proportionate, context-specific and responsive to evolving policy and market needs.

Through the UNDP Sustainability Disclosure and Management Hubs (SDMH) Initiative, complemented by BIOFIN's work on nature-related finance, UNDP provides an integrated implementation support platform for jurisdictions strengthening their sustainability-related disclosure ecosystems. By combining readiness assessments, implementation roadmaps, technical assistance, capacity development, peer learning and knowledge exchange, the programme supports countries throughout the implementation journey, from assessing readiness to translating findings into practical implementation approaches that reflect national priorities while promoting alignment with internationally recognized sustainability-related disclosure frameworks.

As sustainability-related disclosure practices continue to evolve globally, the implementation considerations emerging from these readiness assessments are intended to support informed decision-making, facilitate international knowledge exchange and contribute to the continued development of coherent, practical and context-specific implementation pathways.

37 IFRS Foundation, 'Jurisdictional Readiness Assessment Guide and Tool for the adoption or other use of ISSB Standards'. Available at: <https://www.ifrs.org/ifrs-sustainability-disclosure-standards-around-the-world/jurisdictional-readiness-guide-and-tool/>

Annex

Table A: Overview of sustainability and climate-related RAs conducted under the SDMH Initiative

Jurisdictions	Peru	Mongolia	Kazakhstan
<i>Thematic areas explored in Readiness Assessment</i>			
1. Policy & Regulatory Review	✓	✓	✓
2. Institutional & Market Review	✓	✓	✓
3. Enabling environment	✓	✓	✓
<i>Tools utilized for assessment</i>			
1. Desk Research	✓	✓	✓
2. Survey and Questionnaire	✓	✓	✓
3. Peer Review of other jurisdictions	✓	✓	✓
4. Consultation and Engagement	✓	✓	✓
5. Pilot exercise with local company	X	✓	X
6. ISSB Jurisdictional Tool	✓	✓	X
7. Review of Company Reports	X	X	✓

Table B: Overview of nature-related RAs conducted under the BIOFIN Programme

Jurisdictions	Peru	Rwanda	Kazakhstan
<i>Thematic areas explored in Readiness Assessment</i>			
1. Policy & Regulatory Review	✓	✓	✓
2. Institutional & Market Review	✓	✓	✓
3. Enabling environment	✓	✓	✓
<i>Tools utilized for assessment</i>			
1. Desk Research	✓	✓	✓
2. Survey and Questionnaire	X	X	✓
3. Peer Review of other jurisdictions	✓	X	X
4. Consultation and Engagement	✓	✓	✓
5. Pilot exercise with local company	X	X	X
6. TNFD linkages	✓	✓	✓
7. Review of Company Reports	✓	✓	✓

