Sustainability reporting: Track your progress – GBA insights.

ACCA

EY安永 Shape the future with confidence 聚信心 塑未来

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Methodology and Acknowledgement.

As the sustainability landscape continues to evolve rapidly, organisations are facing rising expectations from regulators, investors, and other stakeholders. This shift has brought greater attention not only to sustainability reporting itself, but also to the quality and substance of the disclosures, with investors increasingly examining the financial impacts of sustainability-related risks and opportunities. By strengthening their approach in these areas, organisations can help drive more consistent, more standardised, and ultimately more meaningful disclosures that support better decision-making and long-term value creation.

In October 2025, The Association of Chartered Certified Accountants (ACCA) collaborated with Ernst & Young Advisory Services Limited to conduct a targeted survey in the Greater Bay Area (GBA) assessing the maturity of sustainability reporting among local organisations. The survey gathered insights from over 90 respondents across diverse stakeholder groups, including accounting firms, financial service providers, large corporates, and non-profit organisations. These stakeholder groups were selected to reflect a broad cross-section of industries and reporting maturity levels within the GBA, enhancing the representativeness and applicability of the findings. The survey aims to assess organisations' readiness to meet the evolving demand for sustainability-related financial information, and to identify and utilise sustainability-related information. By comparing the results with findings from ACCA's global report, **Sustainability reporting: track your progress to create decision-useful information**, which surveyed over 1,000 respondents across different regions and sectors to assess readiness and usage of sustainability-related information, the study reveals valuable insights into differing perspectives and challenges faced by organisations across regions.

This research aims to uncover insights on four aspects:

- **Growing Importance of Sustainability Reporting:** How can organisations better structure and provide relevant disclosures to meet the expectations of stakeholders?
- **Challenges in Identifying Sustainability-related Risks and Opportunities:** How can organisations better equip themselves to overcome the challenges of identifying sustainability risks and opportunities?
- **Guidance and Support to Overcome Challenges:** How can organisations leverage their network to overcome relevant key pain points?
- **Accountants as Critical Enablers in Bridging the Gaps:** How can accountants leverage their role to drive sustainable development?

Executive Summary.

Globally, the proliferation of sustainability reporting frameworks — including ISSB S1 and S2, the Corporate Sustainability Reporting Directive (CSRD), and the Global Reporting Initiative (GRI) — has created significant complexity. While these frameworks share common goals, their overlapping yet divergent requirements make it difficult for organisations to maintain consistency and comparability in their disclosures. In Hong Kong SAR of China, the Government's Sustainability Disclosure Roadmap sets a clear trajectory for publicly accountable entities (PAEs) to adopt ISSB-aligned standards by 2028, with requirements that will effectively extend to value chain participants. The introduction of the Hong Kong Standard on Sustainability Assurance 5000 further reinforces Hong Kong's commitment to adopting globally relevant standards, providing a unified assurance baseline aligned with international norms.

Despite this regulatory momentum, many organisations remain in the early stages of building the foundational capabilities needed for robust sustainability reporting. Survey findings reveal that 41% of global respondents and 36% of GBA participants identify knowledge gaps as a primary challenge, while around a third cite the immaturity of the sustainability reporting ecosystem. Translating high-level standards into actionable data systems, material disclosures, and credible reporting continues to be a significant barrier ,particularly for organisations without deep internal expertise.

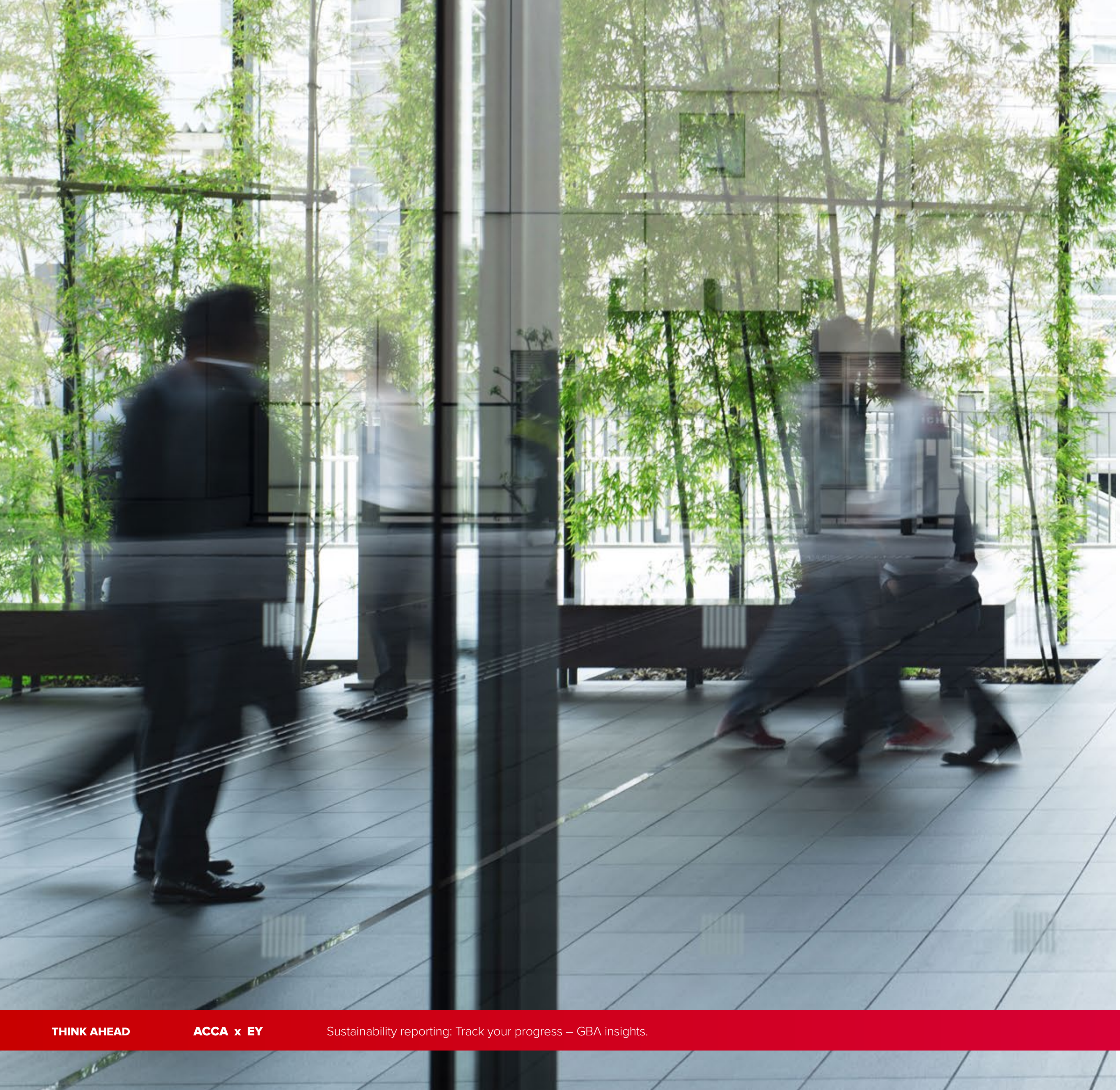
Against this backdrop, the report calls on professional accountants and organisation leaders to take decisive action across **10** interconnected areas. Organisations should **move beyond compliance** and harness sustainability information as a tool for resilience and value creation. They should **prioritise globally relevant standards** as a baseline from which to layer sectoral or jurisdictional requirements and **leverage the regulatory reporting ecosystem** — including available mappings, interoperability guidance, and practical resources such as **ACCA's IFRS S1 and S2 worksheets** — to navigate complexity more effectively.

Underpinning this is the need to **know the business end-to-end**, identifying vulnerabilities, risks, and opportunities across the full value chain before prioritising what is material. Organisations should **bake sustainability into stakeholder management**, embedding regular two-way dialogue to ensure reporting reflects the information that matters most. Systems must **be built to be agile**, starting from existing financial reporting infrastructure and evolving as sustainability data becomes more material and end-user needs change.

Collaboration is equally critical. **Collaborating boldly across industries and regions**, drawing on **flexible resourcing models**, and investing in skills development will enable organisations to close capability gaps in cost-effective ways. Senior leaders must champion sustainability from the top, while the entire organisation should **be proactive**, starting now and committing to continuous improvement rather than waiting for full regulatory certainty.

Taken together, these recommendations reflect a clear message: sustainability reporting is no longer a peripheral obligation but a core dimension of strategic management. For Hong Kong and other cities in the GBA, the opportunity is significant — to lead by example, build a trusted and competitive sustainability ecosystem, and turn reporting into a genuine driver of long-term value.

‘The sustainability reporting landscape is undergoing a profound transformation. What was once a compliance exercise is rapidly evolving into a strategic imperative, with organisations expected to demonstrate not only regulatory conformity but also the ability to produce meaningful, decision-useful information that drives long-term resilience and stakeholder trust.’



1. Growing Importance of Sustainability Reporting.

Introduction

The landscape of sustainability reporting is rapidly changing, where sustainability reporting has become a central mechanism for communicating how organisations respond to evolving societal expectations and create long term value, which extends beyond meeting compliance requirements. Sustainability reporting enables stakeholders to understand an organisation's management of material environmental and social risks, and the integration of sustainability-related considerations into the business model. This heightened demand for sustainability reporting is driven by the increasing number of sustainability related regulations emerging across global markets.

The adoption of International Financial Reporting Standards (IFRS) S1 and S2 in Hong Kong has established a more coordinated and comparable baseline for sustainability related reporting. With Hong Kong planning to adopt Hong Kong Financial Reporting Standards (HKFRS) S1 and S2 by 2028, this marks a significant shift towards greater transparency in reporting. In parallel, the Accounting and Financial Reporting Council (AFRC) issued a consultation paper proposing a mandatory regulatory framework for sustainability assurance in Hong Kong, supporting the International Sustainability Standards Board (ISSB) Standards adoption for large publicly accountable entities (PAEs) by 2028. Collectively, these developments illustrate the increasing emphasis on high quality sustainability-related information as a foundation for market confidence and stakeholder trust. For organisations, this means building more integrated and reliable reporting processes, strengthening cross functional coordination, supporting robust sustainability reporting, and ensuring the data accuracy required for future external assurance.

As regulatory expectations expand and mature, companies will be mandated not only to comply with these frameworks but also to demonstrate their capability to produce, interpret, and act on sustainability-related insights. This evolving landscape underscores the growing need for specialised expertise and thoughtful internal alignment to support effective sustainability reporting.

Research question

What information is most important to help your organisation's stakeholders understand sustainability-related topics?

Purpose-driven sustainability reporting

Our research findings highlight a clear shift in the market's expectations regarding sustainability reporting, particularly in how organisations understand sustainability-related topics. 39% and 29% of GBA respondents indicated that sustainability reporting plays a critical role in helping stakeholders assess the financial implications of sustainability-related risks and opportunities, as well as risk management practices. This underscores a growing emphasis on transparent and consistent reporting that supports informed evaluation of an organisation's exposure and resilience. The study identified differing motivations across regions. While both GBA and global participants agree that disclosure is primarily driven by compliance needs and the desire to better understand financial impacts, GBA respondents additionally view risk management as a key driver of sustainability reporting, whereas global respondents expressed greater interest in obtaining broader non-financial insights through sustainability reporting. This illustrates a divergence in focus across markets and reflects how organisations are shaping their disclosure priorities in response to stakeholder expectations.

Insights

Research findings align with a broader global trend in sustainability reporting, **moving from a compliance-driven approach toward more impact-focused, transparent, and decision-useful sustainability reporting**. As regulatory expectations evolve, organisations are increasingly expected not only to acknowledge sustainability-related matters but also to demonstrate the ability to identify, quantify, and articulate both financial and non-financial implications with clarity. The transformation is especially evident in the GBA, where survey respondents consistently emphasised that disclosing the financial impacts of sustainability-related risks, opportunities, and risk management practices is becoming a core expectation from stakeholders. The GBA respondents perceived such disclosures as critical indicators of an organisation's capability to assess exposure, quantify potential effects, and implement effective mitigation strategies to emerging sustainability-related challenges. For GBA respondents, this level of transparency signals risk resilience, governance maturity, and organisational readiness to navigate a landscape where sustainability-related considerations continue to influence business performance and stakeholders' expectations.

Global respondents place greater emphasis on both financial and non-financial insights that help stakeholders understand how sustainability-related matters shape an organisation's value creation, environmental and societal footprint, and strategic direction. This focus reflects a global shift toward more comprehensive sustainability reporting, where organisations are expected to share their sustainability related risks and opportunities through both financial and non-financial lenses, using both quantitative outcomes and qualitative insights. The shift is most notable in the Corporate Sustainability Reporting Directive (CSRD), which embeds ISSB-aligned concepts into the European Sustainability Reporting Standards (ESRS) through a double materiality framework. Companies are required to disclose both how sustainability-related matters impact financial performance and how their operations influence people, communities, and the environment. The coexistence of multiple sustainability-related disclosure standards such as ISSB S1 and S2 and the CSRD highlights the increasing need for systematic mechanisms to assess both the financial and non-financial impacts of sustainability-related risks and opportunities.

Although ISSB S1 and S2 are being adopted in some jurisdictions, the coexistence of other frameworks such as CSRD means that sustainability reporting serves different purposes and priorities, with the varying focuses on outward and inward impacts in different standards. Organisations are now expected to demonstrate not only how sustainability issues influence enterprise value but also how their activities shape environmental and social outcomes over time. The growing complexity of sustainability risks and opportunities demands systematic mechanisms to understand both their financial and non-financial impacts. This allows us to understand not only how external factors affect the organisation, but also how the organisation influences society and the environment. Only through an integrated perspective can organisations deliver insightful reporting and informed strategic decisions, strengthening long-term resilience and stakeholder trust. In this context, **adopting globally relevant standards** is important, as they can provide a common baseline from which organisations can build in specific sectoral or jurisdictional requirements.

2. Fundamental Challenges in Identifying Sustainability-related Risks and Opportunities.

Introduction

Organisations are increasingly recognising that identifying sustainability-related risks and opportunities is no longer optional but is fundamental to strengthening stakeholder trust and shaping strategic direction.

As sustainability-related considerations become more deeply embedded in business priorities, the ability to uncover and interpret these drivers is emerging as a core element of resilient decision making. Despite sustainability-related reporting mandates accelerating globally, many organisations continue to struggle with transforming raw sustainability data into insights that are meaningful and relevant for stakeholders. This gap highlights a broader issue in the evolving sustainability landscape, where the value of reporting depends not only on compliance but on the quality, clarity, and strategic usefulness of the information produced. It also points to the importance of **baking sustainability into stakeholder relationship management**, so that organisations can better understand stakeholder needs and reflect those insights in their reporting and decision-making.

Research question

When considering your organisation's sustainability-related risks and opportunities, what are the main challenges in identifying the most relevant information for stakeholders?

Existing challenges in identifying risks and opportunities

Global sustainability reporting requirements are becoming increasingly challenging for organisations, as the comprehensiveness of different reporting guidelines and standards creates ambiguity. Frameworks such as CSRD, ISSB, GRI and others frequently overlap, diverge, and undergo continual updates, making it difficult for companies to maintain clarity and consistency in their disclosures. At the same time, topics such as Scope 3 emissions, nature and biodiversity, water stewardship, and social impacts are emerging at an accelerated pace, increasing the pressure on organisations to determine which sustainability topics are material to their business and to assess their vulnerability to sustainability-related risks and opportunities.

The growing complexity contributes to the rising need to address the diverse expectations of different stakeholders. As organisations attempt to cater to varying information needs, a "translation gap" can arise from mismatched material topics, imprecise prioritisation of material topics, or inconsistent sustainability reporting. While many organisations acknowledge the importance of transparent sustainability reporting, the difficulty in aligning multiple standards and stakeholder expectations highlights a broader challenge. Without clearer guidance and streamlined reporting frameworks, organisations may struggle to communicate their sustainability performance effectively, potentially limiting comparability and reducing the decision usefulness of the information presented.

Global: 41%
GBA: 36%

Knowledge about the reporting requirements

Global: 35%
GBA: 27%

Infancy of sustainability reporting ecosystem

Global: 33%
GBA: 31%

Knowing the different stakeholder needs

Our survey shows that 41% of global respondents and 36% of GBA participants view the knowledge gap as a key challenge, while another 35% globally and 27% in the GBA point to the immaturity of the sustainability reporting ecosystem. 33% of global respondents and 31% of GBA participants indicated that understanding the needs of different stakeholders poses as a barrier.

Together, these findings highlight the difficulty for organisations in keeping up with rapidly expanding disclosure expectations. The complexity of different reporting frameworks and standards demands robust internal systems, standardised processes, and cross-functional collaboration to ensure consistency, transparency, and credibility. The persistent gaps in knowledge, institutional maturity, and stakeholder insight underscore that many organisations remain in the early stages of developing the foundational capabilities for sustainability-related disclosure.

Insights

Research findings show a widening divide between corporate readiness and the expectations set by sustainability-related disclosure standards. Both global and GBA respondents consistently point to limited technical knowledge of reporting requirements as a key barrier to identifying the most relevant sustainability-related risks and opportunities.

Differences in regulatory maturity across regions further contribute to varied organisational experiences in navigating sustainability-related disclosures. The GBA region demonstrates a comparatively more structured sustainability reporting ecosystem, driven by the effectiveness of Hong Kong's established climate-related standards and the mandatory sustainability disclosure requirements applicable to A-share companies that are dual-listed on the Hong Kong Exchanges and Clearing Limited ("HKEX"). With the HKEX's enhanced ESG Reporting Code, aligned with IFRS S2 that was effective from January 2025 following consultations initiated in April 2024, organisations have benefited from clearer timelines and structured guidance. In contrast, regions in Europe and North America continue to navigate their reporting frameworks such as the CSRD and ESRS, which introduce more comprehensive sustainability disclosure requirements, but are still undergoing consultation and experiencing implementation delays. While other sustainability-related disclosure frameworks and standards are not without merit, their divergence introduces complexity and uncertainty which discourage stakeholders from digesting and benchmarking sustainability-related performance across markets. To navigate this complexity, organisations should **leverage the wider reporting ecosystem** for support, including available mappings, interoperability guidance, and summaries of key requirements that can serve as a foundation from which to build more tailored disclosures. For example, **ACCA's worksheets on ISSB's IFRS S1 and S2 key requirements** provide practical support for understanding and applying the IFRS Sustainability Disclosure Standards.

Enhanced stakeholder engagement also emerges as a critical enabler for strengthening materiality assessments and improving the relevance of sustainability reporting. Investors increasingly expect reporting to adopt a broader, multi stakeholder perspective, with most respondents indicating that organisations must go beyond investor-focused sustainability-related insights to proactively engage governments, consumers, employees and local communities. This helps organisations refine their understanding of which sustainability-related issues matter most across different stakeholder groups, while simultaneously supporting clearer prioritisation, streamlined data measurement and more coherent sustainability reporting. By improving the alignment between stakeholder expectations and organisational disclosures, companies can better differentiate between routine information requests and material sustainability-related considerations. To do this effectively, organisations need a clear **end-to-end understanding of their business**, including their operations, value chains, stakeholder relationships and external dependencies. This holistic view supports the identification of vulnerabilities, risks and opportunities, from which organisations can prioritise the most significant matters and gather the material information needed for meaningful reporting.

Overall, addressing the knowledge gap, navigating divergent regulatory maturity levels, and strengthening multi stakeholder engagement will be essential steps for organisations seeking to meet the shifting expectations of global sustainability reporting. As sustainability-related disclosure frameworks continue to evolve, these capabilities will increasingly determine not only compliance readiness but also the ability to demonstrate resilience, strategic clarity, and value creation in an environment where sustainability-related considerations are becoming integral to long term organisational performance.

3. Driving Development through External Assistance and Guidance.

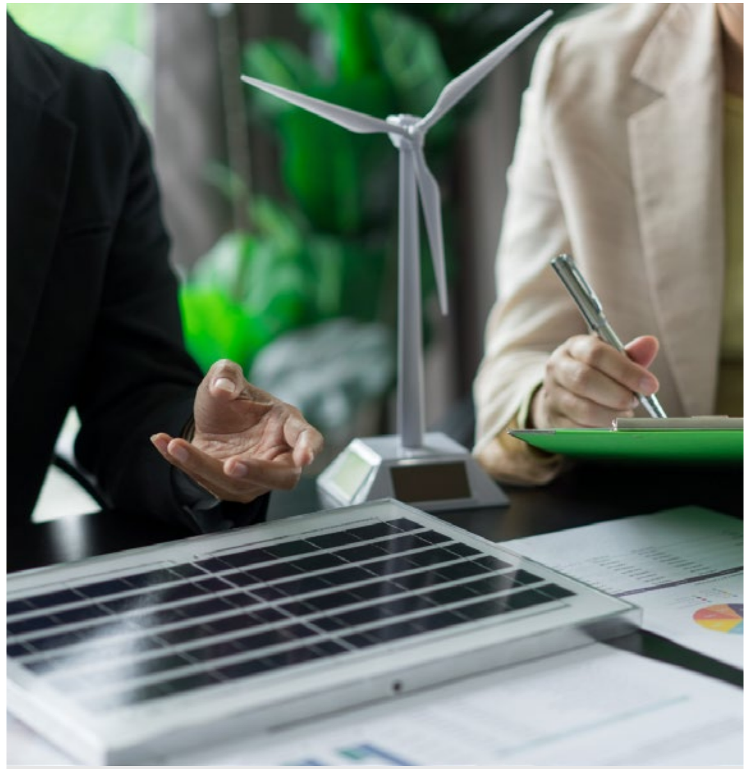
Introduction

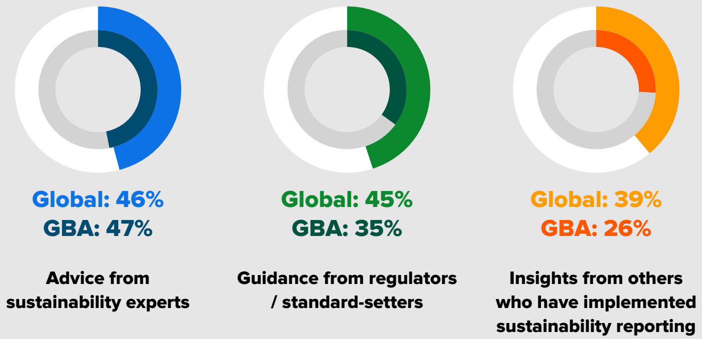
As companies continue to advance their sustainability ambitions, the ability to generate reliable and meaningful information has become increasingly important.

In practice, many organisations face data gaps, limited internal expertise, and evolving sustainability-related disclosure requirements, making it difficult for companies to develop a reliable sustainability reporting process. With the hurdles faced by companies, external assistance and guidance play a crucial role in driving the development and disclosure of sustainability-related information. Organisations may also benefit from **collaborating more boldly across industries and regions**, enabling them to share knowledge, learn from emerging practices, and access expertise that may not be available internally. Flexible resourcing models, including partnerships, external advisers, shared service arrangements, or specialist support, can provide cost-effective ways to strengthen reporting capability, improve data reliability, and support more robust sustainability-related disclosures.

Research question

If you were to face challenges in creating and using sustainability information, which of the following would best help you manage them?





Supports asked to overcome the identified challenges

With specialised external professionals, organisations can effectively close gaps in their sustainability management, and accelerate their overall transformation by leveraging structured methodologies, and deep technical expertise. External professionals enable companies to rapidly upgrade data governance, enhance system integration, and establish more reliable reporting processes, significantly improving the accuracy and reliability of disclosures. Their independent perspective strengthens internal decision-making, reduces compliance risk, and ensures alignment with fast-evolving regulatory requirements. Beyond operational improvements, external guidance helps embed long-term strategic thinking, enabling companies to identify value-creation opportunities, anticipate stakeholder demands, and build a more future-ready sustainability framework. Through this collaboration, organisations gain greater confidence, efficiency, and credibility, ultimately advancing the maturity and resilience of their sustainability reporting ecosystem.

Our research findings show that, in the face of identified challenges and barriers in sustainability reporting, companies widely recognise the value of advice from sustainability experts and guidance from regulators. According to the GBA survey, 47% of respondents consider insights from sustainability experts crucial, while guidance from regulators or standard-setters also ranks as a top solution, with 35% in the GBA region, slightly lower than the global average of 45%. Additionally, learning from peers who have already implemented sustainability reporting serves as a third key approach, helping organisations understand what information truly matters to stakeholders in practice and thereby enhancing the relevance and effectiveness of their own reporting.

Insights

While regulators and standard-setters aim to provide clear and comprehensive guidance, their frameworks are often principles-based and high-level in nature. This approach offers flexibility but creates ambiguity in implementation, particularly for organisations lacking internal expertise in sustainability. As a result, even with access to detailed standards, many companies struggle to translate high-level requirements into actionable processes, reliable data systems, and compliant disclosures.

Therefore, leveraging the experience and practical insights of external professional advisors has become an efficient starting point for companies to take their first critical steps. By collaborating with external professions, organisations can not only rapidly establish an internal sustainability-related disclosure framework aligned with international standards. Moreover, external experts serve as a reference point to translate high-level standards into actionable strategies, sharing industry best practices, offering practical tools and methodologies, and quantifying the business impact of sustainability actions for decision-making, to transform sustainability reporting from mere compliance tasks into strategic drivers.

Building internal sustainability capacities requires more than external guidance but also a deliberate and structured culture to embed sustainability knowledge across organisations. Companies should transform external knowledge into internal understanding and practical capability, gradually building self-sustaining management systems for sustainability and achieving a transition from external dependency to internal ownership and leadership. At the same time, collaboration and **flexible resourcing models** can play an important role in accelerating this transition. By working across industries and regions, and by drawing on external professional expertise, shared resources, partnerships, or specialist support, companies can access the skills they need in a more cost-effective and agile way while continuing to build internal capability. Companies can also **proactively** strengthen communication and collaboration with government agencies, financial regulators, and industry authorities by establishing a regular and structured mechanism for information exchange. By actively participating in policy seminars, regulatory consultation meetings, or industry-specific working groups, companies can stay abreast of evolving regulatory trends and specific disclosure requirements, support proactive compliance planning, and identify emerging good practices. This should not be treated as a one-off exercise: organisations should start now, learn from early implementation, and continually improve their sustainability reporting processes, data management, and strategic integration over time. Combined with specialised training sessions, workshops, and employee incentive programs, these efforts can lay a solid foundation for transitioning from passive compliance to active leadership in sustainability.

This two-way collaboration mechanism holds multiple strategic advantages in the synergy between sustainability disclosure practices and internal operational capacity. It enables organisations to access practical, experience-based guidance while continuously strengthening in-house knowledge, supporting the development of a more robust sustainability disclosure framework for organisations. Beyond enhancing compliance efficiency and reducing implementation costs, this collaborative approach transforms sustainability from a mere compliance obligation into a core strategic advantage, building investor confidence, and creating long-term value.

4. Accountants Act as Crucial Enablers in Closing Sustainability Gaps.

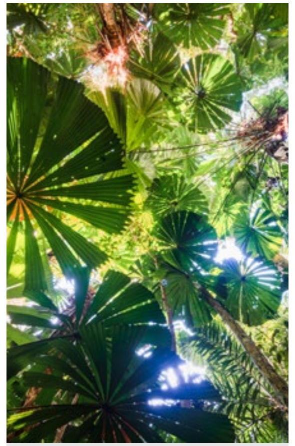
Introduction

In the current context where sustainability requirements are becoming increasingly complex and organisations face challenges such as poor data quality, inconsistent sustainability accounting methodologies, and a shortage of specialised talent. Many companies struggle to establish reliable data collection and management systems in their sustainability reporting, resulting in disclosures that lack comparability and credibility.

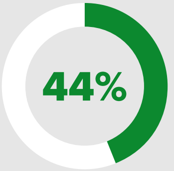
To overcome these barriers, accountants are playing an increasingly key role. Drawing on their strengths in compliance, internal controls, and data governance, they help organisations establish more reliable and consistent sustainability reporting processes. By integrating financial and non-financial information, they support companies in identifying and developing purpose-driven metrics and strengthening data management. This enables organisations to move beyond basic reporting and begin managing sustainability performance in a more proactive and systematic way.

Research question

What role should professional accountants have in the creation and use of sustainability information?

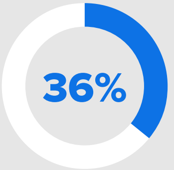


Global Survey Result



Supporting development of sustainability-related strategies

GBA Survey Result



Assuring the information

Accountants to assist in driving sustainable development

Accountants demonstrate a strong grasp of financial knowledge and the strategic relevance of sustainability reporting. While specialised expertise is required to evaluate sustainability topics such as climate risk and supply chain vulnerabilities, accountants who have a deep understanding of financial statements, key line items, and interrelationships across financial data are able to translate sustainability matters into financial implications. Accountants support the identification of risks and opportunities and help develop more resilient strategic responses by converting environmental and social factors into measurable financial terms for management to visualise short-term performance and long-term value creation. In terms of governance and internal control, accountants' professional expertise promotes sustainable development practices. Accountants ensure data integrity, support compliance with emerging standards and help embed sustainability reporting within existing sustainability-related disclosure frameworks.

In terms of governance and internal control, accountants' professional expertise drives sustainable development practices. They can effectively integrate sustainability metrics into existing management and reporting systems, transforming environmental and social factors into quantifiable and decision-useful indicators. A practical way forward is to start by leveraging existing financial reporting systems as a foundation, then build in sustainability-related data as reporting needs evolve. However, as sustainability-related matters become more significant, information becomes material, or the needs of end users change, these **systems** must become more **agile** and responsive. Accountants play a key role in supporting this transition by ensuring that sustainability information is not only reliable and comparable, but also aligned with the needs of investors and other stakeholders. This translation enables material sustainability information to be evaluated based on whether its omission or misstatement could influence investor decision-making, while also helping management balance short-term performance with long-term value creation in strategic planning. In doing so, accountants can help drive organisations toward a low-carbon, resilient, and responsible future.

As sustainability reporting becomes increasingly important, the involvement of accountants can greatly enhance the credibility and transparency of related disclosures. By applying their expertise in data assurance, auditing, and internal controls, accountants help ensure that non financial information is accurate and consistent. This strengthens the confidence of investors, customers, and regulators, while also helping companies build a stronger reputation, attract green investment, and gain a clearer competitive edge in the capital markets.

Our survey shows that 44% of global respondents place their focus on strategic planning, indicating that organisations worldwide are placing greater emphasis on driving sustainable transformation from the top down. In contrast, 36% of respondents in the GBA prioritise assuring sustainability-related information, suggesting that in this region, the quality, credibility, and compliance of sustainability reporting are more pressing concerns. This divergence reflects a growing dual demand for professional accounting talent in both sustainability strategy development and information assurance and creating opportunities for accountants to help bridge the sustainability capability gap.

Insights

Our survey highlights a clear difference between the GBA's focus on information assurance and the global emphasis on strategic support in sustainability. This contrast points to two parallel directions in how the accounting profession is evolving.

One direction continues the traditional gatekeeping role, verifying the accuracy and integrity of sustainability reporting. The other reflects a growing advisory function, where accountants leverage their financial acumen and risk insights to help organisations translate sustainability goals into strategy. They support areas such as risk assessment, metric design, transition planning, and governance to drive forward-looking sustainability initiatives.

Under the proposed Hong Kong Financial Reporting Sustainability Disclosure Standards (HKFRS SDS), listed companies and relevant financial institutions will be required to obtain independent assurance in phases, which means organisations must begin preparing for more stringent disclosure requirements. At the same time, accountants will need to demonstrate sufficient technical competence, adequate resources, integrity, robust quality management systems, and compliance with standards such as the Sustainability Ethics Standards. The introduction of the Hong Kong Standard on Sustainability Assurance 5000 (HKSSA 5000) aligned with the International Sustainability Assurance Standard 5000 is expected to unify assurance practices, ending fragmentation and enhancing the comparability and credibility of sustainability-related information. This positions accountants to lead the way in standardising assurance and working closely with auditors.

Taken together, these changes indicate that the profession is moving beyond a compliance-focused function toward a more strategic and forward-looking role. At the same time, accountants are no longer confined to building the financial foundation, they are becoming active participants in the planning, design, and execution of corporate sustainability strategies. By integrating sustainability performance data, identifying climate related risks and opportunities, helping build performance measurement frameworks, and assessing the feasibility of transition pathways, accountants support management in turning sustainability goals into concrete, measurable, and reportable actions.

Looking ahead, as Hong Kong continues to advance its sustainability reporting and assurance framework, the accounting profession is poised to achieve a dual transformation, balancing compliance assurance with strategic value creation. The evolving expectations between the GBA and global markets are driving accountants to expand their expertise. With unified standards, strengthened professional capabilities, and the integration of innovative technologies, Hong Kong is building a more resilient, transparent, and globally competitive sustainable finance ecosystem. This not only supports sustainable development for local enterprises but also fuels broader progress toward sustainability across the GBA and beyond.

Hong Kong's Unique Roles and Opportunities.

The Hong Kong Sustainability Disclosure Roadmap

As global sustainability standards gain momentum, Hong Kong has taken a proactive step to align with international best practices. On 10 December 2024, the Hong Kong Government released the Hong Kong Sustainability Disclosure Roadmap, providing clear guidance for PAEs to adopt ISSB standards by 2028. While PAEs are the primary entities within scope, the practical implications of these requirements may extend beyond PAEs themselves, as they may need to request sustainability-related information from entities across their value chains. This means that suppliers, business partners, and other value chain participants that are not directly in scope may nevertheless face increasing expectations to provide reliable sustainability-related data and support the reporting needs of PAEs.

This landmark initiative underscores Hong Kong's determination to strengthen its sustainability disclosure ecosystem, consolidate its leadership position in global sustainable finance, and enhance the competitiveness of Hong Kong enterprises in response to the growing global demand for high-quality sustainability reporting. By setting a clear timeline and framework, the roadmap provides certainty for businesses and reinforces Hong Kong's commitment to driving sustainable growth and transparency.

Hong Kong's Role in Sustainability Assurance

Beyond disclosure, assurance plays a critical role in building trust and credibility in sustainability reporting. The release of Hong Kong Standard of Sustainability Assurance 5000 significantly strengthens the accounting profession's role in sustainability disclosure and the provision of sustainability assurance services. It establishes a unified assurance standard aligned with international norms, ensuring credibility, transparency, and comparability of sustainability information. This also provides an example of **adopting globally relevant standards** in the assurance context, where international alignment can serve as a baseline while supporting local market needs. In turn, this boosts investor confidence, expands accounting firms' services beyond traditional audits, and helps companies meet local and global regulatory requirements, reinforcing Hong Kong's leadership position in green finance.

Unique Position and Opportunities of Hong Kong

Hong Kong has consistently played a leadership role in driving sustainable development.

Leveraging its unique advantages as an international financial centre, Hong Kong SAR not only facilitates capital flows among different economies in the Asia-Pacific region but also enjoys a strategic position in connecting with Chinese mainland. This unique role enables Hong Kong SAR to act as a bridge between international markets and Chinese mainland, fostering cross-border collaboration in sustainability initiatives.

Hong Kong has a strong pool of sustainable finance professionals, supporting companies in preparing, disclosing, and assuring sustainability information with quality and compliance. These services meet local and GBA needs, provide expertise across Asia-Pacific, attract global capital and position Hong Kong as a trusted partner for global investors seeking credible sustainability practices.

Hong Kong's strong legal framework provides a solid foundation for sustainability disclosure, enhancing the credibility and transparency of reporting and driving companies to adopt international standards for high-quality, comparable disclosures.

In advancing sustainable finance, Hong Kong is not only focusing on the development of robust disclosure standards, assurance frameworks, and a skilled professional ecosystem, but also actively embracing technological innovation to promote the application of green and sustainable fintech solutions. Looking ahead, Hong Kong will continue to lead the GBA in building a robust, integrated, and sustainable finance ecosystem. With strong standards, trusted professionals, and innovative technology, the region will drive meaningful progress in sustainability, turning responsibility into competitive advantage. Together, businesses and professionals will shape a future that is greener, smarter, and more resilient, where sustainability is not just reported, but truly embedded in value creation.

Conclusion.

The growing emphasis on sustainability reporting reflects an urgent need for organisations to enhance transparency and accountability. This trend is driven not only by intensifying global challenges such as climate change and resource scarcity, but also by investors' renewed assessment of long-term value creation, increasingly stringent regulatory policies, and rising expectations from stakeholders regarding corporate social responsibility.

In this context, enhancing transparency and accountability has become a critical prerequisite for organisations to build trust, strengthen brand reputation, mitigate compliance risks, and attract sustainable capital. While progress has been made, challenges remain in structuring disclosures, identifying risks and opportunities, and bridging capability gaps.

Accountants, as trusted advisors, play a pivotal role in enabling organisations to meet these expectations and **champion sustainable development**. Beyond traditional financial responsibilities, accountants also participate in developing and monitoring sustainability performance indicators. These indicators not only support compliance but also enable accountants to drive performance improvement, inform strategic decisions, and help organisations embed sustainability into long-term value creation.

The recommendations echo those previously published by ACCA to help organisations and professionals better create and use sustainability information to improve resilience and better still thrive.

10 Recommendations:

HARNESS THE POWER OF REGULATION

1. **Move beyond compliance**. Create sustainability information for compliance and use it to become more resilient and thrive.
2. **Prioritise globally relevant standards**. Start with standards relevant to the jurisdiction and to key stakeholders along the value chain.
3. **Leverage regulatory reporting ecosystems**. Maximise use of available support, guidance, and incentives while being mindful of penalties.

OPTIMISE STAKEHOLDERS' ROLES

4. **Know your business end-to-end**. Identify the key resources needed and who provides them. Seize opportunities and manage risks threatening the availability or quality of these resources.
5. **Bake sustainability into stakeholder management**. Exchange insights through regular two-way communication with key stakeholders, including policy makers and regulators.
6. **Build agile systems** focused on the end users that better connect sustainability and financial data to meet both internal and external users' needs.
7. **Collaborate boldly across industries and regions to drive efficiency and effectiveness**. Share expertise, build capacity, minimise blind spots, and continually improve together.

LEAD THE CHANGE

8. **Champion sustainability**. Senior leaders and professional accountants need to recognise the importance of sustainability and drive the necessary conversations and actions.
9. **Build a flexible resourcing model** to facilitate access to relevant skills as and when needed.

ACT NOW

10. **Be proactive**. Start now, seize opportunities and build momentum.

About ACCA.

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over **266,100** members and over **546,500** future members in **179** countries.

In China, we have representative offices and contact points in 11 cities including Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Shenyang, Qingdao, Wuhan, Changsha, Hong Kong SAR and Macau SAR.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that drives a sustainable future for all.

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EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

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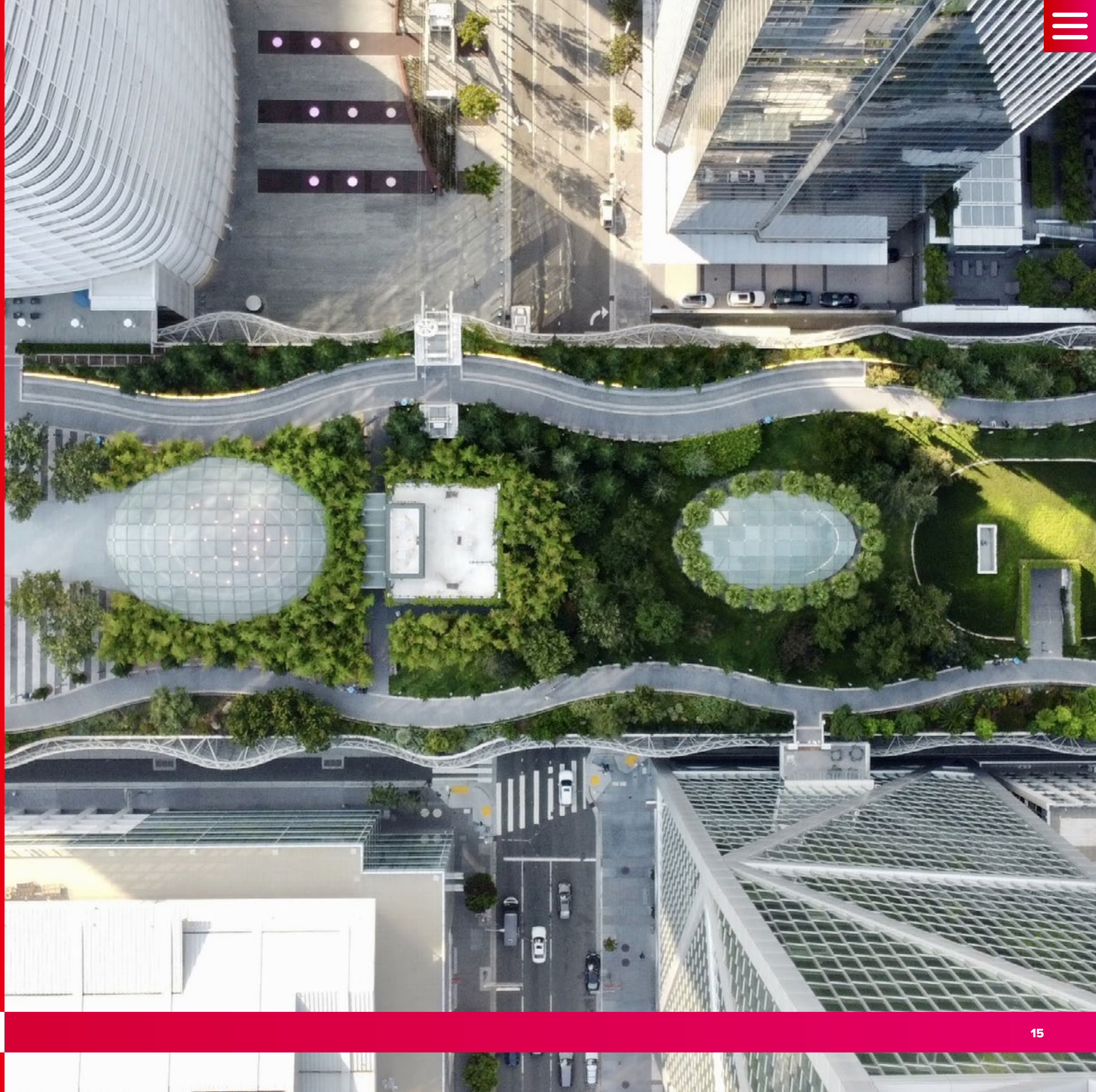

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