

# ESG Two Point Zero?

## What the Global Reset Means for Mid-Market Firms



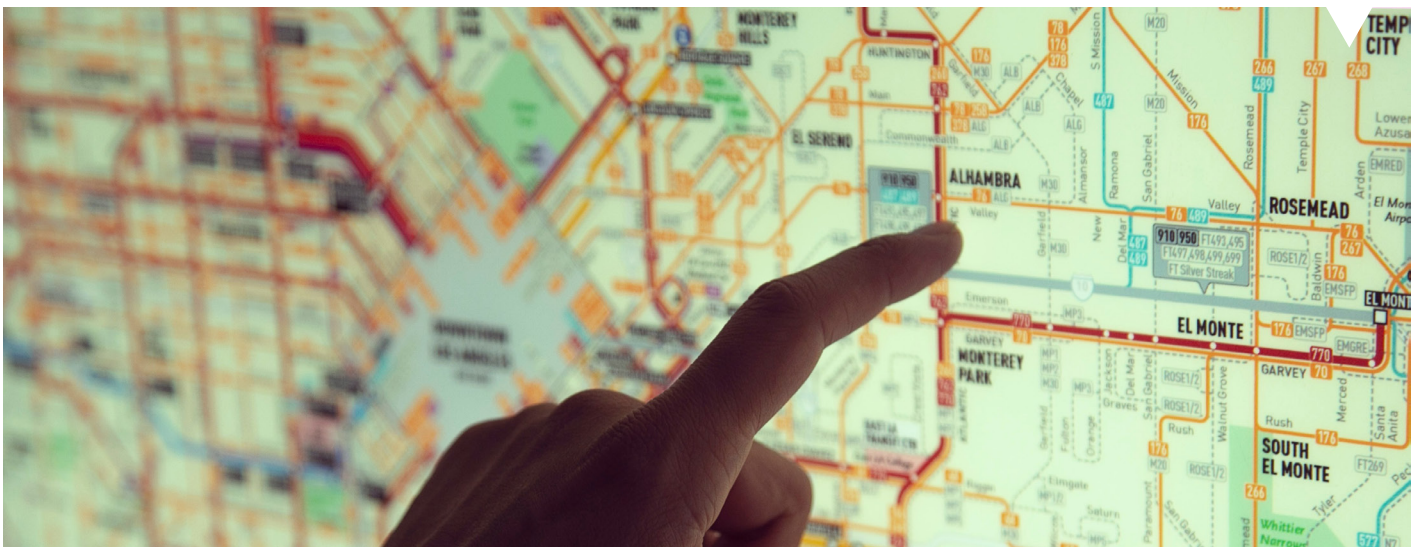
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## What the Global Reset Means for Mid-Market Firms

Across the world, sustainability reporting is being refashioned. The EU's Omnibus Simplification Package may be the political headline, but it signals a deeper global shift: **away from maximalism and towards proportionality, interoperability and pragmatism.**

ESG hasn't stopped but is delayed in maturing. It remains a competitive opportunity, and for some an imperative, as well as a vehicle which addresses important areas to be developed within the business. For AGN member firms, this creates a crucial advisory moment. Mid-market companies — often under-resourced, but internationally connected — now need clarity, prioritisation and practical roadmaps.

This GBV Business Bulletin summarises the new direction of travel, compares what's happening in key jurisdictions, and outlines the opportunities for member firms across AGN's Member Agenda, highlighting how it might impact talent, technology and service evolution.



### 1. Immediate actions highlighted by this paper



- Identify client exposure via supply chains, investors, exchanges, and convert this into a proportionate, commercially grounded ESG roadmap.
- Implement simple, scalable ESG data capture processes that work across regimes and integrate with core finance systems.
- Use ESG readiness reviews, light assurance, and data-quality checks to surface gaps and reduce future assurance risk.
- Educate boards and CFOs. Deliver focused briefings on ESG Reporting 2.0, clarifying market expectations and key differences between ISSB, CSRD, and US regimes.
- Position ESG as advisory. Embed ESG as an ongoing advisory service—strategy, systems, governance, and assurance—not a one-off reporting exercise.

## 2. Global Snapshot: Where ESG Reporting is Heading

### Future Direction of ESG / Sustainability Disclosure: Major Jurisdictions at a Glance

Region	Direction of Travel	Thresholds & Scope	Timing	Implications for Mid-Market Major Attack
<b>EU (Omnibus)</b>	Recalibration: narrowed CSRD scope, lighter due diligence, optional elements, fewer datapoints.	Larger companies (1,000+ employees) remain in scope; SMEs eased.	2025–27	Still high expectations if selling into EU supply chains. Clarity improves, burden reduces.
<b>UK</b>	Gradual alignment with International Sustainability Standards Board (ISSB); climate-first approach; caution on burden.	Initially voluntary UK Sustainability Reporting Standards (SRS); mandatory scope likely late-2020s.	2025–26 rollout	Mid-sized listed and PE-backed firms face growing investor pressure for ISSB-style disclosures.
<b>US (Federal)</b>	Stalled: Securities and Exchange Commission (SEC) climate rule paused; political polarisation.	No new enforceable federal climate mandate.	Uncertain	Multinationals still need investor-led climate transparency. Avoid “ESG whiplash”.
<b>US (California)</b>	State level acceleration: mandatory emissions + climate-risk for large companies.	Applies to large public/private companies “doing business in California”.	2026–28	Cross-border value chains need full emissions data. Indirect pressure on suppliers worldwide.
<b>Canada / LatAm</b>	Steady: ISSB-aligned regulation moving through securities regulators.	Listed and financial institutions first.	2024–28	SMEs feel pressure through banks and major customers.
<b>Japan</b>	Structured: mandatory ISSB-aligned disclosure for large listed firms.	Top listed entities first; assurance required.	2025–27	Suppliers into Japanese value chains face data requests.
<b>Hong Kong / Singapore</b>	Rapid: mandatory climate disclosure for listed issuers.	Listed and regulated entities.	2024–27	Mid-market firms raising capital must align with ISSB.
<b>Australia / NZ</b>	Firm shift: mandatory climate reporting phased in.	Large listed first; SMEs follow via market pressure.	2025–27	High demand for data readiness and internal controls.
<b>India / EMDEs</b>	Incremental: adoption of ISSB with transitional relief.	Largest listed and high-impact sectors.	2024–30	Exporters face “trickle-down” obligations from global buyers.
<b>Global Baseline (ISSB)</b>	Convergence: increasingly adopted as global reference point.	Jurisdictions choose full or climate-only adoption.	Active	The de facto global language of climate disclosure.