

Amman Stock Exchange Climate-related Disclosures Regulatory Framework

December 2024

1. Legal Standing for the Adoption of ISSB Standards in Jordan

- a) In accordance with global best practices and the recommendations of the IFRS Foundation¹, the Amman Stock Exchange has established a regulatory framework to permit the use of the IFRS Sustainability Disclosure Standards², specifically IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information³ and IFRS S2 Climate-related Disclosures⁴, for sustainability-related disclosures and eventually mandate the climate-related requirements of IFRS Sustainability Disclosure Standards, namely IFRS S2 and the climate-relevant portions of IFRS S1. The adoption of these standards aligns with Jordan's commitment to enhancing transparency, comparability, and reliability of sustainability-related financial information for investors and other stakeholders.

1.1 Permitting the Use of IFRS S1 and IFRS S2 Standards

- a) All companies listed on the Amman Stock Exchange (ASE) are permitted to use the IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board (ISSB), specifically IFRS S1 and IFRS S2, for sustainability-related financial disclosures. This permission is effective immediately upon enactment of this regulation.
- b) Companies are encouraged to voluntarily disclose all material sustainability information beyond climate-related risks and opportunities, with reference to the latest standards. Companies are particularly encouraged to apply IFRS S1, which outlines the broader disclosure requirements for sustainability risks and opportunities beyond climate.

1.2 Voluntary Period

- a) For disclosures published on or after 1 January 2026, companies listed on the ASE20 Index are permitted to use of IFRS S1 and IFRS S2 Standards, or the climate-related requirements of IFRS Sustainability Disclosure Standards, namely IFRS S2 and the climate-relevant portions of IFRS S1 on a voluntary basis.
- b) Companies opting to use IFRS S1 and IFRS S2 Standards during this transition period must notify the Amman Stock Exchange and submit a declaration of intent to comply with the standards.

1.3 Mandatory Use

¹ [IFRS Foundation](#)

² [IFRS Sustainability Standards Navigator](#)

³ [ISSB – IFRS S1](#)

⁴ [ISSB – IFRS S2](#)

- a) For disclosures published on or after 1 January 2027, the disclosure of the climate-related requirements of IFRS Sustainability Disclosure Standards, namely IFRS S2 and the climate-relevant portions of IFRS S1 shall become mandatory for all companies listed on the ASE20 Index.
- b) Reports must always be in compliance⁵ with the climate-related requirements in IFRS Sustainability Disclosure Standards as outlined in 1.3 a) of this framework and may be guided by the Amman Stock Exchange **Climate-related Disclosure Guidelines** to ensure alignment with local and international best practices.
- c) Full use of the IFRS Sustainability Disclosure Standards, that is disclosure of all material sustainability-related risks and opportunities in compliance with both IFRS S1 and IFRS S2, remains permitted and is encouraged. Full application of IFRS S1 and IFRS S2 also constitutes as having met the requirements under 1.3a) of this framework.

2. Location and Timing of Reporting

- a) The disclosures outlined in 1.3 a) of this framework shall be disclosed as part of the company's annual report, at the same time as the rest of the annual report.

3. Transition Reliefs

- a) For the first annual reporting period, i.e. published on or after 1 January 2026, companies are permitted to publish their sustainability-related financial disclosures after they have released their related financial statements, as part of a separate climate report within six months of the end of the 2025 annual reporting period. If an entity uses this transition relief, it shall disclose that fact in its annual report.⁶
- b) For the first annual reporting period in which a company applies the requirements outlined in 1.3 a) of this framework, the company is permitted to apply the transition reliefs related to comparative information outlined in IFRS S1 paragraphs E3 and E6 (a).

4. Reporting Entity

- a) The disclosures outlined in 1.3 a) of this framework shall be for the same reporting entity as for the financial statements in the company's annual report.⁷

5. Other Sustainability Reporting

- a) Companies listed on the ASE20 Index that currently report using the GRI sustainability standards in line with the Amman Stock Exchange Guidance on Sustainability Reporting⁸ are encouraged to continue to produce standalone sustainability reports alongside the new requirements outlined in 1.3 a) of this framework.

⁵ See IFRS S1 paragraphs 72-73.

⁶ This decision has been made in line with IFRS S1 Paragraph E4 (c)

⁷ See IFRS S1 paragraph B38.

⁸ [Amman Stock Exchange – Guidance on Sustainability Reporting](#)

- b) For climate-related financial disclosures in annual reports, the requirements of this framework apply.

6. Gradual Mandate for New Companies Added to the ASE20 Index after the Initial Application of this Framework

- a) For companies added to the ASE20 Index in the first quarter of each year, the disclosure of the climate-related requirements of IFRS Sustainability Disclosure Standards, namely IFRS S2 and the climate-relevant portions of IFRS S1 will be voluntary for that year. Full compliance with the requirements in Section 1.3 a) will be required in the following year, both subject to transitional reliefs in Section 3.
- b) For companies added in the second, third, or fourth quarter of each year the disclosure of the climate-related requirements of IFRS Sustainability Disclosure Standards, namely IFRS S2 and the climate-relevant portions of IFRS S1 will be voluntary for the next year. Full compliance with Section 1.3 a) will be required in the year after that, both subject to the transitional reliefs in Section 3.

7. Oversight and Monitoring

7.1 Reporting and Review

- a) The Compliance Committee shall conduct periodic reviews of ASE20 Index companies' sustainability-related disclosures to ensure compliance with the climate-related requirements in the IFRS Sustainability Disclosure Standards, referencing the Amman Stock Exchange Climate-related Disclosure Guidance where applicable.
- b) The Committee will issue annual reports on the status of compliance and provide recommendations for improvements or modifications to the adoption process.

8. Penalties for Non-compliance

8.1 Fines and Sanctions

Violation	The sequence of the procedure
1- The company required to submit a climate-related disclosure report for the first time does not provide the Stock Exchange with the report in accordance with the rules for submitting a climate-related disclosure report.	1-Alert
2- The company required to submit a climate-related disclosure report for the second or more time does not provide the Stock Exchange with the report in	1- Alert: A period of one month is given to submit a climate-related disclosure report in accordance with the specified rules.

Violation	The sequence of the procedure
accordance with the rules for submitting a climate-related disclosure report	2- A warning and a period of two months is given to submit a climate-related disclosure report in accordance with the specified rules.
	3- A fine of 250-5000 Jordanian dinars.

9. Amendments and Updates

9.1 Periodic Review of Standards

- a) These requirements will be subject to periodic reviews to ensure alignment with international best practices and any updates to the IFRS Sustainability Disclosure Standards.
- b) Any amendments to the law or changes in the standards will be communicated to all ASE20 index companies and stakeholders with a minimum notice period of six months before implementation.