

The logo for SGX RegCo, consisting of a blue square with a white horizontal bar and a green square to its right.

News Release

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SGX RegCo to start incorporating IFRS Sustainability Disclosure Standards into climate reporting rules

Singapore Exchange Regulation (SGX RegCo) has enhanced its sustainability reporting regime and will start incorporating the latest international standards into its sustainability reporting regime following broad support from respondents to a public consultation.

Beginning with financial year (FY) 2025, SGX RegCo will require all issuers to start reporting Scope 1 and Scope 2 greenhouse gas (GHG) emissions. Their climate-related disclosures must also start incorporating the climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB).

Requiring the use of the IFRS Sustainability Disclosure Standards builds on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) that SGX RegCo has mandated in a phased approach since FY 2022.

Most respondents to the consultation supported the move for all issuers to carry out mandatory climate-related reporting versus the current requirement for only certain sectors to do so. But they also highlighted challenges, particularly for smaller issuers, in relation to the evolving measurement and reporting methodologies for Scope 3 GHG emissions. This is notwithstanding the one-year transition relief for the disclosure of Scope 3 GHG emissions in the IFRS Sustainability Disclosure Standards.

SGX RegCo will therefore review issuers' experience and readiness before establishing the implementation roadmap for reporting Scope 3 GHG emissions. The current plan is to prioritise larger issuers by market capitalisation with the intention that they report Scope 3 GHG emissions from FY 2026¹. Issuers will be provided with ample notice before the effective date.

"The changes to our rules mark the culmination of the efforts of the Sustainability Reporting Advisory Committee to prepare issuers for a low-carbon future. The disclosure of Scope 1 and Scope 2 GHG emissions is an important step to enable larger issuers to report their Scope 3 GHG emissions. SGX RegCo on our part will continue to facilitate capacity building to assist issuers on their climate reporting journeys," said Mr Tan Boon Gin, CEO of SGX RegCo.

¹ This is the timeline for disclosure of Scope 3 GHG emissions if the climate-relevant requirements of the IFRS Sustainability Disclosure Standards were fully implemented in FY 2025, due to the in-built one-year transition relief.

“This is a positive step towards more globally consistent and comparable sustainability-related disclosures, which will enable SGX-listed companies to demonstrate resilience against climate risks as well as seize opportunities in our transition to a low-carbon economy,” said Mr Lim Tuang Lee, Assistant Managing Director (Capital Markets), Monetary Authority of Singapore.

To provide time for issuers to focus on these climate-related disclosures in FY 2025, the other primary components of a sustainability report (other than climate-related disclosures) will be mandated from FY 2026².

Issuers that do not conduct external assurance on their sustainability reports must issue their sustainability reports together with their annual reports from FY 2026.

Issuers that do conduct external assurance on their sustainability reports will continue to have up to five months after the end of their financial year to issue their sustainability reports. The extra month is aimed as a transitional measure to encourage issuers to conduct external assurance.

For ease of reference, a summary table of the amendments is set out as follows:

Timeline	Baseline Reporting Practice	Calendar Year in which Report is Published
FY 2025	<p>Climate reporting on a mandatory basis that starts incorporating the climate-related requirements in the IFRS Sustainability Disclosure Standards; the key difference with the climate-related requirements in the IFRS Sustainability Disclosure Standards is that the requirement on Scope 3 GHG emissions is under review and not yet implemented</p> <p>Other primary components of a sustainability report to be disclosed on a ‘comply or explain’ basis</p> <p>Existing timeline to issue sustainability report applies ³</p>	2026
FY 2026	<p>Primary components of a sustainability report to be disclosed on a mandatory basis</p> <p>Sustainability report to be issued with the annual report, or where the issuer has conducted external assurance on the sustainability report, no later than 5 months after the end of the financial year</p> <p>Expectation that large issuers will be required to report on Scope 3 GHG emissions and thus the content in their climate reporting will be aligned with the climate-related requirements in the IFRS Sustainability Disclosure Standards</p>	2027

² The other primary components of a sustainability report are:

- a) Material ESG factors;
- b) Policies, practices and performance;
- c) Targets;
- d) Sustainability reporting framework; and
- e) Board statement and associated governance structure for sustainability practices

³ An issuer must issue a sustainability report for its financial year, no later than 4 months after the end of the financial year, or where the issuer has conducted external assurance on the sustainability report, no later than 5 months after the end of the financial year.

More details on the responses to the public consultation and the new rules are found [here](#).

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About Singapore Exchange Regulation (SGX RegCo)

Singapore Exchange Regulation (SGX RegCo) is the independent Singapore Exchange subsidiary undertaking all frontline regulatory functions including as securities market regulator. Our activities include the admission and supervision of issuers, intermediaries and Catalist sponsors, the surveillance of trading and issuers' disclosures, and the formulation and improvement of policies and products, guided by market feedback. We also have the Whistleblowing Office to look into allegations of issuers' regulatory shortfalls and the Sustainable Development Office to house ESG-related regulatory efforts. Regulation Asia has named us Exchange of the Year four times in recognition of efforts to uphold the integrity and development of our markets. Find out more at <https://regco.sgx.com/>

Media contact

Carolyn Lim
Marketing & Communications
+65 62368139
Carolyn.lim@sgx.com