

7 March 2024

SGX RegCo details how sustainability reports should incorporate ISSB Standards

Singapore Exchange Regulation (SGX RegCo) is consulting the market on details of how the International Sustainability Standards Board (ISSB) standards are to be incorporated into its sustainability reporting rules for climate-related disclosures, in line with the Sustainability Reporting Advisory Committee's recommendations announced on 28 February 2024.

Feedback is also sought on a proposal to make mandatory the reporting on the primary components of a sustainability report (Primary Components)¹ from the current "comply or explain" basis.

Sustainability reporting was introduced to SGX-listed issuers on a voluntary basis in 2011. It was made mandatory in 2016 with description of the Primary Components on a "comply or explain" basis. Listed issuers have progressed since.

Climate reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) was mandated for financial year (FY) 2022 on a "comply or explain" basis for all issuers, and FY 2023 and FY 2024 for issuers in certain carbon intensive industries, on a mandatory basis in phases.

"SGX-listed issuers have improved their sustainability reporting over the years. Most already undertake climate-related disclosures based on the TCFD recommendations. The ISSB Standards have since been launched globally to meet demand for more consistent and comparable disclosures. We want to help issuers report based on these new standards so that they are ready for a low-carbon future," said Tan Boon Gin, CEO of SGX RegCo.

Mr Lim Tuang Lee, Assistant Managing Director (Capital Markets), Monetary Authority of Singapore (MAS), said, "MAS is supportive of Singapore Exchange's move to incorporate ISSB standards into the

¹ The sustainability report must include the following primary components:

1. Material ESG factors
2. Climate-related disclosures consistent with the TCFD recommendations
3. Policies, practices and performance
4. Targets
5. Sustainability reporting framework
6. Board statement and associated governance structure for sustainability practices

Singapore Exchange Regulation Pte. Ltd.

Company Reg No. 201709600D

(A wholly-owned subsidiary of Singapore Exchange Limited)

2 Shenton Way, #02-02 SGX Centre 1, Singapore 068804
main: +65 6236 8888 fax: +65 6535 6994

[sgx.com](https://www.sgx.com)

disclosure requirements for listed companies in Singapore. This is in line with the drive towards consistent and comparable disclosures across jurisdictions to catalyse the global net zero transition.”

Among others, SGX RegCo proposes that its listing rules be amended, and its Sustainability Reporting Guide encompass, the following:

- from FY 2025, issuers should refer to both ISSB’s IFRS S1 and IFRS S2 in preparing climate-related disclosures, including any (permanent) structural and (temporary) transition reliefs;
- issuers should disclose Scope 1 and Scope 2 greenhouse gas (GHG) emissions and the measurement approach from FY 2025;
- Issuers should disclose applicable categories of Scope 3 GHG emissions from FY 2026;
- issuers should disclose industry-based metrics and cross-industry metric categories relevant for climate-related disclosures; and
- the sustainability report should be issued according to current timelines in FY 2025; from FY 2026, it should be issued together with the annual report.

The consultation is open till 5 April 2024 and the paper is found here: <https://regco.sgx.com/public-consultations>

-End-

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