News Release

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SGX-listed issuers improve sustainability reporting; climate disclosures underdeveloped

A biennial study by Singapore Exchange Regulation (SGX RegCo) and the Centre for Governance and Sustainability (CGS) at the NUS Business School has found that listed issuers of all sizes have improved in terms of sustainability reporting since the first study conducted in 2019. The average 2023 score was 75 points out of a possible 100 versus 72 in 2021 and 61 in 2019.

Climate-related disclosures being newly mandated, were however found to be relatively underdeveloped particularly among smaller issuers. Of the 535 SGX-listed issuers that published their sustainability reports, only 393 or 73% provided climate-related disclosures based on the Task Force on Climate-related Financial Disclosures (TCFD) framework. Large issuers, namely those whose market capitalisation is at least S$1 billion, were better able to meet the new SGX climate reporting requirements based on recommendations of the TCFD.

Sustainability reports for the financial year 2022 that were available as of 31 July 2023 were reviewed in this exercise. This third edition of the review is the first to consider climate-related disclosures, which many issuers are reporting for the first time.

To highlight best practices, particularly in climate reporting, this year’s review contains short case studies featuring a range of different issuers from large issuers to smaller entities. The report also includes tips to help investors analyse sustainability reports as well as a list of frequently asked questions on greenwashing, which stakeholders are increasingly scrutinising. The review also examines the climate transition plans of issuers for the first time.

Other findings from this year’s assessment of climate reporting include:
- Metrics and targets were a bright spot; 86% of issuers disclosed at least one of their Scope 1, 2, or 3 greenhouse gas (GHG) emissions.
- Areas needing more detail include climate-related risks and opportunities, the involvement of board and management in overseeing and managing climate-related risks and opportunities, and scenario analysis providing insights into resilience of the climate strategy.
- Some issuers (30) conducted external assurance though only an internal review is required.
- 65 issuers disclosed a climate transition plan, but only 34 had quantitative and time-based targets.
“Sustainability reporting is an important aspect of our efforts to achieve our net-zero ambition. While there has been progress in companies’ sustainability practices and disclosures, in particular by small and medium cap issuers, there is room for improvement in the robustness of climate disclosures. As we make the transition to net-zero, companies must continue to strengthen their sustainability practices and disclosures so we can collectively advance our sustainability agenda. Doing so will also help companies gain a competitive advantage globally,” said Ms Grace Fu, Minister for Sustainability and the Environment.

“The findings in the 2023 review of sustainability reports are a reality check. While companies are generally competent in sustainability reporting, the quality of climate disclosures was more uneven. This is to be expected given the speed at which new requirements were introduced. But we do not have the luxury of time. We hope this report will help companies to close the gap between their current state and what is expected of their green credentials,” said Mr Tan Boon Gin, CEO, SGX RegCo.

"Over the years, we have witnessed a positive trend in sustainability reporting among SGX-listed issuers, reflecting their growing commitment to transparency and accountability. However, the introduction of climate-related disclosures has shed light on an area that requires significant development, especially among smaller issuers. As the global landscape continues to emphasise sustainability, we hope that our findings will inspire companies to re-evaluate and enhance their existing practices. By taking proactive measures, we believe we can take one step closer to fulfilling the government's commitment in achieving net-zero emissions,” said Professor Lawrence Loh, Director, Centre for Governance and Sustainability at NUS Business School.

The Sustainability Reporting Review 2023 report is 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://www.sgx.com/regulation.

About Centre for Governance and Sustainability (CGS)

The Centre for Governance and Sustainability (CGS) was established by the National University of Singapore (NUS) Business School in 2010. It aims to spearhead relevant and high-impact research on corporate governance and corporate sustainability issues that are pertinent to institutions, government bodies and businesses in Singapore and the Asia-Pacific. CGS is the national assessor for the corporate sustainability and corporate governance performance of listed companies in Singapore. In tandem with growing demands from consumers and investors that financial returns are achieved with integrity, backed with environmental and social considerations, CGS has a slew of research focusing on sustainability reporting in Asia Pacific, sustainable banking, nature reporting, and climate reporting in ASEAN. More information about CGS can be accessed at https://bschool.nus.edu.sg/cgs/

NUS Business School, ranked 1st in Asia in the 2024 QS World University Rankings, is renowned for providing management thought leadership from an Asian perspective, enabling its students and
corporate partners to leverage global knowledge and Asian insights. The School is one of the 16 faculties and schools at NUS. A leading global university centred in Asia, NUS is Singapore’s flagship university which offers a global approach to education, research and entrepreneurship, with a focus on Asian perspectives and expertise. Its transformative education includes a broad-based curriculum underscored by multi-disciplinary courses and cross-faculty enrichment. Over 40,000 students from 100 countries enrich the community with their diverse social and cultural perspectives. For more information, please visit bschool.nus.edu.sg, or go to the BIZBeat portal which showcases the School’s research.

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