

Climate reporting to help companies ride the green transition

All listed issuers to report from FY2025 and large non-listed companies from FY2027

Singapore, 28 February 2024 – The Accounting and Corporate Regulatory Authority (ACRA) and Singapore Exchange Regulation (SGX RegCo) have provided details of mandatory climate reporting for listed issuers and large non-listed companies.

2. As announced by Second Minister for Finance, Mr Chee Hong Tat at the Ministry of Finance Committee of Supply, Singapore will introduce mandatory climate-related disclosures (CRD) in a phased approach, in line with the recommendations from the Sustainability Reporting Advisory Committee (SRAC)¹. This is part of the Government's efforts to help companies strengthen capabilities in sustainability, and to ride the green transition. As the green momentum intensifies, companies who are able to provide CRD could benefit from access to new markets, customers, and financing.
3. From FY2025, all listed issuers will be required to report and file annual CRD, using requirements aligned with the International Sustainability Standards Board (ISSB) standards.
4. From FY2027, large NLCos (defined as those with annual revenue of at least \$1 billion and total assets of at least \$500 million) will be required to do the same. ACRA will review the experience of listed issuers and large NLCos before introducing reporting requirements for other companies.
5. The timeline for the implementation of mandatory CRD is summarised in the table below, with an accompanying infographic in the Annex. More time will be given for companies to report CRD on Scope 3 greenhouse gas (GHG) emissions and conduct external limited assurance on Scope 1 and 2 GHG emissions.

¹ SRAC is set up by ACRA and SGX RegCo to advise on the roadmap for advancing companies' sustainability reporting in Singapore. After careful consideration of the feedback on SRAC's recommendations, ACRA and SGX RegCo have accepted the recommended roadmap with some refinements. ACRA and SGX RegCo's response to the public feedback is available at <https://regco.sg.com/regco/public-consultations/20230706-consultation-paper-recommendations-sustainability-reporting>

| Timeline for requirements | Listed Issuers | Large NLCos (Annual revenue ≥\$1B and total assets ≥ \$0.5B) |
|---|-----------------------|--|
| CRD including Scope 1 and 2 GHG emissions | FY2025 | FY2027 |
| CRD for Scope 3 GHG emissions | FY2026 | No earlier than FY2029 |
| External limited assurance on Scope 1 and 2 GHG emissions | FY2027 | FY2029 |

6. Some companies have provided feedback that they are already reporting using other international standards and frameworks, to meet mandatory requirements of the jurisdictions that they operate in and/or to cater to their investors' information needs. To address this, ACRA will exempt large NLCos with parent companies that are reporting CRD, under the following circumstances:

a. A large NLCo whose parent company reports CRD using ISSB-aligned local reporting standards or equivalent standards (e.g. European Sustainability Reporting Standards) will be exempted from reporting and filing CRD with ACRA, subject to certain conditions²; and

b. A large NLCo whose parent company reports CRD using other international standards and frameworks (e.g. Global Reporting Initiative Standards, Task Force on Climate-related Financial Disclosures Recommendations), will be exempted from reporting and filing CRD with ACRA² for a transitional period of 3 years, from FY2027 to FY2029. ACRA will review whether to extend the transitional period, depending on global developments relating to the adoption and recognition of other standards and frameworks.

7. The Ministry of Trade and Industry (MTI) will extend support to help companies kickstart their climate reporting journey and build climate reporting capabilities. More details will be shared by MTI during their Committee of Supply.

8. "ACRA is committed to sustainability and environmental responsibility, and to making Singapore the best place for business. That is why we are working actively with SGX RegCo and the business community to advance climate reporting in Singapore, a crucial step in addressing the pressing challenges of climate change," said ACRA Chief Executive Mr Ong Khiaw Hong.

9. "SGX-listed issuers have had a head-start in climate reporting and many have seen its benefits. Companies are better equipped to meet demand from their lenders, customers and investors for sustainability-related information. They can also more

² This is provided that conditions such as the large NLCo's activities are included within the parent company's report, which is available for public use, are met.

readily access the growing pool of sustainable capital. These position Singapore well as a green economy,” said Tan Boon Gin, Chief Executive Officer of SGX RegCo.

10. SGX RegCo will separately conduct a public consultation on the detailed rule amendments to implement the recommendation relating to listed issuers, including requiring CRD based on the ISSB Standards from FY2025.

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About Accounting and Corporate Regulatory Authority

The Accounting and Corporate Regulatory Authority (ACRA) is the regulator of business registration, financial reporting, public accountants, and corporate service providers. We are responsible for developing the accountancy sector and setting the accounting standards for companies, charities, co-operative societies, and societies in Singapore. ACRA fosters a vibrant and trusted business environment that enables innovation and growth and contributes towards making Singapore the best place for business. For more information, please visit: www.acra.gov.sg.

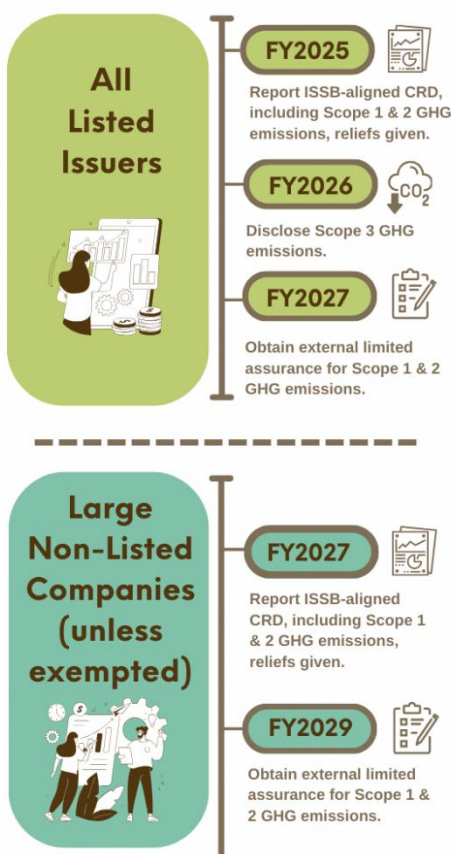
About Singapore Exchange Regulation

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>.

Climate Reporting and Assurance Roadmap in Singapore

This roadmap aims to uphold Singapore's attractiveness as a global business hub while contributing to the national agenda on sustainable development under the Singapore Green Plan 2030. As the global momentum for bolder climate action intensifies, companies face increasing scrutiny to decarbonise and transition towards more sustainable practices. Those who are able to demonstrate through climate-related disclosures based on internationally recognised standards, that they are ahead in their decarbonisation journeys, stand to benefit from access to new markets, customers, and financing.

Implementation Timeline



[1] IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* sets out how to prepare the content and report sustainability-related financial disclosures.

[2] Equivalent standards could include the European Sustainability Reporting Standards and the International Sustainability Standards Board (ISSB) Standards.

1. Who is affected?

- Listed Issuers to report from FY2025.
- Large NLCos, defined as non-listed companies with annual revenue \geq S\$1 billion and total assets \geq S\$500 million, to report from FY2027, unless exempted.

2. What to report?

- ISSB-aligned climate-related disclosures (CRD), including reliefs availed within, unless exempted.
- Apply IFRS S1^[1] to prepare and report CRD.
- The timing for NLCos to report Scope 3 Greenhouse Gas (GHG) emissions will be confirmed later.

3. What needs to be audited?

- External limited assurance for **Scope 1 & 2 GHG emissions** should be obtained by Listed Issuers from FY2027 and Large NLCos from FY2029.

4. Who can be climate auditors?

- Audit firms registered with ACRA.
- Testing, Inspection and Certification firms accredited by Singapore Accreditation Council.

5. When to report, when to file?

- To report and circulate CRD at the same time as financial statements. Listed Issuers to follow existing timelines for the first year.
- Can apply for extension of time to table CRD and financial statements at annual general meeting and/or to file.

6. Who is exempted from reporting?

A large NLCo may be exempted if:

- its parent company reports CRD using ISSB-aligned local reporting standards, or equivalent standards^[2]; or
- its parent company reports CRD using other international standards and frameworks from FY2027 to FY2029 (both years inclusive).