Background

Following the public consultation issued in March 2024, SGX RegCo had on 23 September 2024 enhanced its sustainability reporting regime, which includes incorporating the latest international standards into its sustainability reporting regime. This builds on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) that SGX RegCo has mandated in a phased approach since FY2022. Consequently, changes have been made to the listing rules (including the Sustainability Reporting Guide) in relation to sustainability reporting, which will take effect from 1 January 2025 or 1 January 2026, as the case may be.

In a nutshell

The enhancements to the sustainability reporting regime are as follows:

Timeline	Baseline Reporting Practice	Calendar Year of Published Report
FY2025 (Effective 1 January 2025)	• Climate reporting on a mandatory basis that starts incorporating the climate-related requirements in the IFRS Sustainability Disclosure Standards • Baseline requirement to disclose information on climate-related risks and opportunities that apply all the requirements in IFRS S2 (other than the disclosure of Scope 3 GHG emissions), and consequently apply the climate relevant provisions in IFRS S1 • Other primary components of a sustainability report to be disclosed on a 'comply or explain' basis[(1)] • Existing timeline to issue sustainability report applies[(2)] • Requirement on Scope 3 GHG emissions is under review by SGX and not yet implemented	2026
FY2026 (Effective 1 January 2026)	• Mandatory disclosure of the primary components of a sustainability report[(1)] • 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 • Expectation that large issuers will be required to report on Scope 3 GHG emissions and their climate reporting will be aligned with the climate-related requirements in the IFRS Sustainability Disclosure Standards	2027

[(1)] The 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

[(2)] 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 issue has conducted external assurance on the sustainability report, no later than 5 months after the end of the financial year

Key rule changes

Effective 1 January 2025

Amendments to Mainboard Rule 711B/ Catalist Rule 711B

- Mandatory compliance of climate-related disclosures with the requirements on climate-related disclosures set out in the Sustainability Guide (Practice Note 7.6/Practice Note 7F)

Amendments to Practice Note 7.6/ Practice Note 7F

- Application of IFRS Sustainability Disclosure Standards for disclosure of climate-related disclosures (other than for Scope 3 GHG emissions), including structural and transition reliefs.
- SGX Regco will carry out a review of issuers' experience and readiness in reporting Scope 3 GHG emissions before setting out the implementation roadmap.
- Issuers will not be required to make a statement of compliance as required by IFRS S1.
- Where an issuer is applying a portion of a particular sustainability reporting framework, the issuer should provide a general description of the extent of the application of the framework.
- If an issuer has reviewed that certain or all key aspects of the sustainability report has been externally assured, the issuer can, as part of its internal review, determine that no further internal review on such aspects of the sustainability report is required under a risk-based approach.

Effective 1 January 2026

Amendments to Mainboard Rule 711A/ Catalist Rule 711A

- An issuer must issue a sustainability report for its financial year at the same time as the issuance of its annual report, or where external assurance has been conducted, no later than 5 months after the end of the financial year.
- Mandatory disclosure of all primary components in Mainboard Rule 711B/ Catalist Rule 711B (see previous page)

Amendments to Practice Note 7.6/ Practice Note 7F

- If an issuer issues a sustainability report after its annual report, it must include a summary of its sustainability report in its annual report.

Suggested phased approach for climate-related disclosures

Year 1	Year 2	Year 3
Qualitative climate-related scenario analysis, with disclosure of reliance on the (permanent) structural reliefs*#	Qualitative climate-related scenario analysis, with disclosure of reliance on the (permanent) structural reliefs*#	Climate-related scenario analysis with more quantitative outcomes
Qualitative disclosure of current financial effects of climate-related risks or opportunities as the effects are not separately identifiable or the level of measurement uncertainty is high Qualitative disclosure of anticipated financial effects of climate-related risks or opportunities, with disclosure of reliance on the (permanent) structural reliefs*#	Qualitative disclosure of current financial effects of climate-related risks or opportunities as the effects are not separately identifiable or the level of measurement uncertainty is high Qualitative disclosure of anticipated financial effects of climate-related risks or opportunities, with disclosure of reliance on the (permanent) structural reliefs*#	More quantitative disclosures of current and anticipated financial effects of climate-related risks or opportunities, with disclosure of reliance on the (permanent) structural reliefs*# where necessary
Limited disclosure of the amount or percentage of assets or business activities vulnerable to or aligned with climate-related risks and opportunities*	Disclosure of the amount or percentage of assets or business activities vulnerable to or aligned with climate-related risks and opportunities*	Disclosure of the amount or percentage of assets or business activities vulnerable to or aligned with climate-related risks and opportunities*
Determined the scope of its value chain, including its breadth and composition, with disclosure of reliance on the (permanent) structural reliefs*	Determined the scope of its value chain, including its breadth and composition, with disclosure of reliance on the (permanent) structural reliefs*	Determined the scope of its value chain, including its breadth and composition, with disclosure of reliance on the (permanent) structural reliefs*
Disclosure of reliance on the (temporary) transition reliefs of (a) not using the Greenhouse Gas Protocol and (b) not providing comparative information in respect of the preceding period	Use the Greenhouse Gas Protocol to calculate its GHG emissions Comparative information in respect of the preceding period	Use the Greenhouse Gas Protocol to calculate its GHG emissions Comparative information in respect of the preceding period
For issuers already disclosing Scope 3 GHG emissions, continue to disclose Scope 3 GHG emissions For other issuers, to build capabilities to report Scope 3 GHG emissions		

(Extracted from Practice Note 7.6/ Practice Note 7F)

Useful References:

- Consultation Paper on Sustainability Reporting: Enhancing Consistency and Comparability (Please see here)
- Response Paper on Sustainability Reporting: Enhancing Consistency and Comparability (Please see here)

Please Contact or Find us at:

SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542
Telephone: (65) 6232 3210
Fax: (65) 6232 3244
www.saccapital.com.sg