

Annex: Details of Recommendations

Recommendation A: Grant small- and mid-cap ListCos more time to comply, for example, by one to two years

1. Even though the majority of ListCos have already been reporting climate-related information in accordance with the TCFD framework, and the ISSB standards build on the TCFD framework, most roundtable participants were unfamiliar with ISSB reporting requirements. The ISSB standards are significantly more detailed and extensive than the TCFD framework, so roundtable participants who had conducted gap analyses shared there were significant gaps to fill. For example, companies would have to report on new ISSB disclosure requirements such as the current and anticipated effects of climate-related risks and opportunities (including on their overseas subsidiaries), as well as disclose climate-related risks, opportunities and targets in quantitative terms. This caused some participants to feel unequipped or “nervous”. Fewer than 5% of survey participants indicated that they were “very confident” in meeting the mandatory ISSB compliance timeline.

“With one to two more years, we could fully prepare by improving internal systems, training staff, and running pilot disclosures before mandatory ISSB reporting begins.”

2. More than 90% of engaged ListCos said extending the timeline for mandatory ISSB disclosure by, for example, one or two years would be useful for them to prepare higher quality ISSB reports. This was especially since many smaller ListCos are manpower-lean and may lack dedicated resources to prepare for ISSB disclosure. Roundtable participants noted that regional exchanges have adopted a phased implementation timeline approach, where smaller ListCos based on market capitalisation or listing boards were required to disclose ISSB reports one or two years after larger ListCos have done so. Critically, they said that any time extension would not detract them from preparation work. Most participants have already commenced preparation and intend to continue doing so in FY2025, even if they choose not to publicly disclose their ISSB report if there were a time extension. Participants noted that Boards were generally supportive of doing so. A deadline extension would enable them to deepen internal capabilities (including preparing subsidiaries, which may be based overseas); strengthen data collection systems (including refining data collection templates and ensuring data completeness and accuracy); and take guidance from the FY2025 ISSB reports by larger ListCos to produce higher quality reports. Given that the ISSB standards were published as recently as 2023 and no Singapore company has hitherto produced ISSB

“We don’t know what good [ISSB disclosure] looks like. It would be useful for smaller companies to know what is [the actual] output, so that we can produce a report which is consistent and comparable.”

reports, the opportunity to learn from larger peers would be valuable to smaller ListCos.

3. Concurrently, the Government has launched a suite of measures to support companies with developing capabilities for ISSB disclosure. For example, in terms of non-financial resources, ACRA has published its [Sustainability Reporting Body of Knowledge](#), which guides training providers in developing quality programmes for professionals interested in sustainability reporting. In terms of financial support, EDB and EnterpriseSG launched the [Sustainability Reporting Grant](#) (SRG) in November 2024. However, ListCos are eligible for the SRG only if they produce their first ISSB reports before their compliance deadline for mandatory climate-related disclosures. As ListCos need to start compliance for the reporting period commencing in FY2025 based on prevailing regulations, most ListCos are currently no longer eligible for the SRG. Extending the compliance deadline for small- and mid-cap ListCos would therefore enable them to be eligible for and benefit from the SRG – more than 70% of engaged ListCos indicated that they would utilise the SRG if they were eligible. More than 90% of engaged ListCos who intend to utilise the SRG would use it to defray expenses of engaging external consultants to prepare for ISSB report, followed by external assurance (50%), manpower training (50%), and equipment/software¹ (50%). Only 2 roundtable participants (15%) currently adopt software tools to calculate greenhouse gas (GHG) emissions (the remaining 11 companies or 85% rely on manual methods, such as spreadsheets), so gaining eligibility to the SRG could encourage more companies to utilise digital solutions by lowering the initial cost barrier.

4. Recommendation: SGX RegCo to consider granting more time for small- and mid-cap ListCos to publish their first ISSB report (for example, to commence mandatory ISSB disclosure one to two years later, that is from FY2026 or FY2027 instead of FY2025).

Recommendation B: Make disclosure requirements proportionate for small- and mid-cap ListCos

5. Several roundtable participants shared that it was “quite an imposition for smaller ListCos to be held to the same disclosure standards as larger ListCos.” Some roundtable participants highlighted the challenge of producing quantitative disclosures as part of their long-term planning. All survey participants expressed that simplifying disclosure requirements would be beneficial for themselves.

6. The ISSB standards include proportionality mechanisms² to address key challenges faced by smaller companies such as resource constraints and data

¹ Companies may use SRG to defray expenses associated with more than one of these services. Refer to EnterpriseSG’s website for more details and FAQs.

² They are: (1) Use all reasonable and supportable information that is available at the reporting date without undue cost or effort; and (2) Commensurate with the skills, capabilities and resources that are available to the company.

availability. None of the engaged ListCos made reference to these mechanisms, which could indicate a lack of awareness among these companies and may result in them not making use of these mechanisms.

7. Recommendation: Sustainability reporting obligations ought to be proportional to the size and resources of each company, while continuing to promote credible, decision-useful disclosures across all ListCos. Our engagement with small- and mid-cap ListCos suggests that additional efforts are necessary in this regard. SGX RegCo, TACs, and other ISSB disclosure stakeholders to consider increasing awareness of ISSB's proportionality mechanisms, so that more small- and mid-cap ListCos can apply them. Stakeholders to also consider providing further guidance regarding *how* the ListCos might apply the proportionality mechanisms, given that the ISSB requires companies to "assess what constitutes undue cost or effort in obtaining information".

Recommendation C: Provide Singapore-relevant cross-sector and sector-specific guidance

8. The ISSB standards give companies flexibility to decide on various parameters (e.g. types of climate scenarios and underlying assumptions used for analysis). Participants acknowledged the merits of this but also highlighted certain shortcomings. Smaller ListCos (or their external consultants) expend significant time and effort to do research and decide on their choices. These efforts are duplicative across companies and therefore collectively inefficient. They may also reduce consistency and comparability of the disclosures. Roundtable participants appreciated [the Institute of Singapore Chartered Accountants' Illustrative Sustainability Report](#) but suggested adding more features (e.g. detailed application guidance in GHG emissions reporting, examples of qualitative disclosures).

9. Recommendation: Considering that many smaller ListCos operate in similar jurisdictions (typically Singapore), cross-sector guidance – starting with Singapore-relevant information – would reduce duplicative efforts and enhance the consistency and comparability of ISSB reports. Similar to how companies refer to the [Singapore Emission Factors Registry](#) (SEFR) as the SSOT to enhance the convenience, consistency and accuracy of GHG emissions accounting, a national-level SSOT reference point for certain aspects of ISSB disclosure would be helpful. For instance, a common set of climate-related scenarios – aligned with the latest climate science – could be 'pre-selected' for smaller ListCos to assess their climate resilience. Reference material or templates could also be developed for Singapore-localised skills and competencies for climate governance, as well as management of physical risks (e.g. heat, rainfall, sea level rise) and transition risks (e.g. policy, market) (see [Table 1](#)).

ISSB disclosure aspect	Examples of potential cross-sector guidance	Examples of potential sector-specific guidance
Governance	Reference / template material , compiled from potential sources such as the Ministry of Trade and Industry's Green Skills Committee, on appropriate skills and competencies which are needed to oversee strategies designed to respond to climate-related risks and opportunities (S2.06a-ii).	Reference material on sector-specific skills and competencies (S2.06a-ii).
Strategy (climate-related risks and opportunities) Risk management	Reference / template material , compiled from potential sources such as the Meteorological Service Singapore's Third National Climate Change Study (V3), to help entities describe climate-related risks and opportunities that could reasonably be expected to affect their prospects (s2.10a).	Sectors which rely on outdoor manual labour may benefit from reference material with more details on specific risk hazards/drivers, e.g. heat stress and rainfall projections, including likelihood and magnitude (S2.25a-iii).
Strategy (Climate-related risks and opportunities / climate resilience)	Pre-selected / template climate-related scenarios to use to assess businesses' climate resilience (S2.B1–B18), including a climate-related scenario aligned with the latest international agreement on climate change (S2.22b-i-4).	Reference material on sector-specific definitions of short, medium and long term time horizons (S2.10d(1)).
Metrics and targets (climate-related targets)	Methodology guidance and case studies on setting GHG emissions targets, including on how the latest international agreement on climate change and the corresponding jurisdictional commitments informed the target (S2.33h).	Peer-endorsed guidance on industry-based metrics (S2.32). Peer-endorsed guidance , formulated at the sectoral level, on setting GHG emissions targets (S2.32).

Table 1: Examples of potential cross-sector and sector-specific guidance which could be developed. The corresponding ISSB disclosure requirements are noted in parentheses. SBF created the specific contents after the roundtable to illustrate potential work which may be considered; while some points were inspired by the roundtable, not all were suggested by participants.

10. Participants shared that sector-specific support would be valuable to help them understand how to start – for example, which approaches to take for their sector, which metrics to use, how to set targets, what data to gather, and what are the best practices in decarbonisation. Financial sector companies receive guidance in terms of choice of scenarios to use for ISSB disclosure from the Network for Greening the Financial System and Monetary Authority of Singapore's stress test, but other sectors lack similar targeted guidance.

“Our challenge lies in setting quantitative decarbonisation targets. There are limited decarbonisation levers in Singapore, and we cannot be spending millions to buy carbon offsets. It may be useful for us to set intensity (as opposed to absolute) targets, but we do not know which denominator works best for our sector.”

Participants do not currently engage with their respective sector TACs on ISSB disclosure, but expressed keen interest to co-create sectoral norms by attending community of practice or roundtable sessions with peers (88% of survey participants). Such sessions should also include industry professionals (e.g. auditors, consultants, etc.) to help uplift the reporting practices of ListCos.

11. Recommendation: More than 90% of survey participants said that more sector-specific guidance would be useful. First, sector-specific locally-contextualised SSOT reference material could be produced to complement and add detail to cross-sector SSOT guidance (see [Table 1](#)). Second, TACs to consider convening regular community of practice or roundtable platforms to allow peers to exchange best practices and co-create sector-specific thought leadership. This may include developing sectoral viewpoints on decarbonisation levers and targets or selecting the most optimal sector-relevant methodologies for assessing financial impacts. These would save time and effort, as well as support more consistent, decision-useful disclosures among smaller ListCos. Third, decarbonisation plans should be developed for specific sectors. For example, SBF and Bain launched a [programme](#) in 2024 with the support of EnterpriseSG, which leverages deep research and a proprietary AI-powered software to support SMEs with producing consultant-grade company-specific decarbonisation action plans and set GHG emissions targets. The programme was successfully piloted with the food manufacturing sector, and work is underway to scale up this programme to cover other sectors.

Recommendation D: Designate a central platform for digital reporting of climate-related disclosures

12. Financial data is centralised today on platforms such as SGX's Stock Screener. This enables analysts to easily obtain company-specific and sector-specific data for metrics such as Price/Earnings ratio and Dividend Yield, and benchmark these against sectoral averages for meaningful analysis. However, there is hitherto no central repository for sustainability data. Consequently, most companies find it challenging to benchmark their sustainability performance against sectoral peers. Companies who want to do so would have to manually extract data from other companies' sustainability reports, which is inefficient. More than 70% of survey participants indicated that a digital central platform to host reliable sustainability data in a standardised format would benefit their companies.

13. Recommendation: To facilitate national- and sectoral-level benchmarking for meaningful analysis and decision-making, there ought to be a central platform which hosts reliable sustainability data in a standardised format for Singapore companies. This could be a new feature on existing platforms like ESGenome or SGX Stock Screener, although its effectiveness would depend on widespread adoption.