

Climate Reporting Review 2025

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Context

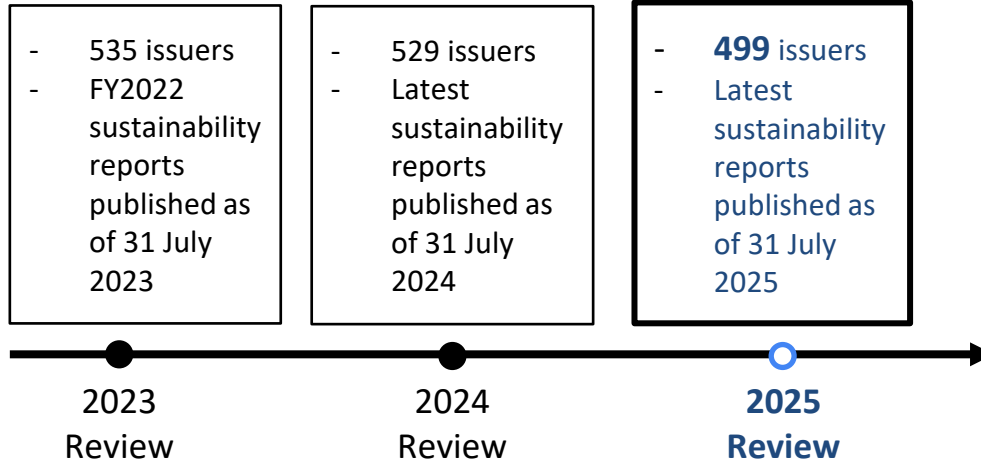
- 1. Regulatory updates** – According to the latest SGX’s climate reporting requirements¹, a three-tier structure with an extended timeline is introduced for listed companies’ adoption ISSB-based climate-related disclosures.
- 2. In depth climate-related disclosure analysis** – The study is a follow-up study to the Climate Reporting Review 2024² and the Sustainability Reporting Review 2023³, particularly on climate-related disclosures. It also evaluates the readiness of SGX-listed issuers for upcoming regulatory requirements.

Source:

- <https://www.sgxgroup.com/media-centre/20250825-extended-timelines-most-climate-reporting-requirements-support>
- https://bschool.nus.edu.sg/cgs/wp-content/uploads/sites/145/2025/03/CGS_SGX_Climate-Reporting-Review-2024_Report.pdf
- https://bschool.nus.edu.sg/cgs/wp-content/uploads/sites/7/2023/11/CGS-SGX-Sustainability-Reporting-Review-2023_Report.pdf

Methodology

Research coverage



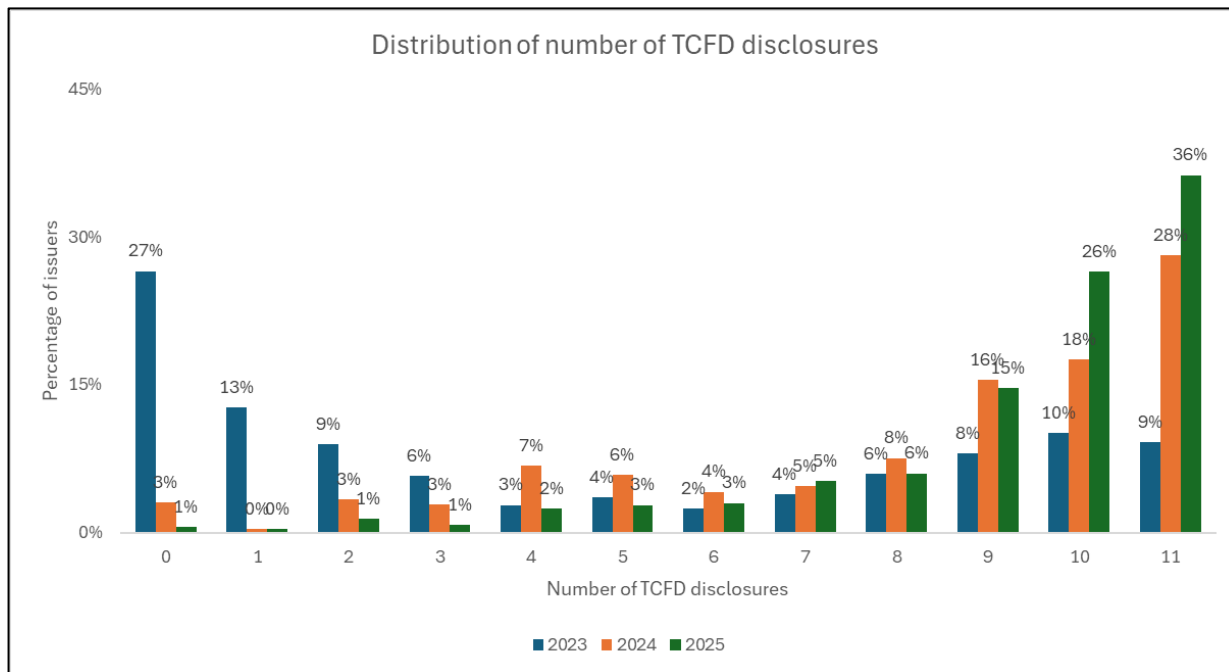
(Note: Sustainability reports include standalone sustainability reports, integrated reports, and sustainability sections within annual reports which are available on SGXNet.)

Research framework

- Based on TCFD framework 11 recommended disclosures
- 4 pillars: governance, strategy, risk management, metrics and targets
- Detailed information such as frequency of informing board about climate-related issues etc. is assessed
- **Key augmentations compared to 2024 review: evaluates the readiness of SGX-listed issuers for upcoming regulatory requirements according to the three-tier structure**

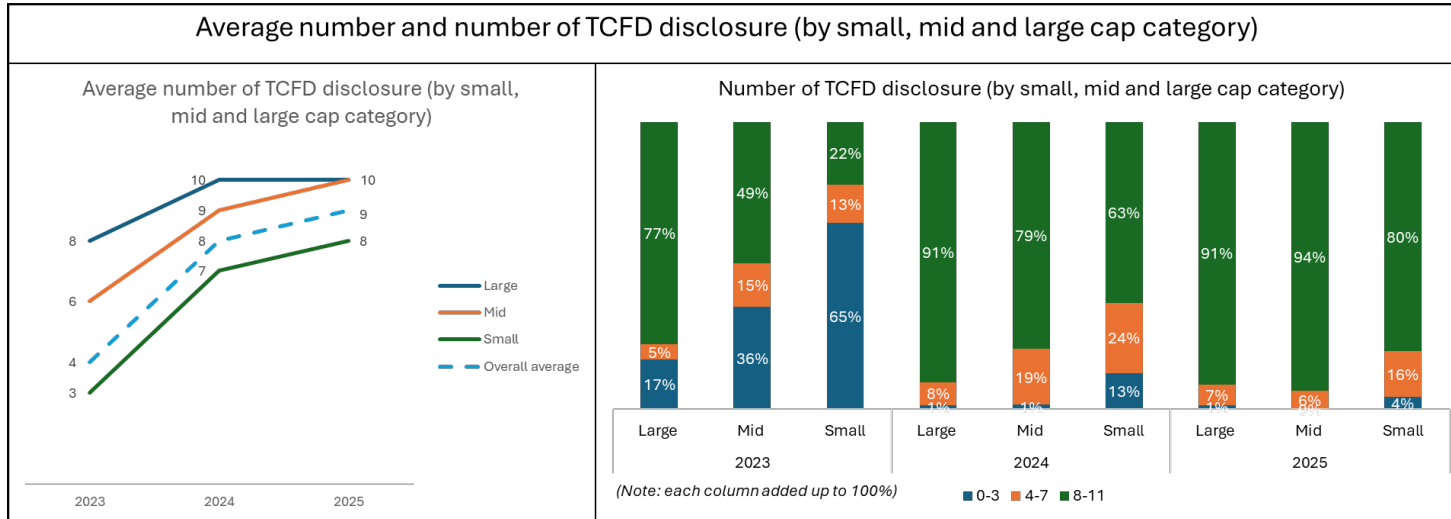
Research results: Overall performance

Broader coverage of the TCFD framework across SGX-listed issuers



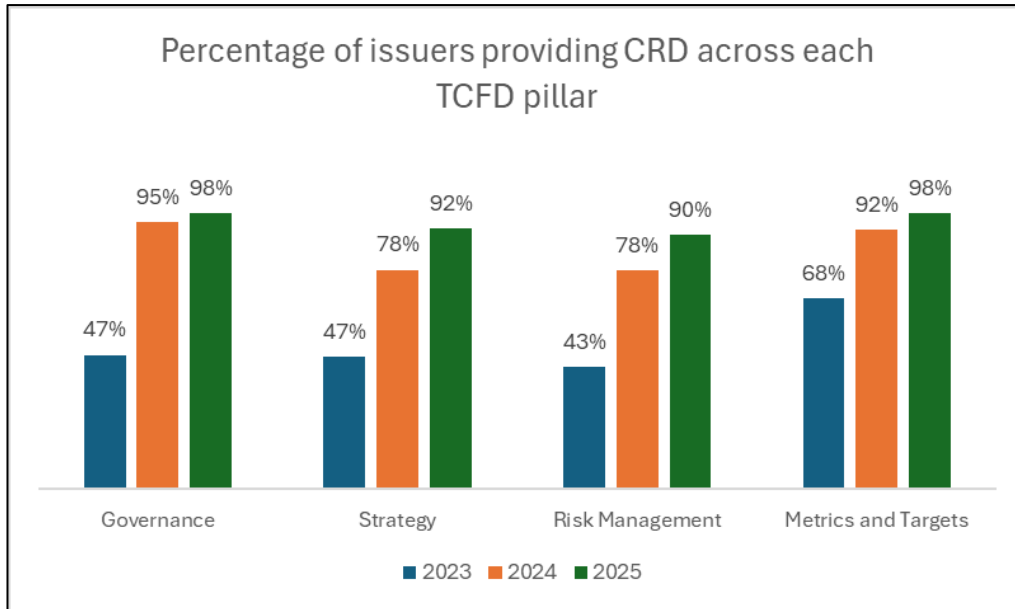
- Only three issuers didn't provide at least one of the TCFD recommended disclosures in the 2025 review.
- 62% of issuers have provided at least 10 TCFD recommended disclosures and 36% of issuers have disclosed all 11 TCFD recommended disclosures, an increase from 28% in the 2024 review and from 9% in the 2023 review.
- Average number of TCFD disclosures per issuer in the 2025 review is 9, compared to 8 in the 2024 review and 4 in the 2023 review.

Small cap issuers have largely closed the disclosure gap with the mid- and large-cap peers in the 2025 review



- Average number of TCFD disclosures per small-cap issuers have rose from 3 in the 2023 review, to 7 in the 2024 review, and reached 8 in the 2025 review, nearly matching the average of 10 disclosures reported by mid- and large-cap issuers.

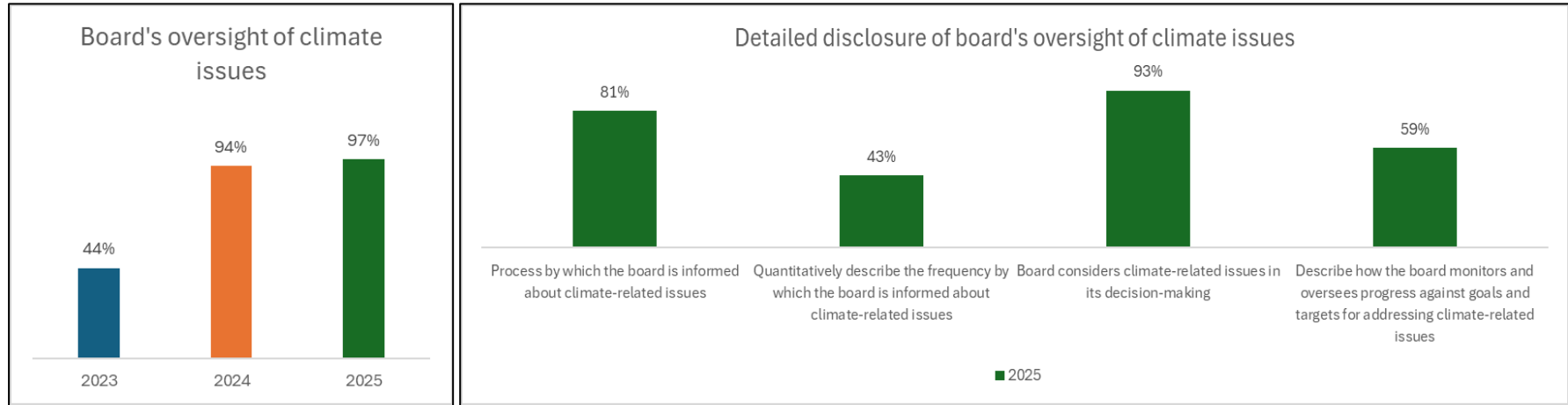
Governance and metrics and targets pillars are the most widely disclosed, and the strategy pillar showed the greatest growth.



- Recommendations under the governance pillar (98%) and the metrics and targets pillar (98%) are the most widely disclosed among issuers.
- The strategy pillar shows the greatest year-on-year growth, increasing 14 percentage points from 78% in the 2024 review.
- More issuers are moving beyond governance and metrics to embedding climate-related considerations into their strategic planning.

Research results: Performance by TCFD pillars- Governance

Stronger board's oversight on climate issues with room for improvement for detailed disclosures



- While a significant number of issuers (97%) have disclosed board’s oversight on climate issues, more detailed disclosures such as frequency of informing the board about climate-related issues, how board monitors progress is still required.

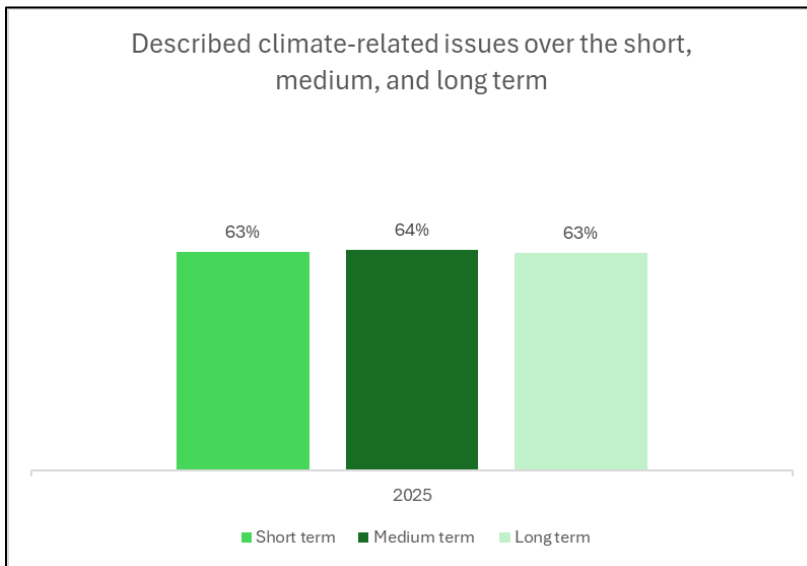
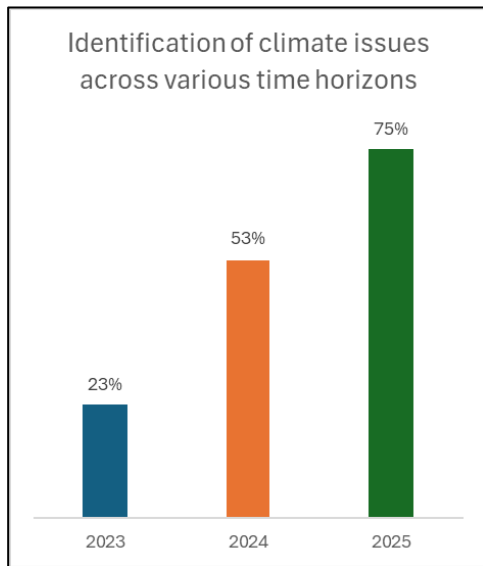
Disclosure on management's role in climate issues increased, however more detailed disclosures on management's responsibilities are expected



- While disclosing management's role in assessing and managing climate issues reached 93% in 2025, more detailed disclosures in management's role are needed for improvement.

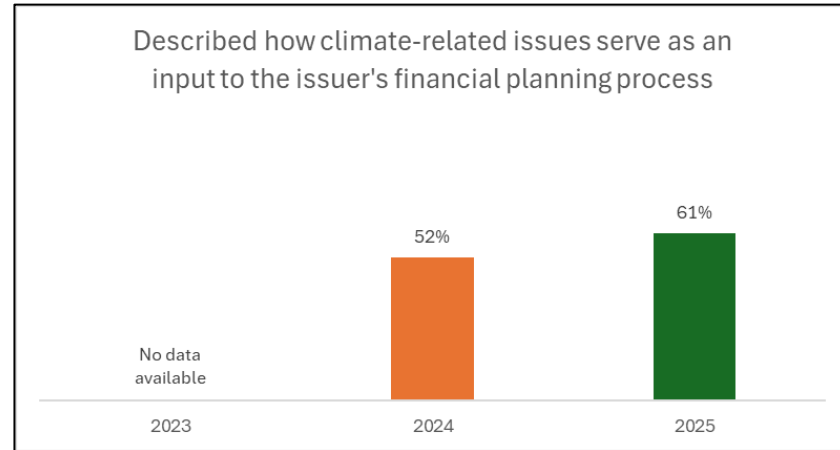
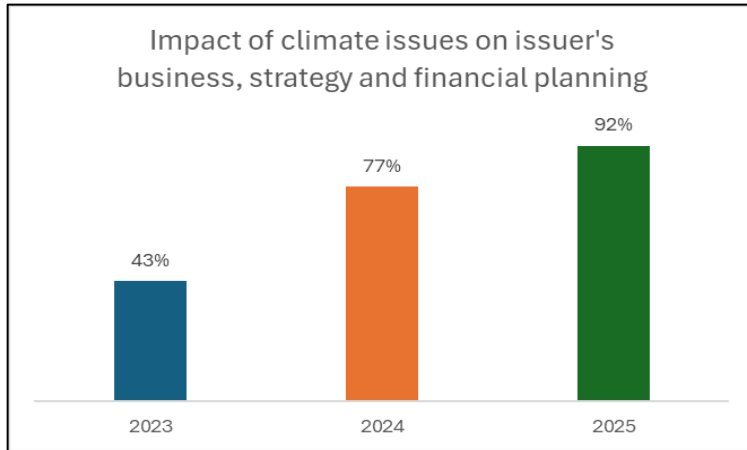
Research results: Performance by TCFD pillars- Strategy

High and consistent disclosure of climate time horizons indicates issuers' equal prioritization of short-, medium-, and long-term climate issues



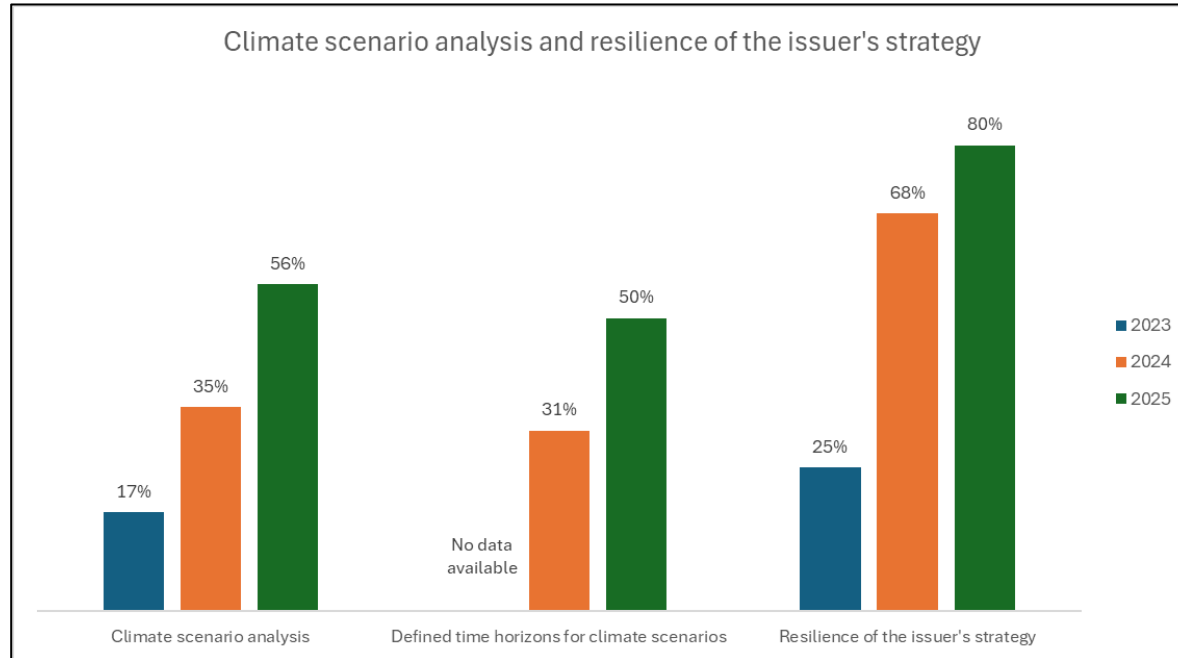
- 75% of issuers have identified climate issues across different time horizons, representing a 22% increase from 53% in the 2024 review
- A consistent proportion of issuers have defined short (63%), medium (64%), and long term (63%) horizons, indicating that issuers consider each period with equal importance.

Growing integration of climate issues into business strategy and financial planning



- 92% of issuers have described the impact of climate issues on their business, strategy and financial planning, reflecting continuous growth from 77% in the 2024 review.
- 61% of issuers have demonstrated how climate-related issues serve as an input to their financial planning process, indicating the acknowledgement of the strategic and financial implications of climate-related factors.

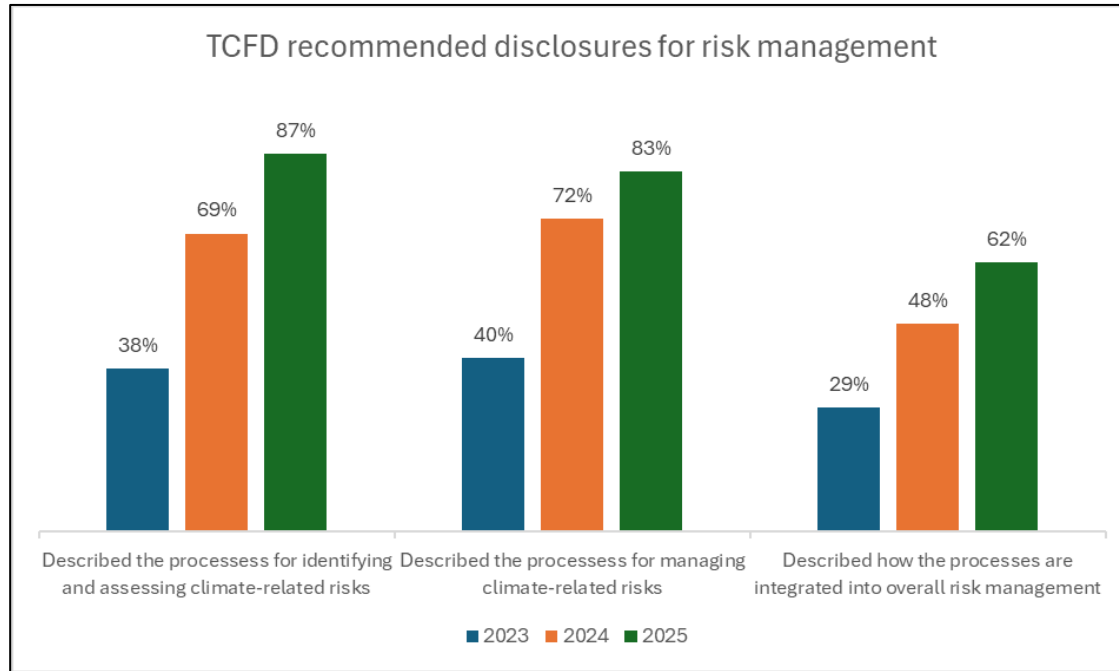
Improvements are seen for scenario analysis, yet continued efforts are needed



- More than half of issuers (56%) have undertaken scenario analysis, with 50% further defining time horizons for climate scenarios – an improvement from last year’s 35%.
- 80% of issuers have demonstrated the resilience of their strategies in addressing climate-related issues.

Research results: Performance by TCFD pillars- Risk management

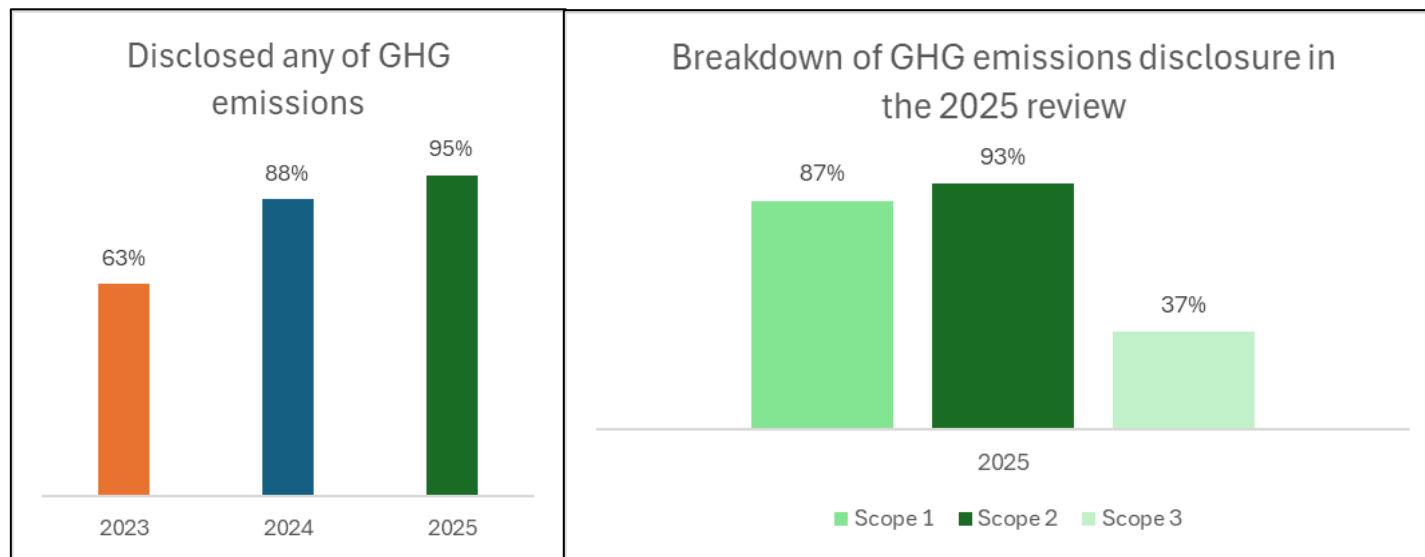
Increasing awareness of climate risk management, but integration into broader enterprise risk management remains a challenge



- 87% of issuers described their processes for identifying and assessing climate risks, up from 69% in 2024. Similarly, 83% of issuers now outline their processes for managing these risks, an increase from 72% in 2024.
- 62% of issuers have integrated these risks into their broader risk management frameworks, implying that many issuers still view climate risks as separate from their overall risk management strategy. Nonetheless, this represents a steady increase from 48% in 2024.

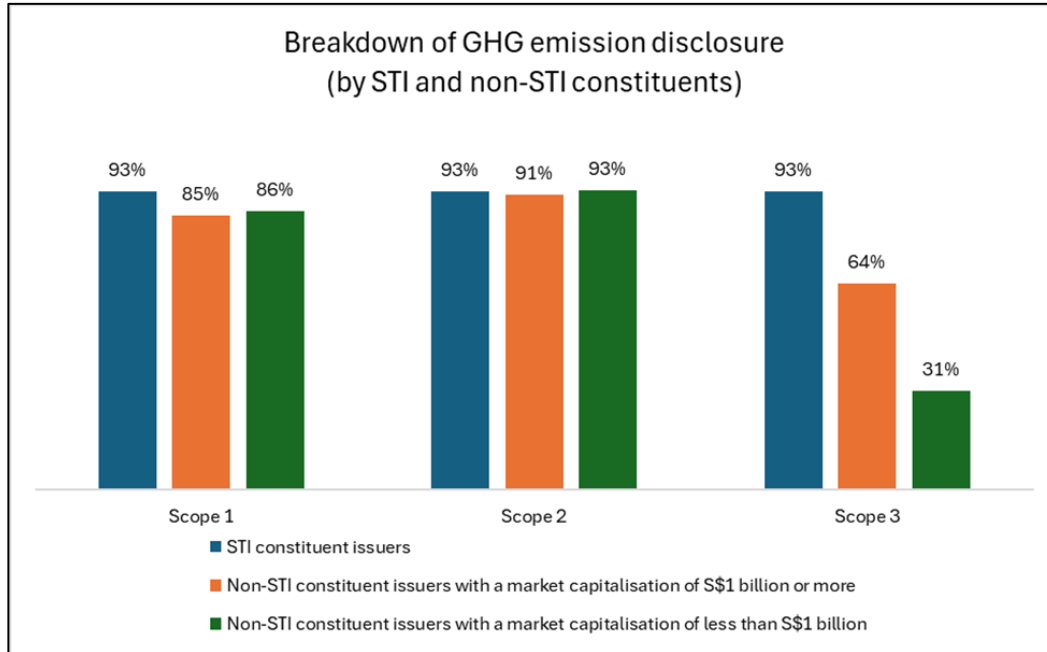
Research results: Performance by TCFD pillars- Metrics and targets

GHG Emissions disclosures increased, but disclosures on Scope 3 remain a challenge



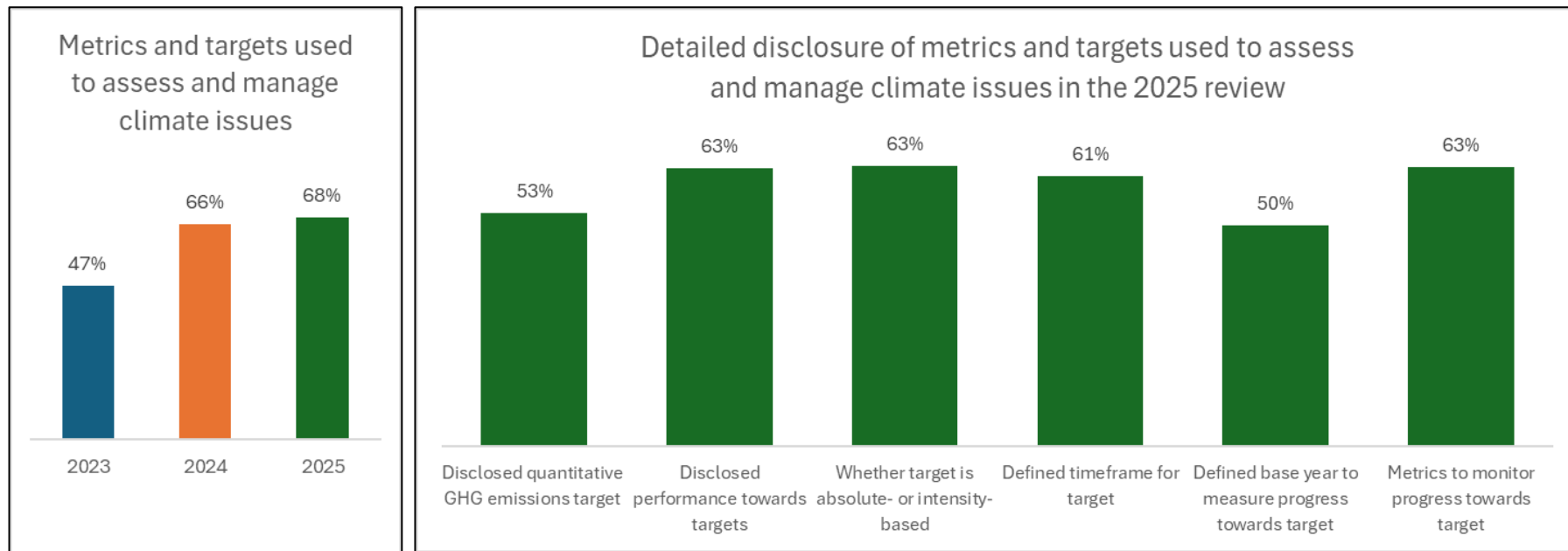
- 95% of issuers disclosed at least one of Scope 1, 2, or 3 GHG emissions in 2025, up from 88% in 2024, with Scope 2 being disclosed the most (93%), followed by Scope 1 (87%) and Scope 3 (37%) in the 2025 review.

Straits Times Index (STI) constituent issuers lead in Scope 3 emissions disclosure



- Disclosure of Scope 1 and Scope 2 emissions is consistently high across all issuer groups based on the latest SGX three-tier structure.
- Scope 3 disclosure exhibits a pronounced gap: 93% among STI constituents, falling to 64% for large non-STI issuers with market capitalisation of more than S\$1 billion, and 31% for smaller issuers.

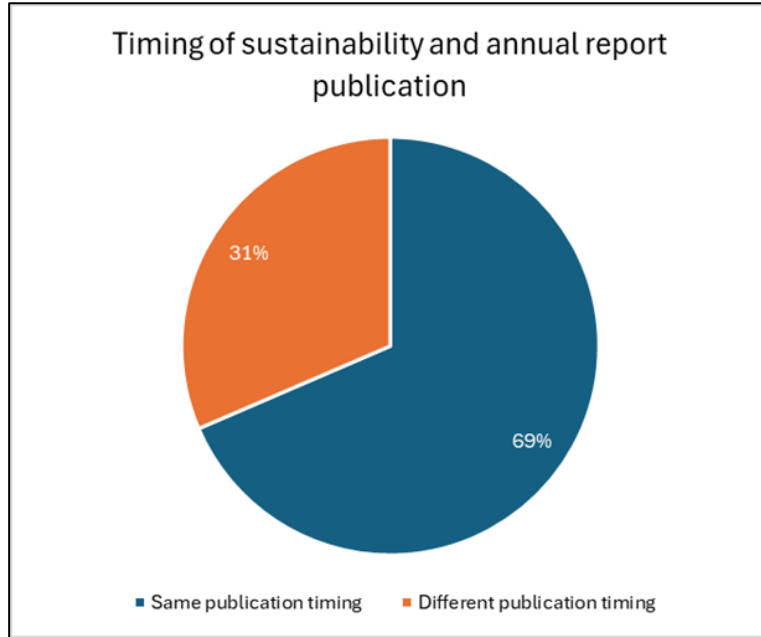
Slow progress in climate targets disclosures



- While 68% of issuers disclosed quantitative targets, only 53% disclosed quantitative GHG emissions target. About half of issuers (50%) disclose a base year to measure progress and 61% defined a timeframe.

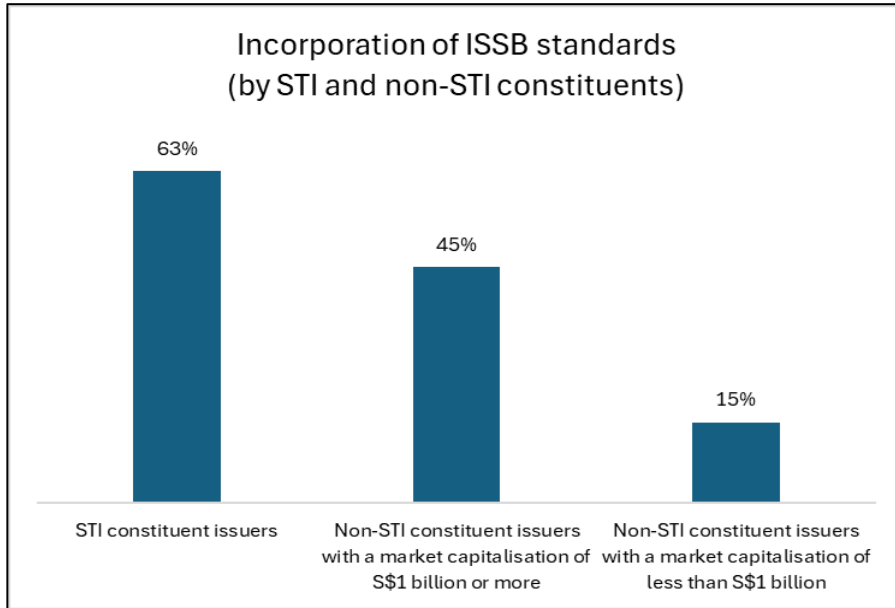
Research results: Readiness for upcoming requirements

Over two-thirds of issuers align sustainability report timing with annual report



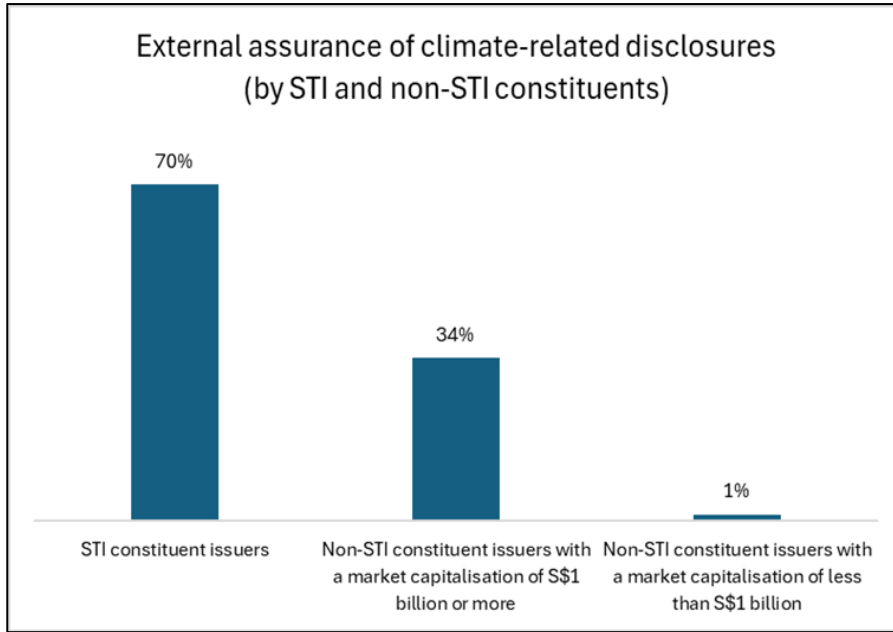
- From 1 January 2026, issuers must publish their sustainability report together with the annual report. If external assurance is conducted, the sustainability report may be issued within five months after the financial year end.
- 69% of issuers already publish their sustainability report at the same time as the annual report, indicating alignment with SGX RegCo’s direction even before the regulation takes effect.
- 31% publish at a different time, suggesting varying levels of readiness.

STI constituent issuers show strong ISSB standards incorporation



- 63% of Straits Times Index (STI) constituent issuers have incorporated ISSB Standards. Incorporation is lower among non-STI issuers with market capitalization of S\$1 billion or more (45%) and those below S\$1 billion (15%).
- The difference suggests that regulatory phasing, capacity constraints, and compliance readiness materially influence incorporation rates.

STI constituent issuers report highest external assurance of climate-related disclosure



- 70% of STI constituents obtain external assurance for climate-related disclosures.
- 34% of non-STI issuers with market capitalization of S\$1 billion or more and 1% of smaller non-STI issuers obtain assurance.
- Assurance prevalence increases with issuer size and STI status, highlighting capacity and resource differences.

Actions to improve climate reporting

1. **Detail board and management's role in monitoring climate-related issues:** specifying how board and management are monitoring climate-related issues could enhance transparency in managing climate issues and provide insights into effective execution.
2. **Improve climate scenario analysis:** The ISSB recommends that scenario analysis include three key aspects: the inputs used, the key assumptions made, and the reporting period covered. This could better support more comprehensive strategic and risk management planning.
3. **Integration of climate risks into overall risk management:** climate risks should be incorporated into the broader enterprise risk management to ensure more effective and comprehensive risk management.
4. **Strengthen Scope 3 disclosure:** issuers are encouraged to prepare their scope 3 disclosure by identifying priority value-chain categories and have early engagement with key suppliers.
5. **Expand on climate-related targets:** contextualising climate-related targets with supporting information such as base year, timeframe for targets could enhance the traceability and accountability of the climate targets.