



Ms Esther An and Mr Max Loh,
Co-Chairpersons, Interim Sustainability Standards Committee
Accounting and Corporate Regulatory Authority
55 Newton Road, Revenue House
Singapore 307987

22 October 2026

Dear Ms An and Mr Loh,

Subject: Exposure Drafts of the Singapore Sustainability Disclosure Standards

The International Corporate Governance Network (ICGN) welcomes the opportunity to comment on the Accounting and Corporate Regulatory Authority's (ACRA) Exposure Drafts of the Singapore Sustainability Disclosure Standards (SDS).

Led by investors responsible for assets under management of >US\$100 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN's [Global Governance Principles](#) and [Global Stewardship Principles](#), written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

ICGN supports ACRA's decision to develop sustainability reporting standards in line with the International Sustainability Standards Board (ISSB) Standards, and we support the ISSB's mission to develop a global baseline of sustainability-related corporate disclosures.

Investors have been calling for comparable, reliable, and verifiable corporate sustainability disclosures, grounded in financial materiality, to make informed investment and stewardship decisions, and for their own reporting to beneficiaries. ICGN believes that global adoption of the ISSB Standards is key to achieving this and contributes to greater transparency on companies' exposure to and management of sustainability risks and opportunities.

We believe that international standards should be adopted with as few amendments as possible. Investors rely on comparability across companies, markets and sectors, and over time, so we encourage ACRA to adopt the ISSB Standards without substantial modifications, to the greatest extent possible.

We are largely supportive of the proposal. Our main concern is the proposal to change the references to the Sustainability Accounting Standards Board (SASB) Materials in draft Singapore Financial Reporting Standards (SFRS) S1 and S2 from "*shall* refer to and consider" to "*may* refer to and consider" (see our answer to Question 4 below), indicating this is no longer mandatory.

Answers to specific questions:

Question 1: Do you agree with the proposed two-standards structure, with the climate-relevant portions of draft SFRS S1 incorporated as an appendix in draft SFRS S2, and do you have any comments on the content of Appendix D?

Yes. ICGN supports the proposed structure.

Companies subject to mandatory climate reporting need to know which requirements apply to them. Incorporating the climate-relevant portions of SFRS S1 into SFRS S2 achieves this and allows SFRS S2 to operate as a standalone standard. We note that Appendix D was developed with reference to the ISSB's educational material on applying IFRS S1 when reporting only climate-related disclosures.

Question 2: Do you agree with the proposed amendments to the transition reliefs?

Broadly, yes. We agree with the removal of the "timing of reporting relief". We also agree with the principle of a phased approach to Scope 3 emissions.

Investors benefit from receiving climate-related disclosures at the same time as the related financial statements. This supports connectivity between the two reports and timely access to all material information. We therefore support removing the timing of reporting relief.

We note that removing the climate-first relief follows from SFRS S1 being voluntary. As implementation progresses, we would encourage ACRA to extend the scope of mandatory reporting beyond the initial focus on climate-related information to cover all financially material sustainability related risks and opportunities. Broadening the scope in this way over time would strengthen consistency with the ISSB Standards and increase the usefulness of the information reported to investors.

On the Scope 3 relief, we understand that Scope 3 reporting will be mandatory for Straits Times Index constituents from FY2026 and that the timeline for other companies has not been determined. We note that the extended relief goes beyond the one-year relief in IFRS S2, and is intended to provide flexibility to mandate Scope 3 reporting as market readiness improves. We would welcome clarity on the expected timeline for extending Scope 3 reporting to other companies.

Question 3: Do you agree with the proposal to require entities to make an explicit and unreserved statement of compliance with SFRS S2 in respect of their applicable mandatory reporting requirements?

Yes. We support the requirement for an explicit and unreserved statement of compliance, which reflects the equivalent requirement in the ISSB Standards (IFRS S1, paragraph 72).

Question 4: Do you agree with the proposal to amend the references to SASB Materials in the draft Singapore SDS from mandatory to voluntary?

No. ICGN does not support the proposal to change the requirement in draft SFRS S1 and S2 from "shall refer to and consider the applicability of" the SASB Materials to "may refer to and consider the applicability of" them. We believe the change could undermine comparability and make the standards less efficient for preparers to apply.

The SASB Standards are widely used by investors. They were developed over many years with input from a wide range of investors, including ICGN and many of our members. The ISSB has its own publicly disclosed due process for reviewing and enhancing the SASB Standards, which goes beyond the process for other educational materials. The SASB

Standards have also undergone international interoperability assessment. The ISSB has consulted on amendments to enhance them and is considering how best to clarify their role within the ISSB Standards.

Even under the “*shall*” wording in the ISSB Standards, entities retain the flexibility to determine that the SASB Materials are not applicable to their particular business context. The requirement is to “consider applicability” rather than to mandatorily apply all SASB guidance. ACRA also observes that some Singapore companies across a range of industries already use the SASB Materials for industry-based disclosures. Industry-based disclosures are particularly important because they help investors compare companies exposed to similar business risks.

We recommend retaining the “*shall*” wording to maintain global consistency and comparability. If ACRA proceeds with the amendment, we encourage it to keep the treatment of the SASB Materials under review as the ISSB continues to enhance the SASB Standards. Early divergence from the ISSB Standards on technical requirements could create regulatory complications and added costs, and could weaken the global baseline for sustainability reporting.

Question 5: Are there any other aspects of the draft Singapore SDS that should be amended to better suit Singapore’s context?

No. We do not propose any further Singapore-specific amendments. Any removal or relaxation of an ISSB requirement should require a compelling reason, particularly where it would reduce international comparability.

We welcome the commitment to external limited assurance of Scope 1 and Scope 2 greenhouse gas emissions for listed companies from FY2029. Assurance is key to investors receiving reliable and decision-useful climate information. More broadly, ICGN supports a pathway towards mandatory reasonable assurance of all financially material sustainability-related reporting over an appropriate timeframe, and we would encourage ACRA to set out how it intends to move beyond limited assurance of Scope 1 and 2 emissions as the regime matures.

Question 6: Are there specific areas of the draft Singapore SDS where you anticipate implementation challenges, or where additional guidance would be helpful?

We do not have any specific comments on this question.

Conclusion

Thank you again for the opportunity to share our perspective. If you would like to follow up with questions or comments, please contact our Global Policy Director, Peter van Veen (peter.vanveen@icgn.org) or Policy Executive, Thomas Stables (thomas.stables@icgn.org).

Yours faithfully,



Jen Sisson

Chief Executive Officer, ICGN