

Roadmap to navigate SGX's climate reporting timelines



In support of:

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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 Catalyst 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 five times in recognition of efforts to uphold the integrity and development of our markets. Find out more at <https://regco.sgx.com/>

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ISCA administers the Singapore Chartered Accountant Qualification programme and is the Designated Entity to confer the Chartered Accountant of Singapore – CA (Singapore) – designation.

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As the national accountancy body, ISCA is committed to supporting our members in their careers. ISCA's Professional Standards Department provides technical support to members in the areas of audit and assurance, financial reporting, sustainability and climate change, ethics, and specialised industries such as capital markets, banking and finance and insurance. The Department also communicates insights and views to our members and the wider accountancy community. Through our technical committees that comprise representatives from various stakeholders in the corporate reporting eco-system, we hear issues from the ground and conceive initiatives to promote best practices and consistency to uphold technical excellence.

About ISCA's Sustainability and Climate Change Committee

ISCA's Sustainability and Climate Change Committee (SCCC) comprises individuals with significant experience and subject matter expertise in sustainability-related matters.

The SCCC promotes the relevance of sustainability, climate change and related advances to business strategy and the accountant's role in advancing these agenda. It also furthers the adoption of quality sustainability reporting and advocates Singapore's interests in relation to sustainability reporting standards and requirements. These are executed with the support of three sub-committees – the Sustainability Reporting Standards Sub-Committee; Capacity Building Sub-Committee; and Sustainability Excellence Sub-Committee.

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Preface

In August 2025, the Accounting and Corporate Regulatory Authority (ACRA) and Singapore Exchange Regulation (SGX RegCo) extended the timelines for implementing climate reporting requirements, to support listed companies and large non-listed companies in developing reporting capabilities.

Based on a review¹ of sustainability reports available as of 31 July 2024, over half of issuers provided at least nine of the Task Force on Climate-Related Financial Disclosures (TCFD) recommended disclosures, while 28% provided all 11. Back then, issuers were required to provide climate-related disclosures (CRD) consistent with the TCFD recommendations. In 2025, issuers would be expected to begin incorporating the climate-related requirements in the IFRS Sustainability Disclosure Standards (ISSB Standards) to meet an enhanced sustainability reporting regime introduced by SGX RegCo.

Under the revised timeline, issuers outside the Straits Times Index (STI) are still required to issue CRD. However, they would now need to report only their Scope 1 and 2 greenhouse gas (GHG) emissions from financial year commencing on or after (FYC) 1 January 2025. Non-STI constituent issuers with a market capitalisation of \$1 billion and above will be required to report CRD beyond Scope 1 and 2 GHG emissions based on the ISSB Standards from FYC 2028, with the exception of Scope 3 GHG emissions which will be voluntary until further notice. The remaining non-STI constituents will follow from FYC 2030. Notwithstanding this, they are expected to demonstrate progress towards incorporating the climate-related provisions in the ISSB Standards according to the relevant timeline.

The roadmap to navigate SGX's climate reporting timelines (the "Roadmap") seeks to support non-STI constituent issuers in meeting the relevant timelines by FYC 2028, i.e. within the next three years. Non-STI constituents that have until FYC 2030 may adapt the Roadmap for their own use, although they are encouraged to adopt it earlier. As most issuers have already substantially adopted the TCFD recommendations, the Roadmap suggests how a non-STI constituent which has already adopted the TCFD recommendations may implement the climate-related requirements of the ISSB Standards.

To accomplish its objectives, the Roadmap outlines the key incremental disclosures required for issuers to build on their TCFD-aligned CRD to comply with the requirements in the ISSB Standards, as a guiding reference to support their transition to the ISSB requirements. In addition, it incorporates the insights provided in the aforementioned review of sustainability reports in 2024. It takes reference from existing materials that are publicly available, most notably those published by International Sustainability Standards Board, SGX RegCo and the National University of Singapore Business School Centre for Governance and Sustainability.

Issuers are encouraged to first perform a gap analysis of the current state of their disclosures and the required ISSB disclosures and adapt the Roadmap based on their specific circumstances to guide progress. They should also consider preparing a full mock up of ISSB-aligned CRD to assist its gap analysis.

In addition, while more than 90% of the issuers have made disclosures under the governance pillar, they should continually strengthen the governance set up to provide effective oversight of climate-related risks and opportunities.

¹ Climate Reporting Review 2024 by SGX RegCo and the National University of Singapore Business School Centre for Governance and Sustainability

Beyond preparers, we hope that the Roadmap would also be a useful reference for the board of directors or board committees to assess the progress made by listed issuers in their CRD within each subsequent sustainability report to meet the climate-reporting requirements by the applicable timeline. It could also be useful for both the board and management to plan ahead and identify the necessary capacity building to comply fully with the requirements.

Through the Roadmap, users can also see that climate reporting is not an isolated process. Instead, it is closely interwoven with the essential process of integrating climate-related considerations into the entity's business strategy and futureproofing its business. The ability of the entity to effectively manage its climate-related risks and opportunities is also of significant interest to investors and lenders.

Although Scope 3 GHG emissions reporting will not be mandatory until further notice for non-STI constituents, preparers should begin the process early to strengthen their resilience to future resource scarcity, evolving environmental regulations, changing consumer preferences and growing scrutiny from investors and shareholders, while also positioning themselves to capture opportunities from innovation in supply chain management and product design and to enhance sales and customer loyalty. To begin the process, preparers could take stock of their Scope 3 emissions by estimating emissions from every relevant Scope 3 category by engaging suppliers and partners outside of the entity and internal departments, such as procurement and logistics. They could also start developing their Scope 3 emissions inventory by using less specific data like proxy data or estimates. Then, each category can be examined to determine whether to further refine its emission estimates.

According to SGX RegCo, the time extension would allow non-STI constituents to build up data collection processes and learn from larger companies who have started to produce ISSB-based CRD. As this approach suggests, climate reporting is a whole-of-ecosystem effort. We hope that the Roadmap would help align the ecosystem in supporting non-STI constituents and large non-listed companies in building the required capabilities within the allotted timeframe.

If you have any queries, feedback or suggestions, please contact ISCA's Professional Standards Department via email at professionalstandards@isca.org.sg.

Disclaimer

The Roadmap is not intended to represent the only manner in which the requirements could be adopted.

This Roadmap is prepared on the premise that the preparer has fully adopted the TCFD recommendations in the previous reporting period. It is also prepared on the premise that the preparer has disclosed its Scope 1 and 2 GHG emissions as set out in paragraph 29(a) of IFRS S2, which is mandatory for all listed companies from FYC 2025.

It is not a comprehensive application of the requirements in the ISSB Standards. When applying the ISSB Standards, preparers must refer to the ISSB Standards.

Information contained in this document does not constitute advice and should not be substituted for the services of an appropriately qualified professional.

Climate reporting is an iterative process, and preparers are encouraged to continually enhance their disclosures, even after addressing the items outlined in this Roadmap.

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How to use the Roadmap

The objective of the Roadmap is to outline a possible implementation plan for SGX-listed companies to meet the climate reporting requirements and to demonstrate progress towards incorporating those requirements by FYC 2028. Non-STI constituents that have until FYC 2030 may adapt the Roadmap for their own use, although they are encouraged to adopt it earlier.

The Roadmap is prepared on the premise that the preparer has fully adopted the TCFD recommendations in the previous reporting period. It is also prepared on the premise that the preparer has disclosed its Scope 1 and 2 GHG emissions as set out in paragraph 29(a) of IFRS S2, which is mandatory for all listed companies from FYC 2025.

The Roadmap sets out the key action steps to meet the key CRD requirements in the ISSB Standards by FYC 2028. It provides key outcomes from the action steps that might be useful later in the reporting process, or as organisational best practice that might not be reporting related.

While the Roadmap largely references the requirements in IFRS S2, preparers should note that IFRS S2 cannot be applied without critical elements that are described in IFRS S1, including the consideration of foundational concepts such as 'materiality' and 'reporting entity'. Preparers may refer to ISSB's [education material](#) on applying IFRS S1 when reporting only CRD in accordance with IFRS S2 to understand which requirements in IFRS S1 are applicable.

The Roadmap is not a comprehensive application of the requirements in the ISSB Standards, and preparers must refer directly to IFRS S1 and IFRS S2 when preparing CRD to ensure full compliance. Preparers should also refer to the ISSB Standards and consider the transition reliefs for the first year of reporting and proportionality mechanisms that are available to them.

Overview of key objectives for each period

The entity may expect to achieve the following key CRD by the end of each reporting period, if the steps in the Roadmap are followed. This would also enable them to demonstrate progress in their CRD towards incorporating the climate-relevant provisions in the ISSB Standards.

FYC 2026	FYC 2027	FYC 2028
• Governance disclosures • Identification of CrRO • Effects of CrRO on the entity's business model and value chain • Risk management disclosures for climate-related risks • Scope 1 and 2 GHG emissions² • Cross-industry metrics: Amount or percentage of assets or business activities vulnerable to or aligned with CrRO	• Whether and how related performance metrics are included in remuneration policies • Effects of CrRO on the entity's strategy and decision-making • Climate-related scenario analysis (qualitative) • Current financial effects • Risk management disclosures for climate-related opportunities • Cross-industry metrics • Industry-based metrics • Qualitative targets	• Climate-related scenario analysis (quantitative) • Any climate-related transition plan the entity has to respond to CrRO • Anticipated financial effects • Cross-industry metrics: Climate-related considerations in executive remuneration • Quantitative targets

² Scope 1 and 2 GHG emissions reporting is mandatory for all listed companies from FYC 2025.

Key disclosure and action roadmap

Legend:



: Incremental disclosures highlighted by ISSB's comparison of IFRS S2 with TCFD recommendations



: Applicable IFRS S1 requirements highlighted in ISSB's education material on applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2



: Insights identified by SGX RegCo and National University of Singapore Business School Centre for Governance and Sustainability's Climate Reporting Review 2024

1H FYC 2026

	Action	Outcome	Disclosure
Gap analysis	- Consider: - How aligned the current TCFD disclosures are against the requirements of IFRS S2 - Whether all reporting entities in the related financial statements are included in the CRD [IFRS S1 20] - Preparing a mock up set of full CRD to assist its gap analysis - Develop implementation roadmap to close the identified gaps including consideration on whether appropriate skills and competencies are available or how they will be developed or acquired - Engage consultant where necessary to assist with implementation of roadmap - Tap on sustainability reporting grants by Singapore Economic Development Board and Enterprise Singapore	Gap analysis report Mock up set of full CRD with placeholders to identify gaps Implementation roadmap approved by relevant governance body(s)	–

	Action		Outcome	Disclosure
Governance	1. Assess whether current governance structure effectively facilitates robust oversight of CrRO and implement required changes to current structure <i>[IFRS S2 6(a), 6(b)(i)]</i> 2. Include responsibilities for CrRO in current terms of reference, mandates or role descriptions applicable to the governance body(s), where relevant <i>[IFRS S2 6(a)(i)]</i> 3. Determine the skills and competencies required to oversee climate-related strategies and develop an upskilling roadmap for Board members, management and relevant personnel <i>[IFRS S2 6(a)(ii)]</i> 4. Update existing internal controls and standard operating procedures to support oversight of CrRO <i>[IFRS S2 6(b)(ii)]</i>		Revised governance structure, e.g. a dedicated Board and/or management committee to oversee CrRO Updated terms of reference, mandates or role descriptions incorporating responsibilities for CrRO Updated Board nominating policy/ training policy/ roadmap to incorporate relevant climate knowledge Matrix of each member's competency level and types of skills and experience Updated internal controls and standard operating procedures	Governance processes, controls and procedures <i>[IFRS S2 5-7]</i> How responsibilities for CrRO are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s) <i>[IFRS S2 6(a)(i)]</i> How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to CrRO <i>[IFRS S2 6(a)(ii)]</i> Expanded disclosure on the board's responsibility, e.g. frequency of updates <i>[IFRS S2 6(a)(i), (iii)]</i> Detailed management's role, e.g. whether climate-related responsibilities are assigned to management-level positions or committees, and if they report to the board <i>[IFRS S2 6(a)(i)]</i>
Strategy	1. Identify relevant IBG based on the entity's business(es)		Relevant IBG	—

	Action	Outcome	Disclosure
Strategy	1. Identify CrRO ¹ , including by considering the applicability of the industry-based disclosure topics defined in the IBG [IFRS S2 12]	Updated list of relevant CrRO	CrRO that could reasonably be expected to affect the entity's prospects [IFRS S2 10-12]
	2. Consider the relevance of the following in the setting of strategic goals and targets: - Applicable laws and regulations that the entity is subject to, including those relating to greenhouse gas emissions - International agreements such as Paris Agreement	Relevant laws and regulations and international agreements	Additional CrRO after referring to and considering the applicability of the industry-based disclosure topics defined in the IBG [IFRS S2 12] 
	3. Map the entity's value chain considering interactions, resources and relationships related to its business model and assess where in the company's business model and value chain CrRO are concentrated [IFRS S2 13]	Value chain mapping and CrRO concentration mapping	Definition of timeframes that align with their overall strategic planning [IFRS S2 10(c)] 
	4. Define time horizons (short, medium and long term) applied to CrRO and consider whether they are aligned with strategic planning and decision-making cycles, considering industry specific characteristics such as cash flow, investment, business cycles and planning horizons [IFRS S1 31, IFRS S2 10(d)]	Definitions of short, medium or long term time horizons	Effects of CrRO on business model and value chain [IFRS S2 13]
	5. Prepare for climate-related scenario analysis: Consider all reasonable and supportable information – including scenarios, variables and other inputs – available to the entity at the reporting date without undue cost or effort	Selected scenarios, variables and other inputs to use in climate-related scenario analysis Impact pathways	Where they are concentrated in the business model and value chain ¹ [IFRS S2 13(b)] 

	Action	Outcome	Disclosure
	b. Choose relevant scenarios that would capture strategic alignments to regulations and policies or stress testing scenarios and based on different global warming trajectories  c. Select inputs that are relevant to the entity's circumstances, e.g. to the particular activities the entity undertakes and the geographical location of those activities d. Map out relevant business and financial implications of CrRO using impact pathways. E.g. an increase in carbon tax in 2026 and 2030 would increase fuel and electricity prices. It could encourage investment in renewable energy and accelerate technology adoption 6. Identify assets and business activities vulnerable to or aligned with CrRO	Assets and business activities vulnerable to or aligned with CrRO	
Risk management	1. Adapt risk management for climate risks based on their unique characteristics for an effective risk assessment, e.g. considering the appropriate time horizons for identifying and assessing risks  2. Document the entity's processes to identify, assess, prioritise and monitor climate-related risks <i>[IFRS S2 25(b)]</i> 3. Enhance integration of climate-related risks into overall risk management frameworks <i>[IFRS S2 25(c)]</i>, e.g.:  - Map climate risks to existing risk categories - Update the risk inventory to reflect these risks	Integration of climate-related risks into overall risk management frameworks	Processes to identify, assess, prioritise and monitor climate-related risks <i>[IFRS S2 24-26]</i> Inputs and parameters the entity uses, e.g. information about data sources and the scope of operations covered in the processes <i>[IFRS S2 25(a)(i)]</i>  Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risk <i>[IFRS S2 25(a)(ii)]</i> 

	Action	Outcome	Disclosure
			Whether and how the entity has changed the processes compared with the previous reporting period <i>[IFRS S2 25(a)(vi)]</i> 
Metrics and targets	<u>Industry-based metrics</u> 1. Consider the applicability of the industry-based metrics associated with disclosure topics defined in the IBG, in addition to other relevant industry-based metrics <i>[IFRS S2 32]</i> 2. Identify data required and corresponding data owners, and assess data infrastructure to identify gaps 3. Determine the boundary for gathering data for the purpose of disclosure and extent of aggregation and disaggregation 4. Implement system, processes and controls for data collection 5. Document data collection methodology in standard operating procedures <u>Cross-industry metrics</u> 1. Quantify assets and business activities vulnerable to or aligned with CrRO (refer to Strategy under 2H FYC 2026), with collaboration with finance department <i>[IFRS S2 29(b)-(d)]</i>	Data collection policies	Scope 1 and 2 GHG emissions as set out in paragraph 29(a) of IFRS S2 (mandatory from FYC 2025) Cross-industry metrics: Amount or percentage of assets or business activities vulnerable to or aligned with CrRO¹ <i>[IFRS S2 29(b)-(d)]</i>

	Action	Outcome	Disclosure
Strategy	1. Link CrRO to the entity's strategic decision-making in the short, medium and long term [IFRS S2 14], e.g.: - Investment priorities - Resource allocation - Long term business objectives - Trade-offs between CrRO	Roadmap to achieve strategic goals and targets	Effects of CrRO on strategy and decision-making [IFRS S2 14]
	2. Set strategic goals that are integrated into the entity's business strategy and operations, taking into account assets and business activities vulnerable to or aligned with CrRO [IFRS S2 14]	Identification of capital expenditure, financing or investment deployed towards CrRO	How the entity has responded to, and plans to respond to, CrRO in its strategy and decision-making [IFRS S2 14(a)]
	3. Formulate roadmap to achieve strategic goals [IFRS S2 14], including plans for: - Mitigation and adaptation efforts - Budget allocation - Capital expenditure - Operating expenditure - Sources of funding - Development of climate-related transition plan	Interim climate transition plan developed	Trade-offs between CrRO that the entity considered [IFRS S1 33(c)]
	4. Perform qualitative scenario analysis [IFRS S2 22]: - Shortlist most relevant impacts for your business based on the internal stakeholder engagement - Using the impact pathways (refer to step 5d of Strategy under 2H FYC 2026), describe how each CrRO develops and its impact over the time horizon, as well as how the CrRO could interact	Qualitative climate-related scenario analysis – pathways, outcomes and analysis	Assessment of climate resilience of the entity's strategy and its business model using qualitative climate-related scenario analysis ^{1, 2, 4} [IFRS S2 22, 23] Significant areas of uncertainty considered in the entity's assessment of its climate resilience [IFRS S2 22(a)(ii)] The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term [IFRS S2 22(a)(iii)]

	Action	Outcome	Disclosure
	c. Develop scenario narratives describing assumed cause-effect relationships among CrRO, how CrRO play out into the future (pathways), and anticipated outcomes d. Develop strategy responses to the material risks in financial terms in the form of mitigation and adaptation solutions e. Iterate scenario analysis periodically and evaluate scenario analysis process		How and when the climate-related scenario analysis was carried out <i>[IFRS S2 22(b)]</i>  More detailed reporting and scenario analysis disclosures that provide a clearer understanding of the short, medium, and long term climate issues <i>[IFRS S2 22(a)]</i> 
Risk management	1. Design, implement and document the entity's processes to identify, assess, prioritise and monitor climate-related opportunities <i>[IFRS S2 24-26]</i>	Integration of climate-related opportunities into overall risk management frameworks	Processes to identify, assess, prioritise and monitor climate-related opportunities <i>[IFRS S2 24-26]</i>  Extent to which, and how, the processes for identifying, assessing, prioritising and monitoring CrRO are integrated into and inform the entity's overall risk management process <i>[IFRS S2 25(c)]</i> 

2H FYC 2027

	Action	Outcome	Disclosure
Governance	1. Review existing remuneration policies and consider incorporating performance metrics related to climate-related targets <i>[IFRS S2 6(a)(v)]</i>	Updated remuneration policy	Whether and how related performance metrics are included in remuneration policies <i>[IFRS S2 6(a)(v)]</i>
Strategy	1. Compute the impact of CrRO, including disruptions, on the financial statements (current financial effects) <i>[IFRS S2 16(a)]</i>, e.g.: • Capital expenditure • Major acquisitions and divestments • Joint ventures • Business transformation • Innovation • New business areas • Asset retirements • Increased revenue from products and services aligned with a lower-carbon economy • Costs arising from physical damage to assets from climate events • Expenses associated with climate adaptation or mitigation 2. Consider the connections between CRD with the information disclosed in the related financial statements <i>[IFRS S1 21(b)(ii)]</i>, e.g.: • Consistency in the data and assumptions used • Linkages between the amounts disclosed and the amounts recognised and disclosed in the financial statements	Connectivity and consistency of CRD with information in its financial statements – consider Illustrative Examples in the near-final staff draft of Disclosures about Uncertainties in the Financial Statements Illustrated using Climate-related Examples	Current financial effects³ <i>[IFRS S2 15-21]</i>

	Action	Outcome	Disclosure
Metrics and targets	<u>Metrics</u> (Cross-industry metrics only) Compute amount of capital expenditure, financing or investment deployed towards CrRO (refer to Strategy under 1H FYC 2027) [IFRS S2 29(e)] - Test output from updated systems, processes and controls	Climate-related targets and framework to monitor	Cross-industry metrics: Amount of capital expenditure, financing or investment deployed towards CrRO [IFRS S2 29(e)]
	<u>Targets</u> - Identify climate-related targets to monitor progress towards achieving the entity's strategic goals (refer to Strategy under 1H FYC 2027) and targets the entity is required to meet by law or regulation [IFRS S2 33, 34], including: - Metrics that can be used to set and monitor progress, including cross-industry and industry-based metrics identified [IFRS S2 37] - Targets arising from relevant laws and regulations and international agreements - Milestones or interim targets - Review adequacy of targets and set base year [IFRS S2 34] - Develop a framework and implement a process to set, review and monitor progress (including trend analysis) for targets and assign roles and responsibilities [IFRS S2 34, 35]		Industry-based metrics [IFRS S2 32] Applicable metrics associated with applicable disclosure topics described in the IBG [IFRS S2 32] Source and metric taken if the entity discloses a metric taken from a source other than ISSB Standards [IFRS S1 49] Information if a metric has been developed by the entity [IFRS S1 50] Targets to mitigate or adapt to or take advantage of CrRO [IFRS S2 33-37] (qualitatively as a start) How the latest international agreement on climate change has informed the target [IFRS S2 33(h)] Approach to setting and reviewing each target and how the entity monitors progress against each target [IFRS S2 34]

	Action	Outcome	Disclosure
			Whether the target and the methodology for setting the target has been validated by a third party <i>[IFRS S2 34(a)]</i>  For each GHG emissions target, whether the target was derived using a sectoral decarbonisation approach <i>[IFRS S2 36(d)]</i>  For each GHG emissions target, the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target <i>[IFRS S2 36(e)]</i>  Supporting information to contextualise targets, e.g. the objective and scope of the target, how the target is linked to international climate change agreements, and the relevant explanation in relation to revisions made to targets <i>[IFRS S2 33, 34]</i> 

	Action	Outcome	Disclosure
Strategy	1. Perform quantitative scenario analysis <i>[IFRS S2 22]</i>: a. Develop quantification criteria that would model the potential correlations between the CrRO and financials, e.g. daily revenue estimate from operations that are vulnerable to flood risk b. Apply climate projection data for selected climate scenarios and time horizons, e.g. projected number of days with precipitation more than 50mm under various scenarios and time horizons to assess potential increases in extreme rainfall and associated physical risks c. Compare the results by scenario and risk type to develop understanding of the CrRO d. Based on the quantification models, consider adding relevant metrics and targets to track the performance against the various risks in the relevant scenarios e. Develop strategy responses to the material risks in financial terms in the form of mitigation and adaptation solutions f. Iterate scenario analysis periodically and evaluate scenario analysis process	Quantitative climate-related scenario analysis – pathways, outcomes and analysis	Quantitative scenario analysis ^{1, 2, 4} <i>[IFRS S2 22]</i>
Metrics and targets	<u>Targets</u> 1. Using performance data from the identified metrics , quantify interim and long-term climate-related targets to bridge current performance to long-term strategic goals <i>[IFRS S2 33]</i> 2. Measure current year performance against quantified climate-related targets <i>[IFRS S2 35]</i>	Quantified interim and long-term climate-related targets	Quantitative targets <i>[IFRS S2 33-37]</i>

2H FYC 2028

	Action	Outcome	Disclosure
Strategy	1. Finalise the climate-related transition plan to achieve strategic goals <i>[IFRS S2 14(iv)]</i> 2. Assess the anticipated financial effects of each CrRO across short, medium and long term <i>[IFRS S2 15(b)]</i>, e.g.: • Consider the entity's strategy to manage CrRO – investment and disposal plans (e.g. anticipated investments into infrastructure that can withstand rising sea levels or extreme weather events, divestment plans for certain less viable business in low-carbon economy), planned sources of funding, effects on financial performance and cash flows (e.g. effects on asset valuations, asset useful lives) • Consider the connections between CRD with the information disclosed in the related financial statements (refer to Strategy under 2H FYC 2027) • A combination of quantitative and qualitative disclosures offers a holistic view of the CrRO. While quantitative data helps investors assess the extent to which CrRO may impact financial statements, qualitative insights provide essential context that enhances the understanding of these figures	Finalised climate transition plan approved by governance bodies	Any climate-related transition plan  the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies, to respond to CrRO <i>[IFRS S2 14(iv)]</i> Anticipated financial effects ^{1, 3, 4, 5} <i>[IFRS S2 15-21]</i>
Metrics and targets	<u>Cross-industry metrics</u> 1. Compute percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations (refer to Governance under 2H FYC 2027) <i>[IFRS S2 29(g)]</i>	–	Cross-industry metrics: Climate-related considerations in executive remuneration <i>[IFRS S2 29(g)]</i>

Endnotes – proportionality mechanisms to help companies with different levels of capabilities and preparedness to apply the ISSB Standards

1 An entity shall use **all reasonable and supportable information that is available** to the entity at the reporting date **without undue cost or effort**. [IFRS S1 B6, IFRS S2 11, 18, 29(b)-(d), B1]

2 An entity might use **a simpler approach to climate-related scenario analysis, such as qualitative scenario narratives**, if such an approach is appropriate to the entity's circumstances. For example, if an entity does not currently have the skills, capabilities or resources to carry out quantitative climate-related scenario analysis but has a high degree of exposure to climate-related risk, the entity might initially use a simpler approach to climate-related scenario analysis, but would build its capabilities through experience and, therefore, would apply a more advanced quantitative approach to climate-related scenario analysis over time. An entity with a high degree of exposure to CrRO, and with access to the necessary skills, capabilities or resources, is required to apply a more advanced quantitative approach to climate-related scenario analysis. [IFRS S2 B17]

3 An entity **need not provide quantitative information** about the current or anticipated financial effects of a CrRO if the entity determines that: (a) those effects are not separately identifiable; or (b) the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful. Refer also to paragraph 21 of IFRS S2 for disclosure requirements if it determines that it need not provide quantitative information. [IFRS S2 19]

4 An entity shall use an approach that is **commensurate with the skills, capabilities and resources that are available** to the entity for preparing those disclosures. [IFRS S2 18(b), 22]

5 An entity **need not provide quantitative information** about the anticipated financial effects of a CrRO if the entity does not have the skills, capabilities or resources to provide that quantitative information. Refer also to paragraph 21 of IFRS S2 for disclosure requirements if it determines that it need not provide quantitative information. [IFRS S2 20]

Initials and abbreviations

CRD	Climate-related disclosures
CrRO	Climate-related risks and opportunities
FYC	Financial year commencing
GHG	Greenhouse gas
IBG	<i>Industry-based Guidance on Implementing IFRS S2</i>
IFRS S1	<i>IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information</i>
IFRS S2	<i>IFRS S2 Climate-related Disclosures</i>
ISSB	International Sustainability Standards Board
TCFD	Task Force on Climate-Related Financial Disclosures
1H	First half
2H	Second half

Further reading

- ISSB's [Comparison](#) of IFRS S2 Climate-related Disclosures with the TCFD recommendations
- ISSB's [Education Material](#) on applying IFRS S1 when reporting only CRD in accordance with IFRS S2
- SGX RegCo and NUS Business School Centre for Governance and Sustainability's [Climate Reporting Review 2024](#)
- ISCA [Climate Disclosure Guide Volume 2](#) First Steps in Conducting Climate-Related Scenario Analysis
- Appendix B of IFRS S2 – Application guidance for climate resilience

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