My answers in brief

Consultation questions are reproduced from ACRA's July 2026 consultation paper, pages 9 to 12. Page references in the responses refer to that paper.

For Questions 1 to 4, the answer is for the Yes or No box in the response form. The sections after this table give the reasons, and the annex gives possible text.

Question	My answer	Main recommendation
1. Two-standards structure and Appendix D	Yes	Keep the structure and publish a table that gives the reason to keep, change, or omit each SFRS S1 paragraph.
2. Transition reliefs	Yes, with two additions	Require a short statement when a company uses the Scope 3 relief (SGC4.2). Retain previous ISSB comparatives for any information that is still reported (SGC3.1).
3. Statement of compliance	Yes, if the statement names what it covers	The statement should identify the requirements applied, the law or Listing Rule behind them, and each relief used (SG72.2). One option is to use "unreserved" to indicate full compliance (SG72.1).
4. References to the SASB Materials	No, with respect	Keep "shall refer to and consider", with a short disclosure of what the company considered (SG59.1). If "may" stays, add the same disclosure and a review date.
5. Other aspects	Three suggestions	Publish a short Singapore Basis for Conclusions. State the position of foreign-incorporated issuers. Align the wording of paragraphs 72 and 73.
6. Guidance	Seven areas	Worked examples, the timing of publication after assurance, the difference between compliance and assurance, and four other areas.

Question 1: the two-standards structure and Appendix D of SFRS S2

> *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? Please state the reasons for your response.*

I agree with the proposed structure. I think it is a lean way to incorporate the relevant parts of SFRS S1 and use SFRS S2 as one integral document.

Appendix D is clear about which S1 paragraph it keeps or omits (e.g., paragraphs 31 and 33(c), p. 92). Annex D of the consultation paper is also very clear about the reasons for the main amendments.

Some S1 paragraphs are removed without a clear explanation (e.g., paragraphs 1 to 7), but some are retained (e.g., paragraphs 8 and 9, pp. 87 to 88).

Appendix D omits the guidance in SFRS S1 paragraphs 55(a), 55(b)(i), and 56 to 58 (pp. 96 to 97). The proposed amendments also change several "shall" to "may" regarding the Industry-

based Guidance in SFRS S2 paragraphs 12, 23, and 32. Together, these changes make consideration of the SASB Materials optional. I discuss this in more detail in Question 4.

I would recommend preparing a table with the following columns: (1) reference to the S1 paragraph, (2) its treatment in Appendix D, and (3) reasons.

I also notice that the proposed structure may need a slight adjustment. On page 53, SFRS S2 states that the standard "should be read in the context of" 3 items: (1) its objective, (2) the Basis for Conclusions on IFRS S2, and (3) SFRS S1. But paragraph P4 states "An entity applying SFRS S2 is not required to apply SFRS S1…" (p. 54). A small adjustment on wording should fix this easily.

Question 2: the transition reliefs

Do you agree with the proposed amendments to the transition reliefs? Please state the reasons for your response.

I agree with the removal of the first-year timing relief and the climate-first relief, as I think this is the right call. I suggest two additions.

The Scope 3 relief

My first addition is as follows. SGC4.1 allows a company to omit its Scope 3 emissions unless their disclosure is required by a jurisdictional authority or an exchange on which the company is listed (p. 85). This relief also extends to financial institutions such as asset managers, banks, and insurers, for the additional information on their financed emissions. I understand the timing of Scope 3 reporting is set outside of SFRS S2 by ACRA and SGX RegCo (consultation paragraph 29), but companies who choose to omit their Scope 3 emissions should state clearly that they are using SGC4.1 for the omissions. Readers may be unable to tell whether companies use SGC4.1 or not if companies remain silent in their reports.

The following table summarises when the proposed amendments require a company to tell users about an omission, including the omission of Scope 3 emissions:

Table 1. When the draft requires a company to tell users about an omission

The company omits	Must the company tell users?	Paragraph
Material information that the law does not permit it to disclose	Yes	B33 (p. 105)
Commercially sensitive information about an opportunity	Yes	B36(a) (p. 106)
Quantitative information about financial effects	Yes, with the reason	21(a) (p. 59)
Some financial activities from its Category 15 emissions	Yes	29B(b) (p. 64)
Topics other than climate in its first year (an ISSB relief that the draft deletes)	Yes, under the ISSB text	IFRS S1 E5 (p. 50)
All of its Scope 3 emissions	No specific notice rule	SGC4.1 (p. 85)
The Industry-based Guidance, which it did not consider	No specific notice rule	12, 23 and 32 (pp. 57, 61 and 64)
An industry-based metric discontinued without redefinition or replacement	No specific notice rule	52 and B52 (pp. 96 and 109)

Assume there are two banks: Bank D and Bank E. They are Singapore-incorporated, non-listed banks. They meet the asset and revenue thresholds for mandatory reporting and they are not eligible for any exemption. They report Scope 1 and Scope 2 emissions from FY2030.

But they can be very different in their Scope 3 emissions. Bank D decides to report its Category 15 emissions, but limits them to financed emissions under paragraph 29A. Bank D must also

disclose the financial activities that it excluded (paragraph 29B(b)). However, Bank E can use SGC4.1 to exclude all its Scope 3 emissions. But readers of the report may not be able to tell whether Bank E has no such emissions or has simply not disclosed its use of this relief. This will create an unusual situation where two economically similar banks report vastly different Scope 3 emissions profiles, which can cause much downstream confusion. This issue is especially salient, as a bank's financed emissions can be much larger than a bank's actual emissions from its operations. A clear disclosure of whether a company uses such relief would clear up the confusion.

One possible new paragraph for the Committee's consideration is: "SGC4.2 An entity that uses the relief in paragraph SGC4.1 shall disclose that fact. It shall identify the Scope 3 emissions categories and additional financed-emissions information that it omitted under the relief. The entity shall state whether it expects to disclose the information in a future reporting period. If so, it shall identify that period or state that the expected reporting period has not yet been determined."

Table 1 of the consultation paper could include the dates on which eligibility is assessed, which are now described in footnotes 8 and 9 of the table (p. 7). It is important to make clear that a company does not move to another reporting tier if there is a later shift in its market capitalisation or STI membership (SGX Practice Note 7.6, paragraph 4.12). A small explanation (with examples) on how and when these tests are used could help users interpret Table 1.

Comparative information after the transition from the ISSB Standards

The second addition I propose is related to comparative information. Paragraph C3 allows companies not to provide comparative information in the first year under SFRS S2 (which is defined in paragraph C2 as the year of the first application of SFRS S2, p. 85). However, neither paragraph explicitly excludes companies that currently report under IFRS S2 from this relief.

If Company A was a constituent of the STI on 30 June 2025, reported under the ISSB Standards for FY25, FY26 and FY27, and applies SFRS S2 for the first time in FY28, what is the appropriate disclosure regime for its comparatives? If we follow the proposed amendments strictly, Company A does not need to report its FY27 comparative figures. That means readers may only see one year of data in the FY28 report, with no FY27 comparatives. This report may be less useful to readers. My proposed text is in the Annex as SGC3.1.

Table 2. Comparative figures for Company A before and after the move to SFRS S2

Financial year	Standard that Company A applies	Comparative figures that the report must show
FY2025	ISSB Standards, under the SGX Listing Rules	None required under the first-year comparatives relief (IFRS S2 C3)
FY2026	ISSB Standards	FY2025 figures, subject to transition reliefs
FY2027	ISSB Standards	FY2026 figures
FY2028	SFRS S2	None required under C3 as drafted, despite prior reporting

Question 3: the statement of compliance

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? Please state the reasons for your response.

I support and welcome this requirement, provided that the statement names what it covers. Under IFRS S1 paragraph 72, this statement is for an entity that complies with all the requirements. Consultation paragraph 30 states that the statement "provides users with a clear signal of compliance" (p. 11). As I read it, the most important signal comes from the word "all".

However, a company's reporting depends on its position on the roadmap. Consultation paragraph 33 proposes an "explicit and unreserved" statement "in respect of their applicable mandatory reporting requirements" (p. 11), but paragraph 72 of Appendix D permits the statement only for compliance with all of the standard's requirements (pp. 98 to 99). If the company uses a relief that is permitted by the standard, then technically speaking it is still in compliance with the standard (paragraph 73 of Appendix D says this for the exemptions in B33 to B37, p. 99). My concern is that companies may describe compliance with only the mandatory parts as full compliance, and readers and companies as preparers may interpret full compliance in vastly different ways.

An example would illustrate the discrepancy. Suppose Company A was an STI constituent as of 30 June 2025, whereas Companies B and C were not STI constituents on the same date. Company B had a total market capitalisation of at least S$1 billion, and Company C's market capitalisation was below that threshold. Under consultation paragraph 33, these three companies would make the same type of compliance statement, yet produce three different scopes of reports. Readers may not be able to tell the difference from the statement alone.

Table 3. The same type of compliance statement for three different reports (FY2028)

The table is based on Table 1 of the consultation paper (p. 7). "Yes" indicates that the disclosure is mandatory in FY2028. All three companies are Singapore-incorporated and were listed on 30 June 2025.

Disclosure	Company A	Company B	Company C
Scope 1 and Scope 2 emissions	Yes	Yes	Yes
Other climate-related disclosures	Yes	Yes	No (from FY2030)
Scope 3 emissions	Yes	No (relief in SGC4.1)	No (relief in SGC4.1)
Statement of compliance with SFRS S2	Required under the proposal	Required under the proposal	Required under the proposal

Scope 1 and Scope 2 reporting requires more than two numbers, but the difference in coverage is still large. Paragraph D20 in Appendix D says that "like things shall look alike and different things shall look different" (p. 112). A compliance statement that does not explain its scope could hide that difference.

One solution is to ask only companies that comply with all of SFRS S2 to make an "explicit and unreserved" statement in their disclosure. A clear statement that explicitly names the

requirements and reliefs that a company uses would solve the scope ambiguity there (see SG72.1 and SG72.2 in the Annex).

Question 4: references to the SASB Materials

Do you agree with the proposal to amend the references to SASB Materials in the draft Singapore SDS from mandatory to voluntary? Please state the reasons for your response.

I respectfully do not agree with the change. I would recommend the Committee keep "shall refer to and consider", and require companies to state in a short note what they actually considered.

The way I read it, the phrase asks companies to look into the SASB Materials for their industry, and then decide which industry topics and metrics they would apply. The phrase does not require companies to report every metric, and the final say is still with the companies.

The proposed amendments still require industry-based metrics (see paragraphs 28(b) and 32), but they make it optional to consider the Industry-based Guidance (see paragraphs 12, 23, and 32). It means companies must still report industry metrics, although they are not obliged to begin with the same common list. Paragraph 59 of Appendix D asks companies to name the guidance and industry they applied (p. 97), but it does not ask companies to disclose which metrics were considered and left out.

I think this is important for comparing companies in the same industry, as comparability is one of the enhancing qualitative characteristics of useful information (Appendix D, p. 110).

An example would illustrate the issue here. Two property companies are Company F and Company G. Company F considers the guidance and decides to report the energy metrics in it. Company G skips the guidance and creates a unique energy metric of its own to report. Both could comply with SFRS S2 if they meet its other requirements, but it may be very difficult for readers to make a meaningful comparison of the energy metrics prepared and disclosed by these two companies. Worse, readers of Company G's report may not know that Company G skipped the guidance.

I understand the concern about what constitutes "adequate consideration" in ACRA's prior correspondence to the ISSB in November 2025, as described in consultation paragraph 38. In this respect, I believe a short disclosure would be more effective than a change to "may". The short disclosure could help the reader understand what was being considered and provide assurance that it can be checked and audited. See my proposed disclosure wording in the Annex as SG59.1.

Even if the Committee still prefers "may", it would be very helpful if the same short disclosure could be adopted, e.g., the company stating in one sentence that "we did not look at the guidance". Some timing of review would also help, so that the "may" applies only until the ISSB finalises its work.

Australia gives a useful comparison. AASB S2 went further than the Singapore draft. It removed the requirement to disclose industry-based metrics and the requirement to consider the related guidance. But the AASB called this decision "an interim measure". It also said that it intends to finalise mandatory requirements for industry-based disclosures by 2030 (AASB S2, and Basis for

Conclusions, BC28 to BC30). The Singapore draft keeps the metrics requirement, which I think is the better choice. It can help to state in the same way when Singapore will review its decision.

Question 5: other aspects that should be amended

Are there any other aspects of the draft Singapore SDS that should be amended to better suit Singapore's context? Please provide details and reasons for your response.

I have three suggestions. First, I would suggest preparing a short Singapore Basis for Conclusions. Several places send readers to the Basis for Conclusions on IFRS S1 or IFRS S2 (pp. 17 and 53). If a Singapore version is issued together with the final standards, it can explain each local change in more detail, and readers will find it easier to navigate.

Second, I am not sure which standard foreign-incorporated companies listed on SGX would apply from FY28, or which statement of compliance they would make. It would be great to clarify this.

Third, paragraph 73 of Appendix D still refers to "SFRS Sustainability Disclosure Standards", but paragraph 72 now refers to "this Standard" (p. 99). A small change to use the same words in both paragraphs should avoid ambiguity.

Question 6: implementation challenges and guidance

Are there specific areas of the draft Singapore SDS where you anticipate implementation challenges, or where additional guidance would be helpful? Please provide details and reasons for your response.

There are multiple areas where I feel that the industry would benefit from guidance.

First, companies would benefit from a more detailed explanation of what "considering the industry guidance" means.

It is always informative to show an example of how to take industry guidance into consideration in practice. This could include the additional disclosure that I propose under Question 4. Without such a practical example, the uncertainty in consultation paragraph 38 can remain.

Second, firms need to know the time of publication once assurance becomes required. Is the assurance report due on the same day as the financial statements?

Third, it is useful to provide transparency in guidance for users to distinguish compliance from assurance, for example in tabular form. A company might be compliant with SFRS S2 and disclose climate-related data across all areas, but its assurance report may only cover Scope 1 and Scope 2 emissions.

Fourth, for those companies that switch from the ISSB Standards to SFRS S2, more guidance is needed, such as on comparatives or on metrics that they no longer report (see SGC3.2 in the Annex).

A fifth recommendation is that financial institutions including asset managers, banks, and insurance companies should receive more guided examples on financed emissions.

Sixth, companies that set Scope 3 emissions targets would benefit from having more examples.

Seventh, sustainability reporting is becoming more likely to be "machine-read", and companies should format their data in a manner that enables the data to be machine-readable, which would allow for more direct data comparison.

Annex: suggested text

The annex provides possible text for the Committee to consider.

1. Comparative information for companies that already report under the ISSB Standards (Question 2)

> **SGC3.1** This paragraph applies if an entity disclosed climate-related information in accordance with IFRS S2 for the immediately preceding annual reporting period. In its first annual reporting period under this Standard, the entity shall apply paragraph 70 in Appendix D to that previously disclosed information. Paragraph C3 shall not exempt comparative information for disclosures in the current reporting period that correspond to that information. The entity shall provide those comparatives unless impracticable. The materiality requirements in Appendix D shall apply. The entity shall reassess materiality in accordance with paragraph B28 in Appendix D.

2. The statement of compliance (Question 3)

> **SG72.1** This paragraph applies if an entity meets its mandatory climate-related disclosure requirements but does not comply fully with this Standard. The entity shall make an explicit statement of compliance with those mandatory requirements. It shall identify the requirements applied and the jurisdictional authority or exchange that imposes them. It shall also identify the reporting period and the requirements of this Standard that it has not applied. The entity shall not describe this as an unreserved statement of compliance with this Standard.
>
> **SG72.2** An entity that makes a statement under paragraph 72 or SG72.1 shall identify each relief or exemption in this Standard that it used. It shall identify the paragraph that permits each relief or exemption. It shall also identify any jurisdictional or exchange requirement that obliges it to apply this Standard. The entity may give this information by cross-reference in accordance with paragraph 63.

3. The industry-based guidance (Question 4)

> **SG59.1** To supplement paragraph 59, an entity shall identify the industries whose guidance it considered in the Industry-based Guidance on Implementing IFRS S2. It shall identify the metrics from that guidance that it discloses. It shall also identify the metrics that it considered but does not disclose, and explain why it does not disclose them. The entity may group metrics that it omits for the same reason. It shall keep each metric identifiable and shall not obscure material information.

If the Committee keeps "may", SG59.1 can add this sentence: "If an entity has not referred to and considered that guidance, it shall disclose that fact."

4. Industry-based metrics that a company no longer reports (Question 6)

> **SGC3.2** An entity shall identify the industry-based metrics that it stops disclosing in its first annual reporting period under this Standard. This requirement applies to metrics that it disclosed under the IFRS Sustainability Disclosure Standards issued by the ISSB in the preceding annual reporting period. The entity shall explain each omission. It shall apply paragraph B28 in Appendix D to assess whether information about a metric remains material. The requirement to explain an omission does not require calculation of a metric that is no longer material.