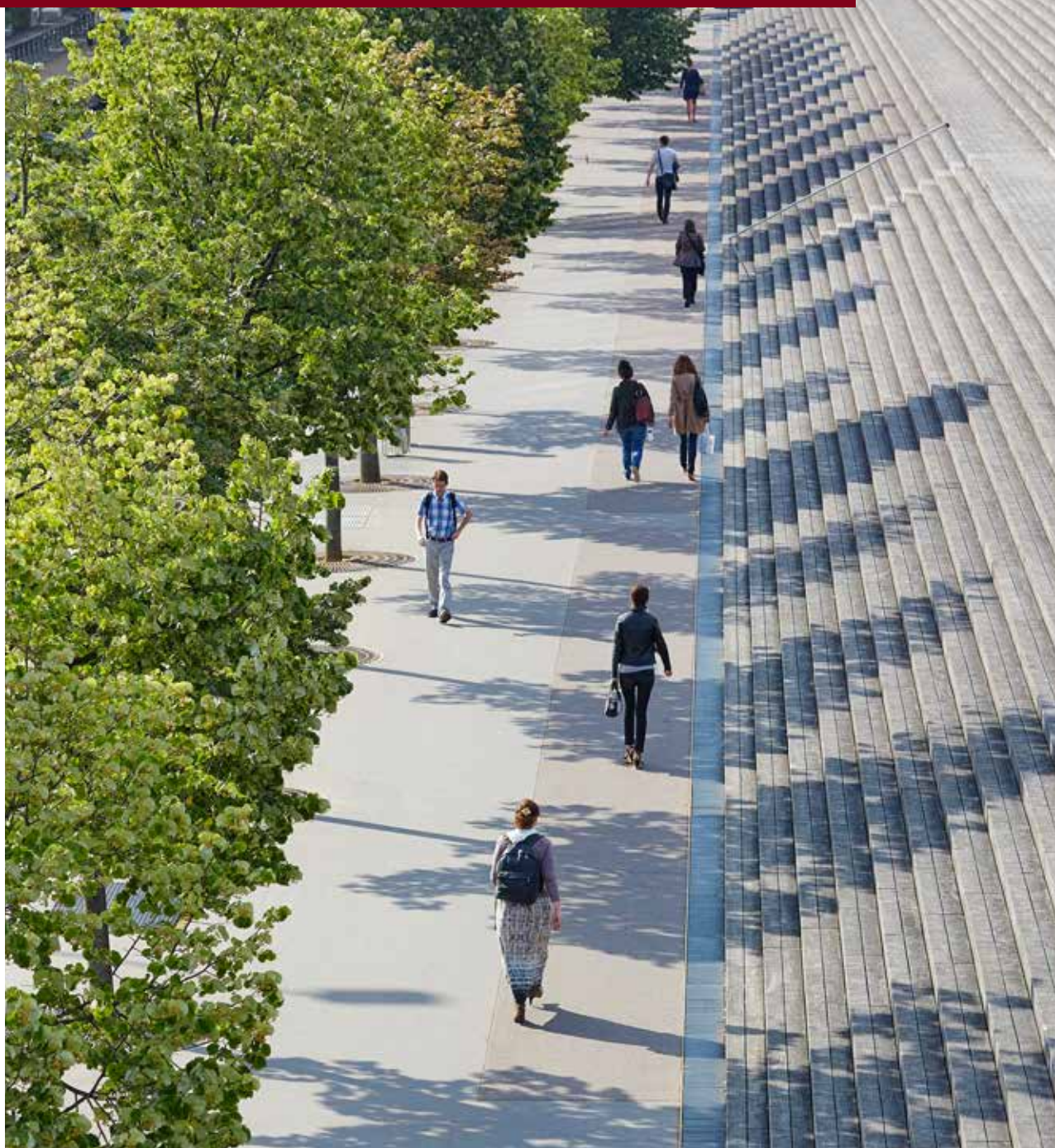


SGX Sustainability Reporting Guide

Key highlights

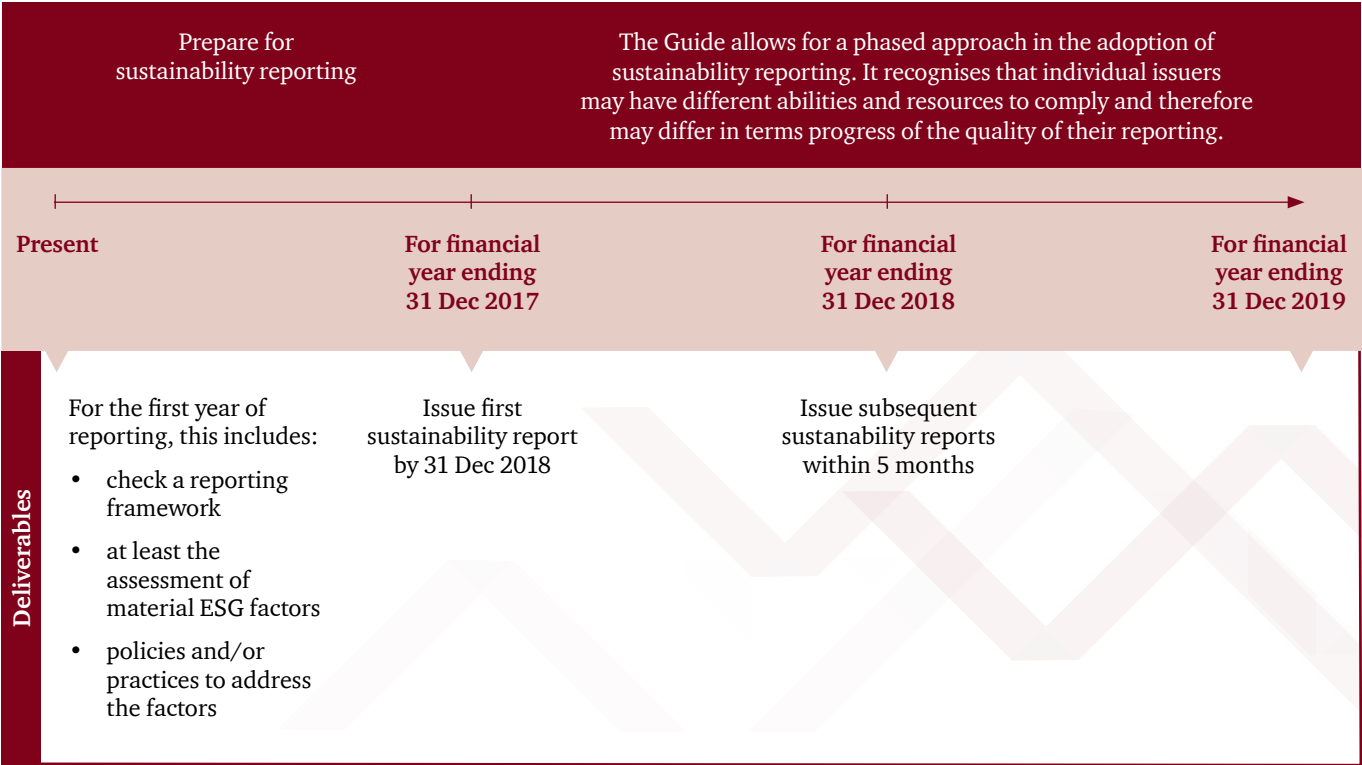


At a glance

In line with the international advancements, expectations over sustainability reporting and the benefits sustainability reporting brings to both investors and listed companies, SGX issued a consultation paper on Sustainability Reporting in January 2016. Following the consultation period, the SGX Sustainability Reporting Guide (“the Guide”) is now finalised.

The Guide balances business practicalities and reporting expectations and allows the issuer flexibility in when and how to report. Some of the recent amendments are highlighted below.

Sustainability reporting development timeline



Changes & new requirements

- ▶ The sustainability reporting is on a “comply or explain” basis. Listed companies must issue the report, or explain the failure to do so.
- ▶ Issuers are given up to 12 months from the financial year ending 31 December 2017 to issue their first sustainability report. Thereafter, the issuer must issue its annual sustainability report within 5 months of the subsequent respective year ends.
- ▶ For the first year, the issuer should have at least the assessment of material Environmental, Social and Governance (ESG) factors, policies and/or practices to address the factors. If the reporting is lacking in quantitative or qualitative descriptions, issuers must state progressive targets for reaching reporting maturity. (Refer to next steps in page 4)
- ▶ The sustainability report should describe the issuer’s sustainability practices in relation to the Five Primary Components (page 3). Should a company exclude a primary component, it must describe what it does instead with reasons for doing so.
- ▶ Independent assurance which provides stakeholder confidence in accuracy and completeness of sustainability data is encouraged but is voluntary.

Five primary components

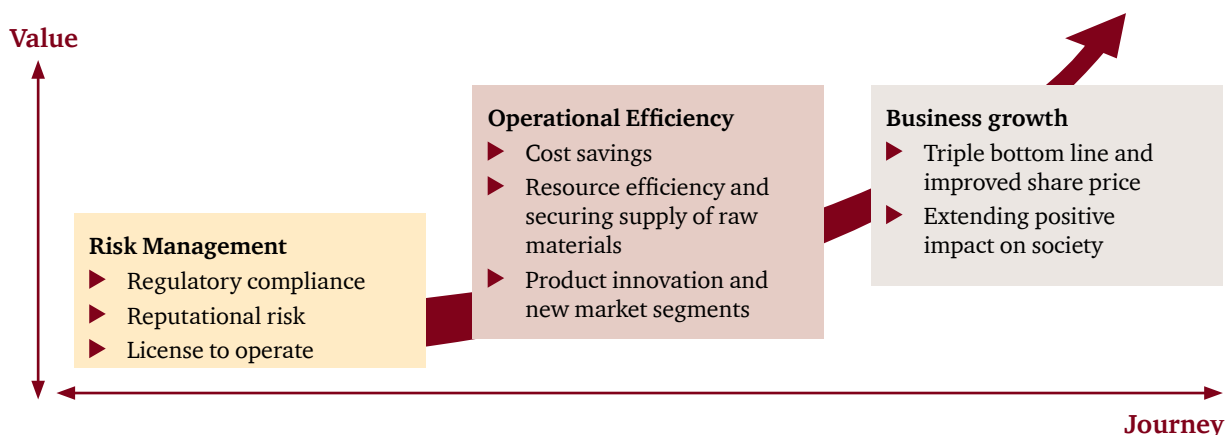
Primary Components	Contents	
Sustainability Reporting Framework	<ul style="list-style-type: none"> - Choose a reporting framework (or frameworks) to guide reporting and disclosure. Explain reasons for choosing the framework(s) and provide a general description of the extent of the issuer's application of the framework(s) – using an internationally recognised or industry-relevant framework enhances acceptance and comparability. 	
Material ESG Factors*	<ul style="list-style-type: none"> - Identify material Environmental, Social and Governance (ESG) factors in the context of the value chain of the business, giving reasons for their choice and a description of the selection process, taking into consideration their relevance to the business strategy, business model and key stakeholders. - It is not necessary to include, as a primary component, the consultation with the stakeholders. 	
Policies, Practices and performance	<ul style="list-style-type: none"> - Policies, practices and performance of the company should be implemented in relation to each of the material ESG factors in both descriptive and quantitative information. - Performance should be discussed in the context of any previously disclosed targets. 	
Targets	<ul style="list-style-type: none"> - Determine and include targets for the forthcoming year in relation to each material ESG factor identified. 	
Board statement	<ul style="list-style-type: none"> - Include a statement of the Board on the Board having considered sustainability issues as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors. - A statement of the Board, stating that the sustainability report complies with the primary component is not required. 	

- ▶ Material ESG factors relate to the most important environmental, social and governance risks and opportunities that will act as barriers or enablers to achieving business goals in the short to long term, and where omission could impact and influence the decision of investors.
- ▶ The Guide informs that companies may exclude factors such as corruption or diversity if they are assessed to be immaterial. Companies are encouraged to share this information on their website if there is sufficient interest from stakeholders.

How sustainability drives your business forward

Sustainability initiatives will increasingly serve to help protect companies' license to operate, save costs, recruit and retain talent, drive innovation and open up new markets. By actively addressing sustainability issues, companies will better manage their risks and drive long term growth.

Navigating the sustainability landscape – From compliance to shared value





Next steps

- 1 Understand the sustainability reporting standards (e.g. the Global Reporting Initiatives (GRI) G4 guidelines and SGX requirements)
- 2 Prepare a road map for sustainability reporting
- 3 Perform a materiality assessment to identify issues and risks that matter to your business
- 4 Develop a stakeholder engagement policy
- 5 Conduct a value chain analysis to determine the impact points of your material issues
- 6 Perform a gap analysis between your current set of data and initiatives and requirements of global guidelines
- 7 Train your operational teams on the data collection process
- 8 Draft your sustainability report in accordance with international reporting frameworks such as GRI
- 9 Develop your long-term sustainability strategy and Key Performance Indicators

For more mature sustainability reporters. Consider

- ▶ Independent assurance of your sustainability report
- ▶ Sustainable Development Goals (SDG) prioritisation and alignment
- ▶ Total Impact Measurement

Connect with us

PwC's sustainability and climate change team comprises over 700 consultants globally and is experienced in advising local and international clients on sustainability reporting. We have delivered more than 300 sustainability engagements in South East Asia, where we are a Global Reporting Initiative (GRI) Certified Training Partner.



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