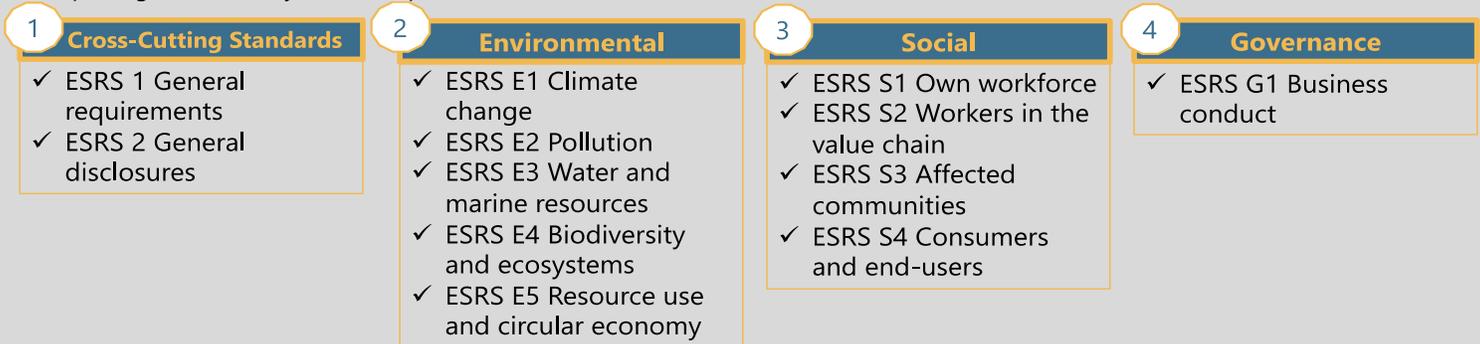


July 2023

The European Commission finally approves the European Sustainability Reporting Standards (ESRS)

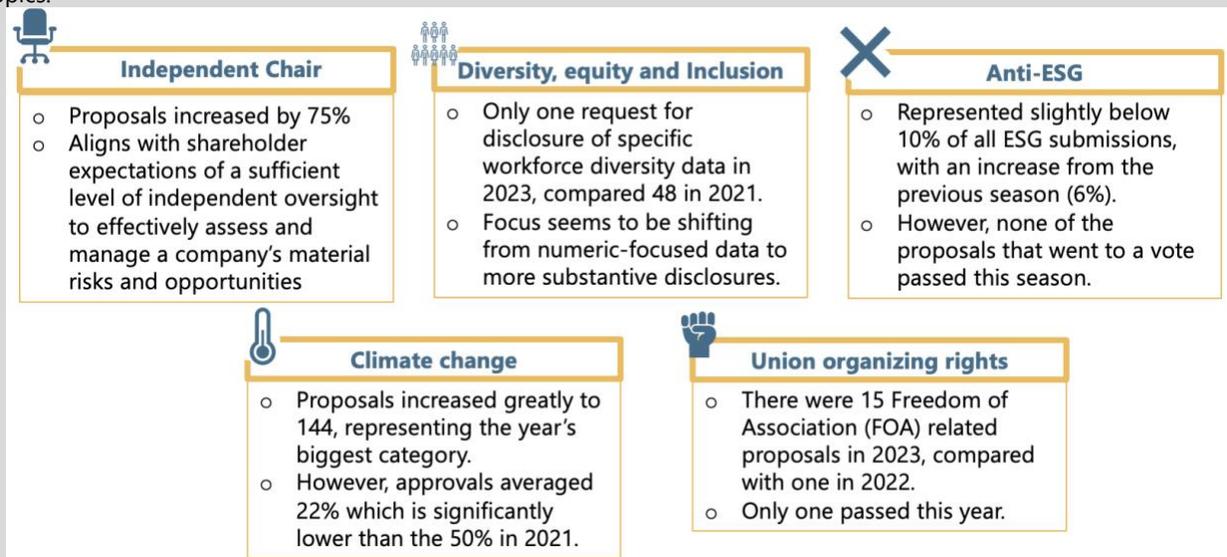
On July 31, 2023, the European Commission (EC) [adopted](#) the [final delegated act](#) (Act) of the European Sustainability Reporting Standards (ESRS). The Act includes 12 standards (see diagram below) that are applicable from 1 January 2024. The EC made a set of changes to the draft standards proposed by EFRAG in November 2022. The EC's changes fall into three main categories (as specified by the EC itself):

1. Phasing-in certain reporting requirements: The EC included some additional phase-in provisions for certain reporting requirements (on biodiversity and some social issues) applicable to companies with less than 750 employees to give them more time to prepare.
2. Giving companies more flexibility to decide exactly what information is relevant/material in their circumstances: The EC has also made more reporting requirements "subject to materiality", allowing companies to omit information they find irrelevant.
3. Making some of the proposed requirements voluntary: The EC made several reporting requirements voluntary instead of mandatory, such as reporting a biodiversity transition plan.



2023 U.S. Proxy Season witnesses a shift in focus regarding several ESG topics

A rise in the number of ESG proposal submissions in the United States was accompanied with a declining shareholder support compared to previous years. Only 35 (6%) ESG proposals [received](#) majority support from shareholders this year compared to 88 (16%) during the previous season. The shift in focus merits greater attention from company boards to understand their investors' specific ESG expectations. The following [showcases](#) some of these topics:



The newly-established International Sustainability Standards Board (ISSB) standards are about to be required in Singapore

Singapore regulators, the Accounting and Corporate Regulatory Authority (ACRA) and Singapore Exchange Regulation (SGX RegCo) [announced](#) that public and large private companies will be required provide climate disclosures aligned with the [International Financial Reporting Standards \(IFRS\)](#) recently published [ISSB standards](#).

All companies listed in Singapore, including ones incorporated overseas, would be required to report in line with the ISSB Standards starting in fiscal year 2025, while non-listed companies with at least S\$1 billion in revenues would be required to do so beginning in fiscal year 2027.

It is worth noting that Singapore at the moment only requires listed companies in specific sectors (e.g., finance, agriculture, food, forest products, and energy) to provide Taskforce on Climate-related Financial Disclosures (TCFD)-aligned climate reporting. All other listed companies are only required to apply TCFD on a "comply-or-explain" basis.