SINGAPORE CONSULTS ON DRAFT SFRS SUSTAINABILITY DISCLOSURE STANDARDS WHAT SHOULD VIETNAMESE BUSINESSES BE PREPARING FOR TODAY?

On **27 July 2026**, Singapore officially launched a consultation on the draft **Singapore Sustainability Disclosure Standards (SFRS S1 and SFRS S2)**, with comments due by **25 October 2026**. The draft standards are based on the **ISSB's IFRS S1 and IFRS S2** sustainability disclosure standards, with adjustments to reflect the Singapore context.

Notably, Singapore is adopting a **'climate-first'** approach. Under the current proposal, **SFRS S2 – Climate-related Disclosures** is at the centre of the disclosure requirements, while SFRS S1, which covers broader sustainability information beyond climate, is proposed on a voluntary basis. This approach reflects a phased roadmap, while allowing businesses time to strengthen their data and reporting capabilities.

This is not just a Singapore story.

In fact, Singapore has been phasing in climate disclosure requirements since 2025, starting with listed companies. From 2026, companies in the STI index will be required to disclose Scope 3 emissions, while the requirements for other listed companies will be phased in gradually. For large unlisted companies, ISSB-based disclosure requirements are currently scheduled to take effect from 2030.

A key consideration for Vietnamese businesses is that ESG requirements may reach them before any domestic legislation makes their application mandatory.

A Vietnamese company participating in the supply chain of an international corporation may be required to provide emissions, energy, environmental or other ESG data to support its client's reporting. In such cases, ESG is no longer simply a matter of 'disclosure', but an integral part of a company's competitiveness and its ability to maintain its position in the global supply chain.

Where should Vietnamese businesses start?

01 | Start with the data

Identify what ESG data the business currently has, particularly energy and greenhouse gas emissions data; where the data is collected and who is responsible for it.

02 | Build ESG governance capabilities

ESG should not be the sole responsibility of one department. Finance and accounting, operations, human resources, risk management and business leadership all need to play a role in the overall system.

03 | Familiarise yourself with IFRS S1/S2

Even if a business is not yet subject to mandatory application, understanding the ISSB's approach will help it respond more proactively to requirements from investors, customers and organisations across the supply chain. IFRS S1 and S2 focus on information that could affect a business's prospects, with core content areas covering governance, strategy, risk management, metrics and targets.

04 | Don't wait until you're asked to start

Singapore's experience shows that reporting capabilities are being developed in phases, with adjustments to the timeline and scope to give businesses time to adapt.

ESG is gradually becoming a 'common language' of the capital markets and global supply chains.

For Vietnamese businesses, the question is perhaps no longer "When will ESG become mandatory?", but rather:

"How prepared are businesses when customers, investors and the market begin to ask for that data?"

Baker Tilly A&C continues to monitor international developments in ESG while supporting Vietnamese businesses in progressively raising awareness and strengthening staff capabilities, data and governance capabilities, and transition roadmaps aligned with market requirements.

Key references

- Public Consultation on Singapore's Sustainability Disclosure Standards – ACRA/REACH**ACRA Singapore – official information on the SFRS S1/S2 consultation period, 27 July–25 October 2026: Public Consultation on Singapore's Sustainability Disclosure Standards – ACRA/REACH**
- IFRS Foundation – Jurisdictional sustainability consultations**IFRS Foundation – confirmation that Singapore is consulting on draft SFRS S1 and SFRS S2 based on the ISSB standards: IFRS Foundation – Jurisdictional sustainability consultations**
- Sustainability reporting and assurance requirements**ACRA Singapore – current roadmap for reporting and assurance requirements: Sustainability reporting and assurance requirements**