

# National Sustainability Reporting Framework

The **National Sustainability Reporting Framework (NSRF)** addresses the use of the IFRS® Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), specifically the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, and *IFRS S2 Climate-related Disclosures* (collectively referred to as the ISSB Standards), as the baseline sustainability disclosure standards for companies in Malaysia, as well as the assurance requirements for sustainability reporting<sup>1</sup>.

The NSRF is meant to ensure corporate Malaysia provides **consistent, comparable and reliable sustainability information** to enhance Malaysia's competitiveness and attractiveness to investors.

Implementation of the NSRF will be through a **phased and developmental approach**, supporting widespread adoption and continuous improvement in the quality of disclosures. The NSRF attempts to follow the ISSB Standards closely as well as leveraging the reliefs provided by the ISSB. Given the varying levels and maturity in sustainability practices and reporting of companies, the NSRF spreads the adoption timeline to take into account the anticipated challenges.

## Implementation of the NSRF

Applicable entities		Timeline <sup>2</sup>					
		2025	2026	2027	2028	2029	2030
Group 1	Main Market listed issuers with market capitalisation of RM2 billion and above	IFRS S1 and S2					
Group 2	Main Market listed issuers (other than listed issuers in Group 1)		IFRS S1 and S2				
Group 3	<ul style="list-style-type: none"> <li>ACE Market listed issuers</li> <li>Non-listed companies (NLCos) with annual revenue of RM2 billion and above<sup>3</sup></li> </ul>			IFRS S1 and S2			
Assurance		<ul style="list-style-type: none"> <li>Aim for reasonable assurance for Scope 1 and Scope 2 GHG emissions starting 2027</li> <li>Accounting and non-accounting practitioners</li> </ul>					
Location of disclosures and timing of reporting		Applicable entities shall adhere to their respective regulator's requirements on location and timing of reporting.					

## Reliefs and exemptions to facilitate adoption

Additional transition reliefs commencing from the first annual reporting period of the respective applicable entities	Group 1 & 2	Group 3
<ul style="list-style-type: none"> <li>Permissible to disclose information on only climate-related risks and opportunities (in accordance with IFRS S2)</li> </ul>	2 years	3 years
<ul style="list-style-type: none"> <li>Permissible to focus climate-related disclosures specifically on principal business segments</li> </ul>		
<ul style="list-style-type: none"> <li>Permissible to not disclose Scope 3 emissions, except for categories already required by respective regulators</li> </ul>		

Large NLCos whose holding company:

- already reports using ISSB-aligned standards or equivalent standards such as the European Sustainability Reporting Standards (ESRS)<sup>4</sup> may leverage on the holding company's sustainability- and climate-related disclosures.
- reports using other international standards and frameworks may be given exemption from reporting for three reporting periods, subject to the policy decision of the Registrar.

### Notes:

- The framework for sustainability assurance including the assurance providers, will be announced after further consultation with relevant stakeholders.
- Annual reporting periods beginning on or after 1 January 20XX (e.g., 2025 refers to annual reports that cover period from 1 January to 31 December 2025).
- The threshold is calculated based on consolidated group revenue of RM2 billion or more for two consecutive financial years preceding the current financial year. In the absence of group-level revenue, the threshold will be measured at the company level. This is intended to align with the entity's existing financial reporting practices.
- Additional guidance on the standards and frameworks that will be accepted for the exemptions may be issued.