

Launch of

# **NATIONAL SUSTAINABILITY REPORTING FRAMEWORK**

24 September 2024

Securities Commission Malaysia

## **Introduction to the NSRF**



# The ISSB responds to demand for baseline disclosure standards

Builds on and consolidates existing frameworks



26 June 2023

## Standards published



**IFRS S1**  
*General Requirements  
for Disclosure of  
Sustainability-related  
Financial Information*

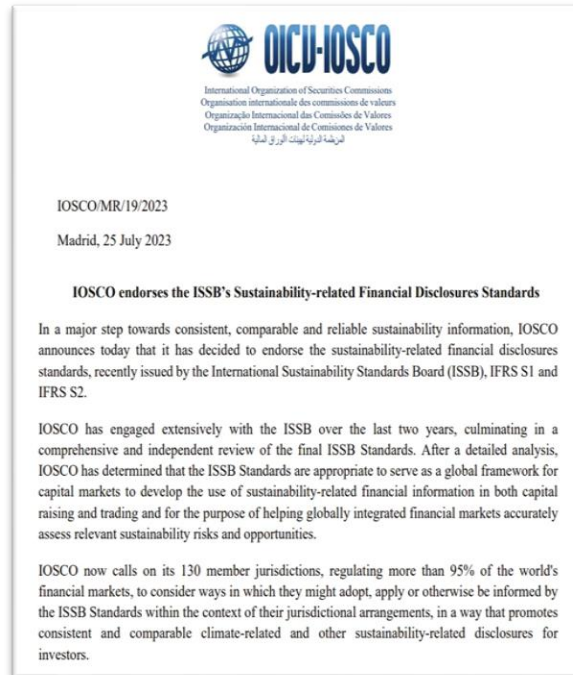


**IFRS S2**  
*Climate-related  
Disclosures*

# ISSB Standards receive global support including from investors

25 July 2023

## IOSCO's endorsement



Dec 2023

## Investor support

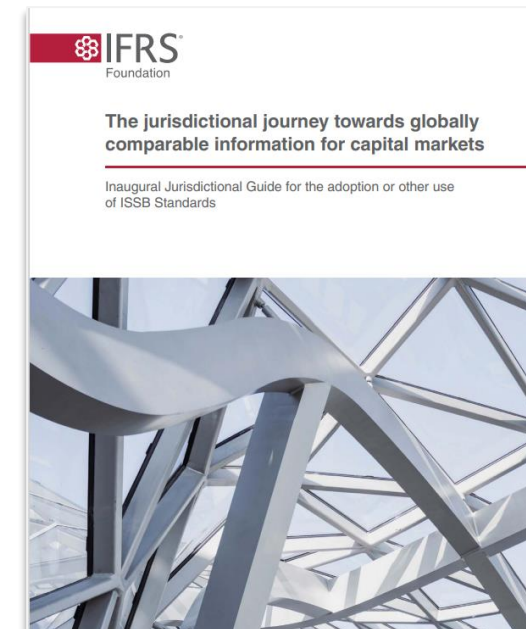


## Declaration of support

Investors with **AUM more than US\$120 trillion** have expressed support and have been calling for standards that provide decision-useful, comparable, sustainability disclosures.

May 2024

## Jurisdiction adoption



More than 20 jurisdictions, **collectively representing 55% of global GDP** have decided or are taking steps to use the standards.

# NSRF implementation will be through a phased approach starting 2025; Scope 3 GHG emissions disclosures on a deferred timeline

Applicable entities	Timeline					
	2025	2026	2027	2028	2029	2030
<b>Group 1</b> Large Main Market listed issuers (market capitalisation of RM2 billion and above)						
<b>Group 2</b> Main Market listed issuers (other than listed issuers in Group 1)						
<b>Group 3</b> <ul style="list-style-type: none"> <li>ACE Market listed issuers</li> <li>Non-listed companies with annual revenue of RM2 billion and above</li> </ul>						
<b>Assurance</b> <i>*Assurance framework will be subject to further consultation</i>	<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>					
<b>Proportionality mechanisms and additional transition reliefs</b>	Climate-first approach	In-built proportionality mechanisms	Focus on principal business segments	Scope 3 GHG emissions		

# Use of proportionality mechanisms and transition reliefs to facilitate adoption

## Proportionality Mechanisms

Ability to rely on information that is **reasonable, supportable and available without undue cost and effort**

- Identification of climate-related risks and opportunities
- Determining anticipated financial effects
- Climate-related scenario analysis
- Specific climate-related metrics
- Measuring Scope 3 GHG emissions
- Determining scope of the value chain



**Qualitative approaches** allowed if the company lacks skills, capabilities or resources

- Climate-related scenario analysis
- Disclosure of anticipated financial effects of sustainability and climate-related risks and opportunities



**Additional transition reliefs commencing from the first annual reporting period of the respective applicable entities**

**Duration of reliefs**

**Groups 1 & 2**

**Group 3**

**Climate-first approach** – permissible to disclose information on only climate-related risks and opportunities (in accordance with IFRS S2)

**Principal business segments** – permissible to focus climate-related disclosures specifically for principal business segments

**Scope 3 GHG emissions** – permissible to not disclose Scope 3 GHG emissions, except for categories already required by respective regulators

2 years

3 years



## Regular Feedback

Providing mechanism for feedback, advice and response

- **Advisory Panel comprising industry experts, specialists including climate scientists**
- **Industry working groups**
- **FAQs and surveys (incl. those targeted at supporting medium & smaller companies)**



## Framework

Understanding interoperability of frameworks

- **GRI Professional Certification Programme**
- **GRI-ISSB Interoperability Module (*Module 6*)**
- **Practical programs on using the ISSB Standards**



## Model Disclosures

Providing illustrative materials for reference, including those which address industry specific details

- **Proforma disclosures**
- **Disclosure of Scope 3 GHG emissions**



## Digital Solutions

Leveraging platforms and tools to ease disclosures and calculations

- **Emissions Calculator**



## Value Chain

Easing process for SMEs to disclose information including data on sustainability

- **SME reporting tool based on CMM's Simplified ESG Disclosure Guide**

# Thank you



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