Policy Document on Mandatory Sustainability Assurance Requirements

1.0 Sustainability assurance plays a key role in addressing concerns relating to greenwashing and responding to increasing investor demand for credible and reliable sustainability disclosures. It strengthens investor confidence and reinforces trust in sustainability disclosures as a basis for informed investment decisions.

2.0 In recognition of the differing levels of readiness and maturity across various categories of companies, **mandatory external reasonable assurance on Scope 1 and Scope 2 GHG emissions** shall apply to the applicable entities on a phased approach:

Applicable entities		Timeline for external reasonable assurance for annual reporting periods beginning on or after	
		As proposed in Public Consultation Paper dated 25 June 2025	As mandated
Group 1	Main Market listed issuers with market capitalisation (excluding treasury shares) of RM2 billion and above as at 31 December 2024, or as at the date of their listing after 31 December 2024	1 January 2027	1 January 2028
Group 2	Main Market listed issuers (other than listed issuers in Group 1)	1 January 2028	1 January 2029
Group 3	ACE Market listed issuers and large non-listed companies with annual revenue of RM2 billion and above	1 January 2029	1 January 2030

3.0 Until the effective date of mandatory external assurance, all Main Market and ACE Market listed issuers shall continue to disclose in their sustainability reports whether the sustainability disclosures have been subjected to—

(a) internal review by the listed issuer's internal auditor; or
(b) independent assurance by sustainability assurance provider performed in accordance with the International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements.*

4.0 Sustainability assurance engagements conducted in accordance with ISSA 5000 shall be performed by practitioners operating within a system of quality management that complies with International Standard on Quality Management (ISQM) 1. Such practitioners shall also comply with International Ethics Standards Board for Accountants (IESBA)'s International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA).

5.0 The mandatory external assurance for Scope 3 GHG emissions and other sustainability disclosures will be determined and announced at a later stage. Meanwhile, assurance on such information in accordance with Paragraph 3.0 above shall apply.