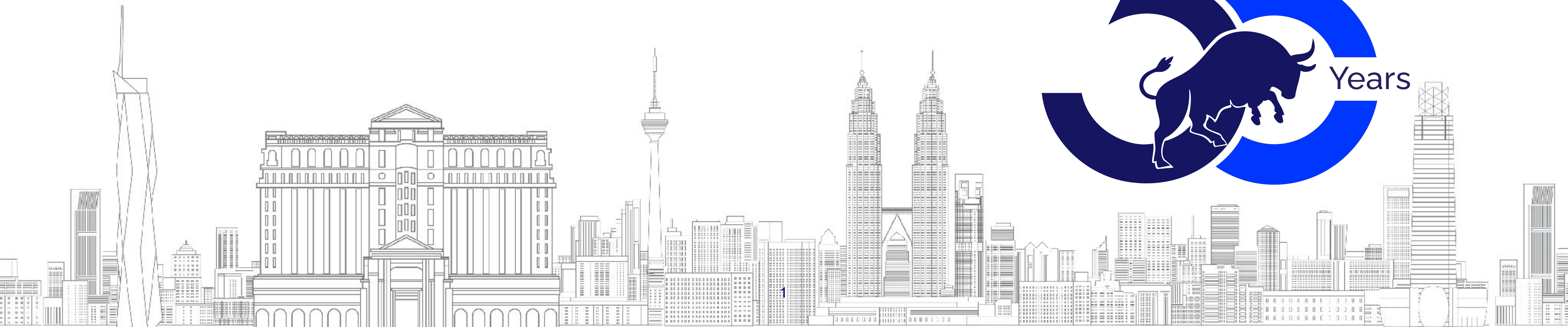
Meeting Bursa's Sustainability Reporting Standards: A Perspective from the Head of Risk at Bursa

29th July 2026



Overview

On 23 Dec 2024, Bursa Malaysia announced enhancements to the sustainability reporting requirements in the MAIN Market and ACE Market Listing Requirements. Under the enhanced requirements, a listed issuer must prepare its sustainability statement in the annual report ("Sustainability Statement") in accordance with the IFRS Sustainability Disclosure Standards. Refer to the full announcement here : 23122024__MEDIA_RELEASE_BURSA_MALAYSIA_REQUIRES_SUSTAINABILITY_REPORTING_USING_THE_IFRS_SUSTAINABILITY_DISCLOSURE_STANDARDS.pdf

The enhancements to the Listing Requirements seek to foster the use of the **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information** and **IFRS S2 Climate-related Disclosures** (collectively, the "IFRS Sustainability Disclosure Standards") as the baseline standards for sustainability reporting in Malaysia. These enhancements are designed to improve the transparency and accountability of **how listed issuers manage their sustainability-related risks and opportunities ("SROs")** using a globally recognised standard, ultimately strengthening business resilience and easing the reference and comparability by investors.

National Sustainability Reporting Framework (NSRF) – Key Highlights

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. *Please refer to the NSRF published by Securities Commission for full details.*

	Applicable Entities	Key Milestones: IFRS S1 & S2 with transition relief*	Key Milestones: • Full adoption of IFRS S1 & S2 • Scope 3 GHG emissions disclosures	Key Milestones: Assurance
Group 1	**Main Market** listed issuers with Market Capitalisation of RM2 Billion and above	2025	2027	Reasonable assurance for **Scope 1 and Scope 2 GHG emissions** starting **2027**
Group 2	**Main Market** listed issuers (Other than Group 1)	2026	2028	
Group 3	**ACE Market** listed issuers; **Non-listed Companies (NLCos)** with annual revenue of RM2 Billion and above	2027	2030	

- Start keeping **inventory of GHG emissions data**
- Companies within the Group 1, 2 and 3 **value chain might be affected****
- **Risk management is key** to devise overall enterprise strategy

**Permissible to disclose information on only climate-related risks and opportunities (in accordance with IFRS S2), to focus on climate-related disclosures specifically on principal business segments and to not disclose Scope 3 emissions except for categories already required by respective regulators*

***SSM has proposed introducing mandatory sustainability reporting requirements for non-listed companies (NLCos) through amendments to the Companies Act 2016. The proposal was released for consultation on 30 April 2026 and adopts a "comply or explain" approach*

Moving beyond compliance into strategic decision

Information about the entity's sustainability-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. *Refer to the ISSB official documentation for definition and full information of IFRS S1 and S2.*

IFRS S1: Sustainability-related Risks & Opportunities	IFRS S2: Climate-related Risks & Opportunities
Could arise out of interactions between the entity and its stakeholders, society, the economy and the natural environment throughout the entity's value chain. *(ie: climate risk, talent risk vs new product offering)*	1. Climate-related **physical** risks* or Climate-related **transition** risks** 2. Efforts to mitigate and adapt to climate change can produce climate related opportunities for an entity (opportunities)

Could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term

01 Governance

Processes and controls used by **management to monitor** sustainability-related risks and opportunities

02 Strategy

How the entity's business model and strategy address these risks and opportunities over the short, medium, and long term.

03 Risk Management

The processes used to identify, assess, prioritize, and monitor these risks, and **how they integrate** into the company's **overall risk management**.

04 Metric & Target

The **specific performance measures** used to assess progress toward targets related to **sustainability issues.**

** Climate-related physical risks: ie; flood, heatwave, change in precipitation or temperature*

*** Climate-related transition risks: Arise from efforts to transition to a lower-carbon economy ie: policy/regulatory changes, shift in consumer demand, deployment of new technology*

Risk management drives accountability across enterprise

Managing sustainability risk inculcates change in culture

Risk Managers as Drivers

Lead	Coordinate	Govern
Gather a team and lead the conversation	Collaborate to discuss approach and agree on roles and responsibilities	Seek Board's approval and enforce governance

Potential Collaborators

Lead:
- Risk Team

Coordinate:
- Risk Team
- Strategy Team
- Sustainability Team
- Finance Team

Govern:
- Board/Management Committee
- Risk Team
- Sustainability Team
- Corporate Governance

Integrate sustainability considerations into strategic planning, financial reporting and risk management process

Gap Assessment

Taskforce

- **Policies & Procedures**
- **Processes**
- **Governance Committees**
- **Risk Reports**

Take the lead

Roles are interchangeable – as long as it is initiated

Lead

Take charge of initiating the discussion and preliminary assessment of readiness

What can be done?

- Read and comprehend the regulatory requirements including IFRS S1 and IFRS S2
- Conduct a gap assessment
- Identify if information is available
- Identify if process is in place
- Prioritise action to close the gaps

Potential Collaborators and Roles

#	Collaborator	Role
1	**Risk**	Prepare initial gap assessment
2	Sustainability	Validate assessment
3	Strategy	
4	Finance	

What is they key outcome?

Readiness checklist

A list of high-level gaps

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Coordinate the discussion

Gather key stakeholders – collaborators may expand in future, depending on the sustainability risks and opportunities

Coordinate

Collaborate to discuss approach on aligning the company's disclosure to NSRF and agree on roles and responsibilities

What can be done?

- Form a taskforce where there is an avenue to discuss the approach
- Discuss approach
- Discuss action items
- Agree on approach and roles and responsibilities
- Seek feedback from Management/Exco

Potential Collaborators and Roles

#	Collaborator	Role
1	**Risk**	Prepare presentation for the Management
2	Sustainability	
3	Strategy	
4	Finance	

What is they key outcome?

Formation of committee/taskforce

Comprises key stakeholders of collaborators and may convene periodically

Enforce Governance

Sustainability risks and opportunities are considered in strategic planning

Govern

Seek Board's approval and enforce governance through continuous risk monitoring and reporting

What can be done?

- Recommend the approach to the Board
- Seek Board's approval
- Establish terms of reference for each committee involved
- Develop guidelines, policies and procedures
- Continuous monitoring and reporting

Potential Roles and Responsibilities

#	Collaborator	Role
1	**Risk**	• Seek Board's approval • Continuous risk identification, analysis, evaluation, treatment, monitoring and reporting
2	Sustainability	Seek Board's approval
3	Board/Management Committee	Approves approach and relevant guidelines and policies
4	Corporate Governance	Ensure committee meetings take place

What is they key outcome?

Established governance process

Risk management is embedded as part of strategic planning

Key Takeaways

Companies that begin this journey today will be better positioned than those that wait for compliance to become mandatory

Collaborate
Cross-departmental effort, share knowledge and instill awareness

Data
Keep inventory of data and information must be reasonable and supportable

Continuous Monitoring
Measure progress towards target and reassess risk regularly

Embed sustainability risk management into Enterprise Risk Management
Formalise process, policies and guidelines

Get ready for future regulatory compliance
Strengthen internal capabilities and follow closely development in the regulatory space

Thank you

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