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Navigating Sustainability: SC Unveils Guide for Reporting

Last Monday (20 January 2025), the Securities Commission of Malaysia (“SC”) introduced a simplified guide titled “*Navigating the Transition: A Guide for Boards*” to help companies effectively adopt the National Sustainability Reporting Framework (“NSRF”).

The NSRF was introduced last September and marks a major milestone in Malaysia’s drive to advance corporate sustainability practices. The framework is designed to provide a clear roadmap for companies to integrate sustainable reporting into their governance structures and business operations. Our previous article on the NSRF can be viewed [here](#).

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Boards of directors are at the helm of a company's strategic direction, and their leadership in sustainability is pivotal to driving long-term value. However, many board members may find the transition to sustainability reporting overwhelming, especially if they are unfamiliar with the nuances of ESG principles and the regulatory landscape. This guide seeks to bridge this gap by offering the board of directors practical and actionable steps on critical areas such as governance, defining sustainability data boundaries, conducting financial impact assessments, and integrating sustainability considerations into enterprise risk management systems.

To further support the implementation of NSRF, the Advisory Committee on Sustainability Reporting (“**ACSR**”) has also introduced PACE, an acronym for Policy, Assumptions, Calculators, Education. PACE is an initiative that provides relevant tools, educational resources and capacity-building programmes to ease the adoption of sustainability practices and disclosures.

To drive its objectives, PACE has outlined three key initiatives for the coming year:

(1) **GRI Professional Certification for Accountants**

To equip accountants with the skills to assess, verify, and provide assurance on sustainability disclosures effectively.

(2) **Developing an Interoperability Module**

To align Global Reporting Initiative (GRI) standards with the International Sustainability Standards Board (ISSB) standards.

(3) **Creating Proforma Disclosures**

To provide illustrative templates for climate disclosures that align with IFRS S1 and IFRS S2 standards.



As the importance of sustainability continues to rise, the SC's initiative is a timely reminder that the journey towards a greener, more socially responsible future is not just an obligation - it's an opportunity for growth, innovation, and leadership in the marketplace.

The board guide and other related resources can be viewed [here](#).

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