



KEMENTERIAN PERDAGANGAN DALAM NEGERI
DAN KOS SARA HIDUP



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA

DOKUMEN KONSULTASI MENGENAI CADANGAN PINDAAN AKTA SYARIKAT 2016 [AKTA 777] BERKAITAN PELAPORAN KEMAMPAAN

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SURUHANJAYA SYARIKAT MALAYSIA (SSM)



**DOKUMEN KONSULTASI MENGENAI CADANGAN PINDAAN AKTA
SYARIKAT 2016 [AKTA 777] BERKAITAN PELAPORAN
KEMAMPANAN**

Suruhanjaya Syarikat Malaysia (SSM) menjemput semua pihak untuk memberi komen terhadap Dokumen Konsultasi ini selewat-lewatnya pada **2 JUN 2026**.

Sila nyatakan nama anda dan organisasi yang anda wakili, serta sertakan rujukan kepada soalan yang anda berikan komen.

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Dokumen Konsultasi ini telah diterbitkan dalam Bahasa Malaysia dan Bahasa Inggeris. Untuk segala niat dan tujuan, versi Bahasa Inggeris adalah mengatasi sekiranya terdapat ketidakselarasan atau perbezaan antara kedua-dua dokumen tersebut.

Kerahsiaan: Sebarang penafian kerahsiaan yang mungkin dijana oleh sistem IT organisasi anda atau dimasukkan sebagai pernyataan umum dalam helaian muka faks anda akan dianggap terpakai hanya bagi maklumat dalam maklum balas anda yang mana permohonan kerahsiaan telah dibuat.

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SEKSYEN A: PENGENALAN

OBJEKTIF

Suruhanjaya Syarikat Malaysia (SSM) berhasrat untuk mendapatkan maklum balas dan pandangan berhubung cadangan pindaan dan dasar berkaitan soalan yang dikemukakan dalam dokumen ini. Dokumen Konsultasi ini menggariskan dasar yang dicadangkan serta prinsip panduan berkaitan Rang Undang-Undang Akta Syarikat (Pindaan) seperti berikut:

- (a) Memberi kuasa kepada Pendaftar untuk menentukan keperluan pelaporan kemampunan berdasarkan pendekatan 'patuh atau jelaskan'¹;
- (b) Memperkenalkan satu rangka kerja pelaporan kemampunan yang merangkumi ambang, kandungan pelaporan, garis masa pelaksanaan dan rangka kerja jaminan;
- (c) Memperkukuh akauntabiliti pengarah terhadap penzahiran maklumat kemampunan dan maklumat bukan kewangan; dan
- (d) Menambahbaik Akta Syarikat 2016 [Akta 777] (Akta Syarikat 2016) dengan memasukkan peruntukan berkaitan penyedia jaminan kemampunan.

LATAR BELAKANG

2. Perhatian global terhadap perubahan iklim dan pembangunan mampan telah berkembang selama beberapa dekad akibat daripada revolusi perindustrian yang menandakan suatu peningkatan ketara dalam penggunaan bahan api fosil, pengeluaran perindustrian dan pelepasan gas rumah hijau (GHG). Kemosotot alam sekitar yang terhasil dan

¹ 'Patuh atau Jelaskan' memerlukan kenyataan patuh penuh atau sekiranya tidak, penjelasan bermakna perlu diberikan untuk menjelaskan konteks, latar belakang, dan sebab untuk ketidakpatuhan. Pelaporan iklim telah dilaksanakan dengan pendekatan 'patuh atau jelaskan' daripada 1 Januari 2022 hingga 31 Disember 2024.

peningkatan suhu global telah mendorong tindak balas dasar di peringkat antarabangsa yang membawa kepada perjanjian-perjanjian iklim pelbagai hala. Usaha-usaha ini telah membawa kepada penerimgunaan *Kyoto Protocol*² pada tahun 1997, komitmen antarabangsa pertama yang mengikat secara undang-undang untuk mengurangkan pelepasan GHG.

3. Seterusnya, pada tahun 2015, *Paris Agreement*³ telah mewujudkan satu rangka kerja global untuk mengehadkan peningkatan suhu dan memperkukuh daya tahan iklim. Rangka kerja tersebut telah diperkukuhkan lagi melalui *Glasgow Climate Pact* yang diterima pakai pada *26th United Nations Climate Change Conference (COP26)* pada tahun 2021, yang menyeru pengurangan pelepasan dipercepatkan, peningkatan ketelusan dan peningkatan penggunaan pembiayaan iklim. Inisiatif-inisiatif ini telah membentuk dasar nasional, tadbir urus korporat dan jangkaan kawal selia, menekankan bahawa perkara-perkara berkaitan iklim dan kemampanan adalah teras kepada keputusan ekonomi dan kewangan.

4. Sehubungan itu, telah terdapat peningkatan pengiktirafan bahawa faktor kemampanan boleh mempunyai implikasi kewangan material kepada perniagaan dan pasaran. Pengiktirafan ini telah mendorong pembangunan rangka kerja pelaporan kemampanan bertujuan untuk meningkatkan ketelusan, kebolehbandingan dan akauntabiliti.

5. Penzahiran awal kemampanan adalah bersifat sukarela dan berdasarkan rangka kerja seperti *Global Reporting Initiative*⁴ (GRI), *Sustainability Accounting Standards Board*⁵ (SASB) dan *Task Force on*

² [Protokol Kyoto](#) melaksanakan Konvensyen Rangka Kerja Pertubuhan Bangsa-Bangsa Bersatu mengenai perubahan iklim dengan mewajibkan negara-negara perindustrian dan ekonomi peralihan untuk mengehadkan serta mengurangkan pelepasan GHG selaras dengan sasaran yang telah dipersetujui. Negara-negara berkaitan akan mengguna pakai dasar dan langkah mitigasi serta melaporkan pelaksanaannya secara berkala.

³ Perjanjian Paris merupakan perjanjian antarabangsa perubahan iklim yang bermatlamat untuk mengehadkan peningkatan purata suhu global ke bawah 2°C berbanding tahap pra-perindustrian serta meneruskan usaha bagi mengehadkan peningkatan suhu tersebut kepada 1.5°C berbanding tahap pra-perindustrian.

⁴ [GRI](#) ialah organisasi bukan untung anatarabangsa bebas yang menyediakan piawaian pelaporan kemampanan.

⁵ SASB ditubuhkan sebagai organisasi bukan untung pada tahun 2011 bagi membantu perniagaan menzahirkan maklumat mengenai kesan risiko dan peluang kemampanan terhadap prestasi mereka.

*Climate-related Financial Disclosures*⁶ (TCFD), yang menekankan risiko dan peluang kewangan berkaitan iklim.

6. Kini, usaha kemampanan global telah bergerak melangkaui penzahiran secara sukarela ke arah mekanisme kawal selia yang memberi kesan secara langsung perdagangan dan pelaburan, dan *European Union's Carbon Border Adjustment Mechanism*⁷ (CBAM) adalah salah satu perkembangan terkini dalam hal ini. CBAM menangani pelepasan karbon dengan mewujudkan satu medan persaingan yang adil di antara pengeluar *European Union* (EU) yang tertakluk dan pengeksport yang tidak tertakluk kepada penetapan harga karbon, menekankan kepentingan pengukuran dan pelaporan pelepasan yang boleh dipercayai merentas rantaian nilai global.

7. *International Financial Reporting Standards (IFRS) Foundation*⁸ telah menubuhkan *International Sustainability Standards Board* (ISSB) pada tahun 2021. ISSB bertanggungjawab untuk membangunkan piawaian penzahiran kemampanan yang bertumpu kepada maklumat yang material kepada pelabur dan pasaran modal.

8. Pada tahun 2023, ISSB telah menerbitkan "*General Requirements for Disclosure of Sustainability-related Financial Information*" (IFRS S1) dan "*Climate-related Disclosures*" (IFRS S2) yang menggabungkan piawaian rangka kerja sedia ada seperti SASB dan TCFD. Piawaian-piawaian ini melambangkan satu pencapaian penting dalam evolusi pelaporan kemampanan dan menyediakan satu garis dasar yang boleh dibandingkan secara global dan diterima pakai oleh mana-mana negara.

⁶ TCFD adalah rangka kerja yang fokus kepada rekomendasi penzahiran kewangan berkaitan iklim yang direka bentuk untuk membantu syarikat menyediakan maklumat yang lebih baik bagi menyokong ketelusan pasaran serta peruntukan modal yang lebih bermaklumat.

⁷ https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en

⁸ Yayasan IFRS ialah sebuah organisasi bukan berasaskan keuntungan, organisasi kepentingan awam ditubuhkan bagi membangunkan piawaian perakaunan dan pendedahan kemampanan yang berkualiti tinggi, mudah difahami, boleh dikuatkuasakan dan diterima pakai di peringkat global.

9. Dalam konteks tempatan, Kementerian Ekonomi telah memperkenalkan Pelan Strategik Alam Sekitar, Sosial dan Tadbir Urus Kebangsaan⁹ (NESP) pada tahun 2025. NESP menggalakkan penerimgunaan Alam Sekitar, Sosial dan Tadbir Urus (ESG) di kalangan entiti perniagaan selaras dengan keutamaan dan komitmen nasional sebagaimana yang digariskan di bawah Pelan Hala Tuju Peralihan Tenaga Negara¹⁰ (NETR) dan Rancangan Malaysia Ke-13¹¹ (RMK-13).

10. Tambahan lagi, Kementerian Sumber Asli dan Kelestarian Alam juga telah memperkenalkan Rang Undang-Undang Perubahan Iklim Negara¹² (RUUPIN) sebagai satu rangka kerja perundangan bagi menangani perubahan iklim dengan cara menyeluruh dan bersepadu di peringkat domestik. RUUPIN bertujuan untuk mewujudkan suatu asas perundangan nasional bagi tindakan iklim, termasuk mitigasi dan adaptasi iklim, pengaturan tadbir urus dan mekanisme akauntabiliti.

11. Bagi membantu menangani peningkatan keperluan pelaporan dan penzahiran kemampunan, terdapat beberapa penerbitan di Malaysia berkenaan rangka kerja, piawaian dan garis panduan kemampunan bagi membantu syarikat di tahap kesediaan yang berbeza, termasuk:

- (a) *Sustainability Reporting Guide 3rd Edition* oleh Bursa Malaysia¹³;
- (b) i-ESG¹⁴ oleh MITI;
- (c) *Simplified ESG Disclosure Guide*¹⁵ oleh Suruhanjaya Sekuriti Malaysia;
- (d) *ESG Quick Guide for MSMEs* oleh SME Corp Malaysia¹⁶; dan

⁹ NESP bertujuan untuk membimbing perniagaan di Malaysia ke arah pematuhan ESG dan amalan mampan serta membantu entiti perniagaan Malaysia, khususnya perusahaan kecil dan sederhana (PKS), secara berperingkat ke arah pematuhan dan pelaporan ESG.

¹⁰ <https://ekonomi.gov.my/sites/default/files/2023-08/National%20Energy%20Transition%20Roadmap.pdf>

¹¹ <https://rmk13.ekonomi.gov.my/rmk13-buku-utama/>

¹² [https://www.nres.gov.my/ms-my/pustakamedia/Penerbitan/NRES%20Consultation%20Paper%20Rang%20Undang%20Undang%20Perubahan%20Iklim%20\(RUUPIN\).pdf](https://www.nres.gov.my/ms-my/pustakamedia/Penerbitan/NRES%20Consultation%20Paper%20Rang%20Undang%20Undang%20Perubahan%20Iklim%20(RUUPIN).pdf)

¹³

https://www.bursamalaysia.com/sites/5d809dcf39fba22790cad230/assets/6768e301e6414a4c4beb9f49/Sustainability_Reporting_Guide_2022_FINAL_1_.pdf

¹⁴ i-ESG Framework telah diterbitkan oleh MITI untuk memberi panduan dan sokongan bagi sektor perkilangan untuk menerima guna ESG.

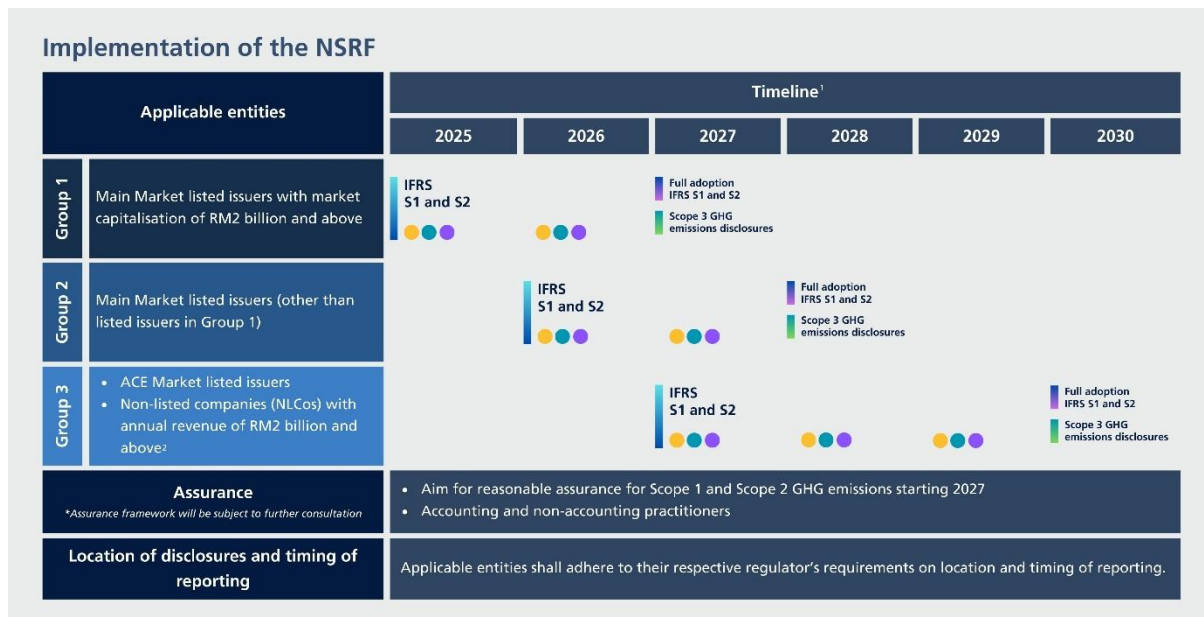
¹⁵ <https://sedg.capitalmarketsmalaysia.com/wp-content/uploads/2025/07/SEDG-v2.pdf>

¹⁶ <https://platformpkselestari.smecorp.gov.my/>

(e) *National Sustainability Reporting Framework*¹⁷ (NSRF) oleh *Advisory Committee on Sustainability Reporting*.

12. NSRF yang dilancarkan pada bulan September 2024 menetapkan keperluan pelaporan mandatori berdasarkan IFRS S1 dan S2. Oleh kerana demikian, akan terdapat pindaan berbangkit kepada undang-undang, peraturan dan panduan¹⁸.

13. Keperluan NSRF terpakai kepada tiga kumpulan entiti. Kumpulan 1 dan 2 adalah tertakluk kepada peringkat awal pelaksanaan mandatori IFRS S2 diikuti dengan penzahiran kemampuan yang menyeluruh di bawah IFRS S1. Kumpulan 3 pula akan mematuhi keperluan pelaporan mandatori IFRS S1 dan S2 di peringkat seterusnya sepertimana yang ditetapkan dalam rajah di bawah:



Sumber: <https://www.sc.com.my/nsrf/implementation>

¹⁷ <https://www.sc.com.my/nsrf>

¹⁸ Termasuk tetapi tidak terhad kepada (i) Akta Pelaporan Kewangan 1997, (ii) Akta Syarikat 2016, (iii) Akta Suruhanjaya Sekuriti Malaysia 1993, (iv) Akta Pasaran Modal dan Perkhidmatan 2007, (v) Peraturan Penyenaraian Pasaran Utama dan Pasaran ACE Bursa Malaysia, dan (vi) Piawaian berkaitan yang diterbitkan oleh Bank Negara Malaysia.

14. Bagi syarikat di luar ambang yang disenaraikan dalam rajah di atas, penzahiran maklumat kemampunan dan maklumat bukan kewangan dilaporkan secara sukarela melalui laporan pengarah yang boleh dimasukkan ke dalam ulasan perniagaan menurut subseksyen 253(3) AS 2016.

15. Kandungan ulasan perniagaan adalah seperti yang ditetapkan dalam Bahagian II Jadual Kelima AS 2016 yang merangkumi penzahiran maklumat bukan kewangan seperti perkara berkaitan alam sekitar, pekerja-pekerja syarikat, isu sosial dan masyarakat, petunjuk prestasi utama dan risiko prinsipal.

16. Bagi memudahkan penerimgunaan penzahiran ulasan perniagaan, SSM telah menerbitkan "Pekeliling Amalan Perniagaan Terbaik" Laporan Ulasan Perniagaan: Panduan Penzahiran dan Pelaporan pada tahun 2017 (BPPC 06/17) sebagai panduan kepada syarikat mengenai penyediaan dan penzahiran maklumat ulasan perniagaan termasuklah perkara-perkara yang berkaitan alam sekitar dan hak asasi manusia.

17. Sebelum penerbitan BPPC 06/17, SSM mengeluarkan beberapa Pekeliling Amalan Perniagaan Terbaik sebagai sebahagian daripada Agenda Tanggungjawab Korporat. Pekeliling-pekelling ini menyediakan panduan praktikal mengenai tugas dan tanggungjawab pengarah, pelaporan korporat, integriti penzahiran, amalan tadbir urus yang baik, pengurusan sumber, amalan perolehan yang bertanggungjawab dan pertimbangan hak asasi manusia termasuklah hak wanita dan akses kepada penjagaan kanak-kanak. Keseluruhannya, pekelling-pekelling ini menggalakkan syarikat untuk bergerak melangkaui keperluan minimum pelaporan statutori dan menerima pakai amalan terbaik yang diiktiraf.

18. Selaras dengan aspirasi global dan tempatan bagi mencapai pelepasan Sifar Bersih¹⁹, maklumat kemampanan dan maklumat bukan kewangan telah menjadi semakin penting dalam rangka kerja kawal selia korporat. Oleh itu, adalah penting untuk merangka suatu hala tuju yang jelas dan sesuai bagi penerimgunaan pelaporan kemampanan khususnya di kalangan Syarikat Tidak Tersenarai (NLCos). SSM menyokong sepenuhnya inisiatif-inisiatif ini melalui pindaan kepada AS 2016. Di bawah inisiatif ini, peruntukan berkenaan keperluan penzahiran maklumat kemampanan dan maklumat bukan kewangan akan diperkenalkan bagi menyelaraskan rangka kerja pelaporan korporat Malaysia berdasarkan amalan terbaik antarabangsa serta aspirasi kemampanan nasional.

¹⁹ Pelepasan Sifar Bersih merujuk kepada keadaan di mana pelepasan gas rumah hijau ke atmosfera adalah seimbangan dengan penyingkirannya.

SEKSYEN B: PROSES KONSULTASI

19. Cadangan pindaan kepada Akta Syarikat 2016 adalah berdasarkan proses konsultasi awal dan kajian perbandingan terhadap negara lain bagi memastikan penambahbaikan perundangan adalah praktikal, berkadar dan selari dengan keperluan domestik, amalan terbaik dan piawaian antarabangsa.

Bahagian I – Kaji Selidik Kesediaan Laporan Kemampanan NLCos

20. Kaji Selidik Kesediaan Laporan Kemampanan telah diedarkan melalui platform rasmi SSM daripada 19 September hingga 21 November 2025 yang menilai perkara berikut:

- (a) Amalan laporan iklim dan amalan kemampanan terkini;
- (b) Kesediaan untuk merekod pelepasan GHG Skop 1 dan Skop 2;
- (c) Penerimgunaan piawai kemampanan (contohnya: GRI, TCFD, panduan ringkas tempatan);
- (d) Jangkaan garis masa untuk pelaporan dan jaminan;
- (e) Sekatan seperti kos, kapasiti, dan kekurangan kepakaran; dan
- (f) Keperluan sokongan termasuk latihan, insentif kewangan, dan garis panduan ilustratif.

21. Berikut adalah dapatan hasil kaji selidik:

- (a) NLCos yang lebih besar (hasil tahunan antara RM100 juta hingga RM2 bilion) menunjukkan kesediaan awal (TK2026-TK2028) untuk merekod dan menzahirkan pelepasan GHG;
- (b) Entiti yang lebih kecil (hasil tahunan di bawah RM15 juta) menghadapi kekangan yang ketara. Lebih daripada separuh responden menunjukkan tiada pelan bagi memulakan amalan laporan kemampanan; dan
- (c) Permintaan tinggi untuk pembangunan kapasiti, insentif kewangan dan panduan mengikut sektor.

Bahagian II – Sesi Libat Urus Pihak Berkepentingan

22. Sesi libat urus pihak berkepentingan telah diadakan pada 30 Oktober 2025 melibatkan peserta dari NLCos dan syarikat tersenarai. Peserta dikategorikan mengikut ambang hasil berikut untuk menilai kemampuan dan kesediaan dalam menerima guna pelaporan kemampuan:

Kumpulan	Ambang Hasil
Kumpulan 1	RM1 bilion hingga RM2 bilion
Kumpulan 2	RM200 juta hingga RM1 bilion
Kumpulan 3 (A)	RM100 juta hingga RM200 juta
Kumpulan 3 (B)	RM15 juta hingga RM100 juta
Kumpulan 4	RM15 juta hingga RM50 juta
Kumpulan 5	RM300 ribu hingga RM15 juta
Kumpulan 6	Syarikat tersenarai

Jadual 1

23. Berikut adalah dapatan sesi tersebut:

- (a) **Penerimgunaan garis masa dan pendekatan** - pendekatan yang menjadi pilihan adalah pendekatan mandatori 'patuh atau jelaskan' bagi penzahiran pelepasan GHG Skop 1 dan 2 dan penzahiran ringkasan ESG secara sukarela dengan garis masa penerimgunaan di antara tahun TK2026 hingga TK2032 berdasarkan saiz syarikat. Entiti yang lebih besar memilih penerimgunaan awal.
- (b) **Garis masa jaminan** - jaminan dalaman hendaklah bermula pada tahun yang sama dengan penzahiran pelepasan GHG

mandatori²⁰ diikuti dengan jaminan terhadap luaran sekurang-kurangnya dua tahun selepas melaksanakan jaminan dalaman. Garis masa berbeza menjadi pilihan bagi pelaksanaan jaminan munasabah.

- (c) **Mekanisme sokongan** - sokongan paling penting adalah pembangunan kapasiti diikuti dengan insentif kewangan, panduan ilustratif, dan repositori ilmu.

²⁰ Jaminan bermula dalam tempoh dua tahun selepas kumpulan tersebut diwajibkan untuk melaksanakan penzahiran mandatori bagi pelepasan Skop 1 dan Skop 2.

SEKSYEN C: KAJIAN PERBANDINGAN DENGAN NEGARA-NEGARA LAIN

24. Komponen utama dalam proses konsultasi awal ini adalah pelaksanaan kajian perbandingan antarabangsa dengan negara-negara lain, termasuk Australia, United Kingdom (UK), dan Singapura. Negara-negara tersebut telah dipilih kerana pendekatan kawal selia yang berbeza dalam laporan kemampanan dan laporan berkaitan iklim.

25. Objektif kajian ini adalah untuk menilai bagaimana pengawal selia dan negara lain membangunkan rangka kerja laporan kemampanan yang mengimbangkan ketelusan, keperluan pelabur dan kapasiti korporat terutamanya untuk syarikat diluar skop NSRF. Kajian ini menumpukan aspek berikut:

- (a) Mandat perundangan berkaitan laporan berkaitan iklim dan kemampanan termasuklah sama ada keperluan tersebut dimasukkan dalam perundangan utama, perundangan subsidiari, peraturan penyenaiaan atau panduan kawal selia dan bagaimana tanggungjawab pengarah dirangka;
- (b) Pendekatan terima guna IFRS S1 dan S2 atau piawaian yang setara setakat mana negara lain telah menerima guna piawaian-piawaian tersebut sebagai garis asas mandatori ke dalam rangka kerja tempatan dan bagaimana piawaian tersebut terpakai kepada kategori entiti terpilih;
- (c) Keperluan penzahiran mandatori untuk pelepasan GHG Skop 1 dan 2, termasuklah pelaksanaan secara berfasa bagi penzahiran pelepasan dan sama ada penzahiran pelepasan Skop 3 akan dipertimbangkan kemudian;
- (d) Rangka kerja jaminan yang diguna pakai di peringkat global, termasuk penggunaan jaminan dalaman, jaminan luaran terhadap atau jaminan munasabah dan garis masa yang menentukan bila jaminan menjadi mandatori; dan

- (e) Sokongan peralihan, langkah berkadar dan insentif kewangan atau bukan kewangan yang dilaksanakan oleh pengawal selia lain untuk membantu syarikat di fasa awal penerimgunaan.
26. Dapatan menunjukkan konsistensi di kalangan beberapa rangka kerja perundangan termasuk:
- (a) Penerimgunaan model pelaksanaan berfasa berdasarkan hasil, saiz aset atau kepentingan ekonomi dan bukannya mengenakan kewajipan pelaporan serta-merta dan untuk semua syarikat.
 - (b) Mengutamakan penzahiran berkaitan iklim terutamanya pelepasan GHG Skop 1 dan Skop 2 sebagai fokus awal pelaporan kemampuan, sebelum diperluaskan kepada penzahiran ESG atau keperluan yang lebih kompleks seperti pelepasan GHG Skop 3 dan analisis senario.
27. Berikut adalah dapatan utama kajian tersebut:
- (a) Integrasi pelaporan kemampuan dan berkaitan iklim ke dalam rangka kerja perundangan korporat untuk entiti berdasarkan kepentingan ekonomi atau awam;
 - (b) Penerimgunaan pendekatan berfasa dan berkadar di mana:
 - (i) keperluan mandatori terpakai terutamanya kepada entiti tersenarai, institusi kewangan atau syarikat dengan hasil yang tinggi; dan
 - (ii) syarikat yang memenuhi definisi 'syarikat kecil' adalah diberi pengecualian pelaporan, keperluan pelaporan ringkas dan digalakkan untuk menerima pakai pelaporan secara sukarela;
 - (c) Rangkuman tanggungjawab pengarah untuk laporan kemampuan ke dalam laporan pengarah atau kewajipan tadbir urus sedia ada, memperkukuh akauntabiliti di peringkat lembaga pengarah;

- (d) Penerimaan pendekatan yang berbeza (sama ada mandatori atau sukarela) dan garis masa untuk jaminan;
- (e) Penzahiran kemampuan dan berkaitan iklim merentas negara melibatkan bahawa:
 - (i) maklumat masa depan;
 - (ii) anggaran impak perubahan iklim; dan
 - (iii) perkembangan metodologi;
- (f) Pengenalan mekanisme mitigasi risiko antaranya seperti:
 - (i) peruntukan eksplisit 'safe harbour' atau rejim liabiliti yang dimodifikasi (Australia)²¹;
 - (ii) ambang berasaskan materialiti dan penzahiran berkadar (UK)²²; atau
 - (iii) pelaksanaan berfasa dan sokongan peralihan (Singapura).

²¹ As prescribed in the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024, section 1707D Limited immunity for statements in new sustainability reporting:

- (1) *No action, suit or proceeding lies against a person in relation to:*
 - (a) *a protected statement; or*
 - (b) *a statement that is required to be made under a Commonwealth law and:*
 - (i) *is the same as a protected statement; or*
 - (ii) *differs from a protected statement only in so far as it contains updates or corrections to the protected statement.*
- (2) *Subsection (1) does not apply to an action, suit or proceeding if it is any of the following:*
 - i. *criminal in nature;*
 - ii. *brought by ASIC.*
- (3) *A statement is a protected statement if it is:*
 - i. *made:*
 - (i) *in a sustainability report, for a financial year commencing during the 3 years starting on the start date, for the purpose of complying with a sustainability standard; or*
 - (ii) *in an auditor's report of an audit or review of a sustainability report mentioned in subparagraph (i) of this paragraph for the purposes of complying with this Act or the auditing standards; and*
 - ii. *about any of the following:*
 - (i) *scope 3 greenhouse gas emissions (including financed emissions);*
 - (ii) *scenario analysis (within the meaning given by sustainability standards made for the purposes of this subparagraph);*
 - (iii) *a transition plan (within the meaning given by sustainability standards made for the purposes of this subparagraph).*
- (4) *A statement is also a protected statement if it:*
 - (a) *is made:*
 - (i) *in a sustainability report, for a financial year commencing during the 12 months starting on the start date, for the purpose of complying with a sustainability standard;*
 - (ii) *or (ii) in an auditor's report of an audit or review of a sustainability report mentioned in subparagraph (i) of this paragraph for the purposes of complying with this Act or the auditing standards; and*
 - (b) *relates to climate; and*
 - (c) *at the time it is made, is about the future.*

²² Section 414CB(1) of CA 2006 states, "...contain information, to the extent necessary for an understanding of the company's development, performance and position and the impact of its activity".

SEKSYEN D: RINGKASAN KENYATAAN DASAR

28. Jadual berikut mengemukakan ringkasan cadangan dasar berdasarkan konsultasi awal.

CADANGAN KENYATAAN DASAR		SOALAN KONSULTASI
Kenyataan Dasar 1	Memberi kuasa kepada Pendaftar untuk menentukan keperluan laporan kemampanan berdasarkan pendekatan 'patuh atau jelaskan'.	<p>1. Adakah anda bersetuju bahawa pendekatan mandatori 'patuh atau jelaskan' wajar diguna pakai untuk penzahiran maklumat kemampanan dan bukan kewangan di bawah Subpenggal 1 Penggal 3 Bahagian III AS 2016? Sila berikan penjelasan.</p>
Kenyataan Dasar 2	Memperkenalkan rangka kerja pelaporan kemampanan merangkumi ambang kelayakan, kandungan pelaporan, garis masa pelaksanaan serta rangka kerja jaminan.	<p>2. Adakah anda bersetuju dengan kandungan yang dinyatakan dalam Jadual 2? Adakah terdapat topik kemampanan lain yang perlu dipertimbangkan? Sila berikan penjelasan.</p> <p>3. Adakah anda bersetuju agar IFRS S2 diterima pakai? Jika ya, apakah sokongan peralihan yang diperlukan? Sila berikan penjelasan.</p> <p>4. Adakah anda bersetuju dengan ambang kelayakan yang dicadangkan dalam Jadual 3? Sila berikan penjelasan.</p>

CADANGAN KENYATAAN DASAR		SOALAN KONSULTASI
		<p>5. Adakah anda bersetuju dengan cadangan pelaksanaan garis masa pelaporan kemampuan untuk Fasa 1, 2, dan 3? Sila berikan penjelasan.</p> <p>6. Adakah anda bersetuju dengan garis masa jaminan dalam Jadual 4? Jika tidak, sila cadangkan garis masa jaminan yang sesuai.</p> <p>7. Apakah topik penzahiran yang sepatutnya dijamin? Sila berikan penjelasan bagi topik yang dicadangkan.</p> <p>8. Adakah anda bersetuju bahawa jaminan munasabah dikecualikan pada peringkat ini? Sila berikan justifikasi.</p>
Kenyataan Dasar 3	Memperkukuh akauntabiliti pengarah terhadap penzahiran maklumat kemampuan dan maklumat bukan kewangan.	<p>9. Adakah anda bersetuju bahawa ketidakpatuhan terhadap peruntukan penzahiran maklumat kemampuan dan bukan kewangan tertakluk kepada penalti setara dengan subseksyen 252(5) AS 2016? Sila nyatakan sebab.</p>

CADANGAN KENYATAAN DASAR		SOALAN KONSULTASI
Kenyataan Dasar 4	Menambahbaik peruntukan dalam AS 2016 bagi memasukkan rangka kerja Penyedia Jaminan Kemampanan.	10. Adakah anda bersetuju dengan cadangan kelayakan minimum untuk SAPs? Pada pandangan anda, apakah kelayakan yang sepatutnya dipertimbangkan dalam rangka kerja?

SEKSYEN E: KENYATAAN DASAR DAN PRINSIP PANDUAN

Cadangan Kenyataan Dasar 1: Memberi kuasa kepada Pendaftar untuk menentukan keperluan laporan kemampuan berdasarkan pendekatan 'patuh atau jelaskan'.

Bahagian I - Cadangan pindaan kepada AS 2016

29. Pada ketika ini, tiada peruntukan spesifik di bawah Subpenggal 1 Penggal 3 Bahagian III AS 2016 berkenaan pelaporan maklumat kemampuan dan maklumat bukan kewangan. Seksyen 252 menghendaki setiap syarikat untuk menyediakan laporan pengarah untuk setiap tahun kewangan dan dilampirkan bersama penyata kewangan:

"252(1) Pengarah syarikat hendaklah menyediakan bagi setiap tahun kewangan suatu laporan dan laporan sedemikian hendaklah dilampirkan dengan penyata kawangan yang disediakan di bawah seksyen 248.

(2) Suatu laporan pengarah -

(a) hendaklah diluluskan oleh Lembaga; dan

(b) hendaklah ditandatangani bagi pihak pengarah oleh sekurang-kurangnya dua orang pengarah, atau dalam hal seorang pengarah tunggal, pengarah itu.

(3) Tiap-tiap salinan laporan pengarah yang dibentangkan di hadapan syarikat dalam suatu mesyuarat agung tahunan di bawah seksyen 340, atau dihantar kepada anggota di bawah seksyen 257 atau selainnya diedarkan, disiarkan atau dikeluarkan oleh Syarikat itu hendaklah menyatakan nama orang yang menandatangani laporan itu bagi pihak pengarah.

(4) Mana-mana pengarah yang gagal mengambil semua langkah yang munasabah untuk memastikan pematuhan di bawah subseksyen (1)

melakukan suatu kesalahan dan boleh, apabila disabitkan, didenda tidak melebihi lima ratus ribu ringgit atau dipenjarakan selama tempoh tidak melebihi satu tahun atau kedua-duanya.

(5) Syarikat dan tiap-tiap pegawai yang melanggar subseksyen (2) melakukan suatu kesalahan dan boleh, apabila disabitkan, didenda tidak melebihi dua puluh ribu ringgit.”

30. Tambahan lagi, subseksyen 253(3) menyatakan laporan seperti yang dinyatakan dalam Bahagian II dalam Jadual Kelima **boleh termasuk** suatu ulasan perniagaan:

"253. (1) Laporan pengarah bagi suatu tahun kewangan berhubung dengan suatu syarikat hendaklah mengandungi —

- (a) nama tiap-tiap orang yang menjadi pengarah syarikat itu —
 - (i) dalam tahun kewangan itu; dan*
 - (ii) dalam tempoh yang bermula pada akhir tahun kewangan dan berakhir pada tarikh laporan itu;**
- (b) aktiviti utama syarikat dalam tahun kewangan itu termasuklah subsidiarinya; dan*
- (c) perkara-perkara yang dinyatakan dalam Jadual Kelima.*

(2) Seksyen ini hendaklah berkuat kuasa berhubung dengan laporan pengarah yang dikehendaki disediakan di bawah seksyen 252 seolah-olah sebutan mengenai syarikat dalam subseksyen (1) atau (2) ialah sebutan mengenai —

- (a) syarikat itu; dan*
- (b) perusahaan subsidiari yang dimasukkan dalam penyata kewangan disatukan bagi tahun kewangan itu.*

*(3) Laporan pengarah yang disediakan di bawah seksyen 252 **boleh termasuk ulasan perniagaan yang dinyatakan dalam Bahagian II Jadual Kelima** atau mana-mana laporan lain yang ditetapkan.*

31. Perenggan 2(d) Bahagian II Jadual Kelima merangkumi maklumat bukan kewangan yang memfokus kepada perkara-perkara alam sekitar, pekerja serta isu sosial dan kemasyarakatan seperti berikut:

"2. Ulasan perniagaan boleh, setakat yang perlu bagi pemahaman tentang perkembangan, prestasi atau kedudukan perniagaan syarikat, mengandungi—

(a) ...;

(b) ...;

(c) ...;

(d) maklumat mengenai—

(i) perkara alam sekeliling, termasuk kesan perniagaan syarikat ke atas alam sekeliling;

(ii) pekerja-pekerja syarikat; dan

(iii) isu-isu sosial dan kemasyarakatan,"

32. Sebagai perbandingan, penzahiran maklumat kemampuan dan bukan kewangan adalah mandatori bagi syarikat-syarikat yang tertakluk kepada subseksyen 414CA(A1)²³ dan 414CB(A1)²⁴ di bawah *Companies Act 2006* (CA 2006) UK dan membentuk sebahagian daripada laporan strategik yang disediakan oleh pengarah. Walau bagaimanapun, subseksyen 414CB(4A)²⁵ dan (4B)²⁶ membenarkan pengarah untuk mengeluarkan penzahiran berkaitan iklim tertentu dengan syarat suatu penjelasan yang jelas dan munasabah diberikan.

²³ Section 414CA CA 2006 menyatakan, "A strategic report of a company to which this subsection applies **must include a non-financial and sustainability information statement.**"

²⁴ Section 414CB CA 2006 menyatakan, "The non-financial and sustainability information statement **must contain the climate-related financial disclosures of the company.**"

²⁵ Sections 414CB(4A) of CA 2006 menyatakan, "Where the directors of a company reasonably believe that, having regard to the nature of the company's business, and the manner in which it is carried on, the whole or a part of a climate-related financial disclosure required by subsection (2A)(e), (f), (g) or (h) is not necessary for an understanding of the company's business, **the directors may omit the whole or (as the case requires) the relevant part of that climate-related financial disclosure.**"

²⁶ Sections 414CB(4B) of CA 2006 states, "Where the directors omit the whole or part of a climate-related financial disclosure in reliance on subsection (4A) the non-financial and sustainability information statement **must provide a clear and reasoned explanation** of the directors' reasonable belief mentioned in that subsection."

33. Di Australia, penzahiran kemampanan adalah mandatori dan diperuntukkan dalam perundangan utama di bawah seksyen 292A²⁷ *Part 2M of the Corporations Act 2001* (CA 2001). Walaupun penzahiran tersebut adalah mandatori, seksyen 1707D²⁸ di bawah *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* memperuntukkan bahawa tiada tindakan, saman atau prosiding akan diambil terhadap mana-mana orang yang menyediakan suatu laporan kemampanan dalam keadaan tertentu dalam tempoh tiga tahun dari tarikh penguatkuasaan CA 2001.

34. Di Singapura, pelaporan kemampanan pada peringkat awal diperkenalkan di bawah pendekatan 'patuh atau jelaskan' dan seterusnya menjadi mandatori di bawah *SGX Listing Rule 711A*²⁹ dan *ACRA Climate Reporting Roadmap*³⁰.

35. Justeru itu, SSM bercadang untuk memperkenalkan pendekatan mandatori 'patuh atau jelaskan' yang menghendaki NLCos dalam ambang yang ditetapkan untuk menzahirkan maklumat kemampanan. Penerimgunaan pendekatan 'patuh atau jelaskan' akan mewujudkan:

- (a) pendekatan yang anjal untuk menggalakkan penerimgunaan;
- (b) platform untuk memahami cabaran yang dihadapi oleh NLCos ke arah mencapai pematuhan penuh keperluan pelaporan kemampanan; dan
- (c) persekitaran pembangunan kapasiti untuk menyokong penerimgunaan pelaporan kemampanan.

²⁷ 292A Who has to prepare annual sustainability reports

(1) Subject to subsection (2), an entity **must prepare a sustainability report** for a financial year if

- a. the entity must prepare a financial report for the financial year under this Chapter; and
- b. subsection (3), (5) or (6) of this section applies to the entity for the financial year.

²⁸ Rujuk kepada nota 22.

²⁹ Di bawah SGX Listing Rule 711A, "An issuer must issue a sustainability report to shareholders and the Exchange for its financial year at the same time as the issuance of its annual report, or where the issuer has conducted external assurance on the sustainability report, no later than 5 months after the end of the financial year."

³⁰ <https://www.acra.gov.sg/regulations/sustainability-reporting/requirements-timeline/>

Soalan Konsultasi

Soalan 1

Adakah anda bersetuju bahawa pendekatan mandatori 'patuh atau jelaskan' wajar diguna pakai untuk penzahiran maklumat kemampuan dan bukan kewangan di bawah Subpenggal 1 Penggal 3 Bahagian III AS 2016? Sila berikan penjelasan.

Bahagian II - Kuasa Pendaftar menetapkan skop dan aplikasi keperluan laporan kemampuan

36. Cadangan dasar untuk memperkenalkan pendekatan mandatori 'patuh atau jelaskan' untuk pelaporan kemampuan di bawah subseksyen 253(3) AS 2016 akan memerlukan pindaan kepada AS 2016 merangkumi:

- (a) definisi terma-terma berkaitan pelaporan kemampuan untuk memastikan keselarasan dengan cadangan pindaan di bawah Akta Pelaporan Kewangan 1997 [Akta 558];
- (b) ambang bagi syarikat menerima pakai pelaporan kemampuan;
- (c) kandungan yang diperlukan untuk dimasukkan ke dalam laporan kemampuan;
- (d) garis masa pelaksanaan berfasa bagi pelaporan kemampuan; dan
- (e) keperluan jaminan dan garis masa pelaksanaan.

37. Di UK, skop terima pakai pelaporan kemampuan adalah yang diperuntukkan di bawah seksyen 414CA³¹ CA 2006 yang menyenaraikan syarikat-syarikat yang tergolong dalam skop pelaporan kemampuan.

³¹ Section 414CA of CA2026 menyatakan:

"(1) [Subsection (A1) applies to a company if it] was at any time within the financial year to which the report relates—
(a) a traded company,
(b) a banking company,
(c) an authorised insurance company,

38. Di Australia, Pengawal Selia mempunyai kuasa untuk menentukan kandungan laporan kemampanan menurut subseksyen 296A³²(4) dan (5)

-
- (d) a company carrying on insurance market activity, or
 - (e) a company any securities of which are admitted to trading on the market known as the Alternative Investment Market.]

(1A) Subsection (A1) also applies to a company if it was a high turnover company in relation to that financial year.

(1B) Subsections (1) and (1A) are subject to subsections (3) to (7).]

(2) If the company's strategic report is a group strategic report, the non-financial [and sustainability] information statement to be included in the report under [subsection (A1)] must be a consolidated statement (a "group non-financial [and sustainability] information statement") relating to the undertakings included in the consolidation.

(2A) A company is a "high turnover company" in relation to a financial year—

- (a) where the company was not a parent company in that financial year, if in that year the company's turnover was more than £500 million;
- (b) where the company was a parent company at any time within that financial year, if in that year a group headed by the company had an aggregate turnover of more than £500 million net.

(2B) For a period that is a company's financial year but not in fact a year the figures for turnover given by subsection (2A) must be proportionately adjusted.

(2C) For the purposes of subsection (2A)(b)—

- (a) aggregate turnover is ascertained by aggregating the relevant figures determined for each member of the group;
- (b) "net", in relation to aggregate turnover, is to be interpreted in accordance with section 383(6).

(2D) Section 383(7) applies for the purposes of subsection (2A)(b) of this section as it applies for the purposes of section 383.]

(3) [Subsection (A1) does not apply to a company if]—

- (a) the company is subject to the small companies regime in relation to that financial year (see sections 382 to 384), or
- (b) the company qualifies as medium-sized in relation to that financial year (see sections 465 to 467).

(4) [Subsection (A1) does not apply—

- (a) to a company which was not a parent company in that financial year, if] the company had no more than 500 employees in that financial year, or
- (b) [to a company which was a parent company at any time within that financial year, if] the aggregate number of employees for a group headed by that company in that financial year was no more than 500.

(5) The number of employees means the average number of persons employed by the company in the year, determined as follows—

- (a) find for each month in the financial year the number of persons employed under contracts of service by the company in that month (whether throughout the month or not),
- (b) add together the monthly totals, and
- (c) divide by the number of months in the financial year.

(6) The aggregate number of employees for a group is ascertained by aggregating the relevant figures determined in accordance with subsection (5) for each member of the group.

(7) [Subsection (A1) does not apply to a company if] the company is a subsidiary undertaking at the end of that financial year and is included in—

- (a) a group strategic report of a parent undertaking of the company that satisfies the requirements in subsection (8),

(8) The requirements in this subsection are that—

- (a) the group strategic report relates to undertakings that include the company and its subsidiary undertakings (if any),
- (b) the report is prepared for a financial year of the parent undertaking that ends at the same time as, or before the end of, the company's financial year, and
- (c) the report includes a group non-financial [and sustainability] information statement in respect of all the undertakings included in the consolidation.

(10) A company to which subsection [(A1)] does not apply may include a non-financial [and sustainability] information statement in its strategic report or, as the case may be, a group non-financial [and sustainability] information statement in its group strategic report.]]"

³² As per Section 296A of CA 2001 below:

Basic Contents

- (1) The sustainability report for a financial year consists of:
 - (a) the climate statements for the year; and
 - (b) any notes to the climate statements; and
 - (c) any statements required under subsection (5); and
 - (d) any notes to the statements mentioned in paragraph (1)(c) required under subsection (5); and

CA 2001 berhubung dengan penyediaan dan apa-apa perkara yang dimasukkan dalam penyata iklim. Walau bagaimanapun, Singapura mewajibkan pelaporan kemampanan melalui *SGX Listing Rules* dan *ACRA Climate Reporting Roadmap*.

39. Pada masa ini, SSM mencadangkan suatu peruntukan baharu dimasukkan untuk memberi kuasa kepada Pendaftar untuk menentukan ambang dan skop maklumat kemampanan dan bukan kewangan untuk menggalakkan keanjalan dan penyesuaian.

Cadangan Kenyataan Dasar 2: Memperkenalkan rangka kerja pelaporan kemampanan merangkumi ambang kelayakan, kandungan pelaporan, garis masa pelaksanaan serta rangka kerja jaminan

Bahagian I - Kandungan laporan kemampanan

(e) *the directors' declaration about the statements and the notes.*

Climate statements

(2) *Subject to section 296B, the climate statements for the year are the climate statements in relation to the entity required by sustainability standards made for the purposes of this subsection.*

Notes to climate statements

(3) *A sustainability report must include the following notes to the climate statements:*

- (a) *any disclosures required under subsection (4);*
- (b) *any notes, required by sustainability standards made for the purposes of this paragraph, in relation to:*
 - (i) *the preparation of the climate statements; or*
 - (ii) *anything included in the climate statements; or*
 - (iii) *other matters concerning environmental sustainability;*
- (c) *notes containing any other information necessary to ensure that the climate statements and notes together make the disclosures required by section 296D.*

(4) **The Minister may, by legislative instrument, require a sustainability report to include specified disclosures in relation to:**

- (a) **the preparation of the climate statements; or**
- (b) **anything included in the climate statements.**

Other statements and notes

(5) **For the purposes of paragraphs (1)(c) and (d), the Minister may, by legislative instrument, require a sustainability report to include:**

- (a) **statements relating to financial matters concerning environmental sustainability; and**
- (b) **notes to the statements.**

Directors' declaration

(6) *The directors' declaration is a declaration by the directors as to whether, in the directors' opinion, the substantive provisions of the sustainability report are in accordance with this Act, including:*

- (a) *section 296C (compliance with sustainability standards etc.); and*
- (b) *section 296D (climate statement disclosures).*

(7) *The declaration must:*

- (a) *be made in accordance with a resolution of the directors; and*
- (b) *specify the date on which the declaration is made; and*
- (c) *be signed by a director.*

40. Di UK, CA 2016 menetapkan bahawa syarikat yang tertakluk di bawah seksyen 414CA³³ dikehendaki untuk memasukkan suatu penyata maklumat bukan kewangan dan kemampuan sebagai sebahagian daripada laporan strategik dengan kandungannya diperincikan di bawah seksyen 414CB³⁴.

41. Baru-baru ini, UK telah membangunkan "*UK Sustainability Reporting Standards*³⁵" (SRS) selari dengan IFRS S1 dan S2. Penerimgunaan piawaian ini adalah sukarela. Pada Januari 2026, *Financial Conduct Authority*³⁶ menerbitkan kertas konsultasi bertajuk "*Aligning listed issuers sustainability disclosures with international standards*" yang mempertimbangkan penggunaan mandatori UK SRS kepada senarai kategori terpilih.

42. Di Australia, kandungan pelaporan kemampuan diperuntukkan secara jelas melalui perundangan utama dan piawaian kemampuan di

³³ Refer to note 32

³⁴ (1) ...the non-financial and sustainability information statement must] contain information, to the extent necessary for an understanding of the company's development, performance and position and the impact of its activity, relating to, as a minimum—

(a) environmental matters (including the impact of the company's business on the environment),

(b) the company's employees,

(c) social matters,

(d) respect for human rights, and anti-corruption and anti-bribery

³⁵ <https://www.gov.uk/guidance/uk-sustainability-reporting-standards>

³⁶ <https://www.fca.org.uk/about/what-we-do/the-fca>

bawah seksyen 296A, 296B³⁷, 296C³⁸ dan 296D³⁹ CA 2001 yang merangkumi perkara-perkara berikut:

³⁷ Section 296B of CA 2001 prescribes the following:

"Section 296B Contents of climate statements—statement about there being no financial risks or opportunities relating to climate

- (1) Despite subsection 296A(2), if, for a financial year:
 - (a) there are none of the following for the entity:
 - (i) material financial risks relating to climate;
 - (ii) material financial opportunities relating to climate; and
 - (b) none of subsections (2), (4) and (5) of this section apply to the entity; the climate statements for the year are:
 - (c) a statement of the circumstance mentioned in paragraph (a) of this subsection; and
 - (d) a statement explaining how paragraph (a) of this subsection applies to the entity for the financial year.
- (2) This subsection applies to an entity for a financial year if it satisfies at least 2 of the following paragraphs:
 - (a) the consolidated revenue for the financial year of the entity and the entities it controls (if any) is \$200 million or more;
 - (b) the value of the consolidated gross assets at the end of the financial year of the entity and the entities it controls (if any) is \$500 million or more;
 - (c) the entity and the entities it controls (if any) have 250 or more employees at the end of the financial year.
- (3) In counting employees for the purposes of subsection (2), take part-time employees into account as an appropriate fraction of a full-time equivalent.
- (4) This subsection applies to an entity for a financial year if it is:
 - (a) a registered corporation under the National Greenhouse and Energy Reporting Act 2007 at the end of the financial year; or
 - (b) required to make an application to be registered under subsection 12(1) of that Act in relation to the financial year.
- (5) This subsection applies to an entity for a financial year if:
 - (a) the entity is a registered scheme, registrable superannuation entity or retail CCIV; and
 - (b) the value of assets at the end of the financial year of the entity and the entities it controls (if any) is \$5 billion or more.
- (6) For the purposes of this section, the question of whether there are any of the following for an entity is to be worked out in accordance with sustainability standards made for the purposes of this subsection:
 - (a) a material financial risk relating to climate;
 - (b) a material financial opportunity.
- (7) For the purposes of this section:
 - (a) the question whether an entity controls another entity is to be decided in accordance with accounting standards made for the purposes of paragraph 295(2)(b); and
 - (b) consolidated revenue, the value of consolidated gross assets and the value of assets are to be calculated in accordance with accounting standards in force at the relevant time;"

³⁸ Section 296C of CA 2001 prescribes the following:

"296C Compliance with sustainability standards etc.

- (1) The substantive provisions of the sustainability report must comply with:
 - (a) sustainability standards made for the purposes of this paragraph; and
 - (b) any further requirements determined under subsection (2) of this section.
- (2) For the purposes of paragraph (1)(b) of this section, the Minister may, by legislative instrument, determine requirements in relation to the substantive provisions of a sustainability report."

³⁹ Section 296D of CA 2001 prescribes the following:

"Section 296D Climate statement disclosures

- (1) The climate statements for a financial year, and the notes to the climate statements, must together disclose all of the following:
 - (a) any:
 - (i) material financial risks there are for the entity; or
 - (ii) material financial opportunities relating to climate there are for the entity; that are required to be disclosed by sustainability standards made for the purposes of this paragraph;
 - (b) any metrics and targets of the entity relating to climate that are required to be disclosed by sustainability standards made for the purposes of this paragraph, including metrics and targets relating to:
 - (i) scope 1 greenhouse gas emissions; or
 - (ii) scope 2 greenhouse gas emissions; or
 - (iii) scope 3 greenhouse gas emissions (including financed emissions);
 - (c) any information that:
 - (i) is about governance of, strategy of, or risk-management by, the entity in relation to the risks, opportunities, metrics and targets mentioned in paragraphs (a) and (b); and
 - (ii) is required to be disclosed by sustainability standards made for the purposes of this paragraph.
- (2) For the purposes of this section, the question of whether there are any of the following for an entity is to be worked out in accordance with sustainability standards made for the purposes of this subsection:
 - (a) a material financial risk relating to climate;
 - (b) a material financial opportunity relating to climate.

- (a) penyata iklim;
- (b) pelepasan GHG Skop 1, Skop 2, dan Skop 3;
- (c) tadbir urus, strategi dan penzahiran pengurusan risiko;
- (d) metriks dan sasaran;
- (e) analisis senario; dan
- (f) pengisytiharaan pengarah tentang pematuhan.

43. Pelaporan kemampanan Singapura dilaksanakan melalui instrumen kawal selia dan bukannya melalui undang-undang syarikat. Di bawah SGX Listing Rules (SGX Practice Note 7.6⁴⁰Sustainability Reporting Guide) dan ACRA Climate Reporting Roadmap, laporan kemampanan dikehendaki merangkumi perkara berikut:

-
- (2A) Subsection (2B) applies if sustainability standards made for the purposes of subsection (1) require the disclosure of:
 - (a) a scenario analysis (within the meaning given by sustainability standards made for the purposes of this paragraph); or
 - (b) information derived from a scenario analysis; or
 - (c) information about a scenario analysis.
 - (2B) For the purposes of subsection (1), a disclosure of a scenario analysis, information derived from a scenario analysis or information about a scenario analysis is taken not to satisfy that requirement unless the scenario analysis is carried out using at least both of the following scenarios:
 - (a) the increase in the global average temperature well exceeds the increase mentioned in subparagraph 3(a)(i) of the Climate Change Act 2022;
 - (b) the increase in the global average temperature is limited to the increase mentioned in subparagraph 3(a)(ii) of that Act.
 - (3) This section does not apply if subsection 296B(1) applies for the financial year.”

⁴⁰ SGX Practice Note 7.6 Sustainability Reporting Guide paragraph 4 prescribes the following:

“4. Contents of Sustainability Reporting
Primary components

4.1. The sustainability report should comprise the following primary components:

- (a) **Material ESG factors. The sustainability report should identify the material ESG factors, and describe both the reasons for and the process of selection, taking into consideration their relevance or impact to the business, strategy, financial planning, business model and key stakeholders.**
- (b) **Climate-related disclosures. The sustainability report should contain disclosures related to climate-related risks and opportunities.**
- (c) **Policies, practices and performance. The sustainability report should set out the issuer’s policies, practices and performance in relation to the material ESG factors identified, providing descriptive and quantitative information on each of the identified material ESG factors for the reporting period. Performance should be described in the context of previously disclosed targets.**
- (d) **Targets. The sustainability report should set out the issuer’s targets for the forthcoming year in relation to each material ESG factor identified. Targets should be considered for defined short, medium and long term horizons, and if not consistent with those used for strategic planning and financial reporting, the reasons for the inconsistency should be disclosed.**
- (e) **Sustainability reporting framework. The issuer should select a sustainability reporting framework (or frameworks) to guide its reporting and disclosure. For climate-related disclosures, the issuer should refer to paragraphs 4.7 to 4.28 of this Guide. The sustainability reporting framework(s) selected should be appropriate for and suited to its industry and business model. The issuer should state the name of the framework(s), explain its reasons for choosing the framework(s) and provide a general description of the extent of the issuer’s application of the framework(s). Where the issuer is applying a portion of a particular framework, the issuer should provide a general description of the extent of the issuer’s application of the framework.**
- (f) **Board statement. The sustainability report should contain a statement of the Board that it has considered sustainability issues in the issuer’s business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors. In addition, the sustainability report should describe the roles of the Board and the management in the governance of sustainability issues.”**

- (a) pengenalpastian faktor ESG material;
- (b) penzahiran perkara berkaitan iklim selari dengan prinsip TCFD dan ISSB;
- (c) polisi, amalan dan prestasi;
- (d) sasaran dan pelan peralihan;
- (e) pernyataan lembaga mandatori berkaitan penyeliaan kemampuan; dan
- (f) penzahiran yang lebih kompleks, seperti pelepasan Skop 3 dan metriks iklim diperkenalkan secara progresif berdasarkan saiz entiti dan kesediaan.

44. Analisis perbandingan perundangan negara-negara menunjukkan suatu trend ke arah pendekatan utamakan iklim di mana negara-negara tersebut mengutamakan penzahiran iklim terutamanya pelepasan GHG Skop 1 dan 2 sebelum meluaskan topik kemampuan dan keperluan penzahiran yang lebih rumit.

45. Oleh yang demikian, pendekatan berfasa berikut dicadangkan di mana penzahiran iklim akan diterima pakai diikuti penzahiran kemampuan ringkas dan penerimgunaan IFRS S2 selepas itu:

Fasa 1: Mandatori (Patuh atau Jelaskan) Penzahiran Iklim	
Skop	: Pelepasan GHG Skop 1 dan 2 sahaja.
Pendekatan	: Pendekatan 'patuh atau jelaskan' mandatori di mana syarikat yang tidak dapat melapor dikehendaki menyediakan penjelasan yang jelas dan munasabah untuk ketidakpatuhan termasuklah menerangkan jurang data, kekangan dan cabaran peralihan.
Objektif	: Untuk mewujudkan garis masa penjelasan iklim dan keupayaan pengukuran pelepasan.
Fasa 2: Mandatori (Patuh atau Jelaskan) Penzahiran Kemampanan Ringkas	
Skop	: Penzahiran kemampanan ringkas termasuk: <ul style="list-style-type: none"> • tadbir urus dan pengawasan terhadap perkara-perkara kemampanan; • pengenalpastian risiko dan peluang kemampanan material; dan • penunjuk alam sekitar, sosial dan tadbir urus yang terpilih (contohnya: pengurusan sisa, amalan buruh, amalan etika, serta dasar antirasuah dan pencegahan rasuah)
Pendekatan	: Pendekatan mandatori 'patuh atau jelaskan' untuk membolehkan keanjalan semasa penerimgunaan awal.
Objektif	: Untuk membangunkan keupayaan dalaman untuk pelaporan kemampanan yang lebih menyeluruh.
Fasa 3: Penerimgunaan IFRS S2 (dengan Sokongan Peralihan)	
Skop	: Penzahiran kewangan berkaitan iklim yang selari dengan IFRS S2 termasuk: <ul style="list-style-type: none"> • tadbir urus, strategi dan pengurusan risiko; • metriks dan sasaran; dan • maklumat iklim
Pendekatan	: Penerimgunaan mandatori dengan sokongan peralihan, terutamanya untuk penzahiran jangka masa depan, bersifat anggaran atau kompleks.
Objektif	: Untuk diselaraskan dengan piawaian pelaporan iklim antarabangsa setelah tahap kematangan pelaporan dicapai.

Jadual 2

Soalan Konsultasi

Soalan 2

Adakah anda bersetuju dengan kandungan dalam **Jadual 2**? Adakah terdapat topik kemampuan lain yang perlu dipertimbangkan? Sila berikan penjelasan.

Soalan 3

Adakah anda bersetuju agar IFRS S2 diterima pakai? Jika ya, apakah sokongan peralihan yang diperlukan? Sila berikan penjelasan.

Bahagian II - Ambang dan garis masa bagi syarikat yang dikehendaki menzahirkan maklumat kemampuan

46. Di UK, tanggungjawab pelaporan kemampuan dan berkaitan iklim adalah berdasarkan ambang kelayakan yang ditetapkan di bawah seksyen 414CA CA 2006. Keperluan untuk menyediakan penyata maklumat bukan kewangan dan kemampuan hanya terpakai kepada kategori syarikat⁴¹ yang ditentukan, iaitu:

- (a) *traded companies*;
- (b) syarikat perbankan;
- (c) syarikat insurans;
- (d) syarikat berdaftar di UK yang dimasukkan di *Alternative Investment Market (AIM)* untuk didagangkan; dan
- (e) syarikat atau kumpulan dengan hasil tahunan kumpulan melebihi GBP 500 juta dan mempunyai lebih daripada 500 pekerja.

⁴¹ Syarikat yang layak sebagai kecil atau sederhana di bawah ujian saiz statutori, atau yang mempunyai 500 orang pekerja atau kurang, dikecualikan daripada skop pelaporan kemampuan mandatori. Ambang-ambang ini ditetapkan dalam perundangan dan hanya boleh dipinda melalui perubahan perundangan.

47. Pendekatan ini menggambarkan suatu keputusan dasar di UK untuk mengehendkan pelaporan kemampunan mandatori kepada syarikat yang mempunyai kepentingan ekonomi atau awam yang signifikan dan juga mengecualikan syarikat yang lebih kecil daripada beban pematuhan. Rejim UK turut bergantung kepada prinsip materialiti yang diperuntukkan secara statutori serta peruntukan penjelasan yang munasabah bagi mengurangkan kewajipan pelaporan yang tidak seimbang.

48. Australia mengguna pakai rangka kerja berasaskan ambang melalui seksyen 292A CA 2001. Sesebuah entiti dikehendaki untuk menyediakan laporan kemampunan sekiranya:

- (a) diwajibkan untuk menyediakan laporan kewangan di bawah *Chapter 2M*; dan
- (b) memenuhi satu atau lebih ambang pelaporan kemampunan berikut yang ditetapkan menurut seksyen 292A⁴²:
 - (i) hasil disatukan berjumlah AUD 50 juta atau lebih (tertakluk kepada pelarasan melalui peraturan);

⁴² Seperti Seksyen 292A CA 2001 –

Thresholds for sustainability reports

- (3) *This subsection applies to an entity for a financial year if it satisfies at least 2 of the following paragraphs:*
 - (a) *the consolidated revenue for the financial year of the entity and the entities it controls (if any) is the following amount or more:*
 - i. *the amount prescribed by regulations made for the purposes of paragraph 45A(2)(a);*
 - ii. *if no amount is prescribed—\$50 million;*
 - (b) *the value of the consolidated gross assets at the end of the financial year of the entity and the entities it controls (if any) is the following amount or more:*
 - i. *the amount prescribed by regulations made for the purposes of paragraph 45A(2)(b);*
 - ii. *if no amount is prescribed—\$25 million;*
 - (c) *the entity and the entities it controls (if any) have the following number of employees or more at the end of the financial year:*
 - i. *the number prescribed by regulations made for the purposes of paragraph 45A(2)(c);*
 - ii. *if no number is prescribed—100.*
- (4) *In counting employees for the purposes of subsection (3), take part-time employees into account as an appropriate fraction of a full-time equivalent.*
- (5) *This subsection applies to an entity for a financial year if it is:*
 - (a) *a registered corporation under the National Greenhouse and Energy Reporting Act 2007 at the end of the financial year; or*
 - (b) *required to make an application to be registered under subsection 12(1) of that Act in relation to the financial year.*
- (6) *This subsection applies to an entity for a financial year if:*
 - (a) *the entity is a registered scheme, registrable superannuation entity or retail CCIV; and*
 - (b) *the value of assets at the end of the financial year of the entity and the entities it controls (if any) is the following amount or more:*
 - (c) *the consolidated revenue for the financial year of the entity and the entities it controls (if any) is the following amount or more:*
 - i. *the amount prescribed by regulations made for the purposes of this subparagraph;*
 - ii. *if no amount is prescribed—\$5 billion.*

- (ii) aset kasar disatukan berjumlah AUD 25 juta atau lebih (tertakluk kepada pelarasan mengikut peraturan);
- (iii) mempunyai 100 orang pekerja atau lebih; atau
- (iv) jika entiti tersebut tertakluk kepada pelaporan pelepasan di bawah *National Greenhouse and Energy Reporting Act* 2007⁴³, atau memenuhi ambang kelayakan pemilik aset yang ditetapkan.

49. Singapura mengguna pakai ambang kelayakan berperingkat di mana pelaporan kemampunan mandatori terpakai kepada:

- (a) semua penerbit tersenarai di SGX tanpa mengira saiz; dan
- (b) syarikat besar yang tidak tersenarai⁴⁴.

50. Rangka kerja Singapura membezakan keperluan pelaporan berdasarkan peringkat permodalan pasaran bagi syarikat tersenarai, dengan penerbit yang lebih besar tertakluk kepada kewajipan pelaporan berkaitan iklim yang lebih awal dan komprehensif. Syarikat yang lebih kecil di bawah ambang yang ditetapkan pada ketika ini dikecualikan daripada pelaporan mandatori walaupun penerimgunaan secara sukarela digalakkan dan tertakluk kepada semakan pada masa hadapan.

51. Analisis perbandingan merentas UK, Australia dan Singapura menunjukkan bahawa rangka kerja pelaporan kemampunan adalah berkesan apabila ambang dan garis masa pelaksanaan berfasa digunakan sebagai alat untuk mengimbangi peningkatan ketelusan dengan keupayaan pematuhan dan tahap kematangan pelaporan syarikat. Dapatan tersebut menunjukkan bahawa negara-negara lain:

- (a) menyasarkan pelaporan mandatori kepada syarikat yang mempunyai kepentingan ekonomi atau awam;

⁴³ <https://www.legislation.gov.au/C2007A00175/2021-09-01/text>

⁴⁴ Hasil tahunan sekurang-kurangnya SGD 1 bilion, dan jumlah aset sekurang-kurangnya SGD 500 juta

- (b) mengecualikan atau menangguhkan syarikat yang lebih kecil daripada kewajipan serta-merta; dan
- (c) memperkenalkan keperluan pelaporan secara progresif bermula dengan penzahiran berkaitan iklim sebelum skopnya diperluaskan.

52. Lanskap korporat Malaysia terdiri daripada sejumlah besar NLCos yang berbeza dari segi skala, sumber dan keupayaan pelaporan. Oleh itu, SSM mencadangkan suatu rangka kerja berfasa dengan ambang berasaskan hasil⁴⁵ dan bilangan pekerja yang:

- (a) mengutamakan penerimgunaan awal oleh syarikat dengan hasil tahunan di antara RM1 bilion hingga RM2 bilion atau 500 orang pekerja atau lebih;
- (b) membenarkan tambahan tempoh peralihan kepada syarikat dengan hasil tahunan di antara RM100 juta hingga RM1 bilion atau 250 orang pekerja atau lebih;
- (c) menangguhkan penerimgunaan bagi syarikat dengan hasil tahunan di antara RM15 juta hingga RM100 juta atau 100 orang pekerja atau lebih; dan
- (d) syarikat dengan hasil kurang daripada RM15 juta atau 100 pekerja boleh membuat pilihan untuk penyertaan sukarela, dikehendaki mematuhi keseluruhan keperluan pelaporan kemampuan.

⁴⁵ Definisi 'hasil' berdasarkan [IFRS 15 Revenue from Contracts with Customers](#) ialah pendapatan yang timbul daripada aktiviti biasa sesuatu entiti.

53. SSM mencadangkan ambang kelayakan hasil dan garis masa pelaksanaan berikut bagi pelaporan kemampuan:

Ambang Kelayakan⁴⁶	Fasa 1	Fasa2	Fasa 3
RM1 bilion – RM2 bilion; atau ≥ 500 pekerja	2028	2029	2032
RM100 juta – RM1 billion; atau 250 - 499 pekerja	2030	2031	-
RM15 juta – RM100 juta; atau 100 - 249 pekerja	2032	2033	-
Bawah RM15 juta dan 100 pekerja	Tidak tertakluk kepada keperluan pelaporan kemampuan tetapi boleh membuat pilihan untuk penyertaan secara sukarela ⁴⁷ .		

Jadual 3

Soalan Konsultasi

Soalan 4

Adakah anda bersetuju dengan ambang kelayakan yang dicadangkan dalam **Jadual 3**? Sila berikan penjelasan.

Soalan 5

Adakah anda bersetuju dengan cadangan pelaksanaan garis masa pelaporan kemampuan untuk Fasa 1, 2, dan 3? Sila berikan penjelasan.

⁴⁶Ambang bilangan pekerja ditetapkan sebagai metrik pelengkap kepada hasil tahunan bagi memastikan bahawa keperluan pelaporan kemampuan meliputi syarikat yang berintensifkan buruh dan mempunyai skala organisasi yang signifikan. Bidang kuasa perbandingan antarabangsa, termasuk United Kingdom (500 orang pekerja) dan Australia (100 orang pekerja), turut menggunakan bilangan pekerja sebagai ukuran. Dalam konteks Malaysia, ambang 500, 250 dan 100 orang pekerja ditetapkan bagi mengimbangi prinsip perkadaran dengan tahap kesediaan pelaporan, di samping meminimumkan beban pematuhan yang tidak wajar ke atas perusahaan mikro dan kecil seperti yang ditakrifkan di bawah definisi PKS [SME Corp.](#)

⁴⁷ Syarikat boleh memilih untuk menyertai secara sukarela dan, setelah berbuat demikian, dikehendaki untuk mematuhi keperluan pelaporan kemampuan.

Bahagian III – Rangka kerja jaminan

54. Di bawah AS 2016, maklumat berkaitan kemampuan atau maklumat bukan kewangan tidak tertakluk kepada jaminan. Justeru itu, rangka kerja jaminan dicadangkan untuk memastikan kebolehpercayaan dan kualiti pelaporan kemampuan.

55. UK telah mengambil pendekatan jaminan tertanggung dan bukan mandatori dimana jaminan dibenarkan secara sukarela. Menerusi perkembangan UK SRS ke arah jaminan mandatori, jaminan dijangka untuk menjadi lebih penting dalam rangka kerja UK. Namun, perkara ini dijangka berlaku secara progresif membolehkan syarikat mengukuhkan sistem dan tadbir urus sebelum tertakluk kepada kewajipan jaminan mandatori.

56. Australia telah mengguna pakai pendekatan berstruktur berhubung jaminan bagi pelaporan kemampuan. Di bawah CA 2001, pelaporan kemampuan disokong bukan sahaja melalui kewajipan pelaporan statutori di bawah seksyen 292A dan 296A tetapi juga melalui satu rangka kerja jaminan berfasa yang ditetapkan oleh *Australia Auditing and Assurance Standards Board Standard ASSA 5010*⁴⁸ yang menetapkan:

⁴⁸ Perenggan 10 *Australian Auditing and Assurance Standards Board Standard ASSA 5010* menyatakan:

"10. Subject to paragraph 11, information in the sustainability report shall be subject to audit and or review as follows:

- (a) For the First Year of Reporting the auditor shall conduct a review over the disclosures (including related general disclosures in Appendix D to AASB S2) relating to:
 - (i) Governance in accordance with paragraph 6 of AASB S2;
 - (ii) Strategy (risks and opportunities) in accordance with subparagraphs 9(a), 10(a) and 10(b) of AASB S2;
 - (iii) Scope 1 and Scope 2 greenhouse gas emissions in accordance with subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v) of AASB S2; and
 - (iv) Any statement that there are no material risks or opportunities relating to climate and how that applies to the entity under s296B(1)(c) and (d) of the Act or any similar statement otherwise made in the sustainability report.
- (b) For the Second and Third Years of Reporting, the auditor shall conduct a review of all disclosures in the sustainability report (including related general disclosures in Appendix D to AASB S2).
- (c) From the Fourth Year of Reporting onwards the auditor shall conduct an audit over all disclosures in the sustainability report.
- (d) The auditor is not prevented by (a) and (b) from:
 - (i) conducting an audit of any information in the sustainability report for a financial year in which a review of that information is otherwise required; and/or

- (a) tahun pertama pelaporan tertakluk kepada jaminan terhadap berkenaan penzahiran berkaitan iklim (termasuk pelepasan GHG Skop 1 dan 2); dan
- (b) jaminan munasabah akan dilaksanakan apabila sistem pelaporan, metodologi dan kualiti data mencapai kematangan.

57. Australia telah mengatur tanggungjawab jaminan secara berperingkat bermula dari tahun 2025 agar selaras dengan tahap kematangan. Ini disokong oleh rejim liabiliti yang dimodifikasi pada fasa awal penerimgunaan yang mengiktiraf bahawa data pelepasan dan maklumat iklim berpandangan masa depan adalah berasaskan anggaran dan tertakluk kepada metodologi yang sentiasa berkembang.

58. Melalui *SGX Listing Rules* dan *ACRA Climate Reporting Roadmap*, Singapura melaksanakan pendekatan jaminan berfasa berikut:

- (a) syarikat tersenarai dikehendaki untuk melaksanakan jaminan luaran terhad mulai TK2029; dan
- (b) NLCos berskala besar dikehendaki untuk melaksanakan jaminan luaran terhad mulai TK2032.

59. Rangka kerja jaminan negara lain lazimnya dilaksanakan secara berperingkat dengan jaminan terhad diperkenalkan terlebih dahulu sebelum jaminan munasabah. Oleh itu, SSM mencadangkan garis masa jaminan berfasa berikut bertujuan untuk memastikan piawaian yang bersesuaian serta tahap kesediaan penyedia jaminan bagi menyokong pelaksanaan tersebut:

(ii) *conducting an audit or review of any information in the sustainability report for a financial year in which an audit or review of that information is not required.*"

Ambang Kelayakan	Jaminan Dalaman	Jaminan Terhad	Jaminan Munasabah⁴⁹
RM1 bilion – RM2 bilion; atau ≥ 500 pekerja	2028 - 2030	2028 - 2030	-
RM100 juta – RM1 bilion; atau 250 – 499 pekerja	2030 - 2032	2030 - 2032	-
RM15 juta – RM100 juta; atau 100 – 249 pekerja	2032 - 2034	2032 - 2034	-
Bawah RM15 juta and 100 pekerja	Tidak tertakluk kepada keperluan pelaporan kemampuan tetapi boleh membuat pilihan untuk penyertaan secara sukarela.		

Jadual 4

Soalan Konsultasi

Soalan 6

Adakah anda bersetuju dengan garis masa jaminan dalam **Jadual 4**? Jika tidak, sila cadangkan garis masa jaminan yang sesuai.

Soalan 7

Apakah topik penzahiran yang sepatutnya dijamin? Sila berikan penjelasan bagi topik yang dicadangkan.

Soalan 8

Adakah anda bersetuju bahawa jaminan munasabah dikecualikan pada peringkat ini? Sila berikan justifikasi.

⁴⁹ Reasonable assurance is deferred at this stage to allow time for companies and assurance providers to build capability, given the estimation-based and evolving nature of sustainability and climate-related information. Furthermore, the Advisory Committee on Sustainability Reporting is currently assessing the feasibility of adopting the [International Standard on Sustainability Assurance 5000](#) (ISSA 5000) in Malaysia, and any proposal to introduce reasonable assurance will be guided by future developments in its adoption and overall market readiness.

Cadangan Kenyataan Dasar 3: Memperkukuh akauntabiliti pengarah terhadap penzahiran maklumat kemampunan dan maklumat bukan kewangan.

60. Seksyen 252 AS 2016 menghendaki pengarah menyediakan dan meluluskan laporan pengarah bagi setiap tahun kewangan. Laporan tersebut hendaklah dilampirkan kepada penyata kewangan dan dibentangkan di hadapan syarikat dalam mesyuarat agung tahunan. Penzahiran maklumat berkaitan kemampunan di dalam laporan pengarah tidak diwajibkan seperti yang dinyatakan dalam subsekyen 253(3). Oleh itu, perkara yang diperuntukkan di bawah subsekyen 253(3) yang tidak dimasukkan tidak akan menyebabkan ketidakpatuhan kepada seksyen 252 dan penalti berkaitan dalam subsekyen 252(5).

61. Di UK, akauntabiliti pengarah terhadap penzahiran kemampunan dan berkaitan iklim diperuntukkan secara jelas dalam perundangan utama. Di bawah seksyen 414A⁵⁰ CA 2006, pengarah dikehendaki menyediakan laporan strategik yang memberikan gambaran ulasan yang jelas mengenai perniagaan syarikat dan penerangan mengenai risiko dan ketidakpastian prinsipal. Bagi syarikat yang termasuk dalam skop seksyen 414CA,

⁵⁰ **414A Duty to prepare strategic report**

- (1) The directors of a company must prepare a strategic report for each financial year of the company.
- (2) Subsection (1) does not apply if the company is entitled to the small companies exemption.
- (3) For a financial year in which—
 - (a) the company is a parent company, and
 - (b) the directors of the company prepare group accounts,the strategic report must be a consolidated report (a "group strategic report") relating to the undertakings included in the consolidation.
- (4) A group strategic report may, where appropriate, give greater emphasis to the matters that are significant to the undertakings included in the consolidation, taken as a whole.
- (5) In the case of failure to comply with the requirement to prepare a strategic report, an offence is committed by every person who—
 - (a) was a director of the company immediately before the end of the period for filing accounts and reports for the financial year in question, and
 - (b) failed to take all reasonable steps for securing compliance with that requirement.
- (6) **A person guilty of an offence under this section is liable—**
 - (a) **on conviction on indictment, to a fine;**
 - (b) **on summary conviction, to a fine not exceeding the statutory maximum.**

kandungan laporan strategik ditetapkan di bawah seksyen 414CB dan perlu mengandungi penyata bukan kewangan dan kemampanan.

62. Di Australia, akauntabiliti pengarah diperuntukkan di bawah subseksyen 296A(6)⁵¹ CA 2001. Laporan kemampanan hendaklah merangkumi suatu pengisytiharan oleh pengarah yang menyatakan pematuhan kepada piawaian kemampanan dan penzahiran penyata iklim. Keperluan ini memberi tanggungjawab yang jelas kepada pengarah terhadap integriti penzahiran berkaitan kemampanan.

63. SGX Listing Rule 711A⁵² menghendaki penerbit untuk memasukkan suatu pernyataan lembaga pengarah dalam laporan kemampanan untuk mengesahkan bahawa lembaga pengarah mempunyai tugas memantau isu-isu kemampanan dan memastikan pertimbangan kemampanan telah diintegrasikan ke dalam strategi korporat, pengurusan risiko dan tadbir urus.

64. Pindaan yang dicadangkan kepada AS 2016 bertujuan untuk memperkukuh akauntabiliti pengarah terhadap penzahiran maklumat kemampanan dan bukan kewangan dengan menambah baik rangka kerja laporan pengarah sedia ada di bawah seksyen 252 dan 253. Oleh itu, SSM mencadangkan supaya penzahiran maklumat kemampanan dan bukan kewangan menjadi sebahagian daripada tanggungjawab statutori pelaporan pengarah. Ketidakpatuhan terhadap cadangan peruntukan akan dikenakan penalti setara dengan subseksyen 252(5).

⁵¹ Seksyen 296A(6) CA 2001 menyatakan:

"6. *The directors' declaration is a declaration by the directors as to whether, in the directors' opinion, the substantive provisions of the sustainability report are in accordance with this Act, including:*
(a) *section 296C (compliance with sustainability standards etc.); and*
(b) *section 296D (climate statement disclosures)."*

⁵² SGX Listing Rule 711A menyatakan:

"1. Introduction

1.1. *Listing Rule 711A requires every issuer to prepare an annual sustainability report, which must describe the issuer's sustainability practices with reference to the primary components set out in Listing Rule 711B. This Practice Note contains the Sustainability Reporting Guide (the "Guide"), which provides guidance on the expected structure and contents and the preparation of the sustainability report."*

Soalan Konsultasi

Soalan 9

Adakah anda bersetuju bahawa ketidakpatuhan terhadap peruntukan penzahiran maklumat kemampanan dan bukan kewangan tertakluk kepada penalti setara dengan subseksyen 252(5) AS 2016? Sila nyatakan sebab.

Cadangan Kenyataan Dasar 4: Menambahbaik peruntukan dalam AS 2016 bagi memasukkan rangka kerja Penyedia Jaminan Kemampanan.

65. Pengenalan jaminan bagi maklumat kemampanan dan maklumat bukan kewangan memerlukan satu rangka kerja perundangan jelas yang mengawal selia orang yang dibenarkan untuk menyediakan jaminan tersebut. Di bawah AS 2016, keperluan jaminan pada masa ini hanya diperuntukkan berkaitan penyata kewangan dan bukan pelaporan kemampanan.

66. Seksyen 248 secara khususnya memperuntukkan bahawa penyata kewangan hendaklah diaudit manakala seksyen 263 hingga 294 di bawah Subpenggal 2 dalam Penggal 3 di bawah Bahagian III AS 2016 termasuklah peruntukan berkaitan pelantikan, tugas, kuasa, kebebasan, pemecatan dan peletakan jawatan juruaudit.

67. Sehubungan itu, SSM mencadangkan supaya suatu rangka kerja bagi Penyedia Jaminan Kemampanan (SAPs) diperkenalkan di bawah AS 2016 dengan memperluas takrifan "juruaudit" merangkumi SAPs bagi tujuan

jaminan kemampuan. Pendekatan ini membolehkan pemakaian berterusan peruntukan statutori sedia ada berkaitan dengan juruaudit tanpa perlu mewujudkan suatu rejim kawal selia yang berasingan.

68. Oleh itu, SSM juga mencadangkan untuk menentukan kelayakan dan kompetensi SAPs. Cadangan kelayakan minimum SAPs adalah:

- (a) ijazah atau diploma daripada institusi pengajian yang diiktiraf oleh Agensi Kelayakan Malaysia atau kelayakan profesional lain yang relevan;
- (b) sekurang-kurangnya lima tahun pengalaman melibatkan audit atau jaminan; dan
- (c) diluluskan sebagai penyedia jaminan kemampuan oleh Menteri.

Consultation Questions

Question 10

Adakah anda bersetuju dengan cadangan kelayakan minimum untuk SAPs? Pada pandangan anda, apakah kelayakan yang sepatutnya dipertimbangkan dalam rangka kerja?

SEKSYEN F: RANG UNDANG-UNDANG AKTA SYARIKAT (PINDAAN)

RANG UNDANG UNDANG

bernama

Suatu Akta untuk meminda Akta Syarikat 2016.

[]

DIPERBUAT oleh Parlimen Malaysia seperti yang berikut:

Tajuk ringkas dan permulaan kuat kuasa

- (1) Akta ini bolehlah dinamakan Akta Syarikat (Pindaan) 202X {Akta XX}.
- (2) Akta ini mula berkuat kuasa pada suatu tarikh yang akan ditetapkan oleh Menteri melalui pemberitahuan dalam Warta.

Pindaan seksyen 243

2. Akta Syarikat 2016 [Akta 777], yang dirujuk sebagai “Akta ibu” dalam Akta ini, dipinda dalam seksyen 243 dengan memasukkan selepas takrif “subsidiari” takrif yang berikut:

“maklumat berkaitan iklim” ertinya —
maklumat berkaitan pelepasan gas rumah hijau, risiko dan peluang berkaitan iklim, dan apa-apa perkara lain sebagaimana yang boleh ditetapkan;

“penyedia jaminan kemampanan” mempunyai erti yang sama yang dinyatakan dalam peruntukan relevan berkaitan dengan juruaudit di bawah Subpenggal 1 dan 2 dalam Penggal 3 Bahagian III Akta ini yang terpakai bagi maksud memberikan jaminan berhubung maklumat kemampanan atau maklumat bukan kewangan;

“ maklumat kemampanan” ertinya — maklumat berkaitan alam sekitar, sosial dan tadbir urus, termasuk maklumat berkaitan iklim, sebagaimana yang boleh ditetapkan oleh Pendaftar;

“laporan kemampanan” ertinya — suatu laporan yang mengandungi maklumat kemampanan atau maklumat berkaitan iklim yang disediakan selaras dengan Akta ini dan apa-apa keperluan yang ditetapkan oleh Pendaftar.”.

Pindaan seksyen 253

3. Akta ibu dipinda dengan memasukkan selepas subseksyen 253(3) subseksyen berikut:

“(4) Laporan pengarah ini boleh juga merangkumi suatu laporan kemampanan dalam ulasan perniagaan sebagaimana sebagaimana yang ditetapkan oleh Pendaftar.

(5) Jika maklumat kemampanan atau maklumat berkaitan iklim dikehendaki untuk dimasukkan di bawah subseksyen (4) —

- (a) maklumat tersebut hendaklah dimasukkan sebagai sebahagian daripada ulasan perniagaan selaras dengan Bahagian II Jadual Kelima;
- (b) maklumat kemampanan atau maklumat berkaitan iklim tersebut hendaklah diluluskan oleh lembaga pengarah dan hendaklah membentuk sebahagian daripada laporan pengarah; dan
- (c) pengarah hendaklah menyatakan, melalui suatu pengisytiharan, sama ada pada pendapat mereka maklumat kemampanan atau maklumat berkaitan iklim tersebut mematuhi Akta ini dan apa-apa keperluan yang ditetapkan oleh Pendaftar.

(6) Tanpa menjejaskan perenggan 2, jika sesuatu syarikat termasuk dalam suatu kelas yang ditetapkan oleh Pendaftar, ulasan perniagaan hendaklah merangkumi maklumat kemampanan dan maklumat berkaitan iklim selaras dengan Bahagian ini.

(7) Bagi maksud perenggan 2A, Pendaftar boleh menetapkan —

- (a) kelas-kelas syarikat yang dikehendaki untuk memasukkan pendedahan kemampanan atau maklumat berkaitan iklim dalam ulasan perniagaan;
- (b) hasil, aset, pekerja atau ambang lain bagi keterpakaiannya; dan
- (c) keperluan yang berbeza bagi kelas syarikat berbeza.

(8) Mana-mana pengarah yang melanggar subseksyen (5) melakukan suatu kesalahan dan boleh, apabila disabitkan, didenda tidak melebihi dua puluh ribu ringgit.

Pindaan Bahagian II Jadual Kelima

4. Akta ibu dipinda dengan memasukkan selepas perenggan 2 Bahagian II Jadual Kelima perenggan-perenggan berikut:

“Kandungan pendedahan kemampanan dan berkaitan iklim

2A. Selain itu, maklumat kemampanan dan maklumat berkaitan iklim yang hendak dimasukkan dalam ulasan perniagaan boleh merangkumi —

- (a) maklumat berkaitan iklim, termasuk pelepasan gas rumah hijau Skop 1 dan Skop 2;
- (b) tadbir urus, strategi dan proses pengurusan risiko syarikat berhubung dengan perkara-perkara kemampanan; dan
- (c) apa-apa maklumat kemampanan atau maklumat bukan kewangan lain sebagaimana yang boleh ditetapkan oleh Pendaftar.

2B. Pendaftar boleh menetapkan —

- (a) sifat, skop dan tahap perincian pendedahan kemampanan atau maklumat berkaitan iklim;
- (b) piawaian, rangka kerja atau garis panduan yang hendak diguna pakai, sama ada selaras sepenuhnya atau

sebahagiannya dengan piawaian pelaporan kemampuan antarabangsa atau nasional; dan

- (c) garis masa pelaksanaan berperingkat, termasuk tarikh mula kuat kuasa yang berbeza bagi kelas syarikat yang berbeza.

Pematuhan dengan piawai kemampuan

2C. Jika ditetapkan oleh Pendaftar, pendedahan kemampuan dan maklumat berkaitan iklim yang dimasukkan dalam ulasan perniagaan hendaklah disediakan selaras dengan —

- (a) piawaian pelaporan kemampuan yang ditetapkan oleh Pendaftar; atau
- (b) apa-apa piawaian pelaporan kemampuan antarabangsa sebagaimana yang boleh ditentukan.

2D. Pendaftar boleh menentukan bahawa pematuhan dengan mana-mana keperluan pelaporan kemampuan di bawah Bahagian ini hendaklah dilaksanakan berdasarkan pendekatan patuh atau jelaskan.

Jaminan laporan kemampuan

2E. Pendaftar boleh menetapkan keperluan berhubung dengan —

- (a) semakan dalaman atau jaminan luaran bagi maklumat kemampuan atau maklumat berkaitan iklim; dan
- (b) bantuan peralihan atau pengubahsuaian berhubung dengan pendedahan yang berpandangan ke hadapan, berasaskan anggaran atau bersifat kompleks.”.

5. Akta ibu dipinda dalam perenggan 3 Bahagian II kepada Jadual Kelima dengan memasukkan selepas perkataan “yang disebut dalam perenggan 2(a), (b), (c), (d)” perkataan “dan Perenggan-perenggan 2A, 2B, 2C, 2D dan 2E.”.

DRAFT



KEMENTERIAN PERDAGANGAN DALAM NEGERI
DAN KOS SARA HIDUP



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA

CONSULTATIVE DOCUMENT ON THE PROPOSED AMENDMENTS TO THE COMPANIES ACT 2016 [ACT 777] ON SUSTAINABILITY REPORTING

DATED: 30 APRIL 2026

COMPANIES COMMISSION OF MALAYSIA (SSM)



**CONSULTATIVE DOCUMENT ON THE PROPOSED AMENDMENTS TO
THE COMPANIES ACT 2016 [ACT 777] ON SUSTAINABILITY
REPORTING**

The Companies Commission of Malaysia (SSM) invites comments on the Consultative Document by **2 JUNE 2026**.

Please provide your name and the organisation you represent and to provide reference on the questions you are commenting.

Kindly send your comments via e-mail to: lrpia@ssm.com.my

This Consultative Document is published in Bahasa Malaysia and English. For all intents and purposes, the English version shall prevail if there is any inconsistency or discrepancy between the two documents.

Confidentiality: Any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in your fax cover sheet will be taken to apply only to information in your response for which confidentiality has been requested.

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SECTION A: INTRODUCTION

OBJECTIVE

The Companies Commission of Malaysia (SSM) seeks to obtain feedback and views on the proposed policies and amendments in this Consultative Document. This Consultative Document sets out the proposed Policies and Guiding Principles in relation to the Companies (Amendment) Bill as follows:

- (a) Empowering the Registrar to determine the sustainability reporting requirements based on a 'comply or explain'¹ approach;
- (b) Introducing a sustainability reporting framework which consists of thresholds, reporting contents, implementation timeline and assurance framework;
- (c) Strengthening directors' accountability for sustainability and non-financial information disclosures; and
- (d) Enhancing Companies Act 2016 [Act 777] (CA 2016) to incorporate provisions relating to sustainability assurance provider.

BACKGROUND

2. Global attention on climate change and sustainable development has evolved over several decades due to the industrial revolution which marked a significant acceleration in fossil fuel use, industrial production and greenhouse gas (GHG) emissions. The resulting environmental degradation and rising global temperatures prompted international policy responses, resulting in multilateral climate agreements. These efforts led to the

¹ 'Comply or Explain Model' requires a statement of full compliance or when there is a departure, meaningful explanation to provide the context, background and rationale for departure. Climate reporting on a comply or explain basis was implemented from 1 January 2022 to 31 December 2024.

adoption of the Kyoto Protocol² in 1997, the first legally binding international commitment to reduce GHG emissions.

3. Subsequently, in 2015, the Paris Agreement³ established a global framework to limit temperature rise and strengthen climate resilience. The aforementioned frameworks were further reinforced by the Glasgow Climate Pact adopted at the 26th United Nations Climate Change Conference (COP26) in 2021, which called for accelerated emissions reductions, enhanced transparency and the increased use of climate finance. These initiatives have shaped national policies, corporate governance and regulatory expectations, emphasising that climate and sustainability matters are central to economic and financial decisions.

4. As such, there has been increased recognition that sustainability factors can have material financial implications for businesses and markets. This recognition has driven the development of sustainability reporting frameworks aimed at improving transparency, comparability and accountability.

5. Early sustainability disclosures were largely voluntary based on frameworks such as the Global Reporting Initiative (GRI)⁴, Sustainability Accounting Standards Board⁵ (SASB) and the Task Force on Climate-related Financial Disclosures⁶ (TCFD), which emphasised climate-related financial risks and opportunities.

6. Recently, global sustainability efforts have moved beyond voluntary disclosure toward regulatory mechanisms that directly affect trade and

² The [Kyoto Protocol](#) operationalises the United Nations Framework Convention on Climate Change by committing industrialised countries and economies in transition to limit and reduce greenhouse gases (GHG) emissions in accordance with agreed individual targets. The Convention itself only asks those countries to adopt policies and measures on mitigation and to report periodically.

³ The [Paris Agreement](#) is a legally binding international treaty on climate change with the goal to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

⁴ [GRI](#) is an independent, international non-profit organisation that provides standards for sustainability reporting.

⁵ SASB was founded as a nonprofit organisation in 2011 to help businesses communicate information about the effects of sustainability-related risks and opportunities on their performance.

⁶ TCFD is a framework focused on climate-related financial disclosure recommendations designed to help companies provide better information to support market transparency and more informed capital allocation.

investment, and The European Union's Carbon Border Adjustment Mechanism⁷ (CBAM) is one of the most recent developments in this regard. CBAM addresses carbon emissions by creating a level playing field between European Union (EU) producers subject to and exporters that are not subject to carbon pricing, reinforcing the importance of credible emissions measurement and reporting across global value chains.

7. The International Financial Reporting Standards (IFRS) Foundation⁸ established the International Sustainability Standards Board (ISSB) in 2021. The ISSB is responsible for developing sustainability disclosure standards focused on information that is material to investors and capital markets.

8. In 2023, the ISSB issued the "General Requirements for Disclosure of Sustainability-related Financial Information" (IFRS S1) and the "Climate-related Disclosures" (IFRS S2) which consolidates existing frameworks such as SASB and TCFD. These standards represent a milestone in the evolution of sustainability reporting, providing a globally comparable baseline that any jurisdictions can adopt.

9. Within the local context, the Ministry of Economy introduced the National Environmental, Social and Governance Plan⁹ (NESP) in 2025. The NESP promotes the adoption of Environmental, Social and Governance (ESG) amongst business entities in alignment with national priorities and commitments as outlined under the National Energy Transition Roadmap¹⁰ (NETR) and 13th Malaysia Plan¹¹ (13MP).

⁷ https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en

⁸ The IFRS Foundation is a not-for-profit, public interest organisation established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards.

⁹ The NESP is aimed at guiding Malaysian businesses towards ESG compliance and sustainable practices to assist Malaysian business entities, especially small and medium enterprises (SMEs), in phases towards ESG compliance and reporting.

¹⁰ <https://ekonomi.gov.my/sites/default/files/2023-08/National%20Energy%20Transition%20Roadmap.pdf>

¹¹ <https://rmk13.ekonomi.gov.my/rmk13-buku-utama/>

10. In addition, the Ministry of Natural Resources and Environmental Sustainability has introduced the Climate Change Bill or *Rang Undang-Undang Perubahan Iklim Negara*¹² (RUUPIN) as a legislative framework to address climate change in a comprehensive and coordinated manner on a domestic level. RUUPIN is intended to establish a national legal basis for climate action, including climate mitigation and adaptation, governance arrangements and accountability mechanisms.

11. To help address the increased need of sustainability reporting and disclosures, there are several Malaysian publications on sustainability frameworks, standards and guidelines to assist companies at varying levels of readiness, including:

- (a) Sustainability Reporting Guide 3rd Edition¹³ by Bursa Malaysia;
- (b) i-ESG¹⁴ by MITI;
- (c) Simplified ESG Disclosure Guide by Securities Commission Malaysia¹⁵;
- (d) ESG Quick Guide for MSMEs by SME Corp Malaysia¹⁶; and
- (e) National Sustainability Reporting Framework¹⁷ (NSRF) by Advisory Committee on Sustainability Reporting.

12. The NSRF launched in September 2024 sets mandatory reporting requirements according to IFRS S1 and S2. As a result, there will be consequential amendments to the relevant legislation, rules and guidelines¹⁸.

¹² [https://www.nres.gov.my/ms-my/pustakamedia/Penerbitan/NRES%20Consultation%20Paper%20Rang%20Undang%20Undang%20Perubahan%20Iklim%20\(RUUPIN\).pdf](https://www.nres.gov.my/ms-my/pustakamedia/Penerbitan/NRES%20Consultation%20Paper%20Rang%20Undang%20Undang%20Perubahan%20Iklim%20(RUUPIN).pdf)

¹³ https://www.bursamalaysia.com/sites/5d809dcf39fba22790cad230/assets/6768e301e6414a4c4beb9f49/Sustainability_Reporting_Guide_2022_FINAL_1_.pdf

¹⁴ The i-ESG Framework was published by MITI to guide and support Malaysia's manufacturing sector towards embracing ESG.

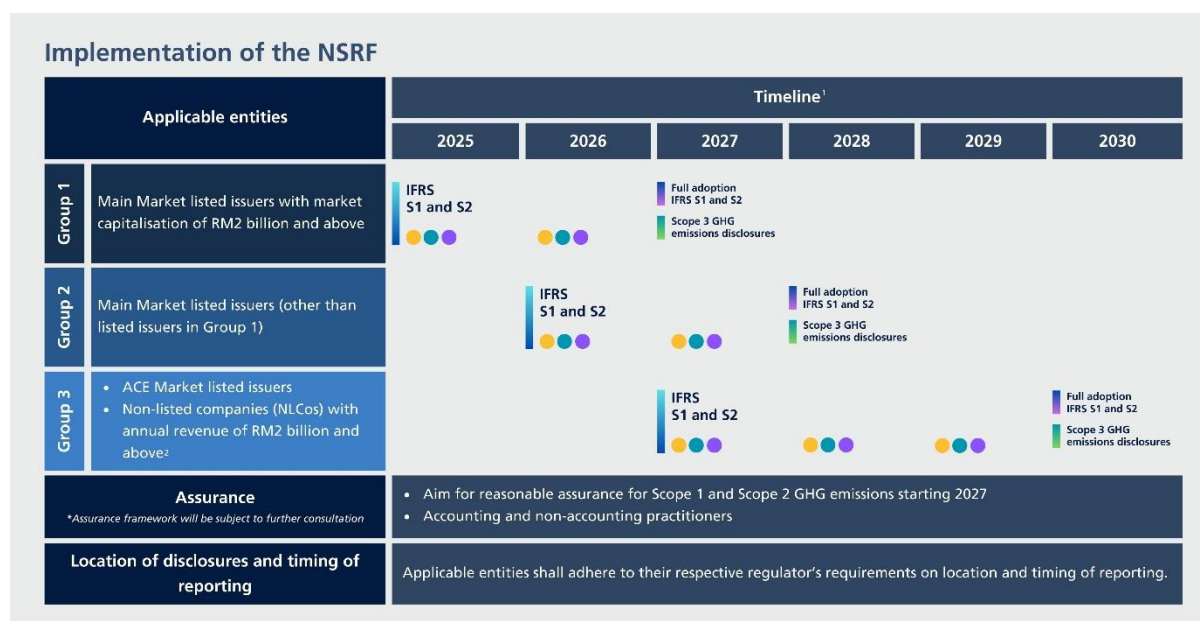
¹⁵ <https://sedg.capitalmarketsmalaysia.com/wp-content/uploads/2025/07/SEDG-v2.pdf>

¹⁶ <https://platformpkslestari.smecorp.gov.my/v>

¹⁷ <https://www.sc.com.my/nsrf>

¹⁸ Includes but not limited to (i) Financial Reporting Act 1997, (ii) Companies Act 2016, (iii) Securities Commission Malaysia Act 1993, (iv) Capital Markets and Services Act 2007, (v) Bursa Malaysia's Main Market and ACE Market Listing Requirements, and (vi) Relevant standards issued by Bank Negara Malaysia.

13. The requirements of NSRF are applied across three groups of entities. Group 1 and 2 are subject to earlier mandatory adoption of IFRS S2, followed by broader sustainability disclosures under IFRS S1. Group 3 would adhere to mandatory IFRS S1 and S2 reporting at later stages as prescribed in the diagram below:



Source: <https://www.sc.com.my/nsrf/implementation>

14. For companies outside the thresholds listed in the diagram above, sustainability and other non-financial information disclosures are currently reported voluntarily through directors' report that may be included in a business review pursuant to subsection 253(3) of CA 2016.

15. The contents of the business review are prescribed in Part II of the Fifth Schedule of CA 2016 include the disclosure of non-financial information such as matters relating to the environment, employees, social and community issues, key performance indicators and principal risks.

16. To facilitate the adoption of business review disclosures, SSM published the "Best Business Practice Circulars" Business Review Report: Disclosure and Reporting Guide in 2017 (BPPC 06/17) as guidance to

companies on the preparation and disclosure of business review information including matters related to the environment and human rights.

17. Prior to the issuance of BBPC 06/17, SSM issued several Best Business Practice Circulars as part of its Corporate Responsibility Agenda. These circulars provide practical guidance on directors' duties and responsibilities, corporate reporting, integrity of disclosures, good governance practices, resource management, responsible procurement practices and human rights considerations, including women's rights and access to childcare. Collectively, the circulars encourage companies to move beyond minimum statutory reporting requirements and to adopt recognised best practices.

18. In line with global and local ambition of achieving Net-Zero emissions¹⁹, sustainability and non-financial information have become increasingly important within corporate regulatory frameworks. Therefore, it is important to devise a clear and proper pathway for sustainability reporting adoption, especially within Non-listed Companies (NLCos). SSM fully supports these initiatives through the proposed amendments to CA 2016. Under this initiative, provisions related to sustainability and non-financial information disclosures will be introduced to align with Malaysia's corporate reporting framework based on international best practices and national sustainability aspirations.

¹⁹ Net-Zero emissions refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere.

SECTION B: CONSULTATION PROCESS

19. The proposed amendments to CA 2016 are based on the initial consultation process and comparative study against other jurisdictions to ensure that the legislative enhancements are practical, proportionate and aligned with domestic needs, international best practices and standards.

Part I - NLCos Sustainability Report Readiness Survey

20. A Sustainability Report Readiness Survey was distributed via SSM's official communication platforms from 19 September to 21 November 2025 that assessed the following matters:

- (a) Current sustainability and climate reporting practices;
- (b) Readiness to track Scope 1 and Scope 2 GHG emissions;
- (c) Adoption of sustainability standards (for example: GRI, TCFD, local simplified guides);
- (d) Anticipated timelines for reporting and assurance;
- (e) Limitation such as cost, capacity and lack of expertise; and
- (f) Support needs, including training, financial incentives, and illustrative guidance.

21. The following are findings of the survey:

- (a) Larger NLCos (annual revenue of RM100 million to RM2 billion) displayed earlier readiness (FY2026–FY2028) for GHG emissions tracking and disclosure;
- (b) Smaller entities (annual revenue below RM15 million) faced significant capability constraints. More than half of the respondents indicate no immediate plans to adopt sustainability reporting practices; and
- (c) High demand for capacity building, financial incentives and sector-specific guidance.

Part II - Stakeholder Engagement Session

22. A stakeholder engagement session was held 30 October 2025 involving participants from both NLCos and listed companies. Participants were categorised according to following revenue thresholds to assess the different capabilities and readiness in adopting sustainability reporting:

Groups	Revenue Thresholds
Group 1	RM1 billion to RM2 billion
Group 2	RM200 million to RM1 billion
Group 3 (A)	RM100 million to RM200 million
Group 3 (B)	RM15 million to RM100 million
Group 4	RM15 million to RM50 million
Group 5	RM300 thousand to RM15 million
Group 6	Listed companies

Table 1

23. The outcome of the session is as follows:

- (a) **Adoption timelines and approach** – the preferred approach was the mandatory comply or explain approach to Scope 1 and 2 GHG emissions and voluntary simplified ESG disclosures with adoption timelines between FY2026 to FY2032 depending on company size. Larger entities opted for early adoption.
- (b) **Assurance timelines** – internal assurance should begin in the same year of mandatory GHG disclosures²⁰ followed by external limited assurance at least two years after conducting internal assurance. Varying timelines were preferred for external reasonable assurance.
- (c) **Support mechanisms** – the most important support mechanisms are capacity building followed by financial incentives, illustrative guides and knowledge repository.

²⁰ Assurance begins within two years after the group is required to adopt mandatory Scope 1 and 2 disclosures.

SECTION C: COMPARATIVE STUDY WITH OTHER JURISDICTIONS

24. A key component of the initial consultation process was a comparative study with other jurisdictions including Australia, the United Kingdom (UK) and Singapore. These jurisdictions were selected because of differing regulatory approaches to sustainability and climate-related reporting.

25. The objective of the study was to assess how peer regulators and other jurisdictions have developed sustainability reporting frameworks that balance transparency, investor needs and corporate capacity, particularly for companies outside NSRF's scope. The study focused on the following aspects:

- (a) Legislative mandates relating to sustainability and climate-related reporting, including whether requirements are embedded in primary legislation, subsidiary legislation, listing rules or regulatory guidance and how directors' responsibilities are framed;
- (b) Adoption approaches for IFRS S1 and IFRS S2 or equivalent standards, the extent to which jurisdictions have adopted these standards as mandatory baselines into local frameworks and how it is applied to selected categories of entities;
- (c) Mandatory disclosure requirements for Scope 1 and 2 GHG emissions, including the phased implementation of emissions disclosures and whether Scope 3 emissions would be considered later;
- (d) Assurance framework adopted globally, including the use of internal assurance, limited external assurance or reasonable assurance, and the timelines that determine when assurance becomes mandatory; and

- (e) Transition reliefs, proportionality measures and financial or non-financial incentives, implemented by peer regulators to support companies during the early stages of adoption.

26. The findings indicate consistencies amongst several common regulatory frameworks which include:

- (a) Adoption of phased implementation models based on revenue, asset size or economic significance, rather than imposing immediate and uniform reporting obligations across all companies.
- (b) Prioritisation of climate-related disclosures, especially Scope 1 and Scope 2 GHG emissions as the initial focus of sustainability reporting, before expanding into broader ESG disclosures or more complex requirements such as Scope 3 GHG emissions and scenario analysis.

27. The following are the key findings obtained from the study:

- (a) Integration of sustainability and climate-related reporting into the corporate regulatory framework for entities based on economic or public significance;
- (b) Adoption of phased and proportionate approach whereby:
 - (i) mandatory requirements apply primarily to listed entities, financial institutions or high turnover companies; and
 - (ii) companies that meet the definition of 'small companies' are provided with reporting exemptions, simplified reporting requirements and encouraged to adopt reporting on a voluntary basis;
- (c) Inclusion of directors' responsibilities for sustainability reporting into existing directors' reporting or governance obligations, reinforcing accountability at board level;

- (d) Adoption of differing approaches (either mandatory or voluntary) and timelines for assurance;
- (e) Sustainability and climate related disclosures across jurisdictions involve:
 - (i) forward-looking information;
 - (ii) estimations of climate change impact; and
 - (iii) evolving methodologies;
- (f) Introduction of risk mitigation mechanisms such as:
 - (i) explicit statutory 'safe harbour' or modified liability regimes (Australia)²¹;
 - (ii) materiality based and proportional disclosure thresholds (UK)²²; or
 - (iii) phased implementation and regulatory transition reliefs (Singapore).

²¹ As prescribed in the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024, section 1707D Limited immunity for statements in new sustainability reporting:

- (1) No action, suit or proceeding lies against a person in relation to:
 - (a) a protected statement; or
 - (b) a statement that is required to be made under a Commonwealth law and:
 - (i) is the same as a protected statement; or
 - (ii) differs from a protected statement only in so far as it contains updates or corrections to the protected statement.
- (2) Subsection (1) does not apply to an action, suit or proceeding if it is any of the following:
 - (a) criminal in nature;
 - (b) brought by ASIC.
- (3) A statement is a protected statement if it is:
 - (a) made:
 - (i) in a sustainability report, for a financial year commencing during the 3 years starting on the start date, for the purpose of complying with a sustainability standard; or
 - (ii) in an auditor's report of an audit or review of a sustainability report mentioned in subparagraph (i) of this paragraph for the purposes of complying with this Act or the auditing standards; and
 - (b) about any of the following:
 - (i) scope 3 greenhouse gas emissions (including financed emissions);
 - (ii) scenario analysis (within the meaning given by sustainability standards made for the purposes of this subparagraph);
 - (iii) a transition plan (within the meaning given by sustainability standards made for the purposes of this subparagraph).
- (4) A statement is also a protected statement if it:
 - (a) is made:
 - (i) in a sustainability report, for a financial year commencing during the 12 months starting on the start date, for the purpose of complying with a sustainability standard;
 - (ii) or (ii) in an auditor's report of an audit or review of a sustainability report mentioned in subparagraph (i) of this paragraph for the purposes of complying with this Act or the auditing standards; and
 - (b) relates to climate; and
 - (c) at the time it is made, is about the future.

²² Section 414CB(1) of CA 2006 states, "...contain information, to the extent necessary for an understanding of the company's development, performance and position and the impact of its activity".

SECTION D: SUMMARY OF POLICY STATEMENTS

28. The following table is a summary of the proposed policies based on the initial consultation process.

PROPOSED POLICY STATEMENT		CONSULTATION QUESTIONS
Policy Statement 1	Empowering the Registrar to determine the sustainability reporting requirements based on a 'comply or explain' approach.	<p>1. Do you agree that a mandatory 'comply or explain' approach should be adopted for sustainability and non-financial information disclosures under Subdivision 1 Division 3 Part III of CA 2016? Please provide an explanation.</p>
Policy Statement 2	Introducing sustainability reporting framework consisting of thresholds, reporting contents, implementation timeline and assurance framework.	<p>2. Do you agree with the content in Table 2? Are there any other sustainability topics that should be considered? Please provide an explanation.</p> <p>3. Do you agree that IFRS S2 should be adopted? If yes, what transition reliefs would be required? Please provide an explanation.</p> <p>4. Do you agree with the thresholds proposed in Table 3? Please provide an explanation.</p> <p>5. Do you agree with the proposed implementation timelines for Phase 1, 2 and 3 for each</p>

PROPOSED POLICY STATEMENT		CONSULTATION QUESTIONS
		<p>threshold? Please provide an explanation.</p> <p>6. Do you agree with the proposed assurance timelines in Table 4? If no, please suggest a suitable timeline for assurance.</p> <p>7. What are the disclosures topics that should be assured? Please provide an explanation for the topics proposed.</p> <p>8. Do you agree that reasonable assurance should be excluded? Please provide an explanation.</p>
Policy Statement 3	Strengthening directors' accountability for sustainability and non-financial disclosures.	9. Do you agree non-compliance against sustainability and non-financial information disclosures provisions should be subject to penalties similar to subsection 252(5) of CA 2016? Please provide your reason.
Policy Statement 4	Enhancing the provisions in CA 2016 to incorporate Sustainability Assurance Provider.	10. Do you agree with the proposed minimum qualification requirements for SAPs? In your view, what other qualifications should be considered in this framework?

SECTION E: POLICY STATEMENTS AND GUIDING PRINCIPLES

Proposed Policy Statement 1: Empowering the Registrar to determine the sustainability reporting requirements based on 'comply or explain' approach.

Part I – Proposed amendments to CA 2016

29. Currently, there are no specific provisions under Subdivision 1 Division 3 Part III of CA 2016 relating to sustainability and non-financial information reporting. Section 252 requires every company to prepare a directors' report for each financial year and attach the report to the financial statements:

"252. (1) The directors of a company shall prepare for each financial year a report and such report shall be attached to the financial statements prepared under section 248.

(2) A directors' report—

- (a) shall be approved by the Board; and*
- (b) shall be signed on the directors' behalf by at least two directors, or in the case of a single director, that director.*

(3) Every copy of directors' report laid before a company in an annual general meeting under section 340, or sent to a member under section 257 or otherwise circulated, published or issued by the company shall state the name of the person who signed the report on the directors' behalf.

(4) Any director who fails to take all reasonable steps to secure compliance under subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding five hundred thousand ringgit or imprisonment not exceeding one year or to both.

(5) The company and every officer who contravene subsection (2) commit an offence and shall, on conviction, be liable to a fine not exceeding twenty thousand ringgit."

30. Additionally, subsection 253(3) provides that the report as set out in Part II of the Fifth Schedule **may include** a business review:

"253. (1) A directors' report for a financial year in relation to a company shall contain—

- (a) the name of every person who was a director of the company—
 - (i) during the financial year; and*
 - (ii) during the period commencing from the end of the financial year and ending on the date of the report;**
- (b) the principal activities of the company in the course of the financial year including its subsidiaries; and*
- (c) the matters set out in the Fifth Schedule.*

(2) This section shall have effect in relation to a directors' report required to be prepared under section 252 as if a reference to the company in subsection (1) is a reference to—

- (a) the company; and*
- (b) the subsidiary undertakings included in the consolidated financial statements for the financial year.*

*(3) The directors' report prepared under section 252 **may include a business review as set out in Part II of Fifth Schedule** or any other reporting as prescribed"*

31. Paragraph 2(d) Part II of Fifth Schedule covers non-financial information which focuses on environmental matters, employees as well as social and community issues as follows:

"2. The business review may, to the extent necessary for an understanding of the development, performance or position of the company's business, contain—

(a) ...;

(b) ...;

(c) ...;

(d) information about—

(i) environmental matters, including the impact of the company's business on the environment;

(ii) the company's employees; and

(iii) social and community issues,"

32. By comparison, sustainability and non-financial information disclosures are mandatory for companies subject to subsections 414CA(A1)²³ and 414CB(A1)²⁴ of UK's Companies Act 2006 (CA 2006) and forms part of the strategic report prepared by directors. However, subsections 414CB(4A)²⁵ and (4B)²⁶ allow directors to omit certain climate-related disclosures provided that a clear and reasoned explanation is given.

33. In Australia, sustainability disclosures are mandatory and embedded into primary legislation under section 292A²⁷ Part 2M of the Corporations Act 2001 (CA 2001). Although the disclosures are mandatory, section 1707D²⁸ of the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 provides that no action, suit or proceeding will be taken against any person preparing a sustainability report in certain circumstances within three years from the enforcement of CA 2001.

²³ Section 414CA of CA 2006 states, "A strategic report of a company to which this subsection applies **must include a non-financial and sustainability information statement.**"

²⁴ Section 414CB, CA 2006 prescribes, "The non-financial and sustainability information statement **must contain the climate-related financial disclosures of the company.**"

²⁵ Sections 414CB(4A) of CA 2006 states, "Where the directors of a company reasonably believe that, having regard to the nature of the company's business, and the manner in which it is carried on, the whole or a part of a climate-related financial disclosure required by subsection (2A)(e), (f), (g) or (h) is not necessary for an understanding of the company's business, **the directors may omit the whole or (as the case requires) the relevant part of that climate-related financial disclosure.**"

²⁶ Sections 414CB(4B) of CA 2006 states, "Where the directors omit the whole or part of a climate-related financial disclosure in reliance on subsection (4A) the non-financial and sustainability information statement **must provide a clear and reasoned explanation** of the directors' reasonable belief mentioned in that subsection."

²⁷ 292A Who has to prepare annual sustainability reports

(1) Subject to subsection (2), an entity **must prepare a sustainability report** for a financial year if

(a) the entity must prepare a financial report for the financial year under this Chapter; and

(b) subsection (3), (5) or (6) of this section applies to the entity for the financial year.

²⁸ Refer to note 22.

34. In Singapore, sustainability reporting was initially introduced under 'comply or explain' approach and subsequently became mandatory under SGX Listing Rule 711A²⁹ and the ACRA Climate Reporting Roadmap³⁰.

35. Therefore, SSM proposes to introduce mandatory 'comply or explain' approach that will require NLCos within the prescribed threshold to disclose sustainability information. Adoption of mandatory 'comply or explain' approach will establish:

- (a) flexible approach to encourage adoption;
- (b) platform to understand the challenges faced by NLCos towards full compliance of sustainability reporting requirements; and
- (c) capacity building environment to adopt sustainability reporting.

Consultation Question

Question 1

Do you agree that the mandatory 'comply or explain' approach should be adopted for sustainability and non-financial information disclosures under Subdivision 1 Division 3 Part III of CA 2016? Please provide an explanation.

Part II – Registrar's power to determine the scope and application of sustainability reporting requirements

36. The proposed policy to introduce mandatory 'comply or explain' approach for sustainability reporting under subsection 253(3) of CA 2016 will require amendments to CA 2016 encompassing:

²⁹ Under SGX Listing Rule 711A, "An issuer must issue a sustainability report to shareholders and the Exchange for its financial year at the same time as the issuance of its annual report, or where the issuer has conducted external assurance on the sustainability report, no later than 5 months after the end of the financial year."

³⁰ <https://www.acra.gov.sg/regulations/sustainability-reporting/requirements-timeline/>

- (a) definitions of sustainability reporting-related terms to ensure alignment with the proposed amendments to the Financial Reporting Act 1997 [Act 558];
- (b) thresholds for companies to adopt sustainability reporting;
- (c) contents required to be included in sustainability report;
- (d) implementation timeline of phases for sustainability reporting; and
- (e) assurance requirement and implementation timeline.

37. In the UK, the sustainability reporting scope of application is prescribed under section 414CA³¹ of the CA 2006 which lists companies that fall within the scope of sustainability reporting.

³¹ Section 414CA of CA2026 states:

"(1) [Subsection (A1) applies to a company if it] was at any time within the financial year to which the report relates—

- (a) a traded company,*
- (b) a banking company,*
- (c) an authorised insurance company,*
- (d) a company carrying on insurance market activity, or*
- (e) a company any securities of which are admitted to trading on the market known as the Alternative Investment Market.]*

(1A) Subsection (A1) also applies to a company if it was a high turnover company in relation to that financial year.

(1B) Subsections (1) and (1A) are subject to subsections (3) to (7).]

(2) If the company's strategic report is a group strategic report, the non-financial [and sustainability] information statement to be included in the report under [subsection (A1)] must be a consolidated statement (a "group non-financial [and sustainability] information statement") relating to the undertakings included in the consolidation.

(2A) A company is a "high turnover company" in relation to a financial year—

- (a) where the company was not a parent company in that financial year, if in that year the company's turnover was more than £500 million;*
- (b) where the company was a parent company at any time within that financial year, if in that year a group headed by the company had an aggregate turnover of more than £500 million net.*

(2B) For a period that is a company's financial year but not in fact a year the figures for turnover given by subsection (2A) must be proportionately adjusted.

(2C) For the purposes of subsection (2A)(b)—

- (a) aggregate turnover is ascertained by aggregating the relevant figures determined for each member of the group;*
- (b) "net", in relation to aggregate turnover, is to be interpreted in accordance with section 383(6).*

(2D) Section 383(7) applies for the purposes of subsection (2A)(b) of this section as it applies for the purposes of section 383.]

(3) [Subsection (A1) does not apply to a company if]—

- (a) the company is subject to the small companies regime in relation to that financial year (see sections 382 to 384), or*
- (b) the company qualifies as medium-sized in relation to that financial year (see sections 465 to 467).*

(4) [Subsection (A1) does not apply—

- (a) to a company which was not a parent company in that financial year, if] the company had no more than 500 employees in that financial year, or*
- (b) [to a company which was a parent company at any time within that financial year, if] the aggregate number of employees for a group headed by that company in that financial year was no more than 500.*

(5) The number of employees means the average number of persons employed by the company in the year, determined as follows—

- (a) find for each month in the financial year the number of persons employed under contracts of service by the company in that month (whether throughout the month or not),*

38. In Australia, the Regulator has the power to determine contents of sustainability report pursuant to subsection 296A³²(4) and (5) of CA 2001 in relation to the preparation and any matters included in the climate

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- (b) add together the monthly totals, and
 - (c) divide by the number of months in the financial year.

(6) The aggregate number of employees for a group is ascertained by aggregating the relevant figures determined in accordance with subsection (5) for each member of the group.

(7) [Subsection (A1) does not apply to a company if] the company is a subsidiary undertaking at the end of that financial year and is included in—

- (a) a group strategic report of a parent undertaking of the company that satisfies the requirements in subsection (8),

(8) The requirements in this subsection are that—

- (a) the group strategic report relates to undertakings that include the company and its subsidiary undertakings (if any),
- (b) the report is prepared for a financial year of the parent undertaking that ends at the same time as, or before the end of, the company's financial year, and
- (c) the report includes a group non-financial [and sustainability] information statement in respect of all the undertakings included in the consolidation.

(10) A company to which subsection [(A1)] does not apply may include a non-financial [and sustainability] information statement in its strategic report or, as the case may be, a group non-financial [and sustainability] information statement in its group strategic report.]]”

³² As per Section 296A of CA 2001 below:

Basic Contents

- (1) The sustainability report for a financial year consists of:
 - (a) the climate statements for the year; and
 - (b) any notes to the climate statements; and
 - (c) any statements required under subsection (5); and
 - (d) any notes to the statements mentioned in paragraph (1)(c) required under subsection (5); and
 - (e) the directors' declaration about the statements and the notes.

Climate statements

- (2) Subject to section 296B, the climate statements for the year are the climate statements in relation to the entity required by sustainability standards made for the purposes of this subsection.

Notes to climate statements

- (3) A sustainability report must include the following notes to the climate statements:
 - (a) any disclosures required under subsection (4);
 - (b) any notes, required by sustainability standards made for the purposes of this paragraph, in relation to:
 - (i) the preparation of the climate statements; or
 - (ii) anything included in the climate statements; or
 - (iii) other matters concerning environmental sustainability;
 - (c) notes containing any other information necessary to ensure that the climate statements and notes together make the disclosures required by section 296D.

(4) The Minister may, by legislative instrument, require a sustainability report to include specified disclosures in relation to:

- (a) the preparation of the climate statements; or**
- (b) anything included in the climate statements.**

Other statements and notes

(5) For the purposes of paragraphs (1)(c) and (d), the Minister may, by legislative instrument, require a sustainability report to include:

- (a) statements relating to financial matters concerning environmental sustainability; and**
- (b) notes to the statements.**

Directors' declaration

(6) The directors' declaration is a declaration by the directors as to whether, in the directors' opinion, the substantive provisions of the sustainability report are in accordance with this Act, including:

- (a) section 296C (compliance with sustainability standards etc.); and
- (b) section 296D (climate statement disclosures).

(7) The declaration must:

- (a) be made in accordance with a resolution of the directors; and
- (b) specify the date on which the declaration is made; and
- (c) be signed by a director.

statements. However, Singapore mandates its sustainability reporting via SGX Listing Rules and ACRA Climate Reporting Roadmap.

39. At this juncture, SSM therefore proposes to include provisions that will empower the Registrar to determine thresholds and scope of sustainability and non-financial information disclosures to promote flexibility and adaptability.

Proposed Policy Statement 2: Introducing sustainability reporting framework consisting of thresholds, reporting contents, implementation timeline and assurance framework

Part I – Contents of sustainability report

40. In the UK, CA 2016 prescribes that companies within the purview of section 414CA³³ are required to include a non-financial and sustainability information statement as part of the strategic report with its contents detailed in section 414CB³⁴.

41. Recently, the UK developed the “UK Sustainability Reporting Standards³⁵” (SRS) aligned with IFRS S1 and S2. Adoption of the standards is voluntary. In January 2026, the Financial Conduct Authority³⁶ published a consultation paper titled “Aligning listed issuers’ sustainability disclosures with international standards” which considers the mandatory application of UK SRS to selected listing categories.

³³ Refer to note 32

³⁴ (1) ...the non-financial and sustainability information statement must] contain information, to the extent necessary for an understanding of the company’s development, performance and position and the impact of its activity, relating to, as a minimum—

(a) environmental matters(including the impact of the company’s business on the environment),

(b) the company’s employees,

(c) social matters,

(d) respect for human rights, and anti-corruption and anti-bribery

³⁵ <https://www.gov.uk/guidance/uk-sustainability-reporting-standards>

³⁶ <https://www.fca.org.uk/about/what-we-do/the-fca>

42. In Australia, the contents of sustainability reporting are explicitly prescribed through primary legislation and sustainability standards under sections 296A, 296B³⁷, 296C³⁸ and 296D³⁹ of CA 2001 which includes the following matters:

³⁷ Section 296B of CA 2001 prescribes the following:

"Section 296B Contents of climate statements—statement about there being no financial risks or opportunities relating to climate"

- (1) *Despite subsection 296A(2), if, for a financial year:*
 - (a) *there are none of the following for the entity:*
 - (i) *material financial risks relating to climate;*
 - (ii) *material financial opportunities relating to climate; and*
 - (b) *none of subsections (2), (4) and (5) of this section apply to the entity; the climate statements for the year are:*
 - (c) *a statement of the circumstance mentioned in paragraph (a) of this subsection; and*
 - (d) *a statement explaining how paragraph (a) of this subsection applies to the entity for the financial year.*
- (2) *This subsection applies to an entity for a financial year if it satisfies at least 2 of the following paragraphs:*
 - (a) *the consolidated revenue for the financial year of the entity and the entities it controls (if any) is \$200 million or more;*
 - (b) *the value of the consolidated gross assets at the end of the financial year of the entity and the entities it controls (if any) is \$500 million or more;*
 - (c) *the entity and the entities it controls (if any) have 250 or more employees at the end of the financial year.*
- (3) *In counting employees for the purposes of subsection (2), take part-time employees into account as an appropriate fraction of a full-time equivalent.*
- (4) *This subsection applies to an entity for a financial year if it is:*
 - (a) *a registered corporation under the National Greenhouse and Energy Reporting Act 2007 at the end of the financial year; or*
 - (b) *required to make an application to be registered under subsection 12(1) of that Act in relation to the financial year.*
- (5) *This subsection applies to an entity for a financial year if:*
 - (a) *the entity is a registered scheme, registrable superannuation entity or retail CCIV; and*
 - (b) *the value of assets at the end of the financial year of the entity and the entities it controls (if any) is \$5 billion or more.*
- (6) *For the purposes of this section, the question of whether there are any of the following for an entity is to be worked out in accordance with sustainability standards made for the purposes of this subsection:*
 - (a) *a material financial risk relating to climate;*
 - (b) *a material financial opportunity.*
- (7) *For the purposes of this section:*
 - (a) *the question whether an entity controls another entity is to be decided in accordance with accounting standards made for the purposes of paragraph 295(2)(b); and*
 - (b) *consolidated revenue, the value of consolidated gross assets and the value of assets are to be calculated in accordance with accounting standards in force at the relevant time;"*

³⁸ Section 296C of CA 2001 prescribes the following:

"296C Compliance with sustainability standards etc."

- (1) *The substantive provisions of the sustainability report must comply with:*
 - (a) *sustainability standards made for the purposes of this paragraph; and*
 - (b) *any further requirements determined under subsection (2) of this section.*
- (2) *For the purposes of paragraph (1)(b) of this section, the Minister may, by legislative instrument, determine requirements in relation to the substantive provisions of a sustainability report."*

³⁹ Section 296D of CA 2001 prescribes the following:

"Section 296D Climate statement disclosures"

- (1) *The climate statements for a financial year, and the notes to the climate statements, must together disclose all of the following:*
 - (a) *any:*
 - (i) *material financial risks there are for the entity; or*
 - (ii) *material financial opportunities relating to climate there are for the entity; that are required to be disclosed by sustainability standards made for the purposes of this paragraph;*
 - (b) *any metrics and targets of the entity relating to climate that are required to be disclosed by sustainability standards made for the purposes of this paragraph, including metrics and targets relating to:*
 - (i) *scope 1 greenhouse gas emissions; or*
 - (ii) *scope 2 greenhouse gas emissions; or*
 - (iii) *scope 3 greenhouse gas emissions (including financed emissions);*
 - (c) *any information that:*
 - (i) *is about governance of, strategy of, or risk-management by, the entity in relation to the risks, opportunities, metrics and targets mentioned in paragraphs (a) and (b); and*
 - (ii) *is required to be disclosed by sustainability standards made for the purposes of this paragraph.*

- (a) climate statements;
- (b) Scope 1, Scope 2 and Scope 3 GHG emissions;
- (c) governance, strategy and risk-management disclosures;
- (d) metrics and targets;
- (e) scenario analysis; and
- (f) directors' declaration on compliance.

43. Singapore's sustainability reporting is implemented through regulatory instruments rather than company law. Under the SGX Listing Rules (SGX Practice Note 7.6⁴⁰ Sustainability Reporting Guide) and the

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- (2) For the purposes of this section, the question of whether there are any of the following for an entity is to be worked out in accordance with sustainability standards made for the purposes of this subsection:
 - (a) a material financial risk relating to climate;
 - (b) a material financial opportunity relating to climate.
 - (2A) Subsection (2B) applies if sustainability standards made for the purposes of subsection (1) require the disclosure of:
 - (a) a scenario analysis (within the meaning given by sustainability standards made for the purposes of this paragraph); or
 - (b) information derived from a scenario analysis; or
 - (c) information about a scenario analysis.
 - (2B) For the purposes of subsection (1), a disclosure of a scenario analysis, information derived from a scenario analysis or information about a scenario analysis is taken not to satisfy that requirement unless the scenario analysis is carried out using at least both of the following scenarios:
 - (a) the increase in the global average temperature well exceeds the increase mentioned in subparagraph 3(a)(i) of the Climate Change Act 2022;
 - (b) the increase in the global average temperature is limited to the increase mentioned in subparagraph 3(a)(ii) of that Act.
 - (3) This section does not apply if subsection 296B(1) applies for the financial year."

⁴⁰ SGX Practice Note 7.6 Sustainability Reporting Guide paragraph 4 prescribes the following:

"4. Contents of Sustainability Reporting

Primary components

4.1. The sustainability report should comprise the following primary components:

- (a) **Material ESG factors. The sustainability report should identify the material ESG factors, and describe both the reasons for and the process of selection, taking into consideration their relevance or impact to the business, strategy, financial planning, business model and key stakeholders.**
- (b) **Climate-related disclosures. The sustainability report should contain disclosures related to climate-related risks and opportunities.**
- (c) **Policies, practices and performance. The sustainability report should set out the issuer's policies, practices and performance in relation to the material ESG factors identified, providing descriptive and quantitative information on each of the identified material ESG factors for the reporting period. Performance should be described in the context of previously disclosed targets.**
- (d) **Targets. The sustainability report should set out the issuer's targets for the forthcoming year in relation to each material ESG factor identified. Targets should be considered for defined short, medium and long term horizons, and if not consistent with those used for strategic planning and financial reporting, the reasons for the inconsistency should be disclosed.**
- (e) **Sustainability reporting framework. The issuer should select a sustainability reporting framework (or frameworks) to guide its reporting and disclosure. For climate-related disclosures, the issuer should refer to paragraphs 4.7 to 4.28 of this Guide. The sustainability reporting framework(s) selected should be appropriate for and suited to its industry and business model. The issuer should state the name of the framework(s), explain its reasons for choosing the framework(s) and provide a general description of the extent of the issuer's application of the framework(s). Where the issuer is applying a portion of a particular framework, the issuer should provide a general description of the extent of the issuer's application of the framework.**
- (f) **Board statement. The sustainability report should contain a statement of the Board that it has considered sustainability issues in the issuer's business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors. In addition, the sustainability report should describe the roles of the Board and the management in the governance of sustainability issues."**

ACRA Climate Reporting Roadmap, sustainability reports are required to include:

- (a) identification of material ESG factors;
- (b) climate-related disclosures aligned with TCFD and ISSB principles;
- (c) policies, practices and performance;
- (d) targets and transition planning;
- (e) mandatory board statement on sustainability oversight; and
- (f) more complex disclosures, such as Scope 3 emissions and climate metrics are introduced progressively based on entity size and readiness.

44. The comparative analysis across these jurisdictions demonstrates a trend towards a climate-first approach, whereby jurisdictions prioritise climate-related disclosures particularly Scope 1 and 2 GHG emissions before expanding to broader sustainability topics and more complex reporting requirements.

45. As such, the following phased approach is proposed where climate disclosures will be adopted followed by simplified sustainability disclosures and subsequently adoption of IFRS S2:

Phase 1: Mandatory (Comply or Explain) Climate Disclosures	
Scope	: GHG Scope 1 and 2 emissions only.
Approach	: Mandatory 'comply or explain' approach, whereby companies that are unable to report are required to provide a clear and reasoned explanation for non-compliance including describing data gaps, limitations and transition challenges.
Objective	: To establish baseline climate transparency and emissions measurement capability.
Phase 2: Mandatory (Comply or Explain) Simplified Sustainability Disclosures	
Scope	: Simplified sustainability disclosures include: <ul style="list-style-type: none"> • governance and oversight of sustainability matters; • identification of material sustainability risks and opportunities; and • selected environmental, social and governance indicators (for example: waste management, labour practices, ethical practices as well as anti-bribery and anti-corruption policies).
Approach	: Mandatory 'comply or explain' approach allowing flexibility during early adoption.
Objective	: To build internal capability for broader sustainability reporting.
Phase 3: Adoption of IFRS S2 (with Transition Reliefs)	
Scope	: Climate-related financial disclosures aligned with IFRS S2, including: <ul style="list-style-type: none"> • governance, strategy and risk management; • metrics and targets; and • climate information
Approach	: Mandatory adoption with transition reliefs, particularly for forward-looking, estimation-based, or complex disclosures.
Objective	: To align with international climate reporting standards once reporting maturity is achieved.

Table 2

Consultation Questions

Question 2

Do you agree with the content in **Table 2**? Are there any other sustainability topics that should be considered? Please provide an explanation.

Question 3

Do you agree that IFRS S2 should be adopted? If yes, what transition reliefs would be required? Please provide an explanation.

Part II - Thresholds and timeline for companies required to disclose sustainability information

46. In the UK, sustainability and climate-related reporting obligations are threshold-based defined in section 414CA of the CA 2006. The requirement to prepare a non-financial and sustainability information statement applies only to specified categories of companies⁴¹, namely:

- (a) traded companies;
- (b) banking companies;
- (c) insurance companies;
- (d) UK-registered companies admitted on the Alternative Investment Market (AIM) for trading; and
- (e) companies or groups with annual group turnover exceeding GBP 500 million and more than 500 employees.

⁴¹ Companies that qualify as small or medium-sized under the statutory size tests, or that have 500 or fewer employees, are expressly excluded from the scope of mandatory sustainability reporting. These thresholds are fixed in statute and may be amended only through legislative change

47. This approach reflects a policy decision in the UK to limit mandatory sustainability reporting to companies of significant economic or public interest and also exempting smaller companies from compliance burden. The UK regime also relies on statutory materiality principles and reasoned explanation provisions to mitigate disproportionate reporting obligations.

48. Australia adopts a threshold-based framework via section 292A of CA 2001. An entity is required to prepare a sustainability report if:

- (a) required to prepare a financial report under Chapter 2M; and
- (b) meets one or more of the following prescribed sustainability reporting thresholds pursuant to section 292A⁴²:
 - (i) consolidated revenue of AUD 50 million or more (subject to adjustment by regulation);
 - (ii) consolidated gross assets of AUD 25 million or more (subject to adjustment);
 - (iii) has 100 or more employees; or

⁴² As per Section 292A of CA 2001 –

Thresholds for sustainability reports

- (3) *This subsection applies to an entity for a financial year if it satisfies at least 2 of the following paragraphs:*
 - (a) *the consolidated revenue for the financial year of the entity and the entities it controls (if any) is the following amount or more:*
 - i. *the amount prescribed by regulations made for the purposes of paragraph 45A(2)(a);*
 - ii. *if no amount is prescribed—\$50 million;*
 - (b) *the value of the consolidated gross assets at the end of the financial year of the entity and the entities it controls (if any) is the following amount or more:*
 - i. *the amount prescribed by regulations made for the purposes of paragraph 45A(2)(b);*
 - ii. *if no amount is prescribed—\$25 million;*
 - (c) *the entity and the entities it controls (if any) have the following number of employees or more at the end of the financial year:*
 - i. *the number prescribed by regulations made for the purposes of paragraph 45A(2)(c);*
 - ii. *if no number is prescribed—100.*
- (4) *In counting employees for the purposes of subsection (3), take part-time employees into account as an appropriate fraction of a full-time equivalent.*
- (5) *This subsection applies to an entity for a financial year if it is:*
 - (a) *a registered corporation under the National Greenhouse and Energy Reporting Act 2007 at the end of the financial year; or*
 - (b) *required to make an application to be registered under subsection 12(1) of that Act in relation to the financial year.*
- (6) *This subsection applies to an entity for a financial year if:*
 - (a) *the entity is a registered scheme, registrable superannuation entity or retail CCIV; and*
 - (b) *the value of assets at the end of the financial year of the entity and the entities it controls (if any) is the following amount or more:*
 - (c) *the consolidated revenue for the financial year of the entity and the entities it controls (if any) is the following amount or more:*
 - i. *the amount prescribed by regulations made for the purposes of this subparagraph;*
 - ii. *if no amount is prescribed—\$5 billion.*

- (iv) if the entity is subject to emissions reporting under the National Greenhouse and Energy Reporting Act 2007⁴³, or meets prescribed asset-owner thresholds.

49. Singapore adopts tiered threshold whereby mandatory sustainability reporting applies to:

- (a) all SGX-listed issuers regardless of size; and
- (b) large non-listed companies⁴⁴.

50. Singapore's framework differentiates reporting requirements based on market capitalisation tiers for listed companies, with larger issuers subject to earlier and more comprehensive climate-related reporting obligations. Smaller companies below prescribed thresholds are currently excluded from mandatory reporting although voluntary adoption is encouraged and subject to future review.

51. The comparative analysis across the UK, Australia and Singapore demonstrates that sustainability reporting frameworks are effective when thresholds and phased implementation timelines are used as tools to balance enhanced transparency with companies' compliance capacity and reporting maturity. The findings show that other jurisdictions:

- (a) target mandatory reporting at companies of economic significance or public interest;
- (b) exempt or defer smaller companies from immediate obligations; and
- (c) introduce reporting requirements progressively beginning with climate-related disclosures before expanding its scope.

52. Malaysia's corporate landscape consists of a large number of NLCos which vary widely in scale, resources and reporting capability. Therefore,

⁴³ <https://www.legislation.gov.au/C2007A00175/2021-09-01/text>

⁴⁴ annual revenue of at least SGD 1 billion, and total assets of at least SGD 500 million

SSM proposes a phased, revenue⁴⁵ and employee-based threshold framework that:

- (a) prioritises early adoption by companies with annual revenue of RM1 billion to RM2 billion or 500 or more employees;
- (b) allows additional transition time for companies with annual revenue of RM100 million to RM1 billion or 250 or more employees;
- (c) defers adoption for companies with annual revenue of RM15 million to RM100 million or 100 or more employees considering their limited resources and reporting readiness;
- (d) companies below RM 15 million revenue or 100 employees may voluntarily opt-in and must fully comply with the sustainability reporting requirements.

53. SSM proposes the following qualifying thresholds and implementation timeline for sustainability reporting:

Qualifying Thresholds⁴⁶	Phase 1	Phase 2	Phase 3
RM1 billion – RM2 billion; or ≥ 500 employees	2028	2029	2032
RM100 million – RM1 billion; or 250 – 499 employees	2030	2031	-
RM15 million – RM100 million; or 100 – 249 employees	2032	2033	-
Below RM15 million or 100 employees	Not subject to sustainability reporting requirements but may voluntary opt-in ⁴⁷		

Table 3

⁴⁵ Revenue is defined in [IFRS 15 Revenue from Contracts with Customers](#) as income arising in the course of entity's ordinary activities.

⁴⁶ The employee thresholds are prescribed as a complementary metric to annual revenue to ensure that sustainability reporting requirements appropriately capture labour-intensive companies with significant organisational scale. International comparator jurisdictions, including the United Kingdom (500 employees) and Australia (100 employees), similarly use employee numbers. In the Malaysian context, the thresholds of 500, 250 and 100 employees are prescribed to balance proportionality with reporting readiness, while minimising undue compliance burden on micro and small enterprises as defined under [SME Corp Malaysia's SME Definition](#).

⁴⁷ Companies may voluntarily opt-in and, upon doing so, are required to comply with the prescribed sustainability reporting requirements.

Consultation Questions

Question 4

Do you agree with the thresholds proposed in **Table 3**? Please provide an explanation.

Question 5

Do you agree with the proposed implementation timelines for Phase 1, 2 and 3? Please provide an explanation.

Part III - Assurance framework

54. Under the CA 2016, sustainability-related or non-financial information is not subject to assurance. Therefore, assurance framework is proposed to ensure reliability and quality of sustainability reporting.

55. The UK has adopted a deferred and non-mandatory assurance approach where assurance is allowed on a voluntary basis. With the development of the UK SRS towards mandatory assurance, assurance is expected to become an increasingly important element of the UK framework. However, this is expected to occur progressively, allowing companies to strengthen systems and governance before being subject to mandatory assurance obligations.

56. Australia has adopted a structured approach with regards to assurance of sustainability reporting. Under the CA 2001, sustainability reporting is supported not only by statutory reporting obligations under

sections 292A and 296A but also by a phased assurance framework prescribed by Australia Auditing and Assurance Standards Board Standard ASSA 5010⁴⁸, which requires:

- (a) first year reporting subject to limited assurance on climate-related disclosures (including Scope 1 and 2 GHG emissions); and
- (b) reasonable assurance to be undertaken once reporting systems, methodologies and data quality have matured.

57. Australia has sequenced assurance obligations starting in 2025 to align with reporting maturity. This is supported by modified liability regime during early phases of adoption which recognises that emissions data and forward-looking climate information are estimation-based and subject to evolving methodologies.

58. Through the SGX Listing Rules and the ACRA Climate Reporting Roadmap, Singapore implemented the following phased assurance approach:

- (a) listed companies are required to conduct external limited assurance from FY2029; and

⁴⁸ Paragraph 10 of Australian Auditing and Assurance Standards Board Standard ASSA 5010 states:

"10. Subject to paragraph 11, information in the sustainability report shall be subject to audit and or review as follows:

- (a) For the First Year of Reporting the auditor shall conduct a review over the disclosures (including related general disclosures in Appendix D to AASB S2) relating to:
 - (i) Governance in accordance with paragraph 6 of AASB S2;
 - (ii) Strategy (risks and opportunities) in accordance with subparagraphs 9(a), 10(a) and 10(b) of AASB S2;
 - (iii) Scope 1 and Scope 2 greenhouse gas emissions in accordance with subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v) of AASB S2; and
 - (iv) Any statement that there are no material risks or opportunities relating to climate and how that applies to the entity under s296B(1)(c) and (d) of the Act or any similar statement otherwise made in the sustainability report.
- (b) For the Second and Third Years of Reporting, the auditor shall conduct a review of all disclosures in the sustainability report (including related general disclosures in Appendix D to AASB S2).
- (c) From the Fourth Year of Reporting onwards the auditor shall conduct an audit over all disclosures in the sustainability report.
- (d) The auditor is not prevented by (a) and (b) from:
 - (i) conducting an audit of any information in the sustainability report for a financial year in which a review of that information is otherwise required; and/or
 - (ii) conducting an audit or review of any information in the sustainability report for a financial year in which an audit or review of that information is not required."

- (b) large NLCos are required to conduct external limited assurance from FY2032.

59. Assurance frameworks of other jurisdictions are generally implemented on a phased basis with limited assurance introduced before reasonable assurance. Therefore, SSM proposes the following phased assurance timeline aimed at ensuring the appropriate standards and readiness of assurance providers to support the implementation:

Qualifying Threshold	Internal Assurance	Limited Assurance	Reasonable Assurance⁴⁹
RM1 billion – RM2 billion; or ≥ 500 employees	2028 - 2030	2028 - 2030	-
RM100 million – RM1 billion; or 250 – 499 employees	2030 - 2032	2030 - 2032	-
RM15 million – RM100 million; or 100 – 249 employees	2032 - 2034	2032 - 2034	-
Below RM15 million and 100 employees	Not subject to sustainability reporting requirements but may voluntary opt-in		

Table 4

Consultation Questions

Question 6

Do you agree with the proposed assurance timelines in **Table 4**? If no, please suggest a suitable timeline for assurance.

Question 7

⁴⁹ Reasonable assurance is deferred at this stage to allow time for companies and assurance providers to build capability, given the estimation-based and evolving nature of sustainability and climate-related information. Furthermore, the Advisory Committee on Sustainability Reporting is currently assessing the feasibility of adopting the [International Standard on Sustainability Assurance 5000](#) (ISSA 5000) in Malaysia, and any proposal to introduce reasonable assurance will be guided by future developments in its adoption and overall market readiness.

What are the disclosures topics that should be assured? Please provide an explanation for the topics proposed.

Question 8

Do you agree that reasonable assurance should be excluded at this stage? Please provide your justification.

Proposed Policy Statement 3: Strengthening directors' accountability for sustainability and non-financial information disclosures

60. Section 252 of CA 2016 requires directors to prepare and approve the directors' report for each financial year. The report is required to be attached to the financial statements and laid before the company in annual general meeting. The disclosures of sustainability related information in the directors' report are optional as prescribed in subsection 253(3). Therefore, omission of the matters prescribed in subsection 253(3) would not result in non-compliance to section 252 and its associated penalties in subsection 252(5).

61. In the UK, directors' accountability for sustainability and climate-related disclosures is explicitly embedded in the primary legislation. Under section 414A⁵⁰ of CA 2006, directors are required to prepare a

⁵⁰ **414A Duty to prepare strategic report**

(1) The directors of a company must prepare a strategic report for each financial year of the company.

(2) Subsection (1) does not apply if the company is entitled to the small companies exemption.

(3) For a financial year in which—
(a) the company is a parent company, and
(b) the directors of the company prepare group accounts,

the strategic report must be a consolidated report (a "group strategic report") relating to the undertakings included in the consolidation.

(4) A group strategic report may, where appropriate, give greater emphasis to the matters that are significant to the undertakings included in the consolidation, taken as a whole.

strategic report that provides a fair review of the company's business and a description of principal risks and uncertainties. For companies within the scope of section 414CA, the contents of a strategic report are prescribed under section 414CB and must include non-financial and sustainability statement.

62. In Australia, directors' accountability is prescribed under section 296A(6)⁵¹ of CA 2001. The sustainability report must include directors' declaration stating compliance with sustainability standards and climate statement disclosures. This requirement provides clear responsibility on directors for the sustainability-related disclosures' integrity.

63. SGX Listing Rule 711A⁵² requires issuers to include a board statement in sustainability report to confirm that the board has duties of oversight regarding sustainability issues and ensuring sustainability considerations have been integrated into corporate strategy, risk management and governance.

64. The proposed amendments to CA 2016 seek to strengthen directors' accountability for sustainability and non-financial disclosures by enhancing the existing directors' report framework under sections 252 and 253. Thus, SSM proposes that sustainability and non-financial information disclosures

-
- (5) In the case of failure to comply with the requirement to prepare a strategic report, an offence is committed by every person who—
- (a) was a director of the company immediately before the end of the period for filing accounts and reports for the financial year in question, and
 - (b) failed to take all reasonable steps for securing compliance with that requirement.
- (6) **A person guilty of an offence under this section is liable—**
- (a) **on conviction on indictment, to a fine;**
 - (b) **on summary conviction, to a fine not exceeding the statutory maximum.**

⁵¹ Section 296A(6) of CA 2001 states:

"6. The directors' declaration is a declaration by the directors as to whether, in the directors' opinion, the substantive provisions of the sustainability report are in accordance with this Act, including:

- (a) section 296C (compliance with sustainability standards etc.); and
- (b) section 296D (climate statement disclosures)."

⁵² SGX Listing Rule 711A prescribes the following

"1. Introduction

- 1.1. Listing Rule 711A requires every issuer to prepare an annual sustainability report, which must describe the issuer's sustainability practices with reference to the primary components set out in Listing Rule 711B. This Practice Note contains the Sustainability Reporting Guide (the "Guide"), which provides guidance on the expected structure and contents and the preparation of the sustainability report."

form part of the directors' statutory reporting responsibilities. Non-compliance against the proposed provisions will attract penalties similar to subsection 252(5).

Consultation Questions

Question 9

Do you agree non-compliance against sustainability and non-financial information disclosures provisions should be subject to penalties similar to subsection 252(5) of CA 2016? Please provide your reason.

Proposed Policy Statement 4: Enhancing the provisions in CA 2016 to incorporate Sustainability Assurance Provider framework

65. The introduction of assurance for sustainability and non-financial information necessitates a clear statutory framework governing the persons who may provide such assurance. Under CA 2016, assurance requirements are currently prescribed only in relation to financial statements and not sustainability reporting.

66. Section 248 in particular requires financial statements to be audited, while sections 263 to 294 under Subdivision 2 of Division 3 of Part III of CA 2016 includes provisions relating to the appointment, duties, powers, independence, removal and resignation of auditors.

67. Accordingly, SSM proposes that a framework for Sustainability Assurance Providers (SAPs) be introduced under CA 2016 by expanding the definition of "auditor" to include SAPs for the purpose of sustainability assurance. This approach enables the continued application of existing

statutory provisions relating to auditors, without the need to create a separate regulatory regime.

68. Hence, SSM also proposes to determine the qualification and competency requirements for SAPs. The proposed minimum qualifications for SAPs are:

- (a) degree or diploma from educational institutions recognised by the Malaysian Qualifications Agency or any other relevant professional qualifications;
- (b) at least five years' experience in conducting audit or assurance engagements; and
- (c) approved as sustainability assurance provider by the Minister.

Consultation Questions

Question 10

Do you agree with the proposed minimum qualification requirements for SAPs? In your view, what other qualifications should be considered in this framework?

SECTION F: THE COMPANIES (AMENDMENT) BILL

A BILL

intituled

An Act to amend the Companies Act 2016.

[]

ENACTED by Parliament of Malaysia as follows:

Short title and commencement

(1) This Act may be cited as the Companies (Amendment) Act 202X {Act XX}.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the Gazette.

Amendment of section 243

2. The Companies Act 2016 [Act 777], which is referred to as the “principal Act” in this Act, is amended in section 2 by inserting after the definition of the following definitions:

“climate-related information” means —
information relating to greenhouse gas emissions, climate-related risks and opportunities, and such other matters as may be prescribed;

“sustainability assurance provider” has the same meaning as set out in relevant provisions relating to auditors under Subdivisions 1 and 2 of Division 3 of Part III of this Act which are applicable for the purposes of providing assurance on sustainability or non-financial information;

“sustainability information” means —
environmental, social and governance-related information, including climate-related information, as may be prescribed by the Registrar;

“sustainability report” means —
a report containing sustainability or climate-related information prepared in accordance with this Act and any requirements prescribed by the Registrar.”.

Amendment of section 253

3. The principal Act is amended by inserting after subsection 253(3) the following subsection:

“(4) The directors’ report may also include a sustainability report in the business review as prescribed by the Registrar.

(5) Where sustainability or climate-related information is required to be included in the sustainability report under subsection (4) —

(a) such information shall be included as part of the business review in accordance with Part II of the Fifth Schedule;

- (b) the sustainability or climate-related information shall be approved by the board of directors and shall form part of the directors' report; and
- (c) the directors shall state, by way of declaration, whether in their opinion the sustainability or climate-related information complies with this Act and any requirements prescribed by the Registrar.

(6) Without prejudice to paragraph 2 of Part II of the Fifth Schedule, where a company falls within a class prescribed by the Registrar, the business review shall include a disclosure of the sustainability and climate-related information in accordance with this Part.

(7) For the purposes of subsection (6), the Registrar may prescribe —

- (a) the classes of companies required to include sustainability or climate-related disclosures in the business review;
- (b) revenue, asset, employee or other thresholds for applicability; and
- (c) different requirements for different classes of companies.

(8) Any director who contravenes subsection (5) commits an offence and shall, on conviction, be liable to a fine not exceeding twenty thousand ringgit.

Amendment of Part II of the Fifth Schedule

4. The principal Act is amended by inserting after paragraph 2 of Part II of the Fifth Schedule the following paragraphs:

“Contents of sustainability and climate-related disclosures

2A. In addition, a sustainability and climate-related information to be included in the business review may comprise —

- (a) climate-related information, including Scope 1 and Scope 2 greenhouse gas emissions;
- (b) the company’s governance, strategy and risk-management processes in relation to sustainability matters; and
- (c) such other sustainability or non-financial information as may be prescribed by the Registrar.

2B. The Registrar may prescribe —

- (a) the nature, scope and level of detail of sustainability or climate-related disclosures;
- (b) the standards, frameworks or guidelines to be applied, whether aligned wholly or partly with international or national sustainability reporting standards; and
- (c) phased implementation timelines, including different commencement dates for different classes of companies.

Compliance with sustainability standards

2C. Where prescribed by the Registrar, sustainability and climate-related disclosures included in the business review shall be prepared in accordance with —

- (a) sustainability reporting standards prescribed by the Registrar; or
- (b) such international sustainability reporting standards as may be specified.

2D. The Registrar may determine that compliance with any sustainability reporting requirement under this Part shall be on a comply-or-explain basis.

Assurance of sustainability report

- 2E. The Registrar may prescribe requirements relating to —
- (a) internal review or external assurance of sustainability or climate-related information; and
 - (b) transitional reliefs or modifications in respect of forward-looking, estimation-based or complex disclosures.”.

5. The principal Act is amended in paragraph 3 of Part II of the Fifth Schedule by inserting after the words “mentioned in subparagraphs 2(a), (b), (c), (d)” the words “and paragraphs 2A, 2B, 2C, 2D and 2E.”.