

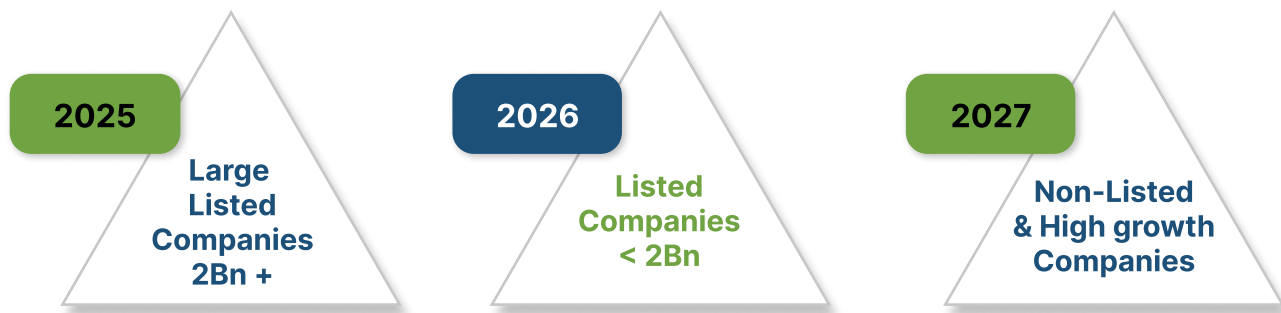
Cognitud

An aerial photograph of the Petronas Towers in Kuala Lumpur, Malaysia, during sunset. The two towers are the central focus, with their golden spires reaching towards a clear blue sky. The surrounding cityscape is visible, with various other skyscrapers and buildings. The lighting is warm, with a golden glow from the setting sun. The overall scene is a high-angle view of a modern urban landscape.

Malaysia Reporting Mandate

In recent years, Malaysia has witnessed a significant shift towards greater transparency and accountability in corporate sustainability practices, primarily driven by the Securities Commission Malaysia (SC) and the Ministry of Environment and Water (MOEW). This shift reflects a growing recognition of the importance of corporate governance, environmental stewardship, and social responsibility among Malaysian businesses.

Who Needs to Report?



What to Report?

The new sustainability reporting framework in Malaysia places a strong emphasis on the following areas:

- **Environmental performance:** This includes metrics related to greenhouse gas emissions, energy consumption, water usage, and waste management.
- **Social impact:** This encompasses factors such as labor practices, human rights, community engagement, and supply chain management.
- **Governance:** These include issues to do with board of directors, executive compensation, risk management and corporate ethics.

Key Updates to Sustainability Reporting



Alignment with Global Standards

Malaysia's new framework is closely aligned with international standards, such as the International Financial Reporting Standards (IFRS) released by the International Sustainability Standards Board (ISSB).



Increased Regulatory Scrutiny

Non-compliance with sustainability reporting requirements can result in significant penalties and reputational damage.



Integration of ESG Metrics

Environmental, Social, and Governance (ESG) metrics are becoming increasingly important for businesses. Businesses must come up with sustainable initiatives based on ESG principles to improve their market competitiveness and increase stakeholders' confidence.

As regulatory scrutiny increases and ESG metrics become more important, Malaysian companies need to align to these changes. Sustainability initiatives can thus be incorporated as part of a company's core operations, which in turn help improve the business's image, attract capital, and contribute to a positive global impact.