



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS

26 November 2025

Mr Emmanuel Faber  
ISSB Chair  
IFRS Foundation  
Columbus Building  
7 Westferry Circus  
Canary Wharf  
London E14 4HD  
United Kingdom

Dear Mr Faber

### **COMMENTS ON PROPOSED AMENDMENTS TO THE SASB STANDARDS**

The Malaysian Institute of Accountants (“MIA”) is pleased to provide comments on the Proposed Amendments to the SASB Standards by the International Sustainability Standards Board (ISSB) as attached in Appendix 1 to this letter.

We hope our comments would be valuable to the ISSB’s onward deliberation.

If you have any queries or require clarification of this submission, please contact Rasmimi Ramli, Executive Director of Sustainability, Digital Economy, and Services at +603 2722 9277 or by email at [rasmimi@mia.org.my](mailto:rasmimi@mia.org.my).

Yours sincerely

**MALAYSIAN INSTITUTE OF ACCOUNTANTS**

**G SHANMUGAM**

Chief Executive Officer

**Question 1—Objective**

The ISSB is proposing to amend the SASB Standards with the objective of providing timely support to entities applying IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. The proposed amendments have been drafted under the assumption that an entity would apply the SASB Standards alongside IFRS Sustainability Disclosure Standards. This assumption allows the SASB Standards to remain targeted and proportionate while avoiding unnecessary duplication of requirements already included in IFRS S1 and IFRS S2. The proposed amendments aim:

- to further enhance the international applicability of:
  - industry groupings, including to reflect value chains in emerging markets and developing economies;
  - disclosure topics in those industry groupings; and
  - metrics and supporting technical protocols;
- to improve interoperability with other sustainability-related standards and frameworks, while ensuring continued focus on the needs of investors in order to serve as a global baseline of sustainability-related disclosures to meet the needs of capital markets;
- to amend the disclosure topics and metrics in the SASB Standards related to biodiversity, ecosystems and ecosystem services (BEES) and human capital, to align the SASB enhancements with the ISSB’s research projects on those topics and to enable feedback on this Exposure Draft to provide input to those research projects;
- to align the language and concepts in the SASB Standards with IFRS Sustainability Disclosure Standards; and
- to enhance the SASB Standards’ clarity, conciseness and cost-effectiveness for preparers.

**(a) Do you agree with the objective of the proposed amendments to the SASB Standards and related areas of focus?**

We agree with the objective of the proposed amendments to the SASB Standards and related areas of focus to provide timely support to entities applying IFRS S1 and IFRS S2.

**(b) Do the proposed amendments meet this objective? Why or why not?**

Yes, the proposed amendments meet the objective.

**Question 2—Enhancements to interoperability with other standards and frameworks**

In considering necessary amendments to the SASB Standards, the ISSB has identified possible amendments that would enhance the interoperability and alignment of the SASB Standards with other sustainability-related standards and frameworks, such as those of the Global Reporting Initiative (GRI), European Sustainability Reporting Standards, and the guidance published by the Taskforce on Nature-related Financial Disclosures (TNFD). Paragraphs BC33–BC41 of the Basis for Conclusions explain the approach taken to improving interoperability and alignment with other sustainability-related standards and

frameworks. Appendix B of the Basis for Conclusions provides a list of some of the proposed amendments that would enhance interoperability with the GRI Standards and alignment with TNFD disclosure recommendations, while maintaining a focus on the needs of primary users of general purpose financial reports.

**(a) Do you agree with the proposed approach to enhancing interoperability and alignment with other sustainability-reporting standards and frameworks? Why or why not?**

We agree with the proposed approach to enhancing interoperability and alignment with other sustainability-reporting standards and frameworks to reduce reporting burden and improve comparability.

**(b) Do you agree that the proposed amendments to the nine priority industries and targeted amendments to other SASB Standards will result in improved interoperability and thus achieve the objectives of improving the decision-usefulness of disclosed information for primary users and cost-effectiveness for preparers? Why or why not?**

We agree that the proposed amendments to the nine priority industries and targeted amendments to other SASB Standards will result in improved interoperability and achieve the objectives of improving the decision-usefulness of disclosed information for primary users. However, reporting cost may increase depending on organisations' readiness.

We propose that a mapping tool be developed comparing SASB Standards, GRI and ESRS disclosures to aid preparers in multi-framework reporting.

**(c) Could the interoperability and alignment of any disclosure topics or metrics be further enhanced while achieving the objectives of improving the decision-usefulness and cost-effectiveness of the information? What amendments would you propose and why?**

We believe that the interoperability and alignment of any disclosure topics or metrics could be further enhanced while achieving the objectives of improving the decision-usefulness and cost-effectiveness of the information.

### **Question 3—Amendments to the climate-related content in the SASB Standards**

The ISSB is proposing to enhance the nine priority industries comprehensively, including the climate-related content in the priority industries. The ISSB also is proposing targeted amendments to some climate-related metrics in other SASB Standards. The proposed amendments are intended to assist preparers in identifying climate-related risks and opportunities and to enhance the decision-usefulness of industry-specific information about these risks and opportunities.

The *Industry-based Guidance on Implementing IFRS S2* (IFRS S2 industry-based guidance) is derived from, and is largely identical to, the climate-related content in the SASB Standards. The ISSB has maintained alignment between the SASB Standards and the IFRS

S2 industry-based guidance. Therefore, the ISSB considered that the proposed amendments to the climate-related content in the SASB Standards could have implications for preparers who are implementing IFRS S2. The ISSB decided that it should propose making consequential amendments to the IFRS S2 industry-based guidance should it amend the climate-related content in the SASB Standards. That proposal is set out in the separate Exposure Draft *Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2*. The ISSB also considered how it could use the effective date of the final amendments to ensure that they would not negatively affect preparers' implementation of IFRS S1 and IFRS S2.

**(a) Do you agree that the ISSB should amend the climate-related content in the SASB Standards for the priority industries and make targeted amendments to the climate-related content in the SASB Standards for other industries, as proposed in this Exposure Draft? Why or why not?**

We agree that the ISSB should amend the climate-related content in the SASB Standards for the priority industries and make targeted amendments to the climate-related content in the SASB Standards for 41 industries as it will ensure alignment of climate-related disclosures and promote consistent climate data collection across diverse supply chains and operations. We propose that the SASB Standard on 'Electric Utilities and Power Generators Sector' be included for the targeted amendments.

**(b) Do you agree that the proposed amendments would enhance the decision-usefulness of the industry-specific information about climate-related risks and opportunities? Why or why not?**

We agree that the proposed amendments would enhance the decision-usefulness of the industry-specific information about climate-related risks and opportunities. The proposed amendments will enhance decision-usefulness by strengthening disclosure of Scope 1 methane emissions, water-related risks, and climate resilience which are highly relevant for investors' risk assessments.

**(c) Do you agree that the proposed amendments would further clarify how the climate-related content in the SASB Standards and the IFRS S2 industry-based guidance relates to the requirements in IFRS S2?**

We agree that the amendments further clarify the SASB and IFRS S2 industry guidance relates to ISSB standards which is subject to applicability, flexibility and suitability that the amendments allow.

We proposed for additional sector-specific examples such as retail and real estate.

#### **Question 4—Information related to biodiversity, ecosystems and ecosystem services and human capital**

The ISSB proposes to amend disclosure topics and metrics in the SASB Standards related to biodiversity, ecosystems and ecosystem services (BEES) and human capital. The ISSB is pursuing research projects on BEES and human capital.

The ISSB seeks to understand the extent to which the SASB Standards, and the proposed amendments, meet user needs for information on risks and opportunities related to BEES and human capital.

**(a) Do the SASB Standards, including the proposed amendments, enable entities to provide decision-useful information about their BEES-related risks and opportunities to users of general purpose financial reports? Why or why not?**

We agree that the SASB Standards, including the proposed amendments, enable entities to provide decision-useful information about their BEES-related risks and opportunities to users of general-purpose financial reports.

**(b) In the nine industries that the ISSB has prioritised for enhancement in the Exposure Draft, are there other BEES-related disclosures not addressed through the proposed amendments that would be useful for users of general purposes financial reports in their decision-making? If so, please explain which disclosures and why.**

Additional disclosures could be considered to strengthen reporting, particularly on areas such as land use, deforestation, biodiversity impacts across supply chains. For example, sectors such as retail and food-related sectors may need to address deforestation risks in sourcing and the effects of urban development on sensitive habitats, as these aspects are not covered under the proposed targeted amendments.

**(c) Do the SASB Standards, including the proposed amendments, enable entities to provide decision-useful information about their human capital-related risks and opportunities to users of general purpose financial reports? Why or why not?**

Yes, the proposed amendments adequately cover key workforce issues such as health and safety, labour practices, and employee well-being. It provides clearer information, enhancing comparability across industries, and strengthening investors' confidence.

However, disclosures should only be required based on materiality and metrics should be meaningful. We propose that boundaries of workforce be clarified whether it includes promoters, contractors, or third-party workers operating within an entity's premises. We also recommend that the guidelines to focus on human rights in addition to human capital-related risks.

**(d) In the nine industries that the ISSB has prioritised for enhancement in the Exposure Draft, are there other human capital-related disclosures not addressed through the proposed amendments that would be useful for users of general purposes financial reports in their decision-making? If so, please explain which disclosures and why.**

We propose the following to be included in relation to human capital-related disclosures:

- Guidance on workforce boundary.
- Retention and turnover of key operational staff as high staff turnover in critical roles can signal operational or reputational risk.
- Upskilling and reskilling metrics, especially for industries facing digitalisation or energy-efficiency transition as this indicates readiness for future operating conditions.

**Question 5—Effective date**

The ISSB proposes to set an effective date for the amendments that will occur between 12 and 18 months after their issuance and permits early application. The ISSB’s rationale for this proposal can be found in paragraph BC161 of the Basis for Conclusions.

**(a) Do you agree with the proposed approach for setting the effective date of the amendments and permitting early application? Why or why not?**

We agree with the proposed effective date between 12 and 18 months post-issuance, with early adoption permitted. However, we propose a phased approach of implementation starting with the most material categories with transition guidance and illustrative examples be made available well in advance of the effective date. This balances the need for timely implementation with the preparers’ capacity to adjust systems and processes.

**Question 15—Targeted amendments to the SASB Standards**

Beyond the amendments proposed to the nine priority SASB Standards, the ISSB proposes that the corresponding metrics in other SASB Standards be aligned to maintain consistent disclosures on these common topics among industries where appropriate. Forty-one additional industries would be affected by the proposed targeted amendments. The ISSB proposes targeted amendments to the metrics in other SASB Standards for:

- greenhouse gas emissions;
- energy management;
- water management;
- labour practices; and
- workforce health and safety

Paragraphs BC47–BC48 of the Basis for Conclusions set out the ISSB’s reasoning for proposing the targeted amendments. The section on ‘Proposed amendments for the SASB Standards’ in the Basis for Conclusions sets out the reasoning for specific amendments to the topics noted above. Appendix A to the Basis for Conclusions contains a full list of SASB Standards and metrics within those that would be affected by the targeted amendments.

**(a) Do you agree with the proposal to align corresponding metrics in other SASB Standards beyond the nine priority industries to maintain consistent disclosures on these common topics in industries subject to equivalent disclosure requirements? Do you agree that doing so would improve the comparability of information? Why or why not?**

We agree with the alignment proposal as it would improve the comparability of information with flexibility allowed. However, different sectors such as oil and gas may use different methods of calculation which reduce comparability. Accordingly, we propose that standardised methodologies be determined first.

**(b) Do you agree that these proposed targeted amendments should be implemented before completing a comprehensive review of each of the SASB Standards affected by these amendments? Do you agree that this approach would support the objective of enhancing the SASB Standards to provide timely support to entities in applying IFRS S1? Why or why not?**

We agree that by implementing these targeted amendments ahead of comprehensive review is pragmatic, as it ensures timely support for IFRS S1 application and provides an opportunity to observe its use for future improvements. Having said that, conducting a comprehensive review first will enable industrial sectors to be clear on the reporting requirements and methodologies.

**(c) Do you agree with the proposed targeted amendments associated with greenhouse gas emissions? Why or why not?**

We agree with the proposed targeted amendments associated with green house gas emissions as it aligns with IFRS S2 requirements and improves comparability of information. However, clarity is needed on acceptable methodologies for Scope 3 emissions reporting to ensure comparability.

**(d) Do you agree with the proposed targeted amendments associated with energy management? Why or why not?**

We agree with the proposed amendments.

**(e) Do you agree with the proposed targeted amendments associated with water management? Why or why not?**

We agree with the proposed enhancements and propose the additions below:

- Flexibility in adopting clause 3.3 of EM-CM-140a.1 as set out on see page 109 of the Exposure Draft in relation to *(1) Total water withdrawal, by source, (2) total water consumed; (3) percentages of water (a) withdrawn and (b) consumed from water stressed locations)*
- Harmonising definitions of water stress and withdrawal with TNFD and GRI.
- Standardised methodologies to be used by reporting entities.

**(f) Do you agree with the proposed targeted amendments associated with labour practices? Why or why not?**

We agree with the proposed amendments associated with labour practices as it promotes comparability of information among industries.

**(g) Do you agree with the proposed targeted amendments associated with workforce health and safety? Why or why not?**

We agree with the proposed targeted amendments associated with workforce health and safety as they promote comparability of information among industries. We propose that in addition to incident rates, proactive safety culture indicators such as trainings and audits be included.

**(h) Are the proposed targeted amendments to the additional 41 industries appropriate and relevant for the individual SASB Standards? Are there any jurisdictional considerations related to these SASB Standards that have not been addressed in the proposals for targeted amendments that should be taken into account? If so, please explain.**

The proposed targeted amendments to the additional 41 industries are generally appropriate and relevant.

However, jurisdictional factors such as local energy-efficiency rules, labour regulations, and biodiversity policies should be acknowledged to avoid conflicts with national requirements.

**(i) Do you agree that the proposed targeted amendments to the SASB Standards would enhance the interoperability and alignment with other sustainability-reporting standards and frameworks? Why or why not? (Note that the ISSB is focused on providing material information for users about the effects of sustainability related risks and opportunities on an entity's prospects.)**

We agree that the proposed targeted amendments would enhance the interoperability and alignment with other sustainability-reporting standards and framework.