

SUSTAINABILITY AGENDA



“ As professional accountants, we are the enablers of sustainability. We are at the center of information flows and decision making. We can integrate financial and non-financial information. Wherever we are in the value chain - as preparers, as senior management, as board and Audit Committee members or in firms - we have the skills to transform high quality standards into high quality information. ”

ASMÂA RESMOUKI

IFAC President



“ As the regulator and developer of the profession, MIA has identified climate change and ESG issues as game changers that will reset the global business ecosystem. As Malaysia pursues its pathway to a low-carbon economy, accountants are ideally positioned to be a strategic partner for companies' transition towards a more sustainable future. ”

DATUK BAZLAN OSMAN

MIA President

The call for sustainability is gaining momentum as stakeholders demand organisations' transparency on environmental and social impacts towards managing severe global risks. According to the World Economic Forum's Global Risks Report 2023 highlighting the top ten risks over a 2-year period and 10-year period, eight of these relate to environmental and societal risks.

As partners to business and organisation, the global accountancy profession has likewise identified the sustainability agenda as an imperative to ensuring business resilience while protecting the well-being of environment and society. In Malaysia, MIA has committed to advocating for ESG and sustainability to ensure the future relevance of the profession and drive sustainable nation building in the public interest.

The [MIA sustainability agenda](#) is a two-pronged approach that advocates sustainability for the accountancy profession and the Institute in order to be future relevant by enhancing the profession's competency, protecting public interest and supporting sustainable nation building.

Among the areas the MIA sustainability agenda will focus on are governance, ethics, accounting, people, reporting, process, assurance, systems, regulation and guidance. These are fundamental areas relevant to the accountancy profession and the Institute whereby the sustainability agenda needs to be mapped and addressed.

To steer the way forward, MIA has established the new Sustainability Department to manage the MIA sustainability agenda. The new Sustainability Department is now a core part of the Sustainability, Digital Economy and Reporting (SDER) Division, which was renamed from the Digital Economy, Reporting and Risk Division as of January 2023 to better align with MIA's heightened thrusts on sustainability and digital.

Under the oversight of the new Sustainability Blueprint Task Force established by the MIA Council, MIA is in the midst of developing the MIA Sustainability Blueprint for the accountancy Profession (the Blueprint). The Blueprint focuses on advocating sustainability for the accountancy profession. Simultaneously, the MIA Sustainability Framework and Targets (the Framework) are being developed which outlines the sustainability agenda for the Institute.

Whilst developing the Blueprint and Framework, MIA will continue its advocacy and capability building efforts on sustainability for the accountancy profession in Malaysia. MIA will also continue to implement its own low-carbon initiatives at the Institute level while awaiting the release of the Framework.

ADVOCACY FOR THE PROFESSION'S SUSTAINABILITY

As sustainability and ESG gain traction, organisations are turning to their accountants to help navigate a pathway to being future fit. As a result, accountants need to adapt and assume new roles and functions in sustainability for them to continue adding value to the organisation. Accountants should also advocate for smart sustainability-related policymaking and regulation, helping organisations comply with industry best practices and evolving regulatory requirements.

Sustainability-Related Disclosures

- ▶ With the issuance and future implementation of IFRS S1 and S2, accountants are expected to lead climate reporting and other material disclosures on environmental, social and governance (ESG) matters.
- ▶ As sustainability starts with companies, businesses and organisations (including public sector), accountants should call for the adoption of an integrated mindset that breaks down information silos within organisation and promotes interconnection for sustainable decision-making.

Assurance of Sustainability Disclosures

- ▶ The International Auditing and Assurance Standards Board (IAASB) has proposed a new standard for sustainability assurance, the International Standard on Sustainability Assurance (ISSA) 5000.
- ▶ Accountants will have to be upskilled on the ISSA 5000 which will be a standalone, overarching standard suitable for both limited and reasonable assurance of information reported across any sustainability topics.



For more information about the CPE programmes, please scan this QR Code to access our website.
<https://pd.mia.org.my>



MIA has designed and organised the relevant CPE programmes to ensure that accountants are prepared for the new standards on sustainability-related disclosures and assurance of sustainability disclosures.

FACILITATING SDGs WITH ISLAMIC FINANCE



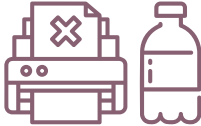
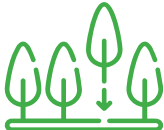


Malaysia leads globally in Islamic finance, which is rapidly emerging as a key sector that can play a large role in supporting the goals of the UNSDGs. The Islamic finance industry promotes socially responsible developments and links economic growth to social welfare.

MIA has collaborated strategically with IFAC on a series of initiatives linking Islamic finance and the UNSDGs. These include:

- 1 Organising 2 joint focus group discussions.
- 2 Issuing 3 articles on facilitating SDGs with Islamic finance that have been published on IFAC Knowledge Gateway and the MIA e-AT digital magazine, and republished by other media.
- 3 An upcoming roundtable organised among IFAC, MIA and the World Bank to be held in Kuala Lumpur by end of 2023 on the topic of utilising Islamic finance tools and concepts to achieve SDGs.

INSTITUTIONAL ESG EFFORTS

While awaiting the issuance and operationalisation of the institutional ESG framework and targets, MIA continues to green our activities. To reduce our carbon footprint, MIA:

<p>Continuously works towards implementing an energy saving programme</p> 	<p>Offers more CPE programmes virtually or on hybrid basis. Saved 6,570,720 sheets of paper (70 gsm)</p> 	<p>No longer provides printed materials or plastic water bottles at the MIA International Accountants Conference</p> 
<p>Committed to plant trees on behalf of speakers at the MIA International Accountants Conference 2023 in lieu of a token</p> 	<p>Provided virtual speaking opportunities for overseas speakers at the Conference instead of flying them in physically</p> 	<p>Implements remote working arrangements and virtual meetings</p> 

Talent will be a primary catalyst for successful ESG adoption. We are looking into how the MIA workforce can embrace a rigorous ESG culture to demonstrate credibility, enhance trust and negate greenwashing risks. Key to this will be the provision of sustainability-related awareness programmes and trainings to ensure that our talents are equipped to facilitate ESG implementation.