

ANNEXURE A  
PROPOSED AMENDMENTS RELATING TO  
SUSTAINABILITY STATEMENT IN ANNUAL REPORTS  
MAIN MARKET LISTING REQUIREMENTS

APPENDIX 9C

Part A

**Contents of annual report**  
(paragraphs 9.25 and 9.41)

(1) – (28) [No change].

(29) ~~A description of the corporate social responsibility activities or practices undertaken by the listed issuer and its subsidiaries or if there are none, a statement to that effect. A narrative statement of the listed issuer's management of material economic, environmental and social risks and opportunities ("**Sustainability Statement**"), and where applicable, in the manner as prescribed by the Exchange.~~

*[Cross-reference: Practice Note 9]*

(30) [No change].

*The proposed revised Practice Note 9 is as follows:*

## PRACTICE NOTE 9

### INTERNAL CONTROL AND CORPORATE GOVERNANCE STATEMENT

Details	Cross References
Effective date: 1 June 2001, [ ]	Paragraphs 15.25, <del>and</del> 15.26 <u>and paragraph 29, Part A of Appendix 9C</u>
Revision date: 3 August 2009, 29 November 2012, [ ]	

#### 1.0 Introduction

- 1.1 Paragraph 15.25 of the Listing Requirements provides that a listed issuer must include in its annual report, a narrative statement of its corporate governance practices (“**Corporate Governance Statement**”) with reference to the Malaysian Code on Corporate Governance 2012 (“**Code**”). In making the Corporate Governance Statement, the listed issuer must include the following information:
- (a) how the listed issuer has applied the Principles set out in the Code (“**Principles**”) to its particular circumstances, having regard to the Recommendations stated under each Principle (“**Recommendations**”); and
  - (b) any Recommendation which the listed issuer has not followed, together with the reasons for not following it and the alternatives adopted by the listed issuer, if any.
- 1.2 Paragraph 15.26(b) of the Listing Requirements requires a listed issuer to ensure that its board of directors makes a statement in its annual report about the state of internal control of the listed issuer as a group (“**Internal Control Statement**”).
- 1.2A Paragraph 29, Part A of Appendix 9C of the Listing Requirements provides that a listed issuer must include in its annual report, a narrative statement of the listed issuer’s management of material economic, environmental and social risks and opportunities (“**Sustainability Statement**”), and where applicable, in the manner as prescribed by the Exchange.
- 1.3 This Practice Note clarifies the obligation of the listed issuers in making the Corporate Governance Statement, ~~and~~ the Internal Control Statement and the Sustainability Statement.
- 1.4 [Deleted]

- 
- 2.0 Location of the Corporate Governance Statement, ~~and~~ the Internal Control Statement and the Sustainability Statement in the annual report**
- 2.1 A listed issuer may combine both the Corporate Governance Statement and the Internal Control Statement (both statements are collectively referred to as “**said Statements**”).
- 2.2 A listed issuer must set out the said Statements and the Sustainability Statement prominently and clearly in its annual report. The said Statements and the Sustainability Statement must not be incorporated into its Chairman’s statement in the annual report as referred to in paragraph 7, Part A of Appendix 9C of the Listing Requirements.

### **PART I - CORPORATE GOVERNANCE STATEMENT**

#### **3.0 Contents of the Corporate Governance Statement**

[No change].

### **PART II – INTERNAL CONTROL STATEMENT**

#### **4.0 Contents of the Internal Control Statement**

[No change].

#### **5.0 The said Statements**

- 5.1 The said Statements must clearly identify the board of directors of the listed issuer as the party which is making the statements.

### **PART III – SUSTAINABILITY STATEMENT**

#### **6.0 Contents of the Sustainability Statement**

- 6.1 All listed issuers should ensure that the Sustainability Statement contains information that is balanced, comparable and meaningful by referring to the Sustainability Reporting Guide issued by the Exchange. In identifying the material economic, environmental and social risks and opportunities, the listed issuer should consider the themes set out in the Sustainability Reporting Guide.
- 6.2 In making the Sustainability Statement, a listed issuer must include disclosures on the following:
- (a) the internal structure of how the economic, environmental and social risks and opportunities (“**sustainability matters**”) are managed;
  - (b) the scope of the Sustainability Statement and basis for the scope;

ANNEXURE A  
PROPOSED AMENDMENTS RELATING TO  
SUSTAINABILITY STATEMENT IN ANNUAL REPORTS  
Draft for Public Consultation – 27 July 2015

---

(c) material sustainability matters and how they are identified and managed including details on -

(i) policies to manage these sustainability matters;

(ii) measures or actions taken to deal with these sustainability matters; and

(iii) indicators relevant to these sustainability matters.

6.3 For purposes of paragraph 6.2(c) above, sustainability matters are considered material if they –

(a) reflect the group's significant economic, environmental and social impacts; or

(b) substantively influence the assessment and decisions of stakeholders.

6.4 A listed issuer is not required to comply with paragraphs 6.1 to 6.3 above if the listed issuer prepares its Sustainability Statement in accordance with the Global Reporting Initiative Sustainability Reporting Guidelines.

6.5 A listed issuer may issue its Sustainability Statement in a separate report but must ensure that the report is issued as soon as practicable after the issuance of the annual report, and in any event no later than the date of its annual general meeting. In such a case, the listed issuer must also ensure that the information set out in the report covers the same financial year as the annual report.

Notes:

1. Paragraphs 6.2 and 6.3 of Practice Note 9 are only applicable to the following listed issuers:

(a) a listed issuer with market capitalisation (excluding treasury shares) of RM1 billion and above as at 31 December 2015;

(b) a listed issuer admitted to the Official List after 31 December 2015 and its market capitalisation (excluding treasury shares) is RM1 billion and above as at the date of listing; and

(c) a listed issuer with market capitalisation (excluding treasury shares) of RM1 billion and above as at 31 December of any calendar year after 31 December 2015.

2. A listed issuer which falls within 1(a), (b) or (c) of the Notes above must comply with paragraphs 6.2 and 6.3 of Practice Note 9 even if its market capitalisation (excluding treasury shares) subsequently decreases below RM1 billion.

3. Paragraphs 6.2 and 6.3 of Practice Note 9 are not applicable to listed issuers which do not fall within the criteria in (1) of the Notes above. These listed issuers are, however, strongly encouraged to refer to paragraphs 6.2 and 6.3 of Practice Note 9 and the Sustainability Reporting Guide issued by the Exchange, to the extent possible, when preparing the Sustainability Statement.

**[End of Annexure A]**