

APPENDIX 2

QUESTIONS AND ANSWERS

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS
("MAIN LR") IN RELATION TO ENHANCED SUSTAINABILITY REPORTING FRAMEWORKPRACTICE NOTE 9 - RISK MANAGEMENT AND INTERNAL CONTROL, CORPORATE GOVERNANCE AND
SUSTAINABILITY STATEMENT*Disclosure of Sustainability Statement in Annual Report*

~~9.51 For a corporation that is listed on the Main Market of Bursa Securities after 31 December 2015, how does it determine its market capitalisation for purposes of ascertaining the effective date for such corporation to make a Sustainability Statement in its annual report as stipulated in Notes 1 and 2 to Part III of Practice Note 9?~~

~~The market capitalisation of such corporation is determined based on the offer or issue price of its securities as set out in the prospectus for its initial public offering. [Deleted]~~

~~9.51A XYZ Berhad has a market capitalization of below RM2 billion as at 31 December 2015 and 31 December 2016. If XYZ Berhad voluntarily makes a Sustainability Statement in its annual report issued for the financial year ending on 31 December 2016, is XYZ Berhad still required to provide a description of its and its subsidiaries' corporate social responsibility activities or practices, in its annual report issued for the financial year ending on 31 December 2016?~~

~~No. As clarified under Note 5 to Part III of Practice Note 9, XYZ Berhad is not required to provide a description of its and its subsidiaries' corporate social responsibility activities or practices, if it has made a Sustainability Statement in its annual report issued for the financial year ending on 31 December 2016. [Deleted]~~

9.51B Is it mandatory for a listed issuer to comply with the Sustainability Reporting Guide issued by the Exchange when it prepares its Sustainability Statement?

~~No. As stated under paragraph 6.1 of Practice Note 9, a listed issuer is only encouraged as a best practice to refer to the Sustainability Reporting Guide when preparing its Sustainability Statement. Whilst adherence to the Sustainability Reporting Guide is voluntary, the Exchange would strongly encourage listed issuers to refer to the Sustainability Reporting Guide, to the extent possible, when preparing their Sustainability Statement.~~

9.51C Can a listed issuer issue a standalone Sustainability Statement separately from its annual report?

Yes, the listed issuer may do so provided that the standalone Sustainability Statement -

- (a) complies with paragraphs 6.1 to 6.53 of Practice Note 9 of the Main LR ~~or is prepared in accordance with the GRI Sustainability Reporting Guidelines~~; and
- (b) is issued concurrently with the annual report.

9.51D Assuming that a listed issuer chooses to issue a standalone Sustainability Statement that satisfies the requirements in Question 9.51C above, must the listed issuer send a hard copy of the standalone Sustainability Statement to its shareholders who request for a hardcopy of the annual report?

Yes. As the standalone Sustainability Statement forms part of the annual report, the listed issuer must send a hard copy of the standalone Sustainability Statement together with its annual report to its shareholder who has requested for a hard copy of the annual report.

9.51E Since Annexure PN9-A of Practice Note 9 of the Main LR currently prescribes the common material sustainability matters which a listed issuer must manage and disclose in its Sustainability Statement, is the listed issuer still required to undertake a materiality assessment to determine its other material sustainability matters?

Yes, a listed issuer must still undertake a materiality assessment and make the necessary disclosures as required under paragraph 6.2 of Practice Note 9 of the Main LR in its Sustainability Statement.

9.51F Is there any guidance to assist listed issuers in making the climate change-related disclosures which are aligned with the Recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD Recommendations”) as required under paragraph 6.2(d) of Practice Note 9 of the Main LR?

The Exchange will be issuing a specific guide in due course to facilitate listed issuers in providing climate change-related disclosures. Additional reference materials are also available in a dedicated “TCFD Resources” folder on Bursa Sustain at: <https://bursasustain.bursamalaysia.com/droplet-details/resources/tcf-d-resources>.

9.51G Under paragraph 6.2(e)(ii) of Practice Note 9 of the Main LR, a listed issuer must disclose, among others, whether its Sustainability Statement has been subjected to an independent assurance performed in accordance with recognised assurance standards. What are these recognised assurance standards?

The recognised assurance standards refer to -

- (a) the International Standard on Assurance Engagements (“ISAE”) 3000; or
- (b) the International Organization for Standardization (“ISO”).