

APPENDIX 2

QUESTIONS AND ANSWERS

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS
("ACE LR") IN RELATION TO ENHANCED SUSTAINABILITY REPORTING FRAMEWORK

GUIDANCE NOTE 11 - RISK MANAGEMENT AND INTERNAL CONTROL, CORPORATE GOVERNANCE AND
SUSTAINABILITY STATEMENT

Disclosure of Sustainability Statement in Annual Report

~~9.46 A listed corporation is required to make a Sustainability Statement in its annual reports issued for financial years ending on or after 31 December 2018. If a listed corporation voluntarily makes a Sustainability Statement in its annual report issued for the financial year ending on 31 December 2017, is the listed corporation 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 2017?~~

~~No. The listed corporation is not required to provide a description of its and its subsidiaries' corporate social responsibility statement activities or practices, if it has made a Sustainability Statement in its annual report issued for the financial year ending on 31 December 2017. [Deleted]~~

9.46A Is it mandatory for a listed corporation 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 Guidance Note 11, a listed corporation 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 corporations to refer to the Sustainability Reporting Guide, to the extent possible, when preparing their Sustainability Statement.~~

9.46B Can a listed corporation issue a standalone Sustainability Statement separately from its annual report?

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

(a) complies with paragraphs 6.1 to 6.6 of Guidance Note 11 of the ACE LR; and

(b) is issued concurrently with the annual report.

9.46C Assuming that a listed corporation chooses to issue a standalone Sustainability Statement that satisfies the requirements in Question 9.46B above, must the listed corporation 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 corporation 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.

9.46D Since Annexure GN11-A of Guidance Note 11 of the ACE LR currently prescribes the common material sustainability matters which a listed corporation must manage and disclose in its Sustainability Statement, is the listed corporation still required to undertake a materiality assessment to determine its other material sustainability matters?

Yes, a listed corporation must still undertake a materiality assessment and make the necessary disclosures under paragraph 6.2 of Guidance Note 11 of the ACE LR in its Sustainability Statement.

9.46E Is there any guidance to assist listed corporations in disclosing its plan to transition towards a low-carbon economy (“transition plan”) in a dedicated section within the Sustainability Statement as required under paragraph 6.4 of Guidance Note 11 of the ACE LR?

The Exchange will be issuing specific guidance in due course to facilitate listed corporations in providing disclosures on the transition plan. Reference materials on climate change reporting are also available in a dedicated “TCFD Resources” folder on Bursa Sustain at: <https://bursasustain.bursamalaysia.com/droplet-details/resources/tcfD-resources>.

9.46F Under paragraph 6.2(d)(ii) of Guidance Note 11 of the ACE LR, a listed corporation 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”).