

MEDIA RELEASE

BURSA MALAYSIA ENHANCES SUSTAINABILITY REPORTING FRAMEWORK WITH NEW CLIMATE CHANGE REPORTING

Aims to raise sustainability practices and disclosures of listed issuers

Kuala Lumpur, 26 September 2022 - Bursa Malaysia Securities Berhad (“Bursa Malaysia” or the “Exchange”) today announces the enhanced sustainability reporting requirements in the Main Market Listing Requirements (“Main LR”) and the ACE Market Listing Requirements (“ACE LR”) (collectively, “Listing Requirements”), with the aim to elevate the sustainability practices and disclosures of listed issuers.

There have been significant developments in the sustainability landscape, particularly in the climate change front, in recent years. Responding to these, the Exchange has enhanced the sustainability reporting requirements in the Listing Requirements to ensure their continued relevance and to propel listed issuers to adopt international best practices.

“The scale of the sustainability reporting enhancements that we have introduced today sends a clear and unequivocal signal of Bursa Malaysia’s ambition to be the leading exchange for ESG in the region,” said Datuk Muhamad Umar Swift, CEO of Bursa Malaysia.

“The high bar that we have now set for all our listed issuers is underpinned by a multi-year, phased implementation approach to ensure a successful rollout. More importantly, by embracing these enhancements, our listed issuers would boost their overall resilience, competitiveness and, in turn, appeal as attractive investments.”

Main Market listed issuers will now be required to include the following disclosures in their Sustainability Statements¹:

- (i) a common set of prescribed sustainability matters and indicators that are deemed material for all listed issuers (“**common sustainability matters**”);
- (ii) climate change-related disclosures that are aligned with Task Force on Climate-related Financial Disclosures (“**TCFD**”) Recommendations (“**TCFD-aligned disclosures**”);

¹ This refers to the narrative statement by the listed issuers of their material economic, environmental and social risks and opportunities in the annual reports.

- (iii) at least three financial years' data for each reported indicator, corresponding targets (if any) as well as a summary of such data and corresponding performance target(s) in a prescribed format (“**enhanced quantitative information**”); and
- (iv) a statement on whether the Sustainability Statement has been reviewed internally by internal auditors or independently assured (“**statement of assurance**”).

The sustainability reporting requirements for ACE Market listed corporations have also been strengthened to align with those of the Main Market. In addition, ACE Market listed corporations are now required to disclose a basic plan to transition towards a low carbon economy (“**transition plan**”), with regards to climate change reporting. This not only facilitates ACE Market listed corporations in considering climate change-related risks and opportunities, but also takes into account their maturity in this space.

“Come 2025, all Main Market listed issuers will be reporting TCFD-aligned disclosures where they will be internalising climate change considerations in their business strategies as well as in responding to the needs of their key stakeholders,” said Julian Hashim, Chief Regulatory Officer of Bursa Malaysia. “Separately, Bursa Malaysia’s overall enhanced Sustainability Reporting Framework puts listed issuers in a good position to adopt international reporting frameworks and standards, such as those issued by the Global Reporting Initiative and the International Sustainability Standards Boards. Overall, these enhancements put our requirements on par with benchmarked international markets.”

The enhanced sustainability reporting requirements for Main Market listed issuers will be implemented in a phased manner, beginning with the disclosure of the common sustainability matters for financial year ending (“**FYE**”) on or after 31 December 2023, and culminating with the TCFD-aligned disclosures for FYE on or after 31 December 2025.

Similarly, ACE Market listed corporations will adopt the enhanced sustainability disclosures on a staggered basis, with disclosures of the prescribed sustainability information² taking effect for FYE on or after 31 December 2024, and concluding with disclosures of the basic transition plan for FYE on or after 31 December 2026.

² This refers to the sustainability governance, scope of the Sustainability Statement and basis for the scope, materiality assessment and management of material sustainability matters.

In tandem with the issuance of the enhanced Listing Requirements above, the Exchange has issued the updated Sustainability Reporting Guide and Toolkits which provide practical and useful guidance to listed issuers on how to embed sustainability in their organisation, comply with the enhancements above, and produce quality disclosures. There are also additional best practices for listed issuers to consider if they wish to adopt more advanced sustainability practices and reporting to set themselves apart in the market.

A summary of the enhanced requirements and their respective implementation dates are set out in Appendix 1. Please refer to the following webpages for more information on the amended Listing Requirements as well as the updated Sustainability Reporting Guide and Toolkits:

- **Amendments to the Main Market Listing Requirements:**
https://www.bursamalaysia.com/regulation/listing_requirements/main_market/amendments_to_listing_requirements
- **Amendments to the ACE Market Listing Requirements:**
https://www.bursamalaysia.com/regulation/listing_requirements/ace_market/amendments_to_listing_requirements
- **The updated Guide and Toolkits:**
<https://bursasustain.bursamalaysia.com/pillar-details/resources>.

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About Bursa Malaysia

Bursa Malaysia is an exchange holding company incorporated in 1976 and listed in 2005, and has grown to be one of the largest bourses in ASEAN today. Bursa Malaysia operates and regulates a fully-integrated exchange offering a comprehensive range of exchange-related facilities, and is committed to *Creating Opportunities, Growing Value*. Learn more at www.bursamalaysia.com.

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Appendix 1: Implementation dates in relation to the enhanced sustainability requirements under the Listing Requirements

Enhanced Sustainability Reporting Requirements		Effective Dates for Main Market	Effective Dates for ACE Market
1.	Prescribed sustainability information, i.e. narrative statement of the listed issuer's management of material economic, environmental and social risks and opportunities which must include the - sustainability governance, scope of the Sustainability Statement and basis for the scope, materiality assessment and management of material sustainability matters	Existing Requirement	Applicable for Sustainability Statements in annual reports issued for FYE on or after 31 December 2024
2.	The following common sustainability matters & indicators: (i) Anti-corruption (ii) Community/Society (iii) Diversity (iv) Energy Management (v) Health and Safety (vi) Labour Practices and Standards (vii) Supply Chain Management (viii) Data Privacy and Security (ix) Water	Applicable for Sustainability Statements in annual reports issued for FYE on or after 31 December 2023	Applicable for Sustainability Statements in annual reports issued for FYE on or after 31 December 2025
3.	3 financial years' data for each reported indicator & corresponding performance targets (if any)		
4.	Summary of data & targets in a prescribed format		
5.	Statement of assurance		
6.	Remaining common sustainability matters & indicators: (x) Waste Management (xi) Emissions	Applicable for Sustainability Statements in annual reports issued for FYE on or after 31 December 2024	Applicable for Sustainability Statements in annual reports issued for FYE on or after 31 December 2026

Appendix 1: Effective dates for enhanced Listing Requirements pertaining to sustainability disclosures (cont'd)

Enhanced Listing Requirements pertaining to Sustainability Disclosures		Effective Dates for Main Market	Effective Dates for ACE Market
7.	TCFD-aligned disclosures	Applicable for Sustainability Statements in annual reports issued for FYE on or after 31 December 2025	Not applicable
8.	Basic transition plan	Not applicable	Applicable for Sustainability Statements in annual reports issued for FYE on or after 31 December 2026