

Cognitud

# Malaysia Bursa ESG Reporting

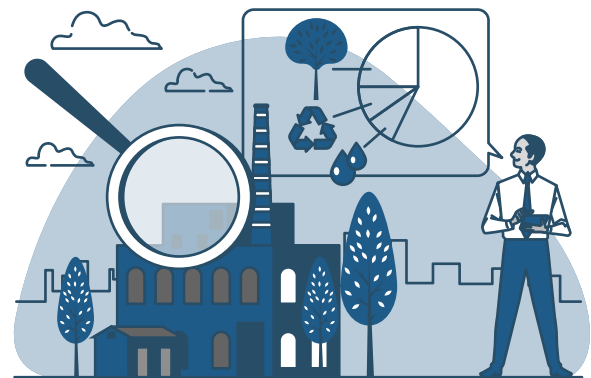
## Bursa Malaysia launched the CSI Solution to solidify ESG integration for local companies!

On June 21, 2024, Malaysia's stock exchange, Bursa Malaysia, launched the Centralized Sustainability Intelligence (CSI) Solution to provide backing to Malaysian companies in incorporating ESG into their business operations and strategies, therefore enabling them to have a stronger competitive edge. There were about 150 guests, ranging from chief representatives of different government agencies; ministries; and regulatory authorities like financial institutions, the media, and the advisory committee of sustainability reporting.

### Simplified ESG Reporting with CSI Solution

The CSI Solution is available to all sizes of companies, be it small, medium, or large. Its infrastructure platform bestows companies with tools to evaluate carbon emissions generated by various firms and consolidate their sustainability reporting. Owing to Bursa Malaysia's prime aim to convert Malaysia into a low carbon economy, the CSI Solution has been successfully launched.

This solution allows all the companies to achieve regulatory compliance with different local and international ESG reporting standards. This will also act as a driving force for Malaysian companies to mitigate their carbon emissions and work towards leaving a positive carbon footprint in order to achieve global market presence.

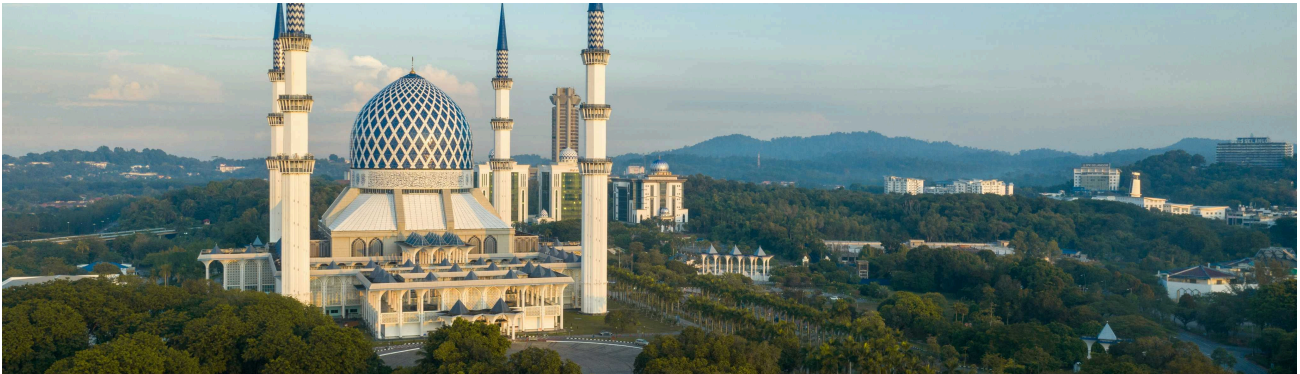


The CSI solution supports the New Industrial Master Plan 2030 of the Ministry of International Trade and Industry (MITI), the i-ESG framework, and the National Semiconductor Strategy. With the incorporation of CSI Solution into the ESG disclosures, firms can easily improve their sustainability credentials, lure ethical investors, and access better financing rates, which further facilitates driving growth, success, and shared success for Malaysia.

### Sustainable funding at special rate

The companies that have already implemented the CSI Solution hail from significant economic domains such as oil and gas, logistics, manufacturing, construction, and automotive. The participating bank partners of the CSI Solution will offer special financing rates to Malaysian firms and their suppliers who exercise decarbonization and regulate carbon emissions.





## **Lead early implementation of ESG disclosures incorporated into globally-accredited frameworks**

The CSI Solution provides Malaysian companies the opportunity to attract international investors and customers who seek a comprehensive and transparent sustainability report, by integrating ESG disclosures with globally-accredited frameworks such as the Greenhouse Gas Protocol, GRI, TCFD, and IFRS Sustainability Disclosure Standards.

Last year, on December 4, 2023, Bursa Malaysia set up the Bursa Malaysia ESG Reporting platform, therefore making it mandatory for the companies in Malaysia to meet the sustainability disclosure standards.

Made available through the Bursa LINK system, this free-to-access ESG reporting platform is meant to produce a summary performance table that includes data and indicators concerning the material sustainability matters of the listed issuers. The listed issuers should positively disclose their statistical data for every single material sustainability matter, which includes mentioning three years of information for each indicator, strategic goals, and an overview of such targets and data in a specific method.

All in all, the Bursa Malaysia ESG Reporting Platform facilitates organizing ESG reporting all around Malaysia, ascertaining that the companies are responsible for their particular sustainability practices.

For the new companies to easily comply with the Bursa Malaysia ESG Reporting Framework, here are some elements to consider:

- **Materiality Evaluation**

The materiality assessment is a key factor in identifying which ESG issues to highlight in the report. It facilitates organizations to identify the most significant risks and opportunities that affect the business and its stakeholders. With the help of an exhaustive materiality assessment, companies can make certain that the disclosed ESG information is reliable, relevant, and credible.



According to Bursa Malaysia's requirement, the materiality assessment must be established through stakeholder consultation and take into account factors like industry standards, regulations, and the organization's tactical goals.



## • Clear Metrics and Targets

In order to calculate ESG performance and progress, companies must establish clear metrics and targets. Doing so exhibits the company's commitment to ESG reporting while also providing a roadmap for further enhancements. To ascertain comparability and consistency in sustainability reporting, Bursa Malaysia advises companies to make use of accredited sustainability reporting frameworks, namely TCFD, CDP, SASB Standards, and GRI Standards.

An additional point of consideration for the companies is to make sure that the metrics and targets align with their business goals and are attainable, clear, measurable, relevant, and time-specific.

## • Strong Governance and Risk Management

For an ESG report to be considered successful, it must showcase strong governance practices and risk management strategies. Complete disclosure regarding company's board structure, remuneration, and diversity must take place. Companies should also disclose in what manner they manage ESG risks and opportunities with the help of a clear reporting process and structure. Bursa Malaysia looks forward to the companies disclosing their ESG policies, performance, and implementation.



With the integration of CSI into ESG reporting, companies will be able to access actionable data for better decision making, that will facilitate them in tracking their business progress towards sustainability goals and comparing their standing against their industry peers while also simultaneously finding out their improvement areas, thus mitigating risks associated with ESG factors.