

Ref. No.: RPA/JH/TAC/RO(ss)/LD09/24 [SustainabilityReporting&Others]

23 December 2024

The Company Secretary
(Listed Issuers)

Via email

Dear Sir/Madam,

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS IN RELATION TO SUSTAINABILITY REPORTING REQUIREMENTS AND OTHER ENHANCEMENTS

1. INTRODUCTION

- 1.1. Pursuant to section 9 of the Capital Markets and Services Act 2007 ("**CMSA**"), Bursa Malaysia Securities Berhad ("**the Exchange**") has made amendments to the Main Market Listing Requirements ("**Main LR**") in relation to sustainability reporting requirements and other enhancements (the "**Amendments**").

2. BACKGROUND & OBJECTIVES

- 2.1 We regularly review the Main LR from time to time to ensure that our rules remain fit for purpose in line with ongoing developments in the capital market landscape as well as to improve quality of disclosures in the marketplace and safeguard shareholders' rights.
- 2.2 In line with the objective above, we focused the review this time on the following:
- (a) aligning the sustainability reporting framework with the National Sustainability Reporting Framework ("**NSRF**")¹ ("**Sustainability Reporting Requirements**");
 - (b) promoting shareholder participation in general meetings of listed issuers by requiring physical or hybrid meetings ("**General Meeting Requirements**"); and

¹ The NSRF was launched on 24 September 2024 by the Advisory Committee of Sustainability Reporting ("**ACSR**"), an inter-agency committee which comprise representatives from Securities Commission Malaysia, Audit Oversight Board of the Securities Commission Malaysia, Bank Negara Malaysia, Companies Commission of Malaysia, Bursa Malaysia, and the Financial Reporting Foundation. Details of the NSRF is accessible at <https://www.sc.com.my/nsrf>

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- (c) strengthening accountability of Recognised Principal Advisers² which promoted applicants for listing by naming them in public documents of listed issuers for a specified period ("**Related Adviser Requirements**").

2.3 In finalising the Amendments, the Exchange has considered the various feedback and comments received in response to the public consultation paper issued on 24 September 2024.

3. THE AMENDMENTS

3.1 Accordingly, the Exchange has amended the Main LR as follows:

3.1.1 **Sustainability Reporting Requirements**

- (a) requiring a sustainability statement in annual report ("**Sustainability Statement**") to be prepared in accordance with the IFRS Sustainability Disclosure Standards, specifically IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* ("**IFRS S1**") and IFRS S2 *Climate-related Disclosures* ("**IFRS S2**") (collectively, the "**IFRS Sustainability Disclosure Standards**"), and consequential to this, replacing the term "economic, environmental and social risks and opportunities" with "sustainability-related risks and opportunities ("**SROs**")" *[paragraph 29 in Part A, paragraph 14 in Part C and paragraph 15 in Part E, of Appendix 9C; as well as paragraphs 1.2A and 6.1A of Practice Note 9, Main LR]*;
- (b) in addition to paragraph (a) above, maintaining or modifying the existing disclosure of the following information in the Sustainability Statement:
 - (i) the metrics and targets that demonstrates a listed issuer's performance and progress in relation to its SROs for the last 3 financial years, together with data, on a rolling basis *[paragraph 6.2(c) of Practice Note 9, Main LR]*;
 - (ii) a summary of the data for the metrics and targets disclosed in the Sustainability Statement, in a prescribed format *[paragraph 6.2(f) of Practice Note 9, Main LR]*; and

(subparagraphs (i) and (ii) are collectively referred to as "**Quantitative Information**")

- (iii) a statement on whether the listed issuer has subjected the Sustainability Statement to internal review by its internal auditor or independent assurance performed in accordance with recognised assurance standards ("**Statement of Assurance**"), and if so, the subject matter(s) and the scope covered. In addition, for independent assurance, the conclusions must also be disclosed *[paragraph 6.2(e) of Practice Note 9, Main LR]*;

² Pursuant to paragraph 1.01 of the Main LR, this refers to a recognised principal adviser under the Securities Commission Malaysia's Licensing Handbook.

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3.1.2 General Meeting Requirements

[paragraph 8.27A, Main LR]

- (a) requiring a listed issuer to hold its general meeting at a physical venue in Malaysia ("**Main Venue**"); and
- (b) requiring compliance with the following if the listed issuer holds its general meeting at another physical venue concurrently or utilises virtual meeting technology:
 - (i) put in place the necessary tools and infrastructure to support a smooth broadcast and interactive participation by shareholders; and
 - (ii) ensure all shareholders are accorded with similar rights to speak and vote at the general meeting;

3.1.3 Related Adviser Requirements

[paragraph 2.21C of the Main LR]

- (a) requiring a listed issuer to –
 - (i) state the name of the Recognised Principal Adviser that was responsible for its admission to the Main Market in all its announcements and documents issued to its securities holders, for 2 full financial years from admission; and
 - (ii) ensure that the statement above is prominently displayed but does not imply that the named Recognised Principal Adviser is responsible for the matter stated in the announcements and documents, unless it is the adviser for such matter.

4. FULL TEXT OF THE AMENDMENTS

4.1 The full text of the Amendments is attached in **Appendix 1**. For ease of reference, the amendments are reflected in the following manner:

- portions underlined are text newly inserted / added onto the existing rules; and
- portions struck through are text deleted.

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5. IMPLEMENTATION

5.1 Sustainability Reporting Requirements

5.1.1 The Exchange is cognisant that listed issuers are at varying levels of maturity and readiness in terms of their sustainability reporting practices and available resources. This may pose considerable challenges for listed issuers in transitioning towards the adoption of the IFRS Sustainability Disclosure Standards.

5.1.2 In view of the above, the Sustainability Reporting Requirements will be implemented in phases, complemented by additional transition reliefs to facilitate and ease compliance by listed issuers. These are in addition to the proportionality mechanisms³ provided in the IFRS Sustainability Disclosure Standards.

Phased implementation

5.1.3 The Sustainability Reporting Requirements will be implemented in stages based on the size of the listed issuers as set out below ("**Effective Dates**");

No.	Listed issuers	Effective Date(s)
(a)	A listed issuer with market capitalisation (excluding treasury shares) of RM2 billion and above as at – (i) 31 December 2024; or (ii) the date of its admission to the Official List after 31 December 2024. (" Group 1 listed issuer ")	Applicable for Sustainability Statement in annual report issued for financial year ending (" FYE ") on or after 31 December 2025
(b)	A listed issuer other than in subparagraph (a) above (" Group 2 listed issuer ")	Applicable for Sustainability Statement in annual report issued for FYE on or after 31 December 2026

Transitional arrangements to facilitate implementation

5.1.4 For 2 full financial years commencing from the respective Effective Dates ("**transitional period**"), a listed issuer may adopt the following transition reliefs when preparing and issuing the Sustainability Statements *paragraph 1.2 read together with paragraph 2.0 of Practice Note 9A, Main LRI*:

³ Table 2: Proportionality mechanisms, paragraph 6.1 of the [NSRF](#). Under these mechanisms, listed issuers can use reasonable and supportable information available without undue cost or effort and can consider their "skills, capabilities, and resources" in meeting specific disclosure requirements.

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- (a) disclosing information only on climate-related risks and opportunities;
- (b) focusing on disclosure of information on climate-related risk and opportunities in respect of its principal business segments; and
- (c) not disclosing Scope 3 greenhouse gas emissions, unless otherwise mandated by other regulators.

5.1.5 This means that as a minimum, a listed issuer must include climate-related disclosures in accordance with the IFRS Sustainability Disclosure Standards during the transitional period.

5.1.6 In relation to SROs other than climate-related risks and opportunities ("**non-climate SROs**"), a listed issuer is encouraged to use the IFRS S1 when providing such disclosures during the transitional period.

Sustainability Statement prior to the Effective Dates

5.1.7 Consequential to the Sustainability Reporting Requirements, the requirement to provide climate-related disclosures in line with the recommendations of the Task Force for Climate-related Financial Disclosures ("**TCFD aligned climate-related disclosures**") introduced on 26 September 2022 pursuant to the amended sustainability reporting framework ("**2022 SRF**")⁴ will be disappplied with immediate effect. This is to allow listed issuers to focus on and progress towards climate reporting in accordance with the IFRS Sustainability Disclosure Standards.

5.1.8 Notwithstanding the above, listed issuers which have either begun providing the TCFD-aligned climate-related disclosures or are working towards meeting such disclosure requirements would have a reasonably good foundation to transition and adopt IFRS S2, since the IFRS S2 incorporates the TCFD Recommendations but with more detailed requirements.

⁴ Details of the 2022 SRF are as follows:

- (a) Circular:
https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/63311a7a5b711a4e20c5340a/files/Circular_to_Main_PLC_EnhancedSustainability.pdf?1668067484
- (b) Appendix 1 setting out the 2022 SRF:
https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b5005b711a1764454c1a/63311b5d39fba20e04ba8e13/files/App_1_-_Main_LR_Sustainability_Amendments.pdf?1664168038
- (c) Appendix 2 setting out the Questions & Answers:
https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b5005b711a1764454c1a/63311b9339fba20e04ba8e1a/files/App_2_-_MainFAQ_EnhancedSustainabilityAmendments.pdf?1664168111

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- 5.1.9 Pending the respective Effective Dates, a listed issuer must continue to comply with the 2022 SRF with modifications as set out in Practice Note 9A of the Main LR, when preparing its Sustainability Statement. Under the modified requirements, a listed issuer is no longer required to disclose its waste management and emission management as part of the prescribed Common Sustainability Matters⁵.

Overview

- 5.1.10 For ease of reference, please refer to Illustration A for an overview of the reporting requirements in the Main LR for Sustainability Statements issued before the Effective Dates, during the transitional period and upon full adoption of the IFRS Sustainability Disclosure Standards.

5.2 General Meeting Requirements

The General Meeting Requirements will be applicable to general meetings held on or after 1 March 2025.

5.3 Related Adviser Requirements

The Related Adviser Requirements will be applicable to a listed issuer which is admitted to the Main Market on or after 2 January 2025.

6. ADDITIONAL INFORMATION

- 6.1 In addition, we have also provided "Questions and Answers" in relation to the Amendments as set out in **Appendix 2** to facilitate better understanding of, and compliance with, the Amendments.
- 6.2 This letter as well as Appendices 1 and 2 are also available at Bursa Malaysia Berhad's website at:

https://www.bursamalaysia.com/regulation/listing_requirements/main_market/amendments_to_listing_requirements

⁵ This refers to a common set of prescribed sustainability matters and indicators that were deemed material for all listed issuers.

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7. QUERIES AND SUPPORT**7.1 NSRF and the IFRS Sustainability Disclosure Standards**

To ensure the successful implementation of the NSRF, the Advisory Committee of Sustainability Reporting ("ACSR")⁶ has implemented an initiative referred to as **PACE (Policy, Assumptions, Calculators and Education)** to support listed issuers in using the IFRS Sustainability Disclosure Standards. PACE offers a wide range of resources, including policy guidance, emissions calculators, and capacity building programs, to ensure companies of all sizes can meet the sustainability reporting requirements. For further details, please visit <https://www.sc.com.my/nsrf/pace>.

7.2 Sustainability Reporting Requirements


If you have any other queries relating to the Sustainability Reporting Requirements, please submit your enquiry to Corporate Surveillance & Governance Division at sustainability@bursamalaysia.com.

7.3 General Meeting Requirements and Related Adviser Requirements

If you have any queries relating to the General Meeting Requirements and Related Adviser Requirements, please contact Listing Advisory & Development, Listing Division at 03-20347766 or submit your enquiry to <https://asklisting.bursamalaysia.com>.

Thank you.

Yours faithfully,



REGULATION

Encl. (2)

TAC/RO/ss/kkf

⁶ See footnote 1 for further details on the ACSR.

ILLUSTRATION A: OVERVIEW OF THE DISCLOSURE REQUIREMENTS FOR SUSTAINABILITY STATEMENTS UNDER MAIN LR

Listed issuer ⁷	Sustainability Statements in annual report issued for FYE on or after:				
	31 December 2024	31 December 2025	31 December 2026	31 December 2027	31 December 2028 & onwards
Group 1	<ul style="list-style-type: none"> Management of material economic, environmental and social risks and opportunities with prescribed information 3 financial years' data and targets (if any) in relation to reported indicators and summary in prescribed format 	<p>Transitional</p> <ul style="list-style-type: none"> Management of climate-related risks and opportunities in accordance with the IFRS Sustainability Disclosure Standards Quantitative Information Statement of Assurance <p><i>[paragraph 6.0 of Practice Note 9 & paragraph 2.0 of Practice Note 9A]</i></p> <p><i>A listed issuer is encouraged to use the IFRS S1 when reporting the non-climate SROs.</i></p>		<p>Full Adoption</p> <ul style="list-style-type: none"> Management of SROs in accordance with the IFRS Sustainability Disclosure Standards Quantitative Information Statement of Assurance <p><i>[paragraph 6.0 of Practice Note 9]</i></p>	
Group 2	<ul style="list-style-type: none"> Statement of Assurance 9 Common Sustainability Matters⁸ <p><i>[paragraphs 3.0, 4.1(a) and Annexure PN9A-A of Practice Note 9A]</i></p>	<ul style="list-style-type: none"> Management of material economic, environmental and social risks and opportunities with prescribed information 3 financial years' data and targets (if any) in relation to reported indicators and summary in prescribed format Statement of Assurance <p><i>[paragraph 4.1(b) and Part A of Annexure PN9A-A of Practice Note 9A]</i></p>	<p>Transitional</p> <ul style="list-style-type: none"> Management of climate-related risks and opportunities using the IFRS Sustainability Disclosure Standards Quantitative Information Statement of Assurance <p><i>[paragraph 6.0 of Practice Note 9 & paragraph 2.0 of Practice Note 9A]</i></p> <p><i>A listed issuer is encouraged to use the IFRS S1 when reporting the non-climate SROs.</i></p>		<p>Full Adoption</p> <ul style="list-style-type: none"> Management of SROs in accordance with the IFRS Sustainability Disclosure Standards Quantitative Information Statement of Assurance <p><i>[paragraph 6.0 of Practice Note 9]</i></p>

⁷ See paragraph 5.1.3 of this circular for further details on the classification for Group 1 listed issuers and Group 2 listed issuers.

⁸ These cover anti-corruption, community, diversity, energy management, health and safety, labour practices and standards, supply chain management, data privacy and security, and water.