

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

23 December 2024

The Company Secretary
(Listed Corporations)

Via email

Dear Sir/Madam,

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD ACE 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 ACE Market Listing Requirements ("**ACE LR**") in relation to sustainability reporting requirements and other enhancements (the "**Amendments**").

2. BACKGROUND & OBJECTIVES

- 2.1. We regularly review the ACE 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 corporations 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) updating the requirements relating to publication of a listing Sponsor's² name in public documents for greater clarity ("**Related Sponsor 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 ACE 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 30 in Part A of Appendix 9C; as well as paragraphs 1.2A and 6.1 of Guidance Note 11, ACE LR]*;
- (b) in addition to paragraph (a) above, requiring the disclosure of the following information in the Sustainability Statement:
 - (i) the metrics and targets that demonstrates a listed corporation'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(a) of Guidance Note 11, ACE LR]*;
 - (ii) a summary of the data for the metrics and targets disclosed in the Sustainability Statement, in a prescribed format *[paragraph 6.2(c) of Guidance Note 11, ACE LR]*; and

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

- (iii) a statement on whether the listed corporation 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(b) of Guidance Note 11, ACE LR]*;

² Pursuant to Rule 1.01 of the ACE LR, Sponsor refers to such person who is registered on the Register of Sponsor maintained by the Exchange for the ACE Market.

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3.1.2 General Meeting Requirements

[Rule 8.29A of the ACE LR]

- (a) requiring a listed corporation to hold its general meeting at a physical venue in Malaysia ("**Main Venue**"); and
- (b) requiring compliance with the following if the listed corporation 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 that all shareholders are accorded with similar rights to speak and vote at the general meeting;

3.1.3 Related Sponsor Requirements

- (a) clarifying that a Sponsored Corporation³ must name the Recognised Approved Adviser⁴, where applicable (in addition to the Sponsor) who was responsible for its admission to the ACE Market, in all its Public Documents⁵ during the Sponsorship Period⁶ *[Rule 4.27(2)(a)(i) of the ACE LR]*;
- (b) clarifying that a Sponsored Corporation must continue to name the Sponsor and the Recognised Approved Adviser, where applicable, who were responsible for its admission, in all of its Public Documents for 2 full financial years from its listing, even when it is exempted from continued compliance with the Sponsor requirements under Rule 3.21(1) of the ACE LR *[Rule 4.27(2)(a)(iii) of the ACE LR]*; and
- (c) requiring a Sponsored Corporation to ensure that the statement above in its Public Documents is prominently displayed but does not imply that the named Sponsor or Recognised Approved Adviser is responsible for the matter stated in the Public Documents, unless it is the adviser for such matter *[Rule 4.27(2)(b) of the ACE LR]*.

³ This refers to a listed corporation which is sponsored by a Sponsor or a replacement Sponsor during the Sponsorship Period under Rule 1.01 of the ACE LR.

⁴ This refers to an Approved Adviser for the LEAP Market which has been approved to act as a Recognised Approved Adviser by the Exchange pursuant to Rule 4.29 of the ACE LR.

⁵ This refers to any announcement made to the Exchange and document issued to securities holders under the updated Rule 4.02(b) of the ACE LR.

⁶ This refers to the period where a listed corporation is required to retain the service of a Sponsor, as stipulated in Rule 3.21(1), Rule 3A.05(1) or such period as may be approved by the Exchange.

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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.

5. IMPLEMENTATION

5.1. **Sustainability Reporting Requirements**

- 5.1.1. The Exchange is cognisant that listed corporations 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 corporations in transitioning towards the adoption of the IFRS Sustainability Disclosure Standards, which entails putting in place the relevant practices, policies and procedures to comply with the requirements in a meaningful manner.
- 5.1.2. In view of the above, the implementation of the Sustainability Reporting Requirements will be complemented by additional transition reliefs to facilitate and ease compliance by listed corporations. These are in addition to the proportionality mechanisms⁷ provided in the IFRS Sustainability Disclosure Standards.

Effective date

- 5.1.3. Listed corporations must comply with the Sustainability Reporting Requirements when preparing and issuing the Sustainability Statement in the annual report issued for financial year ending ("**FYE**") on or after 31 December 2027 ("**Effective Date**").

Transitional arrangements to facilitate implementation

- 5.1.4. For the first 3 full financial years commencing from the Effective Date, a listed corporation may adopt the following transition reliefs when preparing and issuing the Sustainability Statements *[paragraph 1.2 read together with paragraph 2.0 of Guidance Note 11A, ACE LRI]*:
- disclosing information only on climate-related risks and opportunities;
 - focusing on disclosure of information on climate-related risk and opportunities in respect of its principal business segments; and

⁷ Table 2: Proportionality mechanisms, paragraph 6.1 of the [NSRE](#). Under these mechanisms, listed corporations 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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- (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 corporation 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 corporation 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 disclosure of a basic plan to transition towards a low carbon economy and the disclosure of the common sustainability matters⁸ introduced on 26 September 2022 pursuant to the amended sustainability reporting framework ("**2022 SRF**")⁹ will be disapplied with immediate effect. This is to allow listed corporations to focus on and progress towards climate reporting in accordance with the IFRS Sustainability Disclosure Standards.
- 5.1.8. For annual reports issued for FYE on or after 31 December 2024, a listed corporation must continue to provide a narrative statement of the listed corporation's management of material economic, environmental and social risks and opportunities that contains information that is balanced, comparable and meaningful *paragraph 3.0 of Guidance Note 11A, ACE LR*.
- 5.1.9. For annual reports issued for FYE on or after 31 December 2025 and 31 December 2026, a listed corporation must comply with the following requirements deferred from the 2022 SRF *paragraph 4.0 of Guidance Note 11A, ACE LR*:

⁸ This refers to a common set of 11 prescribed sustainability matters and indicators that were deemed material for all listed corporations. These covers anti-corruption, community, diversity, energy management, health and safety, labour practices and standards, supply chain management, data privacy and security, water, waste management and emissions management.

⁹ Details of the 2022 SRF are as follows:

- (a) Circular:
https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/63311d105b711a4e14c53409/files/Circular_to_ACE_PLC_EnhancedSustainability.pdf?1668071460
- (b) Appendix 1 setting out the 2022 SRF:
https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b5005b711a1764454c1a/63311db15b711a4de4c53410/files/App_1_-_ACE_LR_Sustainability_Amendments.pdf?1664169294
- (c) Appendix 2 setting out the Questions & Answers:
https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b5005b711a1764454c1a/63311dc85b711a4ddec5340f/files/App_2_-_ACEFAQ_EnhancedSustainabilityAmendments.pdf?1664167109

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- (a) a narrative statement of the listed corporation's management of material economic, environmental and social risks and opportunities with information on the governance structure, scope of the Sustainability Statement together with the basis for the scope, the materiality assessment and how the material sustainability matters are managed;
- (b) the disclosure of 3 financial years' data and targets (if any) in relation to the reported indicators and summary of such data and targets in a prescribed format; and
- (c) the disclosure of the Statement of Assurance¹⁰.

Overview

- 5.1.10. For ease of reference, please refer to Illustration A for an overview of the reporting requirements in the ACE LR for Sustainability Statements issued before the Effective Date, 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 Sponsor Requirements

The Related Sponsor Requirements will be applicable to a listed corporation which is admitted to the ACE Market on or after 2 January 2025 onwards.

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/ace_market/amendments_to_listing_requirements

¹⁰ As defined in paragraph 3.1.1(b)(iii).

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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")¹¹ has implemented an initiative referred to as **PACE (Policy, Assumptions, Calculators and Education)** to support listed corporations 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 Sustainability Reporting Requirements, please email Corporate Surveillance & Governance Division at:
sustainability@bursamalaysia.com.

7.3. General Meeting Requirements and Related Sponsor Requirements

If you have any queries relating to General Meeting Requirements and Related Sponsor 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

¹¹ See footnote 1 for further details on the ACSR.

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

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	31 December 2029	31 December 2030 & onwards
<ul style="list-style-type: none"> Management of material economic, environmental and social risks and opportunities containing information that is balanced, comparable and meaningful <p><i>[paragraph 3.0 of Guidance Note 11A]</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 4.0 of Guidance Note 11A]</i></p>	<p>Transitional</p> <ul style="list-style-type: none"> Climate-related risks and opportunities in accordance with the IFRS Sustainability Disclosure Standards Quantitative Information Statement of Assurance <p><i>[paragraph 6.0 of Guidance Note 11 & paragraph 2.0 of Guidance Note 11A]</i></p> <p><i>A listed corporation 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"> SROs in accordance with the IFRS Sustainability Disclosure Standards Quantitative Information Statement of Assurance <p><i>[paragraph 6.0 of Guidance Note 11]</i></p>	