ICGN
International Corporate Governance Network
Inspiring good governance & stewardship

Datuk Muhamad Umar Swift
Chief Executive Officer
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24 October 2024

Dear Mr. Umar Swift,

Subject: Proposed amendments to the main market listing requirements and Access, Certainty, Efficiency (ACE) market listing requirements in relation to sustainability reporting requirements and other enhancements

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on Bursa Malaysia's draft "Proposed amendments to the main market listing requirements and Access, Certainty, Efficiency (ACE) market listing requirements in relation to sustainability reporting requirements and other enhancements".

Led by investors responsible for assets under management of $77 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries.

We welcome Bursa Malaysia's efforts to adopt sustainability disclosure standards aligned with the International Sustainability Standards Board's (ISSB) Standards, as part of its new National Sustainability Reporting Framework. ICGN supports the ISSB's mission to develop a global baseline of sustainability-related corporate disclosures.[1] Investors have been calling for comparable, reliable, and verifiable corporate sustainability disclosures, grounded in financial materiality, to make informed investment and stewardship decisions, and for their own reporting to beneficiaries. Global adoption of the ISSB Standards is key to achieve this.

We believe the adoption of the ISSB standards will contribute to greater transparency on companies' exposure to and management of sustainability risks and opportunities. This is an important step for efficient capital markets and sustainable economies. In May 2024, ICGN, alongside 121 investors, companies, industry associations and stock exchanges have signed on to a call for commitment from relevant authorities across jurisdictions to adopt the ISSB standards.[2] So far, jurisdictions representing over half the global economy by GDP announced steps to adopt or use the ISSB Standards.[3]

Investors need to be able to draw comparisons - across companies, markets, sectors and over time - for their analyses. To ensure comparability of information, we encourage Bursa Malaysia to adopt the ISSB Standards without substantial modifications, to the greatest extent possible.

We acknowledge that Bursa Malaysia's two-year phased-in approach results in full alignment with the ISSB Standards. However, the proposed transition relief, which allows

[1] ICGN Letters "Inaugural global sustainability disclosure standards, International Sustainability Standards Board (ISSB)" (26 June 2023)
[2] PRI, London Stock Exchange Group, UN Sustainable Stock Exchanges initiative, World Business Council for Sustainable Development, "Call to Action: ISSB Global Adoption" (22 May 2024)
[3] IFRS Foundation, "Jurisdictions representing over half the global economy by GDP take steps towards ISSB Standards" (28 May 2024)

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companies to report climate-related disclosures only for principal business segments, alters the scope of these standards.

We also encourage Bursa Malaysia to extend the requirements for Scope 3 greenhouse gas (GHG) emissions reporting to encompass all Scope 3 GHG categories outlined by the ISSB in IFRS S2 *Climate-related Disclosures.*

Thank you again for the opportunity to share our perspective. We would be delighted to discuss this further you, should you be interested in a meeting.

Yours faithfully,

Jen Sisson

Jen Sisson

Chief Executive Officer, ICGN