

# ENTERPRISE SUSTAINABILITY

## INTRODUCTION

The SC strives to be a sustainable organisation, taking into consideration the environmental and social impact of its operations, while setting the tone for other public-listed companies in Malaysia. Aligned with global trends and Malaysia's climate aspirations as outlined in the *National Energy Transition Roadmap* (NETR), the SC's decarbonisation commitments are to be Carbon Neutral by 2040, and Net Zero by 2050. The SC's Sustainability First Initiative (SFI) introduced the SFI Roadmap in 2023 to chart the organisation's effort to transition to net zero and includes Environmental, Social and Governance initiatives.

This segment covers the SC's enterprise sustainability initiatives, which includes incorporating improved sustainability practices within the organisation. It also includes an overview of the SC's commitment to the United Nations Sustainable Development Goals (UN SDGs).

## The SC's Commitment to the UN SDGs

Consistent with the SC's goal to be a sustainable organisation, six SDGs have been identified as relevant to the SC's enterprise values and operations. The following are the relevant SDGs and how the SC is contributing to its specific targets (Figure 1).

FIGURE 1



## ENVIRONMENTAL

### The SC's Emissions

Under the environmental pillar, the SC has started tracking the greenhouse gas (GHG) emissions associated with its operations including its Scopes 1, 2 and 3. The calculation of the SC's GHG emissions is done via a carbon management solution and is guided by the GHG Protocol methodology.

Scope 1 emissions represent the direct emissions from sources owned or controlled by the SC, including its mobile combustion and stationary combustion sources. Scope 2 emissions are the indirect emissions arising from the purchase of electricity, while Scope 3 represents the upstream and downstream indirect emissions that occur in the SC's value chain.

Assessing its GHG emissions is crucial to understand and quantify the SC's carbon footprint. By accurately measuring its GHG emissions, the SC is able to develop effective strategies to reduce its carbon emissions, aligning with its decarbonisation commitments to be Carbon Neutral by 2040, and Net Zero by 2050.

### The SC's Decarbonisation Efforts

Under the SFI, several emissions abatement levers were introduced in 2024. The SC also conducted an Energy Audit that analysed energy consumption, evaluated the performance of systems, and identified potential energy-saving measures. The following section outlines the SC's decarbonisation initiatives (Figure 2).

FIGURE 2

#### Solar Panel Installation



To further enhance the SC's energy efficiency, the installation of solar panels on the SC's rooftop is expected to be completed by March 2025.

The installation of the solar panels is projected to decrease electricity consumption within the SC by approximately 20%.



#### Vehicle Transition



To manage Scope 1 emissions, the SC has transitioned its petrol fleet from conventional fossil fuel vehicles to hybrid and Electric Vehicles (EVs), with charging stations installed within the organisation.



#### Lighting Transition



The SC is expected to fully transition its office building and perimeter lighting to energy-saving LED lighting by March 2025, replacing less efficient conventional options to significantly lower carbon emissions.

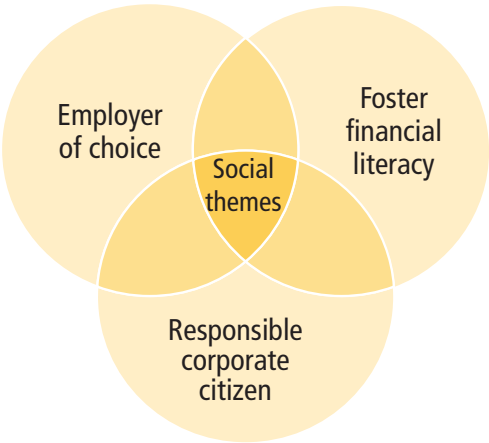
An estimated 7% reduction in electricity consumption is anticipated with the transition to LED lighting.



SOCIAL

As the capital market regulator, the SC demonstrates social responsibility to broader societal well-being to promote positive change and contribute to a more sustainable and equitable future. Under the SC’s sustainability framework, the social pillar is a three-pronged approach that is targeted to benefit the SC staff, as well as the external underserved community (Figure 3).

FIGURE 3



Employer of Choice

The SC strives to be a preferred employer among job seekers in Malaysia by building a healthy and supportive work environment, with an emphasis on maintaining the health, safety and wellbeing of its employees.

In 2024, the SC received the Malaysia’s 100 Leading Graduate Employers award. To be an employer of choice, the SC has internal policies that promote fair labour practices, career development and workplace safety, among others.

Throughout the year, the SC’s Sports and Recreation Club (KSRSS) organised various activities and events to strengthen staff camaraderie such as its annual Family Day, the SC Family Fun Run, and the Fruit Fest 2024.

The KSRSS’s Adulting 101 series organised in 2024 further offered life tips to young adults on budgeting and taxes, while the Pasar Pre-Loved provided an avenue for staff to buy and sell pre-loved items, promoting zero waste practices.



The SC’s Safety and Health Committee (SHC) plays a vital role in fostering a healthy lifestyle among SC staff. The Safety and Health Week 2024 included health screenings such as blood tests, total body composition analyses, eye examinations, among others.

Supporting staff health, there are counselors and professional psychiatrists to improve staff mental wellbeing, besides a wide coverage of approximately 7,000 clinics and hospitals for medical attention.



Additionally, the SC has commenced renovation of key areas of the SC building for increased staff utilisation and comfort. The creche was renovated to double its infant capacity and improve its visual appearance. Other enhancements to the SC building included renovations to the Ground and Lower Ground floor toilets, and refurbishment to the auditorium, gym, and multipurpose hall for better comfort and utilisation.



## Fostering Financial Literacy

Supporting the SC's mandate of investor protection, fostering financial literacy and investor education forms part of the SC's social pillar to improve awareness among various stakeholders. The SC continuously promotes investor awareness and education via various initiatives and programmes.

The annual InvestSmart® Fest educates investors to be more informed, improving public financial literacy. The investED programme, a capacity-building programme, aims to enhance the capital market knowledge of young graduates.



## Responsible Corporate Citizen

The SC as a responsible corporate citizen regularly seeks to identify and uplift the underserved community via philanthropic and non-philanthropic initiatives.

The Batik Lestari Project, a collaboration between the SC and MyCreative Ventures Sdn Bhd, aims to promote Malaysian batik and provide a platform for artisans to engage with corporate entities, helping them reach a wider market, elevating their income potential.

The *Kampung Angkat MADANI* is a programme to uplift rural villages via the provision of essential infrastructure. Over 5,000 attendees participated in the *Kampung Angkat MADANI* Carnival (KKAM) by the Ministry of Finance at SK Kampung La, Hulu Besut, Terengganu, on



2 November 2024. Officiated by Datuk Johan Mahmood Merican, Secretary-General of Treasury, the event featured services from 22 agencies, including the SC.

The SC, KWAP, LHDN and KWSP jointly sponsored the 'Back to School' programme for 135 students of SK Kampung La, providing school essentials such as backpack bags, stationery sets, colour pencils and notebooks.

## GOVERNANCE

The SC is committed to upholding robust sustainability governance standards through its Board Sustainability Committee (BSC) and establishment of a Sustainability Steering Committee (SSC) in 2024.

The BSC provides oversight on the SC's sustainability and ESG-related strategies and initiatives internally, and externally to regulate and develop the capital market. The BSC is supported by the SSC to guide and monitor key sustainability and ESG-related matters within the SC and in respect of the SC's role to regulate and develop the capital market.

Furthermore, as part of the SC's ongoing commitment to advancing ESG principles and sustainable development in the capital market, the SC will be appointing a Chief Sustainability Officer with effect January 2025.

The enhanced sustainability governance structure underscores the SC's heightened awareness of the pressing need to address sustainability efforts in a comprehensive and holistic manner.