

STRENGTHEN ESG FITNESS OF BOARDS

Sustainability covers a broad and deep set of issues across the environmental, social and governance (ESG) spectrum. However, climate-related matters would be at the front and center as the new wave of climate action has begun to reshape the fundamentals of finance and climate considerations become increasingly material in business and investment decisions. Various countries have established emissions reduction targets and transition pathways, which demand companies to take concrete and measurable climate action.

The SC will focus on capacity building for boards to strengthen ESG leadership, and enhance the availability of information on the sustainability practices of listed companies via the SC's annual CG Monitor report.

STRATEGIC
INITIATIVE
2.1



Introduce the Leading for Impact Programme for board capacity building on sustainability

A new onboarding programme focusing on sustainability, the *Leading for Impact Programme* (LIP) will be introduced for directors of listed companies. The LIP will complement MAP by providing directors with the foundational knowledge and practices to address sustainability effectively, with a focus on climate action and transition.

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Capacity building on sustainability for boards of mid and small-cap companies

A prerequisite for ESG leadership is the board's capacity to understand and address issues across the ESG spectrum. Today, the ESG fitness of boards differs, with some boards being relatively more advanced than others.

To support continuous capacity building on sustainability, in particular for boards of mid and small-cap companies, deep dive programmes on priority ESG issues will be developed. These programmes will be elective extensions of the LIP.

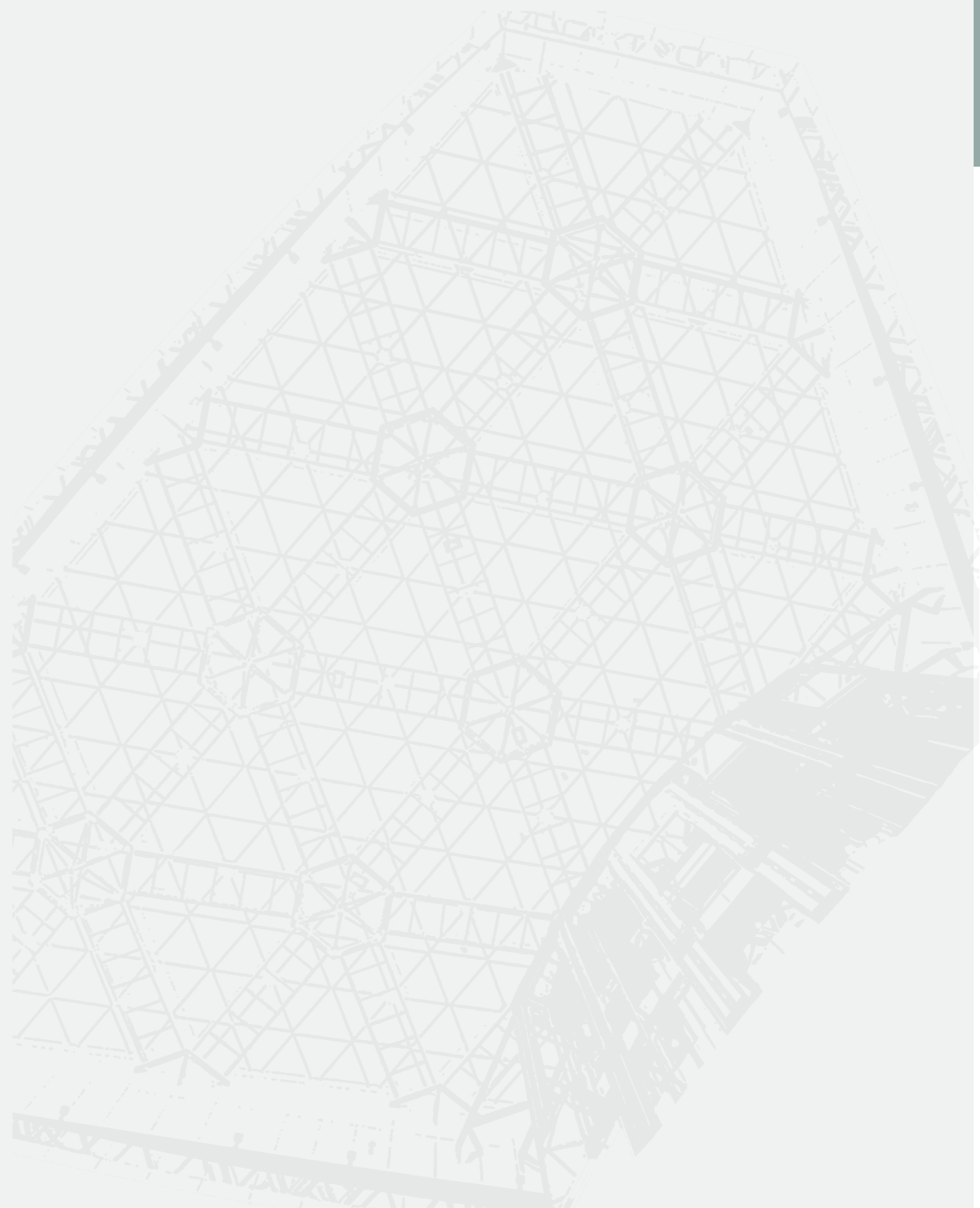
STRATEGIC INITIATIVE
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Enhance transparency on sustainability practices of listed companies



Bursa Malaysia is currently reviewing the sustainability reporting framework for listed companies to improve the quality of sustainability disclosures and meet the information needs of capital market stakeholders.

The enhanced sustainability reporting framework scheduled for roll-out in the second half of 2022 will also include mechanisms to enable data capture from the sustainability disclosures of listed companies. The mechanism will enable the SC to extend its current use of artificial intelligence (AI) to cover sustainability disclosures, and provide annual data and observations on sustainability through the SC's annual CG Monitor report.



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