

Sustainability Reporting Guide

3rd Edition

DISCLAIMER:

This Sustainability Reporting Guide ("Guide") is issued by Bursa Malaysia Securities Berhad to, among others, assist listed issuers in preparing the Sustainability Statement as required under the Listing Requirements of Bursa Malaysia Securities Berhad [paragraph 9.45(2) and paragraph (29), Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9) and paragraph (30) of Appendix 9C of the ACE Market Listing Requirements (supplemented by Guidance Note 11)].

While this Guide is intended to provide the relevant information and guidance for listed issuers to prepare their Sustainability Statement, it may not be exhaustive in its coverage. Listed issuers must exercise discernment and diligence when using this Guide. All applicable laws, regulations and existing Listing Requirements of Bursa Malaysia Securities Berhad should be referred to in conjunction with this Guide.

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CHAPTER 1: ABOUT THIS GUIDE

1. Purpose

This Sustainability Reporting Guide (“Guide”) details the business case for embedding sustainability and provides guidance on how this can be achieved. It also provides specific guidance on the information that should be disclosed when producing a Sustainability Statement in the Annual Report in accordance with Bursa Malaysia’s Listing Requirements (“LR”).

2. Objectives

This Guide seeks to help companies to:

- a) appreciate how sustainability can facilitate, support and drive corporate and societal value;
- b) improve awareness of the relevant risks and opportunities connected to the company’s sustainability matters or issues;
- c) identify, prioritise and manage material sustainability matters so that companies can focus on what is important to its stakeholders, and in turn, create long term value to stakeholders and society at large; and
- d) improve the quality and depth of sustainability information disclosed to better serve the needs and expectations of users of sustainability information.

3. Users of this Guide

This Guide is intended for all listed issuers (“companies”) on Bursa Malaysia’s Main and ACE Markets. Companies are strongly encouraged to refer to this Guide in the course of preparing their respective Sustainability Statements.

The Guide has been developed in recognition of the fact that companies may be at different stages of their sustainability journey and preparing the Sustainability Statement can be challenging especially for early reporters or smaller listed companies. Essentially, the contents of the Guide are applicable to companies at all levels of understanding and sophistication, be it in terms of sustainability disclosures or the underlying practices that facilitate such disclosures. Each company is encouraged to apply this Guide bearing in mind their own circumstances and in the context of their business operations (i.e. resources, experience, expertise and understanding).

In addition to reporting against Bursa Malaysia’s Sustainability Reporting Framework and the Recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”), companies are further encouraged to report in alignment with or, with adherence to, international sustainability reporting frameworks or guidelines such as the Global Reporting Initiative (“GRI”) Standards, the Sustainability Accounting Standards Board (“SASB”) Standards, and the FTSE Russell FTSE4Good Criteria. Other authoritative sources of reference include any standards issued by, among others, the International Sustainability Standards Board (“ISSB”) and the European Union’s European Financial Reporting Advisory Group (“EFRAG”) and the Recommendations of the Taskforce on Nature-related Financial Disclosures (“TNFD”).

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For further support on embedding sustainability in companies, the Exchange also offers various resources including (but not limited to):

- a) Bursa Malaysia's Sustainability Toolkits ("Toolkits");
- b) additional guidance documents; and
- c) best practice approaches, case studies, example disclosures and matrices, accessible via Bursa Sustain; an online one-stop knowledge portal to promote and support development in the areas of corporate governance, sustainability and responsible investment for listed companies, investors and other stakeholders.

This Guide specifically focuses on guiding companies with their sustainability reporting and disclosures. Any relevant content, supplemental sources of information and examples are to be read as non-exhaustive.

A Quick Tour of the Guide

The following terms are used throughout the chapters in the Guide:

Listing Requirements

Listing Requirements are provided in each chapter of the Guide and are categorised according to requirements for both the Main Market and ACE Market.

Listing Requirements



Paragraph 29, Part A of Appendix 9C, Main Market Listing Requirements^a

Contents of annual report

(29) A narrative statement of the listed issuer's management of material economic, environmental and social risks and opportunities ("Sustainability Statement"), in the manner as prescribed by the Exchange.

Paragraph 6.1, Practice Note 9, Main Market Listing Requirements^b

All listed issuers should ensure that the Sustainability Statement contains information that is balanced, comparable and meaningful by referring to the Sustainability Reporting Guide issued by the Exchange. In identifying the material economic, environmental and social risks and opportunities, the listed issuer should consider the themes set out in the Sustainability Reporting Guide.

Definitions

Where relevant, definitions are provided for terminologies that are used throughout the Guide to aid user understanding.

Definitions

Sustainability governance structure is defined as the structure a company has in place to ensure accountability, oversight and review in the identification and management of sustainability matters (i.e. roles and responsibilities of those in charge of the company's sustainability performance and disclosures).

Oversight is defined as having the responsibility to oversee the development and implementation of strategies including sustainability strategies, business plans and key initiatives to ensure the desired sustainability outcomes. This usually comes from the highest level of governing body within a company.

Strategic management is defined as the management of a company's resources by planning, setting and evaluating relevant strategies while analysing the company's business environment to ensure its sustainability goals and targets are met and the impacts of sustainability risks and opportunities are managed.

Day-to-day implementation is defined as the daily tasks to ensure effective implementation of the company's sustainability strategies and plans.

Disclosure Guidance

In each chapter, a series of Disclosure Guidance(s) are provided to aid companies in addressing Bursa Malaysia's sustainability-related Listing Requirements.

Each Disclosure Guidance is supplemented with key questions that companies should address in their Sustainability Statements.

Disclosure Guidance 1:

Oversight of sustainability matters

Question: Who is responsible for the oversight of the company's material sustainability matters?

Question: What is the nature of oversight performed?

Disclosure Guidance 2:

Strategic management of sustainability matters

Question: Who is responsible for the strategic management of the company's material sustainability matters?

Question: What is the nature of the strategic management performed?

A Quick Tour of the Guide (cont'd)

The following terms are used throughout the chapters in the Guide (cont'd):

Levels of proficiency

Beginner, Intermediate, Advanced

Where relevant, guidance is provided for companies to improve on their sustainability reporting in a phased manner.



Case Studies

Where relevant, Disclosure Guidance(s) are supplemented with selected case studies throughout the Guide.

CASE STUDY 1

Sime Darby Plantation

Sime Darby Plantation Berhad ("SDP")

In its Sustainability Report 2021, SDP provided a diagram of its sustainability governance structure and disclosed the roles and responsibilities, as well as the inter-relationships of various sustainability governance positions within the company. The party responsible for sustainability oversight and the actions taken by them to perform sustainability oversight are highlighted.

Diagram of overall Sustainability Governance in SDP

"The Board takes an active role in looking into climate change, conservation and biodiversity, human rights, supply chain amongst other sustainability related matters of the Group through the Board Sustainability Committee (BSC). The BSC supports the Board's oversight of the Group's sustainability objectives, policies, and practices"

Source: Sime Darby Plantation Berhad Sustainability Report 2021

Toolkits

Cross references are provided to the relevant Toolkits. Companies are encouraged to read the Guide together with the corresponding Toolkits.

Toolkits

For additional information on sustainability governance, please refer to the Toolkit Governance.

Additional Resources

Where relevant, a list of supplementary resources are provided to companies for easy reference.

Additional Resources

The following are supplementary resources for this chapter:

Securities Commission Malaysia's Malaysian Code on Corporate Governance
<https://www.sc.com.my/api/documentms/download.ashx?id=239e5ea1-a258-4db8-a9e2-41c215bdb776>

Bursa Malaysia Corporate Governance Guide (4th Edition)
<https://bursa-malaysia.s3.amazonaws.com/reports/Binder-Bursa-CG-Guide.pdf>

Bursa Malaysia PLC Transformation (PLCT) Programme Guidebook 2
https://www.bursamalaysia.com/sites/5d809dcf39fba22790cad230/assets/62a1a28539fba243eb321d31/20220609_BURSA_Book_2_Sustainable_Socially_Responsible_and_Ethical_PLCs_vF.pdf

A Quick Tour of the Guide (cont'd)

The following terms are used throughout the chapters in the Guide (cont'd):

List of Disclosure Guidance(s)		LIST OF DISCLOSURE GUIDANCE(S)																	
At the end of the Guide, a list of all the disclosure guidance(s) and corresponding questions are provided for easy reference.		Chapter 3: Sustainability Governance	<table border="1"> <thead> <tr> <th>Disclosure Guidance</th> <th>Questions</th> <th>Page Number</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Disclosure Guidance 1: Oversight of sustainability matters</td> <td>Who is responsible for the oversight of the company's material sustainability matters?</td> <td>page 13</td> </tr> <tr> <td>What is the nature of oversight performed?</td> <td>page 13</td> </tr> <tr> <td rowspan="2">Disclosure Guidance 2: Strategic management of sustainability matters</td> <td>Who is responsible for the strategic management of the company's material sustainability matters?</td> <td>page 14</td> </tr> <tr> <td>What is the nature of strategic management performed?</td> <td>page 14</td> </tr> <tr> <td>Disclosure Guidance 3: Day-to-day implementation of sustainability matters</td> <td>Who performs/implements sustainability-related tasks and initiatives on a day-to-day basis?</td> <td>page 16</td> </tr> </tbody> </table>	Disclosure Guidance	Questions	Page Number	Disclosure Guidance 1: Oversight of sustainability matters	Who is responsible for the oversight of the company's material sustainability matters?	page 13	What is the nature of oversight performed?	page 13	Disclosure Guidance 2: Strategic management of sustainability matters	Who is responsible for the strategic management of the company's material sustainability matters?	page 14	What is the nature of strategic management performed?	page 14	Disclosure Guidance 3: Day-to-day implementation of sustainability matters	Who performs/implements sustainability-related tasks and initiatives on a day-to-day basis?	page 16
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CHAPTER 2: BACKGROUND TO BURSA MALAYSIA'S SUSTAINABILITY REPORTING REQUIREMENTS

Developments in the international sustainability ecosystem

In recent years, there has been tremendous development and growth across the sustainability ecosystem worldwide. This is largely driven by ever increasing demands from various stakeholders (e.g. institutional investors, lenders, customers, non-governmental organisations (“NGOs”) and regulators) for better sustainability or environmental, social and governance (“ESG”)¹ practices as well as disclosures by businesses. For instance, signatories to the United Nations Principles of Responsible Investment (“UN PRI”) with a combined USD121.3 trillion assets under management (as at 2021) would avoid investing in companies that do not embrace good ESG practices.

Apart from mounting stakeholder pressure, the COVID-19 pandemic has brought to light the ramifications of poorly managed sustainability risks to overall business resilience and economic growth. Specifically, supply chain disruptions as well as limited natural and human capital resources have translated to lost productivity and increased cost of doing business. Furthermore, companies also need to contend with other pressing sustainability issues such as climate change, biodiversity loss, pollution and human rights.

Separately, the European Commission is proposing the implementation of a Carbon Border Adjustment Mechanism (“CBAM”)² to prevent the risk of carbon leakage and support the European Union's increased ambition on climate mitigation. A simplified CBAM system will be implemented from 2023 for selected products with the definitive system targeted to be fully operational in 2026. Operationally, the CBAM will impact all businesses with carbon-intensive processes that are selling to, or are supplying, entities within the European Union regardless of size and maturity in ESG practices. As Malaysia is a trading nation with significant trade relations with the European Union, many Malaysian businesses that form parts of global supply chains (including public listed companies) would undoubtedly be impacted by this development.

When taken as a whole, it is imperative that companies manage their economic, environmental and social impacts well to enhance business resilience and performance.

Developments in the Malaysian sustainability ecosystem

Along the same vein, there have also been several key developments in Malaysia that aptly reflect the heightening demand for good sustainability practices and disclosures in recent years. For instance, with the adoption of the whole-of-nation approach in the implementation of the 12th Malaysia Plan (covering the 2021-2025 period), both the public and private sectors are expected to embrace good ESG principles

¹ The terms EES (economic, environmental and social) and ESG (environmental, social and governance) are not clearly differentiated and often used interchangeably. We acknowledge that governance is an important part of sustainability. For the purposes of this Guide, our focus is largely on EES only because the “G” - governance element has already been extensively covered elsewhere under the existing disclosure requirements in the Listing Requirements and the Malaysian Code on Corporate Governance.

² For more information, please see:

(a) CBAM background: https://taxation-customs.ec.europa.eu/green-taxation-0/carbon-border-adjustment-mechanism_en

(b) CBAM Q&A: https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_3661

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in their decision-making and processes. Furthermore, the Plan is closely aligned to the United Nation's Sustainable Development Goals ("SDGs"). Consequently, Board of Directors ("Boards") are expected to understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

On a related front, institutional investors, in particular members of Institutional Investors Council Malaysia ("IIC"), are also collectively championing for better ESG practices as well as disclosures by their investee companies. In a clear sign of commitment, some IIC members have become signatories of the UN PRI including the Employees Provident Fund ("EPF") and Retirement Fund Incorporated ("KWAP"). In addition, institutional investors such as the EPF³, Permodalan Nasional Berhad⁴ and Khazanah Nasional⁵ announced sustainability investment policies/frameworks and commitments toward ESG-compliant and/or climate neutral/net zero portfolios.

In response to the urgent need to expedite and ensure a smooth and orderly transition to a low-carbon economy, Bank Negara Malaysia and the Securities Commission Malaysia established the Joint Committee on Climate Change ("JC3")⁶ platform in September 2019 to pursue collaborative actions in building climate resilience across the Malaysian financial sector. The initiatives by JC3 have also been instrumental in improving the preparedness of the financial sector in managing impacts of climate change while supporting the transition towards a low carbon economy. It is worth noting that members of JC3 are supportive of mandating TCFD-aligned disclosures from 2024.

Against the abovementioned backdrop, companies will need to devote dedicated attention to the various impacts of sustainability, and more urgently, associated risks and opportunities arising from climate change. This should be coupled with similarly insightful disclosures to facilitate assessment by key capital market stakeholders (including investors, banks, insurers and asset managers).

Sustainability Reporting: Developments in the international arena

In terms of developments in the international sustainability reporting arena, we have also observed significant advancements. Many influential international sustainability reporting standard setters have either issued or are currently enhancing their respective standards or frameworks. The GRI⁷, for example, has revised their Universal Standards ("Universal Standards 2021") to, among others, fully reflect due diligence expectations for organisations to manage their sustainability impacts, including on human rights, as set forth in intergovernmental instruments by the UN and the Organisation for Economic Co-operation and Development ("OECD"). New players such as the International Financial Reporting Standards ("IFRS") Foundation have also entered the ecosystem with the aim of developing a globally-accepted set of sustainability reporting standards via the launch of the ISSB. The IFRS Foundation has also consolidated with the Climate Disclosure Standards Board ("CDSB") in March 2022 and with the Value Reporting Foundation ("VRF") in August 2022.

³ For more information, please see <https://www.kwsp.gov.my/sustainable-investment#:~:text=Sustainable%20Investment%20Policy,investment%20processes%20and%20stakeholder%20engagement>.

⁴ For more information, please see <https://www.businesstoday.com.my/2022/04/21/pnb-launches-sustainability-framework-allocates-rm10-billion-for-green-transition/#:~:text=For%20PNB%20as%20a%20corporation,Malaysia's%20carbon%20neutral%20ambition.%E2%80%9D&text=by%202030>.

⁵ For more information, please see https://www.khazanah.com.my/news_press_releases/khazanah-launches-sustainability-framework-and-targets/.

⁶ Members of the JC3 comprise of the Exchange and 19 financial industry players as well as relevant experts. For more information, please see <https://www.bnm.gov.my/climatechange>.

⁷ For more information, please see <https://www.globalreporting.org/about-gri/news-center/gri-raises-the-global-bar-for-due-diligence-and-human-rights-reporting/>.

Anchored within these developments is a call for better availability, comparability and an overall improved quality of sustainability disclosures. These are facilitated via the convergence of various international sustainability reporting frameworks/standards and an increasing demand for sustainability disclosures to be subjected to robust assurance processes.

Sustainability Reporting: Malaysia

The sustainability reporting ecosystem in Malaysia has seen considerable growth in the past decade, from a largely nascent stage to one where all listed issuers are undertaking sustainability-related initiatives as well as producing Sustainability Statements or Reports on an annual basis. Bursa Malaysia's Sustainability Reporting Framework ("Framework") played a pioneering and pivotal role in terms of spurring the evolution of the ecosystem. More specifically, the Framework was launched in 2015, consisting of the following:

- a) the requirement under the LR for a listed issuer to provide a narrative statement on the management of material economic, environmental and social ("EES") risks and opportunities in their annual reports ("Sustainability Statement");
- b) the Sustainability Reporting Guide ("Guide"); and
- c) the Toolkits.

In 2018, the Sustainability Reporting Guide and Toolkits were updated to include more current case studies, references to the SDGs and the TCFD Recommendations and a new chapter on assurance to provide guidance on how it may be conducted.

In 2022, the Exchange significantly enhanced its Framework by:

- a) requiring the disclosure of prescribed sustainability matters and indicators that are deemed material for listed issuers across all sectors ("common sustainability matters and common indicators");
- b) mandating climate change-related disclosures in line with the TCFD Recommendations for Main Market listed issuers and mandating the disclosure of a basic plan to transition towards a low-carbon economy for ACE Market listed corporations;
- c) enhancing disclosure of quantitative information by requiring the disclosure of at least 3 financial years' data in respect of reported indicators, performance target(s) if set by the listed issuer and a summary of the same information in a prescribed format; and
- d) requiring a statement on whether the sustainability statement has been assured and if so, the subject matter(s) and scope covered. In addition, if independence assurance is undertaken, the conclusion must also be disclosed.

The Guide and corresponding Toolkits have since been revised to provide guidance with regards to these enhancements.

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For disclosures on publishing a Sustainability Statement, the LR is as follows:

Listing Requirements



Paragraph 29, Part A of Appendix 9C, Main Market Listing Requirements⁸

Contents of annual report

(29) A narrative statement of the listed issuer's management of material economic, environmental and social risks and opportunities ("Sustainability Statement"), in the manner as prescribed by the Exchange.

Paragraph 6.1, Practice Note 9, Main Market Listing Requirements⁹

All listed issuers should ensure that the Sustainability Statement contains information that is balanced, comparable and meaningful by referring to the Sustainability Reporting Guide issued by the Exchange. In identifying the material economic, environmental and social risks and opportunities, the listed issuer should consider the themes set out in the Sustainability Reporting Guide.

Paragraph 30, Part A of Appendix 9C, ACE Market Listing Requirements¹⁰

Contents of annual report

(30) A narrative statement of the listed corporation's management of material economic, environmental and social risks and opportunities ("Sustainability Statement"), in the manner as prescribed by the Exchange.

Paragraph 6.1, Guidance Note 11, ACE Market Listing Requirements¹¹

All listed corporations should ensure that the Sustainability Statement contains information that is balanced, comparable and meaningful by referring to the Sustainability Reporting Guide issued by the Exchange. In identifying the material economic, environmental and social risks and opportunities, the listed corporation should consider the themes set out in the Sustainability Reporting Guide.

In line with widely-accepted principles or conventions of good reporting practice, Sustainability Statements must contain information that is:

- a) balanced; and
- b) comparable and meaningful.

These terms are explored in turn below.

⁸ Bursa Malaysia Securities Berhad, Paragraph 29, Part A of Appendix 9C, Main Market Listing Requirements

⁹ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

¹⁰ Bursa Malaysia Securities Berhad, Paragraph 30, Part A of Appendix 9C, ACE Market Listing Requirements

¹¹ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

1. **Balanced¹² disclosures**

The principle of “balance”, requires that companies report information in an unbiased manner and provide a fair representation of the company’s positive and negative impacts.

In particular, companies should:

- present information in a way that allows information users to see negative and positive year-on-year trends in impacts;
- distinguish clearly between facts and the company’s interpretation of the facts;
- not omit relevant information concerning its negative impacts;
- not overemphasise positive news or impacts; and
- not present information in a way that is likely to inappropriately influence the conclusions or assessments of information users.

2. **Comparable and meaningful disclosures**

Comparable and meaningful disclosures facilitate the analysis of changes in a company’s impacts over time, and in relation to those of other companies.

In particular, to enhance comparability¹³, companies should:

- present information for the current reporting period and at least two previous reporting periods, as well as any goals and targets that have been set;
- use accepted international metrics (e.g., kilograms, litres), and standard conversion factors and protocols, where applicable, for compiling and reporting information;
- maintain consistency in the methods used to measure and calculate data and in explaining the methods and assumptions used;
- maintain consistency in the manner of presenting the information;
- report total numbers or absolute data (e.g., metric tons of CO₂ equivalent) as well as ratios or normalised data (e.g., CO₂ emissions per unit produced) to enable comparisons, and provide explanatory notes when using ratios;
- provide contextual information (e.g., the company’s size, geographic location) to help users understand the factors that contribute to differences between the company’s impacts and the impacts of other companies;
- present the current disclosures alongside restatements of historical data to enable comparisons if there have been changes from the information reported previously. This can include changes in the length of the reporting period, in the measurement methodologies, in the definitions used, or in other elements of reporting; and
- if restatements of historical data are provided, explain the changes to provide contextual information for interpreting the current disclosures.

These characteristics are critical in enabling stakeholders to form an objective opinion of the company’s sustainability practices and disclosures. For more detailed guidance on how to address the more specific sustainability reporting-related Listing Requirements, please refer to the subsequent chapters in this Guide.

¹² As per the GRI Standards

¹³ As per the GRI Standards

CHAPTER 3: SUSTAINABILITY GOVERNANCE

As mentioned in Chapter 2, there have been increasing expectations from external stakeholders (e.g. institutional investors, lenders and customers) for companies to provide pertinent disclosures on their management of material sustainability matters. One critical component is the sustainability governance structure put in place to create a line of accountability for sustainability including the relevant governing bodies and/or functions established, division of roles and responsibilities as well as lines of reporting.

Definitions

Sustainability governance structure is defined as the structure a company has in place to ensure accountability, oversight and review in the identification and management of sustainability matters (i.e. roles and responsibilities of those in charge of the company's sustainability performance and disclosures).

Oversight is defined as having the responsibility to oversee the development and implementation of strategies including sustainability strategies, business plans and key initiatives to ensure the desired sustainability outcomes. This usually comes from the highest level of governing body within a company.

Strategic management is defined as the management of a company's resources by planning, setting and evaluating relevant strategies while analysing the company's business environment to ensure its sustainability goals and targets are met and the impacts of sustainability risks and opportunities are managed.

Day-to-day implementation is defined as the daily tasks to ensure effective implementation of the company's sustainability strategies and plans.

For disclosures on sustainability governance, the LR is as follows:

Listing Requirements



Paragraph 6.2, Practice Note 9, Main Market Listing Requirements¹⁴

In making the Sustainability Statement, a listed issuer must include disclosures on the following:

- (a) the governance structure in place to manage the economic, environmental and social risks and opportunities ("sustainability matters");

Paragraph 6.2, Guidance Note 11, ACE Market Listing Requirements¹⁵

In making the Sustainability Statement, a listed corporation must include disclosures on the following:

- (a) the governance structure in place to manage the economic, environmental and social risks and opportunities ("sustainability matters");

There is no standard one-size-fits-all approach to sustainability governance. A company's culture, needs, sector, size, sustainability-related risks and opportunities, and maturity in responding to sustainability matters, will influence how sustainability governance is performed. Given this, each company is encouraged to adopt an approach that best fits its distinctive operating context.

In this chapter, 'Disclosure Guidance' sections address the following:

1. Oversight of sustainability matters
2. Strategic management of sustainability matters
3. Day-to-day implementation of sustainability matters

¹⁴ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

¹⁵ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Disclosure Guidance 1: Oversight of sustainability matters

Question: Who is responsible for the oversight of the company's material sustainability matters?

Question: What is the nature of oversight performed?

To demonstrate accountability on sustainability matters, companies should disclose the governing body responsible for the oversight of the company's management of material sustainability matters including but not limited to sustainability strategies, priorities and targets¹⁶.

Depending on the governance structure of the company, the Board may delegate oversight responsibility to another governance body (e.g. Board Sustainability Committee or Risk Management Committee). It is worth noting that, even if oversight is delegated, ultimate responsibility still lies with the Board.

In addition, disclosures pertaining to oversight of sustainability matters should also cover the nature of the oversight performed.

CASE STUDY 1



Plantation

Sime Darby
Plantation
Berhad
("SDP")



In its Sustainability Report 2021, SDP provided a diagram of its sustainability governance structure and disclosed the roles and responsibilities, as well as the inter-relationships of various sustainability governance positions within the company. The party responsible for sustainability oversight and the actions taken by them to perform sustainability oversight are highlighted.

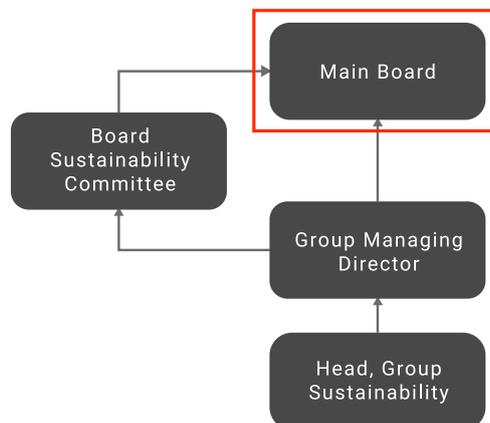


Diagram of overall Sustainability Governance in SDP

"The **Board takes an active role in looking into climate change, conservation and biodiversity, human rights, supply chain amongst other sustainability related matters** of the Group through the Board Sustainability Committee (BSC). The BSC supports the **Board's oversight of the Group's sustainability objectives, policies, and practices**"

Source: Sime Darby Plantation Berhad Sustainability Report 2021

¹⁶ Malaysian Code on Corporate Governance, Securities Commission Malaysia, 2021.

Please note that Paragraph 15.25 of the Main Market Listing Requirements pertaining to the disclosure of corporate governance related information requires a listed issuer disclose the application of each Practice set out in the Malaysian Code on Corporate Governance ("MCCG") during the financial year, to the Exchange in a prescribed format (vis-à-vis a CG Report template) and announce the same together with the announcement of the annual report. The disclosures made within the CG report does not exempt listed issuers from making the necessary disclosures pertaining to sustainability governance within its Sustainability Statement or standalone Sustainability Report.

Disclosure Guidance 2: Strategic management of sustainability matters

Question: Who is responsible for the strategic management of the company's material sustainability matters?

Question: What is the nature of the strategic management performed?

Companies should disclose the body/function/individuals responsible for the strategic management of their material sustainability matters including but not limited to formulation of sustainability strategies, priorities and targets. As mentioned earlier, strategic management also involves management of company's resources by planning, setting and evaluating company's strategies to ensure its sustainability goals and targets are met and the impacts of sustainability risks and opportunities are managed.

In addition, disclosures pertaining to strategic management of sustainability matters should also cover the nature/scope of the management performed. For instance, some companies describe roles and responsibilities pertaining to formulation of sustainability strategies and targets, allocation of adequate resources, integration of sustainability risks into the company's existing risk management framework, monitoring of day-to-day implementation and capitalising on unfolding opportunities. Examples of sustainability risks and opportunities are shown below:

	Risks and impacts	Opportunities
 Water Usage	Companies typically consume freshwater for their operations, which can place a strain on water resources. Water pollution and drought can cause disruption to manufacturing processes and overall business activities.	Consider more efficient processes or technologies that reduce dependence on water and improve efficiency e.g. <u>EcoWorld Malaysia wins UNGCMYB award for positive water conservation efforts</u>
 Energy Efficiency	Energy inefficient companies are more exposed to rising energy prices and unreliable energy supply that could disrupt operations and increase the cost of operations compared to energy efficient peers.	Consider energy source diversification to improve energy security and improve energy efficiency by redesigning processes and products e.g. <u>UOB Malaysia launches U-Energy efficiency effort, Asia's first integrated financing platform</u>
 Waste Management	Companies face increasing financial costs and in the long term may be exposed to higher operational costs due to waste segregation requirements i.e. <u>Extended Producer Responsibility (EPR) requirements</u> that advocates for plastic sustainability.	Leverage the circular economy concept to identify new product and service opportunities e.g. <u>Tetra Pak Malaysia's Recycle Easy programme and its waste management efforts since 1978</u>
 Natural Resources	Depleting natural resources can result in a shortage of key materials and supply chain disruptions which will impact a company's output and revenue.	Develop new technologies and production practices to reduce degradation, increase efficiency and prioritise natural capital considerations into management systems e.g. <u>Sime Darby balances business operations with social environmental preservation</u>

Source: PLC Transformation (PLCT) Programme Guidebook 2

For more guidance on managing sustainability risks and opportunities, companies are encouraged to consider the guidance provided in the PLC Transformation (PLCT) Programme Guidebook 2 on Sustainable, Socially Responsible and Ethical PLCs.¹⁷

¹⁷ PLC Transformation (PLCT) Programme Guidebook 2 is accessible via https://www.bursamalaysia.com/reference/public_listed_companies_transformation/guidebooks

CASE STUDY 2

TIME

TIME dotCom Berhad ("TIME")



In its Annual Report 2021, TIME disclosed a diagram of its sustainability governance structure and the roles and responsibilities of the relevant positions. The Sustainability Steering Committee comprising of executive directors, the company secretary, Chief People Officer and Chief Financial Officer, is responsible for the strategic management of sustainability matters. In addition, the measures taken by the SSC to perform strategic management are also highlighted.



Source: TIME dotCom Berhad Annual Report 2021

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Disclosure Guidance 3: Day-to-day implementation of sustainability matters

Question: Who performs/implements sustainability-related tasks and initiatives on a day-to-day basis?

Apart from oversight and strategic management of material sustainability matters, companies should disclose the functions or individuals who are responsible for, or tasked with, the day-to-day implementation of sustainability-related plans, tasks and initiatives.

CASE STUDY 3



PETRONAS

PETRONAS
Dagangan
Bhd
("PETRONAS
Dagangan")



In its Integrated Report 2021, PETRONAS Dagangan disclosed a diagram of its sustainability governance structure and the complementing roles and responsibilities. The party responsible for the day-to-day sustainability initiatives and the actions taken by them to perform sustainability initiatives are highlighted.



"The SAC is supported by **Economic, Environmental and Social 'tribes'** – essentially working committees represented by key personnel from across the organisation with the specific responsibilities of **identifying, executing and implementing sustainability initiatives and programmes identified**. Tribes will be formed as and when required, to help progress new initiatives as these are established. Each tribe will be formed and led by a Leadership Team ("LT")."

Source: PETRONAS Dagangan Bhd Integrated Report 2021

Maturity Over Time

Embedding sustainability in a company's governance structure is often an evolutionary process that takes considerable time and commitment. Typically, when a company's sustainability-related practices become more mature, its sustainability governance structure become relatively more sophisticated and refined as well.

CASE STUDY 4



axiata

Axiata Group Berhad ("Axiata")



The following example illustrates the transition of how Axiata's sustainability governance structure has progressed over the years. Axiata started from having only a Risk Governance structure to manage all of the company's risks in FY 2016, before progressing to establishing a sustainability governance structure in order to manage sustainability risks and opportunities more effectively in subsequent years.

FY 2016

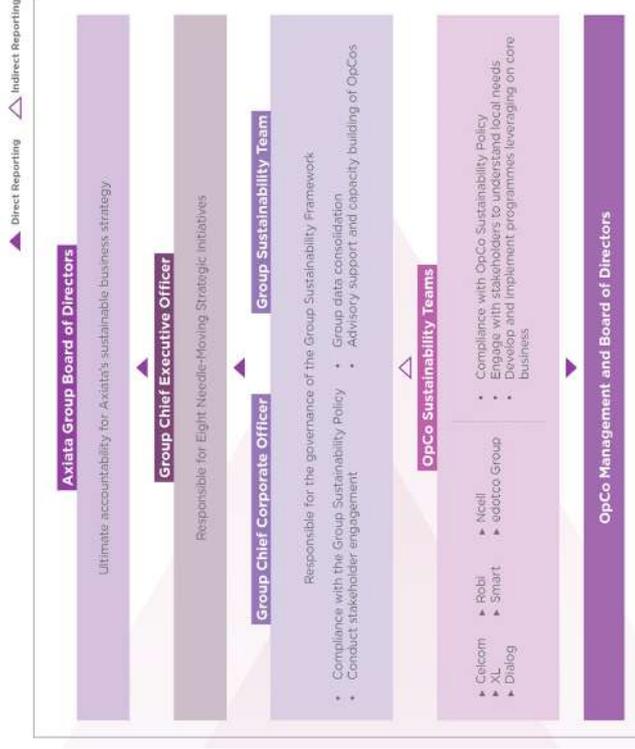
Axiata had a **Risk Governance structure** led by the Board Audit Committee ("BAC") via the Group Risk Management Committee ("GRMC"). A risk management framework was put in place to identify, evaluate, and monitor principal risks, and implement appropriate internal control processes and procedures to manage risks across the Group.



Source: Axiata Group Berhad Sustainability Report 2016

FY 2018

A **sustainability governance structure** was established with the Group Board of Directors, Group Chief Executive Officer, and Group Chief Corporate Officer on board. A Group Sustainability Team was also formed and is responsible for day-to-day operations and provide advisory support and capacity building to operating companies (OpCos).



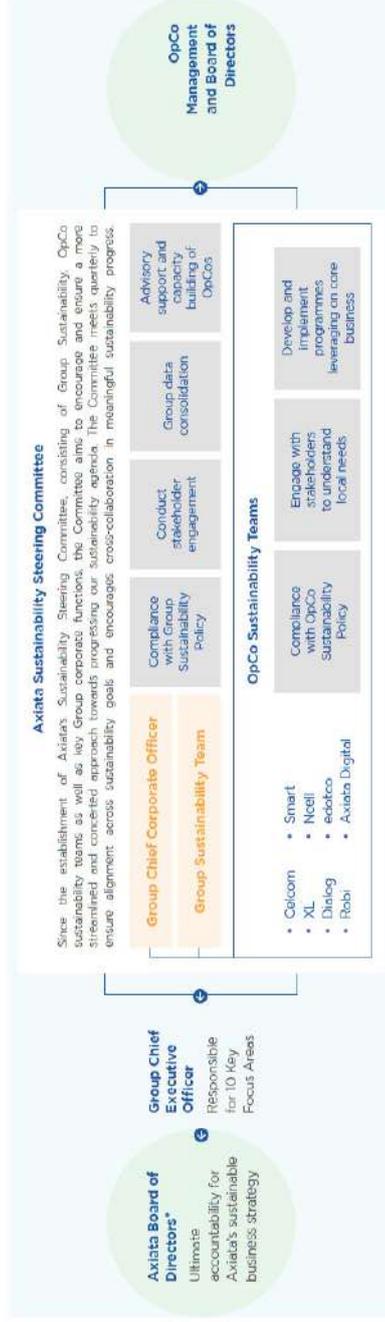
Source: Axiata Group Berhad Sustainability and National Contribution Report 2018



Axiata Group Berhad ("Axiata")

FY 2021

Axiata established a Sustainability Steering Committee consisting of the Group Sustainability Team, OpCo Sustainability Teams as well as key functions. The committee meets quarterly and aims to ensure a more aligned, focused, standardised, and structured approach towards sustainability management.



* The Board Annual Report Committee was renamed, remodelled and renamed as the Board Sustainability Committee effective 6 April 2022 to provide enhanced oversight on ESG management across Axiata Group

Overall, **Axiata Board of Directors** is accountable for Axiata's sustainable approach and practices. At the Board level, we've actively brought forward topics of key sustainability issues and management across the Group including development and implementation of the Net-Zero Carbon Roadmap, with emphasis on 2022 being the planning year that brings together a collaborative effort in organisational readiness. This top-down approach marks our commitment to embracing sustainability as a Group-wide agenda.

Sustainability-related key performance indicators (KPIs) have been included in our Group CEO and OpCo CEOs' annual KPIs to ensure accountability to our sustainability commitments. Additionally, all OpCo CEOs sign-off on sustainability-related governance as part of internal control assurance.

The management of sustainability of Group is driven and supported by **Axiata Sustainability Steering Committee**, established in 2020, which further strengthened sustainability governance at the Group.

Our **Group Sustainability Team** undertakes key roles related to our goals, acting as the custodian of our sustainability programmes, including:

- monitoring and managing business sustainability practices and targets
- keeping abreast of latest developments, e.g. global sustainability trends, sustainability related guidelines, standards and frameworks
- ensuring management of ESG risk on our Group Risk Profile, assessed and evaluated every quarter
- educating our internal and external stakeholders through various communication platforms
- raising skill sets and technical knowledge on current and core ESG developments of our sustainability contact points across the Group
- continue to collaboratively work with functions across Axiata to further integrate ESG considerations into our risk management processes

The alignment of the Group and OpCos' sustainability activities, progress and achievements to the Group's sustainability agenda is overseen by the Group Sustainability team. In doing so, the Group Sustainability team ensures the effective development, integration and implementation of Group Sustainability objectives and initiatives as governed by the Sustainability Governance body. Additionally, the team provides advisory support and capacity building for the sustainability teams in our OpCos, which report indirectly to Group Sustainability.

Our **OpCos' sustainability teams** engage with local stakeholders to identify material issues that align with Group Sustainability Framework for local relevance. The OpCos are responsible for the governance, daily management and operations, programme implementation as well as data collection as identified by the Group's material matters. OpCos are also encouraged to produce their own Sustainability Report in accordance with the GRI Standards.

Source: Axiata Group Berhad Sustainability and National Contribution Report 2021





Toolkits

For additional information on sustainability governance, please refer to the Toolkit: Governance.



Additional Resources

The following are supplementary resources for this chapter:

Securities Commission Malaysia's Malaysian Code on Corporate Governance

<https://www.sc.com.my/api/documentms/download.ashx?id=239e5ea1-a258-4db8-a9e2-41c215bdb776>

Bursa Malaysia Corporate Governance Guide (4th Edition)

<https://bursa-malaysia.s3.amazonaws.com/reports/Binder-Bursa-CG-Guide.pdf>

Bursa Malaysia PLC Transformation (PLCT) Programme Guidebook 2

https://www.bursamalaysia.com/sites/5d809dcf39fba22790cad230/assets/62a1a28539fba243eb321d31/20220609_BURSA_Book_2_Sustainable__Socially_Responsible_and_Ethical_PLCTs_vF.pdf

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CHAPTER 4: SCOPE AND BASIS OF SCOPE

Scope typically refers to the parameters or boundaries of the information included in, or excluded from, the Sustainability Statement.

Definitions

Scope is defined as the extent, or the coverage of data and information being reported in the company's Sustainability Statement. The term 'boundary' may be included in disclosures of scope, for example to describe the organisational or geographical boundaries.

Basis of scope is defined as the justification, explanation, and context relating to the company's reporting scope. Disclosures about the basis of scope should also identify situations such as exclusions and expansions which have occurred during the company's reporting period. Newly acquired companies which are added to the reporting scope, exclusion of subsidiaries from disclosure and expansions of business segments are examples of narratives categorised as basis of scope.

For disclosures on scope and basis of scope, the LR is as follows:

Listing Requirements



Paragraph 6.2, Practice Note 9, Main Market Listing Requirements¹⁸

In making the Sustainability Statement, a listed issuer must include disclosures on the following:

- (b) the scope of the Sustainability Statement and basis for the scope;

Paragraph 6.2, Guidance Note 11, ACE Market Listing Requirements¹⁹

In making the Sustainability Statement, a listed corporation must include disclosures on the following:

- (b) the scope of the Sustainability Statement and basis for the scope;

In this chapter, 'Disclosure Guidance' sections address the following:

1. Scope
2. Basis of scope

¹⁸ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

¹⁹ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Disclosure Guidance 1: Scope

Question: Has the company disclosed the scope of its Sustainability Statement showing clearly which aspects of its operations are included or excluded (be it described by geographical location or business segments, etc.)?

Following from the definition given earlier, a company typically describes the scope of its Sustainability Statement along one of the following dimensions (non-exhaustive):

- a) geographical locations of operations (geographical boundary);
- b) entities controlled by the company (organisational boundary); or
- c) business segments or divisions.

Regardless of how scope is described, the expectation is for a company's scope to cover or, alternatively, eventually cover, all its operations. In itself, detailed disclosures pertaining to scope would also allow readers to better conceptualise the overall nature as well as footprint of the company's operations.

Further considerations:

a) Geographical locations of operations (geographical boundary)

Geographical locations refer to the physical or operational locations of the business. When describing the scope of the Sustainability Statement along this dimension, companies may opt for specific geographical points of interest or priority if they are unable to cover all operations.

CASE STUDY 1



Thai Beverage
Public Company
Limited
("ThaiBev")



ThaiBev disclosed in its Sustainability Report 2021 that its reporting scope covers operations in Thailand and overseas. ThaiBev correspondingly identified their overseas operations including eight distilleries located in the United Kingdom and Myanmar.

Scope of the Report

The information presented in this report is derived from the fiscal year 2021 and includes companies in the ThaiBev Group in Thailand and overseas, and also spotlights ThaiBev's future business expansion and other plans to drive ThaiBev towards its PASSION 2025 goals. The report describes ThaiBev's environmental and social impacts in the 12-month period from October 2020 to September 2021. Data were collected from 42 production sites, including 27 distilleries (19 in Thailand, 6 in the United Kingdom, and 2 in Myanmar), 3 breweries in Thailand, 11 non-alcoholic beverage production facilities in Thailand, 1 food production facility in Thailand, and 11 distribution centers in Thailand.

Source: Thai Beverage Public Company Limited Sustainability Report 2021

CASE STUDY 2



Eco World International Berhad ("EcoWorld")



In its Sustainability Report 2021, EcoWorld reported that its scope includes operations in Malaysia (Headquarters and International Sales Gallery), United Kingdom and Australia.



REPORTING SCOPE AND BOUNDARIES

This report provides an overview of the Group's annual sustainability performance and key achievements from 1st November 2020 to 31st October 2021 ("FY2021"). The scope includes our operations in the UK and Australia as well as the Headquarters and International Sales Gallery in Malaysia.

Disclosures presented for the UK cover active projects under EcoWorld Ballymore and EcoWorld London, including Apo Group ("APO Group"), a residential management company. As the development projects in Australia have been completed during the reporting year, we focused our disclosures on post-handover initiatives for both West Village and Yarra One projects.

Source: EcoWorld International Berhad Sustainability Report 2021

b) Entities controlled by the company (organisational boundary)

The scope of the Sustainability Statement is described in terms of the entities controlled by the company. Some companies may opt for specific entities or assets of interest or priority if they are unable to cover all operations.

CASE STUDY 3



PETRONAS

PETRONAS Chemicals Group Berhad ("PCG")



In its Sustainability Report 2021, PCG disclosed that its reporting scope covers manufacturing subsidiaries where PCG has more than 50% ownership.

REPORTING PERIOD & BOUNDARY

This report covers our sustainability performance for the 2021 calendar year, unless stated otherwise. Where relevant, we will also include data from previous years to track year-on-year progress and provide additional context. The report provides information on all our manufacturing subsidiaries with more than 50% ownership. In this regard, we are including data for BRB Group's operations, where available. The report also addresses our response to 14 material matters that impact our business and stakeholder value. This is further elaborated on pages 20 to 25, as well as in our Integrated Report 2021, pages 82 to 89.

Source: PETRONAS Chemicals Group Berhad Sustainability Report 2021

CASE STUDY 4



IOI GROUP
IOI Corporation Berhad ("IOI")



In its Annual Report 2021, IOI indicated that the chosen scope covers all of the company's businesses in Malaysia and other countries that they operate in. IOI have also identified exclusions i.e. investments in which the company holds a minority stake.

REPORTING PERIOD, SCOPE AND BOUNDARY

This Report covers our financial and non-financial performance during the period of 1 July 2020 to 30 June 2021.

The scope of this Report covers all of IOI's businesses in Malaysia and other countries we operate in. This includes operations for which we have full control, subsidiaries, associate companies and joint venture. It excludes detailed information on investments in which the Group holds a minority stake.

The boundary of the Report is beyond financial reporting and includes non-financial performance, risks, opportunities and outcomes attributable to or associated with our key stakeholders that have a significant influence on our ability to create value.

For a holistic view of our business, this Report should be read in conjunction with the information available on our website at www.ioigroup.com.

Source: IOI Corporation Berhad Annual Report 2021

c) Business segments or divisions

For companies operating across various industries/sectors or product lines, the scope of their Sustainability Statements may be described along the "business segments" dimension. Some companies may opt for specific business segments of interest or priority if they are unable to cover all operations.

CASE STUDY 5



QL Resources Berhad ("QL")



In its Integrated Annual Report 2022, QL identified reporting scope according to 4 types of business segments, as illustrated below. Under each business segment, QL also identified and named associated subsidiaries.

 <p>INTEGRATED LIVESTOCK FARMING (ILF)</p> <ul style="list-style-type: none"> • QL Poultry Farms Sdn. Bhd. • QL Breeder Farm Sdn. Bhd. • QL Feed Sdn. Bhd. • QL Ansan Poultry Farm Sdn. Bhd. • QL Tawau Feedmill Sdn. Bhd. 	 <p>MARINE PRODUCTS MANUFACTURING (MPM)</p> <ul style="list-style-type: none"> • QL Foods Sdn. Bhd. • QL Endau Marine Products Sdn. Bhd. • QL Endau Deep Sea Fishing Sdn. Bhd. • QL (Figo) Johor Sdn. Bhd.
 <p>PALM OIL AND CLEAN ENERGY (POCE)</p> <ul style="list-style-type: none"> • QL Plantation Sdn. Bhd. • QL Tawau Biogas Sdn. Bhd. • Boilermech Holdings Berhad 	 <p>CONVENIENCE STORE CHAIN (CVS)</p> <ul style="list-style-type: none"> • QL Maxincome Sdn. Bhd. • QL Kitchen Sdn. Bhd.

Source: QL Resources Berhad Integrated Annual Report 2022

Advanced disclosure practice: Operations within the value chain

For advanced practice of disclosures pertaining to scope, a company could include information of operations within the value chain. The value chain, or supply chain, may be defined as the whole channel of a company's procurement, product manufacturing and end of life or after-sales period. Economic, environmental, and social factors also influence the scope of the value chain covered within the Sustainability Statement.

A company's value chain is further defined through terms such as "upstream", "midstream" and "downstream". Upstream refers to operations which involve suppliers and procurement of resources. Midstream refers to the company's main operations, while downstream refers to the sales, distribution and disposal of the company's goods.

Establishing a scope that includes part of the company's wider value chain demonstrates to readers that the company understands the impacts of its activities and further demonstrates the company's commitment towards embedding sustainability in operations.

CASE STUDY 6



The Coca-Cola Company ("Coca-Cola")



In its Business & ESG Report 2021, Coca-Cola disclosed that their reporting scope covers their business and sustainability performance. Coca-Cola further disclosed that its reporting scope covered the performance of the company itself as well as their bottling partners ("the Coca-Cola system").

Scope of the Report

This 2021 Business & ESG Report is The Coca-Cola Company's fourth report to integrate overall business and sustainability performance, data and context, reflecting our continued journey toward driving sustainable business practices into our core strategy. This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards: core option and includes an index for the standards set by the Sustainability Accounting Standards Board (SASB). We provide indices for GRI, SASB and information relevant to the Task Force on Climate-related Financial Disclosures.

This report also meets the requirements of the United Nations Global Compact Advanced Communication on Progress and aligns with the United Nations Guiding Principles Reporting Framework.

Limited assurance over select sustainability metrics was obtained from Ernst & Young LLP (as indicated in the Report of Independent Accountants).

Except as otherwise noted, this report covers the 2021 performance of The Coca-Cola Company and the Coca-Cola system (our company and our bottling partners), as applicable. Therefore, references to "currently," "to date" or similar expressions reflect information as of December 31, 2021. Some initiatives that were launched in early 2022 are included to provide the most relevant information to stakeholders.

Source: The Coca-Cola Company Business & ESG Report 2021

Disclosure Guidance 2: Basis of scope

Question: *Has the company provided a clear basis of scope for its Sustainability Statement?*

Question: *Has the company provided a clear explanation on whether there are any changes in scope as compared to the previous year?*

Apart from disclosing the scope of the Sustainability Statement, the company must also disclose the reasons or basis for selecting the chosen boundaries. A clear basis of scope is required unless the Sustainability Statement already covers all segments, entities or operations under the company's control. If so, the company must explicitly highlight that this is the case.

While certain challenges may prevent coverage of their entire operations (e.g. resource and capability constraints), the expectation is that the scope of the Sustainability Statement would be expanded in future years to ultimately do so. It must also be emphasised that scoping should not be used to exclude the reporting of activities, products and/or facilities that have, or can have, significant sustainability impacts.

If a company's reporting scope does not cover all operations, it should elaborate on either one or both of the following:

1. Inclusions – information that has been included as part of the reporting scope; and/or
2. Exclusions – information that has been excluded from the reporting scope.

as well as provide the reasons for these specific inclusions and/or exclusions.

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Each instance is discussed further below.

a) Inclusions

The company should clearly identify and explain the underlying logic for the boundary chosen as the reporting scope. A few example case studies are listed below:

CASE STUDY 7



BERJAYA

Berjaya Corporation Berhad ("Berjaya")



When reporting scope-related disclosures in its Annual Report 2021, Berjaya provided the basis for inclusion i.e. material issues arising from its principal business activities across various countries and business divisions.

1. REPORTING PROFILE AND SCOPE

This Sustainability Statement for Berjaya Corporation Berhad ("BCorp" or "the Group") focuses primarily on the operations and management of the economic, environmental and social sustainability of BCorp for the financial year ended 30 June 2021. It highlights the Group's commitment to operating business in a responsible and sustainable manner and outlines the various practices that have been embedded into the Group's processes with the ultimate aim of bringing more value to its businesses, stakeholders and society in general. The information and data disclosed in this statement were derived from internal reporting processes, systems and records. The statement is prepared in accordance with the Sustainability Reporting Guide and Toolkits from Bursa Malaysia Securities Berhad ("Bursa Malaysia").

Due to the diverse business nature of the Group, the scope of this Sustainability Statement covers material issues arising from its principal business activities in Malaysia, Singapore, the Philippines and United Kingdom, operated under the following subsidiaries - Berjaya EnviroParks Sdn Bhd, Berjaya Energies Sdn Bhd, Berjaya Enviro Holdings Sdn Bhd, Amita Berjaya Sdn Bhd, Cosway (M) Sdn Bhd, Inter-Pacific Securities Sdn Bhd, Berjaya Higher Education Sdn Bhd, Berjaya Starbucks Coffee Company Sdn Bhd, Berjaya Roasters (M) Sdn Bhd, Ser Vegano Sdn Bhd, Berjaya Hills Resort Berhad, Property Development Division, Property Investment Division, Berjaya Hotels and Resorts, Berjaya Clubs, REDtone Digital Berhad (formerly known as REDtone International Berhad), Sports Toto Malaysia Sdn Bhd, Jollibean Foods Pte Ltd, Singapore, Berjaya Philippines Inc., the Philippines, and H.R. Owen Plc, United Kingdom.

Source: Berjaya Corporation Berhad Annual Report 2021

CASE STUDY 8



Kuala Lumpur
Kepong Berhad
("KLK")



In its Sustainability Report 2021, KLK disclosed that the reporting scope includes their Plantation segment and Oleochemical division on the basis that they collectively contributed to most of the Group's total revenue in FY 2021.

ABOUT THIS REPORT

This Sustainability Report ("SR") 2021 was prepared based on the Global Reporting Initiative ("GRI") Standards: Core option and Bursa Malaysia's Sustainability Reporting Framework. The SR focusses on activities carried out by the Company during the financial year from 1 October 2020 to 30 September 2021, with historical data of the preceding years included for comparison, where available and relevant. Unless otherwise stated, all data is correct as at 30 September 2021.

The scope of the SR covers sustainability-related performances, achievements and various initiatives in the past financial year 2021 ("FY2021") and unless otherwise specified, covers our Plantation segment (primarily for oil palm development) and the Oleochemical division ("KLK OLEO"), both of which are our largest and most established business sectors. They account for 44% and 54% of the Group's total revenue in FY2021 respectively. It includes data from KLK's subsidiaries but not from associates and joint ventures.

In September 2021, KLK acquired IJM Plantations Berhad ("IJMP"). However, we have not included IJMP in this year's SR as the acquisition took place at the tail end of our financial year. Unless otherwise stated, all information in this SR excludes IJMP data.

The Group strives to provide its stakeholders with an overview of the Group's approach and progress made in meeting its sustainability commitments. We believe that external assurance improves credibility and transparency of the SR. Hence we are committed to continuously improve our sustainability disclosures and explore external assurances in the future.

Source: Kuala Lumpur Kepong Berhad Sustainability Report 2021 (disclosed within its Annual Report 2021)

b) Exclusions

The company must provide a basis to justify any exclusions from its reporting scope be it specific entities, business segments and/or geographical locations.

Where exclusions apply, for example, due to recent acquisitions, the disclosure should include clear details of the exclusions in addition to the basis for the chosen scope. A similar approach is to be taken for exclusions due to other common occurrences such as a situation where certain assets or business segments are sold or disposed, newly acquired subsidiaries or recent expansion of operations into new geographical locations (e.g. when entering new markets or regions).

CASE STUDY 9



Gadang Holdings Berhad ("Gadang")



In its Annual Report 2021, Gadang disclosed an exclusion from their reporting scope i.e. a subsidiary which only executed a small maiden project. Gadang also stated its intention to extend the coverage of its Sustainability Statement to include the said subsidiary in the next reporting cycle, especially since the subsidiary will have more significant operations moving forward.

REPORTING SCOPE

The reporting scope encompasses Gadang and our active subsidiaries, except for Yi Sheng Foundation Pte Ltd ("YSF") which we acquired as a wholly-owned subsidiary of Gadang Engineering (M) Sdn Bhd in December 2019 but only executed a small maiden project in 2020. We shall include YSF in the next reporting year now that it has secured a new project valued at SGD 2.45 million and will be tendering for more projects in Singapore. Gadang and our active subsidiaries are collectively referred to as the "Company" or "Group" including Utility Division which is operating in Indonesia. We have four water treatment plants in Indonesia with a total water production capacity close to 1,100 litre / second and a mini-hydro power plant which is under construction.

Source: Gadang Holdings Berhad Annual Report 2021

CASE STUDY 10



Gamuda Berhad ("Gamuda")



In its Annual Report 2021, Gamuda detailed exclusions from their reporting scope in its Sustainability Report 2021, as depicted below. To further clarify the boundary drawn, Gamuda defined mentions of the Mass Rapid Transit ("MRT") Putrajaya Line as referring only to the "Underground" section of the Line.



REPORTING SCOPE AND BOUNDARIES

SR2021 is scoped to the business operations and activities of the holding Company and all major Group subsidiaries in Malaysia only, for which Gamuda has direct managerial control, unless otherwise specified. Accordingly, the following entities have been excluded:

- Our joint ventures and associate companies;
- Our water concession, Gamuda Water Sdn Bhd; and
- Our expressway concessions, KESAS Sdn Bhd, Syarikat Mengurus Air Banjir dan Terowong Sdn Bhd, Sistem Penyuraian Trafik KL Barat Sdn Bhd and Lingkaran Trans Kota Holdings Sdn Bhd.

Any mention of Mass Rapid Transit (MRT) Putrajaya Line refers only to the Underground section.

Source: Gamuda Berhad Annual Report 2021

CHAPTER 5: MATERIALITY ASSESSMENT

Undertaking a robust materiality assessment process is essential for the systematic identification as well as prioritisation of sustainability matters that are most material to the company and its stakeholders. By extension, comprehensive disclosures pertaining to the materiality assessment process undertaken within the company's Sustainability Statement would provide readers with valuable insights on how sustainability matters are considered and managed by the company.

Key outcomes of the materiality assessment process entail many benefits including aiding internal stakeholders such as the board of directors and senior management to develop better-informed business strategies as well as risk management processes. On the other hand, it enables external stakeholders such as investors to better understand the operating context of the company and why certain sustainability matters are prioritised.

The definitions for the terms below apply throughout the Guide:

Definitions

Sustainability matters refer to the risks and opportunities arising from sustainability impacts of a company's operations and activities. For example, impacts that relate to sustainability matters such as climate change, anti-corruption, community/society, diversity, energy management, health & safety, labour practices & standards, supply chain management, data privacy & security, water and waste management.

Materiality is the principle of identifying and assessing a wide range of sustainability matters, and refining them to what are most important to the company and its stakeholders.

A **Stakeholder** is essentially an individual or a group that has an effect on, or is affected by the company and its activities.

Stakeholder engagement is defined as the process used by a company to engage relevant stakeholders for a purpose to achieve agreed outcomes. It is now also recognised as a fundamental accountability mechanism, since it encourages companies to involve stakeholders in identifying, understanding and responding to material sustainability issues and concerns. Stakeholder engagement also enables companies to report, explain and answer to stakeholders for its decisions, actions and performance.

For disclosures on materiality as well as the identification and prioritisation of material sustainability matters, the LR is as follows:

Listing Requirements



Paragraph 6.2, Practice Note 9, Main Market Listing Requirements²⁰

In making the Sustainability Statement, a listed issuer must include disclosures on the following:

- (c) material sustainability matters and -
 - (i) how they are identified;

Paragraph 6.3, Practice Note 9, Main Market Listing Requirements²⁰

For purposes of paragraph 6.2(c) above, sustainability matters are considered material if they:

- (a) reflect the listed issuer's significant economic, environmental and social impacts; or
- (b) substantively influence the assessments and decisions of stakeholders; and
- (c) fall under the common material sustainability matters as set out in Annexure PN9-A.

Paragraph 6.2, Guidance Note 11, ACE Market Listing Requirements²¹

In making the Sustainability Statement, a listed corporation must include disclosures on the following:

- (c) material sustainability matters and -
 - (i) how they are identified;

Paragraph 6.3, Guidance Note 11, ACE Market Listing Requirements²¹

For purposes of paragraph 6.2(c) above, sustainability matters are considered material if they:

- (a) reflect the listed corporation's significant economic, environmental and social impacts; or
- (b) substantively influence the assessments and decisions of stakeholders; and
- (c) fall under the common material sustainability matters as set out in Annexure GN11-A.

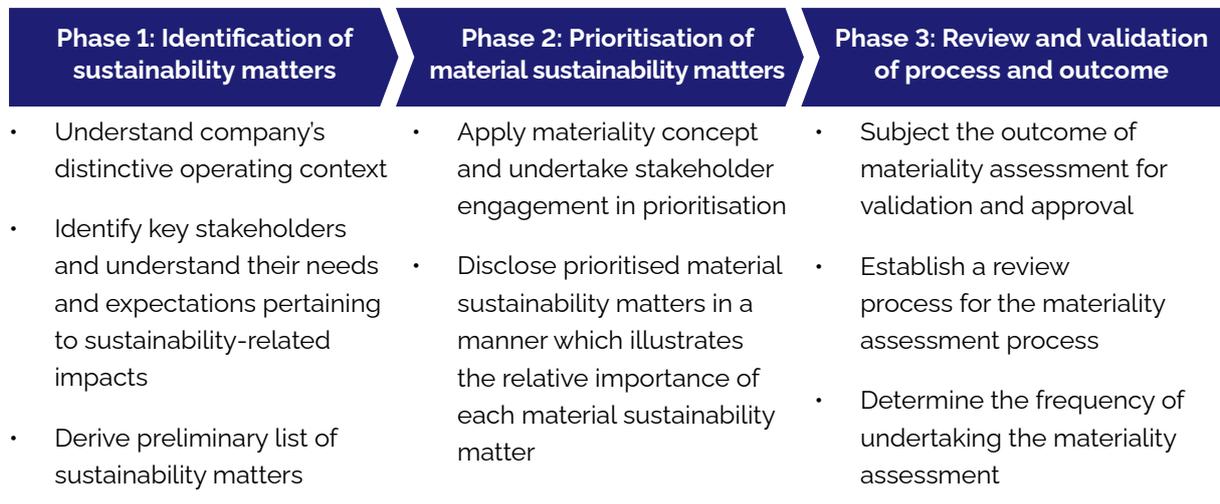
²⁰ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

²¹ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

CHAPTER **1** **2** **3** **4** **5** **6** **7** **8** **9** **10** **11**

The Materiality Assessment process is typically made up of 3 distinctive phases as reflected in Figure 1 below.

Figure 1: The Materiality Assessment process



Under the **Phase 1: Identification of sustainability matters**, a company should begin by developing an understanding of its distinctive operating context to gain broad knowledge of relevant sustainability matters/issues (both internal and external) that could affect its ability to achieve intended business goals and outcomes.

As part of the process, the company is expected to engage with relevant internal and external stakeholders to better identify sustainability risks and opportunities. The stakeholder engagement process begins by identifying the company's key stakeholders and understanding their needs and expectations regarding the company's sustainability-related impacts.

The identification phase should result in the company being able to derive a preliminary list of sustainability matters.

Under the **Phase 2: Prioritisation of material sustainability matters**, the company should determine the relative importance or materiality of sustainability matters uncovered during Phase 1 based on 2 major considerations, namely

- (i) significance/magnitude of their respective impacts (be it economic, environmental and/or social); and
- (ii) their respective influence on the assessments and decisions of stakeholders.

This is because not all material sustainability matters are of equal importance. The intention is to focus the company's efforts on, and allocation of resources to, sustainability matters that matter most. Stakeholder engagements are also carried out during this phase as the priorities of each stakeholder group are considered and accorded differing weightage.

Following on from the above, a materiality matrix should be utilised to illustrate the importance of prioritised material sustainability matters relative to one another. This would enable readers to develop a deeper appreciation of where the company's attention, resources and efforts are being directed.

In the **Phase 3: Review and validation of process and outcome**, the company should ensure that the outcome of the materiality assessment undertaken is reviewed as well as approved/validated by both Board and senior management. Such a practice not only enhances the integrity and credibility of subsequent sustainability disclosures made and improve buy-in across the company but also ensures allocation of resources and accountability for the management of such material sustainability matters.

Separately, the company should also establish a process to review or re-evaluate the appropriateness or robustness of its current materiality assessment processes, to affect the necessary improvements (if any).

The company should, from time-to-time, take stock of its material sustainability matters, to ensure that recent developments and changes have been incorporated and considered. In this regard, the company should determine the frequency of undertaking such a process review (e.g. at least on an annual basis).

In this chapter, 'Disclosure Guidance' sections address the following:

1. Identification of sustainability matters
2. Prioritisation of material sustainability matters
3. Illustration of prioritisation of material matters via a materiality matrix
4. Review and validation of materiality assessment process and outcome
5. Frequency of materiality assessment process review

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Disclosure Guidance 1: Identification of sustainability matters

Question: *As part of the company's process for identification of sustainability matters:*

- *Has the company disclosed the internal & external sources used for the identification of sustainability matters?*
- *Has the company disclosed the stakeholder groups (both internal and external) engaged for the identification of sustainability matters?*

A company should develop an understanding of its distinctive operating context in order to gain a broad knowledge of its sustainability matters. This typically involves an extensive range of external (e.g. political system in place, current economic situation, current and future market trends, etc.) and internal (e.g. organisational governance, policies and strategies, organisational capacity, etc.) considerations that are relevant to the company's purpose, vision and mission and issues that can affect its ability to achieve its intended business goals and outcomes.

In identifying relevant sustainability matters, the company should make use of a myriad of relevant sources to improve the comprehensiveness of the identification process. Typical internal and external sources include (non-exhaustive):

a) Internal sources:

- Internal stakeholders (e.g. Board, employees);
- Board committee and/or management reports and minutes of meetings;
- Business strategy, goals, objectives & policies;
- Risk management assessments and risk registers; and
- Internal analysis of megatrends that are relevant to the company (e.g. talent management, climate change, cyber security).

b) External sources

- External stakeholders (e.g. suppliers, customers, regulators, NGOs/civil society organisations ("CSOs") feedback including expectations, concerns, complaints, etc.);
- Bursa Malaysia's LR & the Guide;
- Relevant regulations and laws; and international agreements and commitments which may impact business strategy or drive stakeholder concerns;
- Topics and emerging trends such as climate change reported by industry and peers;
- Underlying criteria for indices and international standards (e.g. FTSE4Good Bursa Malaysia Index, GRI Standards);
- Industry standards (e.g. Roundtable on Sustainable Palm Oil ("RSPO"), International Petroleum Industry Environmental Conservation Association ("IPIECA");
- Media review (including social media); and
- External peer reviews.

CHAPTER [1](#) [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [9](#) [10](#) [11](#)

As listed above, a critical source for the identification of sustainability matters is through engagement with relevant stakeholders, both internal and external. In fact, one of the main determinants of materiality is how substantively a sustainability matter influences the assessments and decisions of such stakeholders. In addition, engaging stakeholders also provides the company with the opportunity to identify sustainability matters that may not otherwise be considered by the company.

Process wise, there are two commonly adopted approaches when it comes to identification of sustainability matters by companies:

- identification forms part of general stakeholder engagements undertaken throughout the year, where such engagements typically cover all relevant issues and are not just confined/specific to sustainability-related matters alone; and
- identification of sustainability matters is undertaken via a series of stakeholder engagements that are specific to this purpose alone (i.e. part of overall materiality assessment process), above and beyond general stakeholder engagements undertaken throughout the year.

For the above, companies have the flexibility to adopt an approach that best fits their respective circumstances.

*For additional information on stakeholder identification and mapping, please refer to the **Toolkit: Stakeholder Engagement**.*

A company that has undertaken this process would arrive at a list of sustainability matters that are relevant to its operations. Please note that the LR includes a list of common sustainability matters that are deemed to be material for all listed issuers (i.e. all Main Market and ACE Market listed issuers). Therefore, all common sustainability matters stipulated by the LR must be included in the company's list of identified sustainability matters.

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CASE STUDY 1



United Plantations Berhad (“United Plantations”)



In its Annual Report 2018, United Plantations disclosed that it identified material sustainability matters by referring to various internal and external sources, as well as engaging with key stakeholder groups. It has also disclosed a comprehensive stakeholder engagement table which showcases its engagement methods, frequency and outcomes when identifying the areas of interest of each stakeholder group which is addressed by under specific material sustainability matters.

In identifying the material sustainability matters, and opportunities, we have drawn information from various internal and external sources of information which include the views of the Group Sustainability Reporting Team within our organisation, stakeholders, industry groups, standards recommended by global and industry specific reporting bodies, such as the Roundtable for Sustainable Palm Oil (RSPO) and the Global Reporting Initiative (GRI) and existing peer literature.

22 Key Sustainability Issues	Relevant UN SDGs *	Stakeholder Groups
1. Code of Ethics and Governance	8, 16	
2. Equal Treatment	5	
3. Human and Workers' Rights	1, 8	
4. Social Care and Workers' Welfare	2, 4, 8	
5. Occupational Safety & Health	3, 9	
6. Fighting the Haze and Preventing Fires	13	
7. Biodiversity and Conservation	14, 15, 16, 17	
8. Deforestation/High Carbon Stock	13	
9. GHG Emissions, Discharges and Waste Management	7, 9, 13, 16, 17	- Shareholders
10. Water Impacts	6, 9	- Employees
11. Peat Development	13	- Customers/Consumers
12. Pesticides and Chemical Usage	12	- Local Communities /Smallholders
13. Community Welfare	3, 4, 8	- Government Agencies / Regulators
14. Free, Prior and Informed Consent	16	- Non-Governmental Organisations (NGO)
15. Grievance Resolution	16	- Palm Oil Industry Group
16. Plasma Development (for Indonesia)	2, 12	- Suppliers/Contractors
17. Product Quality	12	
18. Certifications for Food Safety, Sustainability and Others	12	
19. Sustainability and Traceable Supply Chains	12	
20. Evaluation of Suppliers/Contractors' Sustainability Commitment	12	
21. Commodity Prices	-	
22. Currency Fluctuation	-	

Source: United Plantations Berhad Annual Report 2018

CASE STUDY 1
(cont'd)



United Plantations Berhad ("United Plantations")



Stakeholders Group	Specific stakeholders addressed	Type of engagement	Frequency	Areas of interest	Outcomes	Addressed by specific Material Sustainability Matters*	Page reference
Shareholders & Investors	Shareholders both in Malaysia and in Denmark	<ul style="list-style-type: none"> Engagement survey Annual General Meetings Analysts briefings 	<ul style="list-style-type: none"> At least once a year Once a year Twice a year 	Deforestation, pesticides & chemical usage, Occupational Safety & Health (OSH), free, prior & informed consent (FPIC) and product quality	Good relationship with shareholders and positive reputation amongst investors, constructive feedback	<ul style="list-style-type: none"> 3 7 10 14 17 	<ul style="list-style-type: none"> 57 70 101 114 121
Customers/ Consumers	Major consumer goods manufacturers, Refineries, and end consumers	<ul style="list-style-type: none"> Engagement survey One-to-one meetings Visits to Estates, Mills and our Refinery 	<ul style="list-style-type: none"> At least once a year Periodic Periodic 	GHG emissions, discharges & waste management, deforestation, high carbon stock, peat development, human & workers' rights, social welfare, OSH, product quality, food safety & sustainability certifications and supply chain	Better awareness of UP Group's commitment to sustainability, and better understanding of our policies, culture and values	<ul style="list-style-type: none"> 2 3 4 8 9 10 17 18 19 	<ul style="list-style-type: none"> 55 57 60 82 88 101 121 122 125
Employees	Executives, staffs and workers	<ul style="list-style-type: none"> Annual employee survey Group Sustainability Committee meeting Gender committee meetings Guest Workers Welfare Committee Occupational Safety & Health Committee Internal trainings 	<ul style="list-style-type: none"> Once a year Once a year Four times a year Six times a year Four times a year Periodic 	Human & workers' rights, social welfare, OSH, equal treatment, grievance resolution, product quality, food safety & sustainability certifications	Improved understanding of company policies and efforts taken to date, Inclusiveness in the management decision making	<ul style="list-style-type: none"> 8 9 10 11 15 17 18 	<ul style="list-style-type: none"> 82 88 101 103 117 121 122
Small holders & Local communities	Small holders surrounding and near our operations in Malaysia and Indonesia	<ul style="list-style-type: none"> Annual Small holders Field Day and Town-Hall style meetings One-to-one communications 	<ul style="list-style-type: none"> At least once a year Periodic 	Biodiversity & conservation, pesticides & chemical usage, workers' rights, OSH, product quality and food safety & sustainability certifications	An opportunity to sustainably enhance the agricultural practices of smallholders, amicable solution to grievances, better social relations with UP Group.	<ul style="list-style-type: none"> 1 7 8 10 17 18 	<ul style="list-style-type: none"> 55 70 82 101 121 122
Government Agencies	DOSH, Labour Department, Indonesian local government, Indian High Commission	<ul style="list-style-type: none"> Engagement Survey One-to-one meetings 	<ul style="list-style-type: none"> Periodic As and when necessary 	pesticides & chemical usage, human & workers' rights, social welfare, OSH equal treatment, code of ethics & governance, product quality, supply chain and evaluation of supplier/ contractors' sustainability commitment	An opportunity to share the Group's commitment, and policies to sustainable operations	<ul style="list-style-type: none"> 7 8 9 10 11 12 17 19 20 	<ul style="list-style-type: none"> 70 82 88 101 103 104 121 125 127
Non-governmental organisations	SUHAKAM, TENAGANTA, AMESU, MAPA	<ul style="list-style-type: none"> One-on-one meetings Engagement surveys Direct correspondences via email and telephone conversations 	<ul style="list-style-type: none"> As and when necessary Once a year As and when necessary 	Biodiversity & conservation, water impacts, pesticides & chemical usage, workers' rights, social welfare, code of ethics & governance, grievance resolution and product quality	Better understanding of NGO's concerns and raised awareness of UP Group's sustainability commitments by NGOs	<ul style="list-style-type: none"> 1 6 7 8 9 12 15 17 	<ul style="list-style-type: none"> 55 67 70 82 88 104 117 121
Palm Oil Industry Group	Neighbouring plantations and, MPOA, MPOC, MPOCC	<ul style="list-style-type: none"> Engagement surveys 	<ul style="list-style-type: none"> Once a year 	GHG emissions, fire & haze, discharges & waste management, pesticides & chemical usage, human & workers' rights, OSH, product quality, food safety & sustainability certifications and commodity prices	Good relationship with industry group and maintain knowledge sharing to enhance the sustainability of industry.	<ul style="list-style-type: none"> 2 5 7 8 9 10 17 18 21 	<ul style="list-style-type: none"> 55 66 70 82 88 101 121 122 128
Suppliers and Contractors	Suppliers of various inputs and key contractors within the Group	<ul style="list-style-type: none"> Engagement survey One-to-one meetings 	<ul style="list-style-type: none"> Once a year Periodic 	Biodiversity & conservation, GHG emissions, discharges & waste management, deforestation, high carbon stock, peat development, workers rights, social welfare, OSH and product quality	Raised awareness of UP Group's sustainability commitments, better understanding of UP Group's business	<ul style="list-style-type: none"> 1 2 3 4 8 9 17 	<ul style="list-style-type: none"> 55 55 57 60 82 88 121

Source: United Plantations Berhad Annual Report 2018

CASE STUDY 2



Spritzer Bhd
("Spritzer")



In its Annual Report 2020, Spritzer disclosed that the relevant sustainability matters were identified through a review of internal and external sources including feedback from stakeholders.

1 IDENTIFY RELEVANT MATTERS	2 PRIORITISE MATERIAL MATTERS	3 VALIDATE & COMMUNICATE	4 REVIEW
Review of External Sources <ul style="list-style-type: none"> GRI Standard 2018 UN SDGs 11MP Relevant industry specific publications Review of Internal Sources <ul style="list-style-type: none"> Review of management data Feedback received from with stakeholders Approval by the Board and GCEO 	Stakeholder Prioritisation Exercise <ul style="list-style-type: none"> Assess the level of influence & dependence of each group on Spritzer Stakeholder Engagement <ul style="list-style-type: none"> Engage with internal & external stakeholders to produce & rank a list of 15 sustainability matters 	Validation of Material Matters <ul style="list-style-type: none"> Validate material matters against stakeholder expectations and SDG's to identify most material indicators 	Review of Material Matters <ul style="list-style-type: none"> Review the impact of material matters, taking into account emerging trends, changing customer expectations & overall business performance
Identification of sustainability matters from internal & external sources including the categorisation of relevant topics	Assessment of EES impacts on Spritzer & prioritise material interests & expectations of stakeholders	Examination of prioritisation results, validation of material matters with management & structuring of disclosure strategy	Update materiality matrix in light of changes to Spritzer's strategy

Source: Spritzer Bhd Annual Report 2020

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CASE STUDY 3



Genting Plantations Berhad ("Genting Plantations")

In its Sustainability Report 2021, Genting Plantations disclosed how its material sustainability matters were identified through a materiality analysis that includes consideration of not only the company but also its internal and external stakeholders. External sources such as the United Nations Sustainable Development Goals ("UN SDGs") and Global Reporting Initiative ("GRI") were referred to and mapped to the related material sustainability matter.

Material Topic	Material Subtopic	UN SDG	GRI	GRI Standard Material Topics	Target & Risk Management	Impacts & Boundaries to Stakeholders								
						Workforce	Suppliers & Contractors	Smallholders & Planting Schemes	Customers	Government, Trade Associations & Industry Bodies	Non-Commercial Organisations	Local Communities	Shareholders & Investors	
PRIORITY MATERIAL TOPICS														
Respecting Human Rights	Human Rights	1, 5, 8	405	Diversity and Equal Opportunity 2016, Non-discrimination 2016, Security Practices 2016, 401 Rights of Indigenous Peoples 2016, Local Communities 2016	Supporting and respecting internationally recognised human rights in accordance with our commitment to the United Nations Guiding Principles on Business and Human Rights, as well as alignment to ILO standards for the levels of our employees, customers, partners, suppliers, individuals, human rights, Defenders and society as a whole.	*	*	*	*	*	*	*	*	*
Responsible Employer	Labour Rights	1, 5, 8	202	Market Presence 2016, Employment 2016, 402 Labour/Management Relations 2016, 402 Training/Education 2016, 405 Diversity and Equal Opportunity 2016, 405 Non-discrimination 2016, 407 Freedom of Association and Collective Bargaining 2016, 408 Child Labour 2016, 408 Forced or Compulsory Labour 2016	Committed to no forced labour in all its form by 2023. Committed to no child labour in all its form by 2023. Ensure decent living wages for workers. Ensure employees are not discriminated. Ensure inclusive environment. Ensure access to training and development.	*	*	*	*	*	*	*	*	*
	Safety & Health	3	403	Occupational Health and Safety 2016	Improve workplace safety & health. Zero fatality. Ensure workforce are adequately trained operating with COVID-19.	*	*	*	*	*	*	*	*	*
Responsible Supply Chain	Transparency & Traceability, Supplier Responsibility, Anti-Bribery and Corruption	10	304	Procurement Practices 2016, Supplier Environmental Assessment 2016, 414 Supplier Social Assessment 2016	Advocate and maintain sustainable practices in our entire value chain. Review supply chain compliance against ILO.	*	*	*	*	*	*	*	*	*
Climate Change	Climate Risk and Action Plan	13	301	Economic Performance 2016	Identify climate risk. Committed to Carbon Neutrality by 2050. Formulate resilience/ adaptation strategy.	*	*	*	*	*	*	*	*	*
RELEVANT MATERIAL TOPICS														
Responsible Business	Governance Policies	8, 10	201	Economic Performance 2016, 202 Market Economic Impact 2016, 202 Anti-corruption 2016, 202 Anti-competitive Behavior 2016	Creates shared values for the benefit of the Company, and all stakeholders.	*	*	*	*	*	*	*	*	*
Community Relations & Development	Employment, Community Giving, Socialisation on Sustainable Practices	1, 5, 8	403	Local Communities 2016	Engage and provide meaningful contributions to the community and society at large.	*	*	*	*	*	*	*	*	*
Environmental Approach	GHG Emissions, Air Pollution and Noise, Water, Energy Management, Hazardous Waste and By-product Management, Waste and By-product Management	12, 13	301	Material 2016, 302 Energy 2016, 302 Water and Effluents 2016, 302 Biodiversity 2016, 305 Emissions 2016, 306 Waste 2016	Conduct a balanced business which, does not compromise or distort the environment in the process. Committed to Water Use intensity reduction by 2025. Committed to GHG & CO2 level reduction by 2050.	*	*	*	*	*	*	*	*	*

"Material topics were determined based on a review of current and anticipated future demands of society and environment which are then aligned with the Company's business model and direction as well as the relevant United Nations Sustainable Development Goals ("UN SDG")...

...Identified topics of concern were also evaluated against internal and external review, published reports, peer reviews, rating agencies and Global Reporting Initiative ("GRI") standard."

Source: Genting Plantations Berhad Sustainability Report 2021



Disclosure Guidance 2: Prioritisation of material sustainability matters

Question: *As part of the company's process for prioritisation of material sustainability matters, has the company disclosed the stakeholder groups engaged for the prioritisation of its material sustainability matters?*

Not all sustainability matters are of equal importance. Therefore, once a company has identified its sustainability matters, the next step is to prioritise them by determining their relative importance (i.e. degree of materiality) in relation to one another. The intention is to ultimately focus the company's efforts on, and allocation of resources to their material sustainability matters i.e. the sustainability matters that matter most to the company.

For prioritisation of material sustainability matters, the 2 major considerations to determine the degree of materiality are:

- significance/magnitude of their respective impacts (be it economic, environmental and/or social); and
- their respective influence on the assessments and decisions of stakeholders.

Since determination of materiality is partly based on degree of influence on stakeholders' assessments & decisions, engagement with the relevant stakeholders form a key part of the prioritisation phase of the materiality assessment process.

Process wise, there are two commonly adopted approaches when it comes to prioritisation of material sustainability matters by companies:

- where identification of sustainability matters is undertaken as part of general stakeholder engagements throughout the year, the company undertakes an additional series of engagements that are solely intended to prioritise its material sustainability matters, above and beyond the aforementioned general engagements; and
- where identification of sustainability matters is undertaken via a series of stakeholder engagements that are specific to this purpose alone (i.e. part of overall materiality assessment process), such engagements should also cover prioritisation of sustainability matters identified.

Following on from the above, the priorities of each stakeholder group are considered and accorded differing weightages. The weightage accorded to each stakeholder group is dependent upon, among others, the stakeholder group's interest in, and influence on, the company. This "prioritisation" of stakeholders is important as it indicates how significant or important a stakeholder group is to an organisation, which would then allow the organisation to understand how a sustainability matter may be material.

*For additional information on stakeholder prioritisation, please refer to the **Toolkit: Stakeholder Prioritisation**. A sample survey template for prioritisation of engagements with stakeholders has been provided in the **Toolkit: Stakeholder Engagement**.*

CASE STUDY 4

kenanga

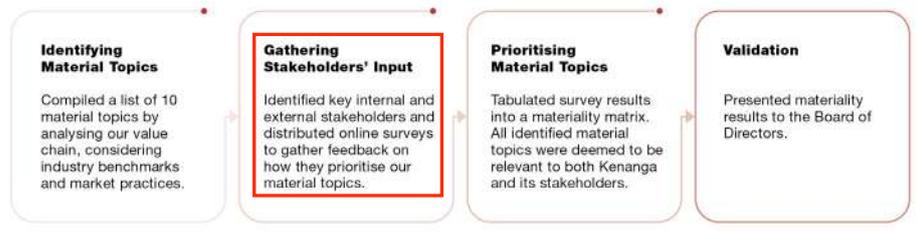
Kenanga Investment Bank Berhad ("Kenanga")



In its Sustainability Report 2021, Kenanga described the expansion of its stakeholder engagements to include institutional investors. This is to garner a more representative view of the priorities of the company's stakeholders. More importantly, Kenanga has clearly included "gathering stakeholders' input" as a key step before moving on to prioritising their material topics.

In 2020, we conducted our materiality assessment to identify key sustainability topics that are material to both Kenanga and its stakeholders. The biennial assessment ensures that we have a clear understanding of the material topics which are significant to our business and stakeholders. In 2021, we expanded our materiality survey to include institutional investors, to ensure that we capture a more representative view of our stakeholders' priorities.

Our Materiality Assessment Process



Source: Kenanga Investment Bank Berhad Sustainability Report 2021

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CASE STUDY 5



In its Sustainability Report 2021, Genting Berhad disclosed its material matters within the context of its portfolio companies.

GENTING BERHAD				
GOVERNANCE	ECONOMIC	COMMUNITY	ENVIRONMENT	WORKPLACE
Corporate Governance and Risk Management Ethical Business Conduct Procurement Practices	Responsible Investing Assets' Business Model Sustainability Economic Performance	Customer Health, Safety and Security Community Investments	Waste, Pollution and Materials Consumption Water Management Climate Change, Energy and Emissions Monitoring Biodiversity	Human, Rights and Labour Standards Diversity, Equal Opportunity and Inclusion Talent Management Occupational Safety and Health
Referencing the disclosures of specific topics to the portfolio companies				
GENTING SINGAPORE	GENTING MALAYSIA	GENTING PLANTATIONS	GENTING ENERGY	RESORTS WORLD LAS VEGAS
Customer Health, Safety and Security	Customer Health, Safety and Security	Human Rights and Labour Standards	Climate Change, Energy and Emissions Monitoring	Customer Health, Safety and Security
Climate Change, Energy and Emissions Monitoring	Biodiversity	Biodiversity	Community Investments	Climate Change, Energy and Emissions Monitoring
Water Management	Community Investments	Waste, Pollution and Materials Consumption	Waste, Pollution and Materials Consumption	Community Investments
Diversity, Equal Opportunity and Inclusion	Diversity, Equal Opportunity and Inclusion	Diversity, Equal Opportunity and Inclusion	Diversity, Equal Opportunity and Inclusion	Diversity, Equal Opportunity and Inclusion

In terms of prioritisation, the process undertaken by Genting Berhad was described in the following manner:

*"An online **materiality assessment survey** was held in December 2021, where opinions were gathered from the Board of Directors and Management of Genting Berhad and our portfolio companies to **rank and rate the topics** from their standpoint, and the deemed interest and importance of these topics to Genting Berhad's other stakeholders...*

*...The **feedbacks gathered from the survey were tabulated** by the external sustainability consultants using best practices in statistical analysis with different weightage scores for different stakeholder groups' feedback for stronger validity of the results. The **material matters were plotted on a materiality matrix to determine its priority** to the sustainability of Genting Berhad."*

Source: Genting Berhad Sustainability Report 2021



CASE STUDY 5
(cont'd)

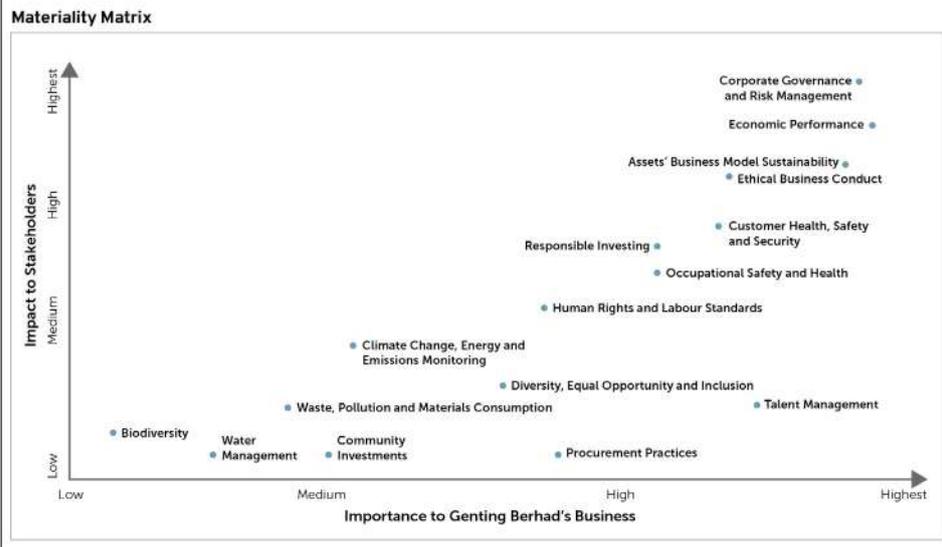


Genting Berhad



The resulting prioritisation was then plotted on a materiality matrix that clearly illustrates the relative importance of each material sustainability matter based on importance to Genting Berhad's business as well as importance to its stakeholders.

These material matters were prioritised in a materiality matrix and the findings helped to develop the Sustainability Framework for Genting Berhad that outlines its sustainability agenda, commitments and strategies. Details of the management approach and performance data are disclosed in the subsequent pages of this report.



Source: Genting Berhad Sustainability Report 2021

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CASE STUDY 6

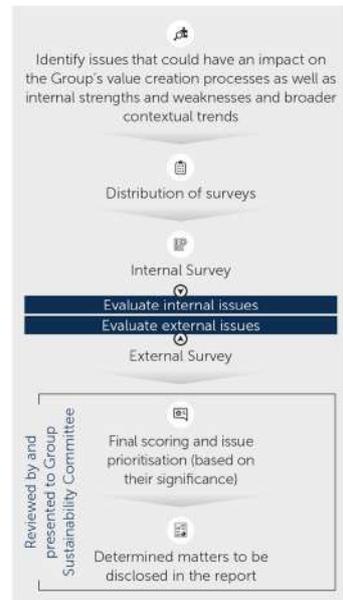


Fima Corporation Berhad ("FimaCorp")



As disclosed in its Annual Report 2021, FimaCorp carried out a materiality assessment exercise that was facilitated by its Group Corporate Services Department. As part of the exercise, FimaCorp prioritised its material sustainability matters based on feedback provided by the company's key internal and external stakeholders. The outcome of the prioritisation exercise is reflected in the given materiality matrix. This exercise also involves the shortlisting of the most important matters that would be covered/reported in its Sustainability Report.

Our first materiality assessment was conducted in FYE2019. Our most recent assessment was carried out by the Group Corporate Services Department in FYE2021, where we reached out to 3,732 stakeholders through an online survey and received 437 responses within a month. The results of the survey helped to form a materiality matrix in which the sustainability topics were weighted from the point of view of the stakeholders as well as feedback received from the Group Sustainability Committee and members of management. Due to the diverse contributions of each business division, the results of the materiality assessment were measured according to each division's influence on the Group's financial performance, their employee headcount and their prospective expansion potential. We also included a desktop review against current sustainability trends and peer reports as well as regulations and guidelines.



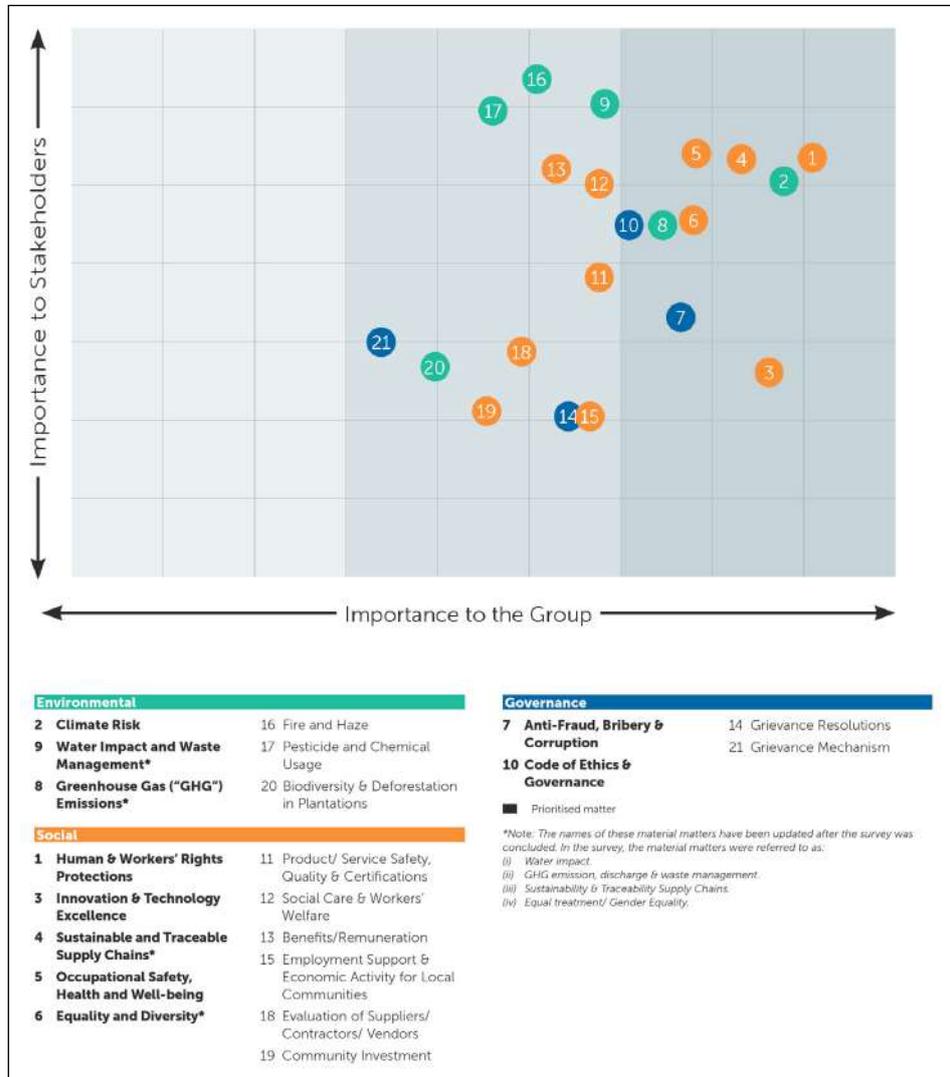
Source: Fima Corporation Berhad Annual Report 2021

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CASE STUDY 6
(cont'd)



Fima Corporation Berhad ("FimaCorp")



Source: Fima Corporation Berhad Sustainability Report 2021

Disclosure Guidance 3:

Illustration of prioritisation of material matters via a materiality matrix

Question: Has the company provided an illustration of its prioritised material sustainability matters via a materiality matrix, clearly showing the relative importance of each matter?

Not all material sustainability matters are of equal importance. Hence, in disclosing the company's material sustainability matters (i.e. outcome of the materiality assessment process undertaken), the disclosures should reflect the relative priority of these material sustainability matters. For instance, companies could demonstrate relative importance by sorting material matters into 'high', 'medium' and 'low' categories. Alternatively, companies could establish a materiality threshold where all material matters that are above the pre-set level are considered to be sufficiently material to be managed and reported.

Following on from the above, it is recommended that companies disclose a materiality matrix in its Sustainability Statement as it provides readers with a visual illustration of the relative importance of each prioritised material sustainability matter against one another.

For additional information on the materiality matrix, please refer to the **Toolkit: Materiality Matrix**.

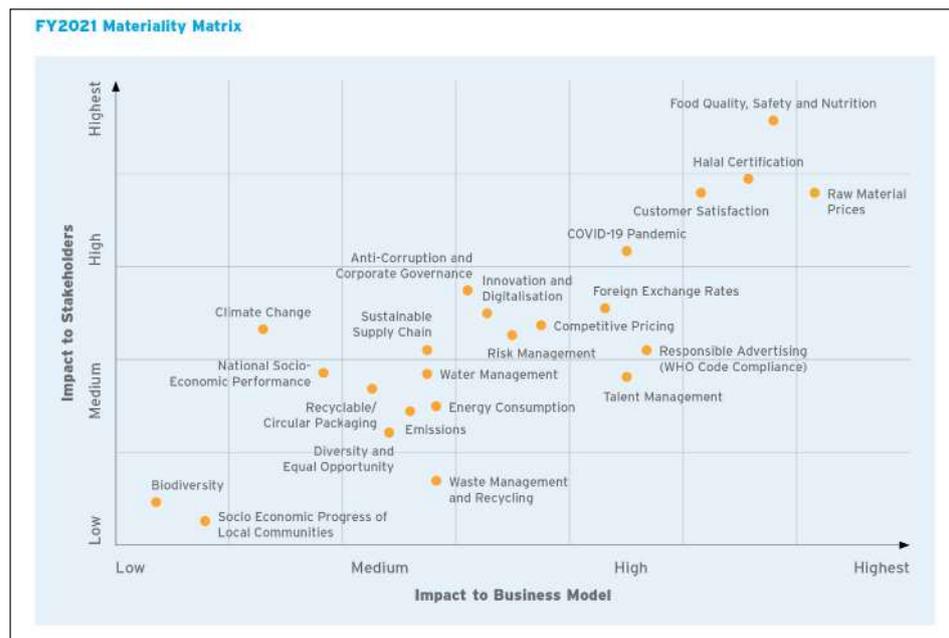
CASE STUDY 7



Dutch Lady Milk Industries Berhad ("Dutch Lady")



In its Annual Report 2021, Dutch Lady provided a comprehensive materiality matrix clearly illustrating prioritisation of its material sustainability matters i.e. the relative importance of each matter in relation to one another (based on the 2 major considerations detailed earlier in this Chapter).



Source: Dutch Lady Milk Industries Berhad Annual Report 2021

CASE STUDY 8

PLENITUDE

Plenitude Berhad ("Plenitude")

In its Annual Report 2018, Plenitude disclosed the outcome of its prioritisation exercise by clustering all material issues into 3 levels/categories. While relative importance is shown between the different levels, there is no indication of relative importance for sustainability matters within the same level.

Level 1: Key Material Issues	Level 2: Highly Critical Issues	Level 3: Emerging or Moderately Material Issues
<ul style="list-style-type: none"> Financial Sustainability Health & Safety Compliance 	<ul style="list-style-type: none"> Green Concepts Energy Efficiency Waste Management Customer Satisfaction Quality Control Market Presence Affordable Housing 	<ul style="list-style-type: none"> Succession Planning Training & Development Equal Opportunities Employee Diversity Employment Practices Employee Engagement Non-discrimination Community Investment Biodiversity

Source: Plenitude Berhad Annual Report 2018

By the 2021 reporting cycle, Plenitude's prioritisation of material sustainability matters has become more granular/sophisticated where the relative importance of each matter is shown more clearly (as compared to 2018 disclosures).



Source: Plenitude Berhad Annual Report 2021

For additional examples on the utilisation of materiality matrices to illustrate prioritisation of material sustainability matters, please refer to Case Studies 5, 6, 12 and 13.

Disclosure Guidance 4: Review and validation of materiality assessment process and outcome

Question: Has the company's senior management reviewed and/or approved the process and outcome of the materiality assessment undertaken?

Question: Has the company's board approved/validated/endorsed the outcome of the materiality assessment undertaken?

It is important that both the process and outcome of the materiality assessment undertaken are reviewed and approved by the company's senior management. In addition, the outcome should also be approved/validated/endorsed by the Board as the Board is ultimately responsible for the information disclosed. Together, these practices ensure the integrity and credibility of the materiality assessment exercise.

The direct involvement of both the Board and senior management would also ensure buy-in across the company as well as allocation of resources and accountability for the management of such matters. Undertaking a process review is also useful in terms of identifying any gaps/weaknesses and opportunities to improve the robustness of future assessments.

CASE STUDY 9



Unisem
(M) Berhad
("Unisem")



In its Annual Report 2021, the outcome of Unisem's materiality assessments is reviewed by the Sustainability Committee and the Board, together with the relevant targets, management progress and performance and, where appropriate, timely intervention and action plans.

Unisem's Materiality Assessment Process

Unisem's materiality assessment process is aligned with the Main Market Listing Requirements and is guided by the Bursa Malaysia Sustainability Reporting Guide – 2nd Edition and its accompanying Toolkits. We adopt a definition of "materiality" that is consistent with the Main Market Listing Requirements as well as the GRI Standards –

A material sustainability matter is one that:

- reflects Unisem's significant economic, environmental, and social impact; or
- substantively influence the assessments and decisions of Unisem's stakeholders.

Materiality assessment for each of the operating sites, i.e. Unisem Ipoh and Unisem Chengdu, is performed by the respective SWCs. Apart from previously identified sustainability matters, the SWC also considers any emerging sustainability risks and opportunities, or significant concerns raised by stakeholders. The outcome of the materiality assessments is reviewed by the Sustainability Committee and the Board, together with the relevant targets, management progress and performance and, where appropriate, timely intervention and action plans.

Every two years, we conduct comprehensive materiality assessment and obtain input from selected stakeholders through various engagement tools to assess the priority of sustainability matters in our business. We also ensure we seek the feedback from our employees as we appreciate their valuable input being one of the key drivers of business and operations.

Source: Unisem (M) Berhad Annual Report 2021

Disclosure Guidance 5: Frequency of materiality assessment process review

Question: *Has the company disclosed the nature of assessment undertaken for the reporting year (full or limited scale) as well as underlying justifications?*

Question: *Has the company disclosed the frequency of undertaking materiality assessment?*

Once a company's material sustainability matters have been determined, the company should revisit/reconsider them from time-to-time, to ensure that recent developments and changes have been considered and incorporated. For instance, in a situation where the company enters into new industries and markets, there may be new material sustainability matters that would have to be managed and reported.

Conventionally, a company should re-assess or review its material sustainability matters at least on an annual basis. In this regard, the company has the following options:

1. **To conduct a full scale materiality assessment** – this involves undergoing the full assessment process, as detailed throughout this Chapter. As this exercise requires devotion of considerable time, resources and effort, some companies undertake this on a pre-determined frequency (e.g. at least once every 3 years). Regardless of whether a company has general frequency criteria put in place or otherwise, the company should undertake a full scale materiality assessment if there are major changes to its business model or operating context.
2. **To conduct a limited scale review** – under certain circumstances e.g. where a company has just undertaken a full scale materiality assessment in the previous reporting cycle and there are no major changes to its business model or operating context; the company could opt to conduct a more limited scale review of its material sustainability matters. For instance, the review may involve surveying a smaller sample or subset of stakeholders to re-affirm that key issues remain relevant as well as obtaining some indication of new/emerging issues.

When considering whether to conduct a full-scale materiality assessment or a limited scale review, companies should take into account all relevant internal and external factors, including changes in their supply chain, changes in global legislations and regulations, etc.

Overall, the recommendations above aim to ensure that the sustainability matters being managed and reported remain material to the business and are aligned to stakeholder needs/expectations.

CASE STUDY 10



Gas Malaysia Berhad ("Gas Malaysia")



In its Annual Report 2021, Gas Malaysia disclosed that the revalidation of its material matters is based on comparisons against local, regional and global industry peers and benchmarked them against the SASB as well as the International Petroleum Environmental Conservation Association.

Materiality Assessment

Gas Malaysia Berhad's performance and long-term sustainability is closely linked to how it can effectively address its material matters. With our large footprint throughout the country, it is particularly important to be aware of the issues material to us in environmental, economic and social contexts. In addition to this, we are aided by the perspectives and expectations of our stakeholders which we have garnered through regular engagement to help us manage our matters more effectively.

In 2020, we revalidated our material matters which were identified in 2016 to better reflect the evolving nature of our organisation. The revalidation in 2020 expanded eight material matters into nine, as we made the distinction clear between carbon emissions and energy management and to enable better disclosures in these two areas.

In the year under review, we have once again undertaken a revalidation of the nine material matters against local, regional and global industry peers and benchmarked them against the Sustainability Accounting Standards Board as well as the International Petroleum Environmental Conservation Association.

Source: Gas Malaysia Berhad Annual Report 2021

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CASE STUDY 11



TDM Berhad ("TDM")



The following example illustrates TDM's annual materiality assessment process – involving both full scale assessments and limited scale reviews over the 2018 to 2021 period. After finalising its material sustainability matters in 2018, TDM conducted limited scale reviews in 2019 and 2020, and then a full scale assessment again in 2021.

FY 2018

TDM conducted a materiality assessment and survey with its stakeholders. 10 material sustainability matters were prioritised and plotted on a materiality matrix based on 2 dimensions:

- Importance of material sustainability matters to stakeholders' priorities and concerns; and
- Relevance of material sustainability matters to TDM's business interests according to Board and key management personnel

Materiality Matter	Sustainability Pillar
01 High Quality Services	Social (Marketplace)
02 Bribery and Corruption	Economic (Governance)
03 Safety & Health of Workers and Sub-contractors	Social (Workplace)
04 Customer Privacy	Social (Marketplace)
05 Business Ethics	Economic (Governance)
06 Economic and Business Performance	Economic
07 Training, Education and Career Development	Social (Workplace)
08 Public and Customer Safety	Social (Marketplace)
09 Customer Feedback and Satisfaction	Social (Marketplace)
10 Waste Management	Environment

Source: TDM Berhad Annual Report 2018

CASE STUDY 11
(cont'd)



TDM
Berhad
("TDM")



FY 2019 & FY 2020

The 10 material sustainability matters were revalidated in 2019 and no changes were made for that year.

In 2020, the original 10 material sustainability matters were reviewed again which resulted in a revised set that retained 5 original material sustainability matters and introduced 5 new material sustainability matters which were more relevant, given the challenges faced during that year.

MATERIALITY MATTER	SUSTAINABILITY PILLAR	SIGNIFICANCE TO TDM
HIGH-QUALITY SERVICES	Social (Marketplace)	<ul style="list-style-type: none"> Improves reputation and brand/ product loyalty Enables obtaining premium price on product
BRIBERY & CORRUPTION	Social (Governance)	<ul style="list-style-type: none"> Transparency and building good governance
SAFETY & HEALTH OF WORKERS & SUB-CONTRACTORS	Social (Workplace)	<ul style="list-style-type: none"> Keeps the workplace in good condition and free of accidents Staff workers can perform their duties at maximum capacity
CUSTOMER PRIVACY	Social (Marketplace)	<ul style="list-style-type: none"> Protects the confidentiality of customer's/ vendor's information
BUSINESS ETHICS	Social (Marketplace)	<ul style="list-style-type: none"> Builds a good reputation among business partners, customers and employees.
ECONOMIC & BUSINESS PERFORMANCE	Economic (Governance)	<ul style="list-style-type: none"> Sustain value to shareholders.
TRAINING, EDUCATION & CAREER DEVELOPMENT	Economic	<ul style="list-style-type: none"> Keeps employees' capabilities and skills updated to meet current challenges and builds their competencies.
PUBLIC & CUSTOMER SAFETY	Social (Workplace)	<ul style="list-style-type: none"> Keeps work environment in a conducive condition and accident free
CUSTOMER FEEDBACK & SATISFACTION	Social (Workplace)	<ul style="list-style-type: none"> Understanding of customer expectations and requirements
WASTE MANAGEMENT	Environment	<ul style="list-style-type: none"> Waste produced is treated properly to avoid environmental pollution and contamination

Source: TDM Berhad Annual Report 2019

Managing Materiality Matters efficiently is crucial to address the concerns and needs of our multi-stakeholders over a range of EES issues that impact our business operations and corporate activities.

We conducted a survey in 2018 amongst various stakeholder groups, including the Board and key management personnel, to identify and prioritise Materiality Matters that were pertinent to the business and that of our stakeholders. Based on the survey, we identified 29 matters and prioritised the top 10 into our Materiality Matters for the Group. In 2019, we revalidated the top 10 Materiality Matters and no changes were made for that year. However, in 2020, we revisited our Materiality Matters assessment of which we either consolidated, eliminated or replaced sections in order to improve the clarity and inculcate a wider array of disclosures.

Source: TDM Berhad Annual Report 2020

CASE STUDY 11
(cont'd)



TDM
Berhad
("TDM")



FY 2021

TDM carried out a comprehensive materiality assessment to determine the materiality of sustainability matters that are relevant to the business. 16 material sustainability matters were shortlisted and another materiality survey was conducted to capture the views of internal and external stakeholders on the shortlisted matters.

Order of Significance	Material Matters	EESG Legend
1	Safety and Health of People (A)	●
2	Ethics and Integrity (B)	●
3	Cybersecurity and Data Privacy (C)	●
4	Economic and Business Performance (D)	●
5	Diversity, Inclusivity and Social Justice (E)	●
6	Training and Career Development (F)	●
7	Quality and Innovation (G)	●
8	Employee Engagement (H)	●
9	Environmental Footprint (I)	●
10	Protecting Land and Biodiversity (J)	●
11	Procurement Practices (K)	●
12	Risk Management (L)	●
13	Climate Change (M)	●
14	Sourcing Materials Responsibly (N)	●
15	Engaging Local Communities (O)	●
16	Hiring from the Local Community (P)	●

● Economic ● Environmental ● Social ● Governance

Source: TDM Berhad Annual Report 2021

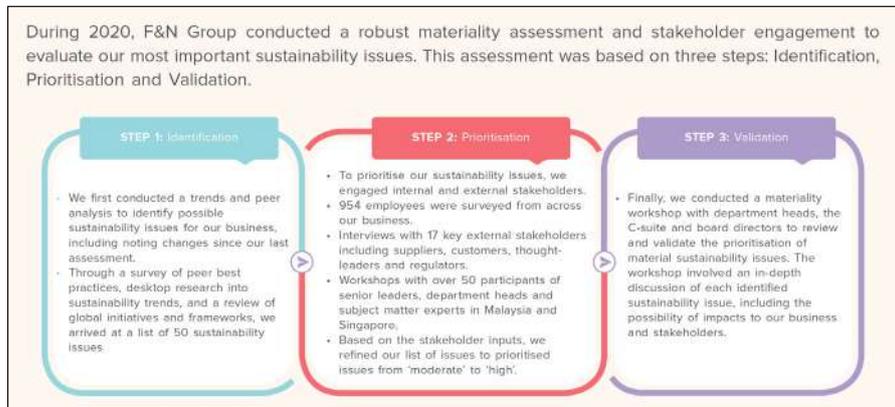
The following case studies are insightful as each contains most of the recommendations pertaining to stakeholder engagement, materiality assessment, use of materiality matrix, Board and senior management approval/validation, etc., as detailed throughout this Chapter.

CASE STUDY 12



Fraser & Neave Holdings Berhad ("F&N")

In its Sustainability Report 2021, F&N described the materiality assessment process as well as the accompanying stakeholder engagements undertaken to identify and prioritise sustainability issues that are most important to the company in FY 2020.



F&N further discloses that the company reviews its material issues annually and explains key changes in FY 2021 as compared to the previous report. The company has also provided a materiality matrix in the report.



Source: Fraser & Neave Holdings Berhad Sustainability Report 2021



CASE STUDY 13



LET'S INSPIRE

Digi.Com Berhad ("Digi")



In its Integrated Annual Report 2021, Digi disclosed an overview of the steps undertaken in its materiality assessment process, which aligns with the Disclosure Guidance provided in this chapter. Digi considers the views from stakeholders as well as its business environment as part of its materiality assessment process. Digi also highlighted that its materiality assessment process is regularly monitored and re-evaluated to ensure its relevance to the company.



Source: Digi.Com Berhad Integrated Annual Report 2021

CASE STUDY 13
(cont'd)



LET'S INSPIRE

Digi.Com Berhad ("Digi")

Summary of Engagement with Internal Stakeholders Groups

<p>Board of Directors</p> <ul style="list-style-type: none"> Responsible for the company's top leadership, setting strategic direction, overseeing the management performance to meet strategic objectives <p>Engagement Channels</p> <ul style="list-style-type: none"> Annual General Meeting Quarterly Board Meeting Board Performance Evaluation Company's website <p>Frequency of Engagement</p> <ul style="list-style-type: none"> Annual <p>Issues and Expectations</p> <ul style="list-style-type: none"> Review financial and non-financial performance Change in risk appetite such as climate change, human rights, corruption and consumer safety and understanding of stakeholders Customer expectations and satisfaction issues <p>Our Response</p> <ul style="list-style-type: none"> Engage in Digi's financial and non-financial performance, strategic growth plans, operational excellence Share transparency in corporate reporting and disclosure through multiple channels Strengthen communications and engagements with stakeholders Attend workshops on strategic plans and budgeting 	<p>Government and Regulators</p> <ul style="list-style-type: none"> Specify and set laws and regulations that apply to our scope of operations. The also involves issues in operations and operating business and any broader responsibilities with respect to national operations <p>Engagement Channels</p> <ul style="list-style-type: none"> Regular meet-up or periodic interaction along with the Ministry and regulator Participation in ENZELA initiative and ongoing monitoring via the ENZELA implementation Committee Company website Integrated Annual Report and Financial Report Media releases and visits Analyst strategy <p>Frequency of Engagement</p> <ul style="list-style-type: none"> Quarterly <p>Issues and Expectations</p> <ul style="list-style-type: none"> Change in regulatory and quality Advance ENZELA targets Market development Sustainability, climate action and environmental management Digital skills in data portfolio <p>Our Response</p> <ul style="list-style-type: none"> Reinforced digital capability through multiple programs Align our Product suite Align with ENZELA Align with the Policy Document Encourage AG adoption through campaigns Programmes of Front Office Digital (FOED) internal service oriented teams developing digital services CEO Action Network initiatives and activities with partners
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"To ensure the relevance of our economic, environmental, social and governance risks, we undertook a refreshed materiality assessment in FY2021 to evaluate and assess their priorities. We conducted this year's assessment with the guidance of our risk management framework, along with Bursa Malaysia's Sustainability Reporting Guide (2nd Edition) and Bursa Malaysia's Toolkit, and have taken into consideration the views of internal stakeholders and business environment, weighted against Digi's strategic priorities."

In addition, the outcome of the materiality assessment undertaken was presented to the Digi Management Team and Board of Directors for approval upon finalisation.

Source: Digi.Com Berhad Integrated Annual Report 2021



Toolkits

For additional information on stakeholder engagement and materiality assessment, please refer to:

- Toolkit: Materiality Assessment
- Toolkit: Materiality Matrix
- Toolkit: Stakeholder Engagement
- Toolkit: Stakeholder Prioritisation

CHAPTER 6: MANAGEMENT APPROACH

Management approach refers to how companies are managing each of the material sustainability matters that they have prioritised via their materiality assessment process.

For disclosures on management approach, the LR is as follows:

Listing Requirements



Paragraph 6.2, Practice Note 9, Main Market Listing Requirements²²

In making the Sustainability Statement, a listed issuer must include disclosures on the following:

- (c) material sustainability matters and –
 - (ii) why they are important to the listed issuer; and
 - (iii) how they are managed including details on –
 - (aa) policies to manage these sustainability matters;
 - (bb) measures or actions taken to deal with these sustainability matters; and
 - (cc) indicators relevant to these sustainability matters which demonstrate how the listed issuer has performed in managing these sustainability matters together with the data for the last 3 financial years, and performance target(s) in relation to the indicators (if such targets are set);

Paragraph 6.3, Practice Note 9, Main Market Listing Requirements²²

For purposes of paragraph 6.2(c) above, sustainability matters are considered material if they:

- (a) reflect the listed issuer's significant economic, environmental and social impacts; or
- (b) substantively influence the assessments and decisions of stakeholders; and
- (c) fall under the common material sustainability matters as set out in Annexure PN9-A.

Paragraph 6.5, Practice Note 9, Main Market Listing Requirements²²

For purposes of paragraph 6.2(c)(iii)(cc) above, a listed issuer must disclose the data for a reported indicator in the following manner:

No.	Reporting of new indicator	Minimum data disclosures
(a)	In the first year of reporting a new indicator (" said indicator ")	Data for the financial year
(b)	In the second year of reporting the said indicator	Data for the financial year and for the immediate preceding financial year
(c)	From the third year onwards of reporting the said indicator	Data for the financial year and for the 2 immediate preceding financial years

²² Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Listing Requirements (cont'd)

**Paragraph 6.2, Guidance Note 11, ACE Market Listing Requirements²³**

In making the Sustainability Statement, a listed corporation must include disclosures on the following:

- (c) material sustainability matters and –
 - (ii) why they are important to the listed corporation; and
 - (iii) how they are managed including details on –
 - (aa) policies to manage these sustainability matters;
 - (bb) measures or actions taken to deal with these sustainability matters; and
 - (cc) indicators relevant to these sustainability matters which demonstrate how the listed corporation has performed in managing these sustainability matters together with the data for the last 3 financial years, and performance target(s) in relation to the indicators (if such targets are set);

Paragraph 6.3, Guidance Note 11, ACE Market Listing Requirements²³

For purposes of paragraph 6.2(c) above, sustainability matters are considered material if they:

- (a) reflect the listed corporation's significant economic, environmental and social impacts; or
- (b) substantively influence the assessments and decisions of stakeholders; and
- (c) fall under the common material sustainability matters as set out in Annexure GN11-A.

Paragraph 6.6, Guidance Note 11, ACE Market Listing Requirements²³

For purposes of paragraph 6.2(c)(iii)(cc) above, a listed corporation must disclose the data for a reported indicator in the following manner:

No.	Reporting of new indicator	Minimum data disclosures
(a)	In the first year of reporting a new indicator (" said indicator ")	Data for the financial year
(b)	In the second year of reporting the said indicator	Data for the financial year and for the immediate preceding financial year
(c)	From the third year onwards of reporting the said indicator	Data for the financial year and for the 2 immediate preceding financial years

In this chapter, 'Disclosure Guidance' sections address the following:

1. How material sustainability matters are managed
2. Reporting on relevant indicators
3. For each reported indicator, provision of data for the last 3 financial years

For additional information on the development of performance targets surrounding material sustainability matters, please refer to Chapter 8: Performance Targets.

²³ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Disclosure Guidance 1: How material sustainability matters are managed

Question: Does the company report on:

- (i) all common material sustainability matters as set out in Annexure PNG-A (for Main Market listed issuers) or Annexure GN11-A (for ACE Market listed corporations), and
- (ii) other material sustainability matters that are identified and prioritised via the materiality assessment that it has undertaken?

Question: For each reported sustainability matter, does the company provide an explanation of why such a matter is material/important?

Question: For each reported sustainability matter, does the company provide clear and comprehensive disclosures of the management approach taken?

Question: Does the company disclose implications of reported material sustainability matters (e.g. key risks and opportunities) on overall business strategy and/or financial performance?

Management of material sustainability matters should, to the best possible extent, be aligned to existing management approaches and processes, and international standards where applicable. For instance, matters that affect the entire operations may be guided by groupwide policies and strategies. In addition, management of material matters are also often guided by the relevant local legislation (e.g. Environmental Quality Act 1974) and international standards (e.g. International Standards Organisation's Management Standards or guidance by the relevant industry bodies).

Definitions

A **policy** is defined as a set of rules or guidelines which support the company's approach surrounding a particular topic.

A **procedure** is defined as the action steps taken by the company towards a particular topic.

Examples of sustainability-related policies and procedures include:

 <p style="text-align: center;">Environmental</p> <p>Policies: <i>Responsible Land Use Policy</i></p> <p>Procedures: <i>Waste Management Procedures, Water Management and Recycling</i></p>	 <p style="text-align: center;">Social</p> <p>Policies: <i>Diversity Policy</i></p> <p>Procedures: <i>Fair Recruitment and Non-Discrimination procedures, Treatment of Workers with Disabilities</i></p>	 <p style="text-align: center;">Governance</p> <p>Policies: <i>Anti-Bribery and Corruption Policy</i></p> <p>Procedures: <i>Whistleblowing procedures, Supplier Screening Procedures</i></p>
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CHAPTER [1](#) [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [9](#) [10](#) [11](#)

For each reported material matter, disclosures pertaining to a company's management approach include the following (non-exhaustive):

- a) policies and procedures put in place;
- b) management system standards and frameworks such as ISO 14001 (Environmental management), ISO 45001 (Occupational Health and Safety), ISO 37001 (Anti-Bribery Management System), International Labour Organization's ("ILO") Indicators of Forced Labour (Human and labour rights) adopted (if any);
- c) action plans, initiatives and/or measures that are completed, on-going or planned;
- d) relevant indicators (at a minimum, adoption of Common Indicators as set out in Annexure PN9-A for Main Market listed issuers or Annexure GN11-A for ACE Market listed corporations) which demonstrate how the listed issuer has performed in managing such a matter; and
- e) performance targets in relation to the indicators (if such targets are set) with specific timeframes for their achievement.

To the best extent possible, narratives for the above should also be supplemented by sufficient contextual information to aid understanding. For example, the company should provide an explanation of the relevance of an indicator within the company's operating context, reasons for key changes/trends observed (as reflected by data reported) and the justifications for revising a performance target that the company has committed to.

In addition to the above, companies should also seek to better understand and then disclose implications of reported material sustainability matters (e.g., key risks and opportunities) on overall business strategy and/or financial performance. This would undoubtedly aid key stakeholders in their assessment of how effectively companies are managing their respective material sustainability matters.

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CASE STUDY 1

TOP GLOVE
TOP QUALITY. TOP EFFICIENCY

Top Glove Corporation Bhd ("Top Glove")

In its Integrated Annual Report 2021, Top Glove disclosed "Energy Consumption" as one of its material matters, where an Energy Policy has been developed with an additional certification obtained under ISO 50001:2018 Energy Management System ("EnMS"). Top Glove also disclosed its intention to have 25% of factories certified under EnMS ISO 50001 by FY 2022, which is an example of an action plan to support the management of their material sustainability matter.

Top Glove collected and reported on electricity data, which is available for 4 financial years since FY 2018. In its reported data, Top Glove also provided explanation for increasing intensity from FY 2020 to FY 2021, attributed to low output from the pandemic's Movement Control Order.

Top Glove also shared on targets from a base year of FY 2021 further categorised into short-term (by FY 2022) and medium-term (by FY 2025) targets.

ENVIRONMENTAL: ENERGY CONSUMPTION
All content and data in this page has been verified & assured by external assessor, SIRIM QAS International Sdn Bhd

ENERGY CONSUMPTION

Management approach: As one of the key resources used in our production, we aim to reduce the consumption of non-renewable energy, replacing it with green/ renewable energy.

Responding to the call for more effective energy management, we launched our Energy Policy and raised the bar for ourselves by requiring ISO 50001:2018 Energy Management System (EnMS) compliance. Our aim is to have 25% of our factories certified with EnMS ISO 50001 by FY2022 and achieve 100% by FY2025.

We continue to manage our energy consumption intensity via our electricity consumption and natural gas consumption, while investing in green energy via solar power implementation.

Data disclosed in this section covers all gloves factories at Group level.

ELECTRICITY

Our targets:

Short term target	To reduce electricity consumption intensity by 11% to 6.178 kWh/1,000 pcs gloves by FY2022
Medium term target	To reduce electricity consumption intensity by 26% to 5.111 kWh/1,000 pcs gloves by FY2025

* Targets above are against base year FY2021

Electricity data:

Financial Year	FY2018	FY2019	FY2020	FY2021
Electricity Consumption Intensity (kWh/1,000 pcs gloves)	6.64	7.09	6.83	6.94
Absolute electricity consumption (kWh)	332,170,929	381,972,367	421,965,246	448,586,057

Progress:
Electricity consumption intensity increased by 1.77% in FY2021 compared with FY2020 due to lower output arising from Movement Control Order due to COVID pandemic, whereby production lines were not fully in operation. (Variance was calculated based on intensity value with 4 decimal points).

Energy efficiency initiatives:

- Smart Energy Monitoring System (SEMS) to monitor energy usage and identify wastage. With the implementation of SEMS at the factories, real time data on energy consumption is monitored closely by engineers. Any abnormality in terms of energy consumption can be identified and rectified in the shortest time. In addition, monthly report generated from SEMS allows the engineers to understand the factories' energy consumption trend, hence enabling to identify wastage in the factories.
- Heat recovery system via combined heat and power plant (CHP) system and 3Rs water system.
- Improvements in equipment efficiency:
 - We are in the process of converting biomass combustion facilities to natural gas, which in turn will generate lower carbon emissions.
 - Replacement of low performance burners with advanced technology equipment.
- Solar power system project.

Top Glove disclosed that the Energy Policy and ISO 50001:2018 EnMS guides energy management

Top Glove disclosed on their short and long-term targets for energy consumption

Electricity data is provided for up to 4 financial years, since FY 2018.

Top Glove further disclosed on initiatives to manage energy consumption

Source: Top Glove Corporation Bhd Integrated Annual Report 2021



CASE STUDY 2

SUNWAY®Sunway
Berhad
("Sunway")

Sunway disclosed its universe of policies linked to its material sustainability as well as corporate governance matters in its Integrated Annual Report 2021. For instance, the company listed its Group Sustainability Policy along with the relevant link provided to ease readers' access to the full policy made available on its corporate website. Please refer to the extract provided below.

Sunway's Universe of Policies

Board Policies

- Non-Audit Services Policy
- Policy on Selection and Assessment of Members of the Board of Directors and Board Composition
- External Auditors Selection Policy
- Directors Remuneration Policy
- Fit and Proper Policy **new**

Corporate Policies

- Anti-Bribery & Corruption ("ABC") Policy
- Anti-Money Laundering Policy
- Diversity & Inclusion Policy
- Whistleblowing Policy & Procedure

Sustainability Policies

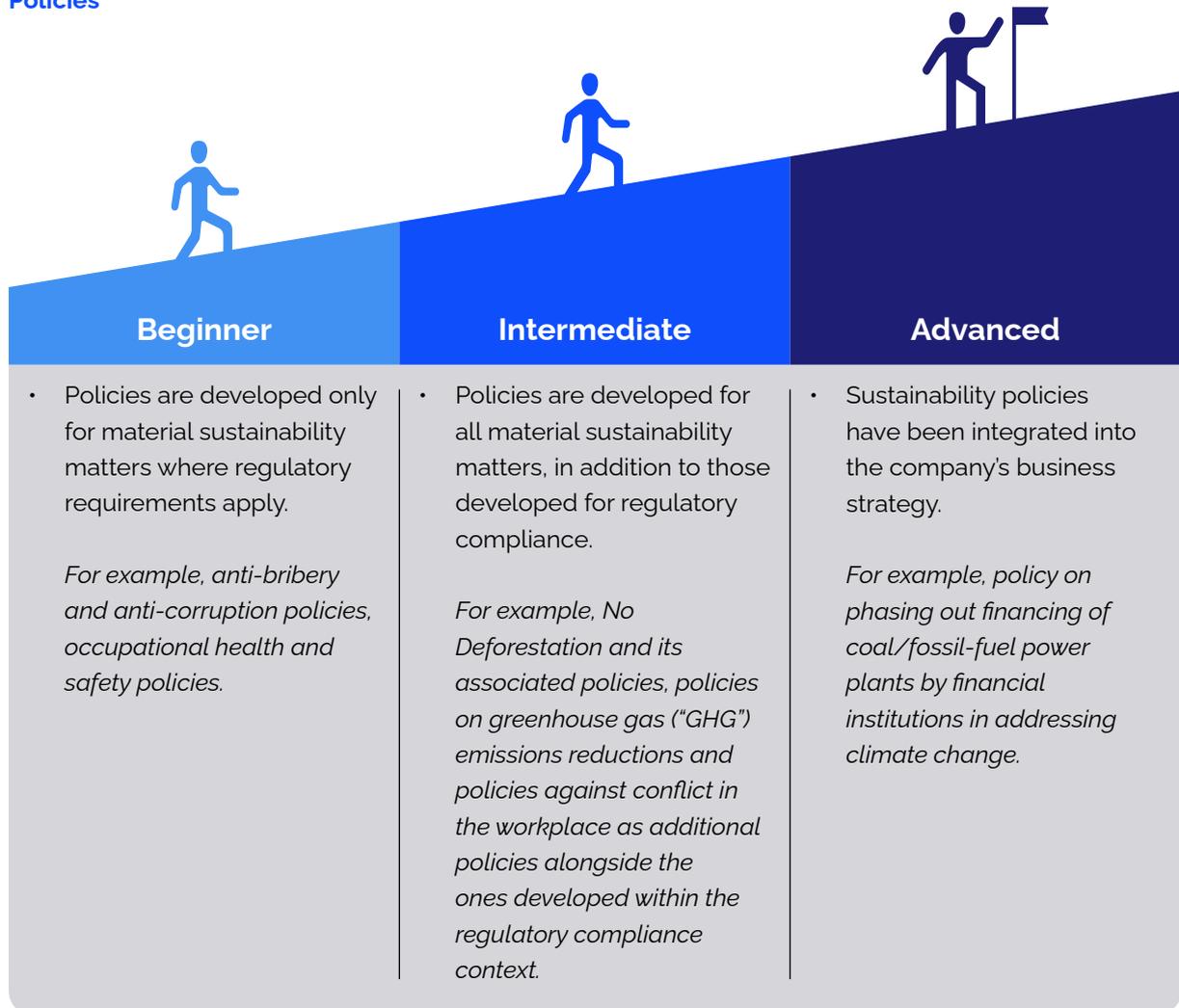
- Group Sustainability Policy
- Group Occupational Health, Safety and Environment Policy
- Human Rights Policy
- Sustainable Procurement Policy
- Water Management Policy
- Green Building Policy **new**
- Biodiversity Policy **new**

For more information on the policies, please go to Sunway Berhad's corporate website at <https://www.sunway.com.my/investor-relations/corporate-governance/#section-policies>

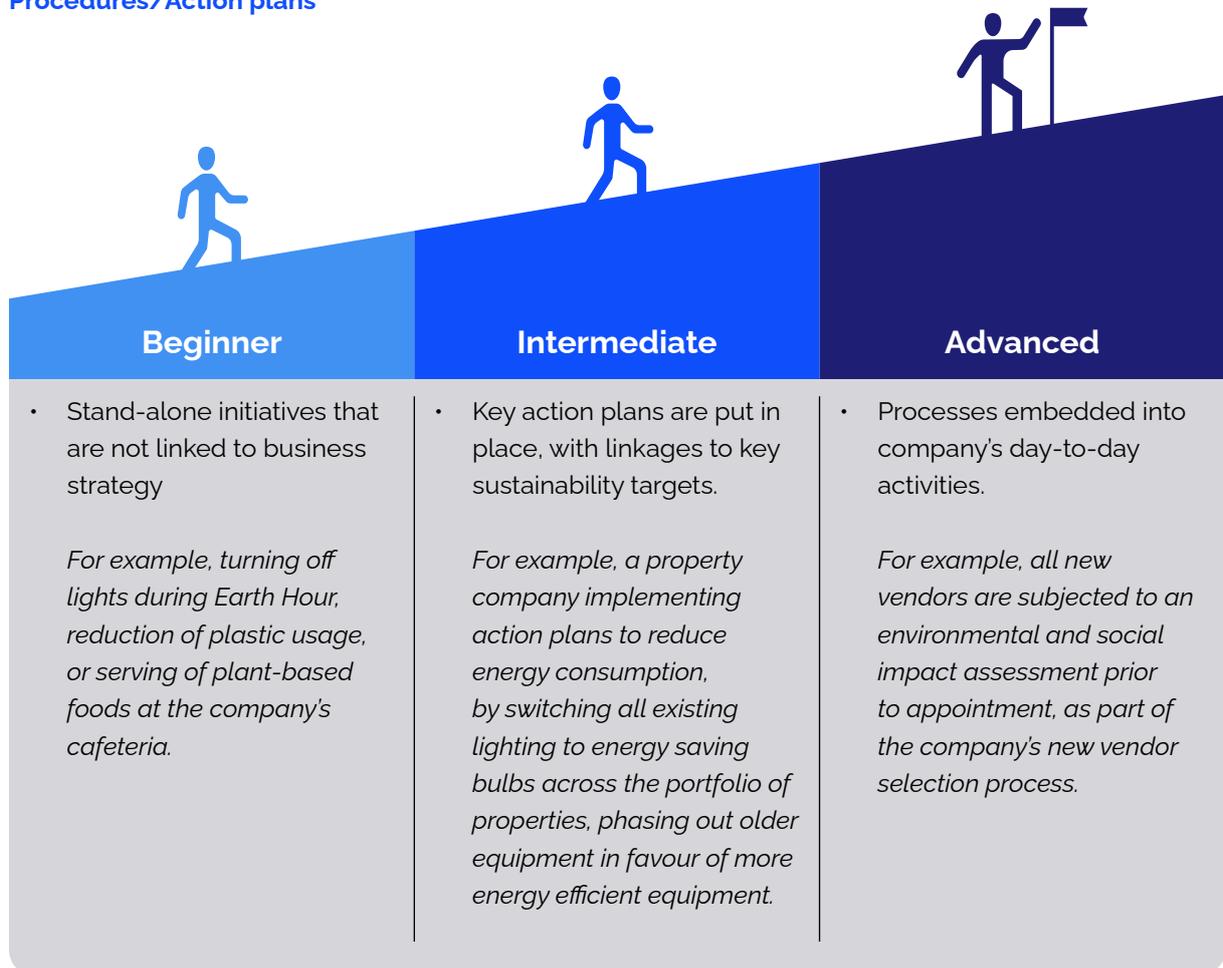
Source: Sunway Berhad Integrated Annual Report 2021

The figure below illustrates three different levels of how companies could progress in their sustainability journey (with corresponding progressions in their management approach disclosures of material sustainability matters), starting from beginner to advanced proficiency.

Policies



Procedures/Action plans



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Disclosure Guidance 2: Reporting on relevant indicators

Question: Has the company reported, at a minimum, all the Common Indicators identified by the Exchange in its Sustainability Statement?

Question: Has the company given due consideration to other potentially relevant indicators as suggested in this Guide, prescribed by international sustainability reporting frameworks/standards and/or adopted by their peers in the same sector?

Question: For each reported indicator, has the company provided adequate explanation to aid user understanding (e.g. the relevance of the indicator within the company's operating context as well as underlying reasons for key changes/trends observed)?

Question: Did the company disclose performance targets set in relation to reported indicators (where applicable)?

Adoption and reporting of relevant indicators facilitate stakeholders' assessment of progress, effectiveness or efficiency of a company's policies, measures and/or actions in managing its material sustainability matters. In this respect, there are broadly two types of indicators – absolute indicators and intensity indicators. These are explained below:

Definitions

Absolute indicators are defined as indicators that have units of measurement in absolute terms. For example, indicators of greenhouse gas emissions classified as absolute indicators are measured in a single unit, such as carbon dioxide equivalent ("CO₂e") or tonnes of carbon dioxide ("tCO₂").

Intensity indicators are defined as indicators where the unit of measurement is relative to the company-chosen metric. Using indicators of greenhouse gas emissions as an example, units of measurement could be tonnes of carbon dioxide per unit of production ("tCO₂/unit of production") or kilograms of carbon dioxide per volume ("kgCO₂/m³").

In adopting and reporting relevant indicators, companies should, at a minimum, include the Common Indicators identified by the Exchange^{24,25}, as well as consider the following:

- a) Indicators pertaining to sustainability matters deemed relevant to the company's specific sector, as suggested in this Guide;
- b) Indicators prescribed by international sustainability reporting frameworks and standards (e.g. GRI, SASB, sustainability standards issued by the ISSB); and
- c) Indicators adopted by peer companies in the same sector.

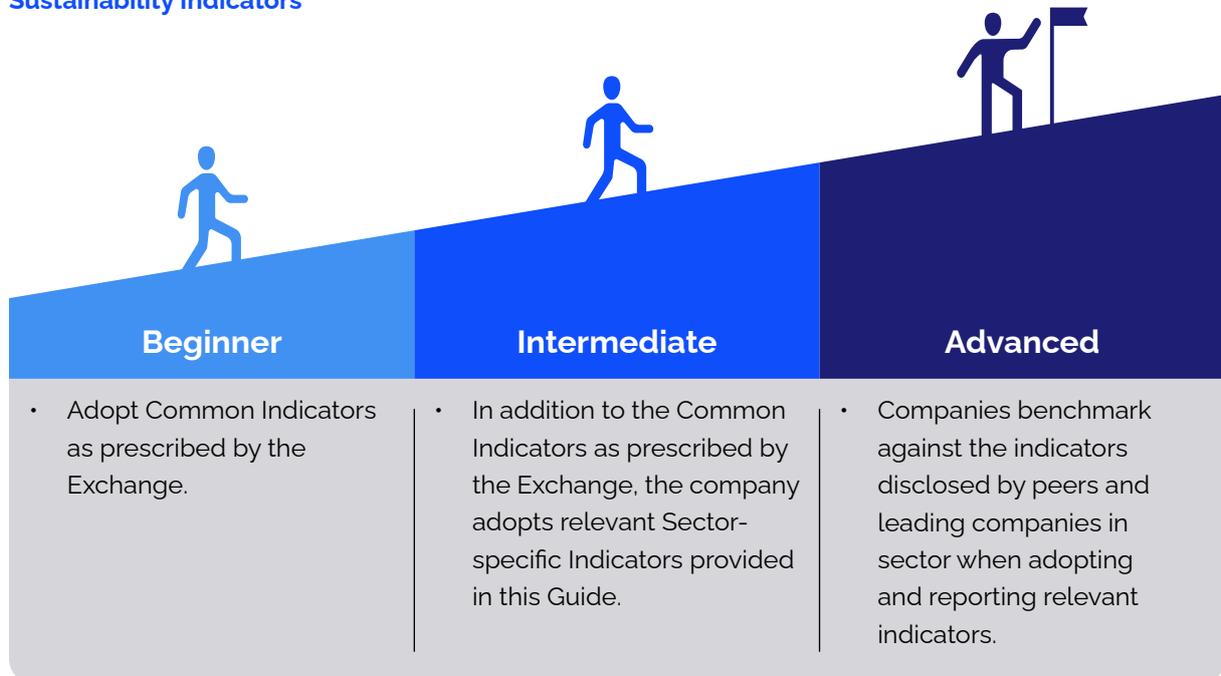
For measurement methodologies in respect of the indicators related to both Common and suggested Sector-specific matters, please refer to Chapter 7: Measurement Methodologies for Indicators.

²⁴ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

²⁵ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

When adopting and disclosing sustainability indicators, companies are encouraged to progress from beginner to advanced as follows:

Sustainability Indicators



As mentioned earlier, disclosure of indicators should be complemented by a narrative explaining the relevance of each indicator within the company's operating context, reasons for key changes/trends observed and evaluation of progress made against targets set (if any). Where relevant, companies should provide intensity indicators alongside absolute indicators to provide added context/explanations on the company's performance in managing a material sustainability matter. For example, please refer to the following disclosure provided by Press Metal Aluminium Holdings Berhad.

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CASE STUDY 3



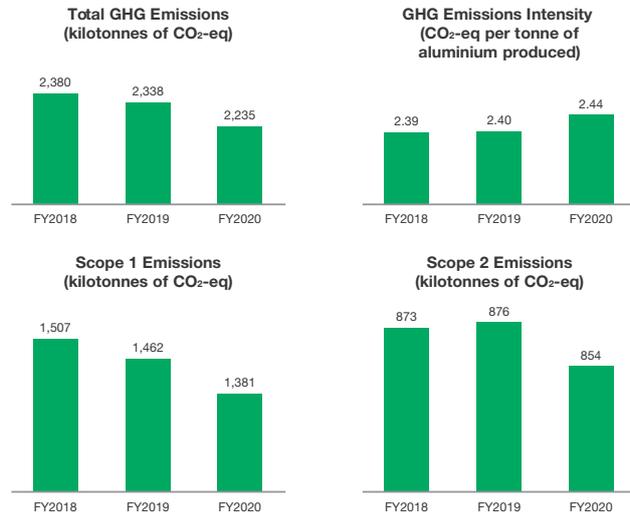
Press Metal Aluminium Holdings Berhad (“Press Metal”)



In its Annual Report 2020, Press Metal disclosed its Total GHG Emissions as well as its GHG Emissions Intensity over 3 financial years. The company also established a Group-wide, long-term goal to be carbon neutral by FY 2050. Furthermore, the company also committed to meeting clear short and mid-term targets i.e. to reduce GHG emission from manufacturing operations by 15% in FY 2025 and 30% by FY 2030 respectively. Lastly, the company has embraced the best practice of disclosing the underlying methodology utilised to derive reported emissions data (i.e. GHG Protocol) as well as provided an explanation of the observed changes/ trends, as reflected by reported data.

GHG Emissions Performance

In FY2020, we set a long-term goal across the Group to be carbon neutral by FY2050. In the short and mid-term, Press Metal plans to reduce the GHG emissions from our manufacturing operations by 15% in FY2025 and 30% by FY2030 respectively, from the FY2020 baseline. All GHG emissions are converted to CO₂-eq based on the global warming potentials listed by the Greenhouse Gas Protocol and the IPCC 5th Assessment Report. Our total CO₂-eq emissions² in FY2020 was 2,235 kilotonnes, of which 1,381 kilotonnes were direct Scope 1 emissions. This represents a 4.4% decrease in total GHG emissions compared to FY2019 due to lower extrusion activities in FY2020 following the pandemic outbreak and nationwide restrictions.



Note: Aggregate data from PMBtu, PMS, PMBA, PMI, PMIT and PMAR.
 Conversion factor: Greenhouse Gas Protocol & IPCC 5th Assessment Report.
 Data disclosed differ from FY2019 as we practice enhanced disclosure methodology for this reporting period.

Source: Press Metal Aluminium Holdings Berhad Annual Report 2020

Another important element of reporting, particularly for indicators, is being transparent and clear on boundaries set i.e. what is being included/excluded in deriving reported data. For instance, Cahya Mata Sarawak Berhad's water consumption disclosures below, reflects data from various business divisions. In this case, clear and transparent disclosures have been made to inform readers of the specific boundary for this indicator.

CASE STUDY 4

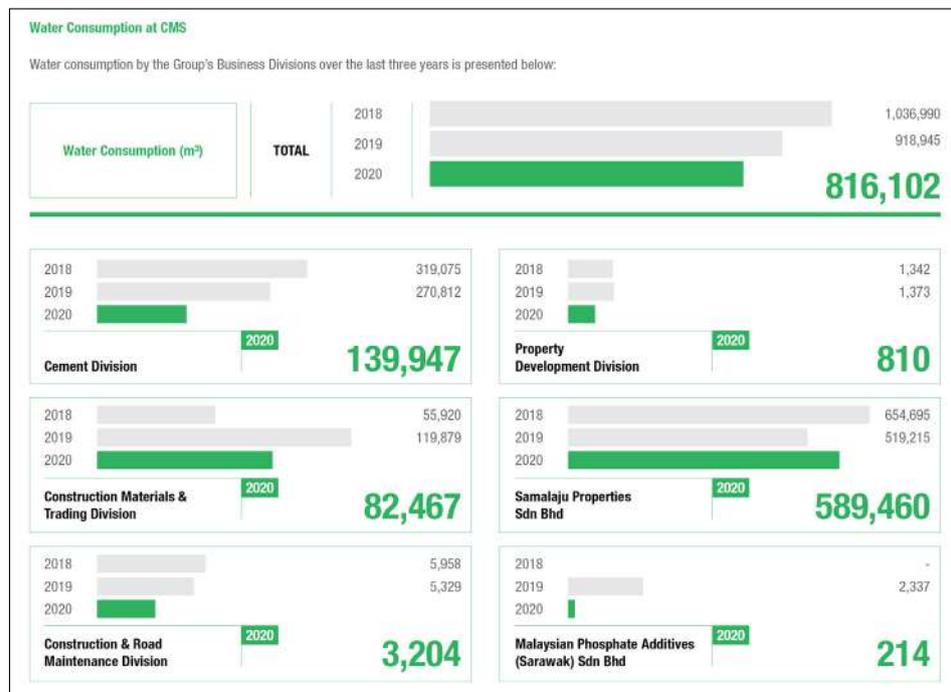


CAHYA MATA SARAWAK

Cahaya Mata Sarawak Berhad ("CMSB")



In its Sustainability Report 2020, CMSB disclosed its water consumption as one of its prioritised material matters. More specifically, CMSB provided the total water consumption for the whole group over a 3-year period. Additionally, more granular data was provided to show water consumption by business division to aid understanding of impacts as well as performance across the Group.



Source: Cahya Mata Sarawak Berhad Sustainability Report 2020

Disclosure Guidance 3:

For each reported indicator, provision of data for the last 3 financial years

Question: Does the company provide 3 financial years' worth of data for each reported indicator?

Question: Do all newly adopted sustainability indicators conform to the minimum data requirements set?

For each indicator reported within the Sustainability Statement, the company must provide 3 financial years' worth of data. This would enable stakeholders to better assess the performance of the company over the stipulated period of time.

Please note that, when a sustainability indicator is reported for the first time, the company may not be able to provide 3 financial years' worth of data for the said indicator. In such a circumstance, the company is required to disclose data on a "rolling basis". For example:

- In the first year of reporting on the said indicator, the company should provide data for at least 1 financial year;
- In the second year of reporting, at least 2 financial years' worth of data; and
- By the third year of reporting onwards, the company would have 3 financial years' worth of data to fully comply with the requirement.

Notwithstanding the above, companies are strongly encouraged to provide 3 financial years' worth of data, if available, within the first 2 years of reporting. Conventionally, companies should strive to provide data dating back as far as when the indicators in question are first reported. Examples of current practices by companies are given in the following case studies.

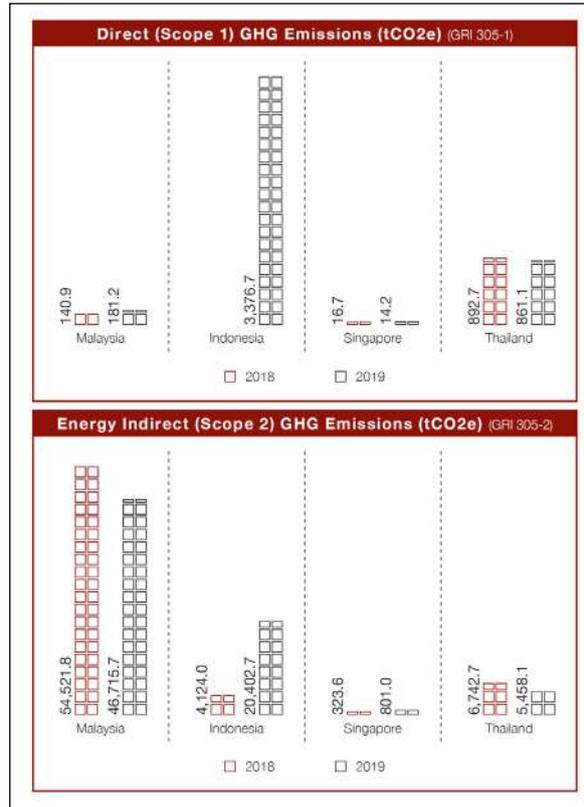
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CASE STUDY 5



CIMB Group Holdings Berhad ("CIMB")

In its Sustainability Report 2019, CIMB disclosed 2 years worth of data for years 2018 and 2019 respectively as 2018 was the first year in which GHG emissions data was collected.



Source: CIMB Group Holdings Berhad Sustainability Report 2019

In its Sustainability Report 2020, CIMB further revised its figures for GHG emissions (because of an assurance exercise conducted) and have disclosed up to 3 years' worth of data covering 2018 to 2020. This is an example of the stipulated rolling basis approach where CIMB initially disclosed all available data (less than 3 years' worth), and in the following reporting cycle, disclosed the required 3 years' worth of data for the reported indicator.



Source: CIMB Group Holdings Berhad Sustainability Report 2020





Toolkits

For additional information on management approach, please refer to the Toolkit: Management Approach.



Additional Resources

The following are supplementary resources for this chapter:

Global Reporting Initiative ("GRI") Standards

<https://www.globalreporting.org/>

Sustainability Accounting Standards Board ("SASB") Standards

<https://www.sasb.org/>

International Sustainability Standards Board ("ISSB")

<https://www.ifrs.org/groups/international-sustainability-standards-board/>

Task Force on Climate-related Financial Disclosures ("TCFD")

<https://www.fsb-tcf.org/>

Science-based Targets Initiative ("SBTi")

<https://sciencebasedtargets.org/>

Centre for Sustainable Organisations ("CSO")

<https://www.sustainableorganizations.org/>

Taskforce on Nature-related Financial Disclosures ("TNFD")

<https://framework.tnfd.global/>

Carbon Disclosure Project ("CDP")

<https://www.cdp.net/en>

CHAPTER 7: MEASUREMENT METHODOLOGIES FOR INDICATORS

This chapter covers the measurement methodologies for indicators that are linked to certain material sustainability matters. For the purposes of this Guide, indicators have been segregated into 2 distinct categories: Common [C] and Sector-specific [S].

Companies should take note that the definitions provided for Common and Sector-specific indicators below apply throughout the remaining pages of this Chapter, whenever these terms shall appear.

Definitions

Common [C] Indicators are defined as the prescribed indicators associated with the common sustainability matters that are deemed to be material for all Main Market listed issuers (as per Annexure PN9-A) and ACE Market listed corporations (as per Annexure GN11-A) regardless of size or sector.

Sector-specific [S] Indicators refer to indicators pertaining to sustainability matters which are deemed to be material to specific sectors. Sectors indicated in this Guide reflect Bursa Malaysia's sector classification of applicants or listed issuers/corporations.

For disclosures on Common Indicators, the LR is as follows:

Listing Requirements



Paragraph 6.2, Practice Note 9, Main Market Listing Requirements²⁶

In making the Sustainability Statement, a listed issuer must include disclosures on the following:

- (c) material sustainability matters and –
 - (iii) how they are managed including details on –
 - (cc) indicators relevant to these sustainability matters which demonstrate how the listed issuer has performed in managing these sustainability matters together with the data for the last 3 financial years, and performance target(s) in relation to the indicators (if such targets are set);

²⁶ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Listing Requirements (cont'd)

**Paragraph 6.3, Practice Note 9, Main Market Listing Requirements²⁶**

For purposes of paragraph 6.2(c) above, sustainability matters are considered material if they:

- (a) reflect the listed issuer's significant economic, environmental and social impacts; or
- (b) substantively influence the assessments and decisions of stakeholders; and
- (c) fall under the common material sustainability matters as set out in Annexure PN9-A.

Paragraph 6.2, Guidance Note 11, ACE Market Listing Requirements²⁷

In making the Sustainability Statement, a listed corporation must include disclosures on the following:

- (c) material sustainability matters and –
 - (iii) how they are managed including details on –
 - (cc) indicators relevant to these sustainability matters which demonstrate how the listed corporation has performed in managing these sustainability matters together with the data for the last 3 financial years, and performance target(s) in relation to the indicators (if such targets are set);

Paragraph 6.3, Guidance Note 11, ACE Market Listing Requirements²⁷

For purposes of paragraph 6.2(c) above, sustainability matters are considered material if they:

- (a) reflect the listed corporation's significant economic, environmental and social impacts; or
- (b) substantively influence the assessments and decisions of stakeholders; and
- (c) fall under the common material sustainability matters as set out in Annexure GN11-A.

Summary of Common [C] Indicators^{28,29}:

	Common Sustainability Matters		Common Indicators
1.	Anti-corruption	C1 (a)	Percentage of employees who have received training on anti-corruption by employee category
		C1 (b)	Percentage of operations assessed for corruption-related risks
		C1 (c)	Confirmed incidents of corruption and action taken
2.	Community/ Society	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer
		C2 (b)	Total number of beneficiaries of the investment in communities

²⁶ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

²⁷ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

²⁸ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

²⁹ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Summary of Common [C] Indicators^{28,29} (cont'd):

	Common Sustainability Matters		Common Indicators
3.	Diversity	C3 (a)	Percentage of employees by gender and age group, for each employee category
		C3 (b)	Percentage of directors by gender and age group
4.	Energy management	C4 (a)	Total energy consumption
5.	Health and safety	C5 (a)	Number of work-related fatalities
		C5 (b)	Lost time incident rate
		C5 (c)	Number of employees trained on health and safety standards
6.	Labour practices and standards	C6 (a)	Total hours of training by employee category
		C6 (b)	Percentage of employees that are contractors or temporary staff
		C6 (c)	Total number of employee turnover by employee category
		C6 (d)	Number of substantiated complaints concerning human rights violations
7.	Supply chain management	C7 (a)	Proportion of spending on local suppliers
8.	Data privacy and security	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
9.	Water	C9 (a)	Total volume of water used
10.	Waste management	C10 (a)	Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal
11.	Emissions management	C11 (a)	Scope 1 emissions in tonnes of CO ₂ e
		C11 (b)	Scope 2 emissions in tonnes of CO ₂ e
		C11 (c)	Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)

²⁸ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

²⁹ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Summary of Sector-specific [S] Indicators:

	Sector-specific Matters	Applicable Sectors		Sector-Specific Indicators
1.	Biodiversity	Construction, Energy, Plantation, Property, Utilities	S1 (a)	Percentage of existing operations or projects assessed for biodiversity risks
		Construction, Energy, Plantation, Property, Utilities	S1 (b)	Size and location of all habitat areas protected or restored
		Construction, Energy, Plantation, Property, Utilities	S1 (c)	Total number of International Union for Conservation of Nature ("IUCN") Red List of Threatened Species and national conservation list species with habitats in areas affected by the operations of the company
		Plantation <i>This is only applicable for listed issuers with oil palm crop.</i>	S1 (d)	Percentage of certified palm oil as a percentage of total palm oil produced, used or processed, relative to Roundtable on Sustainable Palm Oil ("RSPO") or Malaysian Sustainable Palm Oil ("MSPO") recommendations
2.	Community/Society	Utilities	S2 (a)	Average retail electric or water rate
3.	Customer Health & Safety / Product Responsibility	Consumer Products & Services	S3 (a)	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement
		Consumer Products & Services	S3 (b)	Total number of incidents of non-compliance with regulations or voluntary codes concerning the health & safety impacts of products and services within the reporting period
		Consumer Products & Services	S3 (c)	Number of recalls issued and total units recalled for health and safety reasons
4.	Emissions - Air Quality/Pollution	Energy, Industrial Products & Services, Transportation & Logistics	S4 (a)	Amount of air emissions of pollutants and particulate matter
5.	Materials	Construction, Consumer Products & Services, Energy, Health Care, Industrial Products & Services, Plantation, Property, Transportation & Logistics, Utilities	S5 (a)	Total weight or volume of materials that are used to produce and package products and services

Summary of Sector-specific [S] Indicators (cont'd):

	Sector-specific Matters	Applicable Sectors		Sector-Specific Indicators
6.	Supply Chain (Environmental) / Supplier Environmental Assessment	Construction, Consumer Products & Services, Industrial Products & Services, Plantation, Property, REITs	S6 (a)	Percentage of new suppliers that were screened using environmental criteria
		Construction, Consumer Products & Services, Industrial Products & Services, Plantation, Property, REITs	S6 (b)	Number of suppliers assessed for environmental impacts
		Property, REITs	S6 (c)	Percentage of the company's total property portfolio certified to a recognised building management standard for property
		Plantation <i>This is only applicable for listed issuers with oil palm crop.</i>	S6 (d)	Percentage of fresh fruit bunch ("FFB") sourced in accordance to certified environmental or sustainable standards
7.	Supply Chain (Social) / Supplier Social Assessment	Construction, Consumer Products & Services, Industrial Products & Services, Plantation, Property	S7 (a)	Percentage of new suppliers that were screened using social criteria
		Construction, Consumer Products & Services, Industrial Products & Services, Plantation, Property	S7 (b)	Number of suppliers assessed for social impacts
8.	Effluents	Construction, Consumer Products & Services, Energy, Health Care, Industrial Products & Services, Plantation, Property, Transportation & Logistics, Utilities	S8 (a)	Total volume of water (effluent) discharge over the reporting period

Measurement methodologies for indicators

As explained in Chapter 2, the complexity and fragmentation in the international sustainability reporting ecosystem has resulted in numerous and diverse standards or frameworks which continually evolve. This has inevitably translated to a lack of standardisation in the reporting of indicators/progress in managing material sustainability matters across different companies. Within the given context, in order to facilitate comparability across different companies, it is critical that the methodologies used to derive these indicators are similar to the best extent possible.

Hence, the Exchange recommends the following methodologies in respect of indicators that are linked to certain material sustainability matters (including common matters deemed material by the Exchange). These definitions and methodologies were developed, to the best possible extent, from criteria/methodologies which are common across multiple leading standards such as the GRI, SASB and the FTSE Russell FTSE4Good Criteria.

In respect of each indicator, the following terms are provided:

- **Description:** Explanations of the indicator, what is included covered/addressed by the indicator, and additional information which could be relevant for companies to understand when reporting the indicator.
- **Units of measurement:** The units of measurement to be used when reporting the indicator. These may take the form of absolute numbers, rates, percentages, or other commonly adopted units of measurement.
- **Methodology:** Describes the methodology to be used when reporting the indicator. The ways in which data is collected and how data is calculated are included. Where relevant, additional considerations are provided in respect of indicators that would benefit from additional narratives/data points.
- **Source(s):** Provides possible sources (including types of documents or departments within companies) in which the information needed to report on the indicator can be collected/derived.
- **Further references:** References to other sustainability reporting frameworks and standards, where relevant and appropriate for each indicator, have been included.

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Common Indicators	
Common Sustainability Matter 1: Anti-corruption	
Common Indicator C1(a): Percentage of employees who have received training on anti-corruption by employee category	
Description	<p>This indicator reflects the training undertaken by companies to build awareness and necessary capacity to combat corruption.</p> <p>Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.</p>
Unit of measurement	Percentage
Methodology	<p>Calculation: <i>Percentage of employees who have received training on anti-corruption by employee category =</i></p> $\frac{A}{B} \times 100\%$ <p><i>A: Number of employees who have received training on anti-corruption by employee category ^{[1],[2]}</i> <i>B: Total number of employees, for each employee category ^[3]</i></p> <p>Note: [1] An employee is defined as an individual who is in an employment relationship with the company, according to national law or its application. [2] Employee category, refers to the breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production). [3] Total number of employees refer to total number of employees as at the end of reporting period.</p> <p>Additional considerations: Companies should take into consideration the provisions of the Malaysian Anti-Corruption Commission Act 2009 in addition to other local and international anti-corruption-related laws and/or regulations in reporting against this indicator.</p>
Source(s)	This data is likely to be collected by the Human Resource department and/or Learning and Development department.
Further references	<p>GRI 205-2 Communication and training about anti-corruption policies and procedures</p> <p>FTSE GAC Anti-Corruption Theme</p>

Common Indicators	
Common Sustainability Matter 1: Anti-corruption (cont'd)	
Common Indicator C1(b): Percentage of operations assessed for corruption-related risks	
Description	<p>This indicator measures the extent to which anti-corruption risks are assessed across a company. Risk assessments can help to assess the potential for incidents of corruption within and related to the company, and help the company to design policies and procedures to combat corruption.</p> <p>Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.</p>
Unit of measurement	Percentage
Methodology	<p>Calculation: <i>Percentage of operations^[1] assessed for corruption-related risks =</i></p> $\frac{A}{B} \times 100\%$ <p><i>A: Number of operations^[1] assessed for corruption-related risks as at the end of reporting period</i> <i>B: Total number of operations as at the end of reporting period</i></p> <p><u>Note:</u> [1] Operation, refers to a single location used by the company for the production, storage and/or distribution of its goods and services, or for administrative purposes. Within a single operation, there can be multiple production lines, warehouses, or other activities.</p> <p>Additional considerations: Companies should take into consideration the provisions of the Malaysian Anti-Corruption Commission Act 2009 in addition to other local and international anti-corruption-related laws and/or regulations in reporting against this indicator.</p>
Source(s)	This data is likely to be collected by the Compliance department, Corporate Secretarial/Governance department and/or Legal department.
Further references	<p>GRI 205-1 Operations assessed for risks related to corruption</p> <p>FTSE GAC Anti-Corruption Theme</p>

Common Indicators	
Common Sustainability Matter 1: Anti-corruption (cont'd)	
Common Indicator C1(c): Confirmed incidents of corruption and action taken	
Description	<p>For stakeholders, there is an interest in both the occurrence of corruption incidents and a company's response to these incidents.</p> <p>Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.</p>
Unit of measurement	Number of confirmed incidents
Methodology	<p>Calculation:</p> <p>When compiling data for this indicator, companies should use numbers as at the end of the reporting period for the confirmed incidents of corruption^[1].</p> <p>In respect of the number of confirmed incidences above, companies should provide a narrative description of actions taken.</p> <p><u>Note:</u></p> <p>[1] A confirmed incident of corruption is an incident of corruption that has been found to be substantiated. Confirmed incidents of corruption do not include incidents of corruption that are still under investigation in the reporting period.</p> <p>Additional considerations:</p> <ul style="list-style-type: none"> • Companies should take into consideration the provisions of the Malaysian Anti-Corruption Commission Act 2009 in addition to other local and international anti-corruption-related laws and/or regulations in reporting against this indicator. • Where applicable, companies are encouraged to disclose the nature as well as number of actions taken in relation to the confirmed incidents of corruption reported.
Source(s)	This data is likely to be collected by the Compliance department, Corporate Secretarial/Governance department and/or Legal department.
Further references	<p>GRI 205-3 Confirmed incidents of corruption and actions taken</p> <p>SASB 510 Business Ethics</p> <p>FTSE GAC Anti-Corruption Theme</p>

Common Indicators

Common Sustainability Matter 2: Community/Society

Common Indicator C2(a):

Total amount invested in the community where the target beneficiaries are external to the listed issuer

<p>Description</p>	<p>Total community investments refer to actual expenditures in the reporting period, not commitments. A company can calculate community investments as voluntary donations plus investment of funds in the broader community where the target beneficiaries are external to the company. These include:</p> <ul style="list-style-type: none"> • contributions to charities, Non-Governmental Organizations ("NGOs") and research institutes (unrelated to the company's commercial research and development); • funds to support community infrastructure, such as recreational facilities; and • direct costs of social programs, including arts and educational events. <p>If reporting on infrastructure investments, a company can include costs of goods and labour, in addition to capital costs, as well as operating costs for support of ongoing facilities or programs.</p> <p>Community investments exclude legal and commercial activities or where the purpose of the investment is exclusively commercial. Community investments also exclude any infrastructure investment that is driven primarily by core business needs, or to facilitate the business operations of a company.</p>
<p>Unit of measurement</p>	<p>Unit of currency (e.g. MYR)</p>
<p>Methodology</p>	<p>Calculation: Disclosure should reflect total expenditures as at the end of the reporting period for the total amount invested in the community where the target beneficiaries are external to the company.</p>
<p>Source(s)</p>	<p>This data is likely to be collected by the Corporate Relations department, Sustainability department, Human Resources department and/or Finance department.</p>
<p>Further references</p>	<p>GRI 201-1 Direct economic value generated and distributed</p> <p>FTSE SHR Human Rights & Community Theme</p>

Common Indicators

Common Sustainability Matter 2: Community/Society (cont'd)

Common Indicator C2(b):
Total number of beneficiaries of the investment in communities

Description	A company should disclose the number of beneficiaries of its community investments (as reflected by Common Indicator 2(a)) to provide stakeholders with an indication of the positive impacts arising from corporate citizenship endeavours.
Unit of measurement	Number of beneficiaries
Methodology	<p>Calculation: Total number of the individuals benefitting from the investment in communities as at the end of the reporting period.</p> <p>Additional considerations: The company is encouraged to further supplement disclosure of number of beneficiaries with accompanying narrative to enable stakeholders to better understand and appreciate the nature of positive social impacts generated.</p>
Source(s)	This data is likely to be collected by the Corporate Relations department, Sustainability department, Human Resources department and/or Finance department.
Further references	<p>GRI 201-1 Direct economic value generated and distributed</p> <p>Bank Negara Malaysia's Strategy Paper on Value-based Intermediation: Strengthening the Roles and Impact of Islamic Finance</p>

Common Indicators	
Common Sustainability Matter 3: Diversity	
Common Indicator C3(a): Percentage of employees by gender and age group, for each employee category	
Description	This disclosure provides a quantitative measure of diversity within a company and can be used in conjunction with sectoral or regional benchmarks. Comparisons between broad employee diversity and management team diversity offer information on equal opportunity.
Unit of measurement	Percentage
Methodology	<p>Calculation: Percentage of employees by gender and age group, for each employee category</p> $= \frac{A}{B} \times 100\%$ <p>A: Number of employees by gender and age group, for each employee category ^{[1],[2]} B: Total number of employees, for each employee category ^[3]</p> <p><u>Note:</u> [1] An employee is defined as an individual who is in an employment relationship with the company, according to national law or its application. [2] Employee category, refers to the breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production). [3] Total number of employees refer to total number of employees as at the end of reporting period.</p> <p>Additional considerations: Companies are encouraged to also provide:</p> <ul style="list-style-type: none"> • Percentage of employees by ethnicity, disability or any other relevant criteria, for each employee category. • Ratio of basic salary and remuneration of women to men, for each employee category.
Source(s)	This data is likely to be collected by the Human Resources department.
Further references	<p>GRI 405-1 Diversity of governance bodies and employees</p> <p>GRI 405-2 Ratio of basic salary and remuneration of women to men</p> <p>FTSE SLS Labor Standards Theme</p>

Common Indicators

Common Sustainability Matter 3: Diversity (cont'd)

Common Indicator C3(b):
Percentage of directors by gender and age group

Description	This disclosure provides a quantitative measure of diversity of a company's board of directors and can be used in conjunction with sectoral or regional benchmarks.
Unit of measurement	Percentage
Methodology	<p>Calculation: Percentage of directors by gender and age group =</p> $\frac{A}{B} \times 100\%$ <p>A: Number of directors by gender and age group B: Total number of directors ^[1]</p> <p><u>Note:</u> [1] Total number of directors refers to total number of directors as at the end of reporting period.</p> <p>Additional considerations: Companies are encouraged to also provide the percentage of directors by ethnicity, disability or any other relevant criteria.</p>
Source(s)	This data is likely to be collected by the Human Resources department and/or Company Secretarial department.
Further references	<p>GRI 405-1 Diversity of governance bodies and employees</p> <p>FTSE SLS Labor Standards Theme</p> <p>FTSE GCG Corporate Governance Theme</p> <p>Securities Commission Malaysia's Malaysian Code on Corporate Governance</p>

Common Indicators			
Common Sustainability Matter 4: Energy management			
Common Indicator C4(a): Total energy consumption			
Description	<p>For some companies, electricity is the only significant form of energy they consume. For others, energy sources such as steam or water provided from a district heating plant or chilled water plant can also be important.</p> <p>Energy can be purchased from sources external to the organisation or produced by the organisation itself (self-generated).</p>		
Unit of measurement	Megajoules ("MJ") or Gigajoules ("GJ")		
Methodology	<p>Calculation: <i>Total energy consumption =</i></p> <p><i>Total [non-renewable^[1] fuel consumed + renewable^[2] fuel consumed + electricity, heating, cooling, and steam purchased for consumption + self-generated electricity, heating, cooling, and steam, which are not consumed - electricity, heating, cooling, and steam sold] as at the end of the reporting period.</i></p> <p><u>Note:</u> [1] Non-renewable energy sources are defined as energy sources that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes. [2] Renewable energy sources are defined as energy sources that are capable of being replenished in a short time through ecological cycles or agricultural processes.</p> <p>Additional considerations: Companies are encouraged to provide the breakdown of their energy consumption by renewable and non-renewable sources.</p>		
Source(s)	<p>This data is likely to be collected via the:</p> <ul style="list-style-type: none"> • Administration department and/or Finance department (for centralised data). • Bills, meter readings, expense claims and other internally/externally generated records. <p>To ensure data collection captures all relevant energy sources, companies should compile a list of:</p> <ul style="list-style-type: none"> • Equipment owned/ controlled by the company in which fuel is combusted (e.g. boilers, furnaces, heaters, turbines, flares, incinerators, generators and/ or vehicles). • Sites and facilities owned/ controlled by the company at which energy in the form of electricity, heating, cooling and steam is consumed. • Equipment owned/ controlled by the company that generates renewable energy (e.g. solar panels). 		
Further references	<p>GRI 302-1 Energy consumption within the organization</p>	<p>SASB 130 Energy Management</p>	<p>FTSE ECC Climate Change Theme</p>

Common Indicators

Common Sustainability Matter 5: Health and safety

Common Indicator C5(a):
Number of work-related fatalities

Description	A work-related fatality is an occupational injury leading to death within one year of the day of the occupational accident.
Unit of measurement	Number of fatalities
Methodology	<p>Calculation: Companies should report the absolute number of work-related fatalities, as at the end of the reporting period.</p> <p>Additional considerations:</p> <ul style="list-style-type: none"> • Companies are encouraged to provide the breakdown of work-related fatalities by: <ol style="list-style-type: none"> a) Employees b) All workers who are not employees but whose work and/or workplace is controlled by the company. • An employee is defined as an individual who is in an employment relationship with the company, according to national law or its application.
Source(s)	This data is likely to be collected by the Occupational Health and Safety department, Human Resources department and/or agencies, contractors and suppliers.
Further references	<p>GRI 403-9 Work-related injuries</p> <p>SASB 320 Workforce Health & Safety</p> <p>FTSE SHS Health & Safety Theme</p> <p>Guidelines on Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004</p>

Common Indicators

Common Sustainability Matter 5: Health and safety (cont'd)

**Common Indicator C5(b):
Lost time incident rate ("LTIR")**

Description	Lost time incident rate refers to the loss of productivity associated with accidents or injury arising out of or in the course of work.
Unit of measurement	Rate
Methodology	<p>Calculation: <i>Lost Time Incident Rate ("LTIR")^[1] =</i></p> $\frac{A}{B} \times 200,000^{[2]}$ <p><i>A: Number of lost time injuries in the reporting period</i> <i>B: Total number of hours worked in the reporting period</i></p> <p><u>Note:</u> [1] LTIR is calculated as a rate, where the number of lost time incidents during the reporting period are expressed per the total number of hours worked as at the end of the reporting period. [2] The value of 200,000 represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100 x 40 x 50 = 200,000).</p> <p>Additional considerations: In addition to standardised rates, a company should report absolute data (i.e., numbers), to allow information users to calculate the rates themselves using other methodologies if needed.</p>
Source(s)	This data is likely to be collected by the Occupational Health and Safety department, Human Resources department and/ or agencies, contractors and suppliers.
Further references	<p>GRI 403-9 Work-related injuries</p> <p>SASB 320 Workforce Health & Safety</p> <p>FTSE SHS Health & Safety Theme</p>

Common Indicators

Common Sustainability Matter 5: Health and safety (cont'd)

Common Indicator C5(c):

Number of employees trained on health and safety standards

Description	Training on health and safety standards includes any occupational health and safety training provided to employees, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.
Unit of measurement	Number of employees
Methodology	<p>Calculation: Companies should report on data regarding the total number of employees^{[1],[2]} trained^[3] on health and safety standards as at the end of the reporting period. The number should be reported as an absolute number.</p> <p><u>Note:</u> [1] Total number of employees refer to total number of employees as at the end of reporting period. [2] An employee is defined as an individual who is in an employment relationship with the company, according to national law or its application. [3] Training includes all types of vocational training and instruction, paid educational leave provided by a company for its employees, training or education pursued externally and paid for in whole or in part by a company and training on specific topics. Training does not include on-site coaching by supervisors.</p> <p>Additional considerations:</p> <ul style="list-style-type: none"> • Companies are encouraged to disclose the total number of employees as at the end of the reporting period, to provide added context. • If companies provide training on health and safety standards to workers who are not employees but whose work and/or workplace is controlled by the company, companies are encouraged to provide the following disclosures: <ol style="list-style-type: none"> a) Number of workers who are not employees but whose work and/or workplace is controlled by the company which were provided training on health and safety standards, as at the end of the reporting period. b) Total number of workers who are not employees but whose work and/or workplace is controlled by the company, as at the end of the reporting period.
Source(s)	This data is likely to be collected by the Occupational Health and Safety department, Human Resources department and/or Learning and Development department.
Further references	<p>GRI 403-5 Worker training on occupational health and safety</p> <p>GRI 404-1 Average hours of training per year per employee</p> <p>FTSE SHS Health & Safety Theme</p>

Common Indicators

Common Sustainability Matter 6: Labour practices and standards

**Common Indicator C6(a):
Total hours of training by employee category**

Description	This indicator provides insight into the investments that companies are making towards developing their human capital and the degree to which the investment is made across the entire employee base.
Unit of measurement	Number of training hours
Methodology	<p>Calculation: Companies should report on data regarding the total hours of training^[1] by employee category^{[2],[3]} as at the end of the reporting period. The number should be reported as an absolute number.</p> <p>Note: [1] Training includes all types of vocational training and instruction paid educational leave provided by a company for its employees, training or education pursued externally and paid for in whole or in part by a company and training on specific topics. Training does not include on-site coaching by supervisors. [2] An employee is defined as an individual who is in an employment relationship with the company, according to national law or its application. [3] Employee category, refers to the breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production).</p> <p>Additional considerations: Companies are encouraged to disclose the total number of employees as well as totals by employee category as at the end of the reporting period, to provide added context.</p>
Source(s)	This data is likely to be collected by the Human Resources department and/or Learning and Development department.
Further references	<p>GRI 404 Training and Education</p> <p>FTSE SLS Labor Standards Theme</p>

Common Indicators

Common Sustainability Matter 6: Labour practices and standards (cont'd)

Common Indicator C6(b):
Percentage of employees that are contractors or temporary staff

Description	This indicator provides insight into the company's utilisation of contractors or temporary staff as part of its human capital strategy.
Unit of measurement	Percentage
Methodology	<p>Calculation: Percentage of employees that are contractors or temporary staff =</p> $\frac{A}{B} \times 100\%$ <p>A: Total number of employees that are contractors or temporary staff^{[1],[2] [3]} B: Total number of employees within the company^[4]</p> <p><u>Note:</u> [1] Total number of contractors or temporary staff refer to total number of contractors/temporary staff as at the end of reporting period. [2] Contractors are persons or organisations working onsite or offsite on behalf of an organisation. [3] Temporary staff are employees with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g. the end of a project or return of replaced employees). [4] Total number of employees refer to total number of employees as at the end of reporting period.</p>
Source(s)	This data is likely to be collected by the Human Resources department.
Further references	<p>GRI 401 Employment</p> <p>FTSE SLS Labor Standards Theme</p>

Common Indicators

Common Sustainability Matter 6: Labour practices and standards (cont'd)

**Common Indicator C6(c):
Total number of employee turnover by employee category**

Description	Turnover results in changes to the human and intellectual capital of a company and can impact productivity.
Unit of measurement	Number of employee turnover
Methodology	<p>Calculation: Companies should disclose the total number of employee turnover^[1], by employee category^{[2],[3]}, as at the end of reporting period.</p> <p>Note: [1] Employee turnover refers to employees who leave the company voluntarily or due to dismissal, retirement, or death in service. [2] An employee is defined as an individual who is in an employment relationship with the company, according to national law or its application. [3] Employee category, refers to the breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production).</p> <p>Additional considerations: Companies are encouraged to disclose the total number of employees alongside this indicator for added context.</p>
Source(s)	This data is likely to be collected by the Human Resources department.
Further references	<p>GRI 401-1 New employee hires and employee turnover</p> <p>FTSE SLS Labor Standards Theme</p>

Common Indicators

Common Sustainability Matter 6: Labour practices and standards (cont'd)

Common Indicator C6(d):
Number of substantiated complaints concerning human rights violations

Description	Companies have a direct responsibility to protect the human rights of its workers and provide decent working conditions.
Unit of measurement	Number of substantiated complaints
Methodology	<p>Calculation: When compiling data for this indicator, companies should provide the number of substantiated complaints^[1] concerning human rights^[2] violations as at the end of the reporting period.</p> <p>Note: [1] Substantiated complaints refer to written statements by regulatory or similar official bodies addressed to the company that identifies violations of human rights, or a complaint lodged with the company that has been recognised as legitimate by the company. [2] Human rights refers to rights inherent to all human beings, which include, at a minimum, the rights set out in the United Nations ("UN") International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization ("ILO") Declaration on Fundamental Principles and Rights at Work.</p>
Source(s)	This data is likely to be collected by the Compliance department, Legal department, Communications department, and/or Human Resources department.
Further references	FTSE SHR Human Rights & Community Theme

Common Indicators

Common Sustainability Matter 7: Supply chain management

**Common Indicator C7(a):
Proportion of spending on local suppliers**

Description	By supporting local suppliers, a company can indirectly attract additional investment to the local economy. In addition, local sourcing can be a strategy to help ensure supply, support a stable local economy, and maintain community relations.
Unit of measurement	Percentage
Methodology	<p>Calculation: <i>Proportion of spending on local suppliers =</i></p> $\frac{A}{B} \times 100\%$ <p><i>A: Total amount of spending on local suppliers^{[1], [2]} as at the end of the reporting period</i> <i>B: Total amount of spending on all suppliers as at the end of the reporting period</i></p> <p><u>Note:</u> [1] Local suppliers refer to companies or persons that provide products or services to the reporting company, and that is based in the same geographic market as the reporting company (that is, no transnational payments are made to a local supplier). [2] The geographic definition of 'local' can include the community surrounding operations, a region within a country or a country.</p>
Source(s)	This data is likely to be collected by the Procurement department and/or Finance department.
Further references	<p>GRI 204-1 Proportion of spending on local suppliers</p> <p>FTSE SHR Human Rights & Community Theme</p>

Common Indicators

Common Sustainability Matter 8: Data privacy and security

Common Indicator C8(a):

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

Description	<p>To protect customer privacy, companies are expected to limit their collection of personal data, to collect data by lawful means, and to be transparent about how data are gathered, used, and secured. Companies are also expected to not disclose or use personal customer information for any purposes other than those agreed upon, and to communicate any changes in data protection policies or measures to customers directly.</p> <p>This disclosure provides an evaluation of the success of management systems and procedures relating to customer privacy protection.</p>
Unit of measurement	Number of substantiated complaints
Methodology	<p>Calculation:</p> <p>When compiling data for this indicator, companies should use numbers as at the end of the reporting period for the number of substantiated complaints^[1] concerning breaches of customer privacy^{[2], [3]} and losses of customer data.</p> <p>Note:</p> <p>[1] Substantiated complaints refer to written statements by regulatory or similar official body addressed to the company that identifies breaches of customer privacy, or a complaint lodged with the company that has been recognised as legitimate by the company.</p> <p>[2] Customer privacy refers to the right of the customer to privacy and personal refuge.</p> <p>[3] Breaches of customer privacy refer to non-compliances with existing legal regulations regarding the protection of customer privacy.</p>
Source(s)	This data is likely to be collected by the Risk and Compliance department and/or Information Technology department.
Further references	<p>GRI 418-1</p> <p>Substantiated complaints concerning breaches of customer privacy and losses of customer data</p> <p>SASB 230</p> <p>Data Security</p>

Common Indicators

Common Sustainability Matter 9: Water

**Common Indicator C9(a):
Total volume of water used**

Description	This indicator measures water used by a company such that it is no longer available for use by the ecosystem or local community in the reporting period. Reporting the volume of water consumption can help companies understand the overall scale of its impact due to water withdrawal on downstream water availability.
Unit of measurement	Megalitres
Methodology	<p>Calculation: When compiling data for this indicator, companies should use numbers as at the end of the reporting period for the total water used^[1].</p> <p><u>Note:</u> [1] Water used refers to the sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period.</p>
Source(s)	<p>This data is likely to be collected via the:</p> <ul style="list-style-type: none"> • Environmental Management department, Operations department, Facilities Management department, Administrative department, Finance department and/or Sustainability department. • Monthly utility bills for water usage.
Further references	<p>GRI 303-3 Water withdrawal</p> <p>GRI 303-4 Water discharge</p> <p>GRI 303-5 Water consumption</p> <p>SASB 140 Water Management</p> <p>FTSE EWT Water Security Theme</p>

Common Indicators

Common Sustainability Matter 10: Waste management

Common Indicator C10(a):

Total waste generated, and a breakdown of the following:

(i) total waste diverted from disposal

(ii) total waste directed to disposal

Description	The total weight of waste generated, when contrasted with the weight of waste that the company directs to recovery and disposal, can show the extent to which the company manages its waste-related impacts.		
Unit of measurement	Metric tonnes		
Methodology	<p>Calculation:</p> <p>When compiling data for this indicator, companies should disclose the total waste^[1] generated, with a breakdown of total waste diverted from disposal^{[2],[3],[4],[5]} and total waste directed to disposal^[6] as at the end of the reporting period.</p> <p>Note:</p> <p>[1] Waste is defined as anything that the holder discards, intends to discard, or is required to discard. For the purposes of this indicator, the definition of waste excludes effluents (treated or untreated waste water that is discharged).</p> <p>[2] Waste directed from disposal includes waste that is reused, recycled or subjected to other recovery operations.</p> <p>[3] Recycling refers to the reprocessing of products or components of products that have become waste, to make new materials.</p> <p>[4] Preparation for reuse refers to the checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived.</p> <p>[5] Recovery refers to operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose.</p> <p>[6] Disposal is defined as any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy.</p>		
Source(s)	<p>This data is likely to be collected via the:</p> <ul style="list-style-type: none"> • Environmental, Health & Safety department, Production department, Operations department and/or Sustainability department. • Waste consignments note (provided by licensed waste collector by local regulator) and/or waste disposal data records. 		
Further references	<p>GRI 306-3 Waste generated</p> <p>FTSE EPR Pollution & Resources Theme</p> <p>Environmental Quality (Scheduled Wastes) Regulations 2005</p>	<p>GRI 306-4 Waste diverted from disposal</p>	<p>GRI 306-5 Waste directed to disposal</p>

Common Indicators					
Common Sustainability Matter 11: Emissions management					
Common Indicator C11(a): Scope 1 emissions in tonnes of CO₂e					
Description	Scope 1 emissions are direct greenhouse gas ("GHG") emissions that occur from sources that are owned or controlled by the company.				
Unit of measurement	Metric tonnes of carbon dioxide equivalent (tCO ₂ e)				
Methodology	<p>Calculation: Scope 1 emissions in tonnes of CO₂e should be derived with reference to the Greenhouse Gas Protocol.</p> <p>Companies are expected to disclose the measurement frameworks employed (i.e. GHG Protocol) and sources of emission factors (e.g. Ministry of Environment and Water (Malaysia), and Department for Environment, Food & Rural Affairs (United Kingdom)) when reporting against this indicator.</p> <p>Additional considerations: Selection of emission factors should be, to the best possible extent, localised and based on the requirements of the country(ies) of operation. For example, emission factors that are published in Malaysia differ from those published in other jurisdictions. Companies should utilise the most up-to-date emissions factors available.</p>				
Source(s)	<p>This data is likely to be collected via the:</p> <ul style="list-style-type: none"> • Facilities Management department, Administrative department, Sustainability department and/or Operations department (for energy-related data at site). • Finance department and/or Purchasing department (for petrol usage and purchase of natural gas related data). 				
Further references	<table border="0"> <tr> <td>GRI 305-1 Direct (Scope 1) GHG emissions</td> <td>GRI 302-1 Energy consumption within the organization</td> </tr> <tr> <td>SASB 110 Greenhouse Gas Emissions</td> <td>FTSE ECC Climate Change Theme</td> </tr> </table> <p>GHG Protocol: A Corporate Accounting and Reporting Standard GHG Protocol: Global Warming Potential Values</p> <p>Companies may also make use of GHG Protocol's GHG emissions calculator accessible via https://ghgprotocol.org/ghg-emissions-calculation-tool.</p>	GRI 305-1 Direct (Scope 1) GHG emissions	GRI 302-1 Energy consumption within the organization	SASB 110 Greenhouse Gas Emissions	FTSE ECC Climate Change Theme
GRI 305-1 Direct (Scope 1) GHG emissions	GRI 302-1 Energy consumption within the organization				
SASB 110 Greenhouse Gas Emissions	FTSE ECC Climate Change Theme				

Common Indicators

Common Sustainability Matter 11: Emissions management (cont'd)

Common Indicator C11(b):
Scope 2 emissions in tonnes of CO₂e

Description	Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the company.	
Unit of measurement	Metric tonnes of carbon dioxide equivalent (tCO ₂ e)	
Methodology	<p>Calculation: Scope 2 emissions in tonnes of CO₂e should be derived with reference to the Greenhouse Gas Protocol.</p> <p>Companies are expected to disclose the measurement frameworks employed (i.e. GHG Protocol) and sources of emission factors (e.g. Ministry of Environment and Water (Malaysia), and Department for Environment, Food & Rural Affairs (United Kingdom)) when reporting against this indicator.</p> <p>Additional considerations: Selection of emission factors should be, to the best possible extent, localised and based on the requirements of the country(ies) of operation. For example, emission factors that are published in Malaysia differ from those published in other jurisdictions. Companies should utilise the most up-to-date emissions factors available.</p>	
Source(s)	<p>This data is likely to be collected via the:</p> <ul style="list-style-type: none"> • Facilities Management department, Administrative department, Finance department (for purchased electricity consumption data). • Finance department, Operations department and/or Purchasing department (for purchased steam and purchased energy for heating and cooling activity related data). 	
Further references	<p>GRI 305-2 Energy indirect (Scope 2) GHG emissions</p> <p>SASB 130 Energy Management</p> <p>GHG Protocol: A Corporate Accounting and Reporting Standard GHG Protocol: Global Warming Potential Values</p> <p>Companies may also make use of GHG Protocol's GHG emissions calculator accessible via https://ghgprotocol.org/ghg-emissions-calculation-tool.</p>	<p>GRI 302-1 Energy consumption within the organization</p> <p>FTSE ECC Climate Change Theme</p>

Common Indicators

Common Sustainability Matter 11: Emissions management (cont'd)

**Common Indicator C11(c):
Scope 3 emissions in tonnes of CO₂e
(at least for the categories of business travel and employee commuting)**

Description	Scope 3 emissions are all other indirect emissions not covered under Scope 1 and Scope 2. Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company.
Unit of measurement	Metric tonnes of carbon dioxide equivalent (tCO ₂ e)
Methodology	<p>Calculation: Scope 3 emissions in tonnes of CO₂e should be derived with reference to the Greenhouse Gas Protocol.</p> <p>Scope 3 emissions comprise of 15 distinct categories:</p> <ul style="list-style-type: none"> • Category 1: Purchased goods and services • Category 2: Capital goods • Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2) • Category 4: Upstream transportation and distribution • Category 5: Waste generated in operations • Category 6: Business travel • Category 7: Employee commuting • Category 8: Upstream leased assets • Category 9: Downstream transportation and distribution • Category 10: Processing of sold products • Category 11: Use of sold products • Category 12: End of life treatment of sold products • Category 13: Downstream leased assets • Category 14: Franchises • Category 15: Investments <p>Companies are expected to disclose, at a minimum, emissions arising from Category 6: Business Travel and Category 7: Employee Commuting.</p> <p>Companies are expected to disclose the measurement frameworks employed (i.e. GHG Protocol) and sources of emission factors (e.g. Ministry of Environment and Water (Malaysia), and Department for Environment, Food & Rural Affairs (United Kingdom)) when reporting against this indicator.</p> <p>Companies are also encouraged to consider the applicability of other internationally recognised sector-specific methodologies (such as the Partnership for Carbon Accounting Financials (PCAF)) in providing Scope 3 emissions in tonnes of CO₂e.</p>

Common Indicators	
Common Sustainability Matter 11: Emissions management (cont'd)	
Common Indicator C11(c) (cont'd): Scope 3 emissions in tonnes of CO₂e (at least for the categories of business travel and employee commuting)	
	<p>Additional considerations:</p> <p>Selection of emission factors should be, to the best possible extent, localised and based on the requirements of the country(ies) of operation. For example, emission factors that are published in Malaysia differ from those published in other jurisdictions. Companies should utilise the most up-to-date emissions factors available.</p>
Source(s)	<p>This data is likely to be collected via the:</p> <ul style="list-style-type: none"> • Finance department, Purchasing department, and/or Sustainability department. • In relation to Scope 3 emissions arising from Category 6: Business Travel and Category 7: Employee Commuting, this data is likely to be collected by the Finance department and/or Human Resources department (number of employees, types of vehicles, air travel-related mileage data).
Further references	<p>GRI 305-3 Other indirect (Scope 3) GHG emissions</p> <p>SASB 410 Product Design & Lifecycle Management</p> <p>SASB 430 Supply Chain Management</p> <p>SASB 440 Materials Sourcing & Efficiency</p> <p>FTSE ECC Climate Change Theme</p> <p>GHG Protocol: A Corporate Accounting and Reporting Standard GHG Protocol: Global Warming Potential Values GHG Protocol: Technical Guidance for Calculating Scope 3 Emissions</p>

Sector-specific Indicators	
Sector-specific Sustainability Matter 1: Biodiversity	
Sector-specific Indicator S1(a): Percentage of existing operations or projects assessed for biodiversity risks	
Sectors applicable: Construction, Energy, Plantation, Property, Utilities	
Description	Protecting biological diversity is important for ensuring the survival of plant and animal species, genetic diversity, and natural ecosystems. In addition, natural ecosystems provide clean water and air, and contribute to food security and human health.
Unit of measurement	Percentage
Methodology	<p>Calculation: <i>Percentage of existing operations or projects assessed for biodiversity risks =</i></p> $\frac{A}{B} \times 100\%$ <p><i>A: Number of existing operations^[1] or projects assessed for biodiversity risks^[2] as at the end of reporting period</i> <i>B: Total number of existing operations^[1] or projects as at the end of reporting period</i></p> <p>Note: [1] Operation, refers to a single location used by the company for the production, storage and/or distribution of its goods and services, or for administrative purposes. Within a single operation, there can be multiple production lines, warehouses, or other activities. [2] Biodiversity-related risks to businesses include ecological risks (i.e. risks related to biodiversity-related ecological impacts and dependencies, linked to biodiversity loss or ecosystems degradation), liability risks (where parties who have suffered biodiversity-related loss or damage seek compensation for those they hold responsible) and risks related to achieve transformative change for biodiversity, including regulatory risks, market risks and financial risks.</p>
Source(s)	This data is likely to be collected by the Operations department, Compliance department, and/or Sustainability department.
Further references	<p>GRI 304-2 Significant impacts of activities, products, and services on biodiversity</p> <p>SASB 160 Biodiversity Impacts</p> <p>FTSE EBD Biodiversity Theme</p>

Sector-specific Indicators

Sector-specific Sustainability Matter 1: Biodiversity (cont'd)

Sector-specific Indicator S1(b):
Size and location of all habitat areas protected or restored

Sectors applicable: Construction, Energy, Plantation, Property, Utilities

Description	This disclosure addresses the extent of a company's prevention and remediation activities with respect to its impacts on biodiversity. This disclosure refers to areas where remediation has been completed or where the area is actively protected. Areas where operations are still active could be included if they conform to the definitions of 'area restored' or 'area protected'. Companies should specify the data reported on the size and location of all habitat areas protected and/or restored.
Unit of measurement	Square meter (m ²) restored and/or protected
Methodology	<p>Calculation:</p> <p>When compiling data for this indicator, companies should report on the size of all habitat areas protected^[1] or restored^[2] as at the end of the reporting period.</p> <p>Note:</p> <p>[1] Area protected refers to area that is protected from any harm during operational activities, and where the environment remains in its original state with a healthy and functioning ecosystem.</p> <p>[2] Area restored refers to area that was used during or affected by operational activities, and where remediation measures have either restored the environment to its original state, or to a state where it has a healthy and functioning ecosystem.</p>
Source(s)	This data is likely to be collected by the Operations department, Compliance department, and/or Sustainability department.
Further references	<p>GRI 304-3 Habitats protected or restored</p> <p>SASB 160 Biodiversity Impacts</p> <p>FTSE EBD Biodiversity Theme</p>

Sector-specific Indicators

Sector-specific Sustainability Matter 1: Biodiversity (cont'd)

Sector-specific Indicator S1(c):

Total number of International Union for Conservation of Nature (“IUCN”) Red List of Threatened Species and national conservation list species with habitats in areas affected by the operations of the company

Sectors applicable: Construction, Energy, Plantation, Property, Utilities

Description	This disclosure assists a company to identify where its activities pose a threat to endangered plant and animal species. By identifying these threats, the company could initiate appropriate steps to avoid harm and to prevent the extinction of species. The IUCN 'Red List of Threatened Species' (an inventory of the global conservation status of plant and animal species) and national conservation lists serve as authorities on the sensitivity of habitat in areas affected by operations, and on the relative importance of these habitats from a management perspective.
Unit of measurement	Number of species
Methodology	<p>Calculation:</p> <p>When compiling data for this indicator, companies should use numbers as at the end of the reporting period for the total number of IUCN Red List of Threatened Species and National Conservation List Species with habitats in areas affected by the operations of the company.</p> <p>Companies should disclose the total number of IUCN Red List of Threatened Species and national conservation list species with habitats in areas affected by the operations of the company, by levels of extinction risk as described below:</p> <ul style="list-style-type: none"> a) Critically endangered b) Endangered c) Vulnerable d) Near threatened e) Least concern
Source(s)	Companies should undertake a stock-take of the plant and animal species with reference to the IUCN Red List of Threatened Species and National Conservation List Species.
Further references	<p>GRI 304-4</p> <p>IUCN Red List species and national conservation list species with habitats in areas affected by operations</p>

Sector-specific Indicators

Sector-specific Sustainability Matter 1: Biodiversity (cont'd)

Sector-specific Indicator S1(d):

Percentage of certified palm oil as a percentage of total palm oil produced, used or processed, relative to Roundtable on Sustainable Palm Oil ("RSPO") or Malaysian Sustainable Palm Oil ("MSPO") recommendations

Sectors applicable: Plantation (This is only applicable for listed issuers with oil palm crop)

Description	Certification standards such as the RSPO ³⁰ and MSPO ³¹ are criteria that oil palm oil producers should meet to demonstrate that their environmental and social practices comply to stipulated requirements and industry expectations.
Unit of measurement	Percentage
Methodology	<p>Calculation: Percentage of certified palm oil =</p> $\frac{A}{B} \times 100\%$ <p><i>A: Palm oil produced, used and processed, relative to RSPO^[1] or MSPO^[2] recommendations as at the end of the reporting period</i> <i>B: Total palm oil produced, used and processed, as at the end of reporting period</i></p> <p><u>Note:</u> [1] The MSPO Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards. [2] The RSPO Principles and Criteria are a set of stringent standards for sustainable palm oil production, which RSPO members must comply with.</p> <p>Additional considerations:</p> <ul style="list-style-type: none"> • Companies are encouraged to provide the percentage of palm oil produced, used and processed, in relation to both the MSPO and RSPO as separate indicators. • Companies which operate in other jurisdictions may also report the percentage of certified palm oil produced, used and processed, relative to the relevant jurisdiction-based palm oil-certification schemes (e.g. Indonesia Sustainable Palm Oil ("ISPO") Certification Scheme).
Source(s)	The data is likely to be collected by mills within the company.
Further references	<p>FTSE EBD Biodiversity Theme</p> <p>RSPO 3.8 Supply Chain Requirements for Mills</p> <p>MSPO 4.2.1 Transparency of information and documents relevant to MSPO requirements</p>

³⁰ For more information, please see <https://rspo.org/>

³¹ For more information, please see <https://www.mpocc.org.my/about-mspo>

Sector-specific Indicators	
Sector-specific Sustainability Matter 2: Community/Society	
Sector-specific Indicator S2(a): Average retail electric or water rate	
Sectors applicable: Utilities	
Description	<p>Electricity: Average retail electric rate per kilowatt hour (kWh) of electricity delivered to retail customers.</p> <p>Water: Average retail water rate per 100 cubic feet (1 CCF) of water delivered to retail customers.</p>
Unit of measurement	Rate per kilowatt hour (kWh), Rate per 100 cubic feet (1 CCF)
Methodology	<p>Calculation: Average retail electric rate =</p> $\frac{A}{B}$ <p><i>A: Total revenue directly resulting from electricity delivered to retail customers as at the end of reporting period</i> <i>B: Amount of corresponding electricity delivered (in kWh) as at the end of reporting period</i></p> <p>Average retail water rate =</p> $\frac{A}{B}$ <p><i>A: Total revenue directly resulting from water delivered to retail customers as at the end of reporting period</i> <i>B: Amount of corresponding water delivered (in 100 cubic foot increments) as at the end of reporting period</i></p>
Source(s)	<p>The data is likely to be collected via the:</p> <ul style="list-style-type: none"> • Operations department, and/or Finance department. • Stipulated electricity/water tariffs approved by national laws/regulations.
Further references	<p>SASB 240 Energy Affordability Water Affordability & Access</p>

Sector-specific Indicators**Sector-specific Sustainability Matter 3: Customer health & safety/Product responsibility****Sector-specific Indicator S3(a):
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement****Sectors applicable: Consumer Products & Services**

Description	This measure helps to identify the existence and range of systematic efforts to address health and safety concerns across the life cycle of a product or service.
Unit of measurement	Percentage
Methodology	<p>Calculation: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement =</p> $\frac{A}{B} \times 100\%$ <p>A: Number of significant product and service categories^[1] for which health and safety impacts are assessed for improvement as at the end of reporting period B: Total number of product and service categories^[1] as at the end of reporting period</p> <p><u>Note:</u> [1] Product and service categories refer to groups of related products or services sharing a common, managed set of features that satisfy the specific needs of a selected market.</p>
Source(s)	The data is likely to be collected by the Product Development department and/or Quality Assurance department.
Further references	<p>GRI 416-1 Assessment of the health and safety impacts of product and service categories</p> <p>SASB 250 Product Safety</p>

Sector-specific Indicators

Sector-specific Sustainability Matter 3: Customer health & safety/Product responsibility (cont'd)

**Sector-specific Indicator S3(b):
Total number of incidents of non-compliance with regulations or voluntary codes concerning the health & safety impacts of products and services within the reporting period**

Sectors applicable: Consumer Products & Services

Description	Protection of health and safety is a recognised goal of many national and international regulations. Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. Customers have a right to non-hazardous products. Where their health and safety are affected, customers also possess the right to seek redress.
Unit of measurement	Number of incidents
Methodology	<p>Calculation: When compiling data for this indicator, companies should use numbers as at the end of the reporting period for the total number of incidents of non-compliance^[1] with regulations or voluntary codes concerning the health & safety impacts of products and services.</p> <p><u>Note:</u> [1] Non-compliances in which the company was determined to not be at fault should be excluded.</p>
Source(s)	The data is likely to be collected by the Legal and Compliance department, Product Development department and/or Quality Assurance department.
Further references	<p>GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services</p>

Sector-specific Indicators**Sector-specific Sustainability Matter 3: Customer health & safety/Product responsibility (cont'd)****Sector-specific Indicator S3(c):
Number of recalls issued and total units recalled for health and safety reasons****Sectors applicable: Consumer Products & Services**

Description	Protection of health and safety is a recognised goal of many national and international regulations. Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. Customers have a right to non-hazardous products. Where their health and safety are affected, customers also possess the right to seek compensation.
Unit of measurement	Number of recalls and number of units recalled
Methodology	<p>Calculation:</p> <p>When compiling data for this indicator, companies should use numbers as at the end of the reporting period for the number of recalls^[1] issued and total units recalled for health and safety reasons.</p> <p>Companies should clearly identify:</p> <ol style="list-style-type: none"> the total number of product recalls^[1] the total number of units that were subject to product recalls^[1] <p><u>Note:</u></p> <p>[1] A recall refers to an action to remove alleged, potentially, or known defective or hazardous products from the distribution chain and from the possession of consumers.</p>
Source(s)	The data is likely to be collected by the Product Development department and/or Quality Assurance department.
Further references	SASB 250 Product Safety

Sector-specific Indicators

Sector-specific Sustainability Matter 4: Emissions – Air quality/Pollution

**Sector-specific Indicator S4(a):
Amount of air emissions of pollutants and particulate matter**

Sectors applicable: Energy, Industrial Products & Services, Transportation & Logistics

Description	Air emissions include pollutants that have negative impacts on air quality, ecosystems, and human and animal health.
Unit of measurement	Kilograms (kg)
Methodology	<p>Calculation: Companies should disclose significant air emissions^[1], in kilograms or multiples, for each of the following, as at the end of the reporting period:</p> <ol style="list-style-type: none"> Nitrogen oxides ("NOx") Sulfur oxides ("SOx") Persistent organic pollutants ("POP") Volatile organic compounds ("VOC") Hazardous air pollutants ("HAP") Particulate matter ("PM") Other standard categories of air emissions identified in relevant regulations <p><u>Note:</u> [1] Significant air emissions refer to air emissions regulated under international conventions and/or national laws or regulations.</p> <p>Additional considerations: When compiling the information specified, the company shall select one of the following approaches for calculating significant air emissions:</p> <ol style="list-style-type: none"> Direct measurement of emissions (such as online analysers); Calculation based on site-specific data; Calculation based on published emission factors; or Estimation. If estimations are used due to a lack of default figures, the company shall indicate the basis on which figures were estimated.
Source(s)	<p>The data is likely to be collected via the:</p> <ul style="list-style-type: none"> • Operations department, Environmental, Health and Safety department, Engineering department and/or Production department. • Readings from specialised measuring equipment at the selected sites.
Further references	<p>GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.</p>

Sector-specific Indicators**Sector-specific Sustainability Matter 5: Materials****Sector-specific Indicator S5(a):****Total weight or volume of materials that are used to produce and package products and services**

Sectors applicable: Construction, Consumer Products & Services, Energy, Health Care, Industrial Products & Services, Plantation, Property, Transportation & Logistics, Utilities

Description	The type and quantity of materials the company utilises could indicate its dependence on natural resources, and the impacts that a company's operations have on their availability. Conversely, the company's contribution to resource conservation could also be indicated by its approach to recycling, reusing and reclaiming materials, products, and packaging.
Unit of measurement	Weight: Kilograms ("kg") Volume: Litres ("L")
Methodology	<p>Calculation: The company should disclose the total weight or volume of materials that are used to produce and package products and services, as at the end of reporting period.</p> <p>Additional considerations:</p> <ul style="list-style-type: none"> • When compiling the information specified, the reporting company should include the following material types in the calculation of total materials used, as at the end of reporting period: <ol style="list-style-type: none"> a) Raw materials, i.e., natural resources used for conversion to products or services, such as ores, minerals, and wood; b) Associated process materials, i.e., materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery; c) Semi-manufactured goods or parts, including all forms of materials and components other than raw materials that are part of the final product; d) Materials for packaging purposes, including paper, cardboard and plastics. • Disclosures could be further broken down into total by types: <ol style="list-style-type: none"> a) non-renewable materials used; and b) renewable materials used.
Source(s)	The data is likely to be collected via the Manufacturing department and/or Production department.
Further references	<p>GRI 301-1 Materials used by weight or volume</p> <p>FTSE EPR Pollution & Resources Theme</p>

Sector-specific Indicators

Sector-specific Sustainability Matter 6: Supply chain (environmental)/Supplier environmental assessment

**Sector-specific Indicator S6(a):
Percentage of new suppliers that were screened using environmental criteria**

Sectors applicable: Construction, Consumer Products & Services, Industrial Products & Services, Plantation, Property, REITs

Description	<p>This disclosure informs stakeholders about the percentage of new suppliers selected or contracted subject to due diligence processes for environmental impacts.</p> <p>A company is expected to initiate due diligence as early as possible in the development of a new relationship with a supplier. Negative impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via ongoing collaboration with suppliers.</p>
Unit of measurement	Percentage
Methodology	<p>Calculation: <i>Percentage of new suppliers^[1] that were screened^[2] using environmental criteria =</i></p> $\frac{A}{B} \times 100\%$ <p><i>A: Number of new suppliers^[1] screened^[2] using environmental criteria as at the end of reporting period</i> <i>B: Total number of new suppliers^[1] as at the end of reporting period</i></p> <p><u>Note:</u> [1] Suppliers are entities upstream from the organisation (i.e., in the organisation's supply chain), which provides a product or service that is used in the development of the organisation's own products or services. [2] Supplier screening refers to a formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed in a relationship with a supplier.</p>
Source(s)	The data is likely to be collected by the Procurement department and/or Sustainability department.
Further references	<p>GRI 308-1 New suppliers that were screened using environmental criteria</p> <p>FTSE ESC Supply Chain: Environment Theme</p>

Sector-specific Indicators**Sector-specific Sustainability Matter 6: Supply chain (environmental)/Supplier environmental assessment (cont'd)****Sector-specific Indicator S6(b):
Number of suppliers assessed for environmental impacts****Sectors applicable: Construction, Consumer Products & Services, Industrial Products & Services, Plantation, Property, REITs**

Description	Assessment of environmental impacts could include topics such as energy, water and effluents, and emissions as determined by the company. Assessments and audits of existing suppliers and their products and services using environmental criteria could be informed by audits, contractual reviews, two-way engagement, and complaint and grievance mechanisms.
Unit of measurement	Number of existing suppliers assessed
Methodology	<p>Calculation: When compiling data for this indicator, a company should report the number of existing suppliers^[1] assessed for environmental impacts as at the end of the reporting period.</p> <p>Note: [1] Suppliers are entities upstream from the organisation (i.e., in the organisation's supply chain), which provides a product or service that is used in the development of the organisation's own products or services.</p> <p>Additional considerations: Companies are encouraged to disclose their total number of suppliers alongside this indicator to provide added context.</p>
Source(s)	The data is likely to be collected by the Procurement department and/or Sustainability department.
Further references	<p>GRI 308-2 Negative environmental impacts in the supply chain and actions taken</p> <p>FTSE ESC Supply Chain: Environment Theme</p>

Sector-specific Indicators

Sector-specific Sustainability Matter 6: Supply chain (environmental)/Supplier environmental assessment (cont'd)

**Sector-specific Indicator S6(c):
Percentage of the company's total property portfolio certified to a recognised building management standard for property**

Sectors applicable: Property, REITs

Description	There are increasing expectations on companies in the Property and REITs sectors to subject their property portfolios to certifications against recognised building management standards. These certifications are typically awarded based on criteria that revolve around efficiency of resource use (e.g. energy, water, materials) as well as impacts on both human health and the environment throughout the lifecycles of portfolio properties.
Unit of measurement	Percentage
Methodology	<p>Calculation: <i>Percentage of company's total property portfolio that is certified against a recognised building management standard for property =</i></p> $\frac{A}{B} \times 100\%$ <p><i>A: Number of properties certified against a recognised building management standard as at the end of reporting period</i> <i>B: Total property portfolio as at the end of reporting period</i></p>
Source(s)	The data is likely to be collected by the Property Manager and/or Sustainability department.
Further references	<p>SASB 410 Design for Resource Efficiency</p> <p>FTSE ESC Supply Chain: Environment Theme</p>

Sector-specific Indicators**Sector-specific Sustainability Matter 6: Supply chain (environmental)/Supplier environmental assessment (cont'd)****Sector-specific Indicator S6(d):
Percentage of fresh fruit bunch ("FFB") sourced in accordance to certified environmental or sustainable standards****Sectors applicable: Plantation (This is only applicable for listed issuers with oil palm crop)**

Description	Certification standards such as the RSPO and MSPO are criteria that oil palm oil producers should meet to demonstrate that their environmental and social practices comply to stipulated requirements and industry expectations.
Unit of measurement	Percentage
Methodology	<p>Calculation: Percentage of FFB that were sourced in accordance to certified environmental or sustainable standards =</p> $\frac{A}{B} \times 100\%$ <p>A: Total FFB sourced in accordance to environmental or sustainable standards ^{(1),(2),(3)}, as at the end of reporting period B: Total FFB sourced as at the end of reporting period</p> <p><u>Note:</u> [1] The MSPO Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards. [2] The RSPO Principles and Criteria are a set of stringent standards for sustainable palm oil production, which RSPO members must comply with. [3] Companies which operate in other jurisdictions may also report the percentage of palm oil produced, used and processed relative to jurisdiction-based palm oil-certification schemes (e.g. Indonesia Sustainable Palm Oil (ISPO) Certification Scheme).</p>
Source(s)	The data is likely to be collected by estates and mills within the company.
Further references	SASB 430 Environmental & Social Impacts of Ingredient Supply Chain

Sector-specific Indicators	
Sector-specific Sustainability Matter 7: Supply chain (social)/Supplier social assessment	
Sector-specific Indicator S7(a): Percentage of new suppliers that were screened using social criteria	
Sectors applicable: Construction, Consumer Products & Services, Industrial Products & Services, Plantation, Property	
Description	<p>This disclosure informs stakeholders about the percentage of new suppliers selected or contracted subject to due diligence processes for social impacts.</p> <p>A company is expected to initiate due diligence as early as possible in the development of a new relationship with a supplier. Negative impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via ongoing collaboration with suppliers.</p>
Unit of measurement	Percentage
Methodology	<p>Calculation: Percentage of new suppliers that were screened using social criteria =</p> $\frac{A}{B} \times 100\%$ <p><i>A: Number of new suppliers ^[1] screened ^[2] using social criteria as at the end of reporting period</i> <i>B: Total new suppliers ^[1] as at the end of reporting period</i></p> <p><u>Note:</u> [1] Suppliers are entities upstream from the organisation (i.e., in the organisation's supply chain), which provides a product or service that is used in the development of the organisation's own products or services. [2] Supplier screening refers to a formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed in a relationship with a supplier.</p>
Source(s)	The data is likely to be collected by the Procurement department and/or Sustainability department.
Further references	<p>GRI 414-1 New suppliers that were screened using social criteria</p> <p>SASB 440 Materials Sourcing</p> <p>FTSE SSC Supply Chain: Social Theme</p>

Sector-specific Indicators**Sector-specific Sustainability Matter 7: Supply chain (social)/Supplier social assessment (cont'd)****Sector-specific Indicator S7(b):
Number of suppliers assessed for social impacts****Sectors applicable: Construction, Consumer Products & Services, Industrial Products & Services, Plantation, Property**

Description	Assessment of social impacts could include topics such as labour practices, diversity and human rights as determined by the company. Assessments and audits of existing suppliers and their products and services using social criteria could be informed by audits, contractual reviews, two-way engagement, and complaint and grievance mechanisms.
Unit of measurement	Number of existing suppliers assessed
Methodology	<p>Calculation: When compiling data for this indicator, a company should report the number of existing suppliers^[1] assessed for social impacts as at the end of the reporting period.</p> <p>Note: [1] Suppliers are entities upstream from the organisation (i.e., in the organisation's supply chain), which provides a product or service that is used in the development of the organisation's own products or services.</p> <p>Additional considerations: Companies are encouraged to disclose the total number of suppliers, as at the end of reporting period, alongside this indicator to provide added context.</p>
Source(s)	The data is likely to be collected by the Procurement department and/or Sustainability department.
Further references	<p>GRI 414-2 Negative social impacts in the supply chain and actions taken</p> <p>SASB 430 Labor Conditions in the Supply Chain</p> <p>FTSE SSC Supply Chain: Social Theme</p>

Sector-specific Indicators

Sector-specific Sustainability Matter 8: Effluents

**Sector-specific Indicator S8(a):
Total volume of water (effluent) discharge over the reporting period**

Sectors applicable: Construction, Consumer Products & Services, Energy, Health Care, Industrial Products & Services, Plantation, Property, Transportation & Logistics, Utilities

Description	Quantifying the volume of water (effluent) discharge can help a company understand its negative impacts on the receiving waterbody. Conversely, reporting water (effluent) discharge can provide insight into the effort a company is making to improve the quality of its wastewater and discharged water. However, minimum requirements for treatment may also be specified in national, state, or local legislation.
Unit of measurement	Litres/Megalitres
Methodology	<p>Calculation: When compiling data for this indicator, companies should report the total volume of effluent^[1] as at the end of the reporting period.</p> <p><u>Note:</u> [1] Effluent is treated or untreated wastewater that is discharged.</p>
Source(s)	<p>This data is likely to be collected via the:</p> <ul style="list-style-type: none"> • Environmental, Health & Safety department, Production department, Operations department and/or Sustainability department. • Data collected by the Wastewater Treatment Plant operators (if applicable).
Further references	<p>GRI 303-2 Management of water discharge-related impacts</p> <p>GRI 303-4 Water discharge</p>

CHAPTER **1** **2** **3** **4** **5** **6** **7** **8** **9** **10** **11**

The set of Common Indicators covered throughout this Chapter should be regarded as a minimum baseline for the 11 Common Sustainability Matters that the Exchange deems to be material for all companies regardless of size or sector.

Each company is strongly encouraged to report additional indicators that reflect critical aspects of the company's performance pertaining to the management of its material sustainability matters. In selecting the appropriate indicators, the company should take into consideration its operating context, the demands and informational needs of its key stakeholders and, where relevant, the international sustainability reporting frameworks that the company may be aspiring to conform to.

In order to enhance comparability with peers as well as facilitate assessments by key stakeholders, when selecting additional indicators to report, the company is encouraged to adopt measurement methodologies that are stipulated or recommended by international sustainability reporting frameworks such as GRI, SASB, FTSE and TCFD. Other authoritative sources of reference include any Standards issued by, among others, the ISSB and the EU's European Financial Reporting Advisory Group ("EFRAG").

It is worth noting that, throughout this Chapter, the focus was on providing guidance for absolute indicators. This is partly due to the fact that various intensity-based measures can be derived from an underlying absolute indicator. For instance, when a company reports its total energy consumption for the year, interested stakeholders would be able to work out energy consumption per dollar of revenue, energy consumption per square feet of store space, etc. Since different stakeholder groups could be interested in any number of intensity-based indicators, each company is given the flexibility to report additional intensity indicators that are deemed most relevant within its distinctive operating context.

In general, when reporting intensity indicators, companies may use the following methodology:

Intensity indicators are expressed as a ratio and calculated as the absolute data in respect of a material sustainability matter (numerator) divided by the company-defined criteria (denominator).

Intensity indicator =

$$\frac{A}{B}$$

A: Absolute data in respect of a material sustainability matter

B: Company-defined criteria (e.g. area of operation, per-unit of production)

Some examples of company-defined criteria (denominator) include:

- Area of space (m²)
- Volume of liquid (m³)
- Units of production (unit or tonnes)
- Number of employees

CHAPTER 8: PERFORMANCE TARGETS

Setting and communicating performance targets gives stakeholders a view of the company's ambition, strategic direction and progress with regards to the management of their material sustainability matters. More importantly, clearly defined targets also drive the desired behavioural changes within a company to achieve them.

The following definitions have been provided for terms that apply throughout this chapter:

Definitions

Qualitative targets are defined as targets that describe desired states in the future, typically expressed in terms of a "general commitment to improve" but with no accompanying quantitative yardstick provided. For example, the company could make the following commitments - 'we will improve our customer satisfaction scores in the next reporting period' or 'we will boost our contribution to local communities in the future'.

Quantitative targets are defined as targets that describe desired states in the future, expressed in quantitative or measurable terms. For example, the company commits to the target of 'a 35% reduction of Scope 1 GHG emissions by 2035'.

A base year is defined as a fixed reference point against which all collected data could be compared. Companies generally set a base year against which all their data will be benchmarked to determine if their performance in a specific area has improved.

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For disclosures on performance targets, the LR is as follows:

Listing Requirements



Paragraph 6.2, Practice Note 9, Main Market Listing Requirements³²

In making the Sustainability Statement, a listed issuer must include disclosures on the following:

- (c) material sustainability matters and –
 - (iii) how they are managed including details on –
 - (cc) indicators relevant to these sustainability matters which demonstrate how the listed issuer has performed in managing these sustainability matters together with the data for the last 3 financial years, and performance target(s) in relation to the indicators (if such targets are set);

Paragraph 6.2, Guidance Note 11, ACE Market Listing Requirements³³

In making the Sustainability Statement, a listed corporation must include disclosures on the following:

- (c) material sustainability matters and –
 - (iii) how they are managed including details on –
 - (cc) indicators relevant to these sustainability matters which demonstrate how the listed corporation has performed in managing these sustainability matters together with the data for the last 3 financial years, and performance target(s) in relation to the indicators (if such targets are set);

In this chapter, 'Disclosure Guidance' sections address the following:

1. Performance targets for reported indicators
2. Reporting of progress against performance targets
3. Linking performance targets to remuneration

³² Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

³³ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Disclosure Guidance 1: Performance targets for reported indicators

Question: What are the performance targets set for the company's reported indicators?

To supplement indicators reported throughout the Sustainability Statement, a company is strongly encouraged to set and disclose clear accompanying performance targets (where applicable). Performance targets set may be qualitative or quantitative in nature.

Qualitative targets are typically expressed in terms of a "general commitment to improve" but with no accompanying quantitative yardstick provided. For example, a company may commit to "increasing the amount of recyclable materials used for the packaging of our products in the future".

Conversely, quantitative targets are expressed in measurable terms. For example, a company may target to "reduce our Scope 1 carbon emissions by 25%". In addition, quantitative targets are often accompanied by a timeline for its achievement. Therefore, the company may include a timeline component where target is to "reduce our Scope 1 carbon emissions by 25% by 2030".

With clear and measurable yardsticks set, quantitative targets are regarded to be more credible and robust as compared to qualitative targets.

CASE STUDY 1



Evergreen
Fibreboard
Berhad ("EFB")



In its Annual Report 2021, EFB disclosed the amount of electricity the Group consumed from the national grid and also committed to a qualitative target i.e. targeting a significant reduction in consumption of energy. To achieve its reduction target while avoiding disruptions to operations, EFB uses its own source of renewable energy such as solar power and biomass (not shown in the screenshot below).

Our Group's Energy consumption:-

	Year 2021
Electricity Consumed from National Grid	241,253,964 kwh

We are targeting a significant reduction in our consumption of energy with our initiatives to reduce energy consumption being put in place throughout the Group.

To manage this material matter to avoid disruption to the operations, the Group needs to reduce its dependency of the energy from the national grid by having its own source of energy.

Source: Evergreen Fibreboard Berhad Annual Report 2021

CASE STUDY 2



Tenaga Nasional Bhd ("TNB")



In its Integrated Annual Report 2021, TNB established a quantitative target for reduction of emission intensity along with a clear timeframe to achieve the said target i.e. to achieve a 35% reduction in emission intensity by 2035, from base year FY 2021.

	UN SDG 13 Climate Action	<ul style="list-style-type: none"> 35% emission intensity reduction by 2035, from base year FY2021 Halve coal generation capacity by 2035 Net zero emissions & coal free by 2050 	<ul style="list-style-type: none"> Total GHG emissions mitigated: 7.96 million tCO₂e Total GHG emissions (Scope 1 and 2): 39.99 million tCO₂e Energy savings from 12 TNB buildings: 8,092.20MWh GHG emissions intensity: 0.55 tCO₂e/MWh 	<ul style="list-style-type: none"> Promote energy efficiency Assessment of Scope 3 GHG emissions
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Source: Tenaga Nasional Bhd Integrated Annual Report 2021

CASE STUDY 3



Sunway Construction Group Berhad ("SunCon")



In its Integrated Annual Report 2021, SunCon set several Interim and long-term targets that are measurable with clear accompanying timeframes.

2030 Targets		
	Interim 2021 Annual Targets	FY 2021 Performance
Maintain zero fatality across all worksites directly controlled by SunCon	Zero	Zero fatal accident across all worksites
Achieve Accident Rate/Lost Time Injury Rate (LTIR) less than 0.3	< 0.55	LTIR = 0.16
Maintain notice received from authorities on vector issues at 0.10 or below across all worksites directly controlled by SunCon	≤ 0.10	Rate = 0.14
Achieve an average of 40 Learning and Development (L&D) hours per employee	16 hours	Average 17.5 L&D training hours per employee

Source: Sunway Construction Group Berhad Integrated Annual Report 2021

Disclosure Guidance 2: Reporting of progress against performance targets

- Question:** What is the company's performance or progress against set targets?
- Question:** In the event of setbacks, what are the actions taken by the company to get back on track?
- Question:** If any of the performance targets set are revised, has the company provided the following:
- Revised targets
 - Reasons/basis for the revisions

Once a company has established performance targets linked to reported sustainability indicators, it should report performance or progress against those targets. By doing so, key stakeholders would gain valuable insights on how effectively the company is managing its material sustainability matters.

Should the company encounter any setbacks, disclosures should also include remedial actions taken or plans to get back on track. Where situations require certain targets to be revised, a company should disclose what the revised targets are as well as the underlying basis for such revisions.

CASE STUDY 4



KPJ Healthcare Berhad ("KPJ")



In its Sustainability Report 2021, KPJ disclosed its performance or progress against various targets set.

<p>BUSINESS IMPROVEMENT</p>	<p>Improved Sustainability Impact</p> <p>Achieved Waste: The amount of clinical waste generated per patient was 0.48 kg which was below our target of 0.5kg per patient.</p>	<p>Continuous Improvement in Sustainability Initiatives</p> <p>In Progress Completion of the pilot project of the new next-generation HIS (Phase 1) at DSH2 by the first quarter of 2022.</p>
	<p>Achieved Water: The water consumption per employee was 99 m³ which was below our target of not more than 111 m³ per employee.</p>	<p>Target 5% reduction on greenhouse gas (GHG) emissions.</p>
	<p>Achieved Energy: Maintained our average consumption within the target of not more than 27.69 kWh per square foot for four consecutive years.</p>	

Source: KPJ Healthcare Berhad Sustainability Report 2021

CASE STUDY 5



Pos Malaysia Berhad ("Pos Malaysia")



In its Annual Report 2021, Pos Malaysia disclosed its level of interventions in the form of strategic pathways, internal KPIs and external targets.

Material Topics/ Focus Areas	Pathway/s	Sub-goals	Target/s
Emissions	Reduce emissions	Emission reduction from fleet, service outlets, office buildings and logistics hubs	30% reduction in Scope 1 and 2 by 2025 and 70% by 2050 *Aiming for Net-zero carbon by 2040
	Adopt sustainable packaging assessment	Sourcing of renewable and recyclable inputs for different product categories	Establish visibility for Scope 3 reporting (e.g. year-on-year emission monitoring)
Waste	Re-capture re-usable materials for recycling	Product collection mechanisms and recycling infrastructure	80% renewable and recyclable inputs by 2025 50% of waste (direct) collected and recycled by 2025
	Improve internal capability	Targetted training for technical, OSH, compliance and mission-critical job functions Upskilling and re-skilling programmes	>10 average hours of trainings per employee per year 20% of employees trained by 2025 through Future Skills programme
Training & Development (Including Occupational Safety & Health)	Improve learning experience and accessibility	Ratio of trainings delivered digitally (on-the-go)	50% of trainings delivered via digital (on-the-go) by 2025

Source: Pos Malaysia Berhad Annual Report 2021

CASE STUDY 6



Hap Seng Plantations Holdings Berhad ("Hap Seng Plantations")



In its Sustainability Report 2021, Hap Seng Plantations highlighted that its "reduction in toxicity unit per planted hectare" target was not met – toxicity actually increased in 2021. Even so, the company provided justifications for the reported increase which was due to high rainfall and additional spraying required as a result of delayed weed spraying due to COVID-19 related restrictions back in 2020.

Sustainability Performance Indicators – Targets and Achievements								
Materiality Matters/ Topics	Sustainability Focus	Target 2021	Status of Target	Target 2022	Target 2023	Material Matters Addressed	Relevant to UN SDGs	Reported in Page
Target 1: Marketplace								
Food Safety								
Pest Management; Food Security	Reduction in toxicity unit per planted hectare (herbicide only).	To maintain or lower the toxicity rate as compared to previous year.	Toxicity per hectare was increased from 333 per hectare in 2020 to 418 per hectare in 2021. Refer to page 41 on the detail of increased toxicity rate.	To lower the toxicity rate as compared to previous year.	To maintain or lower the toxicity rate as compared to previous year.	Conserving biodiversity & pollution control.	 	41
	Obtain Food Safety certification.	To maintain certification for both HALAL and HACCP.	Achieved target.	To maintain certification for both HALAL and HACCP.	To maintain certification for both HALAL and HACCP.	Food safety & sustainable production.		7, 42 & 43

Toxicity per hectare was increased from 333 per hectare in 2020 to 418 per hectare in 2021. This was attributed by high rainfall and more spraying rounds required due to carried forward of delayed weed spraying in 2020 resulted by restrictions of plantation operations from MCO.

Source: Hap Seng Plantations Holdings Berhad Sustainability Report 2021

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CASE STUDY 7



MISC Berhad ("MISC")

In its Sustainability Report 2021, MISC highlighted its ambitious carbon intensity reduction targets for the company's shipping operations. In addition, MISC provided detailed disclosures pertaining to the various parameters set for the said target. The company also provided the underlying reasoning for the targets and parameters set as well as a detailed action plan to facilitate the achievement of the said target.

GREENHOUSE GAS METRICS AND TARGETS					
MISC has set the following GHG targets and commitments:					
Carbon Intensity Targets for Shipping Operations:					
Scope (Boundary)	<ul style="list-style-type: none"> Gas and Petroleum shipping; and Vessels owned or leased where MISC has the full authority to introduce its operational and HSE policies and are subjected to the GHG requirements of MARPOL Annex VI 				
Base Year	2008				
Target Type	CO ₂ e Intensity				
Measurement Metric	AER ^{CO₂e} (gCO ₂ e/t-nm)				
Commitment Period	2030 (commitment period)				
Target Level (reduction from base year)	<table border="1"> <thead> <tr> <th>Fleet</th> <th>AER^{CO₂e}</th> </tr> </thead> <tbody> <tr> <td>MISC Group</td> <td>50%</td> </tr> </tbody> </table>	Fleet	AER ^{CO₂e}	MISC Group	50%
Fleet	AER ^{CO₂e}				
MISC Group	50%				
Scope (Boundary)	All Greenhouse gases (GHG): <ul style="list-style-type: none"> Carbon Dioxide (CO₂) Methane (CH₄) Nitrous Oxide (N₂O) 				

SHORT-MEDIUM TERM GHG TARGET

Short-Medium Term Carbon Intensity Target Breakdown:

50%

Reduction of 50% GHG Intensity by 2030 (average of Gas and Petroleum fleet) compared to 2008

Our short-medium term target surpasses IMO's 2030 aspiration. The key elements and rationale for setting our reduction targets are explained in the table below.

Elements	Description	Rationale
Quantum	50% reduction	The reduction goal is more ambitious than the industry's ambition in 2030 and entails the implementation of 'beyond compliance' strategies.
Scope	Gas and Petroleum shipping	Why shipping? We focused on shipping as over 98% of our total GHG emissions (Scope 1 and 2) result from these operations. However, our non-shipping entities will also implement measures to reduce their GHG emissions.
Base year	2008	We have revised our baseline year to 2008 for close alignment with the IMO 2030 and IMO 2050 targets.
Measurement metric	AER ^{CO₂e} (gCO ₂ e/t-nm)	A CO ₂ e intensity measurement which adds methane (CH ₄) and nitrous oxide (N ₂ O) emissions in addition to CO ₂ .
Commitment period	2030	We will compare against IMO's decarbonisation trajectory to reduce 50% absolute GHG emissions in 2050 compared to 2008.

Transition Plan (Short – Medium Term)

- As shipping operations constitute 98% of MISC's GHG emissions, we have set a target to reduce 50% of our shipping fleet's GHG intensity by 2030, compared with the base year of 2008. Read about our rationale and details of our short-medium term GHG reduction plans in the Our Pathway Towards Decarbonisation section.
- Each business segment has a decarbonisation agenda to contribute to MISC Group's Net-Zero commitment by integrating climate factors across MISC's business strategy and financial planning (including usage of internal carbon pricing) and deploying low-carbon technologies for our newbuilds.

Source: MISC Berhad Sustainability Report 2021



CASE STUDY 7
(cont'd)



MISC Berhad
("MISC")



In terms of making revisions to, or revamping of targets, MISC's targets for reduction of carbon intensity above are more comprehensive and stringent as compared to their earlier equivalents in 2019. For example:

MISC Fleet Carbon Reduction in 2019 vs. Carbon Reduction Target by 2020 (baseline year 2016)		
FLEET	2019	2020 TARGET
LNG	16%	6%
PETROLEUM	13%	9%
PRODUCT	9%	1%

Source: MISC Berhad Annual Report 2019

[The rest of the page has been intentionally left blank.]

Disclosure Guidance 3:**Linking performance targets to remuneration**

Question: Are sustainability-related performance targets set by the company linked to the remuneration of the following:

- Those charged with the oversight of sustainability within the company.
- Those charged with strategic management of sustainability within the company.

To enhance accountability and to spur improvements in a company's sustainability performance, executive compensation should be linked to sustainability-related key performance indicators and targets. Similarly, the MCCG recommends that boards should take into consideration the company's performance in managing material sustainability risks and opportunities when determining the appropriate level of remuneration for directors and senior management.

The following case studies are examples of disclosures pertaining to how remuneration of boards and senior management are linked to the company's sustainability performance.

CASE STUDY 8


axiata

Axiata Group Berhad
("Axiata")



In its Integrated Annual Report 2021, Axiata provided a description of how remuneration of senior management is linked to sustainability performance. More specifically, sustainability-related key performance indicators ("KPIs") have been included in the Group CEO and OpCo CEO's annual KPIs.

Overall, Axiata Board of Directors is accountable for Axiata's sustainable strategies. At the Board level, we've actively brought forward topics of key sustainability issues and management across Group including development and implementation of the Net-Zero Carbon Roadmap, with emphasis on 2022 being the planning year that brings together a collaborative effort in organisational readiness. This top-down approach marks our commitment to embracing sustainability as a Group-wide agenda.

Sustainability-related key performance indicators (KPIs) have been included in our Group CEO and OpCo CEOs' annual KPIs to ensure accountability to our sustainability commitments. Additionally, all OpCo CEOs sign-off on sustainability-related governance as part of internal control assurance.

The management of sustainability at Group, is driven and supported by Axiata Sustainability Steering Committee, established in 2020, which further strengthened sustainability governance at Group.

Source: Axiata Group Berhad Integrated Annual Report 2021

CASE STUDY 9



Top Glove Corporation Bhd ("Top Glove")



In its Integrated Annual Report 2021, Top Glove highlighted that the remuneration of its management is linked to specified ESG metrics covering 5 broad material ESG matters (as per the disclosures featured below). The set of ESG metrics forms approximately 40% of the company's FY 2022 Key Performance Indicators.

CORPORATE GOVERNANCE

Top Glove is guided by robust corporate governance practices in all our formal decisions and policy making exercises. A vigorous governance mechanism enable our Board of Directors to perform a pivotal role in sound strategic planning and risk management towards enhancing the sustainability of the Groups' business operations.

The details of our corporate governance practices may be found in the Corporate Governance Overview Statement from pages 140 to 171 in this Integrated Annual Report.

Our management incentives or remuneration pay are linked to ESG metrics, ensuring management accountability for the achievement of the Company's goals. In FY2021, the Group has set 40% of the FY2022 Key Performance Indicators (KPIs) tied to social and environmental pillars, which are aligned with the Company's material ESG matters.

To reflect the Company's commitment in transitioning into a net zero carbon business, the Group introduced carbon emission reduction as new KPI for FY2022.

40% of KPI linked to ESG metrics:

① Product Quality and Safety Customer complaint rate	③ Human Rights and Labour Practices Social ethical audit scoring	⑤ Talent Retention Employee turnover rate
② Occupational Health & Safety Occupational accident rate	④ Reduce Carbon Emission Scope 1 & 2 emissions intensity reduction	

Source: Top Glove Corporation Bhd Integrated Annual Report 2021



Toolkits

For additional information on performance targets, please refer to the Toolkit: Governance.

CHAPTER 9: PERFORMANCE DATA TABLE

Provision of a performance data table facilitates stakeholder assessment of how the company has performed in managing various material sustainability matters. As the performance data table would contain at least 3 financial years' worth of data for each reported indicator, this allows for easy assessment of performance over a period as well as in making comparisons with the company's peers.

For disclosures on performance data table, the LR is as follows:

Listing Requirements



Paragraph 6.2, Practice Note 9, Main Market Listing Requirements³⁴

In making the Sustainability Statement, a listed issuer must include disclosures on the following:

- (c) material sustainability matters and –
 - (iii) how they are managed including details on –
 - (cc) indicators relevant to these sustainability matters which demonstrate how the listed issuer has performed in managing these sustainability matters together with the data for the last 3 financial years, and performance target(s) in relation to the indicators (if such targets are set);
- (f) a summary of the data and performance targets disclosed in the Sustainability Statement, in a prescribed format.

Paragraph 6.3, Practice Note 9, Main Market Listing Requirements³⁴

For purposes of paragraph 6.2(c) above, sustainability matters are considered material if they-

- (a) reflect the listed issuer's significant economic, environmental and social impacts; or
- (b) substantively influence the assessments and decisions of stakeholders; and
- (c) fall under the common material sustainability matters as set out in Annexure PN9-A.

Paragraph 6.5, Practice Note 9, Main Market Listing Requirements³⁴

For purposes of paragraph 6.2(c)(iii)(cc) above, a listed issuer must disclose the data for a reported indicator in the following manner:

No.	Reporting of new indicator	Minimum data disclosures
(a)	In the first year of reporting a new indicator (" said indicator ")	Data for the financial year
(b)	In the second year of reporting the said indicator	Data for the financial year and the immediate preceding financial year
(c)	From the third year onwards of reporting the said indicator	Data for the financial year and the 2 immediate preceding financial years

³⁴ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Listing Requirements (cont'd)

**Paragraph 6.2, Guidance Note 11, ACE Market Listing Requirements³⁵**

In making the Sustainability Statement, a listed corporation must include disclosures on the following:

- (c) material sustainability matters and –
 - (iii) how they are managed including details on –
 - (cc) indicators relevant to these sustainability matters which demonstrate how the listed corporation has performed in managing these sustainability matters together with the data for the last 3 financial years, and performance target(s) in relation to the indicators (if such targets are set);
- (e) a summary of the data and performance targets disclosed in the Sustainability Statement, in a prescribed format.

Paragraph 6.3, Guidance Note 11, ACE Market Listing Requirements³⁵

For purposes of paragraph 6.2(c) above, sustainability matters are considered material if they-

- (a) reflect the listed corporation's significant economic, environmental and social impacts; or
- (b) substantively influence the assessments and decisions of stakeholders; and
- (c) fall under the common material sustainability matters as set out in Annexure GN11-A.

Paragraph 6.6, Guidance Note 11, ACE Market Listing Requirements³⁵

For purposes of paragraph 6.2(c)(iii)(cc) above, a listed corporation must disclose the data for a reported indicator in the following manner:

No.	Reporting of new indicator	Minimum data disclosures
(a)	In the first year of reporting a new indicator (" said indicator ")	Data for the financial year
(b)	In the second year of reporting the said indicator	Data for the financial year and the immediate preceding financial year
(c)	From the third year onwards of reporting the said indicator	Data for the financial year and the 2 immediate preceding financial years

³⁵ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Disclosure Guidance 1: Content of performance data table

Question: Does the performance data table include all sustainability indicators reported throughout the company's Sustainability Statement?

Question: Does the company provide 3 financial years' worth of data for each reported indicator?

Question: For those indicators with accompanying performance target(s), are such targets reflected in the performance data table?

Please note that the company's performance data table must be prepared as well as disclosed in the format prescribed by the Exchange. In this regard, companies shall refer to the latest instructions pertaining to the preparation of a performance data table as stipulated by the Exchange.

In the final section of the Sustainability Statement, the company must disclose a performance data table which contains a summary of corresponding data provided for all reported indicators, and all performance targets set, throughout its Sustainability Statement.

As per Disclosure Guidance 3 under Chapter 6, the company must provide 3 financial years' worth of data for each indicator reported within the Sustainability Statement. This would enable stakeholders to better assess the performance of the company over the stipulated period of time. The requirement for at least 3 years' worth of data is also applicable to the performance data table disclosures.

Please note that, when a sustainability indicator is reported for the first time, the company may not be able to provide 3 financial years' worth of data for the said indicator. In such a circumstance, the company is required to disclose data on a "rolling basis". This correspondingly applies to information disclosed within the performance data table as well. For example:

- In the first year of reporting on the said indicator, the company should provide data for at least 1 financial year;
- In the second year of reporting, at least 2 financial years' worth of data; and
- By the third year of reporting onwards, the company would have 3 financial years' worth of data to fully comply with the requirement.

Notwithstanding the above, companies are strongly encouraged to provide 3 financial years' worth of data, if available, within the first 2 years of reporting. Conventionally, companies should strive to provide data dating back as far as when the indicators in question are first reported. This correspondingly applies to information disclosed within the performance data table as well.

Lastly, the performance data table should also contain a summary of performance target(s) set in relation to reported indicators (if any).

Examples of current practices by companies have been provided in the following case studies.

Please note: The disclosures featured below conform to the Exchange's original Sustainability Reporting Framework requirements (i.e. when there was no requirement to feature performance targets within a performance data table). Hence, while there is ample data summarised within the featured table, accompanying performance targets are not featured.

CASE STUDY 1



Sunway Berhad ("Sunway")



Sunway disclosed in its Sustainability Report 2021 a performance data table containing data categorised into "Planet" and "People", across 7 financial years. The performance data table comprised of units of measurement and is broken down by different business divisions across the Group. As observed in relation to the "Trading & Manufacturing" as well as "Ongoing Construction Sites" below, Sunway provides disclosures as far back as practicable when it commences measuring and reporting indicators for additional business divisions. For all other business divisions to which data is available, Sunway provides at least 3 financial years' of data.

PLANET									
Indicator	Unit of Measurement	2015	2016	2017	2018	2019	2020	2021	
Energy									
Overall Energy Consumption									
Office	MWh	117,123	138,308	159,074	176,832	174,495	151,510	136,024	
Retail		41,808	45,145	47,981	47,626	49,459	31,360	25,298	
Hospitality		21,185	20,054	22,961	24,488	24,740	24,231	20,861	
Education		28,145	28,878	27,012	27,823	28,908	21,166	20,158	
Healthcare		13,425	16,197	20,161	22,358	28,525	31,007	32,599	
Leisure		14,523	17,970	17,228	17,141	17,329	9,933	7,604	
Student Residence		3,098	4,433	4,916	5,019	6,339	6,952	5,340	
Building Materials		123,400	130,279	153,057	133,715	118,195	86,305	97,913	
Quarry		---	---	---	---	115,334	128,375	130,073	
Trading & Manufacturing- Ongoing Construction Sites		---	---	---	---	---	999	1,092	
Overall Energy Consumption (excluding Ongoing Construction Sites)			362,708	401,264	452,389	455,002	563,323	491,838	476,963
Overall Energy Consumption			362,708	401,264	452,389	455,002	563,323	494,158	479,597
Water									
Municipal Water Consumption									
Office	m ³	211,454	237,107	206,539	173,996	212,427	161,911	108,008	
Retail		900,504	1,244,478	1,897,383	1,763,393	1,943,257	1,256,489	902,170	
Hospitality		297,050	590,385	963,016	1,012,524	1,161,976	624,399	460,157	
Education		349,346	360,724	397,183	408,895	444,230	438,399	106,051	
Healthcare		165,989	170,484	179,382	190,057	234,954	258,746	299,196	
Leisure		465,967	633,955	770,220	836,231	1,144,497	494,581	275,029	
Student Residence		92,426	111,424	93,339	167,974	299,562	142,762	131,420	
Building Materials		26,451	36,099	32,311	31,943	45,809	39,543	31,538	
Trading & Manufacturing		---	---	---	---	---	116,907	32,841	
Ongoing Construction Sites		---	---	---	---	---	68,996	123,567	
Total Municipal Water Consumption (excluding Ongoing Construction Sites)			2,509,187	3,384,655	4,539,373	4,585,013	5,486,712	3,430,088	2,346,410
Total Municipal Water Consumption			2,509,187	3,384,655	4,539,373	4,585,013	5,486,712	3,499,084	2,469,977

Source: Sunway Berhad Sustainability Report 2021

CASE STUDY 2



MISC Berhad
("MISC")



MISC disclosed in its Sustainability Report 2021 data for various indicators categorised under four pillars - "Financial Pillar", "Environmental Pillar", "Social Pillar" and "Governance Pillar" – and across 3 financial years. In the extract of its performance data table, MISC presented units of measurement and breakdowns of environmental data by different divisions within MISC Group. The performance data table was in the "Additional Information: Performance Data" section of the Sustainability Report.

ENVIRONMENTAL PILLAR				
	Unit	2021	2020	2019
GHG EMISSIONS				
TOTAL GHG EMISSIONS	tonnes CO_{2e}	4,186,562	4,180,914	4,394,098
Scope 1	tonnes CO _{2e}	4,148,617	4,132,383	4,342,386
Scope 2	tonnes CO _{2e}	37,946	48,531	51,712
TOTAL SCOPE 1	tonnes CO_{2e}	4,148,617	4,132,383	4,342,386
Breakdown by Operations				
Shipping		4,121,458	4,311,872	4,103,313
Gas	tonnes CO _{2e}	2,506,131	2,319,137	2,300,260
Petroleum	tonnes CO _{2e}	1,557,596	1,714,706	1,789,880
Product	tonnes CO _{2e}	51,988	64,768	216,254
Workboat	tonnes CO _{2e}	5,744	4,702	5,478
Non-Shipping	tonnes CO _{2e}	27,158	29,070	30,514
TOTAL SCOPE 2	tonnes CO_{2e}	37,946	48,531	51,712
Non-Shipping	tonnes CO ₂	37,946	48,531	51,712
TOTAL SCOPE 3 (Based on initial inventory)	tonnes CO_{2e}	1,352,596		
Breakdown by Category				
Category 8 – Upstream Leased Assets	tonnes CO _{2e}	101,723	-	-
Category 13 – Downstream Leased Assets	tonnes CO _{2e}	1,229,410	-	-
Category 15 – Investments	tonnes CO _{2e}	21,463	-	-
AIR EMISSIONS				
NO _x emissions ⁶	tonnes	38,763	38,289	44,174
SO _x emissions ⁷	tonnes	3,922	3,352	30,500
PM10 emissions ⁸	tonnes	2	2	4,275
(2020 and 2021 data are for non-shipping only)				
Ozone depleting substances (ODS)	tonnes	0.93	2.11	1.76

Source: MISC Berhad Sustainability Report 2021

CASE STUDY 3



CIMB Group Holdings Berhad ("CIMB")

When reporting a newly adopted indicator i.e. Total Energy Consumption, CIMB adopted a "rolling basis" approach in providing data pertaining to their energy consumption from 2018 to 2020. More specifically, in its Sustainability Report 2019, CIMB has shown data available since 2018 which is the first year energy consumption data was collected. CIMB therefore disclosed on 2 years' worth of data for years 2018 and 2019, respectively. CIMB further elaborated that the increase in energy consumption is associated with expansion of scope to cover additional countries.

> Total Energy Consumption (MWh) (GRI 302-1)

Type of Energy Consumption	2018	2019
Purchased Electricity	97,922.4	108,010.6 ²
Fuel Consumption - Gen set	111.5	1,437.5 ³
Fuel Consumption - Transportation ¹	4,391.3	16,482.1 ⁴
Total	102,425.1	125,930.3

¹ This covered diesel and petrol used in company-owned vehicles.
² The increase was due to inclusion of additional buildings in Singapore and Indonesia into the boundary.
³ The increase was due to inclusion of gen sets in Indonesia, in addition to Malaysia, Singapore and Thailand originally.
⁴ The increase was due to expanded scope to cover GHG emissions generated from vehicles in Indonesia, alongside Malaysia, Singapore and Thailand originally.

Source: CIMB Group Holdings Berhad Sustainability Report 2019

Subsequently, CIMB further revised its reported figures for energy consumption (as a result of an assurance exercise conducted) in its Sustainability Report 2020. Furthermore, they disclosed 3 years' worth of data covering 2018 to 2020. This is an example of a rolling basis approach where CIMB initially disclosed data that was available, and in the following reporting cycle, disclosed 3 years' worth of data for the Total Energy Consumption indicator.

TOTAL ENERGY CONSUMPTION

Type of Energy Consumption (MWh)	2018	2019	2020
Purchased Electricity	97,922.4	129,484.1	117,375.5
Fuel Consumption - Gen set	111.5	1,481.7	646.3*
Fuel Consumption - Transportation	4,391.3	16,974.8	7,614.4*
Total	102,425.2	147,940.6	125,636.2

* This data was assured by KPMG. Please refer to the Assurance Statement on pages 159-162.
¹ Petrol and diesel consumption: Gross calorific values for liquid fuels used for energy conversion was based on Carbon Trust (2020).
² Fuel consumption - Transportation covers diesel and petrol used in company-owned vehicles.
³ Numbers may not add up due to rounding.

Source: CIMB Group Holdings Berhad Sustainability Report 2020



CHAPTER 10: STATEMENT OF ASSURANCE

There are increasing expectations placed on companies to provide credible sustainability disclosures. This has led to growing calls for companies to subject their Sustainability Statements to an assurance process.

The different types of assurance a company could seek include^{36,37}:

Definitions

Internal auditing/assurance is an independent, objective assurance and consulting activity designed to add value and improve a company's operations. It helps a company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness or risk management, control, and governance processes.

An external assurance engagement is defined as an engagement in which an assurance provider aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information (that is, the outcome of the measurement or evaluation of an underlying subject matter against criteria).

Each assurance engagement is classified on two dimensions:

Reasonable assurance is defined as an assurance engagement in which the assurance provider reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the assurance provider's conclusion. The assurance provider's conclusion is expressed in a form that conveys the assurance provider's opinion on the outcome of the measurement or evaluation of the underlying subject matter against criteria.

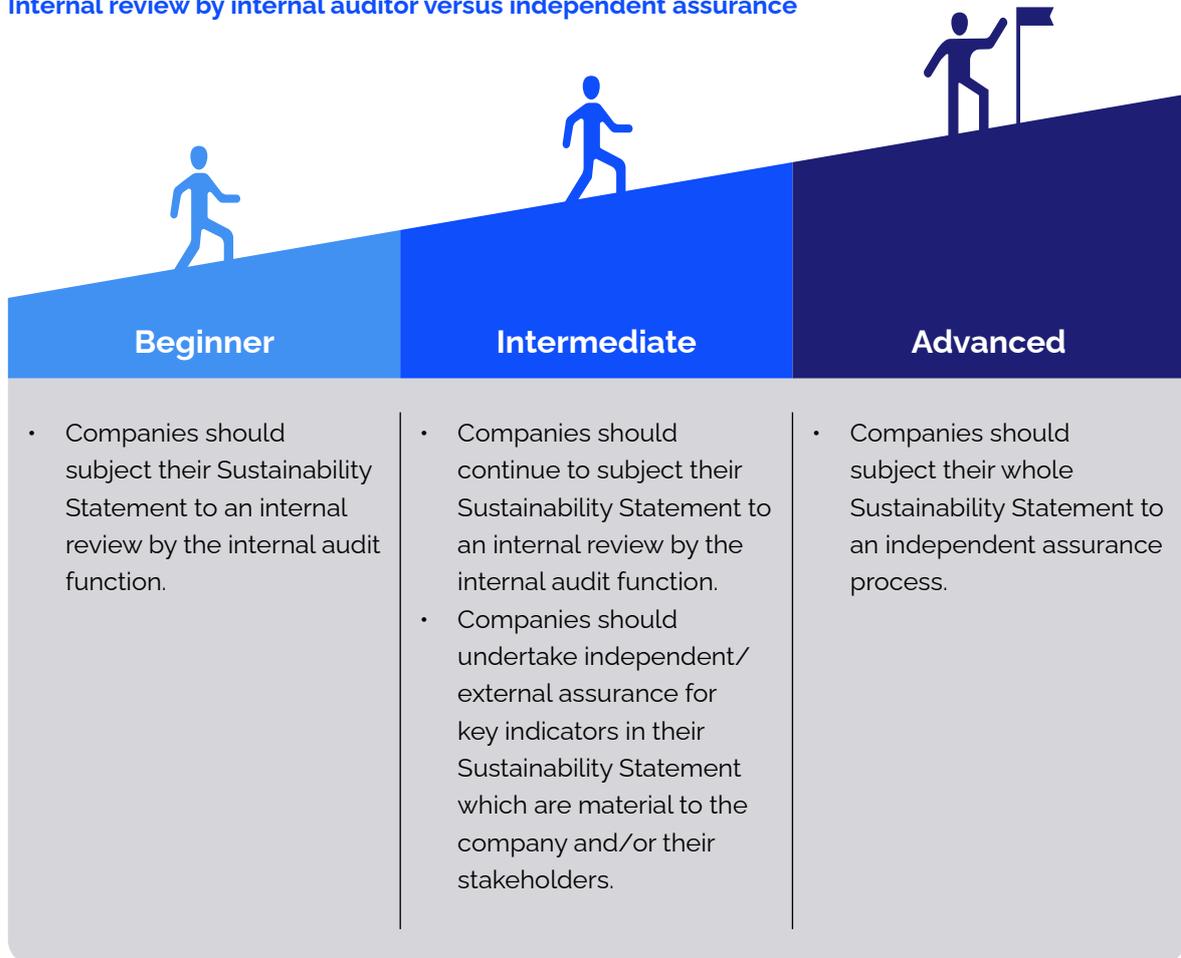
Limited assurance is defined as an assurance engagement in which the assurance provider reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the assurance provider's attention to cause the assurance provider to believe the subject matter information is materially misstated. The nature, timing, and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement but is planned to obtain a level of assurance that is, in the assurance provider's professional judgment, meaningful. To be meaningful, the level of assurance obtained by the assurance provider is likely to enhance the intended users' confidence about the subject matter information to a degree that is clearly more than inconsequential.

³⁶ The Institute of Internal Auditors (IIA), International Professional Practices Framework

³⁷ International Auditing and Assurance Standards Board (IAASB), International Standard on Assurance Engagements ("ISAE") 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information

In this respect, companies should consider subjecting their Sustainability Statements to an assurance process as they mature in their sustainability practices and data collection processes. Specifically, companies should consider progressing as follows:

a) Internal review by internal auditor versus independent assurance



b) Coverage of Sustainability Statement subjected to assurance

The company should increase the coverage of the assurance process pertaining to the Sustainability Statement over time with the aim of eventually subjecting the entire Sustainability Statement to an assurance process.

While there are currently no requirements for Sustainability Statements to be subjected to an assurance process, the Exchange strongly recommends this as a matter of best practice. Instead, to enhance transparency pertaining to the credibility of the Sustainability Statements, the Exchange requires companies to provide a "Statement of Assurance" on whether its Sustainability Statement has been subjected to an assurance process. The LR is as follows:

Listing Requirements



Paragraph 6.2, Practice Note 9, Main Market Listing Requirements³⁸

In making the Sustainability Statement, a listed issuer must include disclosures on the following:

- (e) a statement on whether the listed issuer has subjected the Sustainability Statement to –
 - (i) internal review by its internal auditor; or
 - (ii) independent assurance performed in accordance with recognised assurance standards, to strengthen the credibility of the Sustainability Statement, and if so, the subject matter(s) and scope covered. In addition, for independent assurance, the conclusions must also be disclosed;

Paragraph 6.2, Guidance Note 11, ACE Market Listing Requirements³⁹

In making the Sustainability Statement, a listed corporation must include disclosures on the following:

- (d) a statement on whether the listed corporation has subjected the Sustainability Statement to –
 - (i) internal review by its internal auditor; or
 - (ii) independent assurance performed in accordance with recognised assurance standards, to strengthen the credibility of the Sustainability Statement, and if so, the subject matter(s) and scope covered. In addition, for independent assurance, the conclusions must also be disclosed;

³⁸ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

³⁹ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Detailed guidance on how to provide disclosures pertaining to the Statement of Assurance are provided below:

Disclosure Guidance 1: Content of Statement of Assurance

Question: *To what extent has the sustainability statement been subjected to an assurance process?*

In the event that the Sustainability Statement has not been subjected to an assurance process, the company only needs to provide a statement to that effect. However, if the Sustainability Statement has been subjected to an assurance process, the company must disclose the following in their Statement of Assurance:

a) Type of assurance

Whether the Sustainability Statement was subjected to an

- internal review by its internal auditor; and/or
- independent assurance performed in accordance with recognised assurance standards.

b) Subject matter

Identification of narratives/information in the Sustainability Statement which have been subjected to assurance. An appropriate subject matter should be⁴⁰:

- identifiable, and capable of consistent evaluation or measurement; and
- such that the information about it can be subjected to procedures for gathering sufficient appropriate evidence to support a reasonable assurance or limited assurance conclusion, as appropriate.

c) Scope

In relation to each subject matter identified in (b) above, the boundary that was covered in the assurance process.

In addition, for independent assurance, the assurance provider's conclusion must also be disclosed.

Examples and applications of the abovementioned terms are provided in the next section.

⁴⁰ International Federation of Accountants ("IFAC"), International Framework for Assurance Engagements



Illustrations/templates of Statement of Assurance disclosures

a) Scenario 1:

No assurance process undertaken

Statement of Assurance

This Sustainability Statement has not been subjected to an assurance process.

Optional:

Company to provide targeted date or reporting cycle in which assurance will be undertaken.

b) Scenario 2:

Internal review undertaken by internal audit function. However, only part of the Sustainability Statement was subjected to the internal review.

Statement of Assurance

Assurance undertaken

In strengthening the credibility of the Sustainability Statement, selected aspects/parts of this Sustainability Statement has been subjected to an internal review by the company's internal auditors and has been approved by the company's Audit Committee.

Subject matter

The subject matters covered by the internal review include the following indicators:

- a) Indicator 1
- b) Indicator 2
- c) Indicator 3

Scope

The boundary of the internal review includes the company's operations in the following locations:

- a) Location 1
- b) Location 2



Illustrations/templates of Statement of Assurance disclosures (cont'd)

c) Scenario 3:

Internal review undertaken by internal audit function. The subject matter covers the whole report across all companies within the Group's financial control.

Statement of Assurance

Assurance undertaken

In strengthening the credibility of the Sustainability Statement, this Sustainability Statement has been subjected to an internal review by the company's internal auditors and has been approved by the company's Audit Committee.

Subject matter

All contents of this Sustainability Statement.

Scope

The boundary of the internal review includes all companies within the Group's financial control.

c) Scenario 4:

The Sustainability Statement was subjected to an internal review by the internal audit function. However, some subject matters were subjected to independent assurance.

Statement of Assurance

Assurance undertaken

In strengthening the credibility of the Sustainability Statement, this Sustainability Statement has been subjected to the following:

- a) an internal review by the company's internal auditors; and
 - b) independent assurance in accordance with recognised assurance standards for selected indicators
- and has been approved by the company's Audit Committee.

The scope, subject matters and relevant conclusion(s) are provided below:

Type of Assurance	Subject Matter	Scope	Conclusion
Independent assurance	Scope 1 GHG Emissions	Location 1 & 2	<i>[To insert verbatim extract of conclusion from independent assurance report]</i>
	Scope 2 GHG Emissions	Location 1 & 2	
Internal review	Indicator 1	Location 1	Not applicable
	Indicator 2	Location 1	
	Indicator 3	Location 1 & 2	

Please refer to page *[insert page number]* for the assurance report provided by *[assurance provider]*.



Illustrations/templates of Statement of Assurance disclosures (cont'd)

e) Scenario 5:

Independent assurance undertaken for the whole Sustainability Statement for all indicators. Assurance was undertaken by a single external assurance provider.

Statement of Assurance**Assurance undertaken**

In strengthening the credibility of the Sustainability Statement, this Sustainability Statement has been subjected to independent assurance in accordance with recognised assurance standards and has been approved by the company's Audit Committee.

Subject matter

All indicators in the Sustainability Statement.

Scope

The boundary of the independent review includes all companies within the Group's financial control.

Conclusion

[To insert verbatim extract of conclusion from independent assurance report].

Please refer to page *[insert page number]* for the assurance report provided by *[assurance provider]*.

f) Scenario 6:

Independent assurance undertaken for the whole Sustainability Statement for all indicators. Independent assurance undertaken by different assurance provider(s) in relation to different subject matters.

Statement of Assurance**Assurance undertaken**

In strengthening the credibility of the Sustainability Statement, this Sustainability Statement has been subjected to independent assurance in accordance with recognised assurance standards and has been approved by the company's Audit Committee.

The scope and subject matters covered is provided below:

Subject Matter	Scope	Conclusion	Assurance Report
Scope 1 GHG Emissions	Entities A,B,C	<i>[To insert verbatim extract of conclusion from independent assurance report]</i>	Please refer to page <i>[insert page number]</i> for the assurance report provided by <i>[assurance provider]</i> .
Scope 2 GHG Emissions	Entities A,B,C		
Indicator 1	Entities A,B	<i>[To insert verbatim extract of conclusion from independent assurance report]</i>	Please refer to page <i>[insert page number]</i> for the assurance report provided by <i>[assurance provider]</i> .
Indicator 2	Entities A,B,C		
Indicator 3	Entity A		

Other considerations

Companies are encouraged to familiarise themselves with the contents of an independent assurance report. If companies would like to draw attention to any additional aspects/findings from the assurance exercise, companies are encouraged include the following in their Statement of Assurance disclosures⁴¹:

a) The identity of assurance provider

The identity of assurance provider refers to the parties engaged to undertake the assurance process. The illustrations provided in Disclosure Guidance 1 have incorporated this optional element.

b) The applicable criteria in which the subject matter is assessed against

A description of the applicable criteria advises intended users of the framework on which the subject matter information is assessed against and is particularly important when there are significant differences between various criteria regarding how particular matters may be treated in the subject matter information.

c) Any significant inherent limitation(s)

If there were any significant inherent limitations associated with the measurement or evaluation of the underlying subject matter against the applicable criteria, companies should draw attention to the same.

d) Whether the assurance report is subjected to any qualifications

Lastly, if there are adverse findings or qualifications in the opinion of the assurance provider, the company should highlight the same in the Statement of Assurance.



Toolkits

For additional information on assurance, please refer to the Toolkit: Governance.

⁴¹ ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, International Framework for Assurance Engagements and Related Conforming Amendments

CHAPTER 11: TCFD-ALIGNED DISCLOSURES

Climate change is now widely acknowledged as one of the most intractable challenges facing humanity. Unsurprisingly therefore, in the past few years, there is heightened attention as well as a growing sense of urgency in the need to tackle the impacts of climate change. Within the given context, companies are facing ever increasing demands by various stakeholders (e.g. institutional investors, lenders, insurers and customers) for better management as well as reporting of significant climate-related risks and opportunities.

In the international sustainability standard-setting arena, there has been a flurry of activities in developing climate-related disclosure standards. Most notably, the Task Force on Climate-Related Financial Disclosures (“TCFD”) Recommendations has become a widely accepted climate disclosure framework for businesses globally. The primary aim is to provide decision-useful, climate-related information to investors and other key stakeholder groups.

A snapshot of the TCFD Recommendations as well as its supporting recommended disclosures is provided below:

Table 1: TCFD Recommendations and supporting recommended disclosures

Recommendations and Supporting Recommended Disclosures			
Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Source: Recommendations of the Task Force on Climate-related Financial Disclosures

The definitions⁴² for the terms below apply throughout the Guide:

Definitions

Climate-related opportunities refers to the potential positive impacts related to climate change on a company. Efforts to mitigate and adapt to climate change can produce opportunities for a company, such as through resource efficiency and cost savings, the adoption and utilisation of low-emission energy sources, the development of new products and services, and building resilience along the supply chain. Climate-related opportunities will vary depending on the region, market, and industry in which a company operates.

Climate-related risks refers to the potential negative impacts of climate change on a company. Climate-related risks are further defined in 2 categories: physical risks and transition risks.

Physical risks refer to risks emanating from climate change that can be event-driven (acute) such as increased severity of extreme weather events (e.g. cyclones, droughts, floods, and fires). They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g. sea level rise).

Transition risks refer to risks associated with the transition to a lower-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.

For climate-related disclosures pertaining to the TCFD Recommendations, the LR is as follows:

Listing Requirements



Paragraph 6.2, Practice Note 9, Main Market Listing Requirements⁴³

In making the Sustainability Statement, a listed issuer must include disclosures on the following:

- (d) the climate-related disclosures which are aligned with the Recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD Recommendations”), covering all four pillars: governance, strategy, risk management, and metrics and targets, in a dedicated section within the Sustainability Statement;

Paragraph 6.4, Guidance Note 11, ACE Market Listing Requirements⁴⁴

A listed corporation must disclose its plan to transition towards a low-carbon economy (“transition plan”) in a dedicated section within the Sustainability Statement, and include the following information:

- (a) the role of the board and senior management in overseeing and executing the transition plan; and
- (b) the strategies and initiatives to reduce climate-related risks and increase climate-related opportunities.

⁴² Recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) Appendix 5: Glossary and Abbreviations

⁴³ Bursa Malaysia Securities Berhad, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

⁴⁴ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Listing Requirements (cont'd)

**Paragraph 6.5, Guidance Note 11, ACE Market Listing Requirements⁴⁴**

A listed corporation is not required to comply with paragraph 6.4 above if the listed corporation's Sustainability Statement includes climate-related disclosures which are aligned with the Recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD Recommendations"), covering all four pillars: governance, strategy, risk management, and metrics and targets, in a dedicated section within the Sustainability Statement.

Main Market

For clarity, a company's climate-related disclosures are deemed to be in alignment with TCFD Recommendations (as stipulated by the LR above) if they cover all recommended disclosures under the 4 pillars i.e. Governance, Strategy, Risk Management and Metrics and Targets. Please refer to Table 1 above.

In addition to the above, TCFD-aligned disclosures are required to be made in a dedicated section within a company's Sustainability Statement. However, to prevent duplication or overlapping of disclosures, cross-referencing to other sections of the Sustainability Statement is permissible. For example, the "Governance" pillar in the TCFD Recommendations may overlap with the general requirement for disclosure on governance structure in place to manage the other sustainability matters. In such instances, a listed issuer may cross-refer to other related parts of the Sustainability Statement without needing to repeat the disclosures.

For reference, the table below sets out some of the possible interlinks between the dedicated section on TCFD-aligned disclosures and other sections of the Sustainability Statement.

Table 2: Possible interlinks between dedicated section on TCFD-aligned Climate-related Disclosures and other sections of Sustainability Statement

	Sustainability Statement	Examples of Likely Linkages / Need for Cross-Referencing	Dedicated Section on TCFD-Aligned Climate-related Disclosures
1.	Sustainability Governance	Governance (i.e. oversight and strategic management) for climate change is often subsumed within the wider function / structure for overall sustainability governance (e.g. under the purview of Board Sustainability Committee).	Governance (Climate Governance)
2.	Management of Sustainability Matters / Themes	May draw upon common aspects such as indicators relating to Emissions (Scopes 1, 2 & 3 CO ₂ emissions), Water, Waste Management, etc.	Strategy, Risk Management, Metrics & Targets - pertaining to Climate Change
3	Performance Targets Set for Reported Indicators (if any)	Performance targets set (if any) for the relevant common aspects such Emissions, Water, Waste Management, etc.	Metrics & Targets - for managing climate-related risks and opportunities

⁴⁴ Bursa Malaysia Securities Berhad, Guidance Note 11, Risk Management and Internal Control, Corporate Governance and Sustainability Statement

ACE Market

For ACE Market companies, disclosures should follow a transition plan as recommended by the TCFD. A transition plan is an aspect of a company's overall business strategy that lays out a set of targets and actions supporting its transition toward a low-carbon economy, including actions such as reducing its GHG emissions⁴⁵.

Disclosures relating to the company's transition plan towards a low-carbon world are required to be made in a dedicated section within a company's Sustainability Statement.

Next, to prevent duplication or overlapping of disclosures, cross-referencing to other sections of the Sustainability Statement is permissible. For example, one of the disclosure requirements that forms part of the stipulated Transition Plan is for the company to explain "the role of the board and senior management in overseeing and executing the transition plan". The said requirement may overlap with the general requirement for disclosure on governance structure in place to manage the other sustainability matters. In such instances, a listed corporation may cross-refer to other related parts of the Sustainability Statement without needing to repeat the disclosures.

For reference, the table below sets out some of the possible interlinks between the dedicated section on Transition Plan and other sections of the Sustainability Statement.

Table 3: Possible interlinks between dedicated section on transition plan towards a low-carbon economy and other sections of Sustainability Statement

	Sustainability Statement	Examples of Likely Linkages / Need for Cross-Referencing	Dedicated Section on Transition Plan
1.	Sustainability Governance	Governance (i.e. oversight and execution) for climate change is often subsumed within the wider function / structure for overall sustainability governance (e.g. under the purview of Board Sustainability Committee).	The role of the board and senior management in overseeing and executing the transition plan
2.	Management of Sustainability Matters / Themes	May draw upon common aspects such as indicators relating to Emissions (Scopes 1, 2 & 3 CO ₂ emissions), Water, Waste Management, etc.	The strategies and initiatives to reduce climate-related risks and increase climate-related opportunities.

⁴⁵ TCFD's Guidance on Metrics, Targets, and Transition Plans



Additional Resources

The following are supplementary resources for this chapter:

Recommendations of the Task Force on Climate-related Financial Disclosures

<https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf>

TCFD's Guidance on Metrics, Targets and Transition Plans

https://assets.bbhub.io/company/sites/60/2021/07/2021-Metrics_Targets_Guidance-1.pdf

TCFD Knowledge Hub

<https://www.tcfhub.org/>

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LIST OF DISCLOSURE GUIDANCE(S)

Chapter	Disclosure Guidance	Questions	Page Number
Chapter 3: Sustainability Governance	Disclosure Guidance 1: Oversight of sustainability matters	Who is responsible for the oversight of the company's material sustainability matters?	page 13
		What is the nature of oversight performed?	page 13
	Disclosure Guidance 2: Strategic management of sustainability matters	Who is responsible for the strategic management of the company's material sustainability matters?	page 14
		What is the nature of strategic management performed?	page 14
	Disclosure Guidance 3: Day-to-day implementation of sustainability matters	Who performs/implements sustainability-related tasks and initiatives on a day-to-day basis?	page 16
Chapter 4: Scope and Basis of Scope	Disclosure Guidance 1: Scope	Has the company disclosed the scope of its Sustainability Statement showing clearly which aspects of its operations are included or excluded (be it described by geographical location or business segments, etc.)?	page 21
	Disclosure Guidance 2: Basis of Scope	Has the company provided a clear basis of scope for its Sustainability Statement?	page 25
		Has the company provided a clear explanation on whether there are any changes in scope as compared to the previous year?	page 25

Chapter	Disclosure Guidance	Questions	Page Number
Chapter 5: Materiality Assessment	Disclosure Guidance 1: Identification of sustainability matters	As part of the company's process for identification of sustainability matters, has the company disclosed the internal & external sources used for the identification of sustainability matters?	page 33
		As part of the company's process for identification of sustainability matters, has the company disclosed the stakeholder groups (both internal and external) engaged for the identification of sustainability matters?	page 33
	Disclosure Guidance 2: Prioritisation of material sustainability matters	As part of the company's process for prioritisation of material sustainability matters, has the company disclosed the stakeholder groups engaged for the prioritisation of its material sustainability matters?	page 39
	Disclosure Guidance 3: Illustration of prioritisation of material matters via a materiality matrix	Has the company provided an illustration of its prioritised material sustainability matters via a materiality matrix, clearly showing the relative importance of each matter?	page 45
	Disclosure Guidance 4: Review and validation of materiality assessment process and outcome	Has the company's senior management reviewed and/or approved the process and outcome of the materiality assessment undertaken?	page 47
		Has the company's board approved/ validated/endorsed the outcome of the materiality assessment undertaken?	page 47
	Disclosure Guidance 5: Frequency of materiality assessment process review	Has the company disclosed the nature of assessment undertaken for the reporting year (full or limited scale) as well as underlying justifications?	page 48
		Has the company disclosed the frequency of undertaking materiality assessment?	page 48

Chapter	Disclosure Guidance	Questions	Page Number
<p>Chapter 6: Management Approach</p>	<p>Disclosure Guidance 1: How material sustainability matters are managed</p>	<p>Does the company report on (i) all common material sustainability matters as set out in Annexure PN9-A (for Main Market listed issuers) or Annexure GN11-A (for ACE Market listed corporations), and (ii) other material sustainability matters that are identified and prioritised via the materiality assessment that it has undertaken?</p>	<p>page 58</p>
		<p>For each reported sustainability matter, does the company provide an explanation of why such a matter is material/ important?</p>	<p>page 58</p>
		<p>For each reported sustainability matter, does the company provide clear and comprehensive disclosures of the management approach taken?</p>	<p>page 58</p>
		<p>Does the company disclose implications of reported material sustainability matters (e.g. key risks and opportunities) on overall business strategy and/or financial performance?</p>	<p>page 58</p>
	<p>Disclosure Guidance 2: Reporting on relevant indicators</p>	<p>Has the company reported, at a minimum, all the Common Indicators identified by the Exchange in its Sustainability Statement?</p>	<p>page 64</p>
		<p>Has the company given due consideration to other potentially relevant indicators as suggested in this Guide, prescribed by international sustainability reporting frameworks/standards and/or adopted by their peers in the same sector?</p>	<p>page 64</p>
		<p>For each reported indicator, has the company provided adequate explanation to aid user understanding (e.g. the relevance of the indicator within the company's operating context as well as underlying reasons for key changes/ trends observed)?</p>	<p>page 64</p>
		<p>Did the company disclose performance targets set in relation to reported indicators (where applicable)?</p>	<p>page 64</p>

Chapter	Disclosure Guidance	Questions	Page Number
Chapter 6: Management Approach (cont'd)	Disclosure Guidance 3: For each reported indicator, provision of data for the last 3 financial years	Does the company provide 3 financial years' worth of data for each reported indicator?	page 68
		Do all newly adopted sustainability indicators conform to the minimum data requirements set?	page 68
Chapter 8: Performance Targets	Disclosure Guidance 1: Performance targets for reported indicators	What are the performance targets set for the company's reported indicators?	page 120
	Disclosure Guidance 2: Reporting of progress against performance targets	What is the company's performance or progress against set targets?	page 122
		In the event of setbacks, what are the actions taken by the company to get back on track?	page 122
		If any of the performance targets set are revised, has the company provided the following: (a) Revised targets (b) Reasons/basis for the revisions	page 122
Disclosure Guidance 3: Linking performance targets to remuneration	Are sustainability-related performance targets set by the company linked to the remuneration of the following: (a) Those charged with the oversight of sustainability within the company (b) Those charged with strategic management of sustainability within the company	page 127	

Chapter	Disclosure Guidance	Questions	Page Number
Chapter 9: Performance Data Table	Disclosure Guidance 1: Content of Performance Data Table	Does the performance data table include all sustainability indicators reported throughout the company's Sustainability Statement?	page 131
	<i>Please note that the company's performance data table must be prepared as well as disclosed in the format prescribed by the Exchange. In this regard, companies shall refer to the latest instructions pertaining to the preparation of a performance data table as stipulated by the Exchange.</i>	Does the company provide 3 financial years' worth of data for each reported indicator?	page 131
		For those indicators with accompanying performance target(s), are such targets reflected in the performance data table?	page 131
Chapter 10: Statement of Assurance	Disclosure Guidance 1: Content of Statement of Assurance	To what extent has the Sustainability Statement been subjected to an assurance process?	page 138

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