

EXECUTIVE SUMMARY

A Dialogue with Bursa Malaysia: FTSE4GOOD ESG Rating for All PLCs

Friday | 14 April 2023 | 10:00 am – 12:00 pm | ICDM Penta Room



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“As a sustainable exchange, we need to have a sustainable marketplace. That means the corporates need to have sustained profitability and good behaviour. **Good ESG behaviour needs to be rewarded by easy access to market and access to capital, and we need to create that vehicle to allow that.**”
Wong Chiun Chiek, Director, Bursa Intelligence

The goal of the dialogue was to reach out to the remaining 70% PLCs working towards improving their **FTSE4GOOD ratings**. This summary can also be a good guide for those starting their ESG journey. The central theme amongst the panellists were, “**start now!**” before things become more complicated with new ESG-related indices, policies, limitations and taxes.

Boards need to **start controlling their narratives** today - by setting their **strategies and targets**, and to **correct errors or improve targets**.

Key Takeaways

The “Whys”

Many Malaysian sectors & companies are vulnerable to **ESG risks**, requiring **swift actions to protect GDP & jobs**



70% of Malaysia's exports are expected to go to countries that have committed to net zero emissions



The need to increase & nudge **climate-related investments** to accelerate decarbonisation



Intensifying local and international **ESG compliance requirements**

Wider access to **capital**

The “What’s”

FTSE4GOOD is aligned to GRI, TCFD & other international standards with 70% - 80% overlaps



Bursa is making reporting much easier for PLCs with the **Centralised Sustainability Intelligence (CSI) Platform** which enables faster and easier input of data for multiple disclosures purpose such as ESG reporting, annual reports and financial reports, as well as a unified way to look at ESG performance, including calculating their carbon emissions impact.

The platform is also customisable to cater for future standards.



The “How’s”



FORM YOUR TEAM

Start Small, Expand Later

(Board) Sustainability Committee &
(Management) Steering Committee

Consultants
(to guide if needed & if costs allow)



ASSESS YOUR THEME EXPOSURE

FTSE4GOOD has 3 pillars, 14 themes & 300+ indicators. Companies with high exposures to certain themes are deemed to have higher risk in that particular area & are therefore, compelled to do more to mitigate those risks.



DETERMINE YOUR BASELINE

Start simple. Do not be afraid to get it wrong as it is part of the learning process. Ensure the “E” of ESG is Paris-aligned.



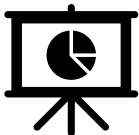
ALIGN YOUR STRATEGY & KPIs

Incorporate materiality & baseline targets into the business strategy. Set key performance indicators (KPIs) for the entire organisation. This is crucial to effectively integrate ESG considerations.



UPLOAD YOUR DATA TO THE CSI PLATFORM

Leverage on Bursa’s CSI Platform. It provides a comprehensive view of your organisation’s sustainability efforts and facilitate data management and analysis.



REVIEW RESULTS ANNUALLY

Review the results of your ESG performance annually & initiate stakeholder’ consultations for continuous improvements of your sustainability efforts.



INCREMENTAL IMPROVEMENTS

By consistently seeking opportunities for enhancement & making iterative changes, you can steadily improve your sustainability performance over time.



START NOW

With the potential of more ratings and standards being introduced in the future, PLCs must begin their journey now.

Useful Resources

[Bursa’s FTSE4GOOD Information](#)
[FTSE4GOOD Bursa Malaysia Index FAQ](#)
[FT Russell’s FTSE4GOOD Website](#)
[FT Russell’s FTSE4GOOD ESG Ratings](#)