



Public Consultation

# Simplified ESG Disclosure Guide (SEDG) for SMEs

Consultation Period : 26 July 2023 - 25 August 2023



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## Notes for Commentators

### PUBLIC CONSULTATION INSTRUCTIONS

The SEDG and the concluding disclosures are the result of an exhaustive process summarised in the ‘Basis for Conclusions’ section of this document. This document serves to solicit constructive feedback on the disclosures. All feedback will be evaluated in serving the objectives of this Guide.

This is a working document released by Capital Markets Malaysia (CMM), an affiliate of the Securities Commission Malaysia. This working version is released on the basis that it is without prejudice to the final document. As such, while the document is intended to illustrate the structure and details the simplified ESG disclosures relevant to Malaysia, further changes may be made to the SEDG and its associated documents.

Comments on this discussion draft can be provided at [FormSEDG](#). This public consultation is open for the period of 26 July 2023 till 25 August 2023. All feedback received after this date will not be considered.

Objectives	Target Users
<p><b>The aim of this Guide is to support SMEs in their adoption of Sustainability by providing guidance on the data requirements of their journey.</b></p> <p>The objectives include:</p> <ul style="list-style-type: none"> <li>• <b>To provide SMEs</b> (as the data preparers) with a simplified and standardised set of ESG disclosures that align with selected global and local standards;</li> <li>• <b>To provide stakeholders</b> (as the data requesters) with a simplified and standardised set of ESG disclosures that align with selected global and local standards; and</li> <li>• <b>To provide policy and principles-based standard setters</b> with a set of ESG disclosures in support of their guidance documents</li> </ul>	<p><b>The target users of this Guide are Small and Medium Enterprises (SMEs) that are compelled to identify, track and report on Environmental, Social and Governance (ESG) data.</b></p> <p>This serves various purposes, including:</p> <ul style="list-style-type: none"> <li>• To achieve the <b>company’s own goal</b> of adopting Sustainability to be competitive and relevant;</li> <li>• To respond to <b>requests from stakeholders</b>, including customers, investors, banks, and regulators; and</li> <li>• To <b>qualify for incentives</b> provided to companies with enhanced ESG disclosures.</li> </ul>

## Basis for Conclusions

The basis for the conclusions in the SEDG is described here to accompany the public consultation. It summarises the sources of intelligence compiled and simplified into widely adopted metrics with commonly used terminologies to enable ESG adoption in SMEs. The two categories informing the process included extensive benchmarking and consultations with multiple stakeholder groups.

### BENCHMARK

The benchmarking exercise for the Guide included research into current standards, and the needs of the market, including:

1. **Global Sustainability Frameworks, Guidance, Benchmarks and Evaluations:**
  - Global Reporting Initiative (GRI)
  - FTSE4Good (F4G)
  - International Sustainability Standards Board (ISSB)
  - Greenhouse Gas (GHG) Protocol
2. **Local Sustainability Frameworks, Guidance, Benchmarks and Evaluations:**
  - Bursa Malaysia Sustainability Reporting Guide 3.0
  - Malaysia's Sustainable and Responsible Investment Taxonomy for the Malaysian Capital Market
  - Malaysian Code on Corporate Governance (MCCG)
  - Malaysia's Principles on Good Governance (PGG)
  - Malaysian Code for Institutional Investors (MCII)
3. **Large Companies' Responsible Procurement Assessment Guidelines**
  - Various multinational and local large company assessments of their supply chain

### CONSULTATIONS

The consultations were conducted through targeted focus groups to ensure that the Guide captures real-life best practices and yet remains practical to implement, including:

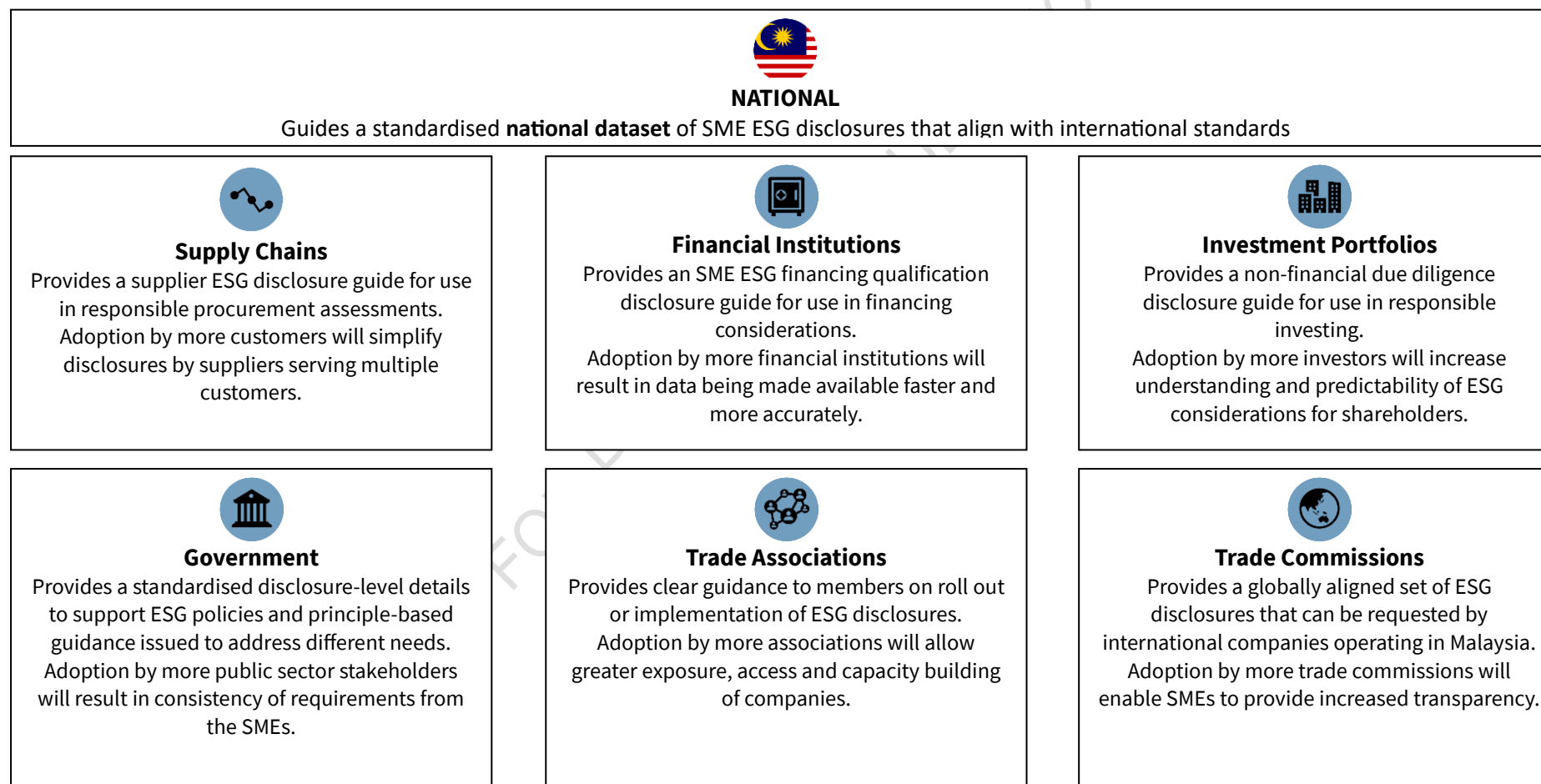
1. **Large Companies Focus Group:**
  - Represented by multi-national companies and local public listed companies
2. **SMEs Focus Group:**
  - Represented by SMEs from various industries
3. **Governance Stakeholders Focus Group:**
  - Represented by regulators and associations focused on Corporate Governance in Malaysia
4. **Financial Institutions Focus Group (upcoming):**
  - Represented by global and local financial institutions
5. **International Trade Commissions Focus Group (upcoming):**
  - Represented by the trade commissions and chambers of various countries.

**SEDG**

## Possible Use Cases

The SEDG was designed to serve the larger needs of the ecosystem with the practicality of adoption for the SMEs in mind. The suggested use cases below capture the value of widespread adoption of the SEDG.

If any of these or other ideas of usage resonate with you, do reach out via the public consultation platform to explore possible collaborations.



## Overview of the Guide

The SEDG helps companies determine what to track and report on ESG.

The Guide consists of disclosures that are **most commonly required** for a company to portray its ESG standing. This set of disclosures has been compiled as a result of:

- Research on the requirements of multi-national companies, regulators, investors, and other stakeholders;
- Consolidation of multiple global and local ESG standards; and
- Consultations with stakeholder groups including large companies, SMEs, regulators, banks, and other governments internationally.

### REFERENCE STANDARDS

It is assumed that companies are compliant to required laws and legislations. By responding to the disclosures in SEDG, companies are aligned to various standards. This ensures the uniformity of data tracked and terminology used. The alignment codes are detailed for each disclosure. The standards mapped include, among others:



*Global Reporting Initiative*



*FTSE4Good*



*International Sustainability Standards Board*



*Bursa Malaysia Sustainability Reporting Guide 3.0*

### MATURITY LEVELS

This Guide presents three possible levels of maturity – Basic, Intermediate, Advanced. This is designed to help companies select disclosures in increasing complexity. These are suggested sets of data, and may correlate with the first, second and third year of reporting according to this Guide. Customised sets of data can also be selected with the most relevant disclosures to the company. The mapping of a disclosure to the corresponding code in other standards is indicated in the detailed section of selected disclosure.

### SECTOR AGNOSTIC

This Guide presents disclosures most commonly encountered across all sectors. A materiality view is important to correlate business priorities with the disclosures selected. Further sector-specific disclosures might be pertinent to companies.

## How to Use the Guide

1

Review the full map of all disclosures

2

Tick off the disclosures  
you can already report on now

3

Circle those you will work on in  
the next one year

4

Refer to the additional guidance  
on what to report

5

Track and report your disclosures

### Using the Maturity Levels

If you are **starting** your Sustainability journey, check the **Basic** disclosures as your starting point.

If you have adopted Sustainability for **1-3 years**, check the **Basic and Intermediate** disclosures.

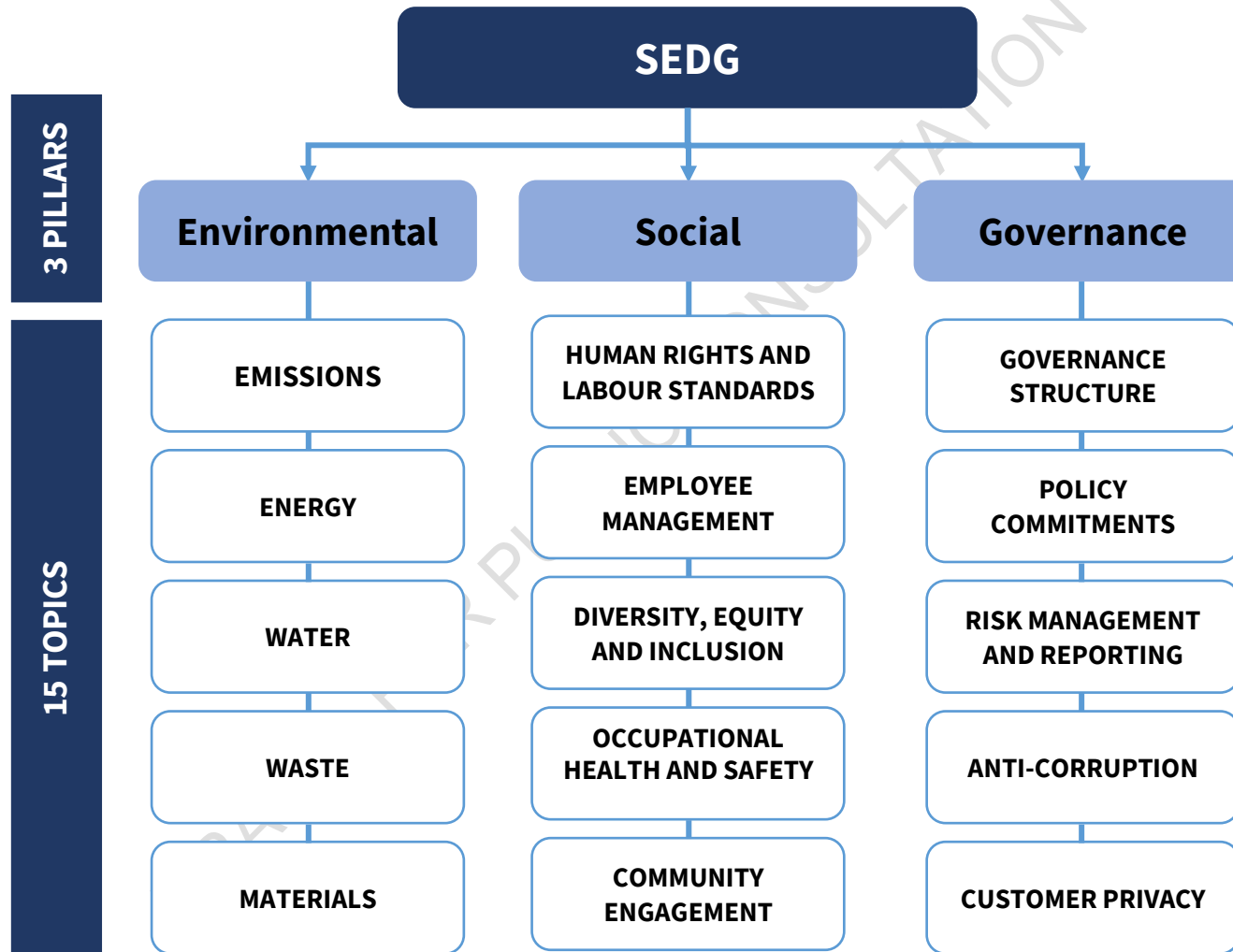
If you have adopted Sustainability for **3-5 years**, check the **Basic, Intermediate and Advanced** disclosures.

*If you are able to respond to all the disclosures in this Guide, do refer to the Reference Standards for more details to include, and do explore more disclosures that are relevant to your business for an even better portrayal of your company's Sustainability practices.*



## Structure of the Disclosures

This is a full map of the hierarchy of the SEDG. It represents the most commonly referenced topics in ESG disclosures and provides a simplified view of the company's ESG standing.





## Full Map of The Disclosures – Environmental Pillar

This section summarises the full map of SEDG Disclosures for the Environmental Pillar.

	Basic	Intermediate	Advanced
<b>SEDG-E1 :</b> Emissions	<input type="checkbox"/> <b>SEDG-E1.1</b> : Report total Scope 1 (direct) GHG emissions in metric tons of CO2 equivalent <input type="checkbox"/> <b>SEDG-E1.2</b> : Report total Scope 2 (indirect) GHG emissions in metric tons of CO2 equivalent	<input type="checkbox"/> <b>SEDG-E1.3</b> : Report total Scope 1 and 2 GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent	<input type="checkbox"/> <b>SEDG-E1.4</b> : Report total Scope 3 (other indirect) GHG emissions in metric tons of CO2 equivalent <input type="checkbox"/> <b>SEDG-E1.5</b> : Report total Scope 3 GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent
<b>SEDG-E2 :</b> Energy	<input type="checkbox"/> <b>SEDG-E2.1</b> : Report the consumption of the following in joules or watt hours: <ul style="list-style-type: none"> <li>• Non-renewable fuel sources</li> <li>• Renewable fuel sources</li> <li>• Electricity</li> <li>• Heating (if applicable)</li> <li>• Cooling (if applicable)</li> <li>• Steam (if applicable)</li> </ul>	<input type="checkbox"/> <b>SEDG-E2.2</b> : Report the reduction in consumption of the following (achieved as a direct result of conservation and efficiency initiatives) in joules: <ul style="list-style-type: none"> <li>• Non-renewable fuel sources</li> <li>• Electricity</li> <li>• Heating (if applicable)</li> <li>• Cooling (if applicable)</li> <li>• Steam (if applicable)</li> </ul>	
<b>SEDG-E3 :</b> Water	<input type="checkbox"/> <b>SEDG-E3.1</b> : Report the total water withdrawn/consumed from all areas, and a breakdown of this total by type in megalitres: <ul style="list-style-type: none"> <li>• Purchased water (e.g., Air Selangor)</li> <li>• Surface water (if applicable)</li> <li>• Groundwater (if applicable)</li> <li>• Seawater (if applicable)</li> <li>• Produced water (if applicable)</li> </ul>		

<p><b>SEDG-E4 :</b> Waste</p>	<p><input type="checkbox"/> <b>SEDG-E4.1</b> : Report total waste in metric tons:</p> <ul style="list-style-type: none"> <li>• Generated</li> <li>• Diverted from disposal</li> <li>• Directed to disposal</li> </ul>	<p><input type="checkbox"/> <b>SEDG-E4.2</b> : Report total waste generated, diverted from, and directed to each broken down into metric tons of:</p> <ul style="list-style-type: none"> <li>• Hazardous and Non-Hazardous waste</li> <li>• Sector specific waste streams</li> <li>• Material composition</li> </ul>	<p><input type="checkbox"/> <b>SEDG-E4.3</b> : Report total hazardous and non-hazardous waste diverted from disposal broken down into the following recovery streams in metric tons:</p> <ul style="list-style-type: none"> <li>• Preparation for Reuse</li> <li>• Recycling</li> <li>• Other Recovery Options</li> </ul> <p><input type="checkbox"/> <b>SEDG-E4.4</b> : Report total hazardous and non-hazardous waste directed to disposal broken down into the following disposal streams in metric tons:</p> <ul style="list-style-type: none"> <li>• Incineration (with energy recovery)</li> <li>• Incineration (without energy recovery)</li> <li>• Landfilling</li> <li>• Other Disposal Options</li> </ul>
<p><b>SEDG-E5 :</b> Materials</p>	<p><input type="checkbox"/> <b>SEDG-E5.1</b> : List the materials used to produce and package the company's primary products and services and report the total weights in metric tons.</p>	<p><input type="checkbox"/> <b>SEDG-E5.2</b> : Report the percentage of recycled input materials used to manufacture the company's primary products and services.</p>	

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## Full Map of The Disclosures – Social Pillar

This section summarises the full map of SEDG Disclosures for the Social pillar.

	Basic	Intermediate	Advanced
<b>SEDG-S1 :</b> Human Rights and Labour Practices	<input type="checkbox"/> <b>SEDG-S1.1 :</b> Report the number and nature of child labour and forced labour incidents	<input type="checkbox"/> <b>SEDG-S1.2 :</b> List the operations and suppliers considered to have significant risk for incidents of child labour and forced labour, including: <ul style="list-style-type: none"> <li>• Type of operation or supplier</li> <li>• Geographic areas at risk</li> </ul>	
<b>SEDG-S2 :</b> Employee Management	<input type="checkbox"/> <b>SEDG-S2.1 :</b> Report the average hours of training per employee	<input type="checkbox"/> <b>SEDG-S2.2 :</b> Report the total employee turnover rate	
<b>SEDG-S3 :</b> Diversity, Equity and Inclusion	<input type="checkbox"/> <b>SEDG-S3.1 :</b> Report the percentage of the company's employees by: <ul style="list-style-type: none"> <li>• Gender</li> <li>• Age</li> </ul>	<input type="checkbox"/> <b>SEDG-S3.2 :</b> Report the percentage of the company's board by: <ul style="list-style-type: none"> <li>• Gender</li> <li>• Age</li> </ul>	
<b>SEDG-S4 :</b> Occupational Health and Safety	<input type="checkbox"/> <b>SEDG-S4.1 :</b> Report the number of fatalities and injuries in the company	<input type="checkbox"/> <b>SEDG-S4.2 :</b> Report the percentage of employees trained on health and safety standards	
<b>SEDG-S5 :</b> Community Engagement	<input type="checkbox"/> <b>SEDG-S5.1 :</b> Report the total amount of community investments and donations		<input type="checkbox"/> <b>SEDG-S5.2 :</b> List the company's operations with negative impact on local communities

## Full Map of The Disclosures – Governance Pillar

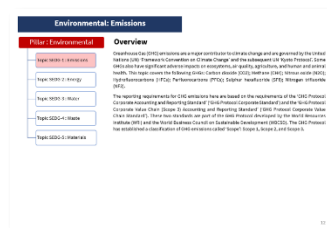
This section summarises the full map of SEDG Disclosures for the Governance pillar.

	Basic	Intermediate	Advanced
<b>SEDG-G1 :</b> Governance Structure	<input type="checkbox"/> <b>SEDG-G1.1 :</b> Report the number of board of directors in the company	<input type="checkbox"/> <b>SEDG-G1.2 :</b> List the governance structure of the board, including committees of the board, if applicable	
<b>SEDG-G2 :</b> Policy Commitments	<input type="checkbox"/> <b>SEDG-G2.1 :</b> List the company's policies for responsible business conduct, including but not limited to: <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Anti-Corruption Policy</li> <li>• Health and Safety Policy</li> </ul>	<input type="checkbox"/> <b>SEDG-G2.2 :</b> List the company's policies for responsible business conduct, including but not limited to: <ul style="list-style-type: none"> <li>• Whistleblowing Policy</li> <li>• Sustainability Policy</li> </ul>	
<b>SEDG-G3 :</b> Risk Management and Reporting	<input type="checkbox"/> <b>SEDG-G3.1 :</b> Report the year of the last submitted audited financial report	<input type="checkbox"/> <b>SEDG-G3.2 :</b> List the risk of company operations and activities, including but not limited to: <ul style="list-style-type: none"> <li>• Regulatory compliance risk</li> <li>• Business continuity risk</li> </ul>	<input type="checkbox"/> <b>SEDG-G3.3 :</b> List the sustainability risks of company if applicable, including but not limited to: <ul style="list-style-type: none"> <li>• Climate-related physical risk</li> <li>• Climate-related transition risk</li> </ul>
<b>SEDG-G4 :</b> Anti-Corruption	<input type="checkbox"/> <b>SEDG-G4.1 :</b> Report the total number and nature of confirmed incidents of corruption	<input type="checkbox"/> <b>SEDG-G4.2 :</b> Report the total number and percentage of employees that have received training on the company's anti-bribery and anti-corruption policy	<input type="checkbox"/> <b>SEDG-G4.3 :</b> List the significant risks related to corruption
<b>SEDG-G5 :</b> Customer Privacy			<input type="checkbox"/> <b>SEDG-G5.1 :</b> Report the total number and nature of substantiated complaints received concerning breaches of customer privacy and loss of customer data

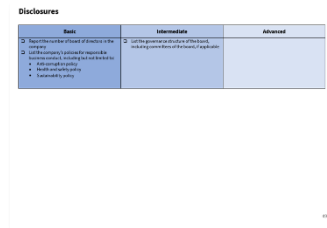
## Details of the Disclosures

### DETAILS OF THE DISCLOSURES

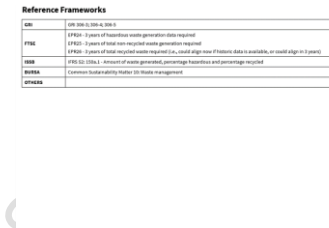
For each disclosure within the topics, details are provided in the following structure:



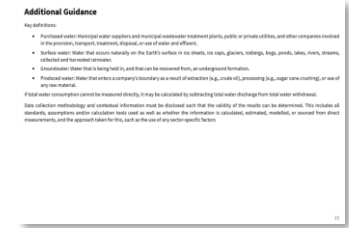
OVERVIEW



DISCLOSURES



REFERENCE  
STANDARDS



ADDITIONAL  
GUIDANCE

### OVERVIEW

Provides an overview of the topic and its applicability in data collection, tracking and reporting

### DISCLOSURES

Provides the metrics needed to track progression in each topic

### REFERENCE STANDARDS

Identifies all the disclosures in selected standards that correlate with identified disclosures

### ADDITIONAL GUIDANCE

Provides additional information to further guide on the requirements of the disclosure

## Environmental: Emissions

### Pillar : Environmental

**Topic SEDG-E1 : Emissions**

**Topic SEDG-E2 : Energy**

**Topic SEDG-E3 : Water**

**Topic SEDG-E4 : Waste**

**Topic SEDG-E5 : Materials**

### Overview

Greenhouse Gas (GHG) emissions are a major contributor to climate change and are governed by the United Nations (UN) 'Framework Convention on Climate Change' and the subsequent UN 'Kyoto Protocol'. Some GHGs also have significant adverse impacts on ecosystems, air quality, agriculture, and human and animal health. This topic covers the following GHGs: Carbon dioxide (CO<sub>2</sub>); Methane (CH<sub>4</sub>); Nitrous oxide (N<sub>2</sub>O); Hydrofluorocarbons (HFCs); Perfluorocarbons (PFCs); Sulphur hexafluoride (SF<sub>6</sub>); Nitrogen trifluoride (NF<sub>3</sub>).

The reporting requirements for GHG emissions here are based on the requirements of the 'GHG Protocol Corporate Accounting and Reporting Standard' ('GHG Protocol Corporate Standard') and the 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' ('GHG Protocol Corporate Value Chain Standard'). These two standards are part of the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD). The GHG Protocol has established a classification of GHG emissions called 'Scope': Scope 1, Scope 2, and Scope 3.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-E1.1</b> : Report total Scope 1 (direct) GHG emissions in metric tons of CO <sub>2</sub> equivalent <input type="checkbox"/> <b>SEDG-E1.2</b> : Report total Scope 2 (indirect) GHG emissions in metric tons of CO <sub>2</sub> equivalent	<input type="checkbox"/> <b>SEDG-E1.3</b> : Report total Scope 1 and 2 GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO <sub>2</sub> equivalent	<input type="checkbox"/> <b>SEDG-E1.4</b> : Report total Scope 3 (other indirect) GHG emissions in metric tons of CO <sub>2</sub> equivalent <input type="checkbox"/> <b>SEDG-E1.5</b> : Report total Scope 3 GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO <sub>2</sub> equivalent

## Reference Standards

<b>GRI</b>	GRI 305-1; 305-2; 305-3
<b>FTSE</b>	ECC14 – Requires disclosure of 3 years of total operational Scope 1 and 2 GHG emissions ECC49 – Requires disclosure of 3 years of Scope 3 GHG emissions split by category ECC38 – Requires disclosure of short term (up to 5 years) quantitative targets to reduce GHG emissions ECC39 – Requires disclosure of long term (more than 5 years) quantitative targets to reduce GHG emissions ECC77 – Requires disclosure of a decarbonisation strategy to meet its long, medium and short term GHG reduction targets
<b>ISSB</b>	IFRS S2: Climate-related metrics – includes disclosure of Scope 1,2 and 3 GHG emissions as well as detailed guidance
<b>BURSA</b>	Common Sustainability Matter 11: Emissions management. Scope 3 at least for business travel and employee commuting
<b>OTHERS</b>	GHG Protocol



## Additional Guidance

Direct (Scope 1) GHG emissions can come from the following sources owned or controlled by a company:

- Generation of electricity, heating, cooling, and steam: these emissions result from combustion of fuels in stationary sources, such as boilers, furnaces, and turbines – and from other combustion processes such as flaring
- Physical or chemical processing: most of these emissions result from the manufacturing or processing of chemicals and materials, such as cement, steel, aluminium, ammonia, and waste processing
- Transportation of materials, products, waste, workers, and passengers: these emissions result from the combustion of fuels in mobile combustion sources owned or controlled by the company, such as trucks, trains, ships, airplanes, buses, and cars.
- Fugitive emissions: these are emissions that are not physically controlled but result from intentional or unintentional releases of GHGs. These can include equipment leaks from joints, seals, packing, and gaskets; methane emissions (e.g., from coal mines) and venting.
- HFC emissions from refrigeration and air conditioning equipment; and methane leakages (e.g., from gas transport).

Scope 1 emissions may be calculated by multiplying the consumption of a specific fuel with the corresponding emission factor. Malaysia specific emission factors are available from the ministry in charge of climate change - Ministry of Natural Resources, Energy and Climate Change (NRECC). For a comprehensive methodology for calculating Scope 1 emissions, please refer to the 'GHG Protocol Scope 1 Guidance' document.

Energy indirect (Scope 2) GHG emissions include, but are not limited to, the CO<sub>2</sub> emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by a company. For many companies, the energy indirect (Scope 2) GHG emissions that result from the generation of purchased electricity can be much greater than their direct (Scope 1) GHG emissions. The 'GHG Protocol Scope 2 Guidance' requires companies to provide two distinct Scope 2 values:

- Location based method: Reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data. e.g., grid average emission factor for transmission grid operated by Tenaga Nasional Berhad (TNB) in Peninsula Malaysia, Sarawak Energy Berhad in Sarawak and Sabah Electricity Sdn Bhd (SESB) in Sabah.
- Market-based method: Reflects emissions from electricity that a company has purposefully chosen (e.g., Tenaga Nasional Berhad's Green Energy Tariff).

For a comprehensive methodology for calculating Scope 2 emissions, please refer to the 'GHG Protocol Scope 2 Guidance' document.

## Environmental: Energy

### Pillar : Environmental

Topic SEDG-E1 : Emissions

Topic SEDG-E2 : Energy

Topic SEDG-E3 : Water

Topic SEDG-E4 : Waste

Topic SEDG-E5 : Materials

### Overview

A company can consume energy in various forms, such as fuel, electricity, heating, cooling, or steam. Energy can be self-generated or purchased from external sources and it can come from renewable sources (such as wind, hydro or solar) or from non-renewable sources (such as coal, petroleum, or natural gas). Using energy more efficiently and opting for renewable energy sources is essential for combating climate change and for lowering a company's overall environmental footprint. Energy consumption can also occur throughout the upstream and downstream activities connected with a company's operations. This can include consumers' use of products the company sells and the end-of-life treatment of these products. The disclosures in this topic can provide information about a company's impacts related to energy, and how it manages them.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-E2.1</b> : Report the consumption of the following in joules or watt hours: <ul style="list-style-type: none"> <li>• Non-renewable fuel sources</li> <li>• Renewable fuel sources</li> <li>• Electricity</li> <li>• Heating (if applicable)</li> <li>• Cooling (if applicable)</li> <li>• Steam (if applicable)</li> </ul>	<input type="checkbox"/> <b>SEDG-E2.2</b> : Report the reduction in consumption of the following (achieved as a direct result of conservation and efficiency initiatives) in joules: <ul style="list-style-type: none"> <li>• Non-renewable fuel sources</li> <li>• Electricity</li> <li>• Heating (if applicable)</li> <li>• Cooling (if applicable)</li> <li>• Steam (if applicable)</li> </ul>	

## Reference Standards

<b>GRI</b>	GRI 302-1; 302-4
<b>FTSE</b>	ECC15 - 3 years of total energy consumption data required (i.e., could align now if historic data is available, or could align in 3 years)
<b>ISSB</b>	IFRS S2: 130a.1 - 1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable
<b>BURSA</b>	Common Sustainability Matter 4: Energy management
<b>OTHERS</b>	-

## Additional Guidance

Non-renewable fuel sources are defined as fuel sources that cannot be replenished in a short period. This includes fuel distilled from:

- Petroleum or crude oil (e.g., gasoline, diesel fuel, jet fuel and heating oil)
- Natural gas (compressed natural gas - CNG, and liquefied natural gas – LNG)
- Fuels extracted from natural gas processing and petroleum refining (e.g., butane, propane, and liquefied petroleum gas- LPG)
- Coal
- Nuclear power

Renewable fuel sources are defined as fuel sources capable of being replenished naturally in a short time. This includes:

- Solar
- Wind
- Geothermal
- Hydropower
- Biomass

The total energy consumption within the company = Non-renewable fuel consumed + Renewable 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

The company should avoid the double counting of fuel consumption when reporting self-generated energy consumption, i.e., if the company generates electricity from a fuel source and then consumes it, the energy consumption is counted only once under fuel consumption. The company should only report energy consumed by entities owned or controlled by the company. Where relevant, a breakdown of energy consumption data by business unit, country or type of activity may be useful to aid transparency or compatibility over time.

The reporting company can prioritise disclosing reduction initiatives that were implemented in the reporting period, and that have the potential to contribute significantly to reductions.

Reduction initiatives can include:

- Process redesigns
- Conversions and retrofitting of equipment
- Changes in behaviour
- Operational changes

The company can report reductions in energy consumption by combining energy types, or separately for fuel, electricity, heating, cooling, and steam. The company can also provide a breakdown of reductions in energy consumption by individual initiatives or groups of initiatives.

When compiling this information, company should exclude reductions resulting from reduced production capacity or outsourcing and describe whether energy reduction is estimated, modelled, or sourced from direct measurements. If estimation or modelling is used, the company should disclose the methods used.

Data collection methodology and contextual information must be disclosed such that the validity of the results can be determined. This includes all standards, assumptions and/or calculation tools used as well as whether the information is calculated, estimated, modelled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors. Local conversion factors should be used where possible to consistently convert weight of fuels into multiples of joules. Alternatively, generic global factors may be used.

## Environmental: Water

### Pillar : Environmental

Topic SEDG-E1 : Emissions

Topic SEDG-E2 : Energy

Topic SEDG-E3 : Water

Topic SEDG-E4 : Waste

Topic SEDG-E5 : Materials

### Overview

Access to fresh water is essential for human life and wellbeing and is recognised by the UN as a human right. The Sustainable Development Goals, adopted by the UN as part of the 2030 Agenda for Sustainable Development, include key targets related to sustainable water management under Goal 6: 'Ensure availability and sustainable management of water and sanitation for all'. These targets aim, for example, to achieve universal access to safe and affordable drinking water, improve water quality, and address water scarcity. The amount of water withdrawn and consumed by a company and the quality of its discharges can impact the functioning of the ecosystem in numerous ways. Direct impacts on a catchment can have wider impacts on the quality of life in an area, including social and economic consequences for local communities and indigenous peoples.

Since water is a shared resource, and water-related impacts are localised, companies are increasingly being encouraged to:

- Prioritise action in areas with water stress.
- Understand and respond to local contexts, including local social and environmental impacts.
- Aim to benefit and respect the needs and priorities of all water users in an area.
- Align their approaches and collective actions with other water users and with effective public policy.

Through a comprehensive understanding of its water use, a company can assess the impacts it has on water resources that benefit the ecosystem, other water users, and the company itself. The disclosures in this topic only cover water consumption/withdrawal, since discharge may not be relevant for a majority of SMEs. It is however encouraged for SMEs to go beyond these disclosures if the company withdraws significant amounts of water directly from natural sources or discharges significant amounts of water/effluents.

Act 127 Environmental Quality Act 1974 regulates industrial wastewater treatment and discharge through The Environmental Quality (Industrial Effluent) Regulations 2009.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-E3.1</b> : Report the total water withdrawn/consumed from all areas, and a breakdown of this total by type in megalitres: <ul style="list-style-type: none"> <li>• Purchased water (e.g., Air Selangor)</li> <li>• Surface water (if applicable)</li> <li>• Groundwater (if applicable)</li> <li>• Seawater (if applicable)</li> <li>• Produced water (if applicable)</li> </ul>		

## Reference Standards

<b>GRI</b>	GRI 303-3; 303-5
<b>FTSE</b>	EWT32 - 3 years of total water withdrawal data required (i.e., could align now if historic data is available, or could align in 3 years) EWT13 - Policy or commitment on water use reduction which: <ol style="list-style-type: none"> <li>Addresses the issue</li> <li>Includes commitment to reduce water use or improve efficiency</li> </ol>
<b>ISSB</b>	IFRS S2: 140a.1 - (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress.
<b>BURSA</b>	Common Sustainability Matter 9: Water
<b>OTHERS</b>	-



## Additional Guidance

Key definitions-

- Purchased water: Municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other companies involved in the provision, transport, treatment, disposal, or use of water and effluent.
- Surface water: Water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, streams, collected and harvested rainwater.
- Groundwater: Water that is being held in, and that can be recovered from, an underground formation.
- Produced water: Water that enters a company's boundary as a result of extraction (e.g., crude oil), processing (e.g., sugar cane crushing), or use of any raw material.

If total water consumption cannot be measured directly, it may be calculated by subtracting total water discharge from total water withdrawal.

Data collection methodology and contextual information must be disclosed such that the validity of the results can be determined. This includes all standards, assumptions and/or calculation tools used as well as whether the information is calculated, estimated, modelled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors

## Environmental: Waste

### Pillar : Environmental

Topic SEDG-E1 : Emissions

Topic SEDG-E2 : Energy

Topic SEDG-E3 : Water

Topic SEDG-E4 : Waste

Topic SEDG-E5 : Materials

### Overview

Waste can be generated in the company's own activities, for example, during the production of its products and delivery of services. It can also be generated by entities upstream and downstream in the company's value chain, for example, when suppliers process materials that are later used or procured by the company, or when consumers use the services or discard the products that the company sells to them. Waste can have significant negative impacts on the environment and human health when inadequately managed. These impacts often extend beyond locations where waste is generated and discarded. The resources and materials contained in waste that is incinerated or landfilled are lost to future use, which accelerates their depletion. The UN recognises the role of responsible consumption and production in achieving the Sustainable Development Goals. The targets under Goal 12, in particular, call on companies to implement environmentally sound waste management practices and prevent and reduce waste through reuse and recycling. The disclosures in this topic are designed to help a company better understand and communicate its waste-related impacts, and how it manages these impacts. The disclosure requires information on how the company prevents waste generation and how it manages waste that cannot be prevented, in its own activities and upstream and downstream in its value chain.

Malaysian law doesn't explicitly require companies to disclose their waste data, but rather to comply with responsible disposal methods to avoid pollution and to ensure that a licensed and regulated waste concessionaire must be used. The company should already be compliant with these items, and if not, these items should be of the utmost priority to be resolved. The relevant acts are:

Act 127 Environmental Quality Act 1974

- Part IV – Prohibition and Control of Pollution.
- Part IVA – Control of Scheduled Wastes.

The waste regulations to be complied with from the above are enacted in the Environmental Quality (Scheduled Wastes) Regulations 2005.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-E4.1</b> : Report total waste in metric tons: <ul style="list-style-type: none"> <li>• Generated</li> <li>• Diverted from disposal</li> <li>• Directed to disposal</li> </ul>	<input type="checkbox"/> <b>SEDG-E4.2</b> : Report total waste generated, diverted from, and directed to each broken down into metric tons of: <ul style="list-style-type: none"> <li>• Hazardous and Non-Hazardous waste</li> <li>• Sector specific waste streams</li> <li>• Material composition</li> </ul>	<input type="checkbox"/> <b>SEDG-E4.3</b> : Report total hazardous and non-hazardous waste diverted from disposal broken down into the following recovery streams in metric tons: <ul style="list-style-type: none"> <li>• Preparation for Reuse</li> <li>• Recycling</li> <li>• Other Recovery Options</li> </ul> <input type="checkbox"/> <b>SEDG-E4.4</b> : Report total hazardous and non-hazardous waste directed to disposal broken down into the following disposal streams in metric tons: <ul style="list-style-type: none"> <li>• Incineration (with energy recovery)</li> <li>• Incineration (without energy recovery)</li> <li>• Landfilling</li> <li>• Other Disposal Options</li> </ul>

## Reference Standards

<b>GRI</b>	GRI 306-3; 306-4; 306-5
<b>FTSE</b>	EPR24 - 3 years of hazardous waste generation data required EPR25 - 3 years of total non-recycled waste generation required EPR26 - 3 years of total recycled waste required (i.e., could align now if historic data is available, or could align in 3 years)
<b>ISSB</b>	IFRS S2: 150a.1 - Amount of waste generated, percentage hazardous and percentage recycled
<b>BURSA</b>	Common Sustainability Matter 10: Waste management
<b>OTHERS</b>	-

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## Additional Guidance

The quantity, quality, and type of waste of all (non-effluent) waste generated in the company's own activities to produce goods and services (e.g., during extraction, processing, procurement of materials, product or service design, production, distribution) must be disclosed here. This total must then be broken down as described into different recovery and disposal streams such that all the waste is accounted for. Data collection methodology and contextual information must be disclosed such that the validity of the results can be determined.

Quantity is defined by total weight in metric tons. Type is defined first by hazardous vs non-hazardous waste, then into sector specific waste streams (e.g., tailings for a company in the mining sector, electronic waste for a company in the consumer electronics sector, or food waste for a company in the agriculture or in the hospitality sector), and finally material composition (e.g., biomass, metals, non-metallic minerals, plastics, textiles).

When reporting on waste recycled, the company can specify the type of recycling operations, such as downcycling, upcycling, composting, or anaerobic digestion. Besides preparation for reuse and recycling, the company can report the other types of recovery operations it uses such as repurposing or refurbishment. Note that reductions in waste generation resulting from reduced production capacity are not considered waste prevention. The company may choose in addition to report waste prevented in its value chain.

When it comes to waste sent for disposal, besides incineration and landfilling, the company can specify the other types of disposal operations it uses such as dumping, open burning, or deep well injection. If available, the company may report on the quantity and type of waste generated, diverted from, and directed to disposal onsite and offsite. In the context of this topic, 'onsite' means within the physical boundary or administrative control of the reporting company, and 'offsite' means outside the physical boundary or administrative control of the reporting company. The company may also separately report waste directed to disposal upstream and downstream in its value chain if this is available and relevant. These additionalities display the extent to which the company knows how its waste is managed.

In terms of contextual information, the company can explain the reasons for:

- The difference between the weight of waste generated and the weight of waste directed to recovery or disposal. This difference can be a result of precipitation or evaporation, leaks or losses, or other modifications to the waste. In the context of this topic, leaks result from physical or technical failures (e.g., a trail of waste from a waste collection truck), while losses result from inadequate security measures or administrative failures (e.g., theft or lost records). To help understand how the data has been compiled, the company can specify whether the data has been modelled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors, external assurance, or audits of waste-related data.
- The difference between the weights of waste diverted from disposal onsite and offsite (e.g., lack of infrastructure onsite to recover materials from waste). It can also describe sector practices, sector standards, or external regulations that mandate a specific recovery operation. To help understand how the data has been compiled, the company can specify whether the data has been modelled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors, external assurance, or audits of waste-related data.
- The difference between the weights of waste directed to disposal onsite and offsite (e.g., local regulations that prohibit landfilling of specific types of waste). It can also describe sector practices, sector standards, or external regulations that mandate a specific disposal operation. To help understand how the data has been compiled, the company can specify whether the data has been modelled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors, external assurance, or audits of waste-related data.

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## Environmental: Materials

### Pillar : Environmental

**Topic SEDG-E1 : Emissions**

**Topic SEDG-E2 : Energy**

**Topic SEDG-E3 : Water**

**Topic SEDG-E4 : Waste**

**Topic SEDG-E5 : Materials**

### Overview

The inputs used to manufacture and package a company's products and services can be non-renewable materials, such as minerals, metals, oil, gas, or coal; or renewable materials, such as wood or water. Both renewable and non-renewable materials can be composed of virgin or recycled input materials. The type and amounts of materials the company uses can indicate its dependence on natural resources, and the impacts it has on their availability. The company's contribution to resource conservation can be indicated by its approach to recycling, reusing and reclaiming materials, products, and packaging. The disclosures in this topic can provide information about a company's impacts related to materials, and how it manages these impacts.

Procurement as well as responsible sourcing of materials is touched upon in a few material-specific development acts in Malaysian Law (e.g., Act 525 Mineral Development Act 1994; Petroleum Development Act 1974). In this regard, industry/sector specific guidance would be of primary importance, e.g., for the automotive industry: the Guiding Principles (GP) and Practical Guidance (PG) on Responsible Sourcing of Materials by "Drive Sustainability" is much more stringent and detailed than local legislation.



## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-E5.1</b> : List the materials used to produce and package the company's primary products and services and report the total weights in metric tons.	<input type="checkbox"/> <b>SEDG-E5.2</b> : Report the percentage of recycled input materials used to manufacture the company's primary products and services.	

## Reference Standards

<b>GRI</b>	GRI 301-1; 301-2; 301-3
<b>FTSE</b>	EPR11 - 3 years of total metric tons of materials broken down by type required. (i.e., could align now if historic data is available, or could align in 3 years)
<b>ISSB</b>	IFRS S2: 440a.3 - (1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities IFRS S2: 440a.4 - (1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard IFRS S2 - 440b.1 - Top five materials consumed, by weight
<b>BURSA</b>	Common Sustainability Matter 5: Materials
<b>OTHERS</b>	-

## Additional Guidance

In the calculation of total materials used, the following material types should be considered:

- Raw materials - Natural resources used for conversion to products and services, such as ores, minerals and woods.
- Associated process materials – Materials needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery.
- Semi-manufactured goods or parts – All materials and components part of the final product other than raw materials.
- Materials for packaging purposes – Paper, plastics, cardboard, etc.

Recycled input materials are defined as materials that replace virgin materials, which are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the companies.

Percentage of recycled input materials used = (Total recycled input materials used / Total input materials used) x 100

If relevant, the company may also disclose its percentage of reclaimed products and packaging materials for each product category. Reclaimed products are defined as collected, reused, or recycled products and their packaging materials at the end of their useful lives. Collection and treatment of these items can be carried out by the manufacturer or by a contractor and separated into raw materials – glass, paper, etc. Product or service categories are defined as groups of related products or services sharing a common, managed set of features that satisfy the specific needs of a selected market. When collecting the data, reporting company can report recycling and reuse of packaging separately. The reporting company should also exclude rejects and recalls of products.

Percentage of reclaimed products and their packaging materials = (Products and their packaging materials reclaimed within the reporting period) / Products sold within the reporting period) x 100

Data collection methodology and contextual information must be disclosed such that the validity of the results can be determined. The data used must reflect the material in its original state and is not to be presented with further data manipulation, such as reporting it as 'dry weight'. It should also be clear if any data reported is estimated or measured directly, with an explanation of methods used required for the former. If material weight and volume measurements are stated as different units, the company can convert measurements to standardised units.

## Social: Human Rights and Labour Practices

### Pillar : Social

**Topic SEDG-S1 : Human Rights and Labour Practices**

**Topic SEDG-S2 : Employee Management**

**Topic SEDG-S3 : Diversity, Equity and Inclusion**

**Topic SEDG-S4 : Occupational Health and Safety**

**Topic SEDG-S5 : Community Engagement**

### Overview

This topic addresses forced or compulsory labour and child labour. Forced or compulsory labour exists globally in a variety of forms. The most extreme examples are slave labour and bonded labour, but debts can also be used as a means of maintaining workers in a state of forced labour. Indicators of forced labour can also include withholding identity papers, requiring compulsory deposits, and compelling workers, under threat of firing, to work extra hours to which they have not previously agreed. The presence and effective implementation of policies for eliminating all forms of forced or compulsory labour are a basic expectation of responsible business conduct. Companies with multinational operations are required by law in some countries to provide information on their efforts to eradicate forced labour in their supply chains. On the other hand, child labour is work that deprives children of their childhood, potential, dignity and harmful to them both physically or mentally including interfering their education. Child labour does not refer to youth employment or to children working but it refers to a universally recognised human rights abuse. Hence, abolishing child labour is a key principle and objective of major human rights legislations and is a national legislation in most countries.

The International Labour Organization (ILO) Convention 138 “Minimum Age Convention” state the meaning of child labour as follow: -

- The minimum age for hazardous work is 18 years for all countries. Hazardous child labour is defined by Article 3 (d) of ILO Convention 182 ‘Worst Forms of Child Labour Convention’ as ‘work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children.

According to International Labour Organization (ILO) Convention 29 ‘Forced Labour Convention’, forced or compulsory labour defined as follow: -

- All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. Forced and compulsory labour affects all world regions, countries, and economic sectors, and includes workers in both formal and informal employment. The company’s consultative practices with employees are expected to be aligned with relevant international norms and standards.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-S1.1</b> : Report the number and nature of child labour and forced labour incidents	<input type="checkbox"/> <b>SEDG-S1.2</b> : List the operations and suppliers considered to have significant risk for incidents of child labour and forced labour, including: <ul style="list-style-type: none"> <li>• Type of operation or supplier</li> <li>• Geographic areas at risk</li> </ul>	

## Reference Standards

<b>GRI</b>	GRI 408-1; 409-1
<b>FTSE</b>	<p>SLS21 - In relation to instances of labour standards non-compliance, the company:</p> <ul style="list-style-type: none"> <li>a. Discloses the number of incidents</li> </ul> <p>SLS01 - In relation to the prevention of child labour, company:</p> <ul style="list-style-type: none"> <li>a. Addresses the issue/states it complies with local laws in general disclosures</li> <li>b. Publishes a Policy/Principles/Code</li> </ul> <p>SLS14 - Company has taken action to address labour issues including:</p> <ul style="list-style-type: none"> <li>a. Prevention of child labour</li> <li>b. Prevention of forced labour</li> <li>d. Reduction of excessive working hours</li> </ul>
<b>ISSB</b>	<p>IFRS S2 430a.1, 430a.2 (Para 1.1-Pg 167, 204, 215)</p> <p>IFRS S2 430a.1(Para 1.2-Pg 177)</p>
<b>BURSA</b>	Common Sustainability Matter C6 (d) - Number of substantiated complaints concerning human rights violations
<b>OTHERS</b>	<p>Children and Young Persons (Employment) Act 1966 (Act 350)</p> <p>Employment Act 1955 Amendment of Section 60A: 20. New Part XIIc: 60P</p>

## Additional Guidance

When reporting the measures taken, the company can refer to the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy' and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises for further guidance. This can reflect the reporting company's approach to risk assessment on this issue.

Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour either in terms of:

- i. Type of operation (such as manufacturing plant) and supplier.
- ii. Countries or geographic areas with operations and suppliers considered at risk.

Forced or compulsory labour exists globally in a variety of forms. The most extreme examples are slave labour and bonded labour, but debts can also be used as a means of maintaining workers in a state of forced labour. Indicators of forced labour can also include withholding identity papers, requiring compulsory deposits, and compelling workers, under threat of firing, to work extra hours to which they have not previously agreed.

When compiling data for this indicator, companies should provide the number of substantiated complaints i. concerning human rights ii. violations as at the end of the reporting period.

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.

Human rights refer to rights inherent to all human beings, which include, at a minimum, the rights set out in the UN International Bill of Human Rights and the principles concerning fundamental rights set out in the ILO Declaration on Fundamental Principles and Rights at Work.

Operations and suppliers considered to have significant risk for incidents of:

- i. Child labour;
- ii. Young workers exposed to hazardous work.

Operations and suppliers considered to have significant risk for incidents of child labour either in terms of:

- i. Type of operation (such as manufacturing plant) and supplier.
- ii. Countries or geographic areas with operations and suppliers considered at risk.

## Social: Employee Management

### Pillar : Social

**Topic SEDG-S1 : Human Rights and Labour Practices**

**Topic SEDG-S2 : Employee Management**

**Topic SEDG-S3 : Diversity, Equity and Inclusion**

**Topic SEDG-S4 : Occupational Health and Safety**

**Topic SEDG-S5 : Community Engagement**

### Overview

This topic aims to determine the scale of a company's investment training and the degree to which the investment is made across the entire employee base. Training does not include on-site coaching by supervisors. This will also contribute to personal development of individual employees, skills management, and the development of human capital within the company. It demonstrates the extent of the system applied and whether there is inequity of access to these opportunities. Training can enhance employee satisfaction and retention which correlates with improved company's performance.

Training refers to: -

- 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.
- Training on specific topics.



An employment relationship is a legal relationship between a worker and a company that confers rights and obligations to both parties. This relationship is determined by the employment law and commercial law where is applicable. The Malaysia employment act and written law specified in the order to be applicable to any person or class of persons employed, engaged, or contracted with to carry out work in any occupations such as agricultural or industrial, construction work, statutory body, local government authority, trade, business, or place of work, and upon the coming into force of such order: -

- Any person or class of persons specified in the order shall be deemed to be an employee or employees;
- The person, statutory body or local government authority employing, engaging, or contracting with every such person or class of persons shall be deemed to be an employer;
- Employer and employee shall be deemed to have entered into a contract of service with one another;
- The place where such employee carries on work for his employer shall be deemed to be a place of employment; and
- The remuneration of such employee shall be deemed to be wages

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-S2.1</b> : Report the average hours of training per employee	<input type="checkbox"/> <b>SEDG-S2.2</b> : Report the total employee turnover rate	

## Reference Standards

<b>GRI</b>	GRI 401-1; 404-1; 404-2; 404-3
<b>FTSE</b>	<p>SLS24 - Full time staff voluntary turnover rates</p> <p>SLS29 - Employee personal development training to enhance abilities to individual skills: -</p> <ol style="list-style-type: none"> <li>Policy of commitment statement to provide employee personal development training</li> <li>Detailed description of the personal development training that is provided</li> </ol> <p>SLS26 - Amount of time spent on employee development training to enhance knowledge or individual skills</p> <ol style="list-style-type: none"> <li>Total hours as a company, or</li> <li>Average hours per employee</li> </ol>
<b>ISSB</b>	IFRS S2 000.B, 000.C, 000.A, 000.E - Number of employees (for e.g., contractors, truck drivers, shipboard employees)
<b>BURSA</b>	<p>Common Sustainability Matter C6 (a) - Total hours of training by employee category</p> <p>Common Sustainability Matter C6 (c) - Total number of employee turnover by employee category</p>
<b>OTHERS</b>	<p>Employment Act 1955 Part XII A: 60J (1)</p> <p>Skills Development Fund Act 2004 Part VIII: Subsection: 54 (1)</p>

## Additional Guidance

The company can refer the following age groups:

- Under 30 years old
- 30 – 50 years old
- Over 50 years old

Employee turnover

- Employee turnover refers to employees who leave the company voluntarily or due to dismissal, retirement, or death in service.
- An employee is defined as an individual who is in an employment relationship with the company, according to national law or its application.
- Employee category refers to the breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production).

Provide information on the company's investment in training and coverage across the entire employee base.

Average training hours per employee

Total number of training hours provided to employees

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Total number of employees

Employee training programs aim to upgrade skills include: -

- Internal training courses.
- Funding support for external training or education.
- The provision of sabbatical periods with guaranteed return to employment.

Transition assistance programs provided to support employees who are retiring or who have been terminated can include: -

- Pre-retirement planning for intended retirees.
- Retraining for those intending to continue working.
- Severance pay, which can take into account employee age and years of service.
- Job placement services.
- Assistance (such as training, counselling) on transitioning to a non-working life.

When compiling the information, the company should use the data on the total number of employees and determine by employee category. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

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## Social: Diversity, Equity and Inclusion

### Pillar : Social

**Topic SEDG-S1 : Human Rights and Labour Practices**

**Topic SEDG-S2 : Employee Management**

**Topic SEDG-S3 : Diversity, Equity and Inclusion**

**Topic SEDG-S4 : Occupational Health and Safety**

**Topic SEDG-S5 : Community Engagement**

### Overview

This topic addresses the company's approach to diversity and equal opportunity at work. This will provide 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. Information reported in this topic also helps in assessing which issues can be of particular relevance to certain segments of the governance bodies or employees. When a company actively promotes diversity and equality at work it can generate significant benefits for both the company and workers. By doing so, the company can gain access to a larger talent pool, a diverse set of potential workers, break down barriers and improve creativity within the company. These benefits are able to flow through to society, as greater equality promotes social stability and support further economic growth.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-S3.1</b> : Report the percentage of the company's employees by: <ul style="list-style-type: none"> <li>• Gender</li> <li>• Age</li> </ul>	<input type="checkbox"/> <b>SEDG-S3.2</b> : Report the percentage of the company's board by: <ul style="list-style-type: none"> <li>• Gender</li> <li>• Age</li> </ul>	

## Reference Standards

<b>GRI</b>	GRI 405-1
<b>FTSE</b>	GCG05 – Number of women on the board GCG06 – Commitment to gender diversity on the board <ul style="list-style-type: none"> <li>a. Statement of support</li> <li>b. Targets in place to improve gender ratio</li> </ul> SLS16 – Companies have taken action to improve workforce diversity, equal opportunities, or reduce discrimination, including those based on: <ul style="list-style-type: none"> <li>a. Gender</li> <li>b. Age</li> </ul>
<b>ISSB</b>	-
<b>BURSA</b>	Common Sustainability Matter C3 (a) - Percentage of employees by gender and age group, for each employee category
<b>MCCG</b>	5.9 - The board comprises at least 30% women directors 5.10 - The board discloses in its annual report the company's policy on gender diversity for the board and senior management

<b>MCII</b>	<p>The board of investee companies should comprise at least 30% women directors</p> <ul style="list-style-type: none"> <li>• Keep reference to GCG06 as well</li> <li>• (Incidents and status of incidents disclosures removed)</li> </ul>
<b>OTHERS</b>	-

## Additional Guidance

The company should identify the total number of employees. Examples of governance bodies that exist within a company can be the board of directors, management committee, or a similar body for a non-corporate company.

A company can identify any other indicators of diversity used in its own monitoring and recording that are relevant for reporting. The company can describe the composition of the highest governance body and its committees by additional indicators of diversity (age, ancestry and ethnic origin, citizenship, creed, disability, or any other indicators of diversity that are relevant for reporting).

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## Social: Occupational Health and Safety

### Pillar : Social

**Topic SEDG-S1 : Human Rights and Labour Practices**

**Topic SEDG-S2 : Employee Management**

**Topic SEDG-S3 : Diversity, Equity and Inclusion**

**Topic SEDG-S4 : Occupational Health and Safety**

**Topic SEDG-S5 : Community Engagement**

### Overview

Healthy and safe work conditions involve both prevention of physical and mental harm, and promotion of workers' health. Health and safety work conditions are recognised as a human right and addressed in authoritative intergovernmental instruments, including ILO, OECD, World Health Organization (WHO) and a target of the Sustainable Development Goals adopted by the UN.

This topic covers work-related hazards, ill health, and injuries as part of the 'number and rate of recordable work-related injuries.' It is also required to separately report high-consequence work-related injuries such as fatalities, other injuries which the worker cannot recover or is not expected to recover fully to pre-injury health status within 6 months. Recovery time is used to indicate that time needed for a worker to recover fully to pre-injury health status – it does not refer to time needed for a worker to return to work (for e.g., a worker might return to work before full recovery). It also covers both short-latency and long-latency work-related ill health. Latency refers to the period between exposure and the onset of ill health. The company is required to report any actions taken or underway to eliminate other work-related hazards and minimise risks.

Therefore, it is essential that workers are consulted in the development of an organisation's occupational health and safety policy, and participate in the processes necessary to plan, support, operate, and continually evaluate the effectiveness of the occupational health and safety programs. Hazard identification and risk assessment, worker training, and incident identification and investigation are also key to planning, supporting, operating, and evaluating the occupational health and safety management system.



## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-S4.1</b> : Report the number of fatalities and injuries in the company	<input type="checkbox"/> <b>SEDG-S4.2</b> : Report the percentage of employees trained on health and safety standards	

## Reference Standards

<b>GRI</b>	GRI 403-9; 403-10
<b>FTSE</b>	SHS13 - Number of staff trained on health and safety standards within the last year SHS37 - In case of accidents or incidents leading to injuries or fatalities, the company discloses: a. Investigations and findings of reported incidents or that no health & safety incident leading to injuries or fatalities occurred b. Actions following reported incidents or that no health & safety incidents leading to injuries or fatalities occurred
<b>ISSB</b>	IFRS S2 000.D - Total number of hours worked by all employees
<b>BURSA</b>	Common Sustainability Matter C5 (a) - Number of work-related fatalities Common Sustainability Matter C5 (b) - Lost time incident rate (LTIR) Common Sustainability Matter C5 (c) - Number of employees trained on health and safety standards
<b>OTHERS</b>	Occupational safety and health act 1994 Part XI: Section 48

## Additional Guidance

Work related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. They include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (e.g., noise-induced hearing loss, vibration-caused diseases), and mental illnesses (e.g., anxiety, post-traumatic stress disorder). This is not limited to the diseases included in the ILO List of Occupational Diseases.

Numbers and rates reported are significantly higher for certain types of injury, countries, business lines, or workers' demographics (e.g., sex, gender, migrant status, age, or worker type), a breakdown of these data.

Report information how the data have been compiled (for e.g., standards, methodologies and assumptions used). Explain if so, any workers have been excluded by type.

Identify the list of chemical hazards, number of high-potential work-related incidents and number of close calls. A company which has no control over both the work and workplace, still has a responsibility to make efforts, including any leverage it might have, to prevent and mitigate negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships.

When compiling the information, the reporting company shall: -

- Breakdown the number of types of ill health, countries, business lines or workers' demographics.
- A list of identifiable chemical hazards
- Number of employees and workers who are not employees, exposed to each identified hazard.
- Include fatalities from work-related ill health in the calculation of the number of recordable work-related ill health cases.
- Include fatalities from work-related injury in the calculation of the number of recordable work-related injuries.
- Include injuries due to commuting incidents only where the transport has been organised by the company.
- Exclude fatalities in the calculation of the number and rate of high-consequence work-related injuries.
- Calculate the rates based on either 200,000 or 1,000,000 hours worked (refer to guidance).

## Social: Community Engagement

### Pillar : Social

**Topic SEDG-S1 : Human Rights and Labour Practices**

**Topic SEDG-S2 : Employee Management**

**Topic SEDG-S3 : Diversity, Equity and Inclusion**

**Topic SEDG-S4 : Occupational Health and Safety**

**Topic SEDG-S5 : Community Engagement**

### Overview

Local communities are defined as individuals or groups of individuals living or working in areas that are affected or could be affected by the company's activities. The local community can range from those living adjacent to the company's operations to those living at a distance. The company's operations and infrastructure can have significant economic, social, cultural, and environmental impacts on local communities. Companies are expected to anticipate, avoid, and remediate negative impacts on the local communities by establishing timely and effective stakeholder identification and engagement process. This is important to help understand the vulnerability of local communities and how these might be affected by the company's activities.

Where this is not possible, or where residual impacts remain, companies are expected to manage those impacts appropriately, including grievances, and to compensate local communities for negative impacts. Establishing a timely and effective stakeholder identification and engagement process is important to help companies understand the vulnerability of local communities and how these might be affected by the company's activities.

Companies can utilise a number of useful tools to engage communities, including social and human rights impact assessments, which include a diverse set of approaches for proper identification of stakeholders and community characteristics. These can be based on issues such as ethnic background, indigenous descent, gender, age, migrant status, socioeconomic status, literacy levels, disabilities, income level, infrastructure availability or specific human health vulnerabilities which may exist within stakeholder communities.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-S5.1</b> : Report the total amount of community investments and donations		<input type="checkbox"/> <b>SEDG-S5.2</b> : List the company's operations with negative impact on local communities

## Reference Standards

<b>GRI</b>	GRI 413-1
<b>FTSE</b>	SHR17 - Total amount of corporate or group donations/community investments made to registered not-for-profit companies
<b>ISSB</b>	IFRS S2 140a.2, 140a.3, 140a.4 (Para 5.3.5-Pg 33, 157, 190, 203, 211, 253, 315, 354, 383, 394, 417, 428)
<b>BURSA</b>	Common Sustainability Matter C2 (a) - Total amount invested in the community where the target beneficiaries are external to the listed issuer Common Sustainability Matter C2 (b) - Total number of beneficiaries of the investment in communities
<b>OTHERS</b>	Occupational safety and health act 1994 Part XI: Section 48

## Additional Guidance

When compiling the information, the reporting company should identify the total number of operations, if the company has reported its total number of operations when describing its activities.

Community investments are total community investments that 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. Voluntary donations and investment of funds in the broader community where the target beneficiaries are external to the company can include:

- Contributions to charities, NGOs and research institutes (unrelated to the company's commercial research and development);
- Funds to support community infrastructure, such as recreational facilities;
- Direct costs of social programs, including arts and educational events

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. Infrastructure investments driven primarily by core business needs can include, for example, building a road to a mine or a factory. The calculation of investment can include infrastructure built outside the main business activities of the company, such as a school or hospital for workers and their families. This disclosure is focused on significant actual and potential negative impacts related to a company's operations and not on community investments or donations. This disclosure informs stakeholders about a company's awareness of its negative impacts on local communities. It also enables the company to better prioritise and improve.

## Governance: Governance Structure and

### Pillar : Governance

**Topic SEDG-G1 : Governance Structure**

**Topic SEDG-G2 : Policy Commitments**

**Topic SEDG-G3 : Risk Management and Reporting**

**Topic SEDG-G4 : Anti-Corruption**

**Topic SEDG-G5 : Customer Privacy**

### Overview

Governance structure is crucial in directing and managing the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders.

Good and effective corporate governance has wide-ranging influence and impacts to the corporate and real economic sector, including the listed and non-listed companies, which would enhance decision-making, thus lead to better performance in commercial terms.

As such, companies should take into consideration the regulatory guidance such as those prescribed by laws, industry regulators and court judgements. Companies can also consider, where relevant, the adoption of and alignment with local guidelines (such as the MCCG by SC, Corporate Governance Guide by Bursa Malaysia), as well as international codes and best practices on corporate governance, in reporting against governance considerations and indicators.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-G1.1</b> : Report the number of board of directors in the company	<input type="checkbox"/> <b>SEDG-G1.2</b> : List the governance structure of the board, including committees of the board, if applicable	

## Reference Standards

<b>GRI</b>	GRI 2-9; 2-12; 2-14; 2-15
<b>FTSE</b>	GCG03 - Number of Board Directors GCG04 - Number of independent Directors on the board GCG05 - Number of women on the board GCG07 Board addresses: a. Conflicts of interest b. Related party transactions
<b>ISSB</b>	IFRS S1 Governance: (Para 27-Pg 9) IFRS S1 Disclosure of information about sources of guidance: (Para 59-Pg 18) IFRS S2: 410a.2 - Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies IFRS S2: 410a.3 - Description of proxy voting and investee engagement policies and procedures
<b>BURSA</b>	-

<b>MCCG</b>	<p>Principle A: Board Leadership and Effectiveness (Board Responsibilities; Board Composition)</p> <p>3.1 - The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering</p> <p>3.2 - The board establishes, reviews and together with management implements policies and procedures on whistleblowing</p>
<b>PGG</b>	<p>Principle B: Strengthening Board Composition – The composition of the board supports the exercise of objective and independent judgment. Each director on the board and those appointed to management has the character, experience, integrity, competence, and time to discharge their roles and responsibilities effectively</p> <p>1.12 - The board ensures there is a Code of Conduct and Ethics (Code) that is implemented and observed by all officers of the entity. The Code sets out fundamental guidance for the conduct of employees and the need to observe the highest standards of ethical and professional conduct at all times</p> <p>1.25 - The board ensures that an Organisational Anti-Corruption Plan (OACP) is in place</p>
<b>OTHERS</b>	Companies Act 2016, SMEinfo Business Guide (Starting Your Own Business), Part II of the Securities Commission Malaysia Act 1993



## Additional Guidance

The company can describe the composition of the board and its committees by additional indicators of diversity, such as age, ancestry and ethnic origin, citizenship, creed, disability, or any other indicators of diversity that are relevant for reporting.

The company can list the committees of the board that are responsible for decision-making on and overseeing the management of the company's impacts on the economy, environment, and people. If the board is not responsible for reviewing and approving the reported information, including the company's material topics, explain the reason for this.

The company can describe the role of the board and of senior executives in developing and managing the company's strategies, policies, and processes related to sustainability. Furthermore, the company can consider describing the role and process of the board in reviewing and approving the reported information, including the company's material topics.

The company can describe the frequency of engagement between the board and stakeholders as well as the means of engagement. If stakeholder engagement is delegated, the company can report to whom it is delegated and how the feedback received is provided to the board.

The company can report whether the board has established a sustainability reporting committee to support the board's review and approval process. The company can also report whether the board reviews the adequacy of the company's internal controls to strengthen the integrity and credibility of the company's sustainability reporting.

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## Governance: Policy Commitments

### Pillar : Governance

**Topic SEDG-G1 : Governance Structure**

**Topic SEDG-G2 : Policy Commitments**

**Topic SEDG-G3 : Anti-Corruption**

**Topic SEDG-G4 : Risk Management and Reporting**

**Topic SEDG-G5 : Customer Privacy**

### Overview

Companies' policy, processes and commitments – represent guidelines, rules and procedures that govern the behaviour and decision-making of the company's stakeholders, ensuring that the company operates in an ethical and responsible manner, and that it upholds its legal and regulatory obligations.

Clear policy commitments, supplemented by relevant internal processes and guidance for stakeholders, demonstrate the determination of the companies in implementing responsible business conduct throughout the organisation and supply chain, thus ensuring that companies are not engaged in unethical behaviour or illegal activities.

As such, in formulating its policy commitments vis-à-vis business conduct, companies should take into consideration the regulatory guidance such as those prescribed by laws, industry regulators and court judgements. Companies can also consider, where relevant, the adoption of and alignment with local guidelines (such as the MCCG by SC, Corporate Governance Guide by Bursa Malaysia), as well as international codes and best practices on corporate governance, in reporting against governance considerations and indicators.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-G2.1</b> : List the company's policies for responsible business conduct, including but not limited to: <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Anti-Corruption Policy</li> <li>• Health and Safety Policy</li> </ul>	<input type="checkbox"/> <b>SEDG-G2.2</b> : List the company's policies for responsible business conduct, including but not limited to: <ul style="list-style-type: none"> <li>• Whistleblowing Policy</li> <li>• Sustainability Policy</li> </ul>	

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## Reference Standards

<b>GRI</b>	GRI 2-23; 2-24
<b>FTSE</b>	<p>GRM05 Board specifically oversees:</p> <ul style="list-style-type: none"> <li>a. Code of Conduct, Code of Ethics or equivalent</li> <li>b. ESG risks</li> </ul> <p>GRM07 The company's Codes/charters/policy documents or equivalent:</p> <ul style="list-style-type: none"> <li>a. Describe the company's risk management framework</li> <li>b. This risk management framework specifically covers ESG risk</li> </ul> <p>GRM08 The company has a corporate-wide approach to non-compliance including:</p> <ul style="list-style-type: none"> <li>a. Procedures to investigate and follow up on any non-compliance identified</li> <li>b. Reporting the number of substantiated claims or incidents of non-compliance</li> </ul> <p>GRM12 The company:</p> <ul style="list-style-type: none"> <li>a. Reviews compliance with its Code of Conduct/Code of Ethics and identifies any non-compliance</li> <li>b. Periodically reviews the effectiveness of its Code of Conduct/Code of Ethics</li> </ul> <p>GAC05 Confidential or anonymous whistle-blowing mechanism for staff covers:</p> <ul style="list-style-type: none"> <li>a. Elements/types of corruption including bribery</li> <li>b. Anti-corruption comprehensively</li> </ul> <p>SLS30 The company addresses bullying and/or harassment:</p> <ul style="list-style-type: none"> <li>a. Providing a confidential reporting channel or whistleblowing system</li> <li>b. Manager training on handling of reports or instances of bullying or harassment</li> </ul>
<b>ISSB</b>	<p>IFRS S1 Governance: (Para 27-Pg 9)</p> <p>IFRS S1 Disclosure of information about sources of guidance: (Para 59-Pg 18)</p> <p>IFRS S2: 410a.2 - Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies</p> <p>IFRS S2: 410a.3 - Description of proxy voting and investee engagement policies and procedures</p>

<b>BURSA</b>	-
<b>MCCG</b>	<p>Principle A: Board Leadership and Effectiveness (Board Responsibilities; Board Composition)</p> <p>3.1 - The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering</p> <p>3.2 - The board establishes, reviews and together with management implements policies and procedures on whistleblowing</p>
<b>PGG</b>	<p>Principle B: Strengthening Board Composition – The composition of the board supports the exercise of objective and independent judgment. Each director on the board and those appointed to management has the character, experience, integrity, competence, and time to discharge their roles and responsibilities effectively</p> <p>1.12 - The board ensures there is a Code of Conduct and Ethics (Code) that is implemented and observed by all officers of the entity. The Code sets out fundamental guidance for the conduct of employees and the need to observe the highest standards of ethical and professional conduct at all times</p> <p>1.25 - The board ensures that an Organisational Anti-Corruption Plan (OACP) is in place</p>
<b>OTHERS</b>	Companies Act 2016, SMEinfo Business Guide (Starting Your Own Business), Part II of the Securities Commission Malaysia Act 1993

## Additional Guidance

The company should report the expectations, values, principles, and norms of behaviour set out in the policy commitments. The company can also report how the policy commitments were developed, including the internal and external expertise that informed the policy commitments.

The company should describe its policy commitments for responsible business conduct, including and in alignment with MCGG, Bursa Malaysia listing and sustainability reporting requirements, code of conduct and ethics, whistleblowing mechanism, and sustainability policy, where relevant.

The company can report the level at which each of the policy commitments was approved within the company, including whether this is the most senior level, and explain the extent to which the policy commitments apply to the company's activities and to its business relationships.

Categories of stakeholders that the company gives particular attention to, can include consumers, customers, employees and other workers, and local communities. They can also include individuals belonging to groups or populations that are considered to be at risk or vulnerable groups, such as children; human rights defenders; indigenous peoples; migrant workers and their families; national or ethnic, religious and linguistic minorities; persons who might be discriminated against based on their gender or persons with disabilities.

When describing its policy commitment to respect human rights, including:

- a. The internationally recognised human rights that the commitment covers;
- b. The categories of stakeholders, including at-risk or vulnerable groups, that the company gives particular attention to in the commitment.

The company should provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this.

The company can describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including but not limited to:

- a. How it allocates responsibility to implement the commitments across different levels within the company;
- b. How it integrates the commitments into company strategies, operational policies, and operational procedures;
- c. How it implements its commitments with and through its business relationships; and
- d. Training that the company provides on implementing the commitments.

## Governance: Risk Management and Reporting

### Pillar : Governance

**Topic SEDG-G1 : Governance Structure**

**Topic SEDG-G2 : Policy Commitments**

**Topic SEDG-G3 : Risk Management and Reporting**

**Topic SEDG-G4 : Anti-Corruption**

**Topic SEDG-G5 : Customer Privacy**

### Overview

Malaysia has observed improvements and progress across various indicators of, audit and risk management, alongside commendable integrity in corporate reporting, attributed to the rigorous and robust regulatory framework by the policymakers and industry stakeholders in championing the risk management cause.

As regulators continue the efforts to encourage companies to provide decision-useful information in their disclosures, and steadfast in adopting best practices, including the sphere of risk management, companies should ensure effective mitigation and management of potential and current risk, including relevant sustainability risks, to remain agile and resilient to the emerging issues and considerations, vis-à-vis respective businesses and industry.

As such, companies should take into consideration regulatory guidance such as those prescribed by laws (e.g., Company Act), industry regulators and court judgements. Companies can also consider, where relevant, the adoption of and alignment with local guidelines (such as the MCCG by SC, Statement on Risk Management & Internal Control by Bursa Malaysia), as well as international codes and best practices on risk management and internal assurance purposes, in reporting against risk management considerations and indicators.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-G3.1</b> : Report the year of the last submitted audited financial report	<input type="checkbox"/> <b>SEDG-G3.2</b> : List the risks of company operations and activities, including but not limited to: <ul style="list-style-type: none"> <li>• Regulatory compliance risk</li> <li>• Business continuity risk</li> </ul>	<input type="checkbox"/> <b>SEDG-G3.3</b> : List the sustainability risks of company if applicable, including but not limited to: <ul style="list-style-type: none"> <li>• Climate-related physical risk</li> <li>• Climate-related transition risk</li> </ul>

## Reference Standards

GRI	GRI 2-2; 2-3; 2-5; 2-14; 2-24
<b>FTSE</b>	<p>GRM05 - Board specifically oversees:</p> <ol style="list-style-type: none"> <li>Code of Conduct, Code of Ethics or equivalent</li> <li>ESG risks</li> </ol> <p>GRM07 - The company's Codes/charters/policy documents or equivalent:</p> <ol style="list-style-type: none"> <li>Describe the company's risk management framework</li> <li>This risk management framework specifically covers ESG risk</li> </ol> <p>GRM08 - The company has a corporate-wide approach to non-compliance including:</p> <ol style="list-style-type: none"> <li>Procedures to investigate and follow up on any non-compliance identified</li> <li>Reporting the number of substantiated claims or incidents of non-compliance</li> </ol> <p>GRM10 - The company commits to:</p> <ol style="list-style-type: none"> <li>The regular rotation of auditors/audit partner</li> <li>Tender for a new audit firm on a regular basis</li> </ol> <p>GRM11 - The company prepares for major ESG catastrophic events and incidents through:</p> <ol style="list-style-type: none"> <li>Scenario planning</li> <li>Having in place response plans</li> </ol>



<b>ISSB</b>	<p>IFRS S1 Strategy and decision making: (Para 33-Pg 12)</p> <p>IFRS S1 Financial position, financial performance, and cash flows: (Para 34, 35-Pg 12)</p> <p>IFRS S1 Objective: (Para 1-Pg 6)</p> <p>IFRS S1 Sustainability-related risks and opportunities: (Para 30, 32-Pg 11)</p> <p>IFRS S1 Resilience: (Para 41-Pg 14)</p> <p>IFRS S1 Risk management: (Para 44-Pg14)</p> <p>IFRS S1 Metrics and targets: (Para 46-Pg 15)</p> <p>IFRS S2 TC-SI-550a.2 - Description of business continuity risks related to disruptions of operations</p>
<b>BURSA</b>	-
<b>MCCG</b>	<p>9.3 - The Audit Committee has policies and procedures to assess the suitability, objectivity, and independence of the external auditor to safeguard the quality and reliability of audited financial statements</p> <p>10.1 - The board should establish an effective risk management and internal control framework</p> <p>10.2 - The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework</p> <p>11.0 - Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework</p>
<b>PGG</b>	<p>1.19 - The Audit Committee is responsible for reviewing the financial reporting process and internal controls framework by undertaking among others the following functions:.....(d) where applicable, the appointment or re-appointment of an external auditor</p> <p>1.21 - The board ensures that management integrates ESG consideration in the strategies and permeates across the operations of the entity</p> <p>1.6 - In discharging its responsibilities, the board should among others...ensure there is a sound framework for internal controls and risk management</p> <p>2.13 - The board on a continuous basis identifies the training needs of its directors and put in place training programmes to close gaps identified or to keep abreast with new developments and emerging risks</p> <p>3.2 - discussion on emerging risks, including environmental, social and governance risks...</p>
<b>OTHERS</b>	Companies Act 2016, Statement on Internal Control (Guidance for Directors of Public Listed Companies)

## Additional Guidance

Internal controls can be implemented in day-to-day operations and through audit, risk or compliance functions. The company can also establish and maintain an internal audit function as part of its processes for risk management to further improve the credibility of its sustainability reporting.

The company can describe how it aligns the policy commitments, including but not limited to, with its:

- Broader risk management systems and management policies;
- Economic, environmental, social, and human rights impact assessments, and other due diligence processes;
- Policies and procedures that set financial and other performance incentives for management or workers.

The company can describe, in accessible and understandable language:

- The scope of information and processes covered;
- The responsibilities of the company relative to the assurance provider;
- The opinion or conclusions formally signed off by the assurance provider;
- A summary of the work performed;
- Information on the experience and qualifications of the assurance provider, e.g., profile and level of subject matter expertise of the individuals involved.

In illustrating its reporting and audit practices, including for sustainability reporting purposes, the company can list all its entities included in the scope and coverage. If the company has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting.

The company can specify the reporting period for, and the frequency of, its sustainability reporting. As for its financial reporting, if it does not align with the period for its sustainability reporting, explain the reason for this.

The company should report the publication date of the report or reported information, alongside specifying the contact point for questions about the report or reported information.

The company can disclose if its sustainability reporting has been externally assured:

- Provide a link or reference to the external assurance report(s) or assurance statement(s)
- Describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process
- Describe the relationship between the company and the assurance provider

If an external verifier or assurance provider is involved in conducting external assurance for sustainability reports, the assurance provider needs to demonstrate independence from the company to reach and publish objective and impartial conclusions about the company's sustainability reporting.

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## Governance: Anti-Corruption

### Pillar : Governance

**Topic SEDG-G1 : Governance Structure**

**Topic SEDG-G2 : Policy Commitments**

**Topic SEDG-G3 : Risk Management and Reporting**

**Topic SEDG-G4 : Anti-Corruption**

**Topic SEDG-G5 : Customer Privacy**

### Overview

Corruption has long been one of the key risks and concerns globally, in developed and emerging markets. Transparency International defines corruption as the abuse of entrusted power for private gain, which erodes trust, weakens democracy, hampers economic development, and further exacerbates inequality, poverty, social division and the environmental crisis.

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. Furthermore, communication and training build internal and external awareness and the necessary capacity to combat corruption.

In Malaysia, the Malaysian Anti-Corruption Commission (MACC) was established under the Malaysian Anti-Corruption Commission Act 2009 as a single entity against corruption in Malaysia, with its jurisdictions dedicated to investigating and preventing any form of corruption and abuse of power in the country. Meanwhile, the MCCG prescribes the need for board's commitment to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency, and fairness, some of the areas include preventing the abuse of power and corruption in companies.

As such, 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 (such as the MCCG by SC, the Guidelines on Adequate Procedures by the Prime Minister's Department etc.) in reporting against this indicator.

## Disclosures

Basic	Intermediate	Advanced
<input type="checkbox"/> <b>SEDG-G4.1</b> : Report the total number and nature of confirmed incidents of corruption	<input type="checkbox"/> <b>SEDG-G4.2</b> : Report the total number and percentage of employees that have received training on the company's anti-bribery and anti-corruption policy	<input type="checkbox"/> <b>SEDG-G4.3</b> : List the significant risks related to corruption

## Reference Standards

<b>GRI</b>	GRI 205-1; 205-2; 205-3
<b>FTSE</b>	GAC08 - Training for staff on the anti-corruption policy GAC09 - Corruption risk assessment for company operations GAC10 - Procedures are in place to address corruption in operations that are assessed to be 'high risk' covering GAC11 - Process for intermediaries (including contractors or agents) GAC13 - Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies GAC14 - Disclosure of cost of fines, penalties or settlements in relation to corruption
<b>ISSB</b>	-
<b>BURSA</b>	Common Sustainability Matter 1(a) - Percentage of employees who have received training on anti-corruption by employee category Common Sustainability Matter 1(b) - Percentage of operations assessed for corruption-related risks Common Sustainability Matter 1(c) - Confirmed incidents of corruption and action taken

<b>MCCG</b>	<p>4.1.2 - Ensuring employees fully understand and appreciate the value of good corporate governance processes and procedures through training, awareness programmes and robust communication</p> <p>G11.1 - An internal audit function helps a company to accomplish its goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistleblowing and governance processes</p>
<b>PGG</b>	<p>1.25 - The board ensures that an Organisational Anti-Corruption Plan (OACP) is in place</p> <p>1.27 (Guidance) - The Board Risk Committee should ensure that corruption risk is included in the annual risk assessment of the entity and appropriate measures are taken to address the risk</p>
<b>OTHERS</b>	<p>Malaysian Anti-Corruption Commission Act 2009</p> <p>Practical Steps to Address Section 17A by Bursa Malaysia</p> <p>Guidelines on Adequate Procedures by Prime Minister's Department</p>

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## Additional Guidance

This disclosure can include a risk assessment focused on corruption or the inclusion of corruption as a risk factor in overall risk assessments.

The company can disclose the total number of confirmed incidents in which employees were dismissed or disciplined for corruption.

The company can also consider reporting the total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.

Public legal cases regarding corruption can include current public investigations, prosecutions, or closed cases. The company should conduct corruption risk assessments periodically and when there is a change in law or circumstance of the business to identify, analyse, assess and prioritise the internal and external corruption risks of the company. This risk assessment should be used to establish appropriate processes, systems and controls approved by the board and management to mitigate the specific corruption risks the business is exposed to.

It is recommended that a comprehensive risk assessment is done every three years, with intermittent assessments conducted when necessary. The assessment may include:

- Opportunities for corruption and fraud activities resulting from weaknesses in the company's governance framework and internal systems/procedures;
- Financial transactions that may disguise corrupt payments;
- Business activities in countries or sectors that pose a higher corruption risk;
- Non-compliance of external parties acting on behalf of the company regarding legal and regulatory requirements related to anti-corruption; and
- Relationships with third parties in its supply chain (e.g., agents, vendors, contractors, and suppliers) which are likely to expose the company to corruption.

The risk assessment for corruption can be done on a stand-alone basis but is recommended that the assessment be incorporated into the general risk register of the company.

## Governance: Customer Privacy

### Pillar : Governance

**Topic SEDG-G1 : Governance Structure**

**Topic SEDG-G2 : Policy Commitments**

**Topic SEDG-G3 : Risk Management and Reporting**

**Topic SEDG-G4 : Anti-Corruption**

**Topic SEDG-G5 : Customer Privacy**

### Overview

As outlined in the OECD Guidelines for Multinational Enterprises, companies are expected to 'respect consumer privacy and take reasonable measures to ensure the security of personal data that they collect, store, process or disseminate'. Companies are expected to limit their collection of personal data, to collect data by lawful and transparent means, as well as to not disclose or use personal customer information for any purposes other than those agreed upon.

In Malaysia, the Personal Data Protection Act 2010 was introduced to regulate the processing of personal data in commercial transactions, which should be taken into consideration by companies when managing their customers' data and information.



## Disclosures

Basic	Intermediate	Advanced
		<input type="checkbox"/> <b>SEDG-G5.1</b> : Report the total number and nature of substantiated complaints received concerning breaches of customer privacy and loss of customer data

## Reference Standards

<b>GRI</b>	GRI 418-1
<b>FTSE</b>	SHR07 Addresses data privacy through: <ol style="list-style-type: none"> <li>Having a statement/policy</li> <li>Being a member of a relevant industry initiative such as the Global Network Initiative</li> </ol>
<b>ISSB</b>	-
<b>BURSA</b>	Common Sustainability Matter 8(a) - Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
<b>MCCG</b>	13.3 Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats
<b>OTHERS</b>	Personal Data Protection Act 2010 (Personal data protection principles)

## **Additional Guidance**

The company can report the total number of substantiated complaints received concerning breaches of customer privacy, categorised by:

- a. Complaints received from outside parties and substantiated by the company
- b. Complaints from regulatory bodies

The company can consider disclosing the total number of identified leaks, thefts, or losses of customer data.

If the company has not identified any substantiated complaints, a brief statement of this fact would be useful.

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# **Simplified ESG Disclosure Guide (SEDG) for SMEs**

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