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Malaysian public listed companies need to improve reporting on ESG practices

KUALA LUMPUR: Malaysian public listed companies (PLCs) have been very good in complying with the environmental, social and governance (ESG) practices, said Bursa Malaysia chief executive officer Datuk Muhamad Umar Swift.

However, the quality of reports by PLCs on the ESG practices are not quite up to the standard expected by the exchange, he said.

"We have run the public consultation as well as finalising the regulatory approvals and we will be announcing our expectations as to what will need to be disclosed by the PLCs.

"As that happens, we are looking for PLCs to then engage their supply chains and bring everyone along," he said during the Bloomberg Sustainable Business Summit yesterday.

He said the exchange is hopeful that PLCs will lead the ESG challenge and help to facilitate the small and medium enterprises that represent the majority of the companies on their ESG practices journey.

According to Muhamad Umar, addressing the social element

in ESG and getting it right is equally important in order to pave the way for the nation to win the environment battle.

He said that apart from aspects of the environmental element, including carbon emissions, greenhouse gas and biodiversity, the companies also need to think about how to interact with the society because a pivot to green is expensive.

"We will see the society change towards progressing the ESG practices, and therefore there is a need to make the right investment in education and so on to facilitate that opportunity.

"The right investment in people is needed so that we will see a whole new economic transition happening," he added.

Meanwhile, on inflation, Muhamad Umar noted that inflation has been relatively benign in the country, but there are discussions around whether the ongoing subsidies can be afforded.

"I think subsidies need to be more progressive and be targeted rather than global; blanket subsidies are very inefficient and expensive," he said. — Bernama