

Malaysian companies fare well in ESG among Asean peers – report

Malaysiakini

06 April 2022

Bernama

Malaysian public-listed companies (PLCs) are faring well in environmental, social and governance (ESG) factors among their Asean peers based on leading ESG indicators, according to a report.

A research publication entitled 'Positioning Corporate Malaysia for a Sustainable Future' released by PriceWaterhouseCoopers (PwC) and Capital Markets Malaysia (CMM) today highlighted corporate Malaysia's progress in sustainability and overall transition trajectory, and the country's efforts in promoting sustainable investing.

“Twenty-eight Malaysian companies are represented as constituents in the MSCI All Country World Index (ACWI) ESG Leaders Index. The index consists of large and mid-cap companies across developed and emerging markets countries.

“Malaysian companies are also comparatively advanced in embracing global

standards, with nine companies currently committed to emissions reduction targets grounded in climate science through the Science-Based Targets initiative (SBTi)," said a joint statement by PwC and CMM today.

Malaysia accounts for the second-highest number among Asean peers for both the MSCI ACWI ESG Leaders Index and the SBTi indicators, it said.

Sustainable investments

Chairman of CMM and deputy chief executive of the Securities Commission Malaysia (SC) Zainal Izlan Zainal Abidin said the rise in demand for sustainable investments and sustainable assets has placed the capital market in a unique position to drive meaningful change in sustainability practices among corporates.

"The SC's Capital Market Masterplan 3, covering the period 2021 to 2025, has laid out initiatives to shape a stakeholder economy by mobilising more capital towards sustainable businesses.

"Recognising that businesses will require significant financing to decarbonise and to transition towards net-zero, the SC is working on a framework for market-based instruments to enable transition finance in Malaysia," he said.

In the meantime, the publication also lays out the challenges in measuring and comparing ESG efforts across different organisations.

“The report highlights some of these best practices taken by Malaysian PLCs and organisations through 10 case studies.

“A comparison of the top-ranked companies across four ESG rating providers find that across 41 companies, almost half of them (19) appear just once, and only one company appears consistently across all four ratings,” said the statement.

-Bernama

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <https://www.malaysiakini.com/news/617170>