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Malaysia - A regional ESG leader

unyer GLOBAL ADVISORS

A summary of why ESG matters to all businesses in Malaysia and what businesses should do to prepare for its implementation

ESG – short for Environmental, Social and Governance – is an increasingly important topic worldwide. As climate change becomes more visible, the gap between rich and poor widens, and the global economy faces significant challenges, more and more people, governments and companies agree that our economy must become more sustainable in order to meet the challenges we face and preserve our planet for future generations.

ESG embodies this growing trend and, broadly speaking, stands for the principles and actions to be taken by individual companies and investors to support the transition to a more sustainable economy. It also aims to redefine business success beyond short-term financial gain.

However, the term and the principles behind it often seem abstract, impenetrable and perhaps even overwhelming. Businesses are struggling to determine how it affects them, how to implement the principles, what opportunities it offers and how to deal with the potential additional administrative burden.

Against the backdrop of groundbreaking new ESG regulations currently being implemented in Europe and the rapidly expanding ESG regulatory framework established by the Malaysian government over the past year, this article to provides an overview of the topic and what it means for companies in Malaysia. The article aims to (**i.**) illustrate why the topic cannot be ignored (Part A), (**ii.**) explain it and break it down into more manageable components (Part B), (**iii.**) set the background of international ESG legislation (Part C), (**iv.**) summarise some of the key Malaysian ESG regulations, frameworks and guidelines (Part D), and lastly (**v.**) provide readers with some initial guidance on how to start implementing ESG in their own organisations (Part E).

Content

This article has been published in December 2023 and includes regulatory developments and updates until 14 December 2023

A. Why ESG matters

Before delving into the details of ESG and the relevant rules and regulations, perhaps the most important question to ask is why ESG matters to you and your company, and why it cannot be simply ignored.

I. Indirect Effect of International Laws and Market Access

There are already far-reaching mandatory ESG laws in place that will affect companies around the world, and more are about to be implemented.

For instance, and to name just a few, the European Union ("**EU**"), Germany and the United Kingdom ("**UK**") have introduced requirements for companies to assess supply chains and/or to report on environmental and social impacts. These laws may indirectly affect Malaysian companies since companies will need information and assistance from their suppliers and business partners to meet these obligations. Given the administrative burden and liability for non-compliance but also because of time matters, companies will clearly favour business partners who can readily provide such information.

Compliance with ESG principles and standards can therefore be a competitive advantage for Malaysian exporters. Non-compliance, on the other hand, can limit market access and business opportunities.

Large Malaysian companies with significant operations in Europe and Malaysian subsidiaries of European companies may even be directly covered by the relevant legislation.

In addition, in certain industries, the sustainable production and origin of goods must be demonstrated in order for them to be imported into the EU.

Ignoring ESG can cost market access and business partners, while compliance can provide competitive advantages and new opportunities, especially for early adopters.

II. Mandatory Rules in Malaysia

Malaysia has set itself the ambitious goal of becoming a regional ESG leader as well as an ESG-friendly trading partner and investment destination. The government has therefore set a target to implement ESG reporting under the 12th Malaysia Plan.

Listed companies will be required to report significantly expanded ESG information from 2024. For the manufacturing sector, ESG reporting will be phased in over the next three years. In the medium to long term, all other companies will likely be subject to reporting and ESG due diligence requirements.

Ignoring ESG may not be legally possible in the future. Starting early, while the authorities are still supportive and the requirements low, saves a company from being overwhelmed later and can save costs.

III. Access and Costs of Financing

Malaysian and international banks and financiers are increasingly conducting ESG due diligence before accepting new clients or approving loans and other forms of financing.

Many countries have implemented mandatory or voluntary ESG taxonomies that allow banks to assess the sustainability of companies. The results of the assessment can determine whether a loan is approved at all and / or affect the cost of the loan. Many banks including Malaysian banks already link their products to ESG compliance.

Ignoring ESG can therefore reduce access to loans and other forms of finance and therefore increase associated costs.

IV. Company Value and Investors

Similar to the scrutiny of banks, institutional investors are screening their investments for ESG compliance and can use their role as stewards to push for implementation in their investee companies.

ESG compliance is therefore also a cost factor in acquisitions. Due diligence on ESG compliance increases transaction costs, and a negative assessment may result in a lower purchase price and/or increased representations and warranties as investors are required to remedy potential non-compliance.

ESG compliant companies are therefore more attractive and valuable to investors.

V. Reputation

Consumers are increasingly aware of the climate change, social issues and sustainability in general. In the age of the internet, social media and online campaigns, even relatively minor incidents can cause significant reputational damage or even lead to brand boycotts.

Proper implementation and active engagement on ESG matters can not only limit the risk of incidents, but can also help to manage public reaction.

VI. Market for Sustainable Products

Increased consumer awareness also means a growing market for sustainable products and opportunities for companies that take ESG seriously.

This applies not only to end products sold to consumers, but also to products and services at all stages of the supply chain. Increasing reporting and due diligence requirements are causing growing consumer attention on the entire supply chain. Activist groups may even use this new visibility to actively look for wrongdoing throughout the supply chain.

Such increased scrutiny also creates a market for sustainable products and services at all stages of the supply chain.

Implementing ESG and understanding its concepts can therefore provide new opportunities and marketing strategies.

VII. Subsidies and Public Tenders

The Malaysian government has announced that it will gradually link its subsidies and grants to ESG compliance. Similarly, public tenders will increasingly include ESG compliance as a condition, and the entire public procurement process will take ESG principles into account.

Ignoring ESG can therefore cost access to subsidies, grants, public tenders and public procurement contracts.

VIII. Transparency, Control, and Resilience

Lastly, companies that have already implemented sustainable business practices have proven to be more resilient during the COVID-19 pandemic and the economic turmoil of the past years.

The implementation of ESG principles generally requires a detailed analysis of the company's operations, emissions, resources, supply chains, workforce, structures, risks and management. This leads to greater transparency and control over the company. Greater transparency and control enable better risk management, as risks can be better anticipated and decisions can be based on more available data.

ESG compliance also increases the trust and loyalty of stakeholders such as employees, suppliers, business partners and consumers, which can be a valuable asset in times of crisis.

Implementing ESG principles therefore increases a company's resilience and improves its risk management.

IX. Summary

Not only was ESG one of the big buzzwords of 2023, but it will become even more important in the years to come. It is a growing field in which there are still plenty of business opportunities and advantages for early adopters.

Given that it is very likely for more mandatory ESG requirements to be introduced in the near future anyway, companies are well advised start implementing the principles already now and take advantage of the opportunities it presents.

B. What is ESG?

The biggest challenge for individual companies wishing to implement ESG principles remains the complexity of the subject. Given the number of laws, standards, regulations, guidelines and topics it covers, determining where and how to start is probably the most difficult part of a company's ESG journey.

To approach the topic, it is therefore helpful to first comprehend the overall intent of ESG and then break it down into manageable components that can be addressed one at a time.

I. General Objective

ESG generally encompasses a wide range of compliance issues and structures aimed at increasing the sustainability and fairness of the economy. ESG principles and measures aim to protect the environment and vulnerable groups, ensure fair participation of all stakeholders rather than focusing solely on shareholder profit, implement checks and balances in the company's operations, increase transparency, avoid immoral or illegal business practices, protect the rights of employees and customers, and much more.

It covers many areas of law, technical aspects, corporate and organisational structures, decision-making processes and policies.

At its core, however, it is not just a compilation of compliance topics or best practices, or even just an additional bureaucratic and administrative burden for businesses, but a holistic approach to the transition towards a more sustainable economy and future, and a fundamental change in the way business success is measured. It is generally in line with the concept of a stakeholder economy, where success is measured not only in terms of short-term financial gains for shareholders and investors, but also in terms of the long-term prosperity of the company and its benefits for all stakeholders. It is not a utopian idea of a perfect economy, but a simple yet significant extension of the definition of success from a short-term to a long-term perspective, and from a focus on shareholders to the inclusion of other stakeholders.

II. Breaking Down ESG

In practice, this means that a company must evaluate all aspects of its operations and refocus them on achieving long-term objectives with a wider array of factors taken into account.

The data from this assessment is then used to improve and monitor structures, risks and opportunities.

To collect and assess this data, ESG needs to be broken down into its components. Each component is then assessed for its relevance to the company and its inherent risks.

There is no set list of components and the relevant issues vary from industry to industry and company to company.

However, there are a number of topics that are common to most companies and form the basis of most ESG legislation and standards.

1. Environmental

The Environmental part of ESG typically includes topics such as-

- Emissions
- Energy consumption
- Water management
- Waste management
- Use of dangerous materials
- Deforestation and land use
- Biodiversity
- Pollution

2. Social

The Social component covers areas such as-

- Forced labour
- Child labour
- Working conditions
- Occupational health and safety
- Migrant workers
- Diversity and inclusion
- Freedom of association
- Living wage
- Gender equality and discrimination
- Community impact and engagement
- Consumer Protection

3. Governance

The Governance component is the least clearly defined part of ESG, but typically includes

- Board structures and diversity
- Data protection
- Anti-corruption
- Procurement practices
- Supply chain management
- Risk management and reporting
- Ethical business practices and codes of conduct
- Sponsoring and lobbying
- Anti-trust and competition
- Whistle-blower channels
- Executive remuneration

The lists above are by no means exhaustive, but mere examples of commonly included ESG areas.

C. International Legislation and Standards

The concept of ESG is generally not new, but has been the subject of ongoing political and academic debate. It has gradually found its way into international conventions, declarations and initiatives - most notably the United Nations Sustainable Development Goals.

These various initiatives and studies have led to the creation of sets of ESG components (or indicators), and standards for these components, in order for the data collected to be more comparable, and therefore a company's success measurable. Such comparability is essential to give meaning to the data collected and to enhance its practical use for companies themselves, as well as for investors, business partners and other stakeholders.

For all stakeholders to be able to assess a company's performance, the relevant data must be publicly reported. This can be achieved through voluntary reporting requirements and, increasingly, through mandatory reporting.

The following sections provide an overview of some of the most common international ESG standards and examples of ESG legislation.

I. International Standards and Frameworks

There are many ESG-related standards both at international and national level. However, there has been a trend towards consolidation and interoperability over the past year.

1. Global Reporting Initiative Standards

The first and most widely used international sustainability standards are those of the Global Reporting Initiative ("**GRI**"). The GRI is an independent international standards organisation supported by the United Nations and the Organisation for Economic Co-operation and Development ("**OECD**").

The GRI Standards are a modular system of universal standards for all companies, sector-specific standards, and topic-specific standards based on a company's material ESG impacts. Companies applying the GRI Standards should generally report on all 30 Universal Standards, in addition to determining which Sector and Topic Standards are material to their organisation. However, given the breadth of the standards, companies may choose to assess the materiality of each standard to their organisation and then report on the most material topics first, as well as the process for identifying material topics, the topics relevant to the company, and how the company manages these topics.

Because of their modularity, the GRI Standards can be used by most companies around the world.

2. International Sustainability Standards Board

The International Sustainability Standards Board ("**ISSB**") was announced at COP26 in Glasgow in 2021. The ISSB is developing new sustainability standards focused on the needs of investors and financial markets and will be a combination of the Sustainability Accounting Standards Board ("SASB"), the International Integrated Reporting Framework ("**IIRF**"), the recommendations of the Task Force on Climate-Related Financial Disclosures ("**TCFD**"), the Climate Disclosure Standards Board ("**CDSB**") framework and the World Economic Forum's Stakeholder Capitalism Metrics. The ISSB announced its first two standards on sustainability-related financial information and climate-related disclosures in June 2023.

The ISSB standards are designed specifically for investors and to provide sustainability information to the global capital markets.

It has been reported that the ISSB Standards will be aligned with the GRI Standards.

3. Sustainability Accounting Standards Board

Although the ISSB has taken responsibility for the SASB Standards and incorporated them into the ISSB Standards, the SASB Standards will continue to be maintained, enhanced and developed. Companies using the SASB Standards can therefore continue to use them.

The SASB Standards are specifically designed to report information that is useful to investors and focus on financially material issues. They are therefore more specific than other standards and are most relevant to the investment industry.

4. International Integrated Reporting Council

The IIRF of the International Integrated Reporting Council ("**IIRC**") has also become part of the ISSB, but can still be used.

The IIRF focuses on the integrated reporting of sustainability information in a company's financial reporting to its shareholders.

5. European Sustainability Reporting Standards

In 2023, the European Commission adopted the European Sustainability Reporting Standards ("**ESRS**"), which will form the basis for sustainability reporting under the European Corporate Sustainable Reporting Directive ("**CSRD**").[1]

The ESRS set out the rules and requirements for reporting on impacts, opportunities and risks across a broad range of ESG topics.

Reporting under the ESRS is generally subject to the condition of dual materiality, which means that companies are only required to report on a particular topic if the company and its operations have a material impact on that ESG topic (*impact materiality*) or if the topic could have a financial impact on the company's business (*financial materiality*).

The ESRS have been developed in collaboration with GRI and ISSB to ensure interoperability with these international standards. They can therefore be used not only by companies required to report under the CSRD, but also by other companies within and outside the European Union.

The ESRS have yet to be adopted by the European Parliament.[2]

II. ESG Legislation Trends

In conjunction with these standards, a growing number of countries have begun to adopt specific ESG legislation and frameworks to accelerate and steer the transition of their economies towards greater sustainability.

Overall, these national regulations use four key measures, which are often interlinked, to implement ESG principles:

- ESG disclosure and reporting requirements, which require companies to publicly report on their ESG impacts, allowing stakeholders to assess a company's ESG performance;
- ESG and supply chain due diligence requirements, which require companies to screen and monitor their own operations and supply chains for ESG violations, to increase reporting and transparency along the supply chain, and to prevent companies from exploiting workers and the environment in other parts of the world;
- ESG strategy requirements that require companies to integrate ESG considerations into their decision-making processes, operations, procurement, hiring and investments; and
- Market mechanisms and restrictions in the form of certification requirements, price adjustment mechanisms, taxes on products with severe negative ESG impacts and incentives for products with positive ESG impacts.

III. Examples of International ESG Legislation

The trends in ESG legislation mentioned above are illustrated below by some examples of ESG legislation in key countries and regions.

1. European Union

The European Union has a relatively long history of ESG-related legislation, but is currently in the process of adopting much more comprehensive and far-reaching ESG legislation. As the EU is Malaysia's fourth largest trading partner, the EU's ESG regulations have a large impact on Malaysian companies and are therefore a key factor in Malaysia's own ESG framework.

a) Corporate Sustainability Reporting Directive

Large and listed companies in the European Union were already required to report non-financial information in their annual reports under the Non-Financial Reporting Directive ("**NFRD**").

However, the NFRD has been replaced by the European Union's new Corporate Sustainability Reporting Directive ("**CSRD**"). The CSRD modernises and strengthens social and environmental reporting by EU companies based on the new and mandatory ESRS.

Large companies with an annual turnover of EUR 40 million, a balance sheet total of EUR 20 million and 250 or more employees, as well as listed small and medium-sized enterprises, will have to comply with the reporting requirements of the CSRD. The first group of companies will have to start reporting under the CSRD from 2024.

The reporting requirements of the CSRD are broad and include all standards of the ESRS. However, under the "comply or explain" principle, companies are allowed to not report on certain standards if they can provide a plausible justification for why they cannot comply.

1 See Part C.III.1.a)
2 There are also other international standards and frameworks, which are not mentioned here for the sake of brevity.

Reporting is also based on the principle of dual materiality. Companies must report on ESG issues that affect their operations and finances (outside-in), as well as their own material impacts on people and the environment (inside-out).

In order to comply with the broad reporting requirements, covered companies will need to start collecting detailed information on ESG issues within their operations and supply chains (see CS3D below).

b) Corporate Sustainability Due Diligence Directive

On 14 December 2023, the European Parliament, the European Commission and the Council agreed on the final text of the European Union's Corporate Sustainability Due Diligence Directive ("**CS3D**"). The CS3D is now expected to enter into force in 2024. Companies will then have three years to prepare for full implementation of the new obligations.

The CS3D will require companies that fall within its scope to analyse human rights and environmental risks throughout their supply chain (upstream and downstream), to monitor these risks on an ongoing basis, to take preventive measures to prevent these risks from materialising and to report on their supply chain due diligence. Companies will also be required to commit to the goals of the Paris Climate Agreement and will therefore require clear commitments to mitigate climate change. Companies will have to implement a code of conduct and report on their due diligence, monitoring and preventive measures.

The CS3D will mainly apply to EU companies with more than 500 employees and a global turnover of more than EUR 40 million. The CS3D also applies to companies based outside the EU, provided they have a net turnover of EUR 150 million, of which at least EUR 40 million is generated in the EU.

Importantly, the CS3D imposes civil liability on companies for failing to identify and prevent human rights and environmental abuses in their supply chain, which will expose companies covered by the CS3D to significant risks. Companies are therefore likely to seek to pass on due diligence obligations to their suppliers and to obtain indemnities from their suppliers in order to mitigate their risks. This may indirectly affect Malaysian companies dealing with EU companies.

The CS3D complements the CSRD by providing the due diligence aspect of modern ESG legislation, while the CSRD covers the reporting aspect.

c) EU Taxonomy Regulation and Sustainable Finance Disclosure Regulation

The EU taxonomy was introduced in 2020 as a common classification scheme for the environmental performance of business activities, in order for investors and stakeholders to be able to assess the sustainability of a company.

Specific business activities are assessed on the basis of four main criteria: (**i.**) whether the activity contributes to at least one of six defined environmental objectives, (**ii.**) whether the activity causes harm to the environment (do-no-harm principle), **(iii.**) whether the activity meets a minimum social standard, and (**iv.**) whether the activity meets certain technical screening criteria.

The EU Taxonomy applies to all companies providing financial instruments within the EU and to large companies with more than 500 employees.

As the EU Taxonomy is primarily a classification system, it supports the reporting requirements of the CSRD and in particular the Sustainable Finance Disclosure Regulation ("**SFDR**"), which sets out reporting standards for financial institutions based on the EU Taxonomy.

d) Deforestation Free Products Regulation

The Deforestation Free Products Regulation requires companies to only trade and sell certain commodities(such as palm oil, cattle, soy, coffee, cocoa, timber, rubber) and derived products (such as beef, chocolate and furniture) in the European Union after ensuring that these products have been produced on land that has been deforestation-free since at least 31 December 2020 and have been produced in accordance with local laws.

Companies must therefore conduct due diligence on their supply chain to ensure that the production of their products has not caused the deforestation of previously forested areas. They must obtain detailed information on the exact goods, the quantity of goods produced, the exact location of production, the date and period of production, and the contact details of all companies in the supply chain.

Companies placing listed products in the EU market are then required to submit a Due Diligence Statement online to the national authority of the relevant EU member state before importing listed goods. In this Due Diligence Statement, the importer must confirm that there is only negligible risk of non-compliance. By issuing such a statement, companies take responsibility for product compliance and can therefore be held liable for non-compliance in the supply chain.

EU companies will therefore seek to pass on this due diligence obligation to their (non-EU) suppliers and obtain indemnification for any non-compliance.

e) Carbon Border Adjustment Mechanism

The EU's Carbon Border Adjustment Mechanism ("**CBAM**") will require importers of goods into the EU to report the emissions embedded in certain carbon-intensive products (aluminium, cement, iron, steel, electricity and fertilisers) and buy certificates to offset the emissions. It is designed to protect local companies subject to the EU's internal emissions trading system from outside competition that is not restricted in its emissions, thereby creating a level playing field. Implementation started in 2023 and will be fully operational by January 2026.

Based on a study by Bank Negara Malaysia, the CBAM could affect up to 57% of Malaysia's exports to the EU by 2026.

2. Germany

In Germany, the Supply Chain Duty of Care Act ("**Supply Chain Act**") introduced human rights and environmental due diligence obligations in supply chains from January 2023. On 1 January 2024, the scope of the Supply Chain Act will be extended to cover all companies with at least 1,000 employees in Germany.

Companies within the scope of the Act will be required to conduct a full risk analysis of their upstream supply chain, monitor the supply chain on an ongoing basis, implement a strong ESG policy statement, take preventive measures to prevent human rights abuses in their supply chains, and establish a grievance mechanism.

Companies will also be required to document and report on their due diligence obligations, including an annual report to be submitted to the relevant authority and published on the company's website.

The Supply Chain Act will likely need to be amended to comply with the more far-reaching CS3D.

3. United Kingdom

Although the United Kingdom does not currently have a single ESG law or regulation, the Companies Act 2006 of the United Kingdom requires larger companies with more than 500 employees or more than GBP 500 million turnover to include non-financial information in their annual report, which from 2022 must include detailed sustainability information.

The UK is also developing its own Green Taxonomy and additional Sustainability Disclosure Standards ("**SDS**"). The SDS will be based on the ISSB standards.

In addition, the London Stock Exchange has established criteria for ESG risk management practices - the FTSE4Good Criteria.

4. United States of America

In the United States ("**US**"), ESG is a highly politicised and partisan issue. Most ESG legislation is at the state level, with more liberal states pushing for ESG principles, ESG reporting and ESG considerations in investment decisions, while more conservative states have gone as far as enacting anti-ESG legislation, for example prohibiting fund managers from including ESG considerations in their investment decisions, and requiring instead a pure focus on financial interests.

At the federal level, however, the US Securities and Exchange Commission has issued an ambitious proposal to "Enhance and Standardize Climate-Related Disclosures for Investors", which, if enacted, will require public companies to include certain climate-related financial data and emissions in their reporting. Investment companies and advisers would have to disclose ESG strategies in fund prospectuses, annual reports and brochures.

This proposal suggests that the US may also be moving towards mandatory comprehensive ESG disclosure rules. However, as regulatory implementation becomes increasingly uncertain and politicised, many US companies and non-governmental organisations ("**NGOs**") are leading the way in voluntary ESG implementation and are setting global standards.

5. China

China has been issuing various guidelines on ESG principles for the financial and insurance industries since 2012.

In 2022, China introduced its first general voluntary ESG reporting framework. This includes an ESG rating system with over 100 different indicators. A growing number of state-owned enterprises are already publishing sustainability reports. Mandatory ESG reporting only applies to certain industries.

In addition, the Hong Kong Stock Exchange and the Shanghai Stock Exchange are drivers of ESG disclosure in China and encourage ESG reporting. The Hong Kong Stock Exchange is in the process of implementing mandatory ESG disclosure rules in line with the ISSB standards for listed companies.

6. India

ESG regulations are also gaining traction in India. Listed companies and banks have been encouraged to disclose ESG-related information for several years, and in 2020 mandatory ESG reporting was implemented for certain large listed companies, asset managers and banks.

7. Japan

Public companies in Japan already have a relatively long tradition of voluntarily reporting climate-related information.

In March 2023, the first set of mandatory sustainability disclosure rules was introduced, requiring listed companies to report sustainability-related information based on the TCFD standards.

This initial set of rules will be supplemented by additional disclosure rules to be developed by the newly established Sustainability Standards Board of Japan ("**SSBJ**"). The SSBJ standards are expected to be aligned with the ISSB standards.

D. ESG in Malaysia

ESG is also not a new concept in Malaysia and has been incorporated into policies and reporting requirements for public companies for some time.

However, the current government has set itself the ambitious goal of becoming a regional ESG leader and a preferred investment destination for ESG-conscious investors. It is now delivering on this promise by rapidly implementing ESG regulations, frameworks and standards.

I. Growing Relevance and Awareness in Malaysia

Awareness of ESG issues is not limited to the government, but is growing in Malaysian society in general. This is partly due to the government's awareness campaigns, but also due to a number of incidents that naturally bring sustainability issues into the spotlight.

More frequent flash floods, which affect millions of Malaysians every year, and dense seasonal haze from forest fires highlight the pressing challenge of climate change.

The seizure of shipments from one of Malaysia´s leading latex glove manufacturers by US authorities in 2021 and the subsequent import ban due to allegations of forced labour shocked many Malaysians and exposed existing weaknesses in the protection of workers' rights.

A number of high-profile corruption that led to significant political upheaval in Malaysia brought home the need to improve governance regulations and enforcement.

The issue of illegal processing of plastic waste from mainly European and North American countries, which resulted in Malaysia refusing entry to several shipments and sending them back to their countries of origin, exposed environmental and supply chain issues. The fragility of supply chains was also demonstrated by the shortages of certain products during the COVID pandemic.

These typical ESG issues are, of course, largely already covered by Malaysia's national laws, which are regularly updated to comply with international standards and address existing issues.

For example, allegations of forced labour have already resulted in a major reform of Malaysia's labour laws and the new National Action Plan on Forced Labour 2021-2025.

In this context, occupational health is also being improved through a reform of Malaysia's Occupational Health and Safety Act 1994.[3]

Public attention to corruption has resulted in increased liability for corrupt acts committed by employees, officers and agents of companies, including personal liability for directors and increased penalties.[4]

A reform of Malaysia's Environmental Quality Act 1974 and the implementation of climate change legislation have recently been announced to address emerging environmental issues.

II. General Policies

Beyond these general legislative measures and processes, however, the Malaysian government has placed ESG at the heart of its policy-making and is incorporating ESG considerations into new laws, regulations and policies.

1. MADANI Economy

Malaysia MADANI is the slogan and central political concept of the current government under Prime Minister Anwar Ibrahim. *Malaysia MADANI* means Civil Malaysia and is an acronym made of six core values: Sustainability, prosperity, innovation, respect, trust and compassion - Six values that are very much aligned with the concept of ESG.

Under Malaysia MADANI, the MADANI Economy serves as the government's key economic concept focusing on economic sustainability and fiscal development that supports an inclusive society and an equitable wealth distribution. It sets out a number of short and mid-term targets for the economy including the eradication of hard-core poverty, a stronger female participation in the economy, a higher ranking in the Human Development Index and placing Malaysia among the top 25 countries in the Corruption Perception Index – all key ESG components.

2. Midterm-review of 12th Malaysia Plan

Advancing sustainability, or in other words implementing ESG, is one of the three themes of the current 12th Malaysia Plan - the key policy for Malaysia's economic development.

3 Not yet in force. The reform will widen the scope to all enterprises and employees and will impose new obligations on employers. In particular, employers will be required to conduct a risk assessment and implement appropriate policies and procedures.
4 Section 17A of the Malaysian Anti-Corruption Commission Act 2009

In the mid-term review of the 12th Malaysia Plan in 2021, the government reaffirmed its overarching theme of sustainability, highlighting Malaysia's commitment to achieving net-zero emissions by 2050, transitioning to more sustainable energy resources, enhancing social justice, gender equality and economic empowerment, fighting corruption and improving corporate governance. The means to achieve these goals include the amendment of existing environmental laws, the improvement of the Anti-Corruption Plan[5], improved beneficial ownership reporting rules[6], the establishment of a carbon pricing mechanism and carbon market[7], and the introduction of ESG reporting[8] and a central ESG reporting platform.[9]

3. New Investment Policy

On 6 October 2023, the government unveiled the New Investment Policy ("**NIP**") as its new investment framework, which aims to establish Malaysia as the investment destination of choice in Southeast Asia.

The NIP has an explicit focus on ESG and is in line with Malaysia's commitment to carbon neutrality by 2050.

It stipulates that all investment policies should be designed and implemented with a view to de-risking the economy from ESG-related risks and achieving a high level of compliance with ESG regulations and forthcoming ESG reporting.

More broadly, it aims to transform Malaysia into an ESG investment hub that attracts the growing number of ESG-sensitive investors, as well as investors in future technologies that will help achieve ESG-related goals such as carbon neutrality.

4. New Industrial Master Plan 2030

The New Industrial Master Plan 2030 ("**NIMP**") was announced in September 2023 and will serve as the framework policy for the country's industrial development until 2030.

The NIMP also has a strong ESG theme, with two of its four "missions" targeting key ESG issues: The mission to push for net zero and the mission to safeguard economic security and inclusivity.

The missions are to be achieved through a series of action plans. These action plans include the adoption of an ESG reporting framework based on global standards and the provision of ESG guidelines for industry.[10]

5. Other Policies

The general policy concepts and frameworks described above form the basis of Malaysia's ambition to become an ESG leader. These broad policies are supported by a number of action plans and policies that also have a strong ESG focus or aim to address a specific ESG component.[11]

III. ESG Regulations, Frameworks and Guidelines

However, beyond the political commitment to ESG and the formulation of general policies on how to implement ESG in the future, Malaysia has already taken some very concrete implementation actions.

The following sections describe some of these key actions that may be most relevant to companies.

1. Bursa Malaysia's Enhanced Sustainability Reporting Requirements

The most stringent ESG requirements in Malaysia to date are those implemented by Bursa Malaysia (Malaysia's main stock exchange) in its Main Market Listing Requirements and ACE Market Listing Requirements.

In fact, Bursa first introduced corporate social responsibility ("**CSR**") disclosure requirements for listed companies back in 2006, which were subsequently extended to broader economic, environmental and social reporting requirements in 2015.[12]

a) Mandatory sustainability reporting from 2023 onwards

On 26 September 2022, Bursa further strengthened the sustainability reporting requirements for listed companies and

5 The current Anti-Corruption Plan 2019 to 2023 will be replaced in 2024. The government has introduced several structural reforms of Malaysia's anti-corruption agencies to increase their independence and efficiency in early 2023.
6 The strengthened beneficial ownership reporting rules are currently discussed in Parliament as part of a reform of the Companies Act 2016.
7 A carbon pricing mechanism or carbon market has not yet been established. Discussions are still ongoing and the mechanism has been mentioned in more recent policies.
8 Several sets of ESG reporting frameworks have already been introduced since the mid-term review. See Part D.III.
9 The development of a central sustainability platform – the Centralised Sustainability Intelligence Platform - is ongoing. See Part D.IV.1. for more details.
10 This action plan is currently being implemented through the iESG framework – see Part D.III.4. for details.
11 For example, the National Energy Policy, the National Energy Transition Roadmap, the National Forestry Policy 2021, the National Automotive Policy, the National Electric Mobility Blueprint 2015-2030, the National Action Plan for Forced Labour 2021-2025, the National Action on Anti-Trafficking in Persons 2021-2025, the National Human Rights Action Pla, the National Community Policy 2015-2025, or the National Women's Policy.
12 The Governance aspect of ESG is addressed separately in the Malaysian Code of Corporate Governance - see below Part. D.III.2.

published the third version of its comprehensive Enhanced Sustainability Reporting Guide ("**ESRG**").

Companies listed on the Main Market must comply with the new enhanced reporting requirements for the first time in their annual reports for the financial year ending 31 December 2023 or later. Companies listed on the ACE market must comply from 31 December 2024.

Sustainability reporting must be included in the annual reports of listed companies in the form of a 'Sustainability Statement'.

b) Reporting standards

All information disclosed in the Sustainability Statement must be (**i.**) balanced - i.e. an unbiased and a fair representation of positive and negative sustainability impacts, (**ii.**) comparable - i.e. based on standards (companies can choose whether to apply the Bursa standards or a set of recognised international standards)[13], and (**iii.**) meaningful - i.e. showing impacts over time (including at least two previous reporting periods) and in relation to other companies based on consistent and recognised methodologies).

Alternatively, a listed company may prepare a Sustainability Statement in accordance with the GRI Guidelines.

c) Content of the Sustainability Statement

The Sustainability Statement must include the following sections:

i) General section

In the first part of the Sustainability Statement, the company must describe itself and its activities. This includes the company's governance and management structure, its group structure, the composition of its workforce, its economic performance and its main business activities.

ii) Scope of the report

The next section should describe the scope of the sustainability reporting by describing the geographical locations, controlled entities, business units and divisions covered by the report and the standards applied.

iii) Approach to sustainability

The company should then go on to explain its overall sustainability management, including the responsibilities of the board, committees, sustainability officers, working groups or other bodies. The section should also describe the company's stakeholder engagement, risk management and sustainability framework.

iv) Sustainability matters material to the company

As part of the 'approach to sustainability' section or as a separate part of the Sustainability Statement, the company must describe the sustainability topics that are material to its business, prioritise them and describe its approach to managing these topics.

'Material sustainability' matters are defined in the Listing Rules. A sustainability matter is material if it reflects the company's significant economic, environmental and social impacts and is likely to have a substantial impact on assessments and decisions of stakeholders

At a minimum, the following sustainability matters must be assessed for materiality and covered in the Sustainability Statement:

- Anti-corruption
- Community / society
- Diversity
- Energy management
- Health and safety
- Labour practices and standards
- Supply chain management
- Data privacy and security
- Water
- Waste management
- Emission management

The material matters for the company then need to be prioritised and addressed in order of priority. The company should describe the actions taken and planned to address the material issues in the Sustainability Statement.

v) Performance

The company should set clear targets for its material sustainability issues and report these in the Sustainability Statement. It should then report on its performance against these targets in the following year's statement.

13 The ESRG specifically refers, *inter alia, to the recommendations of the TCFD and the standards of GRI, SASB and ISSB and the Russell FTSEGood Criteria.*

vi) TCFD-aligned disclosures

The Listing Requirements for the Main Market and the ACE Market[14] explicitly require listed companies to report on climate-related issues in line with the TCFD recommendations.

Therefore, the Sustainability Statement must include the relevant disclosures on climate-related opportunities and risks as set out in the TCFD recommendations.

vii) Performance data table

Data on the company's performance against all relevant sustainability indicators (i.e. the material sustainability matters and the disclosures aligned with the TCFD) should then be summarised in a table. This table should also include data from the last two reporting periods to facilitate the assessment of performance.

viii) Statement of assurance

Finally, the sustainability statement must be endorsed by the company's senior management and disclose whether its content has been verified through an internal or external assurance process.

d) Illustrated Sustainability Report

In September 2023, Bursa published an Illustrated Sustainability Report as an example of a Sustainability Statement and to provide guidance to reporting companies. The Illustrated Sustainability Report includes Bursa's comments and references to the relevant Listing Requirements and the ESRG, as well as the standards/recommendations of the GRI, TCFD and SASB.

e) Applicability

The sustainability requirements set out in the Bursa Listing Requirements and the ESRG are aimed specifically at listed companies.

However, they can also be used as a blueprint for ESG reporting by other companies that are not subject to the Listing Requirements. In fact, other Malaysian ESG frameworks regularly refer to the Bursa Sustainability Disclosure and recommend it for ESG reporting by non-listed companies.[15]

2. Malaysian Code on Corporate Governance

Besides the Listing Requirements and the ESRG, Bursa has updated the Malaysian Code on Corporate Governance ("**MCCG**") and the accompanying Corporate Governance Guide ("**CGG**") in 2021. The MCCG and CGG cover the 'Governance' aspect of ESG for listed companies in Malaysia.

The MCCG sets out three key principles and several practices of good corporate governance. The key principles are-

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and meaningful relationship with stakeholders.

a) Board Leadership and Effectiveness

The principle of Board Leadership and Effectiveness is based on the idea that a company's board must set the tone from the top and integrate sustainability considerations into the overall business strategy and strategic decision-making process.

The board must take effective steps to anticipate and manage material ESG risks and opportunities.

To this end, the board should, among other things, implement a code of conduct and ethics that promotes integrity, transparency and fairness, and address sustainability risks in an integrated and strategic manner to support its longer-term strategy and success.

The board should also designate a senior executive to oversee and manage the company's sustainability strategy in the day-to-day operations of the company. This person may be supported by committees, dedicated sustainability officers, task forces, working groups, and other organisational structures.

b) Effective Audit and Risk Management

As part of effective auditing and risk management, a company should establish an independent audit committee to scrutinise the company's finances and ask probing questions about the company's reports. This independent audit committee should consist of non-executive directors and may also include external advisers, lawyers, employee representatives or representatives of other stakeholders.

14 Paragraph 6.2 of Practice Note 9 to the Main Market Listing Requirements and Paragraph of Guidance Note 11 to the ACE Market Listing Requirements
15 For example, the iESG framework for manufacturing companies (see Part D.III.4.) and the Simplified ESG Disclosure Guide for Small and Medium-sized Companies (see Part D.III.5.)

Through the work of the independent audit committee, the company's management receives valuable feedback and is encouraged to plan and explain its decisions carefully. The committee thus increases transparency within the company, strengthens the decision-making process and improves oversight.

In addition, a listed company should implement appropriate risk management mechanisms that support an informed decision-making process, assess the risks of business decisions and ensure that the company remains within the level of risk it is prepared to take.

c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

To enhance the integrity of the company and build trust with its stakeholders, a company should establish channels of communication with all relevant stakeholders, including its employees, business partners and the local community. In particular, the company should establish whistleblowing channels to enable employees and external stakeholders to report violations, suspicions and other concerns.

A listed company should adopt ESG reporting based on a globally recognised framework.

The MCCG also promotes gender diversity on the board and in senior management, as well as fair, transparent and well-structured remuneration policies for senior management.

d) Reporting obligations

Although the measures of the MCCG and the CGG are generally not mandatory, listed companies are obliged to include a Corporate Governance Statement in their annual reports.

In this Corporate Governance Statement, the board of directors must provide an overview of the company's corporate governance practices and its application of the MCCG. It must also state which principles of the MCCG the company applies and, if it does not apply the MCCG or some of its principles, explain why.

e) Applicability

The MCCG is generally targeted at listed companies. However, it also explicitly encourages unlisted companies, including medium and small companies, to apply its principles.

3. Business Review Report

Malaysian law not only regulates ESG reporting for listed companies, but also includes ESG reporting requirements for all private companies, albeit on a voluntary basis.

a) Business Review Report

Largely unknown to many companies, Section 253 (3) of the Companies Act 2016 states that the directors' report (which is prepared together with the audited financial statements) may optionally include a so-called business review report ("**BRR**"), that touches upon ESG matters. While Section 253(3) applies to all companies, the preparation of a BRR is currently voluntary.

The contents of a BRR are set out in Part II of the Fifth Schedule to the Companies Act 2016 and are further specified in the Business Review Report Guide ("**BRR Guide**") of the Companies Commission of Malaysia ("**CCM**").

b) Content of the Business Review Report

A BRR should generally include a fair review of the company's business and a description of the risks and uncertainties facing the company.

However, it should also include "*information about environmental matters including the impact of the company's business on the environment, the company's employees and social and community issues, including information about any policies of the company in relation to those matters and the effectiveness of those policies.*" In short, a BRR should report on the company's ESG impacts.

A BRR can generally be drafted relatively freely and is less formalised than other ESG reporting frameworks. However, the BRR Guide provides recommendations on the drafting and content of BRRs.

- It states that a BRR should include the following elements:
- A mission statement on corporate responsibility;
- An overview and the objectives of the report;
- The chairman's or CEO's opinion on corporate responsibility;
- The stakeholder impact;
- Operational highlights of the company;
- A financial review;
- Risks and uncertainties faced by the company;
- A business review including problems managed and future plans;

- Trends affecting the business development of the company;
- Environmental matters relevant to the company;
- A report on the employees of the company;
- Social and community impact;
- Human rights associates with the business of the company and the company's impact;
- Key performance indicators of the company;
- A report on corporate governance;
- A report on the corporate responsibility of the company;
- The values created by the company;
- Sustainability matters relevant to the company;
- The accounts and the auditor's view; and
- Statistics or market findings relevant to the company.

The BRR Guide does not set specific standards or reporting frameworks, but refers to the UN Guiding Principles on Business and Human Rights 2011, the GRI Standards, the ILO Conventions for social aspects and the UK Environmental Key Performance Indicators Reporting Guidelines for Environmental Aspects as possible standards.

The BRR Guide also provides best practices for drafting a BRR, a rough template for a BRR (in question and answer format), and several examples of recognised human rights and how businesses may impact them.

c) Lodgement of the Business Review Report encouraged

As mentioned, the preparation of the BRR is currently not mandatory. However, CCM strongly recommends that it be included in the director's report and filed with CCM. When filed with CCM, the BRR would form part of a company's publicly available records.

d) Additional measures

The BRR Guide also encourages companies to introduce corporate responsibility initiatives such as adopting a code of conduct to improve the company's environmental management system and occupational health and safety, participating in ESG certification schemes, engaging in stakeholder dialogue, partnering with NGOs and increasing support for community projects and programmes.

e) Applicability

The BRR Guide is a relatively general reporting framework that does not provide standards or specific obligations. However, given that it applies to all companies, it is an important part of Malaysia's ESG reporting regime. Following the example of the UK Companies Act 2006, the current voluntary reporting requirements could easily be made mandatory for certain groups of companies.

4. iESG Framework

In October 2023, the Ministry of Investment, Trade and Industry ("**MITI**") launched perhaps Malaysia's most comprehensive ESG framework for the manufacturing sector: The National Industry Environmental, Social & Governance Framework ("**iESG**").

a) Phased approach

Recognising that companies have different levels of readiness to implement a comprehensive ESG framework, iESG will be adopted in two phases:

In the first phase, called 'Just Transition', MITI will focus on supporting companies in the transition to a sustainable business model and on capacity building through awareness building, training and financial support. This will allow companies to implement sustainable business practices at a modest pace without overburdening them.

During this phase, companies are encouraged to collaborate in their efforts and to experiment freely with different solutions. Manufacturing companies should assess their ESG performance and start implementing ESG reporting. By the end of the first phase, ESG reporting should be standard practice for medium and large companies.

The Just Transition phase will run from 2024 to 2026.

The second phase, Accelerating ESG Practices, will run from 2027 to 2030 and will set more stringent requirements. The policies and measures for the second phase have not yet been published and will be developed during the first phase.

Companies that do not adopt ESG practices during the first phase are likely to find it difficult to adopt the ESG obligations of the second phase immediately.

b) Structure

The iESG outlines four key pillars for the implementation of ESG in Malaysia's manufacturing sector: (**i.**) standards, (**ii.**) financing, (**iii.**) capacity building, and (**iv.**) market mechanisms. The four pillars are further specified in 17 strategies, 50 deliverables and 6 key enablers.

c) Standards

The first pillar introduces ESG reporting to manufacturing companies and provides standards for the reporting.

i) Standards and ESG reporting

In order to enable manufacturing companies in their ESG reporting, iESG emphasises that companies should use accepted standards as the basis for their reporting. Larger companies and companies at a more advanced stage of ESG implementation could directly apply the Bursa standards[16] and implement the BRR[17] or even use internationally accepted standards such as GRI, ISSB or ESRS.[18]

However, recognising the complexity of such standards and the need to provide clear and user-friendly guidelines for ESG reporting, the iESG has made the development of clear, consistent and coherent reporting guidelines for manufacturers one of its core strategies. This strategy has already been tackled with the launch of the i-ESGStart guide.

The i-ESGStart is a comprehensive, richly detailed and very practical guide to ESG reporting for manufacturing companies. It clearly sets out what data should be reported, how it can be collected and how it should be presented - including specific measurements and formulae for calculating the relevant data. It also refers to the applicable international and national legislation for each reporting item and provides several template forms for the implementation of the required internal processes.

The reporting standards applied by the i-ESGStart Guide are based on leading international standards (including GRI, ESRS, ISSB and SASB) and the national standards as set out in the Bursa Sustainability Reporting Framework, the SRI Taxonomy,[19] SEDG,[20] CCPT21 and BRR.[22]

i-ESGStart is therefore not a completely new set of standards, but aims to explain how the indicators set out in the existing standards can be effectively reported. It acts as a practical tool for implementing ESG reporting, but companies will later need to choose a specific set of standards to apply for their more advanced reporting.

i-ESGStart also follows a step-by-step approach that increases the scope of reporting with each reporting year. It is therefore relatively easy to collect and report the relevant data in the first year, when only typically readily available information is reported, but companies will need to continuously improve their internal structures and data collection in order to meet the reporting targets for the following years and eventually directly apply international ESG standards.

ii) Content of ESG reporting

ESG reporting under the iESG framework requires companies to prepare and publish a sustainability report.

This report starts with a general chapter on the company. This chapter should describe the company, its industry context and position in the supply chain, its organisational structures, a general mission statement on its commitment to sustainable business practices, and how the company integrates sustainability into its structures and operations.

The general section should also outline specific challenges and obstacles, as well as the company's strategies to address these challenges.

This requires an assessment of the company's ESG impacts, distinguishing between actual and potential impacts. The impacts should then be ranked based on the likelihood of a negative impact and the materiality of that impact. This impact assessment will also form the basis of the company's ESG strategy.

MITI offers a simple tool called i-ESGReady for a very first impact assessment, which can be used to get an initial overview of the challenges and potential impacts that a company causes.

The subsequent sections of the sustainability report should include information on typical ESG indicators such as energy management, emissions, water and waste management, labour practices, occupational health and safety, community relations, anti-corruption, supply chain management and data privacy.

16 See Part D.III.1.
17 See Part D.III.3.
18 See Part C.I.
19 See Part D.III.7.
20 See Part D.III.5.
21 See Part D.III.6.
22 See Part D.III.3.

Individual reporting requirements also include far-reaching and detailed disclosures such as detailed energy consumption and sources, detailed emissions breakdown by emitter including indirect emissions along the supply chain, detailed workforce composition and total hours worked per employee, total compensation paid by the company and CEO to employee pay ratio, gender ratio in the workforce and management positions and pay gaps, spending on employee healthcare, percentage of employees receiving anti-corruption training or percentage of suppliers assessed for ESG impacts.

iii) Report

The sustainability report should be included in the annual directors' report and should also be published on the company's website. The sustainability report should be updated regularly.

d) Capacity building

The second pillar of the iESG framework - capacity building - focuses on raising awareness, providing information and training, as well as encouraging exchanges, cooperation and support between manufacturing companies and government officials.

MITI will therefore organise awareness-raising programmes, seminars, training, forums and mentoring programmes. Government agencies should appoint sustainability officers, who will be specially trained, to ensure the implementation of ESG in public agencies.

In addition, a digital platform will be created to match corporate social responsibility programmes between providers and recipients ("**CSR-Match**"). This tool will help large companies in particular to form strategic partnerships with government agencies and NGOs to tailor CSR initiatives to the needs of vulnerable groups and society.

e) Financing

The financing pillar aims to provide public and private financing for the transition to a more sustainable economy and the implementation of the iESG framework.

To this end, MITI intends to establish a financing marketplace in the form of a platform that connects individuals, companies and projects seeking financing with potential investors, lenders and donors.

In addition, the government will provide financial incentives in the form of improvements to the Green Investment Tax Allowance and the Green Income Tax Exemption, grants for digital platforms and product carbon footprint measurement, and an ESG Excellence Award to recognise companies that are leaders in ESG implementation.

Moreover, sustainability reports will be progressively required as a condition of government grants and government procurement.

f) Market mechanisms

Under the fourth pillar - market mechanisms - MITI intends to introduce carbon pricing instruments that will increase the cost of high-carbon products and thereby discourage high-carbon products and production methods. As a next step, a voluntary carbon market will be created to allow companies to invest in projects that counter carbon emissions to offset their own emissions.

This carbon pricing mechanism and carbon market will be implemented with a view to the CBAM of the European Union. Malaysia's carbon pricing allows affected companies exporting to the EU to deduct the carbon price already paid in Malaysia from the CBAM.

MITI is working with the relevant EU authorities to develop the carbon pricing and market.

g) Applicability

The iESG framework applies only to manufacturing companies and does not set mandatory requirements in its initial phase.

It is the most comprehensive and detailed ESG framework established in Malaysia to date.

Manufacturing companies should therefore treat it seriously and use the Just Transition phase to implement ESG practices and reporting before more stringent and mandatory measures are implemented in the Accelerating ESG Practices phase from 2027.

Non-manufacturing companies can also find the iESG framework, and in particular the i-ESGStart, a useful tool for implementing their ESG reporting.

5. Simplified ESG Disclosure Guide for SMEs

The Simplified ESG Disclosure Guide ("**SEDG**") was introduced by Capital Markets Malaysia ("**CMM**") in mid-October 2023 to provide a simplified set of ESG disclosures for small and medium-sized enterprises ("**SMEs**").

a) Applicability

The SEDG is aimed at SMEs that are required to track and report ESG data. The SEDG itself does not oblige companies to report and track ESG, nor does it set a mandatory timeframe for implementation, but it can be seen as a clear indication that companies are expected to implement ESG reporting in order to remain competitive, to have access to funding and to receive incentives (which are explicitly mentioned as reasons why companies may be compelled to report ESG data). The SEDG also does not provide a clear definition of SMEs.[23] It therefore seems possible that the SEDG will directly and indirectly become the minimum standard for ESG reporting for those companies that are not obliged to do so under other regulations (such as listed companies or companies in the manufacturing sector).

b) Simplification of Standards

The main purpose of the SEDG is to simplify and bring together various other standards to assist SMEs in implementing ESG reporting.

In particular, the SEDG is based on the following international and Malaysian standards/criteria: GRI, FTSE4Good, ISSB, Greenhouse Gas Protocol, Bursa Listing Requirements and Sustainable Reporting Guide, SRI Guide and MCCG. The SEDG is a condensed and simplified version of these standards. For the avoidance of doubt, companies that apply the SEDG do not automatically comply with the other standards mentioned above.

c) Content

Reporting under the SEDG is limited to five topics for each of the three main pillars of environmental, social and governance, which are then translated into one or more reporting standards for each topic.

The SEDG also follows a phased approach, proposing different levels of disclosure (Basic, Intermediate and Advanced) to reflect different levels of ESG implementation by companies. However, companies using the SEDG are expected to continuously develop their ESG reporting until they reach the Advanced level (and beyond by applying more comprehensive standards).

The basic level requires the reporting of relatively general information that most companies should have available, such as current annual emissions, current energy and water consumption, the number of incidents of child labour, the number of workplace accidents, the average hours of training provided to employees, the gender composition of the workforce, a list of the company's compliance policies and the number of confirmed incidents of corruption.

The Intermediate level then increases the level of detail in the reports, including, for example, improvements in emissions, energy and water consumption compared to the previous year, waste generation and consumption broken down into different categories, the risk factors for child labour incidents in the supply chain, the percentage of employees trained in health and safety standards, the gender composition of the board of directors, the governance structure of the board of directors including committees, and the percentage of employees who have received anti-corruption training.

The advanced level adds a further level of detail. This includes, for example, reporting on more indirect emissions along the supply chain, detailed information on how waste is recycled and disposed of, how the company avoids negative impacts on local communities, specific climate-related risks applicable to the company, or specific significant corruption risks for the company.

d) Report

The SEDG provides a simple template reporting form that can be easily completed and published on the company's website or included in the annual report.

e) Summary

The SEDG is perhaps the simplest way to implement ESG and a good starting point. However, it is very simplistic and may

23 There are different general definitions of micro, small, medium and large enterprises available under Malaysian law. All definitions are based on the annual sales or turnover of the enterprises and the number of employees. The must common definition may be the definition of the SME Corp which defines (**i.**) micro enterprises as business with less than 5 employees and an annual sales of less than MYR 300,000; (**ii.**) small enterprises as businesses with between 5 and 30 employees and annual sales between MYR 300,00 and MYR 3 million; (**iii.**) medium enterprises as business with between 30 and 75 employees and annual sales between MYR 3 million and MYR 20 million; and (**iv.**) large enterprises as business with more than 75 employees and more than MYR 20 million annual sales. A different definition applies for the manufacturing sector.

not be sufficient for those companies that are required to provide more detailed information about their subsidiaries, business partners, customers, banks or investors.

6. Climate Change and Principle-based Taxonomy

The Climate Change and Principle-based Taxonomy ("**CCPT**") was introduced by BNM in April 2021 to provide an overview of the impact of climate change on businesses and the financial sector, and to implement a principle-based taxonomy for financial institutions to assess and categorise economic activities and businesses based on the extent to which they meet climate objectives.

The introduction of a standardised classification and reporting system for climate-related risks is intended to support risk assessment, strengthen accountability and create market transparency.

a) Voluntary Assessment Tool

The CCPT is a non-binding risk assessment tool offered to financial institutions.

Notwithstanding the voluntary nature of the CCPT, it illustrates the trend for financial institutions to consider climate-related costs and reputational risks in their business operations.

The CCPT will make it easier for ESG-compliant companies to access financing.Conversely, non-compliant companies will find it significantly more difficult and expensive.

b) Principles

The CCPT sets out guiding principles for the due diligence assessment of existing and prospective customers and for individual transactions (i.e. the origination or extension of credit, the investment in an asset and the structuring of a transaction).

The general principles are

- Mitigating climate change by avoiding, reducing or enabling others to avoid or reduce greenhouse gas emissions;
- Adapting to climate change by increasing resilience;
- Causing no significant harm to the environment by preventing, reducing and controlling pollution, protecting ecosystems and biodiversity, and using energy, water and other natural resources sustainably and efficiently;
- Remedying environmental damage by supporting an orderly transition to a sustainable economy; and
- Ensuring that customers do not violate or circumvent environmental laws (including, for example, illegal deforestation or illegal waste management), rights or labour laws.

c) Compliance Ranking

Compliance with the Guiding Principles is then ranked in five categories, from 'C1' for activities that make a meaningful contribution to climate objectives without causing significant harm, to 'C5' for companies that do not demonstrate any commitment to climate objectives or do not take their commitment seriously.

C5 also reflects the increased transition costs and reputational risks associated with such companies and activities.

The CCPT provides examples of activities in different sectors that fall into each of the five categories.

d) Value-based Intermediation Financing and Investment Impact Assessment Framework

The CCPT must be read in conjunction with the older Value-based Intermediation Financing and Investment Impact Assessment Framework ("**VBIAF**"), already implemented by BNM in 2019, which sets out ESG standards for assessing investments and business activities, particularly for Islamic finance.

The VBIAF sets out several ESG-related principles on governance and risk mitigation, as well as an impact risk assessment matrix to assess such risks.

e) Additional Guides

In addition, specific guidance on ESG impact assessment for individual sectors and activities is being developed by BNM under the VBIAF.

Both the CCPT and the VBIAF were developed in collaboration with the World Bank and the World Wildlife Fund ("**WWF**").

f) Applicability

The CCPT and VBIAF are only intended for the financial industry, but can be applied by financial institutions to all types of companies when conducting customer due diligence.

The CCTP and VBIAF are therefore a clear example of ESG that cannot be ignored. Companies can fall into the C5 category simply by not taking ESG seriously. Companies in the C5 category will find it harder or more expensive to obtain financial products until they have improved their ESG compliance.

7. Sustainable and Responsible Investment Guide and Principle-based Sustainable and Responsible Investment Taxonomy

Similar to BNM's introduction of the CCPT, the Securities Commission of Malaysia also introduced ESG-related guidelines for the investment industry in 2021.

a) Sustainable and Responsible Investment Guide

The Sustainable and Responsible Investment Guide ("**SRI Guide**") provides guidance to venture capital management companies, equity crowdfunding platforms and peer-to-peer funding campaigns on how to integrate ESG considerations into their investment decisions and how to identify and evaluate sustainable investment opportunities.

b) Principle-based Sustainable and Responsible Investment Taxonomy for the Malaysian Capital Market

The Principles-based Sustainable and Responsible Investment Taxonomy for the Malaysian Capital Market ("**SRI Taxonomy**") sets out principles for the evaluation of investment assets and enhances the comparability of sustainable investment assets for the investment industry. It also aims to combat green washing, increase transparency and accelerate the development of the sustainable asset class.

The SRI Taxonomy was developed based on the principles of the CCPT, the Foundation Framework of the ASEAN Taxonomy Board's Taxonomy for Sustainable Finance Version 1 ("**ASEAN Taxonomy**") and the EU Platform on Sustainable Finance.

The SRI Taxonomy sets out a number of objectives for the environmental and social aspects of sustainable investment, including minimum safeguards and a definition of sustainable contributions to achieving the objectives.

Based on these objectives, investments can then be classified into three categories:

- green for investments that make a substantial contribution to at least one objective and do not cause harm to others;
- amber for investments that neither cause harm nor make a substantial contribution, or cause harm but take steps to mitigate the harm; and
- red for investments that cause harm to one or more objectives without taking steps to mitigate the harm.

c) Applicability

The SRI Guide and the SRI Taxonomy are tools specifically meant for the investment industry, but they will be applied by investors to all investments, i.e. all companies seeking funding from venture capital firms, crowdfunding platforms or peer-to-peer funding campaigns.

These two tools underline how ESG is becoming relevant to all aspects of business.

8. Malaysian Code for Institutional Investors

Also in 2022, the Institutional Investors Council Malaysia released its new Malaysian Code for Institutional Investors 2022 ("**MCII**").

The MCII highlights the "stewardship responsibilities" of institutional investors (including, in particular, insurance companies, pension funds, investment banks and other large asset managers with shareholdings in companies listed on Bursa Malaysia) in promoting and advocating sustainable business practices and an ESG agenda to ensure the delivery of long-term sustainable value and returns.

It argues that institutional investors have a significant influence on the market and their investee companies and should therefore act as guardians of market integrity, sustainability and good governance. This role would ultimately lead to greater value and returns for institutional investors' beneficiaries.

a) Stewardship Statement

The MCII therefore requires signatories to apply specific ESG standards in their operations and investee companies, and to issue an annual stewardship statement that provides meaningful information on the institutional investor's ESG implementation and adoption of the code.

b) Principles

The seven principles of MCII are as follows:
- Disclose their own stewardship responsibilities for sustainability and good governance and the effectiveness of their activities;
- Monitor the sustainability performance of investee companies;
- Engaging with investee companies to improve ESG implementation;
- Managing conflicts of interest;
- Integrate sustainability considerations into their decision-making processes;
- Publishing a corporate governance policy and voting guidelines (requiring signatories to take sustainability considerations into account when voting); and
- A joint response to corporate governance and sustainability issues.

c) Applicability

The MCII only applies to institutional investors that have signed the MCII. However, the MCII illustrates the trend that more and more market participants are considering ESG compliance in their business decisions and operations.

Companies will therefore lose potential investment from institutional investors if they fail to implement ESG practices, or may be pressured by their investors to increase their efforts.

IV. Tools and Assistance

Although the government's objectives to establish Malaysia as a regional ESG leader and increase the economy's sustainability are ambitious, it does recognise that companies may face significant challenges in implementing ESG principles and measures.

Most frameworks and guides recognise the complexity of ESG and apply a phased approach, avoid immediate mandatory actions, provide guidance and training, and provide tools to assist companies with implementation.

Examples of these tools include those mentioned above, i.e. the i-ESGStart Guide and the i-ESGReady assessment tool of MITI, the simple template ESG report annexed to SEDG, the CSRMatch platform for corporate social responsibility initiatives, and the proposed ESG financing marketplace of MITI.

1. Centralised Sustainability Intelligence Platform

In addition, Bursa Malaysia has announced that it is developing a Centralised Sustainability Intelligence Platform ("**CSI**") to be used initially by Bursa-listed companies and, in the medium to long term, by all companies, including small and medium enterprises. The CSI will serve as a central platform for sharing and comparing ESG-related data. It will provide various tools for ESG reporting, supply chain due diligence, carbon emission tracking and calculation, financing options and matching with financial institutions, and policy recommendations.

The development is supported by MITI and will be integrated into the iESG framework as a reporting tool.

Bursa is working with the London Stock Exchange on the development and has also signed a Memorandum of Understanding with the Indonesian Stock Exchange and the Stock Exchange of Thailand to define common standards and facilitate trade and business between the countries.

2. Low Carbon Operating System

Another tool offered by the Malaysian Green Technology and Climate Change Corporation ("**MGTC**"), an agency of the Ministry of National Resources, Environment and Climate Change, is the Low Carbon Operating System ("**LCOS**").

LCOS is a cloud-based emissions tracking tool. It offers a subscription package for real-time monitoring of carbon emissions, generation of emission reports based on international ESG standards, and development of emission management and mitigation strategies.

LCOS can therefore be used to track the emissions required for a company's ESG reporting and to prepare the relevant sections of the report with little additional effort.

It is aimed primarily at small and medium-sized companies, but also provides an opportunity for financial institutions to set up host programmes to collect and share data with referred companies.

3. Low Carbon Transition Facility

BNM introduced the Low Carbon Transition Facility in 2022 to support small and medium-sized enterprises in implementing ESG practices and carbon emission reduction measures. To this end, BNM has allocated MYR 1 billion for low-interest loans to SMEs to finance working capital and capital expenditure for low carbon practices. This amount will be matched by participating private banks.

4. SDG Investor Map

In conjunction with the iESG framework, MITI has announced the development of an SDG Investor Map for Malaysia. The SDG Investor Map is a market intelligence tool developed by the United Nations Development Programme, which helps the private sector identify investment themes that have the potential to advance the Sustainable Development Goals and provide ESG-compliant investment opportunities. The SDG Investor Map for Malaysia therefore aims to attract ESG-compliant investment to Malaysia, thereby support the Sustainable Development Goals.

V. Summary

As evidenced by the number of national standards, frameworks, guidelines and tools, Malaysia is already heavily involved in shaping the ESG landscape and pushing for a more sustainable global economy. With ESG at the top of the government's agenda, becoming a regional ESG leader seems an increasingly realistic goal, albeit an ambitious one.

1. Malaysia Follows the International Trends

In recent years, the authorities have successfully implemented well-crafted, balanced and practical ESG frameworks and guidelines that follow global trends. They are pushing for a broad and evolving implementation of ESG principles in the Malaysian economy, while being realistic about the actual implementation and the additional burden on companies.

To date, the focus of Malaysia's ESG regulation has been on ESG reporting and ESG strategy implementation.

Supply chain due diligence measures are indirectly included through reporting requirements on supply chain management, but as yet, there is no comprehensive supply chain due diligence obligation comparable to the EU CS3D or the German Supply Chain Act.

The Malaysian government has not yet used market mechanisms and restrictions to implement ESG objectives on a larger scale, but will do so with the forthcoming carbon pricing mechanism and carbon market.

2. Careful and Cautious Implementation

Aware of the current economic challenges, strong international competition and the turbulent geopolitical situation, the government appears to be trying to balance its ambitious goals with economic realities and the burden on businesses. As a result, the authorities have mostly opted for a step-by-step approach, with easier targets to start with, which will evolve over the years to bring Malaysian companies up to the ambitious international standards.

Detailed guidance, numerous tools and announced training will continue to help companies through the first and most difficult steps of ESG implementation, in order to progressively help companies realise the benefits of more sustainable business practices.

3. Indirect Effects

Most ESG measures are also voluntary and there are no direct consequences if companies do not take up the challenge immediately. However, similar to legislation in the European Union, the indirect effects of regulations and frameworks will soon become apparent.

Listed companies already have to implement ESG reporting and will also require their business partners to provide the data required for their reports. Companies already implementing voluntary measures will increasingly pressure their business partners to complete ESG self-assessments, provide ESG-related data or agree to their ESG strategies and commitments. There will be additional pressure on exporters to gain access to overseas markets. Subsidiaries of international groups will have to comply with international standards or at least provide ESG data to their foreign headquarters.

4. Recommendation to Start Implementation

In essence, while most ESG measures are still voluntary, there is a clear expectation from the government that all companies will contribute to its drive for a sustainable economy. The next phase of implementation is likely to see more stringent and mandatory requirements.

Rather than trying to resist the pressure and hoping to avoid the indirect effects, companies may be better served by actively engaging with the issue, utilising the support on offer for early adopters, getting ahead of the curve, and avoiding being overwhelmed when mandatory rules are implemented.

E. Steps to Prepare for ESG

The first steps of ESG are likely to be the most difficult and, despite the support provided by the authorities, they can still appear overwhelming. Companies may find it difficult to find a starting point and develop a strategy for addressing the topic and implementing ESG principles.

This section therefore aims to provide an overview of what these first steps might look like and how a company can start its own ESG journey.

I. Initial Strategy Meeting

As a very first step, a board of directors should hold an initial strategy meeting to discuss and form the decision to implement ESG principles in its operations and to gain a general understanding of what this means in practice.

This initial meeting is important to set the right tone from the top, to create the necessary awareness of the task and its scope, and to set the right expectations.

It is therefore advisable to prepare this meeting carefully and to involve the full management team. If necessary, it may be advisable to involve external advisors in the preparation of the meeting to help explain the task and the expectations for the implementation process.

II. Appointment of ESG Officer

In conjunction with the first strategy meeting, or even before, the company should appoint a specific director, manager or senior employee as ESG officer to manage and oversee the project.

This is important to ensure continuity of the process, to maintain an overview of the steps taken and their completion, and to foster ownership of the task.

However, for this to be successful, the ESG officer should also be given sufficient time and resources to carry out this task. It will not be possible to develop, drive and monitor an ESG implementation process alongside another full-time job. It may therefore be necessary to (partly) reassign this employee's other duties and, depending on the size of the company, to assign additional staff to the ESG officer.

III. Initial Assessment

The company should also conduct an initial preliminary assessment of what ESG means specifically for the company.

As part of this initial assessment, the company should determine whether it (directly or indirectly) is already subject to specific ESG obligations or whether there is a specific framework or standard for its industry.

Existing ESG obligations may also be imposed by foreign ESG laws without the company being aware of it, particularly if the company is part of a multinational group.

The company may also already identify a specific ESG framework or set of standards that is appropriate for it based on its industry or international business relationships (e.g. manufacturing companies should apply the iESG framework, companies that are part of a European group or have strong business relationships in the EU may opt for the EU framework and apply the ESRS, and smaller companies with less ESG exposure may prefer to start with the SEDG framework).

Ideally, this initial preliminary assessment will be carried out in preparation of the initial strategy meeting in order to gain a better understanding of the ESG compliance measures relevant to the company.

This assessment could be carried out by the company's or group's legal team or by external advisors.

IV. Tone from the Top and Stakeholder Involvement

As a result of the initial strategy meeting or at a later date, the board can then formally decide to implement ESG principles and set targets for the subsequent implementation steps. It is also recommendable to seta general strategy for implementation and specific deadlines for implementation steps are set, , so as to avoid the project being delayed or staved off in favour of day-to-day business.

This board's decision should be clearly communicated to employees and relevant stakeholders to set the right tone and encourage stakeholder involvement.

Larger companies may wish to set up a working group or committee made up of representatives from different business units and departments to draw on as much expertise and knowledge as possible from all aspects of the business. In particular, representatives from human resources, procurement, sales, administration, marketing and operations should be involved to facilitate the collection of the necessary data and input in the subsequent steps.

V. ESG Assessment

The next step, and probably the most labour-intensive, is an initial assessment of the company to identify the ESG issues relevant to the company and assess the current status.

This will involve an internal audit of many aspects of the business to ensure compliance with relevant legislation, identify ESG risks and opportunities, and assess the current level of information available.

To avoid overburdening the team and draining scarce resources, this audit could be conducted in a phased approach, in several steps or by department. However, if it is carried out in stages, it is important to have an ESG officer who can maintain an overview and link the results of each stage.

This assessment will provide the basis for all subsequent steps and for subsequent ESG reporting. It will also have clear benefits for the company as it will act as a complete health check on the company, identifying potential compliance risks or breaches, thereby preventing penalties and reputational risks. It can also reveal potential inefficiencies and opportunities for improvement.

The results of this assessment should be prioritised based on materiality and likelihood of adverse impact.

The compliance officer is likely to need senior members of other departments and additional staff to assist in this assessment. It may also be necessary to engage external technical and legal advice to assist with parts of the assessment. Alternatively, of course, the entire assessment could be outsourced if a company does not have the resources or expertise in-house, or prefers an independent and more critical assessment.

The assessment can also be supported by stakeholder engagement activities. For example, the company could set up dedicated communication or whistleblowing channels or a general ESG mailbox where employees and other stakeholders can submit their concerns, complaints, ideas and recommendations.

VI. Detailed ESG Strategy

The company should then develop an ESG strategy based on the results of the ESG assessment.

This strategy should set out the steps required to remedy existing non-compliance and adverse impacts in order of priority, and then, or in parallel, to implement preventive measures to avoid adverse impacts in the future.

The strategy should set deadlines for the completion of each item and clearly assign responsibility for implementation to a specific officer or employee.

Depending on the scope and complexity of the findings, this strategy could be used as the company's general ESG policy and be published on its website. The content should then be aligned with the chosen reporting framework.

Alternatively, the development of a public ESG policy should be one of the items to be completed as part of the implementation process.

VII. Implementation Phase

The ESG strategy then needs to be implemented.

This may involve, for example, drafting policies, redesigning processes, introducing new production methods and/or investing in technical measures to reduce waste, energy and resource consumption, amending existing employee policies, and implementing additional security measures, to name just a few examples.

VIII. Reporting

If not already done during the ESG assessment, the company should now also collect the relevant data for its initial ESG reporting based on the chosen framework and standards.

The reporting should also be coordinated with shareholders and group companies to ensure common standards and formats for better information exchange when fulfilling reporting obligations and where appropriate, supply chain reporting.

The report can then be published on the website, and together with the Annual Report.

IX. Reviews, Increasing the Scope and Continuous Improvement

The ESG strategy and policies should be regularly reviewed and updated.

The relevant data for ESG reporting should be collected on an ongoing basis, which may require the implementation of new or improved recording systems.

In addition, as the company progresses in its implementation, it should also broaden the scope of its ESG application by starting to screen its supply chain by including supplier assessments, mapping the entire supply chain down to raw materials and conducting a supply chain due diligence process.

X. Summary

While all of these steps may still seem like an overwhelming task that is difficult to fit in with regular operations, it is usually only the first assessment that requires a lot of work (but also brings immediate benefits).

All subsequent steps gradually become regular administrative tasks that can easily be integrated into the normal operations of the company.

Meanwhile, the increased amount of data available will facilitate other business and decision-making processes.

Done right, ESG implementation should improve the company's environmental performance, employee satisfaction and identification with the company, customer loyalty, collaboration with business partners, ease of management decision making, resilience to crisis, acquisition of new customers, access to funding, grants and subsidies, productivity, brand reputation and the company's financial performance.

F. How We Can Help You

Our team is here to help you on your ESG implementation journey. In particular, we can help you with the following:

- Initial ESG assessment;
- Development of ESG strategies;
- Full or partial ESG audits;
- Drafting of policies (including but not limited to ESG, employment, anti-corruption, data protection, anti-harassment / discrimination, recruitment, procurement, health and safety, general security or emergency response policies) and review of manuals and employee handbooks;
- Drafting or reviewing template contracts and commercial documents, including possible ESG or supply chain clauses;
- Assisting in the preparation of ESG reports;
- Advising on and assisting with remedial and preventative measures;
- Drafting or amending constitutions and board rules to incorporate ESG principles;
- Advising boards, committees (including ESG committees or independent audit committees) and ESG officers;
- ESG training for directors, officers, employees and business partners; and
- General advice on ESG and related issues.

Please do not hesitate to contact us for further information.

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Our advisory services are tailored to our clients' corporate goals. We take a creative, dedicated approach to achieving the best possible economic outcome for each of our clients. The name "Luther" stands for expertise and commitment. With a passion for our profession, we dedicate all our efforts to solving your issues, always providing the best possible solution for our clients. Not too much and not too little – we always hit the mark.

We know how crucial it is to use resources efficiently and to plan ahead. We always have an eye on the economic impact of our advice. This is true in the case of strategic consulting as well as in legal disputes. We have complex projects on our agenda every day. At Luther, experienced and highly specialised advisors cooperate closely in order to offer our clients the best possible service. Thanks to our fast and efficient communication, permanent availability and flexibility, we are there for you whenever you need us.

Luther has been named "Law Firm of the Year: Germany 2021" and also "European Law Firm of the Year 2021" by The Lawyer, one of the most well-known legal magazines worldwide.

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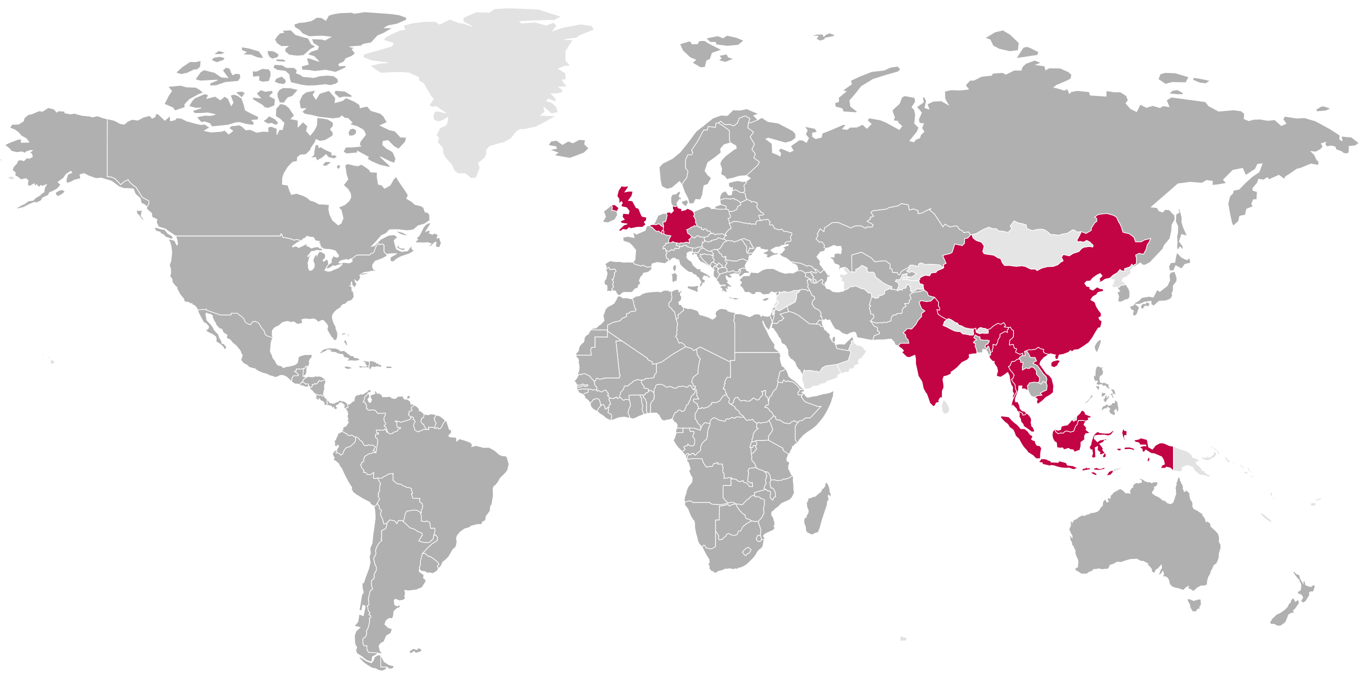
Our locations

We have a global outlook, with international offices in 11 key economic and financial centres in Europe and Asia. We also maintain close relationships with other commercial law firms in all relevant jurisdictions. Luther is a founding member of unyer (www.unyer.com), a global organisation of leading professional services firms that cooperate exclusively with each other. This way, we ensure a seamless service for our clients throughout their demanding international projects.

Our partner firms are based in Africa, Australia and New Zealand, Europe, Israel, Japan and Korea, the Middle East, Russia and the CIS, South and Central America, the US and Canada.



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Leipzig
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Luxembourg
Munich
Shanghai
Singapore
Stuttgart
Yangon

Our awards

JUVE

In the JUVE Handbook of Commercial Law Firms 2023/2024, 53 lawyers were recommended by Luther, nine of whom were recognised as “Leading Advisors”. In total, Luther was ranked in 31 practice areas. In 2023, Luther was named “Law Firm of the Year for Procurement Law” and “Law Firm of the Year for Distribution, Trade and Logistics” by JUVE-Verlag. In addition, Luther was nominated as “Law Firm of the Year for Technology and Media”. In 2019, Luther received the highest award as “Law Firm of the Year 2019” from JUVE-Verlag.

The Legal 500

The Legal 500 Germany 2023 recommends Luther in 30 areas of law, with “Top Tier” rankings in two of these areas. 72 lawyers are being recommended, 12 of whom have been specially recognised as “Leading Individual” or “Next Generation Partner”. Luther has also been included for Germany in the first edition of **The Legal 500 Green Guide EMEA 2022**. This guide provides an overview of law firms’ engagement with sustainability, including both work for clients as well as firms’ own best practices and initiatives.

Chambers

In 2023, Luther was recognised by Chambers Europe for 13 practice areas in Germany as well as in two practice areas in Luxembourg. Moreover, 15 partners were included in the Individual Ranking. Additionally, in 2023, Luther was recognised by Chambers Global in three advisory areas in Germany and Myanmar, while five partners were also included in the Individual Ranking.

The Lawyer European Awards

Luther has been named “Law Firm of the Year: Germany 2021” and also “European Law Firm of the Year 2021” by The Lawyer, one of the most well-known legal magazines worldwide.

Kanzleimonitor

Kanzleimonitor 2023/2024 recommends Luther in 20 areas of law and has also included four Luther lawyers among the recommended lawyers mentioned by name.

„Best Lawyers in Germany 2024“

For the year 2024, 99 lawyers have been recommended by Luther as “Best Lawyers in Germany 2024”, an award presented by the US publisher “Best Lawyers” in cooperation with the German Handelsblatt, including one partner as “Lawyer of the Year” for his area of law, and 19 colleagues who have received the recommendation “Best Lawyers - Ones to Watch”.

WHO’S WHO LEGAL

WHO’S WHO LEGAL listed 21 lawyers in December 2022, four of whom were recognised as Thought Leaders, which is the highest award, and three of whom were named Future Leaders.

Imprint

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