

CADWALADER
CLIMATE
Connecting Climate Change and the Law



Malaysian Stock Exchange to Launch ESG-Reporting Platform

March 28, 2023



By Duncan Grieve

Special Counsel | White Collar Defense and Investigations



By Jayshree Balakrishnan

Associate | Global Litigation

On March 22, 2023, Malaysian stock exchange Bursa Malaysia and the London Stock Exchange Group **announced** the development of a centralized ESG-reporting platform (Platform), due to launch in April 2023. The Platform has been designed to allow companies listed on Bursa Malaysia to disclose ESG data using a global standard based on the Task Force on Climate-Related Financial Disclosures recommendations. The platform also is intended to “accelerate swift adoption” of issuers’ “supply chain’s carbon emissions” (including based on data from non-listed organizations) and “help banks develop green financing products and services.” Educational and training on the Platform will begin in July of this year, with mandatory disclosure requirements starting in March 2024.

Industry reports indicate that Malaysia was already one of the more active jurisdictions in promoting ESG-related disclosures in the Asia Pacific region. A 2022 **PwC report** notes that Malaysia was one of the countries in the region with a “higher percentage of companies disclosing material factors from both internal and external stakeholders,” and that Malaysia was among the few countries that “stand out for disclosures of boards’ responsibilities and companies’ ESG governance structures.”

Taking the Temperature: Regulators and stock exchanges in the Asia-Pacific region increasingly are implementing ESG-related rules and guidance. For instance, Singapore recently launched the final consultation period to finalize a **Green and Transition Taxonomy, Japan’s Financial Services Agency published a **Code of Conduct for ESG Evaluation and Data Providers**, and the IFRS Foundation announced the execution of a memorandum of understanding with the Ministry of Finance in China to establish a Beijing office.**

Nonetheless, few jurisdictions in the region have implemented mandatory reporting on climate-related issues in a way that is comparable to incoming requirements in the EU. The European Sustainability Reporting Standards that are part of Europe's Corporate Sustainability Reporting Directive will enter into force in 2024. As we have [outlined previously](#), this will substantially increase the number of companies subject to the enhanced disclosure requirements. It remains to be seen whether or when countries in the Asia-Pacific region will adopt similar comprehensive ESG-related reporting requirements.