



Welcome Address
Dato' Mohammad Faiz Azmi
Chairman, Securities Commission Malaysia
Eco-Business Conference 2025
10.30 am, 28 July 2025
Securities Commission Malaysia

Yang Amat Berhormat Dato' Sri Haji Fadillah bin Haji Yusof, Deputy Prime Minister and Minister of Energy Transition and Water Transformation Malaysia,

YBhg. Tan Sri Abdul Wahid Omar, Chairman, WWF Malaysia and MySDG Foundation,

Ms. Jessica Cheam, Founder and CEO, Eco-Business,

YBhg. Datin Paduka Azalina Adham, Managing Director, Securities Commission Malaysia (SC) and members of the SC's Executive Team,

Distinguished guests, ladies and gentlemen.

Assalamualaikum warahmatullahi wabarakatuh, and a very good morning.

1. It gives me great pleasure to welcome you to the Eco-Business Conference here at the SC. This conference seeks to find solutions on how to unlock capital for sustainability.

2. I would first like to extend my appreciation to Eco-Business and its key partner, the United Nations Environment Programme (UNEP) Finance Initiative, for organising today's conference. A big thank you to all the other partners involved in this event as well.
3. My heartfelt thanks also to YAB Dato' Sri Haji Fadillah - our Deputy Prime Minister - for your kind presence this morning. Your support reflects the Government's continued leadership and commitment to sustainability, both here in Malaysia and within the region.

Sustainability is a Shared Goal and Responsibility

Ladies and gentlemen,

4. Sustainability is not just a shared aspiration but a collective responsibility for all. It is sometimes referred to as a Whole-of-Society issue.
5. Islam teaches us that humans are entrusted with the stewardship of the earth. Not as owners but as custodians. Humans are to manage responsibly the well-being of the land, sea, air and even societies that we live in. And we should also be aware of the inter-generational issues, when we consume resources. Most, if not all religions, talk in the same way about forbearance and being mindful of god's other creatures.
6. Even indigenous populations like our Orang Asli and closer to here, the Mah Mari in Selangor, are firm believers in maintaining a harmonious relationship with their surroundings and not being wasteful of the resources around them.
7. We too in the capital markets should hold similar values. Sustainability matters must be embedded within Malaysia's capital market and in our market players; be it in their actions, as well as the products and services they offer.
8. It is also one of the central pillars of the SC's upcoming Capital Market Masterplan 4 (CMP4), which will be aligned with current national priorities including the 13th

Malaysia Plan, National Energy Transition Roadmap (NETR) and other government economic initiatives.

9. The aim is to give momentum to the mobilisation of capital for transition, adaptation, and climate resilience financing – themes covered in today’s agenda. In doing so, we hope to increase the amount of green investments that we have today to support our energy transition and to help prepare for a hotter future.

Ensuring Domestic Market Readiness

10. More than that, it is about the readiness of our companies and market participants for this journey. This requires having in place supportive infrastructure for sustainability disclosures and data; a crucial ingredient for us to build long-term resilience.
11. In line with that, the National Sustainability Reporting Framework (NSRF) was launched in September 2024. The underlying purpose is to ensure consistent and comparable sustainability reporting by Corporate Malaysia and to align with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB).
12. Our efforts have already earned Malaysia international recognition by the IFRS Foundation for being one of the first adopters of the ISSB Standards in ASEAN.
13. This year marks the first phase of NSRF implementation involving large Main Market listed issuers above RM2 billion in market capitalisation - some 130 companies - and we will see the fruits of their work next year when the Annual Reports are finalised for 2025.
14. To assist adoption, companies can access tools and resources made available by the Advisory Committee on Sustainability Reporting (ACSR). This includes a simplified guide for boards to navigate the transition and sector-specific Illustrative Sustainability Reports (ISRs) that provide guidance in applying the ISSB Standards

as well as Master classes in very critical areas. We are also working with JC3 to ensure that appropriate data is available for corporates to use in their disclosures and scenarios.

15. Additionally, the NSRF Preparers Programme has been introduced. This three-part programme covers the basics of ISSB sustainability reporting, the calculation and reporting of Scope 3 greenhouse gas (GHG) emissions and climate scenario analysis.
16. In parallel, we are working closely with agencies such as the National Water Research Institute of Malaysia (NAHRIM) to improve the availability and accessibility of climate-related data. This includes flood, water stress, landslide and rainfall trends - resources critical for companies to disclose their climate-related risks. Later this year, we will be hosting a seminar with NAHRIM to let them share what data is already available to the public, to all the preparers.
17. The SC also intends to enhance understanding and knowledge of adaptation in Malaysia, an area that receives less attention and funding. An interesting initiative we have launched is the Coastal Flooding Adaptation and Resilience (COFAR) University Challenge to encourage university students to come up with practical solutions for coastal resilience. Instead of being anxious they should be part of the solution.
18. Such bottom-up approaches are an important complement to our regulatory initiatives and also serve to raise awareness in the younger generation.

ACMF Regional Initiatives

19. At the ASEAN level, regional capital market initiatives are led by the ASEAN Capital Markets Forum (ACMF). The SC is Chair of the ACMF this year in conjunction with Malaysia's Chairmanship of ASEAN. Our main efforts this year are on developing further the ASEAN taxonomy which is in its 4th version.

20. Similar to Malaysia's domestic landscape, climate adaptation is an area where ASEAN must also step up. The ACMF is spearheading the development of the mARs Guide, which stands for Mitigation Co-benefit, Adaptation for Resilience and Sustainable Finance.
21. mARs will provide a much-needed framework for identifying adaptation projects and financing options in the region as well as prioritise key focus areas for adaptation. It is envisaged to serve as a toolkit for companies and funders to assess adaptation technologies and solutions; ultimately directing funding towards these projects. The core problem to address is that many adaptation projects do not generate returns so we need a blended finance approach to funding them.
22. Another important initiative is the ASEAN Transition Finance Guidance (ATFG). Now into its second version, ATFG is meant to support companies in charting transition pathways toward net zero, including those in hard-to-abate sectors.
23. Version 2 provides better clarity on the different types and applications of transition finance with the aim of unifying terminology and understanding among market participants. It also gives guidance on reference pathways in setting and assessing transition plans.
24. The ACMF is also undertaking the ASEAN Carbon Market Ecosystem Roadmap study, which aims to provide practical guidance for ASEAN countries and regulators on how to effectively engage in and manage voluntary carbon markets (VCM). All around the world, carbon credits are seen as securities and we hope as a region to better regulate carbon credit products to ensure they are credible and properly valued.
25. The study will broadly cover two key areas. First, a landscape assessment of ASEAN carbon market ecosystem and the role of carbon credits in helping the region achieve its decarbonisation targets. And second, the development of consistent and clear VCM guidelines to support generation and trading of high-integrity carbon credits.

Closing

Ladies and gentlemen,

26. I hope that I have provided some flavour on the current landscape for Malaysia and ASEAN. Hopefully, this can spark the discussions ahead and generate interesting solutions.
27. Ultimately, we all have the same goals. That is, to facilitate sustainable financing where it is most urgent and provides the greatest impact.
28. In closing, let me leave you with a proverb: "We do not inherit the earth from our ancestors, we borrow it from our children"¹. We must not forget that an important stakeholder in sustainability are those we will leave behind.
29. It is our responsibility to ensure the resources and capital we use today results in a sustainable tomorrow.

Thank you.

¹ Native American proverb