



Opening Address
Dato' Mohammad Faiz Azmi
Chairman, Securities Commission Malaysia
SIDC–CASI Sustainable and Responsible Investment
Conference 2025
9.10 am, 29 July 2025
Securities Commission Malaysia

Yang Berhormat Liew Chin Tong, Deputy Minister of Investment, Trade and Industry, Malaysia,

Dr. Ma Jun, Chairman, Capacity-building Alliance of Sustainable Investment (CASI) and President, Institute of Finance and Sustainability (IFS),

Yang Mulia Tengku Zarina Tengku Chik, Chief Executive Officer, Securities Industry Development Corporation (SIDC),

Board of Directors and Senior Management of the SC and SIDC,

Distinguished speakers, guests, ladies and gentlemen.

Assalamualaikum and a very good morning.

1. It is a pleasure to deliver the Opening Address for the second year running. Coincidentally, last year's conference was my first official engagement after assuming the role of Chairman of the Securities Commission Malaysia (SC). How quickly time flies.

2. This year I wear an additional hat in conjunction with Malaysia's Chairmanship of ASEAN; that of Chair for the ASEAN Capital Markets Forum (ACMF) – a regional grouping of securities regulators.
3. This sixth edition of SIDC's flagship Sustainable and Responsible Investment (SRI) Conference takes place amidst the push for a more sustainable and inclusive ASEAN. This is also reflected in the conference theme, '**Shaping the Future of ASEAN Business in Sustainability**'.
4. For the first time, the conference is co-organised with the Capacity-building Alliance of Sustainable Investment (CASI), which is under the auspices of the Institute of Finance and Sustainability (IFS).
5. Together, the partnership between CASI and SIDC reinforces this conference as a vital platform in advancing the green and sustainability agenda, both in Malaysia and ASEAN.
6. I would like to record my appreciation to SIDC and CASI for their commitment and collaboration towards this agenda.
7. It is also a great privilege to have YB Liew grace this event as the guest-of-honour. Thank you YB. Your presence demonstrates the government's commitment towards aligning trade and economic development with greater resilience and inclusivity, as highlighted by the New Industrial Master Plan (NIMP) 2030.
8. At the recent ASEAN Summit in May, MITI played a key role in advancing regional commitments, in particular the ASEAN Economic Community Strategic Plan 2026-2030. With inclusivity and people-centredness at its core, the Plan aspires for a sustainable community; one well-equipped to mitigate risks from climate change.

Investing in sustainable growth

Ladies and gentlemen,

9. In the medium term, ASEAN is set to be a key driver of global growth, with its contribution estimated to be about 33.7% of GDP¹. Despite this bright outlook, it is essential to strengthen long-term resilience against the backdrop of ongoing geopolitical and economic uncertainties.
10. From a business perspective, sustainable growth goes beyond addressing financial and operational issues. Increasingly, businesses must pay attention to physical risks that arise from environmental degradation or even resource depletion.
11. The social component of sustainable growth is also important. It cannot be growth at all costs. Companies today are expected to be responsible corporate citizens. This means prioritising the well-being of their employees, customers, as well as the broader community.
12. Non-compliance with safety, health and environmental protection standards can curtail business prospects, and ultimately impact the bottomline. Mitigating such risks requires investments.
13. Investments are also badly needed to accelerate ASEAN's sustainability journey. This includes developing green industries such as renewables and clean energy and regional carbon markets.
14. It is estimated that green investments of around US\$ 3.7 trillion to US\$ 6.7 trillion² will be required to meet the region's goal of carbon neutrality in 2050.
15. With Southeast Asia accounting for only 2% of global spending on clean energy in 2023³, significant gaps remain between investments required and these long-term goals.

¹ Source: ASEAN+3 Macroeconomic Research Office (AMRO) figures, "ASEAN+3 Regional Outlook 2025"

² Source: ASEAN Secretariat, "ASEAN Strategy for Carbon Neutrality" (2023)

³ Source: International Energy Agency (IEA), "World Energy Investment 2024"

16. Therefore, the ability to mobilise sufficient financing will be key to successfully managing our transition to sustainability.

Supporting the move towards sustainability

17. So, how does the SC and our regulatory peers ensure that regional capital markets are able to support the goal of a sustainable ASEAN?
18. Firstly, it is about encouraging greater take-up of sustainable financing. This entails developing taxonomies or criteria for identifying green activities and projects.
19. The ASEAN Taxonomy for Sustainable Finance provides a template to assess and identify eligible green activities. Six focused sectors which contribute 85% of greenhouse gas emissions in the region were identified – Energy, Transportation and Storage, Construction and Real Estate, Agriculture, Manufacturing, and Water and Waste Management.
20. The technical screening criteria developed will assist these sectors in attracting sustainable investments and financing.
21. Decarbonisation efforts are also critical. To guide companies in their transition to net zero, the ACMF released the ASEAN Transition Finance Guidance. The aim is to assist companies create credible transition plans to obtain the requisite financing.
22. Separately, with carbon markets and mechanisms taking shape in ASEAN member states, the ACMF will assess the feasibility of introducing Voluntary Carbon Market Guidelines.
23. Another challenge would be adaptation financing. Currently, most adaptation projects such as construction of seawalls have no discernible commercial returns and are highly reliant on government funding. There may be a role for market-

based financing solutions if we can improve the bankability of adaptation projects.

24. The ACMF is looking at developing adaptation financing guidance under the banner of mitigation co-benefit, adaptation for resilience and sustainable finance, or mARs. The aim is to provide clarity on suitable projects and attract private sector interest.
25. Moving forward, each jurisdiction has their own schedule for adoption of the IFRS Sustainability Disclosure Standards (ISSB Standards). The implementation of ISSB Standards across the region will lead to greater availability of comparable data on sustainability.
26. This, in turn, will inform better and more targeted policies; bringing us closer to the goal of a sustainable ASEAN community.

Leveraging tools and building capacity

27. So, how can businesses take advantage of these opportunities and exemplify sustainability?
28. Companies should utilise the tools and aids that regulators and stakeholders have made available.
29. Capital Markets Malaysia (CMM) – an affiliate of the SC - developed the Simplified ESG Disclosure Guide (SEDG) for micro, small and medium enterprises (MSMEs) in 2023. It is a tailored framework designed to reduce the complexity and costs of ESG reporting for smaller firms; allowing them to disclose what matters.
30. The guide has also been adapted this year for the use of SMEs across ASEAN, especially those that operate within local and global supply chains.

31. In addition, CMM launched a user-friendly SEDG Greenhouse Gas (GHG) Emissions Calculator last week to further assist SMEs in measuring and reporting their GHG emissions.
32. For larger companies, Malaysia's Advisory Committee on Sustainability Reporting (ACSR) released Illustrative Sustainability Reports (ISR) to help companies in applying the ISSB Standards. Currently, there are ISRs with illustrative examples for the plantation and construction sectors.
33. Sustainable growth also demands continuous investment in resources and building capacity.
34. Therefore, I am delighted that the SIDC is preparing to launch the advanced Certified Capital Market Professional in SRI 2 (CCMP SRI 2). This certificate will focus on developing competencies in structuring sustainability-related products and impactful investment strategies.
35. The SC is also facilitating the setting up of an association for sustainability practitioners. This will include preparers, auditors and other related personnel. The aim is to look at current and future training needs, skills, and to set professional standards.

Conclusion

Ladies and gentlemen,

36. In closing, I would like to emphasise that sustainability should not be an afterthought. Rather, it is a strategic imperative to be embedded throughout the business.

37. To all delegates, speakers and panellists here, I challenge you to create lasting value which will benefit every individual and company in this region. Let us make a sustainable and inclusive ASEAN a reality.

Thank you.