AUTHOR: brandon pang SECTION: ESG AUDIENCE : 25,910 PAGE: SP19 PRINTED SIZE: 389.00cm²
REGION: KL MARKET: Malaysia PHOTO: Full Color ASR: MYR 7,295 WORDS: 490
ITEM ID: DP0121930388

14 SEP, 2026

Tenaga focuses on deeper ESG integration

The Edge, Malaysia

BEST PERFORMING COMPANY BY SECTOR • UTILITIES

Tenaga focuses on deeper ESG integration

BY BRANDON PANG

TENAGA NASIONAL BHD (KL:TENAGA) has won the award for Best Performing Company by Sector for utilities at *The Edge Malaysia* ESG Awards 2026. It won the silver award in that category in 2024.

Datuk Shamsul Ahmad, the group's president and CEO, says its immediate priority after winning the award is to fully adopt Malaysia's Sustainability Reporting Framework, including strengthening its Scope 3 emissions disclosures and improving visibility across its upstream and downstream value chain.

"The transition is not only about infrastructure and technology. It is also about people. We recently launched the Energy Transition and Sustainability Academy (ETSA), with more than 35,000 employees mapped into role-based learning pathways. We are extending this capability-building to vendors, industry peers and regional partners," he adds.

Shamsul says the group's biggest challenge going forward is to move beyond compliance and reporting to build ESG into its operational foundation. "We realised that chasing a rating cannot be the end goal. The goal is to have the systems, data and accountability to continuously improve performance," he stresses.

Another challenge was fragmented ESG data, which was often managed manually across different systems and data owners. The company addressed this by strengthening data governance and developing end-to-end digital data pipelines.

Tenaga has an in-house ESG dashboard that tracks more than 300 indicators across the group, giving it greater visibility for both sustainability reporting and decision-making. It has also established a Centre of Expertise in Carbon and Biodiversity Management to deepen internal capability and drive collaboration across the company.

TENAGA

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Shamsul

To make ESG adoption more effective in Malaysia, Tenaga welcomes continued collaboration with regulators and industry bodies such as the Securities Commission Malaysia, Bursa Malaysia, Bank Negara Malaysia, the Ministry of Energy Transition and Water Transformation, and the Ministry of Natural Resources and Environmental Sustainability, says Shamsul.

"We also encourage investors to align capital with credible transition opportunities. We have a responsibility to help our own ecosystem. And local SMEs and vendors need to build their capabilities to participate in the transition journey. ESG progress will be strongest when the entire value chain advances together," he adds.

He says the company is most proud of the recognition it received from industry players this year. Among them, Tenaga was upgraded to AA rating in the MSCI ESG Ratings this year, after progressing from BBB to A in 2025. This was further reinforced by its upgrade from three to four stars in the FTSE4Good ESG rating.

"What makes this meaningful is that these ratings reflect progress across our environmental, social and governance performance. We achieved this by strengthening governance, accountability and the use of ESG data across the organisation," he adds.