



Embracing A Sustainable Future

As governments around the world dedicate resources towards their sustainability goals, businesses must take positive action in shaping a cleaner, more tolerant and equitable future.

Building upon last year's success, Star Media Group is reuniting with OCBC Bank to host the second edition of the annual ESG Positive Impact Awards.

The awards recognises and spotlights the best Malaysian companies that have demonstrated exemplary environmental, social and governance practices across their daily operations.

Join a fraternity of future-forward changemakers driving lasting change for a sustainable tomorrow.



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A vision for Malaysia's future

I am pleased to provide this foreword for the Star Media Group's ESG Positive Impact Awards 2023 as well as its special section titled *Embrace a Sustainable Future*.

Having been launched in August 2022, it is very pleasing to see the ESG Positive Impact Awards continuing and one hopes that it will grow from strength to strength.

ESG crucial for Malaysia

Climate change and energy security have undeniably emerged as pressing global imperatives that exert a profound influence on the realms of geopolitics, economics, and investment decision-making. Consequently, it is imperative that all entities, including businesses as well as the general public, swiftly adapt to these evolving realities.

These new dynamics have also given rise to renewed focus on Environmental, Social, and Governance (ESG) practices, not only to maintain competitiveness but also to ensure the very survival of businesses in the years ahead. A core component in the success of climate action is how thoroughly the private sector embraces sustainability.

The reality is that regulators, businesses and ordinary consumers, across the world are increasingly concerned about ESG. In addition to cost and availability, goods and services are now judged by the effect their production and consumption has on the environment and societies. This is a trend that an open, trading nation like Malaysia cannot afford to ignore. As such, inculcating ESG in not only our supply and production chains but also our way of life is essential for our country to

remain competitive.

Sustainability at the core of the government's agenda

To be sure, our country has never shied away from the core tenets of ESG. From a broader perspective, Malaysia has made a commitment in our Nationally Determined Contributions (NDC) as part of the Paris Agreement to reduce the ratio of greenhouse gas emissions to GDP by 45% in 2030 compared to the 2005 baseline. Additionally, in line with the 12th Malaysia Plan, we have declared our intent to achieve net-zero emissions at the earliest by 2050. Although our contribution to global greenhouse gas emissions is relatively modest, accounting for less than 0.7%, we acknowledge that we are not immune to the impacts of climate change. Hence, we recognize the importance of joining the global community in catalysing meaningful change.

In our concerted efforts to address climate change comprehensively, we are in the process of formulating targeted, action-oriented national policies and a robust regulatory framework. These will serve as a clear roadmap towards fulfilling our climate change commitments while bolstering the existing climate change governance within Malaysia.

The government also understands that a reliable, affordable, and sustainable energy supply is the cornerstone of economic growth. Consequently, we have pledged to increase the target for Renewable Energy (RE) installed power capacity to 70% by 2050, harnessing Malaysia's abundant solar resources.

These initiatives promise to open up new economic prospects while

ensuring a dependable electricity supply, particularly for businesses.

Sustainability is at the heart of the main plans and frameworks of the government, including the National Energy Transition Roadmap (NETR) as well as the New Industrial Master Plan (NIMP) 2030, the Mid-Term Review of the 12th Malaysia Plan (MTR-12MP) and the 2024 Budget. The government has also recently launched Phase 1.0 of the Industry Environment, Social, and Governance (ESG) Framework, to accelerate the transition towards sustainable practices among manufacturing companies. Together, contribute towards the realisation of the Malaysia Madani and Madani Economy models for sustainable and inclusive nation-building as well as growth.

The private sector must continue to back ESG

It must be stressed however that the government cannot succeed in this quest on its own. The private sector is itself the main beneficiary of ESG and as such, it must take an active role in the process. There is a great need for larger and more established companies to support, where possible, their SME partners in their supply chains to adopt as well as adapt to ESG.

Indeed, I have seen growing, proactive interest in mastering ESG on the part of Malaysia's private sector. This can only be a positive development considering that, ultimately, what is good for the earth and society is good for business. The key is to maintain this momentum and ensure that ESG initiatives are credible and impactful.

Inclusivity is a crucial component



Nik Nazmi Nik Ahmad
Natural Resources,
Environment and Climate
Change (NRECC) Minister

in the success of ESG. Moreover, civil society in general, including the media, must continue to encourage and back the practice of these principles.

As such, initiatives such as the ESG Positive Impact Awards by Star Media Group play an important role in encouraging corporate Malaysia to adopt sustainable practices which will ultimately contribute to the wider sustainable development of the nation.

As the government advances toward Malaysia's net-zero aspiration, I extend an invitation to the media to continue to be our constructive partners in this transformative journey. With your extensive reach and influential role, you possess the capacity to mobilise individuals from all walks of life in the pursuit of a greener future. By facilitating public discourse, fostering dialogue, and holding stakeholders accountable, you play an indispensable role in advancing the sustainable agenda.

Thank you.

FOREWORD

Championing ESG as a business imperative



Tan Sri Chor Chee Heung
Chairman
Star Media Group

THE shift towards zero emissions has taken over many of our conversations today, from global leaders to the man-on-the-street. This has happened because in the last few years, the frequency in which natural disasters have occurred has opened our eyes to the potential downside of disregarding our impact on the planet. Left unresolved, it will lead to increased social costs and dampen sustainable economic growth. In Malaysia, we have witnessed many organ-

isations redirecting their efforts and implementing robust environmental, social and governance (ESG) policies and initiatives over the years. They have nurtured strong ESG practices and processes to lower their impact on the environment, conducted reforms to enhance health and wellbeing of their employees, improved workplace practices, promoted diversity and women empowerment, increased access to education as well as financial inclusion to communities around them, to name a few.

Focused on creating meaningful change to deliver lasting impact, some have even revamped their overall organisation by investing in digital technology, forged new partnerships, introduced new business focus areas, upskilled their talent base and ramped up innovation.

With so many changes occurring and success stories to be shared, Star Media Group (SMG) introduced the ESG Positive impact

Awards in 2022 to recognise and reward organisations that have successfully integrated ESG into their strategies and processes. We designed these awards to be multifaceted in nature, allowing the respective organisations to best describe the multiple pathways used to achieve their ESG goals. For SMG, we positioned ourselves as the enabler and partner of ESG initiatives for various corporations as it was about encouraging corporate Malaysia, especially those who are beginning their ESG journey, to understand the immense potential and impact it has on their organisation, employees, communities and the country.

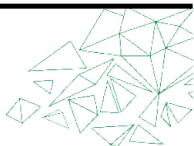
As we move into the second year of the ESG Positive Impact Awards in 2023, I would like to encourage more businesses, especially the small and medium business enterprises, to make the commitment towards integrating ESG practices into their strategy as the benefits far outweigh the risks.

It is important to understand that there will not be immediate seismic shifts across their organisations, but they will witness transformative changes unfolding over the years that will add value, strengthen best practices, boost bottom line, bolster market reputation and build overall organisational resilience.

Implementing ESG practices and ensuring this is for the long term is by no means an easy task. For those who have made good progress in realising their ESG roadmap, there is still much more to be done. Therefore, we applaud those who have consistently forged ahead, despite the challenges. At the same time, your unwavering commitment to a sustainable future will enable the country to achieve its aspirations of net zero emissions by 2050.

I look forward to seeing more business leaders and companies participating in the upcoming ESG Positive Impact Awards 2023. It is about recognising and motivating efforts in the realms of ESG, as this is for the greater good of the people and the country.

Joint endeavour for change



Environment, social and governance (ESG) has emerged as one of the most talked about issues that is facing the world today. While discussions on climate change have been going on for decades, the time has come for us to act before it causes irreversible damage to our environment. While many would focus on the environment, we should also not disregard the social component which covers elements such as inclusiveness, equality, labour relations and governance.

Climate change is a serious matter as it does not only cause changes in weather patterns, but also impacts the balance in the natural ecosystem and biodiversity.

In essence, it affects how we live our lives, now and in the future. It is not going to go away unless appropriate measures are taken.

As we protect our planet, we must also encourage compassion and kindness, initiating projects that lessen the impact on communities around us as this is key in ensuring equitable socio-economic transformation.

To this effect, Malaysia has designed comprehensive strategies to accelerate progress to achieve our goals of reducing greenhouse gas emissions by 45% of our GDP by 2030, and over the longer term, realise our carbon neutrality aspirations by 2050.

The government together with the relevant regulators have introduced various forward-looking frameworks, policies and action plans such as the 12th Malaysia Plan, National Energy Transition Roadmap, New Industrial Master Plan and a wide range of financing measures.

The good news is that Corporate Malaysia continues to deepen their commitment in driving ESG-focused initiatives throughout their operations as well as value and supply chains, leveraging on the opportunities and support provided.

From investing in green technologies and clean energies to

initiating social programmes to improve diversity, equal opportunities and inclusiveness, many have implemented robust processes and practices.

Through my many interactions, I have personally seen how this has led to new innovations to power their ESG practices, which has in turn created new employment opportunities, new technologies, and even new industries.

This is why I truly believe that the ESG Positive Impact Awards 2023 is a step in the right direction in accelerating ESG practices among Corporate Malaysia and SMEs.

It casts a positive light on the meaningful changes that have occurred in the lives of people and the environment by Corporate Malaysia. More importantly, it has created a platform for organisations to share knowledge and best practices, gain insightful solutions and even inspire others to follow suit.

Their bold actions will further strengthen Malaysia's positioning on a regional and global scale as they will be viewed positively by the local and foreign investing community, gain wider access to markets and move up higher in global supply chains.

These transformations offer opportunities that will unleash sustainable economic growth and prosperity for the nation.

Malaysia's path towards achieving its carbon neutrality aspirations requires a mindset change and collective action from everyone. We must work together to future proof our economy.

I hope that more organisations will kickstart their ESG transformation. As for those that have already begun this process, thank you for doing your part in shaping a better future of Malaysia. Your actions are not only ensuring sustainable growth for your respective organisations and your stakeholders, but also for the people, the environment and the country.

Datuk Seri Anwar Ibrahim
Prime Minister of Malaysia



Charting the pathway to sustainability



Tan Sri Abdul Wahid Omar
 Chairman
 Bursa Malaysia

The interdependence of business and the environment in today's world is indisputable. We stand at a critical juncture where the effects of climate change and biodiversity loss are no longer theoretical notions; they are tangible, affecting both our businesses and livelihoods.

Without a healthy planet and just socioeconomic development, there would not be a market for us to serve.

Consequently, the urgency for corporate leaders to embrace sustainability is no longer a nice-to-have, but an essential critical component in business operations.

There is growing appreciation that a growth strategy rooted in sustainability not only enables businesses to anticipate emerging trends and manage risks effectively, but also aligns them with the evolving expectations of stakeholders.

Faced with increasing demand for greater transparency, consistency and comparability in sustainability disclosures to make better-informed decisions, businesses are under mounting pressure to ensure their sustainability commitments are not mere greenwashing but meaningful, substantive actions to drive impact.

By aligning environmental, social and governance (ESG) criteria with the Sustainable Development Goals (SDGs), businesses can

address global challenges while fortifying their own sustainability.

Streamlined reporting would make it easier for stakeholders, including investors, to evaluate a company's commitment to global sustainability.

To this end, Bursa Malaysia has taken significant strides in compelling Malaysian public listed companies (PLCs) to meet and address the heightened expectations of stakeholders, through inter alia, the rollout of the Enhanced Sustainability Reporting Requirements for Main Market and ACE Market listed issuers, unveiled in September 2022.

These enhanced requirements are to help elevate the sustainability practices and disclosures of listed issuers to adopt international best practices as they meet the evolving needs of stakeholders.

In the past, perhaps the responsibility of environmental solutions and actions seemingly rested primarily within governments and international organisations.

Today, it is encouraging to witness a shift where an increasing number of businesses and financial institutions are stepping up as influential advocates and catalysts of sustainability.

The transition of environmental sustainability as a commercial necessity requires a paradigm shift — a reinvention of business models, markets, and the entire essence of the global economy.

To achieve this, we must redefine the rules of the game, moving away from an economy based on wasteful or inefficient production and consumption that contribute to climate and ecosystem breakdowns. We must value nature's services, disclose environmental externalities, and integrate these considerations into financial markets.

In navigating the intricate challenges posed by climate change, collaboration is paramount.

A collective, whole-of-nation approach is required to build a greener, more sustainable and resilient economy.

I am heartened by the increasing focus and concrete climate actions taken by our Government. Policies such as the National Energy Transition Roadmap (NETR) and the New Industrial Master Plan (NIMP), coupled with initiatives like the RM2bill National Energy Transition Facilitation Fund and incentives for electric vehicle adoption from the recently tabled Budget 2024, exemplify our steadfast commitment towards a net-zero emissions economy.

The time for meaningful action is now.

While Malaysia has made commendable progress in the ESG space, there is still much more to be accomplished.

As a society, we have a pivotal role to play too. Complacency is not an option; we must respond to these challenges promptly and resolutely.

I commend Star Media Group (SMG) for organising the ESG Positive Impact Awards for the second consecutive year. I trust that this initiative will serve as a platform to cultivate stronger ESG practices among Malaysian businesses and enhance public awareness of our shared responsibility in achieving our sustainability goals.

Let us collaborate to pave the way for a stronger, more sustainable, inclusive and prosperous Malaysia.

Embracing a sustainable future

ESG Positive Impact Awards 2023 seeks to foster sustainability and social responsibility among businesses

IN its unwavering commitment to drive progress in the realm of environmental, social and governance (ESG) principles, the ESG Positive Impact Awards (ESG PIA) 2023 emerges as a platform to honour and commend the diverse initiatives and steadfast efforts undertaken by businesses that wholeheartedly dedicate themselves to fostering positive and lasting change in our society.

These enterprises, both large and small, are champions of equitable and sustainable development – exemplifying a profound dedication to the betterment of our planet and the well-being of its inhabitants.

Through the ESG PIA, these unsung heroes take the spotlight that they rightfully deserve, shedding light on their endeavours that extend far beyond profit margins.

By doing so, these awards serve as a pow-

erful catalyst for positive change – emphasising the importance of ESG principles in shaping a future where economic prosperity coexists harmoniously with social equity and environmental preservation.

With a focus on inclusivity, the ESG PIA does not discriminate based on the size or scale of an enterprise, as it recognises that meaningful change can originate from the most unexpected places.

In doing so, ESG PIA seeks to empower all businesses to strive for excellence in ESG practices, encouraging them to adopt sustainable models that prioritise the well-being of our nation and its inhabitants.

In a world where corporate responsibility carries more weight than ever, the ESG Positive Impact Awards 2023 stands as a testament to the tireless efforts of businesses working towards a brighter, more equita-

ble, and sustainable future for all.

Furthermore, the awards are instrumental in assessing risks and growth opportunities, aligning businesses with the UN Sustainable Development Goals and fostering the adoption of higher operational standards.

In doing so, these awards encourage businesses to embody ESG values and principles at their core, ensuring that they commit to sustainability and social responsibility as a fundamental part of their organisational structure.

This initiative is a call to action, inspiring companies to embrace their pivotal role in addressing the complex challenges facing our society and planet, and ultimately, to build a world where success is measured not only by profit but by the positive impact made on the lives of people and the health of our environment.

MESSAGE FROM SPONSOR

Championing sustainability and innovation



Tan Chor Sen
Chief Executive Officer
OCBC Bank (Malaysia) Berhad

As main sponsor, we are encouraged by the participation at all levels in the inaugural ESG Positive Impact Awards, which served as a platform for those who believe they had done well to be recognised and emulated.

The Awards recognised those who took meaningful steps to attain their environmental, social and governance (ESG) goals, thereby highlighting models that could be adopted by others.

This year, as we reprise our role, we are pleased to observe increased interest in the Awards, and we look forward to continue to promote the creation and use of innovative

sustainability solutions. As conversations shift towards climate mitigation and adaptation, the role of prudent ESG management in addressing considerations related to physical and transition risks become even more vital.

Bearing in mind that the national net zero carbon emissions goals can only be attained through collective effort, we hope to see this unity of vision reflected in an increase in number of submissions we receive this year. More, specifically, we are hoping to see more submissions that demonstrate how decarbonisation efforts have been, and can be, carried out sustainably and effectively, with long term positive impact benefitting an extended network.

While much of corporate Malaysia is already actively embracing ESG within the context of climate transition, OCBC Bank is especially cognisant of the need for stronger buy-in from the wider value chains. Big and small players must come together for our collective efforts to have a telling effect on the environment.

We believe the format of the Awards, split into corporate and small-medium enterprise (SME) tiers, provides ample opportunity to showcase unique capabilities by business players within their respective segments. We strongly encourage participation from SMEs from across all industries and especially the smaller and micro segments.

Their natural entrepreneurial spirit often lends to creative and potentially disruptive and scalable solutioning deserving of public recognition.

Those who have been actively involved in enabling others to achieve their ESG ideals should step forward as well for others to see the impact of what they are doing as these are often hidden from the public eye.

As a bank with over 90 years of serving the communities around us, we look forward to playing our part to encourage businesses and individuals in the ESG journey forward.

And we will ourselves strive to continue to be an exemplar and enabler to others as well. For now, and beyond.

MESSAGE FROM PARTNERS

ESG as a metric and a movement



Zafar Anjum
 Group Chief Executive Officer
 ABAC Center of Excellence Limited

As we celebrate the second year of the ESG Positive Impact Awards (ESG PIA), I am humbled to pen down a few thoughts representing ABAC Center of Excellence Limited.

Our commitment to the Malaysian ESG agenda stems from a foundational belief: sustainable practices aren't just beneficial for the environment, but also for the well-being of our people and the prosperity of our nation. Our alliance with ESG PIA is born from this conviction and our unwavering resolve to advocate for an ESG-led paradigm shift in the Malaysian corporate landscape.

Looking back, the inaugural year of ESG PIA was a beacon of hope, signalling a conscious shift towards responsible entrepreneurship.

The milestones achieved — recognising game-changers in sustainability or catalysing industry-wide discussions — have been monumental.

As we venture into its second year, we aspire to amplify this momentum, scaling new heights of sustainability benchmarks and intensifying the spotlight on impactful practices.

Yet, the soul of ESG PIA is not just in its accolades but in its collaborative spirit. The amalgamation of diverse organisations, all championing the same cause, paints a vivid tableau of unity, purpose, and transformative potential.

As working partners, each of us brings a jigsaw piece to this vast sustainability puzzle. We've begun to see the bigger picture — Malaysia prioritising environmental equilibrium, social justice, and economic inclusivity.

One of our proudest endeavours is our Green Innovators Program, which has incubated young talents with ideas that seamlessly blend profitability with responsibility. These

success stories aren't just testimonies of ABAC's commitment but also exemplify the myriad ways in which the principles of ESG can engender positive, palpable change.

To those reading this, I would like you to see ESG as a metric and a movement. Whether you are a corporate magnate, a budding entrepreneur, or a passionate individual, you have a pivotal role in this narrative. No matter how seemingly small, each effort echoes in the corridors of change.

Let's join hands, converge our energies, and co-create a sustainable, thriving Malaysia. Let the ESG PIA not just be an annual event but a perennial reminder of what we can achieve when we rally behind a cause that transcends beyond business — to the very heart of our shared future.

To progress, to partnership, and a greener Malaysia!



**Tan Sri Emeritus Professor
 Dr Zakri Abdul Hamid**
 Board Director and Chairman
 Business Council of Sustainable
 Development (BCSD) Malaysia

The Business Council for Sustainable Development (BCSD) Malaysia, established in August 2020, operates as a global network partner and the Malaysian chapter of the World Business Council for Sustainable Development (WBCSD). We are an independent, chief executive officer-led, and membership-driven community of sustainable businesses, united in our mission to expedite the transition towards a sustainable future.

BCSD Malaysia plays a pivotal role in facilitating the implementation of environmental, social and governance (ESG) initiatives and

practices among our member companies.

Leveraging our internal expertise, strong affiliation with the WBCSD, and robust relationships with global partners, we provide tailored training content, programs, and expertise to Malaysian companies and organisations.

The Star Media Group ESG Positive Impact Awards (ESG PIA) serves as a platform to recognise sustainable business practices while inspiring stakeholders, enterprises, and investors to drive systemic transformation. Since 2022, BCSD has been supporting ESG PIA as our continuous effort to empower the domestic ESG scene. In the face of emerging challenges and evolving societal expectations, businesses must align their corporate governance practices with ESG factors. This alignment not only offers long-term benefits in terms of shareholder value and risk mitigation but also positions organisations as responsible stewards of a sustainable future.

BCSD is pleased to witness the progression of local businesses in ESG practices throughout the years via PIA's recognition. We believe ESG PIA is here to stay as the unbiased platform to encourage more transformative business

models and ESG culture integration in corporate decision-making among Malaysian businesses.

While integrating ESG principles across value chains poses challenges such as varying levels of ESG understanding, transition risks, expertise gaps, and competitive financial returns, embracing ESG is an imperative and relevant step. Collaboration among stakeholders is essential to provide cohesive and robust contributions.

The recent launch of the Madani Economy initiative reflects the national commitment to reshaping Malaysia's economy by advancing the integration of ESG principles into investment and business processes. We believe this initiative will boost the domestic ESG adoption and we look forward to more innovative and transformative submissions this year.

In our collective pursuit to achieve the Sustainable Development Goals (SDGs) by 2030, we acknowledge the imperative for collaborative endeavors and comprehensive business models to thrive in this dynamically changing landscape. The future is upon us, and we must undergo a significant transformation while fortifying business resilience.

MESSAGE FROM PARTNERS



Datuk Ir Ts Dr Mahadi Mohamed
Executive Director
Green Growth Asia Foundation (GGAF)

It is with great pride and optimism that I address the ESG Positive Impact Awards (ESG PIA) 2023, as we continue our journey toward a 'Prosperous, Inclusive, Sustainable Malaysia'. Green Growth Asia Foundation (GGAF) is deeply committed to empowering our youth in individual climate action, as we believe they are the architects of our future. We recognise the vital role businesses play in driving the environmental, social and govern-

Forging a path to a greener Malaysia

ance (ESG) agenda and we are dedicated to advancing this cause.

Our commitment to the Malaysian ESG agenda is unwavering because we understand that it holds the key to creating a more sustainable society and a healthier environment. ESG principles are not just compliance requirements; they are powerful tools for building sustainable, zero-waste business practices that can yield savings, foster social change and open doors to new revenue streams.

The first year of ESG PIA bore witness to remarkable achievements. It served as a platform for businesses to showcase their dedication to sustainability, demonstrating that the adoption of ESG principles can be a catalyst for positive change. As we embark on the second year, our expectations are even greater. We anticipate a more profound and widespread impact as we collectively champion

the ESG agenda, forging a path toward a greener future.

The collaborative and collective impact of ESG PIA and its dedicated working partners on advancing sustainability in Malaysia has been truly transformative. Together, we have accelerated our nation's sustainable development agenda, reinforcing the importance of unity and shared knowledge in driving positive change.

ESG principles, especially those related to the environment, challenge companies to innovate and find sustainable solutions. By integrating ESG practices into their operations, companies, especially among small and medium enterprises (SMEs), can reduce costs, improve efficiency and minimise risks that may disrupt their businesses. ESG adoption may not yield immediate visible returns, but the long-term benefits are substantial.

I am also pleased to share that the ESG

Positive Impact Awards highlight specific initiatives and success stories that showcase the tangible benefits of ESG principles. These initiatives are a testament to the efficacy of ESG in creating positive change and serve as evidence that businesses can thrive while making a meaningful impact on the environment and society.

I encourage others to join us in the noble cause of advancing the Malaysian ESG agenda. Your involvement is not just valuable; it is essential. Let us all be stewards of our environment, champions of social equity and drivers of economic resilience.

In conclusion, I extend my gratitude to the ESG PIA team and our fellow working partners for their dedication and unwavering commitment to sustainability. It is an honour to be part of this community and I am confident that our collective efforts will lead us toward a brighter, more sustainable future.



Inspiring sustainable impact through recognition

Malaysia needs ESG champions, and ESG champions need to be recognised. Recognition will inspire others to embark on the sustainability journey. It will also inspire the champions themselves to work harder to achieve greater impact. Thanks to the Star Media Group and its extensive outreach, we have an annual occurrence, the ESG Positive Impact Award (PIA), that highlights both the creativity and capability of Malaysian organisations in making positive ESG impacts and the tough challenges facing humanity.

It is indeed an honour for us at the Jeffrey Sachs Center on Sustainable Development in Sunway University to write a message to acknowledge the immense contribution of this Award to the ESG journey in Malaysia. The award categories are straightforward and well-structured. Many ESG endeavours, we are sure, would fit more than one cat-

egory. This structure, however, allows for more recognition of achievements as the response from industry in 2022 was overwhelming. Around 100 companies from the small to mid-tier SMEs participated. Submissions from large corporations were more than 200.

ESG PIA 2022 was a powerful catalyst. Gathering momentum will be the natural next step for 2023. Awareness and understanding of ESG and climate change issues have become widespread across society and are still growing. For businesses, support from Bank Negara, the Securities Commission, Capital Markets Malaysia, Bursa Malaysia and private banks has helped make the ESG journey easier, clearer and more compelling. Universities, such as Sunway University, that offer sustainable development courses have helped supply ESG talents to and build human resource capacity in private sector, government and civil society

organisations. Today, there is no obvious or least expected sector for ESG practices. Whether one is in services, technology, manufacturing, agriculture, mining or logistics, embracing ESG makes good business sense. The Government and every Ministry will be on the lookout for ESG champions.

ESG PIA 2023 will once again be the platform for businesses to showcase their ESG efforts and to be noticed. We are proud to partner the Star Media Group in this second-year launch of ESG PIA and join it in calling Malaysian businesses to participate. The journey from submission to the Award ceremony will not only be moments of self-revelation for Malaysian businesses but also opportunities for building harmony and commonality of purpose in each organisation. The positive impacts will be felt within and beyond each participating organisation. We look forward to your submission with enthusiasm.



Leong Choon Heng
Deputy Director
Jeffrey Sachs Center on
Sustainable Development



'Governance in action'

Congratulations to the previous ESG Positive Impact Awards (PIA) 2022 winners! As a working partner of the awards, seeing more businesses championing the ESG agenda is excellent.

As everyone knows, sustainability is no longer a "nice to have" but a necessity for businesses to remain resilient and competitive in this economic landscape. There have been rapid developments in the Malaysian sustainability reporting ecosystem in recent months. For public listed companies (PLCs), Bursa Malaysia's enhanced sustainability reporting framework (SRF), which takes effect in a phased manner from December of 2023, mandates the disclosures of 11 common sustainability matters, including labour practices, supply chain, energy emissions, water and waste management.

Star Media Group's ESG PIA categories echo Bursa Malaysia's SRF and provide an avenue

for public listed companies to showcase their leadership in managing these critical sustainability matters.

In the small and medium enterprise (SME) space, the Ministry of Investment, Trade and Industry's (MITI) timely launch of their National Industry Environmental, Social and Governance Framework (i-ESG Framework) on Oct 2, 2023 will accelerate the SMEs' transition towards sustainable practices among manufacturing companies.

Including a "SMEs to mid-tier companies" category in the ESG PIA truly underpins the "just transition" spirit and underscores the urgent need for SMEs to integrate sound ESG practices as the nation's growth engine. Like PLCs, as SMEs progress on their i-ESG journey, we hope to see more participants showcasing their success stories at these awards.

To this, Malaysian Institute of Corporate Governance's (MICG) watchword is

"Governance in Action" – and we believe that the most important component of the ESG triad is the "G" in ESG.

Good governance is the foundation that underpins strong "E" and "S" practices.

A strong corporate governance culture ensures adequate review mechanisms and processes are in place for credible and transparent sustainability practices and disclosures. In discharging their fiduciary duties in the best interest of their companies, directors must act with reasonable care, skill and diligence, including considering sustainability-related risks and opportunities such as those arising from climate change.

As companies improve their sustainability practices and disclosures, they will face increased pressures to ensure that their sustainability practices, disclosures and commitments are of substance. We see more and more corporates commit-



Dr Ismet Yusoff
 Chief Executive Officer
 Malaysian Institute of Corporate
 Governance (MICG)

ting to net zero targets, which is paramount against Malaysia's commitment to reducing greenhouse gases by 45% in 2030 and becoming carbon neutral by as early as 2050. However, it is equally vital that these commitments are credible and premised on science-based methodologies to prevent instances of 'greenwashing' and 'greenwashing'.



Datuk Kamarudin Hashim
 Managing Director
 Securities Commission Malaysia

Sustainability reporting, a must have and not an end in itself

achieving our sustainability targets and ambitions.

Over the last decade, there has been a proliferation of various environmental, social and governance (ESG) metrics and frameworks, prompting calls for greater consistency in reporting. Corporates were concerned about reporting fatigue, while information users were confronted with an information overload.

The establishment of the International Sustainability Standards Board (ISSB) and the issuance of its first two standards, S1 (General Sustainability Disclosures) and S2 (Climate-related Disclosures), are promising developments towards addressing the fragmented landscape of sustainability reporting and the price tag that comes with it.

The sustainability reporting requirements for listed companies on Bursa Malaysia are intended to address local needs while staying aligned with global reporting expectations and developments. The requirements were developed after extensive and careful consideration of stakeholder feedback, including through targeted engagements and public consultation.

Listed companies are now working towards providing disclosures aligned with recommendations of the Taskforce on Climate Related Financial Disclosures (TCFD)

in reports issued for FYE Dec 31, 2025 onwards, which already brings them in line with global standards as the ISSB incorporates the TCFD recommendations.

I urge companies to look at Bursa's Illustrative Sustainability Report, which was issued in September. The mock-up report provides a visual conceptualisation of Bursa's enhanced sustainability reporting requirements for listed companies and how companies will also meet some of the requirements under the ISSB standards and the Global Reporting Initiative by complying with Bursa's reporting requirements.

Currently, the Securities Commission (SC), through the national-level Advisory Committee on Sustainability Reporting (ACSR), is looking into the implementation of the ISSB standards in Malaysia. The committee was formed in April of this year with the Ministry of Finance's endorsement. The SC chairs the ACSR, which includes Bank Negara Malaysia, Bursa Malaysia, the Companies Commission of Malaysia, the Audit Oversight Board and the Financial Reporting Foundation.

The canvas on which we are working to shape the implementation of the ISSB standards in Malaysia is big, requiring the interplay of many factors, including market readiness, regulatory oversight considerations as

well cost implications. What ACSR has agreed on is to adopt a phased approach, which allows for scaling and phasing-in of requirements. Such a measured approach is not new – Bursa's 2015 sustainability reporting requirements for listed companies were implemented in stages, as are the current enhanced sustainability reporting requirements.

The ACSR has also formed a consultative group comprising various stakeholders, including listed issuers, accounting firms, assurance providers and investors, to provide views on critical considerations, such as implementation approach and timeline. A wider public consultation is also planned for early next year.

We are also actively watching and learning from other markets, with some having similar committees like the ACSR, such as Singapore, the Philippines and the United Kingdom (UK).

Markets are choosing how best to implement the standards for themselves, taking into consideration their maturity as well as the constraints of their legal and regulatory framework, implementing these standards requires the right infrastructure.

Given the climate urgency, expediency is key, but we are mindful of not rushing the process to ensure we get the approach and infrastructure right from the get-go.

Scientific studies predict that extreme weather events will likely become more frequent and intense – how will this impact a company's operations and long-term resilience? Are there assets highly exposed to physical climate risks? Are companies reducing carbon emissions? Which risks should stakeholders be aware of? Is the company's people practices sustainable?

These are some of the sustainability concerns being considered and addressed by companies and stakeholders. We all agree that reliable and decision-useful information on sustainability risks, opportunities and impact is important for transparency on how companies are responding to these issues, for moving capital faster by providing investors with consistent and comparable information and for



Star Media Group Roundtable Findings On ESG In Budget 2024

The recent Star Media Group (SMG) roundtable and survey with industry players highlighted some key ESG drivers for their respective businesses and alignment within the context of Budget 2024

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Navigating A Greener Financial Landscape

OCBC Malaysia CEO Tan Chor Sen discusses the bank's resolute commitment to ESG principles and sustainability goals in this Q&A

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Net Zero Investing And Its Impact

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Driving Sustainable Change Progressively

Charlotte Wolff-Bye spearheads PETRONAS' Pathway to Net Zero Carbon Emissions 2050 through decarbonisation and social initiatives

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Budget 2024 measures to aid businesses' ESG journey

Star Media Group roundtable findings on ESG in Budget 2024



SMG's ESG Budget 2024 roundtable discussion, held on Aug 2 at Menara Star, touched on topics such as decarbonisation, EVs, incentives and more.

By StarESG EDITORIAL TEAM
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THE recent Star Media Group (SMG) roundtable and survey with industry players highlighted some key ESG drivers for their respective businesses and alignment within the context of Budget 2024.

Several measures presented in Budget 2024 tabled by Prime Minister Datuk Seri Anwar Ibrahim on Oct 13 indicate an encouraging start in the government's commitment to sustainability and economic resilience – reassuring the business community that they are being heard.

One notable announcement was that financial institutions would provide RM200bil in financing to encourage transition to a low-carbon economy. This reflects the government's initiative to regulate commercial energy rates for clean energy sources.

Budget 2024 introduced incentives such as tax credits, grants and tax deductions for ESG-related expenditures and carbon projects – demonstrating a commitment to incentivise clean energy practices.

Carbon-free future

The emphasis on the sustainability front with the RM2bil allocation in national energy transition funds on top of the RM200bil to encourage industrial shift towards a low-carbon economy "are key to ensure Malaysia is equipped across the value chain to enable a carbon-free future," says DHL Express (Malaysia and Brunei) managing director Julian Neo.

"Budget 2024 strikes a balance between public welfare, fiscal responsibility, and growth considerations.

"The measures tabled are rightly inclusive

of high-need communities, while maintaining focus on the country's resilience and longer-term development amidst a backdrop of economic volatility," says Neo who participated in the SMG roundtable on July 28.

Under Budget 2024, companies looking into carbon capture and storage (CCS) will soon see development in tax incentives.

However, this is pending a study by the Finance Ministry, Inland Revenue Board (LHDN) and Petronas.

EV extension

On recommendations from the roundtable and survey for government subsidies on commercial electric vehicles (EVs) and tax benefits for EV investments, Budget 2024 provides for an extension of the RM300,000 deduction on EV rental cost until YA2027.

This incentive aligns with the recommendation to offer tax exemption or deduction for businesses investing in commercial EVs – effectively lowering total cost of ownership over the vehicle's lifespan as well as providing strong financial motivation for companies to transition.

While subsidies were primarily available for individual EV users, the Budget also features tax exemptions for charging infrastructure and vehicles.

SME ESG adoption

Malaysia Retail Chain Association (MRCA) deputy secretary general Dr Afendi Dahlan, a fellow SMG roundtable participant, says: "Budget 2024 shows clear intent and unwavering commitment by the government in addressing some of the issues raised at the roundtable."

On availability of ESG funding for small and medium-size enterprises (SMEs) and tax incentive for ESG tax-related expenditure, Afendi says SMEs require more than just

financial assistance in their ESG journey. "In addition to various incentives to support our net zero carbon emission goal, we are pleased to hear that RM600mil is allocated to help micro-enterprises and low-income entrepreneurs, small contractors for the adoption of sustainable practices and the food security sector."

"The introduction of tax deduction up to RM50,000 for each year of assessment on ESG-related expenditure will incentivise businesses in adopting ESG policies within their organisations," he says.

Residential solar energy

The Net Energy Metering (NEM) programme offer period is extended until Dec 31, 2024 to encourage installation of panels in residential premises, which helps spur the residential solar photovoltaic (PV) market.

The SMG roundtable had proposed to the Government to establish a centralised agency for grant management to offer tailored grants for different industries, as well as provide other supportive mechanisms.

While these proposals have not been addressed in Budget 2024, industry players will continue to push for them to aid their ESG journey.

Other recommendations from the roundtable include education and awareness initiatives particularly for SMEs, carbon tax education, establishing an ESG regulatory authority, creating a strategic roadmap, and harmonising policies and frameworks – which require further detailed policy development and coordination to fully integrate ESG principles into Malaysia's economic landscape.

Empowering MSMEs sustainably

The Government is on track as prior to the Budget 2024 announcement, the National

Industry Environmental, Social and Governance framework (i-ESG framework) and the National Energy Transition Roadmap (NETR) were launched.

During the i-ESG framework launch on Oct 2, Investment, Trade and Industry Minister Tengku Datuk Seri Zafri Abdul Aziz highlighted its importance as it could enable Malaysia tap into the vast US\$1.2trln global ESG-focused opportunities.

Given that almost 98% of business establishments in Malaysia are MSMEs that contribute significantly to the economy, i-ESG is a crucial driver of sustainable economic growth in the country besides being an ESG-focused endeavour.

The framework is divided into two phases – just Transition (2024-2026) and Accelerate ESG (2027-2030) – and aims to empower and guide companies in developing their sustainability practices.

For MSMEs and even larger companies, the complex nature of ESG policies, regulations, and the additional costs associated with adopting new technology pose challenges in the transition.

The framework is designed to bridge gaps, ensuring that MSMEs can integrate into the global supply chain and meet the expectations of global investors and business partners.

"For entrepreneurs involved in the green economy, technology and halal fields, the RM20bil guarantee fund via Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) is available to accelerate their business expansion," says Alliance Islamic Bank Berhad chief executive officer Ritali El-Hazem Fadil Azim, who was also a roundtable participant.

He adds that the allocation addresses businesses' concerns by providing "peace-of-mind to the entrepreneurs who are still building up their business track record."

Budget 2024: The future of ESG in Malaysia

The government looks to restructure the economy to attract higher investment to the country by improving competitiveness and building long-term resilience of businesses

BUDGET 2024 is a promising one, especially within the environmental, social and governance (ESG) space as sustainability is integrated into economic policies.

Measures were presented to drive sustainable growth to protect as well as empower the welfare of Malaysians, and that includes focusing on strategies to prioritise sectors and initiatives that are investment-intensive. This reflects the government's recognition towards ESG as a "need" today, and the whole-of-nation approach in making Malaysia an investment destination and at the same time achieving carbon neutrality by 2050.

Budget 2024 lays the foundation not only for the National Energy Transition Roadmap (NETR) with a RM2bil allocation, but also a RM200mil startup fund for the New Industrial Master Plan (NIMP) 2030.

This is in addition to the RM200bil financing funds by financial institutions to encourage industries to transition towards a low-carbon economy.

> A RM900mil loan fund has been allocated for small and medium enterprises (SME) to increase business productivity through automation and digitalisation.

Leveraging on this could lead to higher sustainability performance through the optimisation of resources used, waste reduction, streamlining of supply chain and promoting workplace safety.

> Guarantee funds of up to RM20bil will be made available for SME entrepreneurs, particularly for those involved in green economy, technology and halal fields.

Purrajaya will be modelled as Malaysia's low-carbon city through the installation of solar panels on the roof of government buildings and the use of electric vehicles as official vehicles, as the government leads by example in sustainability - further boosting investor confidence as ESG shifts from being just an investment category to mainstream strategy.

Experts share their take on what Budget 2024 means within the ESG realm:



KPMG Malaysia Sustainability Advisory Services Director Phang Yee Cheng

How will Budget 2024's emphasis on ESG affect investor sentiment and foreign investment in Malaysia?

Budget 2024 has placed a strong emphasis on promoting domestic direct investments and attracting venture capital for high-innovation start-ups and green growth geared towards climate resilience.

The allocation of RM2bil towards funding Malaysia's National Energy Transition Facility (NETF) and the government's encouragement to financial institutions to provide financing funds of up to RM200bil are solid steps in the right direction as it will encourage foreign climate investors to view Malaysia's energy transition efforts favourably.

Particularly noteworthy is the funding allocated for green investments, which reflects the government's commitment to explore the Third-Party Access System model to enhance the implementation of the Corporate Green Power programmes.

This initiative is expected to stimulate investments, both from foreign and local sources, in our renewable energy sector - thereby drive the momentum towards a low-carbon economy.

In a recent report by BloombergNEF, global investment in low-carbon energy technology has surged to a record level of USD1.1trn in 2022. The biggest share of these spending was directed towards renewable energy and electrified transport.

The Organisation for Economic Cooperation and Development (OECD) has also estimated that an annual investment of USD6.3trn in infrastructure will be required annually on average between 2016 and 2030 to meet the development needs globally.

An additional US\$600bil a year over the same period would make these investment climate-compatible, relatively moderate increase that could yield substantial short and long-term gains in terms of growth, productivity and well-being. Furthermore, the additional investment cost is likely to be offset over time by fuel savings resulting from low-emission technologies and infrastructure.

Does Budget 2024 outline strategies for ensuring the long-term sustainability of ESG programmes and initiatives?

The support for sustainable and responsible investments (SRI) through the provision of tax exemptions and deductions up to 2027 can be seen as a mid-term attempt by the government to encourage local companies to raise sustainable economic instruments and drive long-term ESG programmes.

Similarly, this can be seen in the proposed tax deductions for companies participating in the voluntary carbon market.

Furthermore, the allocation of increased funding for the Ecological Sustainability for Biodiversity Conservation (ESB) is also encouraging, as is the proposed issuance of a biodiversity sukuk and tax deductions for tree-planting activities or environmental preservation and conservation awareness projects certified by FRIM.

The emphasis on impact investing through the promotion and support of social enterprise in the form of tax exemptions, is very welcome, which is essential as the country seeks to gain a better foothold in the impact investing space.

How does Budget 2024 address the balance between immediate needs and future sustainability?

Upon closer examination, Budget 2024 is very much focused on two main aspects of sustainability management within our country:

> Provide structures to promote investments into conservation and the transition towards a low-carbon economy.

> Stimulation of corporate activities, both among large enterprises and small and medium enterprises, to facilitate the transition towards a low-carbon economy.

These initiatives are pivotal for the country's future economic development.

However, the sustainability of these good intentions is questionable because Budget 2024 fails to adequately address the capacity requirement needs of ESG via a climate change risk management and the imperative of progress to a low-carbon economy.

Further, there needs to be greater awareness raised among the SMEs on the necessity of demonstrating sound ESG management - particularly to financial institutions, customers and partners.

There is also a notable lack of address for the country's legal infrastructural needs in light of the accelerating climate change risks.

A proposed development of a port in Carey Island is illustrative of the oversight, where projections of rising sea levels indicate that

Carey Island is a particular risk.

Moreover, Budget 2024 is primarily centred on providing the necessary economic instruments to facilitate our country's transition towards a low-carbon economy. While this is a commendable goal, it is important to note that the budget does not comprehensively address the other aspects of ESG.

For instance, the legal situation for managing migrant workers in our workforce and how we as a nation need to address the requirements set by the International Labor Organisation (ILO).

To fully realise our national aspiration of developing our capital markets as a prominent regional SRI hub, we must broaden our approach to encompass a more comprehensive spectrum of ESG factors. This broader focus will not only cater to the current needs of SRI investors but also ensure our long-term success in this endeavour.



EY APAC Decarbonisation Solution Leader, Malaysia Climate Change and Sustainability Services (CCSS) partner Arina Kik

How does Malaysia's Budget 2024 compare to ESG-focused budgets in neighbouring countries or regions?

Compared to ESG-focused budgets in neighbouring countries such as Australia and Singapore, Malaysia's Budget 2024 has taken some initial steps towards ESG goals.

For example, Australia's ESG initiatives in its Budget 2023-2024 include a significant A\$2bil allocation for Hydrogen Headstart program to accelerate large-scale renewable hydrogen projects and a further A\$4bil to become a RE superpower. In addition, Australia's "Rewiring the Nation" program allocates A\$20bil in low-cost financing to expand and modernise Australia's electricity grids to support more renewable power.

Meanwhile, Singapore has announced in its Budget 2023 that it intends to raise the

carbon tax progressively over the next few years. Further, Singapore intends to continue harvesting solar energy, transitioning to cleaner energy sources like hydrogen, and working with neighbouring countries (including Malaysia and Indonesia) to develop regional power grids.

In comparison, Malaysia's Budget 2024 included some ESG-focused programs and tax exemptions or deductions such as:

> Improve the implementation of the Corporate Green Power Program under the Third-Party Access (TPA) model to drive harvesting solar energy as Malaysia targets 70% RE capacity by 2030 under the NETR.

> Continue the tax exemption for fund management companies managing SRI funds and tax deductions on SRI sukuk issuance costs until YA 2027.

> Add a proposed tax deduction of up to RM300,000 for companies that invest in measurement reporting and verification (MRV) related to the development of carbon projects. These expenses can be deducted from the sale of carbon credits traded on the Bursa Carbon Exchange (BCX).

What can Malaysia learn from global ESG trends and experiences?

Key lessons that Malaysia can learn from the developed members of the OECD global community are their waste disposal efforts through industry regulation and guidelines and impactful community education programs to ensure businesses, households and organisations embark on cohesive waste management practices.

Among the policies and practices to consider include (see table).

To further enhance its ESG efforts, Malaysia can learn from global trends and experiences by emphasising waste management, community education programs, and industry regulation to promote cohesive waste management practices.

Ultimately, Budget 2024 demonstrates Malaysia's commitment to embracing ESG principles and its potential to attract sustainable investments while highlighting the need for broader and more comprehensive ESG strategies for the future.

Country	Policies/Objectives/Targets/Achievements
France	<ul style="list-style-type: none"> Adopted a comprehensive Anti-waste Law in 2020 to accelerate the transition from a linear to a circular economic model. The first country to ban the destruction of unsold non-food products. The first country to introduce a mandatory reparability index on electronic and electric products.
Japan	<ul style="list-style-type: none"> Introduced the Basic Act for Establishing a Sound Material-Cycle Society (Basic Recycling Act) in 2000 to ensure implementation of the 3R (reduce, reuse, and recycle) practices. Incentivised the collection of polyethylene terephthalate (PET) bottles. Unveiled a Green Transformation (GX) Basic Policy in December 2022, an investment roadmap costing 150 trillion yen (over USD 11 trillion) of public-private financing over the next 10 years to help various industrial sectors achieve carbon neutrality and contribute to the energy transition in Asia.
Australia	<ul style="list-style-type: none"> To reduce total waste generated in Australia by 10% per person by 2030. To achieve an 80% average resource recovery rate from all waste streams following the waste hierarchy by 2030. To phase out unnecessary plastics by 2025 and have the amount of organic waste sent to landfills by 2030.
Sweden	<ul style="list-style-type: none"> Preparations for reuse, material recycling and the recycling of non-hazardous construction and demolition waste, except for soil and stone, must amount to at least 70% by weight annually until 2025. The reusable proportion of packaging placed on the market in Sweden for the first time is to increase by at least 20% from 2022 to 2026 and by at least 30% from 2022 to 2030. Food waste is to be reduced so that total food waste is reduced by at least 20% in weight per capita from 2020 to 2025.

Sources: Ellen MacArthur Foundation, World Economic Forum, Japan Times, Climate Integrare, Australian Government, Department of Climate Change, Energy, the Environment and Water, European Environment Agency

ESG

in the news

Godrej Aggrovet Ltd (GAVL) will collaborate on oil palm seed supply and agricultural innovation.

The partnership will see Sime Darby Plantation providing oil palm seeds to GAVL's business unit and subsequently establish a state-of-the-art seed production facility in India.

SEP 30

• Vinson Holdings Bhd expects its performance for financial year 2023 to be supported by an existing portfolio of long-term contracts and growing demand for clean, affordable and stable energy.

OCT 2

• SPI Asset Management managing director Stephen Innes believed Malaysia, in its quest to mitigate the potential impact of reduced world trade on its economy, has a significant opportunity to position itself at the cutting edge of greener technology.

The country's efforts to enhance collaboration in green technologies with Japan and South Korea, aimed at addressing climate change, should be intensified to attract foreign direct investment, he said.

• Sarawak Premier Tan Sri Abang Johari Omar Engku Hasnudin said Sarawak's huge hydropower potential, the state could produce more than 20,000 megawatt (MW) of green power by constructing more dams, without having to submerge large portions of landmass.

He said, the state could be done through cascading dams.

OCT 3

• The national industry environmental, social and governance (I-ESG) framework is expected to help the country tap into a US\$12 trillion global market on ESG-focused opportunities, particularly the MSMEs in the manufacturing sector, says the Investment, Trade and Industry Minister.

• Nestlé Bhd has inked a memorandum of understanding with the Malaysian Cocoa Board (MCB) to promote sustainable and responsible sourcing, as well as the adoption of regenerative agriculture practices by farmers.

OCT 4

• Hong Leong Bank (HLB) and its subsidiary Hong Leong Islamic Bank, together with Cagamas Bhd, have successfully concluded their RM300ml green housing loans and financing (green assets) transaction.

OCT 5

• The state of Sarawak is no longer in a planning stage when it comes to fighting climate change, says Sarawak deputy state secretary (economic planning and development), Datuk Dr. Muhammad Abdullah Zaidel.

He said time is precious and that has hastened the way the state wants to tackle this issue.

• Malakoff Corp Bhd is expected to invest around RM2.5bn to develop 500 megawatt (MW) of solar projects within the Albukhary Group over five years.

Pursuant to this, Malakoff and MMC Ports have entered into a memorandum of understanding (MoU) to undertake business exploration in various green power initiatives with investments worth RM350ml.

OCT 6

• PETRONAS Daganan Bhd (PDB) has reiterated its commitment to install more electric vehicle (EV) charging hubs at its petrol stations

nationally, with the number depending on demand and the number of EVs hitting the road over the year.

Its chief operating officer Khalil Muri said that to date, there are 25 EV charging hubs at its petrol stations, mainly along the East Coast Expressway and North-South Expressway.

• Cyprak Resources Bhd and Trina Solar Energy Development Pte Ltd have signed a memorandum of understanding to drive sustainability initiatives and adoption of renewable energy in Malaysia.

In a joint statement, the parties said the collaboration will help drive sustainability initiatives and promote the adoption of renewable energy in Malaysia and cross border electricity supply to Singapore.

• Bursa Malaysia and the government are urging more participation of corporates in the Bursa Carbon Exchange (BCX), encouraging a collective effort to amplify BCX's positive influence on sustainability. The local exchange's chief executive officer Datuk Muhamad Umar Swift emphasised that the advancement of the voluntary carbon market (VCM) relied heavily on early participation from Malaysian corporates.

OCT 7

• Kinergy Advancement Bhd (KAB) has inked a memorandum of understanding (MoU) with Tanoto said financial institution (ABMB) to offer its expertise and resources in sustainable energy technologies and manage carbon emissions.

OCT 9

• HSBK Bank Malaysia Bhd chief executive officer Datuk Omar Siddiq said to achieve the nation's goal of becoming carbon-neutral by 2050, the government would need to allocate funds to accelerate the adoption of renewable energy and invest in new climate technologies.

The technologies include carbon capture and storage, green hydrogen and biomass.

• Fitch Ratings Asia-Pacific bank ratings director Tanoto said financial institutions, especially banks, are increasingly recognising the risks that climate change poses to their operations and business models, and many have set out decarbonisation targets, including in terms of financed carbon emissions.

"In our view, the banks are motivated not only by ESG principles but also by the necessary management of climate risks in the banks' business model and operations over the long term."

• Mestron Holdings' Bhd's core earnings are set to hit new highs for the financial year 2022 (FY22) till FY25, backed by a compounded annual growth rate of 32%, says RHB Research.

The research firm premised this on the expansion of the RE segment of Mestron, new order wins for conventional and specialty poles and the recovery in the construction sector, which portends stronger orders from both public and private sector.

OCT 10

• PETRONAS Chemicals Group Bhd (PChem) says it will construct Asia's largest advanced chemical recycling plant in Perangin, Johor, with a capacity of 33 kilotonnes per annum.

The plant is targeted to be operational by the first half of 2026, the petrochemicals group said in a statement yesterday.

PChem said it had reached a final investment decision with regards to the construction of the plant, which will be part of its New Plastics Economy agenda to support the transition towards a circular economy and contribute to a sustainable plastics ecosystem.

OCT 11

• Focus Lumber Bhd has entered into an industrial tree planting agreement with Rakyat Berjaya Sdn Bhd.

The agreement is for the former to plant, rehabilitate and harvest forests in about 5,000 hectares of forest reserve at the Sungai Pinang Forest Reserve in Sabah.

OCT 12

• Nextgreen Global Bhd's wholly-owned subsidiary Nextgreen Resources Sdn Bhd has entered into a joint venture (JV) with P Tech Forest Sdn Bhd via a special-purpose vehicle for the purpose of trading in bioeconomy products.

OCT 13

• The demand for pipes, valves and fittings (PVF) may rise in the oil and gas (O&G) sector following the increase in upstream investments and decarbonisation of operations, which in turn could benefit Pantech Group Holdings Bhd, according to TA Research. In addition, the adoption of hydrogen as an energy carrier that could store, move and deliver energy would increase the demand for the production, delivery, and end-use of the gas, the research house said.

In particular, the delivery of hydrogen may necessitate the installation of a new pipeline beside the existing transportation pipeline for natural gas, it added.

OCT 14

• The goods doled out in the Budget 2024 for green space are seen as a crucial step in the right direction to achieve the country's net-zero targets.

One of such allocations include the extension of the tax exemption to fund management companies that manage Sustainable and Responsible Investment (SRI) funds as well as tax deductions on the cost of issuing SRI sukuk until the assessment year 2027.

• Areca Capital Sdn Bhd CEO Danny Wong said while the incentives provided by the government in the green space will never be quite enough, the overall incentives given this round is considered to be quite meaningful.

OCT 17

• TA Research said the main beneficiaries of Budget 2024 were the automotive, consumer, property, technology, utility, and oil and gas sectors, while the financial and gaming sectors were the main losers due to the increase in service tax from 6% to 8%.

• Maybank Asset Management Group Bhd's (MAMG) wholly-owned subsidiary, Maybank Asset Management Sdn Bhd (Maybank AM) has launched the MAMG Green Tigers Fund in collaboration with the BNP Paribas Asset Management (BNP Paribas AM).

The fund is a qualified Sustainable and Responsible Investment (SRI) fund, part of the group's efforts to expand its environmental, social and governance (ESG) product offerings.

OCT 18

• The prospects for the utilities sector have been further enhanced by the slew of measures introduced under Budget 2024 to support energy transition in the country.

According to CGS-CIMB Research and TA Research, both of which have reiterated their "overweight" recommendations on the sector, the transition to renewable energy (RE) is set to provide exciting growth opportunities for utility companies, and investors could benefit by taking positions in selected countries.

SEP 25

• Sarawak Shell Bhd says the Rosmari-Marjan and Lang Lebah gas fields will be primarily powered by renewable energy.

The offshore platform will power plant from 240 solar panels while the onshore plant will leverage on hydropower provided through Sarawak power grid system, which is supported by Renewable Energy Certificates.

SEP 26

• Darulaman Bhd wholly-owned subsidiary BDB Energy Sdn Bhd has signed a memorandum of understanding with Pumar Solar Power Sdn Bhd to jointly pursue solar opportunities in Malaysia.

In a filing with Bursa Malaysia, BDB said the partnership will look for opportunities in Kedah and other states in the country.

• Malakoff Corp Bhd will be embarking on a pilot biomass co-firing project at its plant in 2024 with a target of burning 15% biomass alongside coal by 2027.

• Solavest Holdings Bhd via its wholly-owned subsidiary, Solavest (Vietnam) Co Ltd, has secured 11 rooftop solar photovoltaic (PV) installation projects in Vietnam, with a combined capacity of 12.8 megawatt-peak (MWp).

SEP 27

• Samaludin Group Bhd is tying up with Meta Bright Group Bhd to expand business opportunities and accelerate the growth of renewable energy solutions, particularly for the mining sector in the Asia-Pacific.

• The Investment Commission (IC) has entered into a three-year contract with SME Corp Malaysia to facilitate greater access to capital market financing for micro, small and medium enterprises (MSMEs).

Through a memorandum of understanding (MoU), the two parties aim to create 200 capital-market-ready MSMEs by 2026 and strengthen the profile of 300 MSMEs with sustainability disclosures and corporate governance best practices.

SEP 28

• As the government is ramping up green initiatives in the automotive industry, the Malaysian Automotive Association (MAA) is proposing incentives under the Budget 2024 to be given to all types of electrified vehicle (EV) rather than just electric vehicle (EV), in order to popularise xEV in Malaysia.

President Mohd Shamsir Mohd Zain said the term xEV includes hybrid electric vehicle (HEV), plug-in hybrid electric vehicle, battery electric vehicle and fuel cell electric vehicle.

• The National Energy Transition Roadmap (NETR) and New Industrial Master Plan (NIMP) are expected to accelerate the country's transition and open up large investment opportunities, says Bank Negara.

Governor Datuk Abdul Raheed Ghaffour said the central bank, along with the Securities Commission, has focused on efforts to lay down relevant building blocks for a conducive green financial ecosystem to facilitate a just and orderly transition.

SEP 29

• Sime Darby Plantation Bhd and Indira

Write to us and submit your views on our stories, or on ESG-related issues that matter to you.

Email us at ESGeditorial@thestar.com.my

YOUR
OPINION
MATTERS



NAVIGATING A GREENER FINANCIAL LANDSCAPE

OCBC Bank CEO Tan Chor Sen shares the bank's resolute commitment to ESG principles

The commitment to sustainability and environmental, social and governance (ESG) principles has become paramount for OCBC Bank (Malaysia) Berhad (OCBC Bank), aligning with the global financial industry's growing focus on coordinated climate action and Malaysia's broader sustainability goals.

OCBC Bank's commitment to ESG is a testament to their belief in the profound impact of sustainability and circularity. This is a sentiment that reflects their alignment with the financial industry's growing focus on coordinated climate action and Malaysia's broader sustainability goals.

OCBC Bank chief executive officer Tan Chor Sen underlines the bank's determination to champion sustainable transformation.

Through a conversation with Tan, StarESG aims to uncover OCBC Bank's continued commitment, unveiling their strategies, partnerships and the meaningful strides they are taking in the world of ESG.

Could you elaborate on OCBC Bank's commitment to ESG principles and how they guide the bank's strategy?

Based on financial and impact materiality assessments conducted with key stakeholders, the OCBC Group identified 13 material ESG factors that inform our three-pillar sustainability strategy to "Build a Low Carbon Future", "Create Positive Impact for Society" and "Act with Integrity".

These ESG themes directly impact OCBC Bank's strategic decision-making across the company to ensure holistic, proactive ESG management. Client acquisition strategies are driven by sustainable financing priorities. Emissions reduction and improvement in data capture abilities are continually in focus.

Active risk management is supported by consistent regulatory engagement and investment in strong safeguards. And curated sustainability-related training programmes facilitate enrichment, alongside a culture of staff volunteerism that drives meaningful community development.

How does OCBC Group's commitment to ESG align with the financial industry's focus on climate action and Malaysia's sustainability goals?

The Malaysia government committed to becoming a carbon-neutral nation by 2050. Likewise, as a signatory to the United Nations-convened Net-Zero Banking Alliance, the OCBC Group reinforced our commitment to achieve Net Zero in our financed emissions by 2050 by establishing science-based decarbonisation targets for the six most greenhouse gas emission intensive sectors in our portfolios - power, oil and gas, real estate, steel,



aviation and shipping.

The Group also outlined key actions that will be taken to meet these medium-to-long term targets. Local alignment in metrics, targets and initiatives are in progress. We will gradually extend our decarbonisation plans to other sectors over the years and build more robust climate risk related modelling in alignment with regulatory policy expectations and facilitate a meaningful transition.

In what ways is OCBC Bank expanding its responsible financing solutions to promote sustainability, and can you provide examples?

OCBC Bank, together with Westports, has inked a memorandum of collaboration with Bursa Malaysia as early adopters of Bursa's Centralised Sustainability Intelligence Platform.

This interconnected Platform enriches the responsible financing ecosystem by enabling financial partners like OCBC Bank to bolster their clients' supply chains through provision of sustainable financial solutions.

Through this collaboration, OCBC Bank will also be able to seamlessly integrate carbon emissions tracking, ESG considerations and support for global markets into our operations.

How does OCBC Bank incorporate climate-related risk considerations into business decisions for capital resilience?

One of the three priorities under OCBC's Climate Strategy is to "Manage risks associated with climate change effectively". Climate-related risk considerations are governed by our Responsible Financing Framework which is a combination of policies, procedures and standards. All applicable Wholesale Banking customers or transactions are subject to our ESG Risk Assessment Process, and transactions that carry high ESG or climate-related risks are further subject to enhanced evaluation and approval requirements.

The bank has also incorporated due diligence processes aligned with Bank Negara's Climate Change and Principle-based Taxonomy, as well as geared up for climate risk management scenario analysis and stress testing.

Can you share specific outcomes or progress resulting from OCBC Bank's collaboration with Bursa Malaysia on ESG adoption criteria among public-listed companies?

We have to date successfully structured and lead-arranged sustainable financing transactions



In addressing responsible financial solutions, Tan believes their initiatives and capabilities reinforce OCBC Bank's commitment to environmental stewardship while contributing positively to Malaysia's broader financial and environmental landscape.

exceeding RM5bil, mainly for FTSE4Good Bursa Malaysia Index constituents from diversified sectors such as construction, telecommunication, healthcare and real-estate. This also includes the bank's first syndicated Islamic multi-currency sustainability-linked financing which adopted the FTSE4Good rating as one of its sustainability targets.

Early this year, OCBC Bank advised and lead-arranged the issuance of Sustainability Sukuk Wakalah for KPJ Healthcare Group, the first-of-its-kind to be issued by a private healthcare provider in Malaysia. The offering of both features: Islamic and sustainability or "double green" under the sukuk received overwhelming response from investors with more than 10 times oversubscription.

We also structured Malaysia's first Islamic ESG-linked financing for Gamuda Berhad, with the unique added feature of an ESG-linked derivative solution. Such innovation is a key differentiator for OCBC Bank which further strengthens our position as one of the leaders in Islamic sustainable finance in the region.

How has the #Financing4ESG initiative, in collaboration with Bursa Malaysia, contributed to addressing PLCs' ESG needs based on FTSE4Good assessment criteria?

The collaboration with Bursa Malaysia is part of our continuous contribution to further the sustainability agenda in Malaysia. Under the #Financing4ESG initiative, OCBC Bank and Bursa Malaysia jointly identify public listed companies which have embarked on a sustainability journey in accordance with the FTSE4Good assessment criteria and we offer tailor-made sustainable financing solutions to support such initiatives.

We also work collaboratively with Bursa Malaysia in providing guidance to public listed companies on a transition pathway for eventual inclusion into the FTSE4Good Bursa Malaysia Index.

Green benefits for government ministries and entities



Solar Benefits under NEM GoMen



Government ministries and entities, which have installed the solar photovoltaic (PV) system on rooftops of their buildings, can enjoy energy savings under the Net Energy Metering (NEM) 3.0 programme - **GoMen category**.



Leveraging renewable energy like solar can help to create a better environment for citizens.



Any excess electricity generated is exported into the utility company's grid.

Agencies can enjoy savings of up to 50% in their monthly electricity bills.



Empowering communities with solar energy

- Government ministries and entities like health and educational institutions can apply for NEM GoMen.
- The allocated quota for NEM GoMen is 100 MW, available on first come, first served basis.
- To date, 62% of the GoMen quota* is currently available before the end of 2023.
- Maximum capacity for each

NEM GoMen application is capped at 1,000 kW with the following conditions:

- ✓ **Medium Voltage Consumers:** 85% of the Maximum Demand based on one year's average usage.
- ✓ **Low Voltage Consumers:** 60% for direct meter (fuse rating) or indirect meter (current transformer rating).

*Source: <https://www.seda.gov.my/report/nem/>

NEM GoMen

Quota Balance: 62 MWac
Quota Applied: 38 MWac
(as of 20 Oct 2023)



Harness cleaner energy at Zero CAPEX

GSPEARX's Zero CAPEX business model allows government ministries and entities to enjoy solar energy with:

- FREE maintenance for a fixed contract period
- Bill savings from a fixed solar tariff, which is not subject to ICPT and RE Fund (KWTSB)**

**RE Fund is used to promote the growth of renewable energy resources in Malaysia.

For more info about solar solutions for the government sector, please visit <https://www.gspax.com/Packages/Community>



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Amundi Net Zero Ambition strategy helps foster companies' transition to a low carbon model while seeking to create value.

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*Source "IPE Top 500" ranking published in June 2023.

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By VINCENT MORTIER

GLOBAL warming and the net zero transition have far-reaching implications for investors. In particular, embracing a net zero path will impact investors' asset allocation in two ways.

Firstly, strategic asset allocation decisions will need to consider how the transition will impact economic and financial variables and thereby, the returns investors can expect in the future across asset classes. Our findings suggest that the transition will lower the expected returns of risky asset classes including equity and high yield credit.

Corporate cost structures will be negatively impacted, leading to lower earnings growth. Yet, we also recognise that responsible investors will favour sectors and companies which lead the innovation required to make the transition happen.

And secondly, investors can embrace the net zero path within their equity and corporate bond allocations to ensure their portfolios are net zero aligned. In doing so, investors will have to reassess traditional asset allocation approaches, so as to reflect the fundamental shifts in the world's economy caused by climate change. A bottom-up approach to asset allocation has been gaining traction, as the urgency among investors and regulators to address climate change gathers pace. This urgency is demonstrated by investor and asset manager coalitions, such as the Net Zero Asset Owner Alliance, as well as the Net Zero Asset Managers Initiative. As part of these initiatives, financial institutions are setting science-based climate targets, with the ultimate goal of reaching carbon neutrality by 2050.

Novel strategies

For climate targets to be realised, the asset allocation decision can be implemented in different ways: using a passive climate-aligned benchmark, embracing a net zero active cross-asset allocation or using an active cross-asset strategy which incorporates specific targets for green investments.

Asset owners will inevitably face trade-offs when introducing climate considerations into their portfolios. The most prevalent one is a trade-off between portfolio diversification and the incorporation of climate targets. Our findings suggest that the short term financial cost of integrating net zero considerations into investors' asset allocation is limited and should be offset over the long run as corporates gradually transition towards low-carbon models. Although our analysis shows that incorporating net zero targets can be costly in terms of tracking error (TE) in the near term, the TE differential should be mitigated as the economy becomes more aligned towards a 1.5°C trajectory over the long term.

On the other hand, the reduction in carbon intensity levels is significant as we incorporate Net Zero pockets into standard asset allocation strategies.

Finally, we believe that embracing climate considerations can have positive effects for investors over the long term and open active management opportunities in themes such as water quality, renewable energy, recycling and waste management, green buildings and green bonds.

The risk-return advantage

Integrating net zero targets into asset allocation can provide benefits from a risk-return perspective. Indeed, the low-carbon transition is likely to bring about significant opportunities for investors, as new business models emerge that will probably perform better in the future.

The benefits of adopting net zero targets can include:

- > Identification of new trends: A future net



Mortier: 'Over the long term, an active approach can enable investors to overcome the risks associated with incorporating net zero targets in their portfolios.'

Net zero investing and its impact on asset allocation

Main benefits of Net Zero Investing



Source: Amundi.

- 01 Identification of new trends
- 02 Transition risk mitigation
- 03 Physical risk mitigation
- 04 Better impact measurement
- 05 Contribution to the energy transition

zero economy is likely to be structurally different from the economy we know today, having experienced significant inter- and intra-industry transformations. While it is impossible to predict whether net zero portfolios will outperform business-as-usual portfolios, integrating net zero considerations into portfolios today will allow investors to anticipate these shifts, and thus be better positioned in this future carbon-neutral economy.

> Risk mitigation: Net zero portfolios are less likely to be impacted by transition risks. We define those risks as those relating to regulatory, legal, technological and market changes brought about by the move towards a climate-friendly society. These can arise both at the issuer level — For instance, carbon pricing being introduced for utilities companies; and at the investor level with the Sustainable Finance Disclosure Regulation (SFDR) in Europe, or Article 29 of the Energy and Climate Law in France as examples.

Integrating net zero targets and reducing greenhouse gas (GHG) emissions can also contribute to mitigating the physical risks

arising from climate change.

Examples of these risks include a corporate or project exposed to asset damage, and disruptions to supply chains or business operations. This reduction in physical risks will be indirect but, in the long run, the fall in GHG emissions will reduce issuers' exposure to extreme weather events.

Better impact measurement

Beyond the risk-return argument, integrating net zero targets into asset allocation makes sense from an impact perspective. Long-term institutional investors should consider integrating climate considerations across all asset classes in their portfolios. It is important to note, however, that for now, we focus only on publicly-listed equities and credit for several reasons. There is currently a lack of available metrics to measure the progress of unlisted assets in terms of climate performance while, at the same time, this asset class lacks depth and liquidity.

As for sovereign debt, a net zero methodology is currently being developed by the industry. Hence, we can expect to

integrate this asset class in the near future once a robust net zero target-setting process is available.

Moreover, the net zero objective encompasses different sub-objectives such as investing in low-carbon corporates versus investing in companies contributing to the energy transition via solutions and technologies. These would be difficult to include in a single investment strategy.

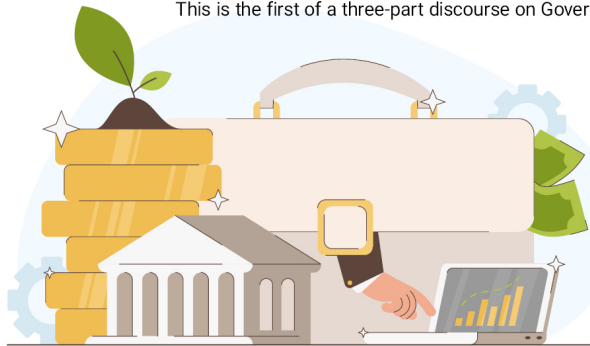
As a result, integrating net zero considerations into the asset allocation process is a way to target several sub-objectives that contribute to reaching the net zero goal by 2050.

Additionally, to establish a consistent overall carbon emissions trajectory for each asset owner, net zero key performance indicators (KPIs) must be calculated and monitored across all the owner's investment portfolios.

Vincent Mortier is Amundi group chief investment officer and a member of the company's global management committee, executive management committee, and other supervisory boards.

Overview and evolution of corporate governance challenges in Malaysia

This is the first of a three-part discourse on Governance.



By SIMON YEOH

ON the local front, beset with a plethora of challenges, especially the lack of transparency and governance relating to poor investment decisions leading to excessive exposure to risky financial practices as well as a spate of corporate scandals and the 1997 financial crises, the Securities Commission (SC) issued the Capital Market Masterplan in 1999.

This was followed by the Malaysian Code on Corporate Governance (MCCG) in 2000. Subsequently, Bank Negara Malaysia (BNM) published the Financial Sector Masterplan in 2001.

Since then, the MCCG has undergone various revisions over the years, covering strengthening of Board composition, setting up of risk management committees, requirement of 30% women representation on the Board, and so forth.

The Companies Act 2016 (CA 2016) codifies the general principles of corporate governance.

Section 213 of the CA2016 provides that "every director of a company is under a duty to at all times, to exercise his powers for a proper purpose and in good faith in the best interest of the company".

Other legislations that cover Corporate Governance legal framework include, the Capital Markets and Services Act 2007 and the Listing Requirements of the Stock Exchange

(Bursa Malaysia).

Other institutions that are involved in the promotion of corporate governance include the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), Malaysian Institute of Corporate Governance, Institute of Corporate Directors Malaysia, Professional bodies, Minority Shareholders Watchdog Group and a few others.

Auditors also support better corporate governance practices through ensuring transparent financial reporting.

Strengthening the various instruments on corporate governance is Section 17A of the Malaysian Anti-Corruption Commission Act 2009, which came into force on Oct 1, 2018. This section identifies corporate liability and corrupt practices acts committed by company's staff and third-party vendors.

In effect, this requires companies to put in place adequate governance and control procedures.

For listed companies, the procedures on whistleblowing are also recommended.

Good corporate governance in the local public sector

Just as the private sector is governed by various rules and regulations regarding good governance, it is equally important for the public sector to adhere to sound governance principles, with integrity at all levels, given the fact that civil servants play a significant role in public administration.

They are custodians of public funds and are thus accountable to the public they serve. There is a Green Book for Directors of PLCs, which establishes guidelines for GLC Boards and which augments the existing Malaysian Code of Corporate Governance.

Perhaps a similar book should be published for civil servants and government officers to bring to their awareness all aspects of good governance.

The Star, in its issue dated Wednesday, March 29, 2023, had reported on plans by the Prime Minister to set up an independent body to investigate cases or complaints made

against enforcement agencies, rather than the agencies themselves conducting the investigation.

From a governance standpoint, this is a good proposal as there will be independence and transparency, auguring well for the credibility of Malaysia.

Ethics and values

While a company strives for success as well as to be performance driven, it should be borne in mind that espoused culture of the organisation is a critical element in the long-term success of any business.

Organisational culture is about the prescribed behaviour which reflects the values, beliefs and ethics of a business.

Quite often, a distinctive organisational culture can help to distinguish an organisation from its competitors and hence a possible enabler for success.

A deluge of corporate scandals in recent years has brought to light the importance of ethics and good corporate governance.

In a global economy, the subject of ethics and good corporate governance can be said to be borderless as it cuts across many countries.

Doing the right thing never changes wherever you may be. Purpose and values embrace both strategy and behaviour. Together, purpose and values shape an organisation's culture.

When the purpose is inspiring and values are acceptable by everyone in the organisation, it acts as a multiplier effect and correspondingly the organisation creates long-term sustainable value for all its stakeholders.

In summary, the role of ethics is pivotal to good governance.

Simon Yeo is the president of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The views expressed here are the writer's own. Stay tuned for Parts 2 and 3, which will be published in the upcoming issues of StarESG.



Sustainable landscaping to support biodiversity

WHEN it comes to creating sustainable, eco-friendly living spaces, EcoWorld is somewhat of a pioneer at the forefront of innovation and responsible development.

Beyond crafting beautiful homes, the developer goes the extra mile to ensure that the surrounding greenery are in perfect harmony with the principles of environmental, social and governance (ESG).

In an interview with *StarESG*, EcoWorld delves into its commitment to green living through their landscaping.

How do you select and maintain landscaping elements to minimise their environmental impact?

Right from the onset during the planning stage, we categorise and identify native plants that are suited to our local climate and soil conditions.

Native plants are harderier and are also more resilient against pests and diseases.

Our planting design practice is to group plants with same water requirements, to not only optimise irrigation but also reduce water wastage during maintenance.

What plant species are used in landscaping designs and how they help?

There are a lot of native species



(From left) The scaly-breasted munia and blue pansy are some of the native species in Eco Grandeur's site, whereas the Golden Malaysian Banyan is one of many plant species used for sustainable landscaping.

that have been used throughout the entirety of EcoWorld projects. We generally plant and categorise them into trees and shrubs which include but aren't limited to:

- > Trees: Tembusu; Merawan Siput Jantan; and Kalumpang Buring
- > Shrubs: Tsayang-Gubat; Laurel Fir; and Kelat Paya.

These native species are attractive for many reasons, mainly because of several factors such as being drought-resistant, having strong root systems and having natural defenses against local pests and diseases.

What strategies do you use to enhance biodiversity and promote wildlife habitat within your landscaping projects?

To identify the potential of our sites, we conduct thorough environmental field studies in collaboration with industry experts and professionals.

We designed several landscaping zones throughout our development and waterways, each catering to specific animal species native to the site. For instance, the plant species selection and arrangement for Eco Grandeur's urban park and wetland plains was crafted to attract grass bird species such as the scaly-breasted munia, red wattled lapwing and white-throated kingfishers.

These zones have gradually become a wildlife sanctuary for the corridor providing refuge for wild animals to live while also minimising the

impact of urbanisation to the area.

How does EcoWorld involve local communities in the planning and maintenance of green spaces?

Meetings and workshops to share our ideas on township greenery and sustainability are among our approach to engage with our communities.

The feedback gleaned from these engagements will be studied for adoption in our projects.

We also established community gardens where residents can take up planting. Gardening classes and demonstrations also take place here to encourage healthy lifestyle and to foster social bonding within the neighbourhood.

We actively engage with local authorities, government agencies

and non-governmental organisations (NGOs) to assist in organising events, educational programmes and community engagement efforts.

What measures are in place to ensure sustainable landscaping practices across your projects?

Our team comprises knowledgeable and experienced personnel who are tasked to ensure that sustainability is at the core of every landscape design development and implementation.

In addition, we must be cost-conscious with plant and material selection to ensure viability, ease of maintenance and durability. It's also important for hard landscaping to be universal design friendly and easy to use.

For project implementation, we go digital with e-inspections to eliminate the use of paper.

Our contractors are encouraged to use recyclable formwork for walkway concreting work to replace natural timber formwork, which is the product of forest logging.

In landscape maintenance, we adhere to strict deadlines for work cycles – for example, timely grass cutting for a presentable, safe and conducive township.

We also harvest water from our natural detention pond to irrigate plants throughout our township.

How sustainability principles are shaping glove manufacturing

Hartalega CEO shares insights on ESG PIA 2022 win

EARLIER this year in July, Hartalega Holdings Berhad bagged the Gold award at the ESG Positive Impact Awards (ESG PIA) 2022 gala night under the Large Companies Tier for the category of Social – Human Rights and Labour Standards.

Speaking with *StarESG*, Hartalega chief executive officer Kuan Mun Leong noted that the award not only celebrated the company's achievements but also recognised the dedication of every employee who played a vital role in advancing Hartalega's sustainable journey.

How would you describe what Hartalega is?

Hartalega is one of the world's leading producers of high-quality nitrile medical examination gloves. We lead the industry in innovation and have developed the most advanced glove production technologies and game-changing products.

We are driven by our SHEILD core values: Synergy, Honesty, Innovation, Excellence, Learning and Dedication and our steadfast commitment to these values gives us a competitive edge in the industry.

How does Hartalega observe each ESG pillar as a company?

> Environmental: We strive to contribute to a sustainable future by upholding our environmental

responsibilities throughout our operations. This includes environmental compliance aligned with local and international standards, responsible management of energy consumption, reduction of carbon emissions, effective waste management as well as water consumption and effluents.

Social: Caring for our 'Hartanians' is integral to the Group. We have comprehensive policies to uphold strict standards of human rights, social compliance, ethical conduct, fair labour and recruitment, and health and safety.

Governance: Maintaining sound business ethics and best practices in corporate governance is paramount for Hartalega. We have a robust governance structure and policies to ensure strict adherence to transparency and accountability.

How do your ESG goals help you maintain your company's integrity?

Integrating ESG goals and communicating our progress showcases Hartalega's sustainable growth as a responsible company, allowing us to set benchmarks within the industry. Our demonstrated commitment to best practices in social compliance has enabled us to maintain our trusted reputation, even amidst issues within the glove industry. Hartalega's track record has been

highly ranked among ESG ratings providers. This includes an A rating by MSCI ESG Ratings, ranking in the low-risk category of the Sustainability ESG Risk Scores, and being a constituent of FTSE4Good Bursa Malaysia since 2014.

When has ESG been an integral part of your company's culture and what were the changes in your performance after incorporating it?

ESG is intrinsic to Hartalega's Shield values, which have been built since our inception.

With a focus on ESG, we established a target of 25% reduction in carbon emission intensity by FY2026, using FY2023 as baseline.

A key component of this is utilising energy-efficient technologies and increasing our renewable energy usage. In FY2023, our solar power generation increased by 81%, and we will continue prioritising energy efficiency and put greater reliance on renewable energy.

We foster a robust social compliance culture through measures such as Zero Cost Recruitment Policy and fair recruitment practices, amongst other efforts to safeguard our Hartanians.

How did you measure the success and effectiveness of your ESG ini-

tiatives?

By setting clear targets for ESG and sustainability, we have well-defined metrics that we track to determine our progress and performance. The execution of our governing policies and social compliance strategies, along with the supervision of social audits, is entrusted to our Social Compliance Task Force, Human Resources Department and Social Compliance Department.

During FY2023, we conducted a total of 19 internal audits, maintaining our positive track record with an A rating for our amfori BSCI audit for MGC facility.

We also completed an audit for the International Labour Organisation's 11 Indicators of Forced Labour, which detected no major or critical findings, as well as earning a Gold accreditation in the Worldwide Responsible Accredited Production audit.

Were there any unexpected hurdles while implementing ESG initiatives? How did you overcome them?

Mindset can be a challenge in efforts for change. Achieving positive transformation necessitates aligning people's goals and expectations, whether within our operations or throughout our value chain.



Kuan: 'Hartalega has invested more than RM950m to date to provide first-rate accommodation for 'Hartanians' as well.'

To address this, we emphasise alignment in the application and oversight of our policies and protocols throughout our organisation. In our value chain as well, we regularly engage with suppliers and undertake the necessary due diligence to ensure compliance.

How do you intend to build on your current achievements and continue driving sustainable practices within your organisation and the surrounding community?

We'll continue to work towards the ESG and sustainability goals we have set, with definitive plans in place to drive our progress.

Our objectives are guided by the UN Sustainable Development Goals to achieve globally-aligned benchmarks.

We also aim to strengthen collaborations across our value chain and engage with stakeholders to drive positive change in the glove sector.

RHB pioneers programme to propel SMEs towards sustainable practices

SMALL and medium enterprises (SMEs), often dubbed the "backbone" of the economy, make up 97% of the business community in Malaysia. Their aggregated impact on resource utilisation, employment and innovation is immense, and they contribute substantially to national gross domestic product (GDP).

Recognising the pivotal role that SMEs play as key drivers of the economy, and their potential collective impact on the environment, RHB Banking Group has embarked on several sustainability initiatives and programmes that focuses on advancing and supporting SMEs towards sustainable business practices.

RHB Banking Group (RHB) group managing director and group chief executive officer Mohd Rashid Mohamad said, "Embracing sustainable practices isn't merely about being compliant; it's about economic foresight, competitive advantage, resilience, and most importantly, our moral obligation to the planet and future generations."

"In this rapidly evolving market, consumers, investors, and stakeholders at large prioritise sustainability like never before. It is therefore crucial for SMEs, as key economic drivers, to look beyond profit alone, as to remain competitive in the longer term," he added.

Banks are in a unique position within the economic ecosystem to significantly influence growth and innovation. By supporting SMEs in their transition to greener practices,

RHB not only fosters sustainable development, but also creates a resilient financial system. In this respect, RHB strives to be an active partner to its SME customers — facilitating sustainable growth.

To this end, RHB's key sustainability initiatives and programmes and their notable achievements include:

> Group Climate Action Programme (GCAP)

"The climate crisis necessitates a paradigm shift in the way all businesses and banks operate," said Rashid.

Recognising this, RHB commenced Phase 2 of GCAP in November 2022, aimed at embedding climate considerations into our core business strategy, focusing on decarbonisation, climate risk management, and identifying commercial opportunities related to climate adaptation and mitigation. Engaging with customers particularly the SMEs, especially those with high climate risks and impacts, is also essential to understand our customers' sustainability journeys, and provide the tailored support they require to navigate their transition."

> Sustainable financial services

Providing tailored sustainable financial services for SME customers, with attractive terms, primarily through the Sustainable Financing Programme aids SMEs looking to invest in green technologies and

energy-efficient solutions. The SME financing packages comprise Green Renewable Energy Financing, Green Construction Financing, Green Commercial Property Financing, Green Working Capital Financing and Green CAPEX Financing.

As of June 2023, RHB has approved over RM900mil in SME Sustainable Financing, of which approximately RM102mil being mobilised through Bank Negara Malaysia's Low Carbon Transition Facility (LCTF).

"RHB has committed to mobilising RM20bil in sustainable financial services by 2026, of which RM3.3bil has been earmarked for SMEs. As of June 2023, RHB has achieved 85% of our 2026 target," said Rashid.

"Given this encouraging progress, RHB is currently revising its sustainable financial services commitment upwards, to have a greater impact in supporting our customers in their sustainability transition journey."

He emphasised that "the bank will focus not only on traditional sustainable finance, which primarily focuses on already green or sustainable projects, but will also explore opportunities in transition finance, which caters to sectors and industries that have yet to adopt sustainable practices, but have a clear roadmap towards achieving such an ambition."

> Sustainable finance sector specialists

Key to RHB's sustainability trans-

formation is the appointment of dedicated sustainable finance sector specialists, whose expertise cover industries including renewable energy, oil palm, healthcare and property.

Their in-depth knowledge of these specific industries equips RHB with targeted insights, facilitating informed decision-making and strategy formulation, to support our customers.

> Strategic partnerships

The bank has also been collaborating with industry leaders, green technology firms, and technical and sustainability experts, to help SMEs identify sustainability opportunities in their operations. RHB has been advising its clients on implementing eco-friendly technologies, provide access to the latest sustainable solutions, as well as guiding them to integrate sustainable practices into their daily operations.

The Group has thus far collaborated with trade associations like the Malaysian Retail Chain Association (MRCA), The Electrical and Electronics Association of Malaysia (TEEAM), and the Federation of Malaysian Manufacturers (FMM) to organise and co-host a series of ESG roadshows tailored for SMEs.

In August this year, RHB pioneered a ground-breaking partnership with Tenaga Nasional Berhad (TNB), becoming Malaysia's first financial services provider to collab-



RHB group managing director and group CEO Mohd Rashid Mohamad emphasised RHB's dedication to guiding SMEs in adopting environmentally friendly practices, ensuring they are well-prepared for success and can stay competitive in a market that is increasingly environmentally conscious.

orate with the national power provider. This strategic alliance empowers the Group to deliver renewable energy and energy efficiency solutions to retail and SME customers, accelerating the adoption of sustainable practices.

Targeting to commence this November, RHB and TNB will jointly organise its first SME roadshow across major Malaysian cities to spark awareness of sustainable business practices, introduce energy-efficient solutions, and offer advisory services and green financing solutions that bolster SMEs' transition journeys.

"RHB is committed to facilitate the transition of SMEs to greener practices, ensuring that they are position for success and remain competitive in an increasingly eco-conscious market landscape," Rashid noted.



Embrace A Sustainable Future

As governments around the world dedicate resources towards their sustainability goals, businesses must take positive action in shaping a cleaner, more tolerant and equitable future.

Building upon last year's success, Star Media Group is reuniting with OCBC Bank to host the second edition of the annual ESG Positive Impact Awards.

The awards recognises and spotlights the best Malaysian companies that have demonstrated exemplary environmental, social and governance practices across their daily operations.

 Join a fraternity of future-forward changemakers driving lasting change for a sustainable tomorrow.



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Driving sustainability change

PETRONAS harnessing diversity, equity and inclusion to remain competitive

By LEE CHONGHUI
ESGeditorial@thestar.com.my

A person of strong vision and purpose, Charlotte Wolff-Bye is not one to shy away when given the formidable task of embedding sustainability into the core of Petronas, Malaysia's national energy group.

Since her appointment in June 2021 as vice president and chief sustainability officer, Wolff-Bye has championed the company's decarbonisation and social progress efforts, turning its Net Zero Carbon Emissions 2050 (NZCE 2050) aspiration into action to accelerate a sustainable energy transition.

"Pressing matters on climate change and rising inequality worldwide has led to the need for a just transition of the global energy system, not just in Malaysia.

"I believe businesses have such a power in society to create positive change, so it is important to act responsibly and make impactful decisions while we forge partnerships to help achieve all our pursuits and remain competitive amid this energy transition.

"Ultimately, we need all the best minds and workforce to be able to achieve that," says Wolff-Bye.

This is where diversity, equity, and inclusion (DEI) comes into play; it is about organisations tapping into a wider pool of talent, fostering innovation, and improving decision-making.

"A diverse and inclusive workplace is essential for creating value and driving sustainable growth.

"At Petronas, we strongly believe that embracing diversity brings new perspectives, fresh ideas and a wealth of talent to our organisation," she notes.

A journey in sustainability

Growing up amongst a family of entrepreneurs in Finland, where there are vast green forests, beautiful Baltic islands, windswep arcic fells, and countless blue lakes, certainly made a profound impression on Wolff-Bye.

From a young age, she realised how good business practices can positively empower society and acted on it.

"My strong interest in bettering society, the environment and business drove me to combine them.

"I became very active in international student union activities during the formative years of my life - pursuing projects, partnerships and engagements with universities across the world."

Wolff-Bye started her career working in telecommunications, including roles at Telefonica and O2, and in multilateral lending, music

PETRONAS is focused on addressing unconscious biases and create psychological safety to enable its workforce to contribute and bring views forward in a meaningful and professional manner

Wolff-Bye

marketing and diplomatic affairs.

Since then, Wolff-Bye's journey in sustainability has perpetually flourished and led her to roles such as the general manager of corporate responsibility for global steel and mining company ArcelorMittal, and Norwegian energy entity Equinor's vice president in sustainability - where she delivered the first sustainability strategy that laid the foundation for the company's low carbon focus.

Wolff-Bye's achievements in the field of sustainability have been widely recognised. In addition to receiving the Deves leadership award for her contribution to international development, she has also represented Equinor on the Oil and Gas Climate Initiative and the World Bank's Global Gas Flaring Reduction Initiative.

She currently serves on the board of trustees of the United Nations' Environment Programme World Conservation Monitoring Centre.

"All the roles and responsibilities I have held have helped me learn that to do big, one must think big, deliver with impact, and not let others limit or squish your vision - which is also true in a corporate environment.

"Do not say 'No' when opportunity comes knocking on your door. Instead of saying 'Why should I?', say 'Why not' - because it is a guaranteed 100 per cent missed opportunity if you do not take the shot."



Wolff-Bye says having a workforce representing different demographics, communities, and locations helps better understand the actual positive and negative impacts the company and its operations have on the surroundings. - RAJA FAISAL HISHAN/The Star

At Petronas, Wolff-Bye's role includes implementing sustainability strategies, embedding sustainability culture within the company, as well as capability development and talent upskilling to accelerate a sustainable energy transition.

"We have to continue to strengthen the capability of the whole organisation, and this is all about making Petronas sustainable and resilient for the future and also to remain competitive internationally."

Diversity in sustainability

Malaysia holds a special place in Wolff-Bye's heart. The nation's diversity in people, culture, religion and cuisine never ceases to amaze her.

But it is the warmth and care of Malaysians that leave a deep mark.

"I'm well-travelled, lived in many countries across the world and I find Malaysians to be quite special. The collective and communal spirit can be felt here, and there is a lot of empathy and care amongst colleagues.

"It's heartwarming and wouldn't happen in every culture."

Noting that the Malaysian mentality is conducive to further establishing an excellent collegial environment for a diverse, equitable and inclusive workforce, Wolff-Bye says an environment where everybody feels they can fit in and contribute in their own unique way is critical for an organisation to stay competitive and sustainable.

"At Petronas, we emphasise Speak Up - an ongoing initiative to address unconscious biases and create psychological safety to enable

our workforce to contribute and bring views forward in a meaningful and professional manner.

"People need to realise that we are not copies of each other and we will have differing perspectives which can lead to tension.

"But it can be turned into positive tension that can strengthen conversations on strategic issues and implementation plans, as well as bring about a lively and vibrant working environment."

Wolff-Bye emphasises that DEI through the lenses of race, ethnicity, ability, gender, neurodiversity and beyond, can help strengthen organisations, as studies have shown time and again.

"People who think differently and who have a different social background, or people who act differently - all can emerge with strengths. Even if you lack experience, it doesn't mean you don't have a voice or something valuable to contribute," she opines.

The company, in partnership with Ernst and Young Malaysia, has also recently launched a centre for neurodiversity, which is one tangible delivery towards fully embracing DEI.

Wolff-Bye concludes that DEI helps form better policies and strategies to support society and the environment.

"Having a workforce representing the different demographics, communities, and locations that we operate in helps us to better understand the actual positive and negative impacts the company and its operations have on the surroundings," she says, "which enables us, collectively, to take actions that will lead to a more just and sustainable energy transition."

By CHOW ZHI EN
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Changing the role of plastic waste through circularity

IN A concerted effort to address the pressing issue of plastic waste and to promote sustainability in Malaysia, Coca-Cola Malaysia, in collaboration with the American Malaysian Chamber of Commerce (AMCHAM Malaysia), recently hosted a noteworthy event – the Our Future, Our Choice sustainability forum.

The forum on Oct 11 marked a significant step towards accelerating the transition to circularity for plastic packaging in the country, drawing the attention of key stakeholders, including the Natural Resources, Environment and Climate Change (NRECC) Minister Nik Nazmi Nik Ahmad as well as the Malaysian Recycling Alliance (MARE).

Nik Nazmi, in his address at the event, emphasised the government's dedication to achieving sustainability goals.

"Our shift towards a circular economy is not just a policy initiative; it's a systemic move towards resilience, sustainability, and a brighter future. Our commitment, as reflected in our national policies, signifies our determination to efficiently use resources, reduce waste and minimise environmental impact," he said.

"It's a shared responsibility; and initiatives such as the dedication of Coca-Cola Malaysia to innovative packaging solutions play a vital role in supporting our journey towards a circular economy," he added.

Data speaks

In July this year, StarESG reported on the circular economy representing a groundbreaking shift from the old linear "take-make-dispose" model to a closed-loop system.

According to the NRECC, data from 2019 revealed that approximately 1.7 million tonnes of plastic resins entered the Malaysian market, with only US\$234mil worth being recycled due to a meagre recycling rate of 19%. An estimated 1.4 million tonnes of plastics were disposed of in the same year, representing a potential value of US\$1.3bil.

Malaysia is working towards a sustainable circular economy, a transition underscored by Nik Nazmi. In this economic model, waste is recycled and consumption will ease environmental stress, while simultaneously separating economic value from plastic waste.

In pursuit of this, the country has launched strategic policies and roadmaps, including the National Solid Waste Management Policy 2016, Malaysia Plastics Sustainability Roadmap 2021-2030, and National Cleanliness Policy 2020-2030, among others.

In addition, the establishment of the National Circular Economy Council underscores the essential role of a circular economy in Malaysia.

A vision with a goal

Recognising the urgency and complexity of the problem not only locally but also worldwide, The Coca-Cola Company has embarked on its 'World Without Waste' initiative. This global sustainable packaging initiative aims to drive measure-



(From left) AMCHAM Malaysia CEO Siobhan Das, Kirsten van Zandwijk, Nik Nazmi Nik Ahmad, Khairul Anwar Ab Gahani and Roberto Benetello officiated and served as the keynote speakers for Coca-Cola Malaysia and AMCHAM Spotlight Session titled Our Future, Our Choice – Sustainability Forum.



NRECC Minister Nik Nazmi Nik Ahmad joined in the discussion on the importance of collaboration in the journey towards a circular economy in Malaysia.



Roberto Benetello participating in an engaging panel discussion on extended producer responsibility the topic of circular economy with members of AMCHAM Malaysia and the media.

ble and interconnected goals.

Their objectives include making 100% of their packaging recyclable globally by 2025, as well as using at least 50% recycled material in their packaging by 2030. It also seeks to collect and recycle the equivalent of a bottle or can for each one sold by 2030.

The Coca-Cola Company, ASEAN & South Pacific Sustainability & Partnerships director Kirsten van Zandwijk elaborated on this vision, saying: "Inspired by the circular economy model, we constantly leverage resources to eliminate waste and tackle climate problems caused by packaging."

"Our World Without Waste" initiative embodies this dedication, driving global sustainable packaging efforts aiming for recyclability and a sustainable environment."

She emphasised the role of post-consumer packaging in advancing the circular economy, stressing the importance of creating the right ecosystem for collecting and recycling plastics, while ensuring consumers understand the recy-

cling process.

There are layers of complexities to building recycling infrastructure from scratch in some regions, particularly in remote areas with limited resources, she acknowledged. Zandwijk highlighted the need for collaboration with governments, industry partners, and non-governmental organisations (NGOs) to establish efficient recycling systems.

Just last year, The Coca-Cola Company enhanced its partnership with the Ellen MacArthur Foundation, a strategic collaboration poised to demonstrate what's possible in the transition to a circular economy and recycled PET (rPET). Partnerships and collaboration were underscored as vital for addressing the plastic waste challenge.

Zandwijk also stressed that collaboration between the private and public sectors is essential to enhance the enabling ecosystem, citing initiatives like the Recycling Fantastic Campaign in partnership with AECOM Malaysia and Hiroki Industries, which aimed at fostering

positive recycling behaviours.

Collaboration and infrastructure

Coca-Cola Bottlers Malaysia (Malaysia Singapore-Bruni) Public Affairs, Communications & Sustainability director Khairul Anwar Ab Gahani also highlighted partnerships and collaborations. He discussed the importance of scaling up collection efforts through industry collaboration, and shared how the company designs bottles with recycling in mind, such as the transition of Sprite packaging from green to clear bottles to improve recyclability.

"Utilising recyclable materials in our packaging is another step towards reducing our environmental footprint," he said, adding that all their packaging – from cans to PET bottles – is fully recyclable.

He emphasised that collective effort with the involvement of various stakeholders is crucial, to educate consumers on the importance of recycling, to enforce segregation at the source, emphasizing the value that post-consumer packaging

holds when properly segregated.

Meanwhile, MARE – a coalition of industry leaders actively participating in voluntary extended producer responsibility (EPR) initiatives – is dedicated to boosting recycling rates and minimising packaging leakage into the environment.

"The problem right now is that there is high demand for rPET, but not enough supply," MARE chief executive officer Roberto Benetello stressed.

Their current focus is on making secondary raw materials like rPET accessible at equitable prices.

Benetello also discussed its crucial role in enabling recycling infrastructure improvements, including supporting mechanical sorting facilities and other investments that increase efficiency in the recycling process.

"Instead of using human resources to sort recyclables, we can look at investing in automation to help make sorting easier," he added.

Coca-Cola Malaysia, as a founding member of MARE, doubled down on the importance of establishing strong collaborations with stakeholders, government bodies, industry colleagues and local organisations.

The company has collaborations and advocacy efforts aimed at bolstering recycling systems, and the utilisation of collection rates and the use of rPET.

Small steps, big actions

Through small steps, we can achieve big actions. The end goal of Coca-Cola Malaysia's partnerships is to streamline the collection and recycling of packaging materials, thus fostering the development of a circular economy within Malaysia.

As part and parcel of these initiatives, Coca-Cola Malaysia has launched the Recycle Me Programme.

This programme, in particular, aids consumers in recycling their bottles by establishing drop-off points in Johor via collaborations with organisations like AECOM Malaysia and Hiroki in 2022. It will be expanded further this year.

The Coca-Cola Company is also tackling marine plastic pollution through global partnerships, working with The Ocean Cleanup as the first global implementation partner for their river project.

It is through concerted collaboration, innovative packaging solutions, and a steadfast commitment to environmental sustainability in which The Coca-Cola Company is leading the way towards a world without waste.

This journey isn't just a brand's mission; it's a lifestyle choice that reverberates with a greener, more sustainable Malaysia and a planet that needs our collective care.

So, be part of a recycling journey that's changing the role of plastic waste for a sustainable Malaysia.

Relieving pressures on biodiversity

The Malaysian palm oil industry is committed to preserving the nation's rich biodiversity with the support of the Malaysian Palm Oil Council (MPOC).

LIKE firefighters, wildlife rangers drop whatever they're doing upon receiving an alert call.

Anticipating some form of aggression from the hurt and scared wildlife they are about to save, these rangers from the Sabah Wildlife Department's (SWD) Wildlife Rescue Unit (WURU) rush to gather protective gear and necessary equipment - anaesthetics, emergency drugs, tell-inject darts and guns, crates, chains, translocation cages, walkie-talkies, GPS and the likes - to embark on the rescue mission.

And off they go, dashing through bumpy, muddy terrain into the forest or nearby village in their weathered 4WD vehicles.

Given that the main function of SWD is to enforce living in harmony between people and nature, these rangers dedicate their time and energy to be the eyes and ears of the forest as well as its inhabitants.

To ensure natural and wild resources are utilised in a sustainable and just manner, they dutifully preserve and conserve the state's fauna, biodiversity, ensure all species remain in their natural habitat and manage wildlife resources to maximise its role in the socio-economic development of Sabah.

Suffice to say, the SWD and its members as a whole play a large role in preserving the state's precious biodiversity that is essential for the processes that support all life on Earth, including humans.

For the uninitiated, biodiversity provides crucial ecosystem services such as climate regulation, pollination, watershed, nutrient cycling among others.

The palm oil industry in Malaysia has played a significant role in the country's economic growth, contributing to its status as one of the most important commodity crops, although there have been concerns about its environmental impact.

Based on the United Nations Development Programme's (UNDP) data, Malaysia's palm oil industry has grown into a major economic force in the country. It is its fourth largest contributor and an employer to nearly a million people.

According to global data and business intelligence platform Oil World,

Malaysia came in second place for the export volume of palm oil worldwide in 2022/23, with around 15.9 million tonnes in palm oil exports.

Indonesia was the leading palm oil exporting country with an export volume of about 28.3 million tonnes.

Conserving biodiversity

Acknowledging the palm oil industry's substantial growth presents an opportunity to implement positive changes for the benefit of mother nature, the Malaysian Palm Oil Council (MPOC) put its foot forward to strike a balance between development and the conservation of Sabah's protected species such as the orangutan, banteng, the Bornean pygmy elephant, and other native wildlife.

In addition to conducting its "1 Million Forest Trees Planting" programme - which aims to reduce carbon, improve air quality, reduce flooding and soil corrosion, support and enhance biodiversity, as well as improve physical and mental health and wellbeing of the locals - MPOC has pledged its long-term support to SWD to safeguard biodiversity.

Funding by MPOC to SWD from 2010 to 2020 has reached RM7.3m, while the Malaysian Palm Oil Green Conservation Foundation (MPOGCF) has donated nearly RM1m in between 2021 to 2023.

More support to SWD is poured through continuous fund management from the government and the Malaysian Palm Oil Industry to ensure human-wildlife conflicts are addressed in a positive manner, whereby distressed wildlife can be rescued and translocated into a protected area or reserve.

According to MPOC, the Malaysian palm oil industry is cognizant of the fact that such developments do increase human-wildlife conflicts that lead to wildlife getting trapped in fragmented areas and straying into plantations and villages.

Translocations of wildlife into protected areas will go a long way to ensure that their safety and well-being are assured.

Ultimately, these conservation programmes reaffirm the council's objective that the Malaysian palm



MPOC is committed to strike a balance between development and the conservation of Sabah's protected species.

oil industry can co-exist with nature in a sustainable manner.

Rescue and translocation efforts

Parked under Sabah's Tourism, Culture and Environment Ministry, SWD is responsible for the implementation and the administration of the Sabah Wildlife Conservation Enactment 1997.

Under this law, SWD - headquartered in Kota Kinabalu with a number of district offices, centres and stations throughout the state of Sabah - conserves and regulates wildlife in Sabah and manages protected areas within the state.

Since the establishment of the SWD WURU in May 2010, the team of rangers have rescued and rehabilitated native wildlife successfully.

Most of the cases attended by SWD's WURU involve the Bornean pygmy elephant, orangutans and proboscis monkeys.

These beautiful creatures often face greater human-wildlife conflicts

compared to the other protected species in Sabah.

Since 2010 to 2020, SWD's WURU has rescued and translocated:

- > 314 Bornean elephant adults and calves
- > 61 Bornean orang-utans adults and a baby
- > 39 proboscis monkeys
- > 144 estuarine crocodiles
- > 19 Malayan sun bears
- > 2698 long tailed and pig tailed macaques
- > 43 sambar deers
- > 16 gibbons
- > 4 clouded leopard
- > 77 marine turtles
- > 43 pangolins

The diverse duties carried out by the SWD's WURU has led to the establishment of the Wildlife Rescue Centre (WRC) at Kg Potukli, Lok Kawi, Sabah.

The centre functions as a temporary holding and nursery area for rescued wildlife such as primates,

elephants, small mammals, birds - where they are treated and cared for before being released back into the wild.

Majority of SWD's WURU rangers are young Sabahan Malaysians, who are willing to learn from veterans and work for Bornean wildlife management and conservation.

The department is not one to rest on its laurels. With funding from MPOC, SWD has been improving its efficiency and increasing job scopes.

To ensure more successful wildlife rescue missions, the department has been focussing on capacity building and training staff to keep up with the ever-increasing job scope, responsibilities and load.

Ultimately, its concrete plan is to further grow its team of rangers and veterinarians to be competent enough to cover every report received.

Together with its partners, MPOC is steadfast in its mission towards the co-existence of wildlife and biodiversity.



From 2010 to 2020, there have been 314 successful rescue and translocation missions for Bornean elephant adults and calves. - Photo credit: Dr Sen Nathan/Sabah Wildlife Department



SWD has been responsible for the implementation and the administration of the Sabah Wildlife Conservation Enactment 1997, ensuring harmonised living between people and nature.

Maybank's sustainable journey: Leading South-East Asia towards a greener future



By SHAHRIL AZHAR JIMIN

MAYBANK is one of South-East Asia's largest financial institutions, with global access, our customer-centric approach spans across 18 countries, including all 10 in ASEAN. In line with our ambition to be a sustainability leader in South-East Asia, we want to drive the mobilisation of capital in an impactful manner - promoting sustainable financing, becoming an agent of the transition to a low-carbon economy and enhancing community well-being through financial inclusion and community empowerment initiatives.

Our journey towards sustainability leadership has resulted in

Maybank being recognised in TIME's World's Best Companies 2023 listing, the only company in Malaysia to receive such recognition.

Maybank developed four holistic sustainability commitments in 2021 to demonstrate our seriousness towards this agenda, underpinned by three sustainability pillars:

- > Responsible transition,
- > Enabling our communities and ensuring our house is in order,
- > We walk the talk.

These commitments are now deeply rooted in our corporate culture and reflected in the multifaceted approach to environmental, social and governance (ESG) initiatives. Building upon the significant progress made, two commitments were revised upwards in 2022 to a target of RM80bil in sustainable finance and two million households across ASEAN by 2025. The other two include achieving a carbon neutral position of our own emissions by 2030 and net zero carbon equivalent position by 2050, and achieving one million hours per annum on sustainability and delivering one thousand significant UN SDG-related outcomes by 2025.

As of June 2023, Maybank mobilised RM14.62bil in sustainable finance, with a cumulative achievement of approximately RM49bil - more than half of the contributions from the home markets of Malaysia and Singapore. In the same time

frame, Maybank's efforts benefitted over 1.05 million households through financial inclusion initiatives, zakat contributions, micro-insurance offerings and regional flagship programmes by Maybank Foundation.

In terms of internal emissions, we surpassed our yearly target, achieving a 48.5% reduction against 2019 baseline contributed by energy efficiency projects, Malaysia Renewable Energy Certificates and carbon credits. Internally, we continuously upskill our talents and build capacity to strengthen our sustainability culture.

As of June 2023, we achieved over 580,000 hours on sustainability - 62% was directly related to sustainability initiatives through products and services offerings, supporting businesses, empowering our workforce and community uplifting programmes.

This year, Maybank signed a memorandum of understanding (MoU) with UN Global Compact Network Malaysia and Brunet to develop a collaborative Maybank Sustainability Practitioner Certification Programme.

In the pursuit of progress, there are challenges - transitioning clients who are in different stages within their ESG journey, different industries and priorities; some require more incentives to enhance climate disclosures, whilst others are not



Maybank aims to foster a low-carbon economy and drive capital mobilisation for sustainable financing in the region.

ready to make required decarbonisation solutions. To a large extent, our transition strategy is contingent on our clients' transition and therefore all components of the financial ecosystem play a role in driving transition.

Another challenge is data accessibility. There are difficulties in gathering specific data necessary to create a clear overview of exposure to ESG risks and management of it. This data gap is particularly apparent amongst SMEs who are struggling to know what data is needed, let alone what needs to be done to comply with ESG regulations.

Maybank's M2+ strategy amplifies our commitment to prioritise climate action as the cornerstone of the group's sustainability agenda, positioning Maybank at the forefront to drive a just and responsible transition to a low-carbon economy. In 2022, Maybank set its financial emissions baseline and implement Malaysia's first-ever Sustainable Product Framework (SPF). Moving on to this year, we developed a

Client Engagement Guidebook for relationship managers to have meaningful ESG-related client engagements, building forward-looking strategic and operational thinking capabilities and curating bespoke solutions.

We also updated the eligible activities and thresholds under the SPF to reflect market best practices in the provision of sustainable finance solutions and launched an internally developed Financed Emissions Calculator, guiding financed emission management by enabling users to gauge emission upfront from new financing and its impact to the existing portfolio.

Maybank is already in the process of developing a science-based net zero pathway and strategy to guide our decarbonisation transition for certain sectors within the group's portfolio and will continue to push boundaries as we strive to make a positive impact to society and better future for all.

Sharif Azhar Jamin is Maybank chief sustainability officer.

JUARA Partners, a shariah-compliant non-bank financial institution (NBFI) specialising in innovative financing solutions, has emerged as a prominent player in the environmental, social and governance (ESG) landscape.

With recent accolades and a strong focus on sustainability, the company is making significant strides in the financial industry.

In a notable recognition of its dedication to ESG practices, Juara Partners received two ESG Positive Impact Awards in the SME to mid-tier category for 2022. Additionally, the company achieved the prestigious B Corp Certification, solidifying its unwavering commitment to social and environmental performance, accountability and transparency.

To champion the ESG cause in all aspects of its operations, Juara Partners embarked on a comprehensive review of its policies and processes. The primary goal was to seamlessly integrate ESG principles into both internal and external workflows.

Juara Partners managing director Aniljit Singh emphasised the pivotal role of embedding ESG practices in the company's mission, stating: "We firmly believe that incorporating ESG practices is fundamental to the success of small-medium enterprises (SMEs), as they help us reassess priorities and identify operational opportunities."

Championing sustainability, transformative change in the financial sector

Juara Partners leads the way in ESG excellence with prestigious awards and certification

Years of diligent ESG practices has allowed Juara Partners to adapt to evolving customer demands while simultaneously fostering positive social and environmental impacts.

Aniljit reiterated: "We aspire to inspire and encourage every Malaysian company to work towards being more environmentally friendly and socially responsible while improving governance."

In 2022, Juara Partners embarked on the journey of obtaining the B Corp Certification.

He noted: "This certification serves as an essential tool to measure our ESG commitments, identify areas for improvement and signal our unwavering commitment to positively impact all stakeholders. We successfully achieved the B Corp certification in April of this year."

One of the distinctive aspects of Juara Partners is its endorsement by a reputable Shariah Advisory Board, seeing it apart in the NBFI sector. The company leverages cutting-edge technology to meet traditional financial industry requirements, including eKYC, data security, credit risk

assessment, and other verification parameters.

"We actively support various causes and initiatives aligned with our values and vision, such as education, entrepreneurship, health, and other initiatives that our customers undertake to enhance their quality of life," Aniljit added.

"Juara Partners is committed to driving transformative change and making a significant difference in areas such as sustainability and environmental stewardship. We collaborate with various entities to serve people and communities nationwide."

As a responsible corporate citizen, Juara Partners places a high priority on human rights principles, ensuring equitable treatment for all stakeholders. The company upholds the dignity, diversity, and well-being of its employees, customers, partners and communities. It also advocates fair labour practices, including competitive wages, benefits and working conditions.

"Cultivating a culture of approachable leadership is essential in keep-

ing our employees engaged and motivated. In addition to this, we offer daily home-cooked lunches, which go beyond just promoting well-being. These lunches also create a sense of togetherness among our team, improve the nutritional quality of our meals, and enhance overall job satisfaction," Aniljit shared.

In a statement, Juara Partners acknowledges the awards and certi-

fications it has received and extends its gratitude to its stakeholders for their unwavering trust and support. The company remains steadfast in its mission of providing Shariah-compliant financing solutions that empower its customers and contribute to social and economic development. The company is dedicated to continually enhancing its ESG performance and creating long-term value for its stakeholders and society.



The company upholds and celebrates the diversity and well-being of not only its employees, but also its customers, partners and communities.



Juara Partners regularly serve meals and drinks to Kuala Lumpur's housing-insecure communities.

From classroom to conservation

Nurturing young environmentalist in Sunway Theme Parks' Explorer Rangers programme

IN AN era where climate change and environmental degradation are pressing global concerns, educational initiatives that promote environmental stewardship have gained unprecedented significance.

Sunway Theme Parks, a prominent player in the Malaysian entertainment industry, has taken a bold and commendable step towards fostering sustainable practices and environmental awareness among the younger generations. Through their visionary Explorer Rangers programme, Sunway Theme Parks are not merely educating the future generation but also instilling future generations with a profound sense of responsibility towards the planet and its fragile ecosystems.

At the core of Sunway Theme Parks' sustainability initiatives lies a dedicated commitment to education through entertainment.

Recognising the pivotal role that the next generation plays in shaping the future of sustainability, the Explorer Rangers programme was conceived to be an innovative initiative aimed at imparting knowledge about wildlife and environmental conservation to children ages five to 12 years old. This weekly, in-studio educational wildlife class, endorsed by the Education Ministry, takes place at two of Sunway Theme Parks' locations: Sunway Lagoon at Sunway City Kuala Lumpur and Sunway Lost World of Tambun at Sunway City Ipoh.

The Explorer Rangers programme transcends traditional classroom learning, encompassing a diverse array of themes related to wildlife and the United Nations Sustainable Development Goals (UN SDGs). By seamlessly intertwining these themes, the programme sets a resounding example for the younger generation, inspiring them to become impassioned advocates for planetary health and conservation.

The origins of the Explorer Rangers programme can be traced back to the Junior Rangers programme, which made its debut in 2009 as the brainchild of Sunway Theme Parks executive director Calvin Ho.

Initially introduced as an exclusive offering at Sunway Lost World of Tambun, the programme garnered significant praise and enthusiasm even after the Covid-19 pandemic. Fuelled by the organisations' growing commitment to environmental conservation and the overwhelmingly positive reception, the pro-

gramme evolved into what we now know as the Explorer Rangers programme, which is now available at both Sunway Lagoon and Sunway Lost World of Tambun, thus widening its reach and impact.

Nurturing young minds: A journey of discovery

What truly sets the Explorer Rangers programme apart is its pioneering approach to education, placing a strong emphasis on in-studio learning that enables young rangers to engage with exotic animals within the captivating realms of the Sunway Theme Parks. This immersive education strategy goes beyond traditional classroom settings and textbooks, providing young learners with a unique opportunity to witness the wonders of the natural world up close and personal. By bringing the classroom to life, the programme engages children in a profound and immersive way that conventional teaching methods simply cannot replicate.

The practical sessions offered within the programme are thoughtfully designed to seamlessly align with the natural environment, ensuring that the environmental parameters encountered directly relate to the syllabus being taught. As children engage with the environment firsthand, they develop a profound appreciation for the delicate balance of nature and the importance of conservation. These engaging sessions are not led by ordinary instructors, but are instead, conducted by experienced veterinarians and zoologists whose profound expertise brings a level of authenticity and depth to the learning experience that is truly unparalleled.

Moreover, the programme extends invitations to guest speakers and industry professionals to share their passion and invaluable first-hand experiences. This inspires children to explore the world of wildlife further and consider potential career paths in conservation, thus opening their eyes to existing possibilities.

Inculcating sustainable initiatives

Within the Explorer Rangers programme, children have the unique opportunity to learn directly from Sunway Theme Parks' exceptional conservation initiatives. Through engaging and educational experiences, the young rangers gain valuable insights into sustainability and environmental stewardship, thereby

enhancing their understanding of these vital concepts.

Children delve deeply into the intricacies of the Upcycled Floating Island and Lake Conservation project, bearing witness to the transformative power of innovative solutions on environmental preservation. By observing the 'Clean-Flo' system in action and learning about its role in reversing lake degradation, they not only grasp the importance of conservation but also witness the power of technology in addressing ecological challenges.

In Sunway Lost World of Tambun, young rangers gain an in-depth understanding of the park's dedication to preserving nature. They get to partake in the harmonious coexistence between human-made attractions and thriving ecosystems, exemplified by the park's commitment to not cut down any trees during the development — showcasing a vital lesson in sustainable construction practices. The rich biodiversity within the park, including diverse flora and fauna and limestone formations, serves as a living textbook on the importance of protecting and appreciating natural beauty. These encounters ignite a sense of wonder and a strong environmental ethic in the young rangers.

The next generation of explorer rangers

As the Explorer Rangers programme continues to evolve and expand its reach, its imperative to acknowledge the transformative impact it has had on the young participants and their families. Over the course of one year, the programme has witnessed the remarkable growth and enthusiasm of these budding environmentalists, as shared by their parents.

Imaan, an enthusiastic Explorer Ranger since October 2022, has undergone a profound transformation in her outlook on nature and conservation. Her mother, who goes by Ifiza, shares, "Her catchphrases are always 'Did you know? Did you know?' because every time I pick her up after her Explorer Ranger class, she will be so excited to tell me everything that she learnt and experienced."

Ifiza fondly recalls a session where Imaan and her classmate had to learn about the proper way to care for a pony and its enclosure. Imaan's happiness knew no bounds as she enthusiastically raked leaves in the pen, realising the significance of even



The Explorer Rangers programme has its roots in the Junior Rangers programme which was first introduced in 2009 by Sunway Theme Parks executive director Calvin Ho.

the smallest tasks in animal welfare. Ifiza also shares how her child's curiosity and passion for conservation have been ignited as the young participant revealed her dream to become a ranger like her teachers — becoming a potential environmental steward in her own right.

Meanwhile, Au Yeung Ming Joon, who embarked on his Explorer Ranger journey in September 2022, has greatly benefitted from the programme's holistic approach to education. His mother, Lee, shares her perspective: "I always wanted Joon to join a programme that allows him to learn outside his class syllabus — so when I saw Explorer Rangers and found how interesting their breakdown of topics each month was, I signed him up immediately."

The impact of Explorer Rangers has extended beyond Joon's participation, as his mother and his siblings have also found themselves learning from him. Lee explains, "He would be like a little ranger, explaining to us about ESG efforts in Sunway Lagoon and how it works. So it has been very insightful, and I would spend my time sitting down with him as he patiently explained to me."

Joon's newfound knowledge and passion have not only enriched his own life but have also become a source of inspiration and education for his family.

These heartfelt testimonials from parents highlight the profound influence of the Explorer Rangers programme on the young participants, shaping them into environmentally conscious and knowledgeable individuals who are eager to make a

positive impact on the world. As these young minds continue to grow and evolve, they are destined to become the next generation of environmental leaders and advocates, actively contributing to a more sustainable and environmentally-aware future.

Moving forward

Sunway Theme Parks has embarked on a meaningful journey of collaboration with several prominent Malaysian conglomerates and governmental institutions, including the Education Ministry, Malaysia Airlines, Maybank and many other partners. Together, they have forged an optimal "outdoor laboratory" that empowers youth to participate in research projects and environmental conservation efforts.

In essence, the programme fosters a generation of young individuals who are not merely passive learners but also active members in the conservation of the environment. Through their interactions with exotic animals and immersive educational sessions, these young rangers are equipped with the knowledge, empathy and skills needed to become champions of wildlife conservation and advocates for the preservation of our planet's precious biodiversity.

As Ho aptly puts it, "Through the Explorer Rangers programme, children don't merely learn about conservation; they experience it in action. As these young minds engage with sustainability on a practical level, they're not only educated but also inspired to become responsible inhabitants of our planet."



Young Explorer Rangers like Imaan and Joon (right) embark on transformative journeys in nature and conservation.



A team of experienced veterinarians and zoologists are dedicated to teaching Explorer Rangers biodiversity and ecology.



Explorer Rangers getting to know the proper way to care for a pony and its enclosure.

Saving for a rainy day

The path to building prosperity in Malaysia is through financial resilience

Compiled by ONG HUEYERN
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World Savings Day (Oct 31) was held at the first International Savings Bank Congress in 1924, highlighting the importance of saving money and encouraging the virtue of thriftiness across the world, particularly in today's uncertain times.

This event serves to spread awareness, especially in developing countries where many remain unbanked, meaning they do not have access to financial services like savings accounts, credit cards and insurance.

Financial inclusion is about making financial services available and affordable. In countries with low financial inclusion, large segments of the population can't access these services.

Financial inclusion plays a vital role in enabling individuals to access formal financial services such as savings, credit, and insurance. It equips people with the necessary resources to effectively handle their finances and make investments, empowering them to monitor their expenditures and increase their earnings. Ultimately, this helps uplift individuals from

poverty and aims to reduce economic inequality.

In 2015, Bank Negara Malaysia (BNM) reported Malaysia's impressive financial inclusion index at 0.9 out of 1, signifying a high level of financial inclusion.

According to BNM's Financial Inclusion Framework document, advancing financial inclusion directly contributes to achieving eight of the 17 United Nations Sustainable Development Goals (SDGs).

Furthermore, it was revealed that 96% of customers now hold active deposit accounts, a significant increase from the 87% reported in 2011.

From 2011 to 2016, BNM allowed financial institutions to integrate licensed agent banking through third-party agents such as retail outlets and post offices, cutting down the need for physical bank branches.

This increased access to banking opportunities in sub-districts drastically to 95% in 2020 from 46% in 2011, granting the local population greater access to financial services.

Financial literacy affects a nation's level of financial inclusion. The Higher Malaysia Financial Literacy and Capability (MYFLIC) index sits at 59% in 2021, a 2.5% increase from 2015.

Education and awareness programmes

Raising financial literacy is crucial in improving people's financial well-being enabling them to make wise financial choices, resulting in a cascading effect that positively impacts various aspects, including savings, managing finances, investing and responsible borrowing.

For example, BNM launched a campaign in October of 2022 to increase awareness and encourage the usage of e-payments in rural communities and microentrepreneurs.

Education builds knowledge and confidence in technology.

Accessible digital platforms

Expand access of digital financial services nationwide and ensure mobile apps and websites are user-friendly to facilitate easy and secure financial transactions.

Moreover, providing training to businesses can accelerate the adoption of digital financial services, fostering efficiency in their operations.

A strong regulatory framework boosts consumer confidence in these platforms.

Empowering micro, small and medium enterprises (MSMEs)

Develop financial products that cater to the diverse population needs, including microloans for small businesses and income-specific insurance products.

In 2022, MSMEs made up 97.4% of business organisations, as reported by SME Corporation Malaysia. Supporting these businesses helps them thrive and contribute to economic growth.

One way could be to allow flexible repayment plans that enable small businesses to make repayments during profitable periods.

Earned wage access

Earned wage access (EWA) or on-demand pay is an alternative to the traditional end-of-the-month payday where employees can ask for an advance on their wages for the number of days they have already worked.

This financial service can help mitigate cash flow issues for individuals, say those that require short-term immediate cash flow, due to unforeseen circumstances.

EWA can benefit both employers and employees, implementing EWA in a company eases administrative burdens and lower the risk of cash flow issues arising. While employees have greater cash flow access and a greater sense of financial security. This could be to implement a bimonthly payment scheme or

incorporate software such as Hong Leong Bank's Salary Advance Employer Solution.

This is a digital platform that enables employees to withdraw up to 25% of their monthly salary, as reported in *The Star* in June.

Importance of insurance

The pandemic showed the importance of financial resilience and risk protection. Insurance provides a safety net during unforeseen circumstances, preventing immediate reliance on savings.

Channeling efforts to develop the insurance uptake and emphasising

its importance for the vulnerable groups are vital.

Encouraging new insurance plans within BNM's Perlindungan Tenang framework, an initiative providing simple and affordable insurance and thoughtful plans, to create relevant products for low-income groups.

INSURANCE

