

Star
ESG
ENVIRONMENTAL SOCIAL GOVERNANCE



**THE JOURNEY TO A
LOW-CARBON
WORLD**

Climate change is intensifying, with rising temperatures continuing to seriously impact lives and the environment. This begs the question – are we doing enough to better the future of our country and by extension, the planet?

Taking climate risk seriously

Businesses need to tackle climate change issues to ensure continuity and sustainability



ESG INVESTING
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There are three pressure points that can help push those in leadership positions to become more proactive when it comes to tackling climate risks, including growing financial pressures from financial institutions, stronger government decarbonisation commitments and improved non-financial reporting.

The PwC 25th Annual Global CEO Survey revealed that among those with net zero commitments, the most highly represented sectors are energy, power and utilities. A May article in the strategy+business magazine, published by certain member firms of the PwC network, highlighted that “too few CEOs (chief executive officers) are looking closely enough at the physical and transition risks that a changing climate poses to their companies”, aside from carbon-intensive sectors. The report *Time to get Serious about the Realities of Climate Risk*

revealed: “Climate risks are not only worrying business challenges for CEOs and other leaders, but deeply human challenges, too. One case in point: the massive investments that B2B (business-to-business) companies have made in back-office service centres in countries such as India – parts of which face life threatening heat and humidity spikes in the coming years.” But the issue lies in the fact that top management have a general knowledge of the impacts of climate change, yet there is a disconnect in the understanding of how these could specifically affect their businesses. “We find that leaders have much less of an understanding of the specific impact that climate change could have on their business – for example, the physical risks to operations, infrastructure, or to a company’s supply chain, let alone to the business-related transition risks that a societal and economic shift to a decarbonised world would bring, such as changes in demand, the impact on energy

The trend is seeing stakeholders focus on Scope 3, which means that the carbon footprint of a company can only be truly gauged if it takes into account GHG emissions along a company’s entire supply chain.

prices, building renovation requirements, or potential competitive impacts on logistics chains,” the report said. It goes on to say that climate risks “should factor more heavily in a CEO’s thinking and start informing all of a company’s climate-related decisions”, as stakeholders will be ready to refocus corporate attention to the issue. Even so, there are three pressure points that can help push those in leadership positions to become more proactive when it comes to tackling climate risks, including growing financial pressures from financial institutions to identify hidden climate risks in their portfolios, stronger government decarbonisation commitments – 90% of the global economy has net-zero pledges, compared to 16% in 2019 – and improved non-financial reporting via frameworks and standards such as the Taskforce for Climate-Related Financial Disclosures. The report in turn strongly recommends that leaders look into serious climate risk assessment to help them “uncover and prioritise opportunities to thrive in a climate-challenged world”, as companies that build faster understanding will have more strategic freedom to plan for climate risks, decarbonise and reimagine value creation for the years to come. Furthermore, with the spotlight on the need for increased effort to avert a future climate disaster, it is no longer enough for companies to be carbon neutral. Now, specific, actionable net-zero targets are the way forward for companies. Going beyond the early days of how GHG is determined, companies will have to go further in-depth into how they report and address their emissions, as stakeholders become increasingly ESG savvy – be it consumers, investors and policymakers, among others. Universally, GHG is split into three groups: Scope 1 relates to sources directly owned or controlled by a company such as factories or production facilities; Scope 2 from energy purchased by a company; and Scope 3 for emissions arising from all other activities in a company’s value chain. The trend is seeing stakeholders focus on Scope 3, which means that the carbon footprint of a company can only be truly gauged if it takes into account GHG emissions along a company’s entire supply chain.

By CALYN YAP
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THE war against climate change has escalated in recent years, with all eyes firmly set on defusing its far-reaching impacts before we hit the point of no return – especially with the United Nations Intergovernmental Panel on Climate Change stating that greenhouse gas (GHG) emissions need to peak before 2025 to limit global warming to around 1.5°C, as per the Paris Agreement. According to a PwC report released in April this year, titled *Positioning Corporate Malaysia for a Sustainable Future*, although Malaysia is already ahead in Asean and second only to Singapore in its environmental, social and governance (ESG) journey, there is room for improvement when compared to developed Asian nations. That’s not to say that the country has not made positive strides in the right direction towards a sustainable future via climate policies and net zero targets. Malaysia has committed to keep global warming below 1.5°C, delivering on the four mandates from the Cabinet at the 2021 United Nations Climate Change Conference, better known as COP26. These include climate change negotiations on rules governing international carbon markets, transparency of emissions reporting, common timeframe for the Nationally Determined Contributions, and climate finance. There is also the Ministry of Environment and Water’s Malaysia Climate Change Action Council, which will implement the Low Carbon Mobility Development Plan 2021-2030, including targets to reduce 165 million tonnes of carbon dioxide emissions, save RM150bil fuel expenditure over a decade and promote the use of electric vehicles and other low carbon transportation. Moreover, Malaysia has the National Fourth Industrial Revolution Policy, which includes initiatives that support financing for IR4.0 climate technology, in order to achieve sustainable growth for the nation. But that’s the public sector. How, then, is the private sector playing a role in helping achieve a decarbonised world?



Climate risk concerns
 Reflecting the growing global concern over climate change, a fair number of companies are taking a long-term view on sustainability issues beyond financial concerns, with 18% of the top 20 public-listed companies committing to net zero and 38% of the figure being science-aligned. Bursa Malaysia’s ESG Programme Survey 2021 also finds that although 55% of Malaysian companies claim to have a sustainability plan and roadmap, 38% are seeking assistance to create one. Among the biggest challenges that corporations – not just governments – would face is turning net zero pledges into near-term action, according to a January 2022 S&P Global report on *Key Trends that will Drive the ESG Agenda in 2022*. While it noted that the number of governments and large companies setting net zero

emission goals by 2050 grew tremendously, these commitments “often lacked interim emission reduction targets or plans to curb indirect emissions that occur along the supply chain.” That said, it also noted that rising pressure from various stakeholders will encourage the development of concrete, near-term plans to address emissions across the full value chain. “Beyond the established focus on emission reductions, the spotlight will extend to how entities manage exposure to physical climate risks, including the presence and/or adequacy of adaptation and resiliency planning,” the report stated. Climate risk, according to the PwC 25th Annual Global CEO Survey, ranks fourth (59%) in the primary influential factors behind carbon-neutral and net-zero commitments, after meeting customer expectations

966%), government and/or intergovernmental targets (63%) and investor demands (62%).
Emerging challenges
 With investors and other stakeholders seriously considering ESG risks relating to climate, pressure will also grow on corporate boards and government leaders to enhance their ESG skills, as they will be required to demonstrate that they can understand and oversee ESG issues. In 2021, there has been an increase in shareholder activism in demanding better accountability from leaders, including votes against directors for lacking credible climate action plans, according to the S&P Global report. It further added that the trend is set to pick up speed during the 2022 proxy season.

“Beyond the established focus on emission reductions, the spotlight will extend to how entities manage exposure to physical climate risks, including the presence and/or adequacy of adaptation and resiliency planning.”



GHG emissions need to peak before 2025 to limit global warming to around 1.5°C, as per the Paris Agreement, before the impacts of climate change become irreversible.



The Arctic could be ice-free in 18 years, according to the Arctic Council.

Threat to humanity

We must strive to reduce our carbon footprint to protect the Earth from the harmful effects of climate change

By SHEELA CHANDRAN

CLIMATE change is said to be the biggest threat to humanity today.

We are already experiencing its devastating impacts such as sea-level rise that leads to coastal erosion; drier weather leading to drought, and intense rainfall.

The World Health Organisation's (WHO) overview on climate change states that this environmental dilemma is impacting human lives and health in various ways.

It threatens the essential ingredients of good health – clean air, safe drinking water, nutritious food supply and safe shelter – and has the potential to undermine decades of progress in global health.

"Between 2030 and 2050, climate change is expected to cause approximately 250,000 additional deaths per year from malnutrition, malaria, diarrhoea and heat stress alone.

The direct damage costs to health are estimated to be between RM8.8bil and RM17.6bil per year by 2030," it said.

During the United Nations Climate Change Conference in Glasgow last November, leaders agreed that carbon dioxide emissions must be reduced by 45% by 2030.

Leaders also acknowledged the need to move away from fossil fuels and pledged to cut carbon dioxide emissions further.

The theme of World Earth Day 2022 is 'Invest In Our Planet', where businesses and individuals are encouraged to shift towards sustainable practices.

Malaysians and people all over the world need to rethink their daily habits and reduce their carbon footprint.

There is no Planet B. So let's do our part to take care of Mother Earth.

Impact of climate change

1. Polar degradation

According to the Arctic Council, the Arctic could be ice-free in 18 years.

Scientists predict the summer of 2040 will see the end of the frozen North Pole after the rapid melting of the ice coverage in recent years.

The Arctic sea ice has melted at almost 13% per

decade. Over 30 years, the oldest and thickest ice in the Arctic has declined by 95%.

Activities like burning fossil fuels trap heat in the atmosphere and have resulted in the accumulation of greenhouse gases. Global warming has increased temperatures, causing glaciers and ice sheets to melt.

The effects:

Rising temperatures

The polar ice caps aren't the only ones melting. For example, the ice caps of Tanzania's Mount Kilimanjaro have melted over 80% since 1912.

As the Earth gets warmer, scientists have noticed signs of change across the planet, including the distribution of ice, salinity and the oceans' temperatures.

Extinction

The increased temperatures in the Arctic are pushing many animals to extinction.

With lesser sea ice, animals like polar bears, walruses and reindeer that depend on it for their survival must quickly adapt or die.

A 2022 report released by the United Nation's Intergovernmental Panel on Climate Change expects more climate-related extinctions with rising global temperatures in the next few decades.

Rising sea levels

The Arctic is heating up twice as fast as the rest of the world, contributing to rising sea levels. In the long run, coastal communities will eventually have to move inland, and global weather patterns will shift drastically.

Do you know the Maldives, Kiribati and the Solomon Islands are among the places at risk of disappearing due to climate change?

2. Drought

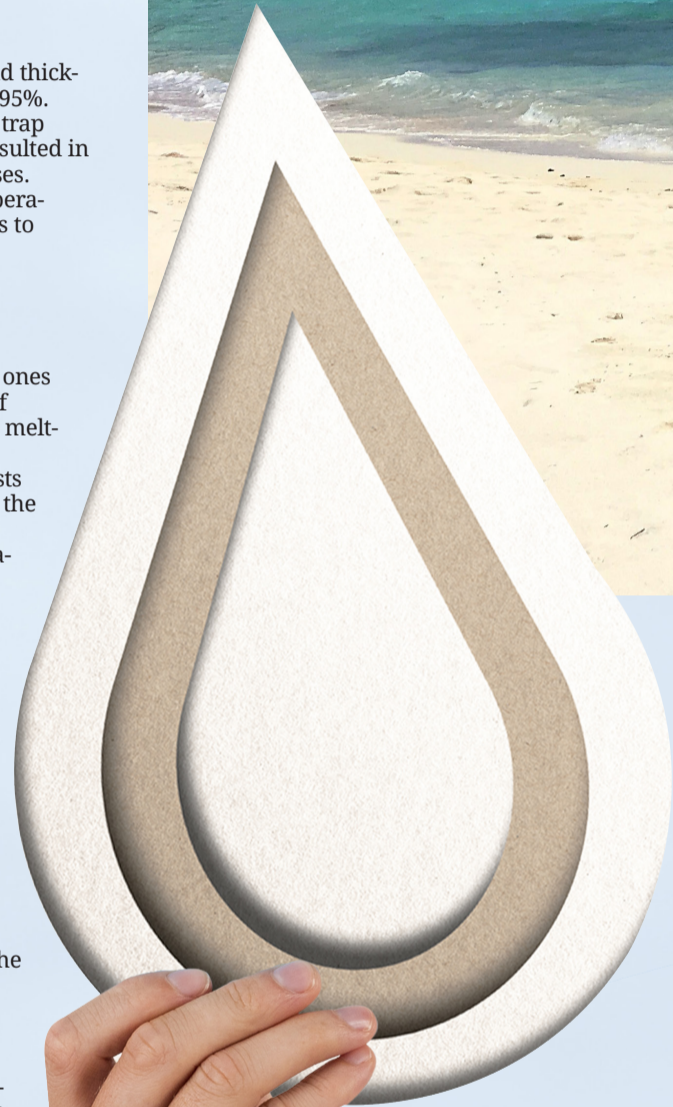
Drought occurs when there are prolonged water supply shortages, whether it's atmospheric, surface water or groundwater. A drought can last for months or years.

Global warming increases the risk of drought, as warmer temperatures enhance evaporation, reduce surface water, and dries out soils and vegetation.

The effects:

Environmental impact

During a drought, animals' food supply shrinks. In addition, lower water levels in reservoirs, lakes and ponds can lead to increased diseases in wild animals.



Economic impact

Farmers may lose their source of income if a drought destroys their crops. Ships may face difficulty navigating streams and rivers because of low water levels.

On a more extensive scale of things, consumers might have to fork out more money for food.

Social impact

We use water for many things like cooking, washing dishes and planting crops.

However, low rainfall can lead to low water flow and poor water quality, impacting sanitation, hygiene, and food and nutrition.

Over 18 million people across Ethiopia, Kenya and Somalia are already facing high food insecurity and rising malnutri-

Maldives could disappear under the sea if measures aren't taken to control climate change. – Filepic



tion. This figure could increase to 20 million by September, according to humanitarian portal, ReliefWeb.

3. Soil pollution

According to the United Nations, 52% of agricultural soil in the world is degraded, and more than 90% could become contaminated by 2050. When soil loses its organic content, it turns to sand.

Healthy soils supply our food-producing plants with essential nutrients, water and root support.

In March, Indian spiritual leader Sadhguru (Jaggi Vasudev) started the 'Save Our Soil' movement to promote awareness of soil health.

The yoga guru is currently travelling on his motorbike from London to India across 27 countries in 100 days to address land degradation and climate change.

Tips for improving soil quality: Composting

Compost is a disintegrated organic matter where microbes and fungi assist in the breaking-down process.

Compost is a safer alternative to chemical fertilisers because it improves the overall condition of the soil after being used for several months.

In addition, it has natural microbes which keep plants healthier.

Planting a tree

Tree planting is vital in controlling the climate and acting as a natural buffer to reduce damage caused by erosion.

Plus, trees help increase aeration while boosting nutrients in the soil.

4. Change in weather

Some climate experts say climate change results in severe weather patterns.

It causes more prolonged droughts, higher temperatures in some regions, and more intense flooding in other countries.

According to the Asean State of Climate Change Report 2021, a 2°C increase could cause a decline in rice yields by one tonne per hectare.

As a result, rice yields in Malaysia could face a projected decline in the range of

-5.9% to -30.9% by 2050 in various parts of the country.

The effects:

Power outage

Storms, hurricanes and floods can lead to power outages. Power failures can cripple transportation and emergency systems when we need them most.

Mental health

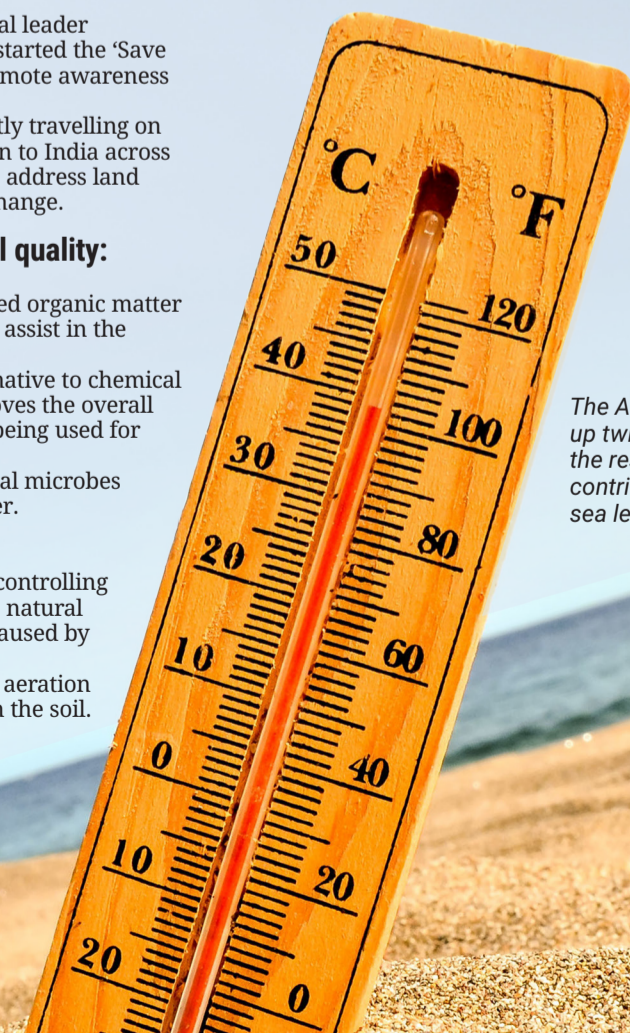
The impact of floods, droughts, and heat waves can lead to mental health concerns, including anxiety, paranoia, depression, and suicide.

Rise in dengue cases

Hot weather with intermittent rain can lead to an increase in the Aedes mosquito population.

The article 'How To Live With It: Health Risks' on www.nationalgeographic.com states that mosquito-borne dengue fever has increased 30-fold in the past 50 years. Three-quarters of those exposed so far live in the Asia-Pacific region.

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The Arctic is heating up twice as fast as the rest of the world, contributing to rising sea levels.

Water is among the precious resources that we often take for granted in our daily lives.



By CALYN YAP
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WITH aspirations to build a sustainable future, IOI Properties Group (IOIPG) remains cognisant of the impacts of climate change on communities and the environment.

As part of its corporate responsibility initiatives, the group has continued to raise awareness and encourage communities and stakeholders to join the fight against climate change to minimise its effects.

In efforts to take ownership and lead the charge, environmental, social and governance (ESG) considerations have been built into the business strategies of IOIPG, which are aligned with the United Nations Sustainable Development Goals (SDGs).

Case in point is the group's four sustainability goals, which achieves the core purpose of creating a sustainable future as part of its business strategy.

To further support the realisation of these goals, IOIPG has created four sustainability strategic themes to guide all of its following programmes and initiatives aimed at changing mindsets, inspiring women, grooming young urbanites and promoting urban green to protect the environment.

Raising awareness on climate change

In order to create awareness and generate conversation on waste minimisation, biodiversity appreciation, as well as climate change mitigation and adaptation, IOIPG rolled out the IOI Connects to Earth campaign.

The inspiration behind the campaign emanated from the group's belief that waste minimisation and the loss of biodiversity played

IOIPG kicked off the Kulai tree transplanting activity project in December 2021, with the purpose of salvaging trees over 10 years old, from a site that was going to be cleared, to a new site.



In conjunction with Earth Hour 2022, 60 employees of the group's Johor division collaborated with the Mersing District Council to collect trash along the beach at Pulau Mawar, Mersing.

Uplifting communities to fight climate change

IOIPG leverages on meaningful collaborations and partnerships to create positive impact on a larger scale

a crucial role in addressing climate change. Therefore, IOIPG placed a strong emphasis on generating awareness, increasing public participation and promoting a sustainable lifestyle to encourage Malaysians to be a part of its journey in fighting climate change.

This campaign is aimed at inspiring sustainability ownership and encouraging sustainable lifestyles as every small step makes a big difference.

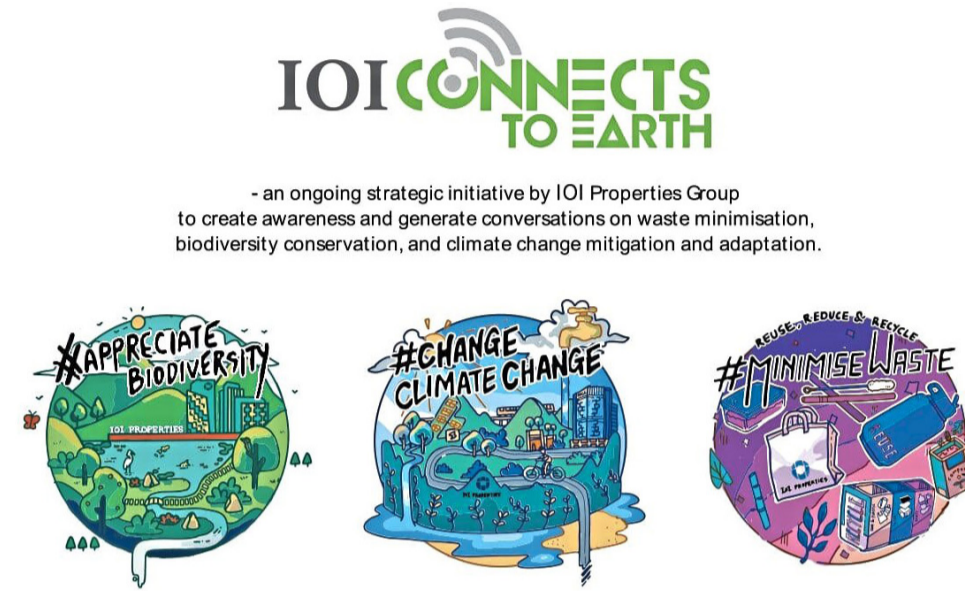
IOI Connects to Earth also invests in community programmes that are aligned to its campaign in schools and neighbourhoods within its townships, in which many of its community investments are focused on youths.

Involving communities to join the fight

Realising that mentality and mindset are key drivers for change, IOIPG took on its first few efforts to combat climate change by learning the best practices within the industry via collaborations with like-minded partners to drive lasting, large-scale impact within the communities they operate in.

Talks, as well as sharing and networking sessions with local and international business partners, were organised to gain insight and to share experiences on the successful incorporation of sustainable practices in business strategies and day-to-day operations.

Annually, IOIPG celebrates Earth Hour



- an ongoing strategic initiative by IOI Properties Group to create awareness and generate conversations on waste minimisation, biodiversity conservation, and climate change mitigation and adaptation.

across the group to encourage conversations to drive a collective effort towards climate change adaptation and mitigation.

As part of these events, it has organised webinars, workshops, park exploration and social media competitions to educate and empower its communities to adopt a more sustainable lifestyle.

For 2022, its Earth Hour theme was *Fight Climate Change with #TeamIOI*, whereby it conducted a competition to encourage its social media followers to take photos of themselves fighting climate change, such as planting trees, recycling or reducing electricity consumption.

Also held in conjunction with Earth Hour 2022 was the *Appreciating Urban Biodiversity* webinar, which had over 240 participants from both the public and team IOI from its offices in the Klang Valley, Johor, Bahau, Penang and Xiamen, China.

Taking it a step further, the group's Rainwater Harvesting Project created awareness about the importance of conserving natural resources and instilled a green mindset within its communities. The project was implemented in its integrated developments via collaborations with its business partners, such as contractors and vendors.

Rainwater harvesting systems were installed in SJK(T) Sungai Ara in Penang; Rumah Shalom, Bandar Puchong Jaya; Surah Al-Munawarrah in Bandar Putera Klang; Rumah Orang Tua Sungai Siput, Segamat, as well as Kampung Orang Asli Kuala Masai in Johor.

On top of that, the group collaborated with a local university in the International Youth Development Virtual Conference (IYDVC). The virtual conference, which was fully sponsored by IOIPG, centred around the theme of sustainable urban development.

The conference aimed to inspire and empower young leaders to achieve SDGs by bringing together stakeholders to share and exchange ideas to move forward to a more inclusive and sustainable development within communities.

All in all, IYDVC drew the participation of undergraduates from nine Malaysian and overseas universities.

Reuse and recycle to minimise waste

IOIPG believes that waste minimisation, at its source, is key to reduce waste going to landfills. Landfills release greenhouse gases that significantly contribute to climate change.

An initiative that exemplifies this is IOIPG's 2021 launch of the KITACycle Recycling Centre at IOI Mall Puchong.

In line with the group's mission to safeguard the environment and build sustainable communities, KITACycle station set up in IOI Mall Puchong provides a weigh-and-pay system that enables cashback to be earned for recyclables.

In conjunction with Earth Hour 2022, 60 employees of the group's Johor division collaborated with the Mersing District Council to collect 65kg worth of trash along the



The KITACycle Recycling Centre was launched in 2021 at IOI Mall Puchong in Selangor in line with the group's mission to safeguard the environment and build sustainable communities.

beach at Pulau Mawar, Mersing.

Another initiative worth mentioning is IOIPG's 2020 Christmas display at South Beach in Singapore, where the group partnered with EcoBank to collect close to 3,000 pre-loved clothes, accessories, toys and books, which were creatively repurposed and displayed across the development.

The items were repurposed in an actual spinning ferris wheel, Christmas trees and display boxes - earning it the title of the *Largest Christmas Decoration of a Building Using Recycled Materials* by the Singapore Book of Records.

Creating positive impact on a larger scale

IOIPG's efforts go beyond just internal initiatives and programmes, extending to external undertakings to better the communities it serves.

The Waste-to-Treasure initiative, which was launched in November 2018 under the IOI-Active Citizens Programme in collaboration with the British Council, aimed to encourage people to take more active and participative roles in creating impact on society.

This year, IOIPG ran a recycling campaign in which waste minimisation webinar sessions and collection drives for recyclables

were organised. 1,250kg of recyclables comprising paper, plastic, aluminium, cardboard and steel, as well as e-waste were collected.

Puteri Mart, a wet market in Puchong, Selangor, managed by IOIPG, upcycled fruit peels to be turned into cleaning enzymes, which are natural and chemical-free cleaning agents.

It has since upcycled around 700kg of fruit peels into approximately 2,000 litres of cleaning enzymes, which are then given out to its patrons.

IOIPG also works closely with Yayasan Tan Sri Lee Shin Cheng's social enterprise and retail store called Bargain Basement, where preloved items are sold, with net proceeds channelled to charity organisations.

Bargain Basement has since donated in excess of RM500,000 from the store's proceeds to beneficiaries such as the Alzheimer's Disease Foundation Malaysia, the Autism Cafe Project and Dignity for Children Foundation, among many others.

Meanwhile, with the objective of nurturing promising start-ups in the fields of PropTech, AgriTech and green solutions with initial financial support and business know-how, IOI Kickstart is a three-year accelerator and collaboration programme that offers a springboard for inspiring entrepreneurs.

Among the six entrepreneur mentees

under the IOI Kickstart programme, initiated by IOIPG in 2020, is Arus Oil, which converts collected used cooking oil into biodiesel.

Through joint efforts with Arus Oil, a total 2,113kg of used cooking oil has been collected from the IOIPG townships.

This is in addition to its collaboration with B'dari to create a one-of-a-kind colourful art piece made from 1,800 used plastic mineral bottles to represent the beauty of the underwater world.

As one of IOIPG's key themes focused on inspiring women, the group collaborated with Universiti Kebangsaan Malaysia's Faculty of Pharmacy in a programme to empower B40 women to upcycle used cooking oil into eco-friendly multi-purpose detergent.

Preserving biodiversity

IOIPG recognises the importance of conserving the habitat of flora and fauna to preserve its ecological functions of regulating temperature, improving quality of air and oxygen production, reducing surface run-off and promoting carbon sequestration.

The group has been maintaining Bandar Puteri Puchong Town Park, Oasis Park at Bandar Puteri Bangi, Central Park at 16 Sierra and a 100-acre Hutan Bandar Kulai in Johor.

Looking ahead, IOIPG will also be revealing its upcoming IOI Resort City Central Park, a 10-acre park anchored by a lake and various features that enables communities to thrive harmoniously with nature.

In December 2021, the group transplanted

55 trees over 10 years old under its Kulai Tree Transplanting project, among which included the *Milletia Pinnata* and the *Samanea Saman*, which are listed as "endangered" and "heritage" respectively on the Singapore Red List.

In order to bring about change to the daily routines and lives of people towards living a sustainable lifestyle, it is necessary to first make people care about their carbon footprint and understand the importance of their actions - and how they can make a difference.

In line with the global biodiversity initiative, City Nature Challenge (CNC), the group held the IOIPG CNC 2022, which featured safe and family-friendly activities.

The programme aimed to raise awareness on making meaningful scientific contributions through citizen science, the practice of public participation and collaboration in scientific research to increase scientific knowledge.

IOIPG organised a competition where participants took part in a social media blitz to contribute towards citizen science, by making and uploading their observations on the iNaturalist website or app.

To date, the participants managed to record 6,123 nature observations and identified 1,641 species across Malaysia, Singapore and Xiamen, China.

Reinforcing awareness and educating communities on the need to adopt more sustainable lifestyles, IOIPG continues to lead the way towards a greener future through both internal and external actions, for the benefit of the generations to come.



Preserving biodiversity is a priority for IOIPG.

IOIPG installed rainwater harvesting systems at various homes and organisations to create awareness about the importance of conserving natural resources.

Planet in peril

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5. Air pollution

Air pollution contributes to global warming. Gases that retain heat in the atmosphere are called greenhouse gases and include carbon dioxide, ozone and methane. This leads to climate change, causing rising sea levels, hotter weather and increased spreading of infectious diseases.

The effects:

Acid rain
Acid rain is made out of highly acidic water droplets. When it falls onto the ground, it damages the soil's composition and fertility. As a result, the quality of water in rivers deteriorates and biodiversity suffers.

Haze and smog
Did you know the first haze crisis was reported in Malaysia 61 years ago? Malaysia has seen four bouts of haze crisis – in 1997, 2006, 2013 and 2015. Haze happens when the atmosphere is choked with pollutants, and the burning of crops for agricultural purposes.

6. Coral bleaching

Coral bleaching occurs when corals – under stress from warmer waters – expel the colourful algae that live inside their tissues, turning them white.



Healthy coral reefs support thousands of marine life. – Freepik.com/bedneyimages

Did you know a spike of 1-2°C in ocean temperatures over several weeks can lead to bleaching? As a result, 14% of the world's corals died between 2009 and 2018. A Global Coral Reef Monitoring Network study shows that corals are under siege from global warming.

The effects:

Flooding and storms
Coral reefs serve as a buffer and protect our coasts from flooding and erosion. They serve as a natural breakwater, allowing waves to break offshore. Without coral reefs, coastlines become prone to flooding from storms, hurricanes and tsunamis.

Loss of biodiversity
Healthy coral reefs support thousands of fish and mammals. These marine life seek shelter and food, reproduce and raise their offspring in the many nooks and crannies formed by corals. Biodiversity will greatly suffer if our coral reefs disappeared.

Plastic pollution

But climate change is not the only threat to our environment. Human



“Progress is impossible without change and those who cannot change their minds cannot change anything.”
- George Bernard Shaw

WHO data shows that almost all of the global population (99%) breathe air that exceeds WHO guideline limits and contains high levels of pollutants. – Freepik.com



Haze is a common phenomenon in Kuala Lumpur, and has occurred almost every year within the last few decades. – SAMUEL ONG/ The Star.



Climate change is making droughts more frequent and severe. – jcomp/Freepik

activities and massive development have also contributed to the earth's degradation. But there are steps that we can take to protect the environment and reduce the negative effects on our planets.

Plastic pollution is the build-up of plastic objects and particles in the Earth's environment that affects humans, wildlife and their habitat. On March 2, the United Nations Environment Assembly voted to formulate an international legally-binding instrument by 2024 to end plastic pollution.

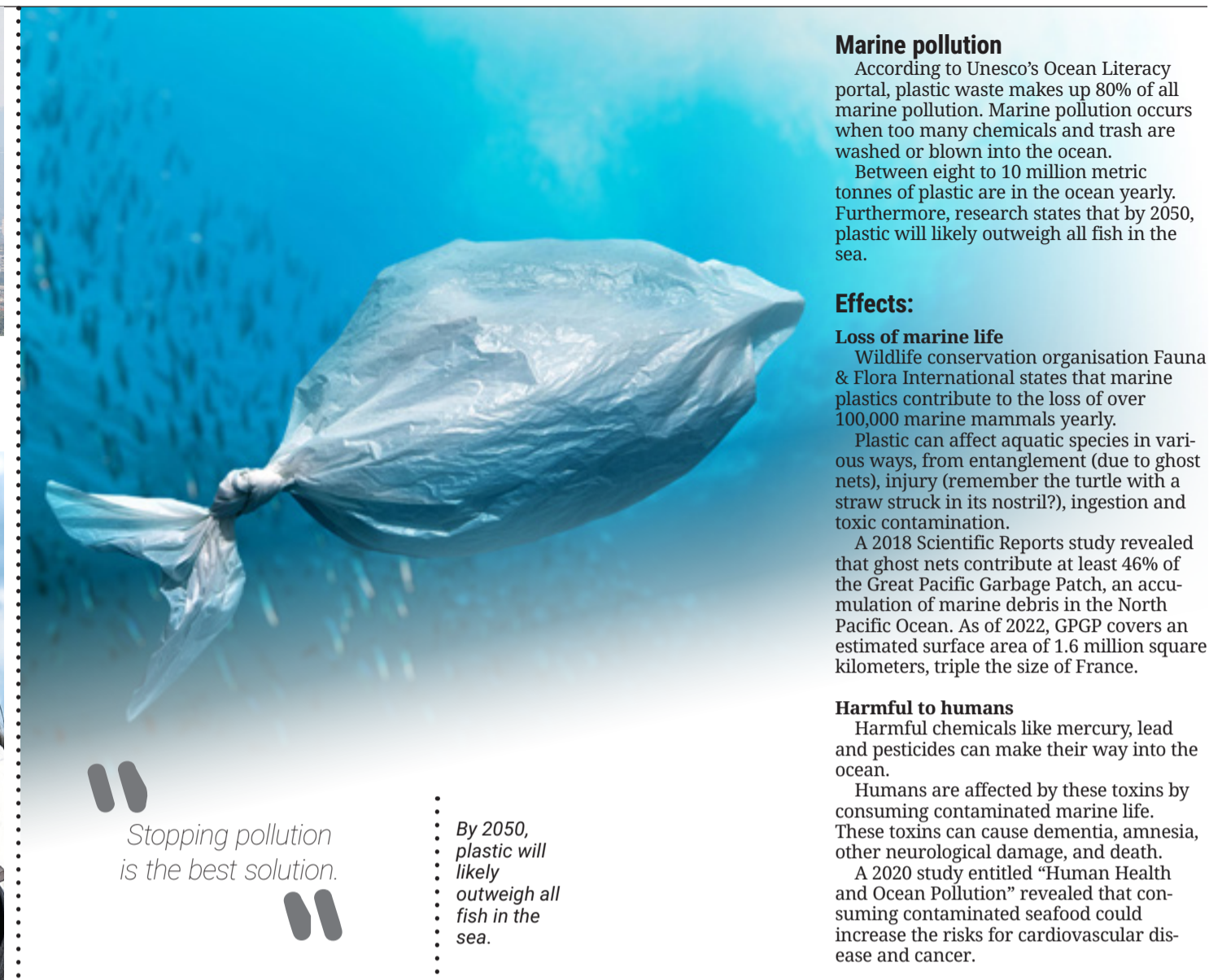
Plastic waste makes up 80% of all marine pollution, reports Unesco's Ocean Literacy Portal.



Tips to reduce plastic:

Reduce, reuse, recycle
Practise the 3Rs (reduce, reuse and recycle) in your daily life. Reducing means choosing to use things with care to minimise the amount of waste generated. Reusing involves the repeated use of items or parts of items which still have functional aspects. Recycling means the use of garbage itself as a resource. Instead of binning items, donate them to charity.

Make better choices
Buy products with lesser packaging. When buying cosmetic products, choose those without microbeads. These tiny plastic beads have a damaging effect on marine life and the environment. Instead, opt for metal straws as they are



“Stopping pollution is the best solution.”

By 2050, plastic will likely outweigh all fish in the sea.

Marine pollution

According to Unesco's Ocean Literacy portal, plastic waste makes up 80% of all marine pollution. Marine pollution occurs when too many chemicals and trash are washed or blown into the ocean. Between eight to 10 million metric tonnes of plastic are in the ocean yearly. Furthermore, research states that by 2050, plastic will likely outweigh all fish in the sea.

Effects:

Loss of marine life
Wildlife conservation organisation Fauna & Flora International states that marine plastics contribute to the loss of over 100,000 marine mammals yearly. Plastic can affect aquatic species in various ways, from entanglement (due to ghost nets), injury (remember the turtle with a straw struck in its nostril?), ingestion and toxic contamination. A 2018 Scientific Reports study revealed that ghost nets contribute to at least 46% of the Great Pacific Garbage Patch, an accumulation of marine debris in the North Pacific Ocean. As of 2022, GPGP covers an estimated surface area of 1.6 million square kilometers, triple the size of France.

Harmful to humans

Harmful chemicals like mercury, lead and pesticides can make their way into the ocean. Humans are affected by these toxins by consuming contaminated marine life. These toxins can cause dementia, amnesia, other neurological damage, and death. A 2020 study entitled “Human Health and Ocean Pollution” revealed that consuming contaminated seafood could increase the risks for cardiovascular disease and cancer.



Plastic waste makes up 80% of all marine pollution, reports Unesco's Ocean Literacy Portal.

an excellent eco-friendly alternative. Also, carry a grocery bag when out shopping and always reuse plastic bags as much as possible.

Plastics by the numbers

1. Half of all manufactured plastics were made in the last 15 years.
2. Plastic production has increased exponentially, from 2.3 million tonnes in 1950 to 448 million tonnes in 2015 and is expected to double by 2050.
3. Every year, about 8 million tonnes of plastic waste escape into the oceans from coastal nations. That's the equivalent of setting five garbage bags full of trash on every foot of coastline worldwide.
4. Plastics often contain additives that make them more robust, flexible and durable. But they can extend the life of plastics if they become litter, with some estimated to take at least 400 years to break down. Source: National Geographic



Bring your own containers and bags to reduce plastic use.

Leading the way with sustainable developments

As it continues to enhance its ESG offerings, SP Setia strives to play a key role in Malaysia's push towards becoming a carbon-neutral nation

By ROYCE TAN

AS the environmental, social and governance (ESG) agenda increasingly shapes and influences investment decisions, companies across the globe are now placing ESG as their top priority.

Businesses are integrating ESG practices into their overall strategies, as they seek to keep up with the changing investment environment and the growing pool of socially conscious investors.

While the spotlight is often on the non-ESG sectors such as coal and oil – which have a significant negative impact on the environment – sustainability has become increasingly important to property investors as well.

This is as property developers have the ability to provide green facilities at their housing projects and townships, as well as develop more energy efficient buildings – all of which can have a tremendous positive impact on the environment, as well as promote a greener way of living among their customers and surrounding communities.

SP Setia is among the local property players that are taking the lead in the local ESG space, as Malaysia moves towards achieving its goal of becoming a carbon-neutral nation by 2050.

The property giant's leadership in the ESG space is particularly evident from its notable achievements in the environmental and social categories, as well as its conviction that ESG initiatives are an investment for the future.

"Sustainability is our collective responsibility. For SP Setia, it is embedded into our culture and expressed through our developments," said SP Setia group president and chief executive officer Datuk Choong Kai Wai.

As part of its commitment towards the national carbon-neutral agenda, SP Setia recently entered a memorandum of understanding (MOU) with utility giant Tenaga Nasional Bhd (TNB).

The partnership will see SP Setia's properties and developments equipped with solar, battery and electric vehicle infrastructure and support, marking a significant step forward in the sustainability imperative for both industry giants.

"We are thrilled to work with TNB in driving change to deliver value beyond housing. We aim to encourage sustainable living and positively impact our communities," he said.

The developer sees the collaboration as the next step in its ever-evolving concept of sustainability, translating into an increased awareness of the green agenda among its customers and ultimately, an easy transition into environmentally conscious living.

Walking the talk, with tangible results

SP Setia aims to prevent negative impacts on the environment – or at least, manage or reduce those impacts – by adopting best practices in environmental standards and implementing environmentally friendly strategies and processes.

These include exploring renewable energy for its property development projects, implementing comprehensive planning and green concepts at its townships and using sustainable materials and construction methods.

In recent years, SP Setia has displayed measurable results from its efforts to promote sustainable practices in its operations, as well as at its projects and developments.

our year, while the construction and others segments also successfully lowered these ratios by 52% and 42%.

The group marked a significant ESG milestone when it launched the world's first solar-powered hybrid food and beverage hub, the D'Network in Setia Eco Park, Setia Alam in Sept 2020.

D'Network is a realisation of its vision to build a green and sustainable hub that effectively runs on solar power, which generates electricity to be used for lighting, ventilation, air conditioners, and irrigation systems.

Most of its other projects have been equipped with sanitary wares and fittings that have 3-star ratings under the Water Efficient Product Labelling Scheme.

It has also incorporated rainwater harvesting systems at some of its projects, which enable the water to be reused for outdoor purposes, such as watering plants – indirectly helping reduce water consumption.

Another accomplishment worth noting is the Setia EcoHill 2's Adventure Park, which was developed by utilising and navigating through the existing vegetation and terrain, with more than 90% of the original landscape preserved.

Cognisant on the importance of sustaining forest systems, the existing forest at the Adventure Park was regenerated by infusing biodiversity elements to create a new healthy ecosystem.

In order to swiftly move forward with its ESG agenda, SP Setia also recognises the importance of ensuring that its employees are fully equipped with the knowledge and ability to drive its sustainability goals.

"Culture embedment is crucial to ensure effective implementation of our initiatives," the group noted in its latest annual report.

In FY2021, SP Setia conducted 53 sustainability workshops involving 225 participants from the group, to ensure that its team is able to adapt and ultimately take the lead in implementing its sustainability initiatives.



Adventure Park in Setia EcoHill 2, Semenyih.



Heritage Park in Setia Fontaines, Penang.



D'Network @ Setia Eco Park is touted to be the world's first solar-powered hybrid food and beverage hub.

"Sustainability is our collective responsibility. For SP Setia, it is embedded into our culture and expressed through our developments."
— Datuk Choong Kai Wai



Essex Gardens in Setia Eco Templer, Rawang.



Giving back to the community

As a socially responsible organisation, SP Setia continues to undertake numerous initiatives to enrich and benefit its employees, as well as its customers, the surrounding communities and the general public.

Providing affordable housing for Malaysians is among its many social initiatives, as the group spent RM740mil last year on the development of such projects, with 5,943 completed units as at Dec 31, 2021.

It also spent RM678mil to provide various infrastructure at its projects, including for road maintenance and landscaping to ensure the safety and well-being of its customers.

During the height of the pandemic, SP Setia provided six venues to be used as vaccination cen-

tres (PPV) for the National Covid-19 Immunisation Programme, with more than 1.3mil doses of vaccines administered at these centres.

It also spent a further RM2.72mil on Covid-19 assistance measures including for the provision of Covid-19 test kits, and employee health and hygiene supplies.

In terms of ensuring the health and safety of its employees, the group upholds its 'live-learn-workplay' philosophy to promote a safe and healthy workplace.

Among the features of this programme are health and safety monitoring, which is proactively enforced via monthly health, safety and environment audits conducted at its project sites by its group quality management team.

The group also strives to refine the HSE capabilities of its employees and construction workers through additional training conducted by appointed external providers and its internal HSE subject matter experts.

The group also has solid governance practices in place, which it continues to enhance via workshops and training programmes. It conducted 17 corruption risk assessment workshops on anti-bribery and anti-corruption last year.

At the board level, the group notes that since Feb 28, 2018, the board has comprised of a majority of independent non-executive



Setia City Mall in Setia Alam, Shah Alam.



Setia SPICE Convention Centre, Penang is said to be the first hybrid solar-powered convention centre in the world.



Majlis Menandatangani Memorandum Persefahaman (MoU) Inisiatif Penggunaan Tenaga Hijau Dalam Pembangunan Dan Kediaman Antara S P Setia Berhad & Tenaga Nasional Berhad 12 April 2022

SP Setia and TNB recently signed an MOU to seal a partnership on delivering smart energy and renewable energy solutions to SP Setia's future property developments.



The PPV at Setia City Convention Centre, Setia Alam, Shah Alam.

directors.

In terms of fair access to information, SP Setia's investor relations team emphasises on the need to always provide clear, comprehensive and equal information to all its stakeholders.

Disclosures of material corporate developments are announced to Bursa Malaysia, as required by the regulator, while the dissemination of presentation materials, press releases and holding of press conferences are all done all in a timely manner.

While the pandemic – and consequently, the enforcement of various levels of the MCO – meant mass gatherings and meetings were not allowed or discouraged, the group accelerated its use of digital platforms to ensure that the dissemination of information to its stakeholders was not disrupted.

Embracing changes to stay ahead of the game

SP Setia is constantly reinventing and enhancing its sustainability initiatives to maintain its leadership in the space, and aims to play a key role in Malaysia's journey towards becoming carbon-neutral by 2050.

It is evident from the accelerated investments into ESG-focused funds and ESG-strong companies globally, that the ESG agenda is here to stay.

Data from Refinitiv Lipper showed that a record US\$649bil was channelled into ESG-focused funds worldwide as of Nov 30, 2021, up from US\$542bil and US\$285bil in 2020 and 2019, respectively. It also showed that ESG funds now account for about 10% of worldwide fund assets.

Bloomberg Intelligence forecasts that glob-

al ESG assets are on track to exceed US\$53tril by 2025, representing more than a third of the US\$140.5tril projected total assets under management.

In Malaysia, this is also evident from the Employees Provident Fund's move to launch new policies to integrate ESG considerations into its investment management processes – marking its evolution towards being a sustainable investor.

While many companies in the country are still struggling to adapt and keep up with the new demands of the growing pool of socially conscious investors, SP Setia is already making great strides in its ESG journey.

With its solid and strategic targets ahead, as well as the tangible results from its ESG initiatives so far, it is clear that SP Setia will continue to be at the forefront of ESG practices in the property space.

Moving forward for those at SP Setia, ESG and sustainability will be embedded across the full value-chain via an end-to-end approach, with a holistic, cohesive ecosystem of its business of placemaking – from the land sourcing, concept designing, planning, construction and procurement all the way to the buildings being occupied throughout its life cycle.

According to the property developer, this is because it not only seeks to build dream homes for people, but also build inclusive communities by co-creating the built environment with the people and communities. At the same time, this also works towards SP Setia playing its part towards the global movement in alleviating the climate crisis.

"In short, ESG and sustainability will be a strategic advantage for us, no longer a nice-to-have or a tick-the-box exercise," he said.

SIMPLE WAYS TO REDUCE YOUR CARBON FOOTPRINT

CARBON footprint is one term that you have probably heard of a lot, but may not always understand. So, what exactly does carbon footprint mean?

Carbon footprint is a way to measure greenhouse gas emissions. Gas emissions are any gas released into the atmosphere by human actions that trap heat, such as carbon dioxide and methane, therefore contributing greatly to global warming and climate change.

If you want to know how much carbon emissions are released, there are many studies that show the average levels of carbon emissions focusing on territorial emissions, which means greenhouse gases produced within a nation, but this does not account for traded goods.

In Malaysia, for instance, data from Our World in Data shows CO2 emissions per capita in Malaysia are equivalent to 8.42 tonnes per person in 2020, while CO2 emissions in Malaysia

were 272.61mil tonnes.

Compared to 2019, according to a sustainability report published by the Multidisciplinary Digital Publishing Institute, CO2 emissions for the world and Malaysia decreased significantly by 4.02% and 9.7% in 2020, due to Covid-19 lockdowns. However, this is insufficient to cause long-term impacts on global CO2 levels and climate change.

Efforts in reducing carbon footprints

are part of the operational ethics by huge conglomerates and well-known companies to even small and medium enterprises, but what about us the individual?

Not many are aware that the small steps taken by each individual to reduce his carbon footprint can become a big leap towards sustainable environment and nation building.

Awareness among Malaysians is lacking, but it is not too late to adopt a

“greener” lifestyle by chipping away bad habits that contribute to a greater carbon footprint.

It’s not just about the environment either. Reducing your carbon footprint can help you live a healthier lifestyle, as well as save you money.

Whether it is a healthier diet, cleaner air, or reduced energy bills, these benefits of reducing your carbon footprint also mean that making small adjustments can lead to big results.

HERE ARE SOME OF THE MANY SIMPLE WAYS TO GET YOU STARTED, ONE STEP AT A TIME.



USE ENERGY EFFICIENT APPLIANCES

From energy-saving light bulbs to appliances with a high energy star rating, these are definitely going to make your home eco-friendlier. Also, make sure to turn off and unplug anything not in use.



TWEAK YOUR DIET

For example, meat requires a lot of land, water and energy to produce, thus creating methane. Imported food uses more resources than local produce. By supporting locally sourced food and consuming fewer animal products, it can make a huge difference to reduce your carbon footprint from current farming methods and perhaps improve your health too.



SAY NO TO SINGLE-USE PLASTIC

Start by using a reusable water bottle when you are out, or bring your own container when taking away food. Bringing your own bag for grocery shopping is a good choice as well.



CHOOSE GREENER TRANSPORTATION OPTIONS

If your work place is near, try cycling or walking to work, which can also help you improve your health. Opt for public transport where possible, or go for carpooling. As of the current norm, work from home if possible.



REDUCE, REUSE AND RECYCLE

Whether it is paper, plastic, packaging, food or electronic devices, they all have a carbon footprint. By reducing the amount of waste you generate, reusing stuff and recycling waste, it matters a lot to the environment.



MAKE SMART FASHION CHOICES

Consider buying second-hand clothes, joining swap groups or purchasing from eco-friendly companies.



INVEST IN RENEWABLE ENERGY

Power your home with solar energy and reduce your household emissions and save money on your energy bills. Consider electric vehicles, if your budget allows.



HOLIDAY CLOSER TO HOME

Cuti-cuti Malaysia is the way to go. Your emissions will be far lower and you will contribute to uplifting the livelihood of local communities. You might even discover something new on the trip!



GO FOR DIGITAL

Encourage digital communication using video conferencing or voice call, instead of travelling.



PROMOTE AWARENESS

Educate children and the people around you about the importance of protecting the environment and the simple steps they could do to make a difference.