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EITHER SUSTAINABILITY WINS, OR WE ALL LOSE

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THE YEAR IS 2080, and Eva is 10 years old. She wakes up drenched in sweat, stomach growling, and wonders if she can finally go back to school today — another prolonged 40°C heatwave has shut down schools for almost a month, the third time this year.

She checks the air pollution index to see if she needs to put on a gas mask, before scrolling through her feed and watching a clip showing that the previous month was the hottest ever recorded, smashing records yet again.

More bad news as she scrolls — communities are reeling from the destruction and lives lost in last week's tropical storm that caused massive flooding nationwide. With frequent and simultaneous extreme weather events being the norm, overburdened health and emergency services are unable to cope.

Breakfast is watery porridge again. Crop yields have reduced year on year because of soil deterioration and too many species have gone extinct, causing massive price hikes for basic commodities and food.

Eva turns to you and asks, "Gong Gong, was it like this too, for you? What was it like when you were young?"

Lost for words, you reflect on 2022 when you were just a fresh graduate and the world was vastly different. Could you have done something differently, or was it already too late then?

Those of us who are alive at this time are privileged. More than any other generation before, we are at a point in history where what we do (or don't do) will determine the fate of future generations. Previous generations lacked the data and technology we have today, and by the time the next generation is in the position to make systemic changes, it will be too late.

In 2016, some 193 countries celebrated the historic Paris Agreement to limit global warming to well below 2°C, preferably to 1.5°C. Entering 2022, just six years post-Paris, we are struggling to even "keep 1.5°C in sight".

We only need to look to the recent COP26 to see the inertia and self-interest that hinder meaningful efforts, where the call to consign coal power to history ended in a watered-down pledge to 'phase down' rather than 'phase out' the use of unabated coal.





While many have made public commitments to fight climate change, it is clear that no country or sector is doing enough to limit warming to 1.5°C, the critical tipping point for humankind to have a chance of avoiding the worst impacts of the climate crisis.

The window for turning things around is closing so much faster than we are moving. The 2021 Intergovernmental Panel on Climate Change (IPCC) report warned that global warming of 2°C above pre-industrial levels will be exceeded in the 21st century, unless deep reductions in CO₂ and other greenhouse gas emissions occur very soon.

We only need to look to the recent COP26 to see the inertia and self-interest that hinder meaningful efforts, where the call to consign coal power to history ended in a watered-down pledge to “phase down” rather than “phase out” the use of unabated coal. The “global north” has not only failed to deliver financial support to developing countries to mitigate climate change, but has gone as far as blocking a proposal for a loss and damage finance facility.

Globally, we need to achieve peak carbon emissions by 2030 — that’s only eight years away. Closer to home, sustainability is one of the three main themes of the 12th Malaysia Plan. Malaysia has committed to reducing our greenhouse gas (GHG) emissions intensity by 45% by 2030, getting to carbon-neutral as early as 2050, not building new coal power plants, and increasing renewable energy to 31% of installed capacity by 2025.

Having said that, how are we going to get there? How many organisations have a plan to reduce their emissions intensity by 45%? Individual action, too, has largely failed to match the scale of the crisis; we chew on our steaks in air-conditioned rooms and drink from disposable plastic cups through single-use paper straws. We are comfortably consuming our way deeper into the climate crisis, even as vulnerable populations already suffer from the worsening effects of climate change.

Every single one of us is part of the problem. If you think you are exempt from making changes because you live in a developing country, think again. According to the Global Carbon Project, the average Malaysian’s carbon footprint in 2020 stood at 8.42 metric tonnes — the second highest in Southeast Asia, higher than China and the UK.

Several misconceptions are fuelling humanity’s descent into climate catastrophe: the familiar excuse that “we still have time”, the weak defence

that “one person can’t make a difference”, the self-serving reassurances that “every little bit helps, so it’s okay to do the bare minimum” and that “bad things will happen, but not to me” as well as the misplaced hope that “technology will solve all our problems”. Earth is already becoming uninhabitable as humanity bickers about what actions to take and who should take them.

Apart from moral or ethical reasons, there are clear economic reasons to take environmental, social and governance (ESG) seriously: globally, corporations are prioritising ESG in their operations, as well as who they choose to do business with.

For instance, the US has taken a strong stance against imports from Malaysian companies accused of poor labour practices. Similarly, as part of the European Green Deal, the European Union will soon enact the Carbon Border Adjustment Mechanism on imports, which means that imported products from companies with high carbon footprints would become economically uncompetitive. Where the past focus has been on ethics and reputation, Malaysian businesses will increasingly face financial losses due to ESG issues. To remain competitive, Malaysia, as an export-heavy economy, has no option but to keep up with the sustainability agenda.

Besides the regulatory and trade impetus, the transition towards ESG is also in line with shifting investor and consumer preferences. Companies with better ESG scores tend to generate better earnings over a five- to seven-year period. Consumers are willing to pay more for environmentally and socially responsible products. Pursuing a 2050 Net Zero pathway in Malaysia is projected to contribute an incremental RM50 billion to RM60 billion in GDP per annum and result in net creation of 200,000 to 300,000 jobs, over and above the current forward-looking plans.

As more funds are made available for ESG projects and sustainable companies, Malaysia would also be losing out on these earmarked sustainable development mission-driven funds if we fail to prioritise sustainable action. Significant public funding has been pledged towards global



sustainable development goals (SDGs): for example, at COP26, rich nations pledged US\$100 billion a year to help developing countries mitigate and adapt to climate change.

Are we too late? Almost. However, the Covid-19 pandemic has shown us how incredibly adaptable humanity is, and how quickly we can change when we see the urgent need.

Take the Malaysian financial services sector, for example. Bank Negara Malaysia joined the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) in 2018. It has already issued its Climate Change and Principle-based Taxonomy (CCPT), in addition to a commitment for Malaysian financial institutions to comply with Task Force on Climate-related

A file photo of Storm, a giant puppet of a sea goddess made entirely of recycled materials collected from washed up marine litter. On Nov 10, 2021, Storm was in Glasgow in Scotland, UK, during the United Nations COP26. At 10m tall, it was one of a number of cultural attractions at the global gathering.



Financial Disclosures (TCFD) recommendations.

In other words, quantifying impacts of climate risk on the company's balance sheet so that financial impacts are estimated and accounted for.

The Securities Commission Malaysia (SC) issued its Sustainable and Responsible Investment Roadmap for the Malaysian Capital Market (SRI Roadmap) in 2019 and incorporated a slew of ESG requirements into the Malaysian Code on Corporate Governance in 2021.

In December 2020, CIMB became the first banking group in Asean, and the first significant emerging market bank, to commit to phasing out coal from its portfolio by 2040. Today, a short 12 months later, 64% of banking respondents surveyed by the Joint Committee on Climate Change (JC3) in Malaysia's financial sector have committed to exit coal.

Other sectors are moving towards ESG too. According to the JC3 study, 92% of Malaysian

corporates stated that they have a sustainability strategy. Some have joined forces to drive collective change. A great example is the CEO Action Network (CAN), a coalition of close to 60 Malaysian CEOs and board members with the shared purpose of accelerating the transition of Malaysia's economy towards ESG.

We can still avoid the worst effects of climate change, but only if we move now. Indeed, there are signs that we might be on a better trajectory — that after all, Eva might wake up to breathable air and enough food, everything we take for granted today. However, for this scenario to be possible, everyone must confront some hard truths.

First, every person alive today can and must make a difference. Unless we each step up to make uncomfortable but necessary changes in our daily lives, any national or global commitment will not be able to create sufficient or lasting change.

Although our individual footprints might be relatively small, we can and must use our voices to call out companies that operate in ways that harm the planet and communities: don't buy from them, email them to voice your concerns, or post questions on their social media pages. Vote with your money by supporting responsible companies. Advocate sustainable action among your friends, colleagues, children and parents — both in their personal lives as well as at work.

Second, we cannot afford to waste any more time. For a non-dystopian future to be possible, we need immediate and coordinated action by every government, organisation, company and member of society, working together towards this common purpose. Doing the minimum is simply not enough. We have no choice but to change, and the more we delay, the more drastic and painful the changes will need to be.

There is, however, one bit of good news: we are still in 2022. We can act now to avoid having to explain to our grandchildren how we knew we had to change but never did. The clock is ticking in the race to stop the climate catastrophe. There is no more time to take baby steps; instead, we need to run for our lives.

And while we are figuring out climate change, there are other issues like biodiversity collapse that are just as likely to wipe humanity out. But that's a story for another day. ■

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