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# More firms are mindful now of climate change

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KOTA KINABALU: Climate change caused by human emissions of greenhouse gasses associated with electricity and heat production, industry, buildings, transport, and land use is posing to be costly in damages to property, business and livelihood from floods and drought, besides lives lost.

Climate change impacts the planet through higher temperatures, an increase of extreme weather events, changing precipitation patterns, rising sea levels, and ocean acidification.

It disrupts ecosystems and human livelihoods, particularly of vulnerable groups such as women, children, and the elderly as resources, food, and water become scarce.

It is imperative for business organisations in Malaysia to play a critical role in 'climate action' or otherwise known as a 'race to zero' agenda.

Intentionality and top-level leadership are key to realise the fundamental shifts in business required for successful climate action. To date, leading companies on climate action have all built on the commitment of highly engaged CEOs.

UN Global Compact Network Malaysia & Brunei (UNGC MYB) which is the official local network to the United Nations Global Compact (UNGC) stressed on this and was glad to note that more Malaysian businesses are committed to some form of climate change action.

Spokesperson Faroze Nadar said, "UNGC MYB has newly launched its comprehensive MYClimateAction Guide with a "Total Climate Management" framework as a reference point for stakeholders in Malaysia.

"For the benefit of the many business leaders who are keen to start "Positive Climate Action", this guide is developed with gleanings from discussions held with the CEOs and directors of companies during a series of 'CEO Climate Roundtables'."

It encourages businesses to align strategies and operations with the Ten Principles of human rights, labour, environment and anti-corruption, and to take actions that advance broader societal goals, such as the Sustainable Development Goals (SDGs), with an emphasis on collaboration and innovation.



UNGC MYB provides a membership-based platform for all Malaysian Private Sectors to participate in; and helps them to raise their Sustainable Development Goals (SDGs) ambition and achieve business excellence.

Its 'MYClimate Action Guide' provides an easy reference for leaders of businesses who want to start transitioning their companies towards a 'Net Zero Carbon' future.

In Malaysia, the climate change related agenda has quickly moved up the priority list by the country's regulators and businesses, as Bank Negara Malaysia which made several announcements in support of this agenda including the launch of its 'Climate Change and Principle-based Taxonomy'.

Bursa Malaysia has announced its ambitions "to become carbon neutral by 2022 and achieve net zero emissions by 2050 across its entire operations, in line with the global drive for decarbonisation".

Malaysia's Employees Provident Fund (EPF), the country's largest pension fund, has also launched its sustainable investment policy and announced that it aims to have a fully ESG (Environmental, Society & Governance)-compliant portfolio by 2030.

The recent tabling of the 12th Malaysian Plan showed that Malaysia is committed to its target of becoming carbon neutral by 2050 as

there is growing awareness amongst business leaders of the need for stronger ESG adoption in general and towards climate action.

Net Zero commitments have also been made by large organisations like Petronas and the Malaysian Aviation Group, as well as participation in the Science-Based Target Initiative by Sarawak Energy Bhd.

HSBC Malaysia's Stuart Milne said, "We believe that the time is now. We ourselves have committed to achieving Carbon Net Zero across our entire business and portfolio of customers by 2050 with interim goals along the way, including achieving net zero in their operations and supply chain by 2030 or sooner, and Unlocking next-generation climate solutions, dedicating between \$750bn and \$1trn of finance and investment by 2030 to help our customers transition."

He said HSBC is setting out an ambitious plan to prioritise financing and investment that supports the transition to a net zero global economy and helps to build a thriving, resilient future for society and businesses.

Climate action involves long, complex trajectories, especially as climate is largely an intergenerational issue that risks being forgotten by citizen action and political agendas. Long-term collaboration with a wide range of stakeholders is therefore critical.