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# Accelerating Sustainability for Corporate Malaysia

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## **Malaysian Institute of Management (MIM) takes charge in a crucial conversation about building a better future by unlocking Environmental, Social and Governance (ESG) opportunities.**

The Global Compact report, “launched in July 2000 by United Nations Secretary-General (the late) Kofi Annan, is an international initiative bringing companies together with UN agencies, labour and civil society to support ten principles in the areas of human rights, working conditions, the environment, and anti-corruption”. In her opening speech, Suganthi Subramaniam, MIM’s Head of Programme Management emphasized on how many more companies around the world are adopting ESG strategies to create value for their businesses as ESG builds a better future for the current and the next generations.

Siti Rafidah Bt Moslim, PETRONAS’ Head of Governance & Embedment for Corporate Sustainability highlighted the comprehensive sustainability agenda that the oil and gas company has adopted in an effort to materialize its goal to achieve net zero carbon emissions by the year 2050. She proceeded to share how an industry leader like PETRONAS aims to support this agenda through a two-pronged strategy that comprises of technological advancements and product innovation. Siti Rafidah explained that PETRONAS is in the midst of making changes to their operations to reduce greenhouse gas emissions and providing solutions for lower carbon, greener and cleaner energy.

Sourajit Aiyer, Vice President for Sustainable Finance & Climate Strategy at auctusESG LLP presented the firm’s research findings on the role of capital markets in internalizing and promoting ESG goals in the recent decades. According to their surveys, there is a growing popularity and upward trend to global sustainable investing since 2016. However, in Europe, there has been a gradual declining trend in sustainable investing while other continents are undergoing this transition, most likely a direct consequence of the Russia-Ukraine war. Moreover, it was noted that ESG oriented mutual funds have yielded stable returns to corporations which is a positive step in the right direction. Aiyer shared that the firm continues to provide ideas and solutions for regulation that can help avoid companies doing greenwashing. They also continue to invest with progressive ESG assessment approaches by considering how companies consider their process, their values, norms and consistently measurable outcomes that are environmental-centred.

Calvin Chu, Managing Partner of Eden Strategy Institute focused on describing the challenges and opportunities for ESG goals in the Malaysian economy. Since 2010, Eden has been helping organisations develop strategies and innovations that advance sustainable growth. Calvin cautioned that the corporate sector in Malaysia tends to conflate ESG goals with Corporate Social Responsibility (CSR). This is despite trends showing that the ASEAN consumer market showing a willingness to pay premium prices for products and services that align with their consciousness of environmental sustainability. According to Calvin, small and medium enterprises (SMEs) are a significant engine growth for the Malaysian economy. Yet, a majority of SMEs not prepared for the transition to a ESG-oriented business model which is a major concern so they need to play catch up faster. Nonetheless, micro-SMEs in Malaysia have greatly benefitted from sustainable business models. Therefore, it is imperative that employers make use of the plenty of free resources available to train and upskill their organization and employees so that they can build the capacity to enjoy a lasting competitive advantage.