



# **MOVING FORWARD THROUGH SUSTAINABILITY**

**Shifting Mindsets. Creating Value.**

# RELEVANCE OF SUSTAINABILITY TO BUSINESSES TODAY

With **Malaysia embarking on Green Growth**, as stipulated in the **11th Malaysia Plan**, there has been a fundamental shift in perception on the importance of managing natural resources and the environment within the context of socio-economic development in the country.

The shift to a more sustainable economy is welcomed as it is crucial to also meet global expectations in addressing issues stemming from the rise in population against diminishing natural resources and climate change.

Sustainability to businesses today no longer only mean profit performances, but also extends to meeting expected environmental as well as social performances. This supports the 3P concept: **Profit, People, Planet** which underlines a company's sustainability, thereby driving its value to all stakeholders.

Stakeholders ranging from **regulators, investors, customers and the community are increasingly demanding accountability from companies** through transparent disclosures of responsible practices and performances.

Bursa Malaysia has been a strong advocate of sustainability in the country. Large listed companies, with market capitalisation of above RM2 billion, are the first tier of companies required to publish their



sustainability statements with detailed sustainability disclosures for their financial year ended on or after 31 December 2016 as part of the Main Market Listing Requirements. Other smaller listed companies will follow suit in the subsequent financial reporting year.

Additionally, large institutional investors such as the sovereign wealth fund, Khazanah Nasional Berhad, and the civil servant's Retirement Fund (Incorporated) (KWAP), have also been guiding the market in this direction with increasing sustainability requirements on its investees.

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## The Rewards of Practising Sustainability



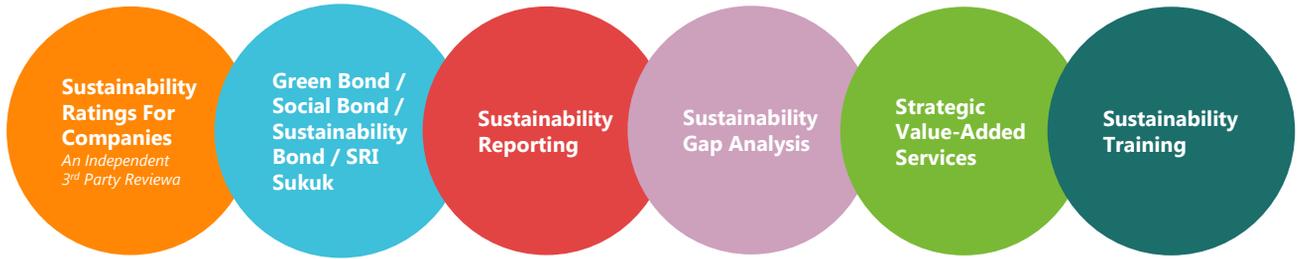
- Contribution towards global sustainability agenda
- Strengthens brand value
- Competitive advantage
- Attractive to responsible investors
- Holistic approach to ALL risks

## The Risks of Not Practising Sustainability



- Reputational risks
- Financial risks
- Stakeholder misalignment
- Impact on credit standing

# RAM'S SUSTAINABILITY SERVICES



## SUSTAINABILITY RATINGS FOR COMPANIES

The **Sustainability Rating Framework** has been built to encourage companies to:

**1** \_\_\_\_\_

minimise the harmful impact from their **operations** on the environment & community;

**2** \_\_\_\_\_

maximise the positive impact from their **products or services**.

RAM has successfully developed a **holistic and methodological tool to measure the sustainability performance of companies** called the Sustainability Rating.

**RAM's Sustainability Rating is a composite of the Environmental, Social and Governance (ESG) Rating and Positive Impact Rating which measures the sustainability performance across a company's entire value chain.** This approach is viewed as holistic as it takes into account both the sustainability risks and opportunities that contribute to a company's long-term value and continuity.

The tool has been created to give **recognition to companies that are sustainable** as well as to provide the **building blocks for companies that aspire to be sustainable**. We envisage this tool to catalyse sustainable development within the corporate sector.

Companies are rated **Bronze, Silver or Gold** based on their level of sustainability performance. As a special recognition, RAM may also award deserving companies the **Platinum** rating.

## SUSTAINABILITY RATING

### ESG RATING | Operations



ENVIRONMENTAL	SOCIAL	GOVERNANCE
Organisational Readiness	Organisational Readiness	Sustainability Governance & Corporate Governance
Themes & Performance Indicators	Themes & Performance Indicators	Compliance
Compliance	Compliance	Controversies
Controversies	Controversies	

### POSITIVE IMPACT RATING | Products & Services

COMPANY STRATEGY	
PRODUCT/SERVICES MATERIALITY	
ENVIRONMENTAL IMPACT	SOCIAL IMPACT
<ul style="list-style-type: none"> <li>Clean/Efficient Energy</li> <li>Clean Water</li> <li>Climate Change</li> <li>Waste Management</li> <li>Other Pollution Prevention</li> <li>Nature Conservation</li> </ul>	<ul style="list-style-type: none"> <li>Access to Health</li> <li>Access to Education</li> <li>Affordable Housing</li> <li>Food Security</li> <li>Access to Financial Services</li> <li>Other Community Development</li> </ul>
PERFORMANCE INDICATORS	
CERTIFICATION BY INDEPENDENT 3 <sup>RD</sup> PARTY [OPTIONAL]	



**Green Bond/Sukuk plays an important role in facilitating the flow of financing towards projects with specific climate or environmental sustainability focus.** The Green Bond Market supports the growth of innovative climate-friendly technologies and solutions in energy, transport, buildings and other sectors.

The Green Bond Market has been recognised by the United Nations as “one of the most significant developments in the financing of low-carbon, climate-resilient investment opportunities”. The rapid increase in the number of green bond issuances demonstrates the transition of the debt capital market towards sustainable development initiatives.

**RAM Consultancy provides an independent second opinion assessment on issuer’s green bond framework against the transparency and disclosure requirements of the following:**



**RAM Consultancy is the first Registered Observer of International Capital Market Association’s Green Bond Principles in ASEAN**

### Examples of Eligible Green Bond Projects



Solar Power



Wind Power



Hydropower



Sustainable Cities



Water



Low Carbon Transport



Green Building



Waste Management

## Second Opinion Process

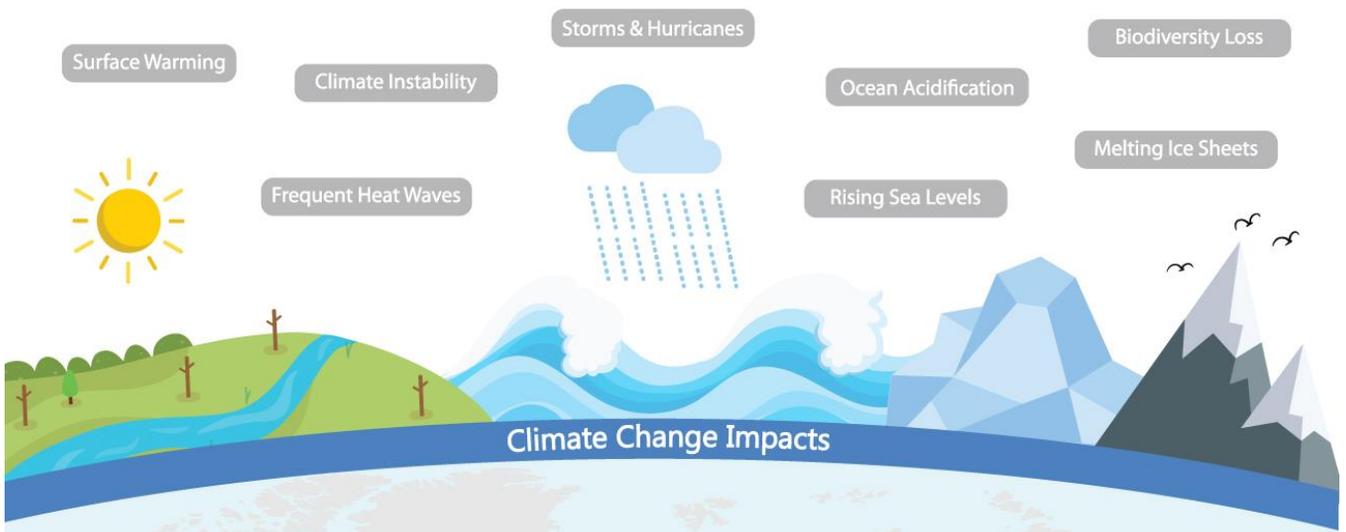
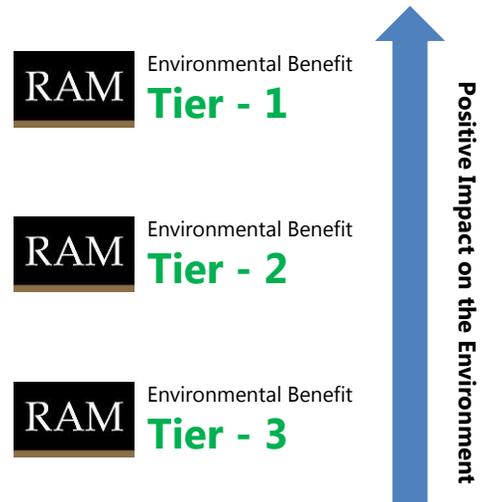


## RAM Environmental Benefit Assessment

Climate change represents a fundamental threat to the planet and society and is already transforming life on Earth. The planet is warming at an unprecedented pace thereby affecting climate patterns worldwide.

The 2015 Paris Climate Accord (COP21) sets a global action plan for the 197 participating governments to limit global warming to well below 2°C above pre-industrial levels. In addition, these countries have also committed to United Nation's 17 Sustainable Development Goals that could transform the world by addressing areas of critical importance for the planet and society.

To fulfill the Sustainable Development Goals, investments have to be channeled towards projects that mitigates the effects of climate change and creates value for the broader environment. **RAM Environmental Benefit Assessment provides an independent assessment of the project's contributions towards a low carbon and sustainable future.**



**RAM Consultancy helps companies to prepare Sustainability Statements or Sustainability Reports to meet Bursa Malaysia's requirements and global best practices in sustainability disclosures.**

Our team's experience in sustainability and reporting not only makes your sustainability report relevant, but also engaging to readers.

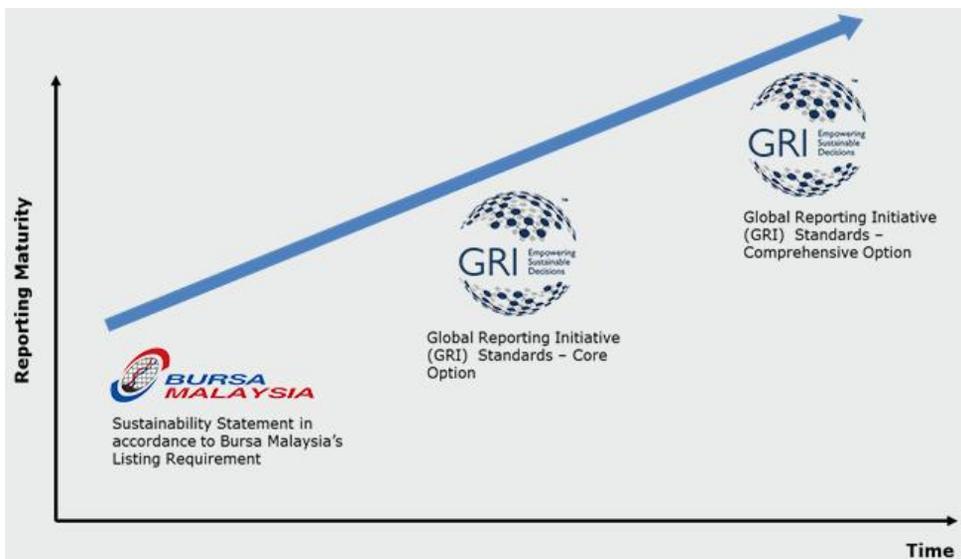
We can also assist you in a multi-year reporting plan to build up your sustainability reporting capability from meeting the minimum requirement to adopting international reporting standard such as the Global Reporting Initiative's GRI Standards.

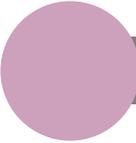


RAM Consultancy is a **member of GRI GOLD Community**. Through this multi-stakeholder network, we support GRI's mission to drive economic, environmental and social value creation through the use of the GRI Sustainability Reporting standards.

## Why should companies have Sustainability Statement/Reports?

- ✓ Bursa Listing Requirements – by FYE 31 December 2018, all listed entities on Bursa Malaysia will be required to prepare a Sustainability Statement on their material economic, environmental and social risks and opportunities in their annual reports.
- ✓ Demonstrate commitment to sustainable and responsible business practices.
- ✓ Increase reputation and brand value.





## SUSTAINABILITY GAP ANALYSIS

RAM Consultancy can help companies to conduct a position assessment of their sustainability strategy, policies, practices and reporting against observed best practices in the sustainability sphere.

We leverage on our wealth of experience in corporate sustainability to provide you with tailored recommendations to improve, drive and ultimately differentiate your company's sustainability performance to be the best in the industry. We derive our experience from our Sustainability Rating benchmarking exercises, Sustainability Reporting and rich network to provide you the best solutions.

### Why should companies perform a Sustainability Gap Analysis?

- ✓ A risk management tool to manage increasing environmental, social and governance risks which are linked to reputation and financial losses
- ✓ Opens up new opportunities
- ✓ Gain competitive advantage
- ✓ Drives company performance and attractiveness to investors, customers and other stakeholders



## STRATEGIC VALUE-ADDED SERVICES

We can provide tailored sustainability services to suit your organisation's needs. The services may also be a combination of the various sustainability services that we currently provide. *Contact us for more information.*



## SUSTAINABILITY TRAINING

RAM Consultancy provides training programmes that cover a wide range of topics in the sustainability sphere to help you kick start your sustainability journey. Our training programmes include discussions about developments around the globe that are relevant and suited to your needs.

### We provide tailored training on the following topics:

- ✓ Green Bonds, Social Bonds and Sustainability Bonds for bankers, issuers and fund managers
- ✓ Sustainability Awareness Briefing for board of directors, senior management and staff
- ✓ Sustainability Reporting



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