

A large, circular graphic composed of many small dots of varying sizes and shades of blue, arranged in a pattern that suggests a globe or a sphere. The dots are more densely packed in the center and become sparser towards the edges.

MOVING FORWARD THROUGH SUSTAINABILITY

Shifting Mindsets. Creating Value.

RELEVANCE OF SUSTAINABILITY TO BUSINESSES TODAY

With **Malaysia's commitment to the Sustainable Development Goals** 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. Listed companies are



required to publish their sustainability statements with detailed sustainability disclosures.

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

“

SUSTAINABILITY to businesses today no longer only mean profit performances, but also extends to meeting expected environmental as well as social performances.

”

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 Sustainability 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

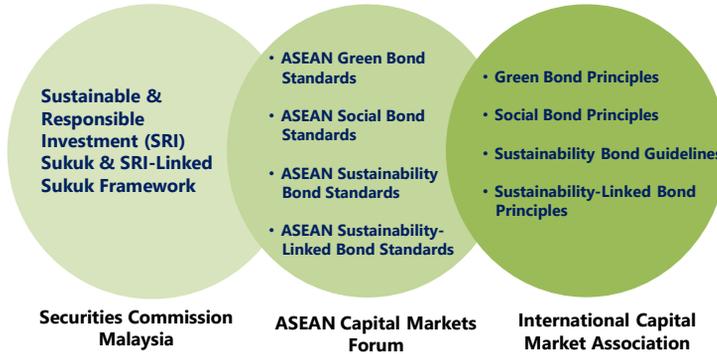


ENVIRONMENTAL	SOCIAL	GOVERNANCE
Organisational Readiness	Organisational Readiness	Sustainability Governance & Corporate Governance
Themes & Performance Indicators	Themes & Performance Indicators	Compliance
Compliance	Compliance	Controversies
Controversies	Controversies	

POSITIVE IMPACT RATING | Products & Services

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

RAM Sustainability provides an independent second opinion assessment against the transparency and disclosure requirements of the following:



RAM Sustainability is an Approved Verifier for the certification of Climate Bonds under the Climate Bonds Standard & Certification Scheme



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.

Examples of Eligible Green Bond Projects



Solar Power



Wind Power



Hydropower



Sustainable Cities



Water



Low Carbon Transport

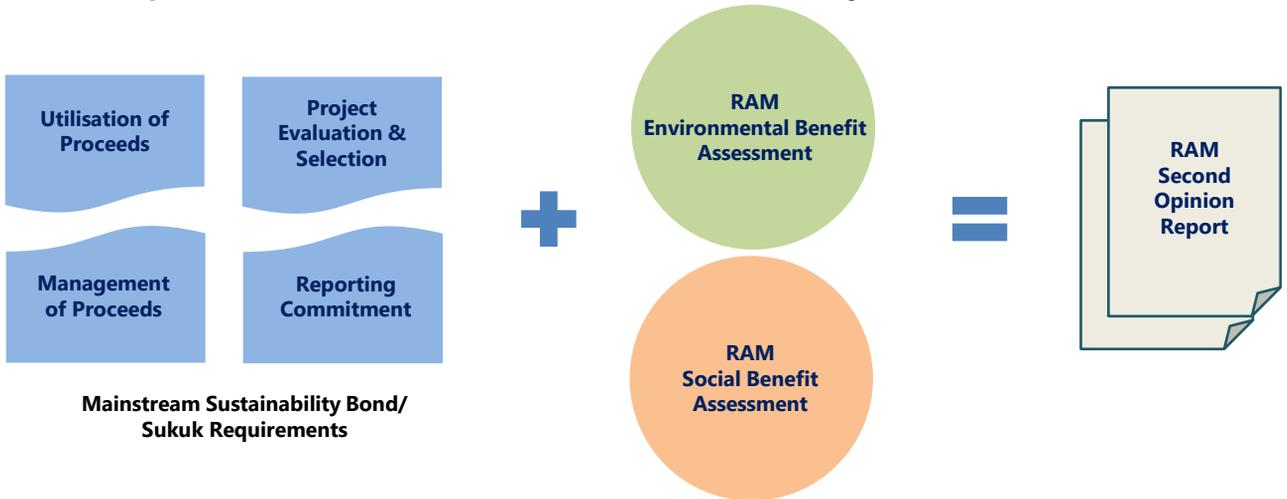


Green Building



Waste Management

Second Opinion Process for Green / Social / Sustainability Bonds or SRI Sukuk



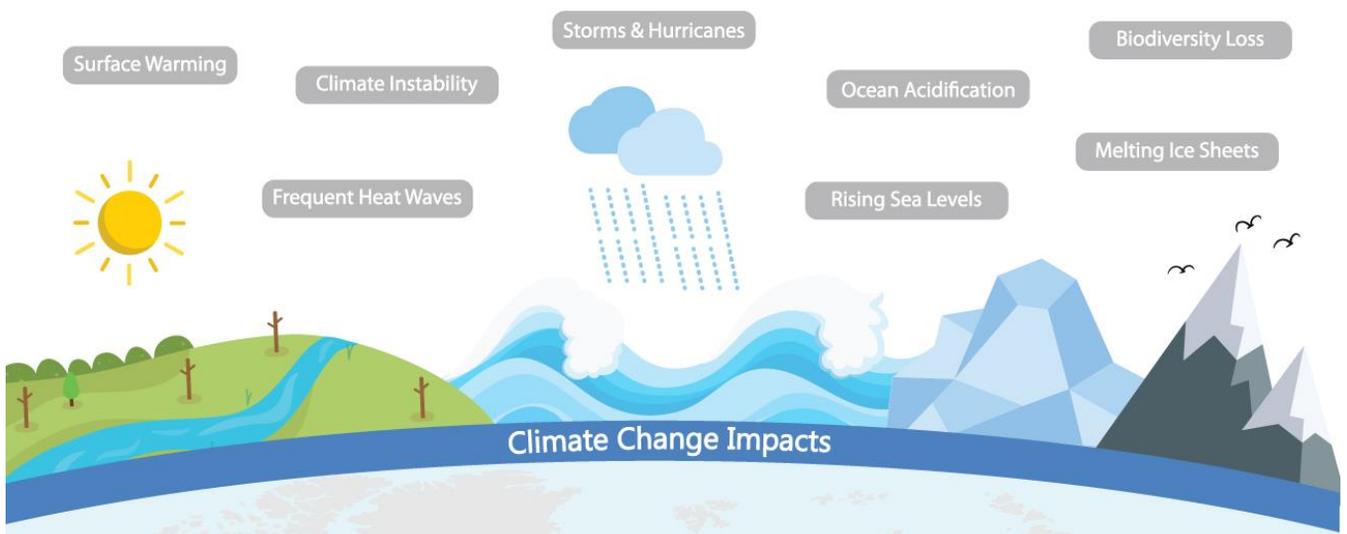
RAM Environmental Benefit Assessment

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 Social Benefit Assessment

Besides seeking solutions concerning climate change and the environment, an important facet of sustainability includes addressing social well-being in an increasingly complex and diverse society. Social well-being can typically be linked to inclusive economies that reduce poverty levels, coupled with the availability of health, education, clean water, sanitation and energy services, affordable housing, and other social improvements, including equality. A social bond/sukuk is an instrument that can finance such social agenda.

To fulfill the Sustainable Development Goals, investments can be channeled towards projects that creates positive impact to the society. **RAM Social Benefit Assessment provides an independent assessment of the project's contributions towards potential social solutions.**

RAM Social Benefit
Tier-1

RAM Social Benefit
Tier-2

RAM Social Benefit
Tier-3



R1ESGo™ Industry & Entity Ratings

RAM Sustainability can help banks, asset managers and asset owners to enhance internal ESG decisions through our risk-focused measure of ESG vulnerabilities in economic activity.

Key Features:

- ✓ Global ESG principles employed in Malaysian context
- ✓ Evaluations across a broad range of sustainability topics
- ✓ Expressed on a numerical scale of 1 (lowest risk) to 15 (highest risk)
- ✓ Sector classifications guided by widely used industry codes
- ✓ Ratings updated annually or as events demand

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 Sustainability 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.



RAM Sustainability Sdn Bhd
Level 8, Mercu 2,
KL Eco City, No. 3, Jalan Bangsar,
59200 Kuala Lumpur, Malaysia

T +603 3385 2488 F +603 3385 2582

 <https://www.ram.com.my/sustainability>

 sustainability@ram.com.my

Contact Person:
Cynthia Lim
Sustainability Support Analyst
cynthia@ram.com.my
(603) 3385 2488