



MINISTRY OF NATURAL RESOURCES AND
ENVIRONMENTAL SUSTAINABILITY

CLOSING KEYNOTE

NIK NAZMI NIK AHMAD
MINISTER OF NATURAL RESOURCES AND
ENVIRONMENTAL SUSTAINABILITY

FOR

BUILDING A BETTER FUTURE TOGETHER
CATALYSING THE ASEAN B CORP MOVEMENT CONFERENCE

6 MARCH 2024 (WEDNESDAY)

SENTUL DEPOT

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Director of Certification and Verification of B Lab Global

Distinguished Guests, Ladies and Gentlemen,

Good evening and Salam Malaysia Madani.

INTRODUCTION

1. It is an honour for me to be delivering the Closing Keynote for this conference. Congratulations are in order to **Bintang Capital Partners** and **B Market Builder Southeast Asia** for organising this very ambitious but also timely gathering, bringing together a remarkable slate of speakers as well as participants, not only from Malaysia but also the wider region and world.
2. The theme of the conference: “**Building a Better Future Together – Catalysing the ASEAN B Corp Movement**” is particularly apt. It highlights the necessity of thinking about climate action from an ASEAN perspective, because our region is at the frontlines of climate change and we will be the worst affected by it if things do not change.
3. Second, it also highlights the important role the private sector plays in climate action. As the Minister of Natural Resources and Environmental Sustainability (NRES), I have seen a growing eagerness on the part of our country’s firms to embrace sustainability. An example of this has been the passion of purpose-driven businesses such as the B Corps.
4. Finally, the theme is also a call for hope. It tells us not to despair and that the war against climate change is not only winnable, but that a better future for all is possible. Having been asked to speak about “**Fostering Sustainability and Impact: Malaysia’s Commitment to a Greener Future**”, what I propose to do today is to briefly discuss what we are doing to bring about that future.

I will also try to explore how sustainability, inclusivity, collaboration, and impact investments are vital to create a greener, stronger future for Malaysia and the ASEAN region.

Ladies and gentlemen,

INITIATIVES UNDER THE NRES

5. Sustainability is at the core of the agenda of the current administration. The work which NRES is doing is just one facet of the government's commitment to sustainable practices and offers a roadmap for collaboration. Let me cite just a few examples.
6. NRES' priority is to address three main areas of the global planetary crisis namely **environmental degradation, climate change** and **biodiversity loss**. One of our foremost endeavours involves the formulation of the **NDC Roadmap** and **Long-Term Low Emissions Development Strategy (LT-LEDS)**, a strategic framework that charts our course towards a low-carbon and net-zero GHG nation.
7. In addition, the Ministry remains actively engaged in drafting a **climate change bill**. This legislative instrument will serve as a robust foundation for our climate action initiatives, providing a legal framework to drive positive change and hold ourselves accountable for climate action.
8. We are likewise formulating a National Adaptation Plan (NAP), developed with foreign and local agencies with funding from Global Climate Fund (GCF) under UNFCCC. The NAP will focus on water security, agriculture, infrastructure, energy, built environment (including cities), forestry, biodiversity, and public health.

9. Under the UNFCCC, the "living with floods" strategy is being widely adopted by many countries. Kuala Lumpur and other cities are embracing Sponge City initiatives, evident in planning documents like Pelan Struktur Kuala Lumpur 2040 and Kuala Lumpur Climate Action Plan (CAP). The implementation of Off River Storage (ORS), seen in projects like ORS Scheme at Sungai Labu and HORAS in Selangor, reflects successful efforts to increase water storage and reduce flood risks.
10. In addition, the first phase of the **National Carbon Market Policy**, set to be put into action this year, will offer direction on carbon trading for interested parties such as the private sector and also state governments. This highlights Malaysia's dedication to reducing carbon emissions in line with the mechanism established under the Paris Agreement.

Ladies and gentlemen,

THE POWER OF COLLABORATION THROUGH THE B CORP NETWORK

11. And yet, the climate war cannot be won on government action alone. It also requires, as noted, the collaboration of the corporate sector and civil society. Indeed, collaboration is key in the impact movement, a fundamental principle that B Corporations (also known as B Corps) embrace.
12. I must admit that "B Corps" is a new concept for me, but I am excited to hear of the potential such businesses can have in efforts to create a sustainable future with the highest standards of social and environmental performance, accountability, and transparency.

13. Innovation, I am told, is a crucial aspect of B Corps, often setting the standard with unique solutions. Moreover, the *2022 Annual Report by B Lab* also made for interesting reading. It was noted that compared to ordinary businesses, B Corps are:
- a) **2.5 times** more likely to be carbon neutral;
 - b) **2.4 times** more likely to have programmes to reduce their end-of-life waste;
 - c) **2.2 times** more likely to assess the environmental impact of their organisation's business activities;
 - d) **1.5 times** more likely to implement some form of water conservation in the majority of their corporate offices or plant facilities; and
 - e) **1.5 times** more likely to produce zero waste to landfill or ocean.
14. I understand that B Corp certification presents a valuable opportunity to make businesses more conscious and proactive about reducing their carbon intensity and managing their environmental footprint. To secure B Corp certification, I am told, companies must undergo, as part of the B Impact Assessment, a comprehensive environmental impact assessment that evaluates their operations, supply chain, and overall environmental footprint. The B Corp Certification also requires companies to be transparent about their practices and performance. This level of accountability fosters trust with stakeholders and enables continuous improvement.
15. I hence congratulate all companies which have obtained B Corp certification. You have, in a very strategic way, demonstrated your dedication to environmental and social responsibility via this pathway.

It aligns well with Malaysia's vision for a sustainable and responsible business ecosystem.

16. One is confident that, working together with NRES and the government, B Corps can help promote sustainable practices, share knowledge, and create a positive impact in Malaysia. We are always open to your feedback and views in helping to shape policies that support sustainability objectives, fostering a regulatory environment that promotes positive environmental and social change.
17. You must not underestimate your ability to have a positive impact. In 2022 alone, the global B Corp community **protected 1.1 million hectares of land (about the size of Jamaica), diverted 8.4 million tonnes of waste from landfill or incineration, and offset or saved 3.3 billion litres of water** through their services.
18. By learning from their experiences and encouraging the widespread adoption of their business practices, we can catalyse positive change across industries in this region. This is arguably the sort of proactive, positive private sector participation that will be crucial in addressing climate change.

Ladies and gentlemen,

POSITIONING MALAYSIA AS AN IMPACT INVESTMENT HUB

19. Let me now say a few words about impact investing. This is fast becoming a strong driver of positive social and environmental change while also generating financial returns.

20. Investing in conservation efforts is crucial in making a significant impact. Working on projects that focus on biodiversity conservation, reforestation, and ecosystem restoration helps preserve our natural environment and provides long-term economic benefits for local communities.
21. The support of the private sector in these initiatives are crucial: you have the power to help determine, for instance, whether Malaysian children of the future can grow up being able to see Malayan Tigers in the flesh or not. Aside from investments in renewable energy—including via the National Energy Transition Roadmap (NETR)—impact investments can also help sustainable infrastructure development, such as eco-friendly transport and waste management projects.
22. As of January 2024, **the ten member states of ASEAN account for only 88 B Corps, representing 1% of the global total.** This is in stark contrast to the ASEAN economy's aggregate contribution of between 4 to 5% to the world's total GDP. Out of the 88 B Corps headquartered in ASEAN, representation is spread between Singapore (37), Indonesia (19) and Malaysia (12). These three countries account for about 80% of the B Corps in the region and are likely to continue leading the charge in the creation of sustainable or impact companies within ASEAN.
23. Given the nascency of B Corp certification, this presents a major opportunity for Malaysia to take a lead regionally in the propagation of B Corps whilst cementing our position as a recognised regional impact investing hub within ASEAN.

This potentially creates avenues for capital inflows as global investors increasingly seek out impact investment opportunities within the ASEAN region.

24. We are already witnessing promising strides in this direction. Bintang Capital Partners, our host today, exemplifies this commitment with their investments in impactful companies like iHandal, a home-grown, award-winning pioneer of thermal heat recovery systems; Blue Planet, a regional leader within the South & Southeast Asian waste management industry providing landfill management and fully circular CO2 reduction solutions; and Oneberry, a surveillance solutions company involved in flood mitigation efforts in Singapore.
25. Additionally, Malaysia boasts leading regional companies like Cenviro, with the unwavering support of Khazanah, who are setting the bar for environmental leadership. These are just a few examples of the many investments by Malaysian firms driving positive environmental change.
26. The key is to avoid greenwashing. As noted, sustainability is the in-thing these days—and rightfully so because the opportunities are lucrative. But profit cannot be the only motivation. If our planet is destroyed because we failed to take action, or, worse yet, because our government and corporate leaders took only half-hearted or superficial measures, there will be no business left for anyone at all.
27. Substance must triumph over style. Businesses must make the required transitions necessary to become resilient in a world where changes to the climate is changing everything.

Ladies and gentlemen,

ADDRESSING REGIONAL ENVIRONMENTAL CHALLENGES

28. Let us return to ASEAN. As we move forward in our efforts towards sustainability, Malaysia sees the regional grouping as also having the potential to contribute to better outcomes in this area for its Member States. The environmental challenges we face in ASEAN are not confined by national borders, as on-going challenges like the transboundary haze issue has proven. The ASEAN solidarity that has blessed our region with relative peace, stability and prosperity for decades must now extend to climate action and standing together to ensure a just transition in securing the necessary financing required from the developed countries.
29. Other aspects like waste management and biodiversity loss also require a collective approach. While government-to-government cooperation is already underway, it is crucial to complement this with a robust business-to-business (B2B) strategy.
30. This is where the B Corp network becomes instrumental. It allows ASEAN companies to engage in dialogue and share best practices. An ideal outcome would be a synergistic carbon-managed supply chain where businesses collaborate to reduce their environmental footprint across the entire value chain. This would not only be a major boost for our regional climate action but also help strengthen ASEAN's nascent claim to becoming a global economic powerhouse in a world where sustainability increasingly equals competitiveness and prosperity.

31. I would hence urge all BCorp companies in Malaysia and ASEAN to consider ways to help your peers, including the MSMEs you interact with, to embrace sustainability at a greater scale. The latter is especially crucial considering there are an estimated 70 million MSMEs in ASEAN, reportedly accounting for the majority of total establishments in the region.
32. The sustainability journey of companies shouldn't just end with individual firms achieving B Corp certification. It's rather about fostering a concerted effort to work together, not just nationally, but regionally. This conference itself exemplifies this collaborative spirit, even in the thoughtful sourcing of B Corp-made door gifts!

Ladies and gentlemen,

CONCLUSION

33. The journey towards sustainability and inclusivity is a collective responsibility that requires collaboration, innovation, and strategic investments. Malaysia, with its rich natural heritage and commitment to environmental stewardship, invites B Corps and impact investors to join us in building a greener, more resilient future. The first steps have been taken; the follow-up will be crucial.
34. Through embracing sustainability initiatives like the B Corp certification and leveraging impact investments, we can create a business landscape that prioritises responsibility and environmental protection.

35. Certainly, successful government and private sector collaboration in navigating the complexities of climate change, environmental conservation, and social responsibility will not only shape the future of Malaysia for the better but also serve as a model for the entire ASEAN region.
36. The world is changing. We need to start seeing it with new eyes. The situation before us is serious but also one in which we have the power to save our societies and our species. Businesses are not just competitors, but partners in progress. May we be able to work together to leave behind both a lasting positive impact on our environment and communities, as well as a better world for our children and their children. Thank you.