



ESG Sustainability Newsletter

Issue No.3 | Mac 2022

The issue's must-read

BNM: Climate Change and Principle-based Taxonomy

In the face of rising climate change events and disasters seen globally and in Malaysia, such natural catastrophes significantly impact businesses and households posing feedback loops within the economy.

Bank Negara Malaysia (BNM) had in April 2021 issued the Climate Change and Principle-based Taxonomy (CCPT) after public and industry consultation as one of the early regulatory leaders in South East Asia in pursuit of a standardised classification system of climate-related exposures.

[Read full article here](#)

Read this also:



[Monsoon transition phase: Public urged to pay attention to weather warnings](#)



FLOOD IN MALAYSIA – AGAIN?!

4th Flood Event since December 2021?



Since late 2020, Malaysia had faced multiple flood events which costed thousands of Malaysian to evacuate their homes and left with damaged goods. Especially recently, Malaysia experienced some of the worst flooding in the country's history. Floods have been wreaking havoc over Peninsular Malaysia since heavy rains began on December 17, 2021. It again gained people's eyeballs when flood landed in Greater Kuala Lumpur, Melaka, Negeri Sembilan and Selangor in early March.

These flood events are a powerful reminder of the importance of the need to take the sustainability or ESG matters seriously. In Malaysia, the banking industry started integrating ESG considerations in their business operations and risk management. Some banks started analysing their exposures to ESG risks in their lending and investment portfolios, and which they would engage with their customers if there are any concerns regarding the matter. More and more banks started supporting their customers' transition to more sustainable practices by offering ESG solutions and consultations. Malaysian banks are believed to be leading in the right track of ESG implementation and to pick up more momentum together with other industries in Malaysia.



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Sustainable Investing

Why consider sustainability as an investor?

Investing sustainably means putting your money to work on issues ranging from adapting to and mitigating climate change, improving working conditions and diversity, to tackling inequality. Being one of the hottest trend now, we can see more and more investors want to invest sustainably. Investors now prefer to combine investing for a financial return with a positive contribution to the environment, society or both.

So, why sustainable investing? Simply put, the return can be attractive. Investing sustainably mitigates risks, for example, by steering clear of companies that are exposed to pollution lawsuits, labour unrest, shareholder revolts or other events that can damage their reputation and their economic results. So, taking into account these risks, the long-term performance of a sustainable investment approach can be better than that of traditional investment approach.



Read also:



Creating your own ESG Portfolio

Investors in Malaysia who want to create a diverse portfolio of stocks that adhere to environmental, social and governance (ESG) principles are likely to face some roadblocks at the moment. Investors who want to create their own portfolio of ESG funds will have to do plenty of research themselves.

[Read full article here](#)

The economic realities of ESG

investors are paying more attention to the ESG risks and opportunities facing the companies they invest in, and are poised to take action. Nearly 80% said ESG was an important factor in their investment decision-making; almost 70% thought ESG factors should figure into executive compensation targets; and about 50% expressed willingness to divest from companies that didn't take sufficient action on ESG issues.



[Read full article here](#)



Revisiting Bitcoin's Energy 'Problem' in the Face of ESG Investment Mandates

Bitcoin (BTC) mining is and why it needs to use a lot of energy. Mining is the mechanism that sustains the financial infrastructure of the Bitcoin network and it is energy intensive by design to provide ironclad security.

[Read full article here](#)



MALAYSIA REOPENS BORDERS



FROM 1 APRIL 2022

With the reopening of the country's borders, Malaysians with valid travel documents can now exit and enter Malaysia, to and fro other countries that have opened their borders.

At the same time, citizens of foreign countries, with valid travel documents, can also enter and exit Malaysia without the need to apply for MyTravelPass, which is to be abolished. Instead, travellers are just required to download and activate the MySejahtera application, as well as complete the Pre-Departure Form through the "Traveller" function in the app.

DID YOU KNOW ABOUT SUSTAINABLE TOURISM?

According to the International Ecotourism Society, sustainable tourism or ecotourism is defined as "responsible travel to natural areas that conserves the environment and improves the well-being of local people." ecotourism is one of the sustainable forms of tourism that enables tourists to experience and understand the nature and rich biodiversity of the region. At the same time, it also generates socio-economic benefits for the remote and rural communities who are living close to natural surroundings.

The Covid-19 pandemic had restricted people's movement travel freely across borders but it also has give countries some breathing space to become cleaner and greener. This can be seen in Melaka, one of the famous tourist hotspots in Malaysia. Although the ongoing international travel ban had led to a drastic reduction in tourist boat traffic, it rejuvenates Sungai Melaka as a clean river after a two-month imposition of the movement control order (MCO) in May 2020.

To build greater environmental and cultural awareness among travellers, the Malaysian Government has to develop comprehensive insights on Malaysia ecotourism under the existing Malaysia Tourism website while establishing a national inventory of ecotourism sites within Malaysia. By leveraging Malaysia's vast rainforest and mangrove reserve, The National Tourism Policy 2020-2030 that was launched at the end of Dec 2020, could be the base to make Malaysia the Top-of-Mind Ecotourism Destination of the World.



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ABOUT VISION GROUP

Vision Group is an integrated business enabler ecosystem comprising in-house infrastructure and subject matter experts in the field of banking & finance, technology (blockchain, AI/Machine learning, cloud computing, core banking system and other technologies) and digital transformation. Vision Group houses a diversity of businesses under its umbrella.



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Vision Group has extensive experience in corporates and SMEs in areas of business transformation, sustainability & ESG, investor relations and finance.

