

Plenary Session 1: Governing Under New Normal

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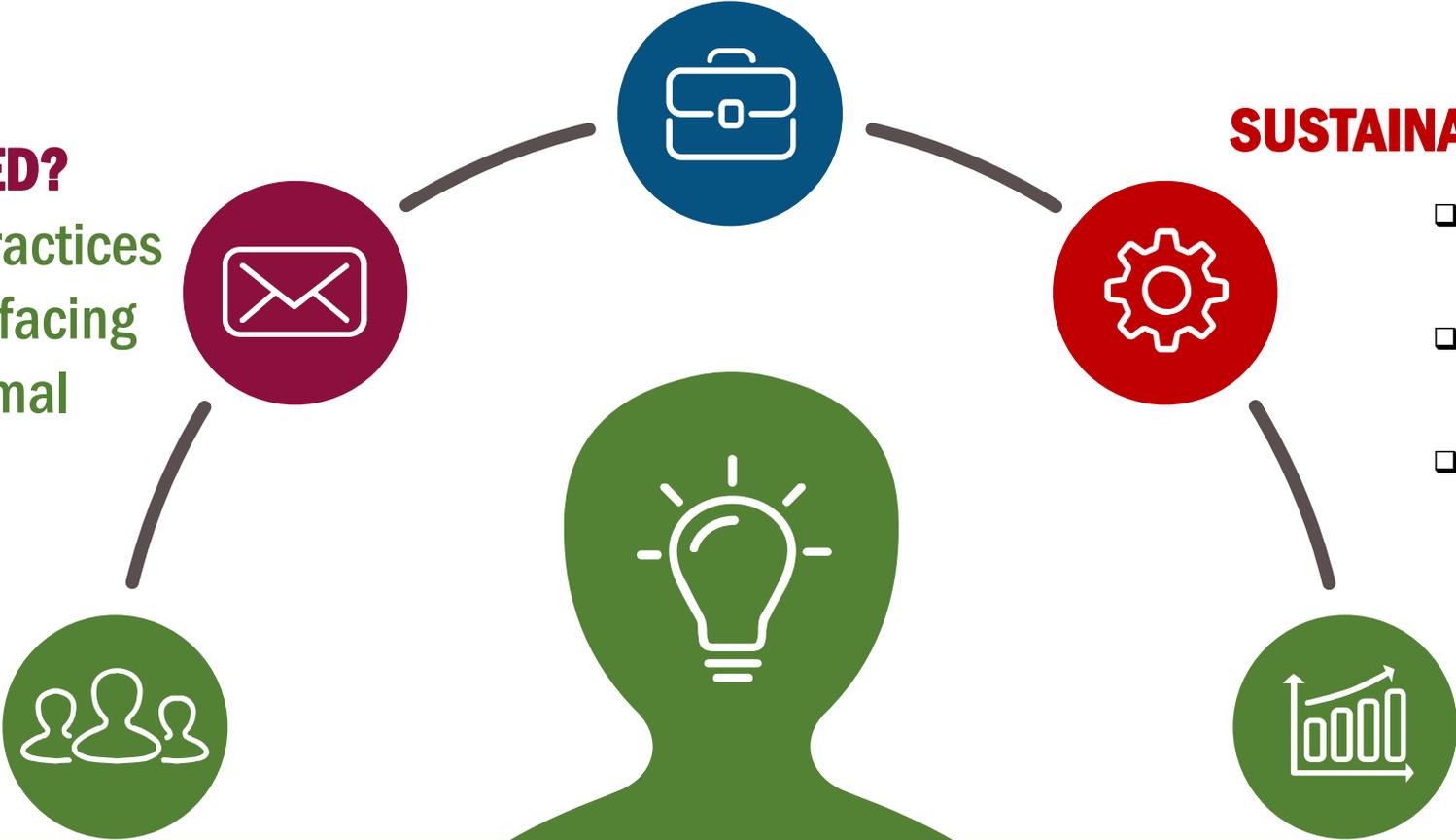
PRACTICE & REPORT

Companies must:

- ❑ Practice sustainability practices
- ❑ Report their sustainability practices

IS IT REQUIRED?

Sustainability practices are required in facing the new normal



SUSTAINABILITY REPORTING

- ❑ Disclose how a company does its business responsibly
- ❑ Its impact on economy, environment & society
- ❑ While ensuring business continuity

BUSINESS REVIEW REPORT

Companies Act 2016 introduced Section 253(3) to promote disclosure of social responsibility in the form of Business Review Report, as part of the directors report

IS IT MANDATORY?

Yes, for PLCs since 2016. All annual reports of listed companies since 2018 must have Sustainability Statement

WHAT IS SUSTAINABILITY STATEMENT

A narration of how companies manage EES risks and opportunities

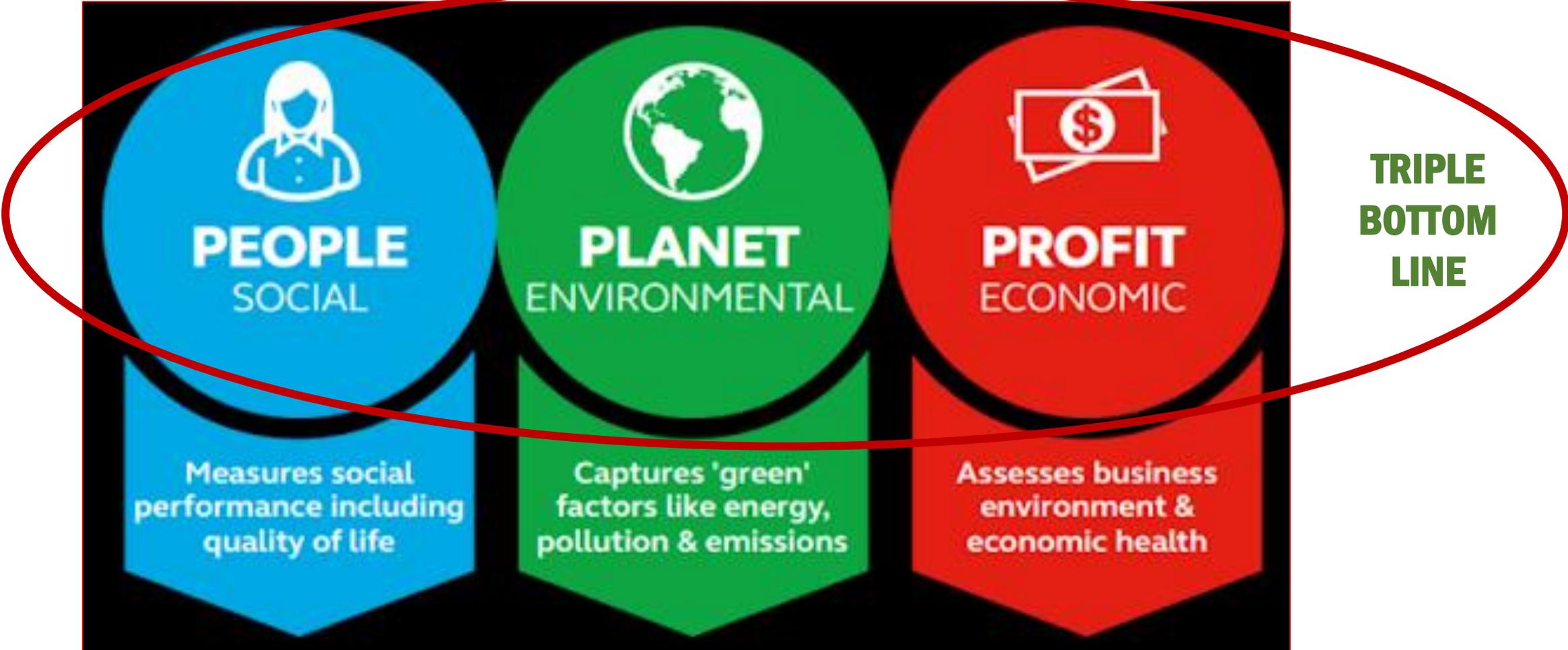


OPTIONAL

Sustainability reporting is optional for non-listed companies

EES

Refers to economic, environmental and social risks and opportunities companies should consider for a more holistic approach to business management (*Bursa Malaysia*)



Social progress

PEOPLE

Social variables dealing with community, education, equity, social resources, health, well-being, and quality of life

A livable world

BEARABLE

A fair world

EQUITABLE

SUSTAINABLE

Environmental responsibility

PLANET

Environmental variables relating to natural resources, water & air quality, energy conservation & land use

Economic development

PROFIT

Economic variables dealing with the bottom line & cash flow

VIABLE

A viable world



- 1 Meeting the needs of the present generation without compromising the ability of the future generation to meet theirs
- 2 The possibility that humans and other forms of life on earth will flourish forever
- 3 Enough, for all, forever

Sustainability

Meeting needs of present generation without comprising ability of future generation to meet theirs

EES

Economy, Environment, Social

The 3 pillars of sustainability

ESG

Methodology that identifies specific **Environmental, Social and Corporate Governance** issues that are important for companies



SDG, ESG, EES

Most SDGs have ESG and EES implications.
Sustainability and ESG are not interchangeable

SDG

17 Sustainable Development Goals that have been set by the UN in 2015 to be achieved by all countries in 2030.
No Poverty, Zero Hunger, Good Health, Quality Education, Gender Equality, Clean Water, Affordable Energy, Decent Work, Reduced Inequality...



1

ENVIRONMENTAL

Conservation of the natural world.

Eg Climate change, carbon emission, air & water pollution, deforestation & reforestation

2

SOCIAL

Consideration of people & society.

Eg Customer satisfaction, data protection & privacy

3

GOVERNANCE

Standards for running a company.

Eg Board composition, audit committee structure, disclosure of information, selection of tenderers

Seek govt assistance

Prihatin, Penjana, Permai, Pemerkasa, Pemulih

Wage Subsidy Program:

Total allocation RM20.4B
Total disbursed RM15.7B
2.5m employees
333,500 employers



Let go of employees

Terminate, retrench, VSS, early retirement scheme
2020: 100,000 laid off
2021: 44,000 (Aug)
(Unemployment benefit claims)

Reduce Opex

Freeze CSR, Reduce corporate events, Reduce zakat payments, Reduce travel, Reduce meeting expenses, Reduce training



Cut manpower cost

Keep employees, but: Reduce working hours, cut allowances, freeze new hires, reduce OT, freeze increments, freeze annual bonus, defer salary adjustment, cut allowances, cut salaries

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Thank You