

ENTERPRISE SUSTAINABILITY

The increasing severity of climate change has prompted a global upsurge in the call for increased efforts to combat this issue. As an organisation, the SC has been taking progressive steps to integrate sustainability into its activities and operations, including measures relating to the optimisation of resources and the reduction of wastage.

To intensify its sustainability efforts, the Sustainability First Initiative (SFI) was established to support the SC in becoming a more sustainable organisation.

The SC commits to be carbon neutral by 2040 and net-zero by 2050, in line with Malaysia's overarching climate aspiration to be a net-zero greenhouse gas emissions (GHG) nation by 2050, at the earliest.

In 2023, the SC, through a dedicated Sustainability First Task Force, developed the SFI Roadmap, which outlines a strategic plan covering ESG pillars, and sets out actions to be adopted or considered by the SC across the horizon until 2050.

Environmental

Following an assessment of its GHG inventory, the SC's GHG emissions were found to be relatively small in comparison with other entities. The SC's Scope 1 emissions are primarily from mobile and stationary combustion sources, while Scope 2 emissions are predominantly from electricity consumption at its main building in Bukit Kiara. Scope 2 emissions represent the main source of the SC's emissions, amounting to approximately 85% of the SC's total emissions.

The SFI Roadmap outlines actions and milestones which will accelerate the SC's sustainable transition to achieve carbon neutrality by 2040 and net-zero by 2050. These include immediate actions such as replacing conventional lighting with LED lighting on a phased basis throughout the SC's premises. This is expected to lead to significant energy savings and reduction to the SC's carbon footprint.

The SC will also install solar panels on the SC building which would serve to reduce its dependency on grid electricity. The immediate benefits include decreased

SC as a more sustainable organisation



Environment

Carbon neutral by 2040
and net-zero by 2050

- Carbon emissions management
- Carbon reduction
- Scenario analysis



Social

Positive social impact
on targeted stakeholders

- Employer of choice
- Foster financial literacy
- SC as a responsible corporate citizen



Governance

Oversight and
governance on SC's
sustainability matters

- Oversight of sustainability matters
- Sustainability reporting

electricity costs and a substantial reduction in GHG emissions. Transitioning the SC’s vehicle fleet away from conventional fossil fuel vehicles towards hybrid and electric models will further reduce GHG emissions and serve as a public commitment to sustainable practices.

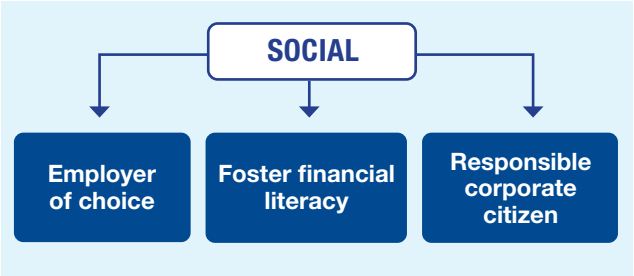
The SC will also introduce waste management processes to track and manage the SC’s waste, and conduct an energy audit to assess the efficiency of its existing equipment and systems.

The SC has integrated GHG management within its processes and will continue to monitor its GHG emissions, as well as consider other abatement levers in the medium to long-term to maximise energy efficiency and further reduce its environmental footprint. This may include considering other green energy sources, rainwater harvesting and building-integrated photovoltaics (BiPV), among others.

Social

Social issues and the impact entities have on society and the environment have taken on greater prominence in recent years. While environmental and governance aspects often receive the most attention, the SC is committed towards holistic sustainability, emphasising responsible social practices within the organisation and the capital market.

The SC’s SFI social pillar strategy is anchored on the following overarching themes:



In respect of its employees, the SC aims to develop activities that will promote a sustainability culture across the SC, focusing on the health, safety and well-being of staff. This will help foster a positive work environment while attracting and retaining top talent, ultimately contributing to the SC’s long-term success as an organisation.

Several carbon conscious initiatives were introduced in 2023 to increase staff awareness on sustainability practices and to encourage greener living. This includes composting workshops, guided eco-walks and upcycling workshops. The SC now has its very own compost heaps, grown and maintained by the SC’s gardeners.



Kloth Cares bins have also been placed within the SC’s premises to encourage staff to donate pre-loved fabric-based items, including clothing, accessories, footwear, and household textiles.



Additionally, in respect of the underserved, the SC will continue to develop programmes to further foster financial literacy of targeted groups. As a responsible corporate citizen, the SC will also support the community through a blend of philanthropic and non-philanthropic initiatives.

Governance

A robust sustainability governance framework is essential to ensure appropriate accountability, oversight and review of sustainability-related matters within the SC.

To strengthen the governance of sustainability-related matters, the SC had in 2023 established a Board Sustainability Committee (BSC) which is responsible for providing oversight on sustainability and ESG-related strategies and initiatives, as well as oversight on the formulation of the SC's internal policy positions on sustainability and ESG-related matters for the SC as an enterprise. The BSC may also provide oversight on the SC's sustainability and ESG-related strategies and policy positions to regulate and develop the capital market.

At the Senior Management level, the SC has established a Sustainability Steering Committee (SSC) to guide and monitor key sustainability and ESG-related matters for the SC. The SSC is supported by the SC's Enterprise Sustainability Department, which serves as a focal point to drive and support the implementation of sustainability and ESG-related sustainability strategies for the SC, including those identified in the SFI Roadmap.

Climate-Related Risks and Opportunities

The SC has established processes to identify, assess and manage material enterprise climate-related risks and opportunities. As part of the SFI, this includes Scenario Analysis which helps the SC as an organisation navigate uncertainties by considering two plausible scenarios for 2050 – a 2°C and a 4°C scenario, along with the relevant driving forces.

The SC has also assessed the impact and likelihood of the enterprise climate-risks under both plausible scenarios. Relevant outcomes will be incorporated into the SC's strategic planning and risk management practices where appropriate.