

ARTICLE 2


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JC3 FLAGSHIP CONFERENCE 2021

FINANCE for CHANGE

>70 NOTABLE SPEAKERS
 6,300 PARTICIPANTS
 400 COMPANIES

The implications of climate change on financial stability can no longer be ignored. The financial sector has both the responsibility and ability to improve its preparedness to manage the impacts of climate change, as well as mitigate ESG risks while supporting the transition towards a low-carbon economy through its products and services.

As part of its efforts to further engage and build industry capability, the JC3 hosted the JC3 Flagship Conference on 23-25 June 2021, aimed to accelerate sustainable development and drive action within all Financial Institutions (FI) in Malaysia as well as stakeholders in their value chain.

The three-day virtual conference covered discussions over a broad spectrum of stakeholders, including the financial sector, and how sustainability can be integrated into business decision-making at the board and management levels; as well the role of the private sector in accelerating the climate agenda.

The Flagship Conference hosted over 6,300 participants from over 400 companies, including board members, CEOs, senior management and practitioners, as well as FI clients, investees and other value chain players.

There were more than 70 notable speakers including:



**Senator Tengku Datuk Seri
Utama Zafrul Tengku Abdul Aziz**
Minister of Finance, Malaysia



**Tan Sri Dr Jemilah
Mahmood**
Special Advisor on Public
Health to Prime Minister of
Malaysia



Sir David Attenborough
Broadcaster
and Naturalist



Lewis Pugh
United Nations
Ocean Advocate

“The gravity of climate change and its inherent economic and financial impact requires the financial sector to prepare, adapt and intensify the drive to achieve sustainability. The window for us to make the necessary and fundamental change is narrowing. All stakeholders – Government, regulators, financial institutions, investors, companies and their value chains – must play their part to help achieve the sustainability agenda. We are all in this together.”

– *Datuk Syed Zaid Albar*
Chairman, SC

NINE CALLS TO ACTION HIGHLIGHTED

CALL TO ACTION #1



COLLABORATION AND WHOLE-OF-NATION APPROACH

International collaboration between governments, businesses and civil society is needed to accelerate the transition at the required pace and to make progress in the largest emitting sectors including power, road transport and land use. Collaboration will further drive innovation to create stronger incentives for investors and to reduce the costs of the transition.

CALL TO ACTION #2



EFFECTIVE IMPLEMENTATION OF POLICIES THAT PROMOTE PLANETARY HEALTH

The push for national legislations in favour of improved planetary health is needed. We need to make sure that these legislations are effectively implemented, which means holding our leaders and holding ourselves accountable for the decisions we make that affect both other people and the planet.

CALL TO ACTION #3



ACHIEVE NET ZERO ANCHORED ON SCIENCE-BASED TARGETS AND PUT NATURE AND BIODIVERSITY AT THE HEART OF CLIMATE POLICIES

Climate commitments and strategies need to be anchored on setting science-based targets or be translated into robust expectations toward investee companies. The supply chain and scope 3 emissions need to be addressed to meet the goals of the *Paris Agreement*.

CALL TO ACTION #4



STRENGTHEN GOVERNANCE, OVERSIGHT AND DISCLOSURE OF SUSTAINABILITY

Heightened shareholder activism for material ESG issues can drive change, such as forming coalitions to have greater negotiating power. A strong mandate from shareholders to achieve short- and long-term targets is fundamental to ensure that the necessary changes happen.

CALL TO ACTION #5



ENHANCE GREEN & SUSTAINABILITY FUNDING AND PRODUCTS

The financial sector in Malaysia can be more deliberate in funding sustainability initiatives and incentivising investments in low-carbon sector, e.g. projects under (i) the National Investment Aspirations (NIA) framework, (ii) the Malaysian Climate Action Council's (MyCAC) plan for Malaysia to be a hub in green economy, services and technology, and (iii) the *Low Carbon Mobility Development Plan 2021-2030*.

CALL TO ACTION #6



INTEGRATE CLIMATE IN RISK MANAGEMENT FRAMEWORKS AND ALIGN IT WITH INTERNATIONAL STANDARD AND BEST PRACTICES

When integrating climate risk into enterprise risk management, financial institutions should embed it into the risk management lifecycle, which includes Risk Identification and Assessment, Risk Taxonomies, Risk Reporting, and Risk Mitigation.

CALL TO ACTION #7
**BUILD ON THE TAXONOMY
AND IMPROVE THE DATA
INFRASTRUCTURE FOR
ESG-RELATED RISKS**

To enhance data collection and analysis, ESG-related data should be structured and made accessible for key actors in the financial sector. The data should also be standardised across the industry to promote transparency and comparability. This will catalyse the development of regional ESG products.

CALL TO ACTION #8
**ENGAGE CLIENTS IN
SUSTAINABILITY AND
TRANSITION FINANCE**

Understanding clients' needs is crucial. This can be achieved by choosing the right elicitation format and methodology, assessing the clients' financial and sustainability objectives and understanding the clients' financial and sustainability preferences. Financial institutions can then match their product offering according to the clients' financing needs and sustainability objectives.

CALL TO ACTION #9
**APPLY GENDER AND
SOCIAL INCLUSION LENS TO
CLIMATE CHANGE ACTION**

Gender-smart climate finance can be applied through adopting a gender lens to climate finance, adopting a climate lens to gender finance, and integrating gender into climate finance through gender-specific opportunities which also improves climate and business performance.



[Read more on information on JC3 Report](#)

ARTICLE 3

[Read more on media release 'SC holds inaugural capital market green financing series – widening access to sustainable financing for MSMEs'](#)

NAVIGATE
Capital Market Green Financing Series

**CAPITAL MARKET GREEN
FINANCING SERIES**

In February 2021, the SC launched NaviGate: Capital Market Green Financing Series, a programme to create greater awareness and connectivity between green companies and the capital market.

The first edition of NaviGate, held virtually in February 2021, focused on MSMEs and the alternative capital market financing avenues available through ECF and P2P financing. A total of 100 participants and 40 MSMEs from the green technology and sustainable energy sectors in Malaysia participated in the programme which connected them to the ECF and P2P financing platforms.

NaviGate demonstrates the SC's continued emphasis in fostering capital market inclusivity and in facilitating the acceleration of the SRI agenda for the Malaysian capital market, complementing the initiatives undertaken by CMM.

The inaugural session was supported by the Malaysian Green Technology and Climate Change Centre (MGTC) and Sustainable Energy Development Authority (SEDA).

The second NaviGate event was held in May 2021, which focused on companies with larger financing needs to finance their green and sustainable projects through the issuance of SRI Sukuk and ASEAN-labelled Bonds. It aimed to create greater awareness on SRI through the various capital market funding avenues as well as encourage greater connectivity between green and sustainability-focused companies and the capital market.

Organised by CMM and supported by Bank Pembangunan Malaysia Bhd and Danajamin Nasional Bhd, the second event was attended by more than 200 participants.