



Speech

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**National Conference on Sustainability and
Responsible Business: Shaping the Future
Economy through Sustainability**

Sunway Resort Hotel & Spa, Selangor

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Excellencies

Distinguished Delegates

Ladies and Gentlemen,

A very good morning,

1. It gives me great pleasure to welcome you to ASLI's National Conference on Sustainability and Responsible Business.

The sub-theme on ***“Shaping the Future Economy through Sustainability”*** presents an opportunity to affirm and renew our commitment to take on greater responsibility to promote equitable sustainable development to ensure that no one is left behind.

Let me begin by first thanking the Asian Strategy & Leadership Institute (ASLI) for inviting me to deliver the keynote address at this conference.

And to all of you for making the time to be here on the occasion of this important meeting. It is especially encouraging to also recognise the participation today of a number of key representatives from the public and private sectors.

The Business Case for Pursuing the Agenda on Sustainability

2. The business community has long recognised that there are significant benefits to the core sustainable development practices of thrift, efficiency and reliability. However, these are no longer the sole hallmarks and benchmarks of a sustainable business.

Today, while sustainability remains a business imperative, it is oftentimes implemented in the context of a set of widely adopted science-based multi-lateral environmental agreements (MEAs).

These MEAs are designed to recognise the value of natural capital and the virtue inherent in managing such capital in a manner that ensures long-term if not indefinite sustainability.

The control and eradication of ozone depleting substances under the Montreal Protocol, the regulation of transboundary movement of hazardous wastes under the Basel Convention and the Rotterdam Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade.

All MEAs that have been adopted and ratified by Malaysia as a means of ensuring environmental, economic and social sustainability.

For the Malaysian government, sustainable practices allow businesses to both make and save money while at the same time conserving the environment and natural resources and product competitiveness, while complying with international environmental commitments.

3. Today's challenges – most notably, increased resource scarcity, climate change, civil unrest, inequality and poverty – are threatening to undermine sustainable development efforts.

In Malaysia, as in the rest of the world, there is a growing demand for land and water, mineral and agricultural and even human resources. While the government has played its role by implementing policies and regulations to promote sustainability, business must also be part of the solution.

It needs to focus on growing businesses not only in line with the economic needs of the communities we serve, but also in line with their social, environmental, health and recreational needs.

Businesses now realize that this is not just the right thing to do, but also the only way to guarantee long-term prosperity. Growth and sustainability are not in conflict; in fact, we've seen that sustainability drives growth through opportunities for innovation and cost and risk management.

4. Huge opportunities exist for businesses that embrace this new model of responsible capitalism, but, we must be willing to change our approach and abandon outdated business models.

We believe that businesses must view themselves as part of society and focus on the long term. In other words, the needs of citizens and communities must carry the same weight as shareholders.

5. Making the move to become more sustainable opens the door to a wide range of advantages, whether it is to improve your brand reputation, establish a competitive advantage, or to bring your business in line with environmental legislation.

In Malaysia, Publicly Listed Companies (PLCs) are taking advantage of Bursa Malaysia's 2015 Sustainability Framework, incorporating a Sustainable Reporting Guide and Toolkit to enhance corporate transparency on environmental, social and corporate governance-related issues.

Yet others have registered under MYCarbon, the Voluntary Corporate Greenhouse Gas Reporting Programme initiated by my Ministry.

6. Whatever the driver, implementing sustainable procurement should always have positive final results for your businesses, whether it is to cut cost, increase product sales or value, or to attract more customer or better talent through brand reputation.

7. Strong social and environmental credentials can also create customer loyalty and enhance reputations which have become increasingly important with the rise of social media.

We live in an increasingly digital world characterised by instant customer feedback, so businesses need to be mindful not just of what they are doing, but of **how** they are doing it. Companies which gain while society or environment loses can quickly find demand for their products or services eroding.

8. Sustainability is no longer something that you do as a bonus to society. Given the technological developments and growing demand from your customers and shareholders, it is important for businesses to show commitment to sustainability in a credible and transparent manner.

9. The best way to accomplish this and stay ahead of the competition is to bring sustainability practices into one's own business.

And the one thing that matters most in terms of profit potential is your capability to innovate and bring fresh new products to market, fast.

10. In order for businesses to stay competitive, I would call upon the business community to build innovation capability. The only difference now is that the new innovative products and services that businesses will bring to market are designed with sustainability at their core.

Navigating Through the Quintuple Bottom

Line

Ladies and Gentlemen,

11. When talking about quintuple bottom, there are two main questions to address: why is it important to re-focus business around ***planet, people, prosperity, partnership and peace (5Ps)***, and how can businesses do so?

12. Making this switch may cost time and money in some cases, but emphasizing sustainability demonstrates a desire for both responsible corporate behaviour and long-term viability.

13. Business in the past tended to see Corporate Social Responsibility (CSR) as corporate philanthropy, a voluntary code of conduct, a risk management tool, and an effective branding and marketing strategy. Very few saw it as a new business opportunity— a new business model for the globalizing economy.

Most also saw it as a cost rather than an investment. Opportunity or cost, it is now apparent that in order to remain relevant and engage with increasingly varied stakeholders across natural boundaries, business must re-think their approach to CSR. Doing nothing or “business as usual” are no longer viable options.

14. CSR and Human Rights matter for business because it creates value while communicating and demonstrating corporate values. Today, creating social and environmental values is a pre-requisite to creating business value.

It is about how businesses make their money, not only about how they spend it once it is made.

Using short-term profit to drive business behaviour is short sighted. Increasingly, successful global businesses are finding new ways to grow that do not damage our social fabric, cultural heritage nor the environment for future generations.

Joint Partnership for Sustainability

Ladies and Gentlemen,

15. The 2011 United Nations Guiding Principles on Business and Human Rights represent an important milestone in the way we conduct business globally.

These guiding principles have been recognised as the global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activities.

The three primary components of this document detail the state's duty to protect human rights, the responsibility of corporations to respect human rights and the right to access to remedy.

For these reasons, the United Nations Guiding Principles on Business and Human Rights provide the globally recognised benchmark to promote corporate responsibility to respect human rights.

16. While Malaysian business entities may not be very familiar with and thus may not have fully adopted the United Nations Guiding Principles on Business and Human Rights, they nevertheless have a long history of implementing Corporate Social Responsibility (CSR).

17. CSR in Malaysia has paved the way for corporations to examine their wider role in society in ways that they have never been done before.

CSR is a systems concept that touches every part of a company and may have both positive and negative effects. Despite the wide role of CSR and the power and technological capacity of corporations, equitable and sustainable development efforts to date have not been very successful.

This provides additional impetus for corporations, and the private sector itself, to be more involved in human rights than ever before.

18. The current challenges that Malaysia faces is a sobering reminder of the need to localise an international perspective to mainly domestic policies. As a result, to reap the full potential of operationalising the UN's Guiding Principles on Business and Human Rights, a significant corporate policy reset will be needed in many cases. Such a reset is particularly urgent to garner the political will of business corporations to discuss with their internal and external stakeholders and to benchmark their human rights due diligence collectively.

19. In closing, I wish to paraphrase former UN ESCAP Secretary General Ms. Noeleen Heyzer, *“Smart Business is simply good business that invests in people and planet; it can become a leading agent of change and future prosperity - partners in development to ensure environment sustainability, to reduce poverty and to provide decent living conditions for all”*

I wish you a successful conference.

Thank You.