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## ESG in the news

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# ESG

## in the news

### Jan 2

Companies in the Asean bloc, including Malaysia, lack a holistic sustainability strategy amid the ESG initiatives gaining strong momentum in the region.

To ensure success and that sustainability strategies are impactful and comprehensive, **Kyndryl Malaysia** managing director Joey Mak said companies must collaborate with partners that are aligned with their goals and hold them accountable.

He told *StarBiz* that the move to value creation is an important paradigm shift as it focuses on potential business opportunities posed by the sustainability agenda, adding that integrating sustainability and digital transformation drives stronger business performance.

### Jan 3

Sufficient manpower and talent acquisition are among some of the challenges in the energy efficiency (EE) business, says **PRG Holdings Bhd** group executive vice-chairman Datuk Lua Choon Hann.

He said this applied across the industry and was not specific to the company.

PRG recently ventured into the EE business via Singapore's Energy Solution Global Ltd (ESGL), which was acquired by its 50.45%-owned subsidiary Furniweb Holdings Ltd. "Awareness and strict enforcement to achieve the target of reducing our carbon footprint will also determine how fast the EE industry will grow in Malaysia," Lua told *StarBiz*.

The acquisition of ESGL is part of PRG's long-term plan to move into the heating, ventilation and air conditioning, energy management system business.

### Jan 5

Cypark Resources Bhd, which was previously affected by cash flow and debt concerns, has received a helping hand from textile wholesaler **Jakel Group** which invested RM67.13mil into the renewable energy player. Via its investment arm Jakel Capital Sdn Bhd, Jakel acquired a 23.08% stake in Cypark at 38 sen per placement share, making it the single largest shareholder.

In a statement, Jakel Group said the strategic investment in Cypark would help to "rebalance its investment exposure" by incorporating ESG investing into its portfolio.

Currently, apart from textile trading and wholesale, Jakel Group is also involved in property development.

Jakel Capital chief executive officer Muhammad Ashraf said the investment in Cypark provides Jakel Group with a timely opportunity to play an active role in shaping the ESG issues in the country.

### Jan 6

More electric vehicle (EV)-related incentives are in store in the revised Budget 2023, says **Natural Resources, Environment and Climate Change Minister Nik Nazmi Nik Ahmad**.

Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim will table the revised Budget 2023 in the Dewan Rakyat on Feb 24.

"The government is looking forward to announcing more EV-related incentives in the revised Budget 2023," said Nik Nazmi at the memorandum of understanding signing

ceremony between Cyberview Sdn Bhd and Roda Emas Industries Sdn Bhd on the development of a smart-mobility ecosystem in Cyberjaya.

The Main Market-listed Computer Forms Malaysia Bhd's (CFM) joint venture (JV) with Energy Absolute Thailand Public Co Ltd will import 200 electric buses for use in Malaysia.

The 50:50 JV, called Energy Absolute Malaysia, is also looking at setting up a manufacturing plant in Malaysia over the longer term in the second phase of its plans, said CFM managing director Datuk Justin Lim.

Energy Absolute, which has a market capitalisation of around 380 billion baht or RM45bil, is among Thailand's Top 10 public-listed companies and is known for its renewable energy business in that country.

"It will not only be limited to buses but also electric ferries and trains. We are also looking at turning the airport into a green city airport where things like baggage handling system will go green.

"There are a few phases to this partnership," Lim said at a briefing after the signing ceremony.

### Dec 7

**CSH Alliance Bhd's** wholly owned subsidiary, Alliance EV Sdn Bhd (AEV) is currently applying for approved permit (AP) from the Ministry of International Trade and Industry and other approvals from relevant authorities to bring in the complete-built-up units of BYD T3 electric vehicle (EV) into the country.

In a filing with Bursa Malaysia, CSH said AEV had obtained the manufacturing licence for the assembly of commercial electric vans and model approval for local assembly of electric commercial vans, primarily the BYD T3 EV. The local assembly of the said model shall be done in Tanjung Malim, CSH noted.

### Jan 10

**Gamuda Bhd** has partnered with OCBC Bank (M) Bhd and OCBC Al-Amin Bank Bhd (collectively OCBC Malaysia) for its maiden syariah-compliant sustainability-linked financing facility with an embedded sustainable derivative solution.

According to a joint statement, OCBC Malaysia is the sole sustainability structuring adviser for Gamuda's first ESG-linked holistic financing solution, totalling up to RM550mil.

Gamuda believes the signing of the holistic sustainable financing with OCBC Malaysia is aligned with its Gamuda Green Plan 2025 roadmap, where the group is committed to a structured, accountable approach to decarbonisation.

**EP Manufacturing Bhd** (EPMB) has won its first major deal to supply electric bikes (e-Bikes) to the Indonesian and Vietnamese markets, with an initial order of 23,000 units to be delivered from the first quarter of 2023.

The price for each e-Bike is expected to be within the range of US\$1,850 to US\$3,900 (RM8,095 to RM17,064), the company said in a statement.

"We begin 2023 with this exciting development as the five-year deal will create a new source of revenue for the group with a healthy margin.

"This will put us on an accelerated growth as we work towards securing more such buyers in the future.

"While our electric vehicle (EV) venture only began less than a year ago, we have been seeing a strong response from prospective clients," EPMB acting chief executive officer Lim Sim Yee said in the statement.

**Citaglobal Bhd** has inked a memorandum of understanding (MoU) with Indonesia Battery Corp (IBC) for a proposed battery cell manufacturing plant and battery energy storage system (BESS).

A joint statement by Citaglobal and IBC said both companies have strategic plans to expand into the renewable energy (RE) space, and noted that the global market for EVs is growing at a compounded annualised growth rate of 21.7%.

The battery is one of the main cost components for EVs, making up some 35%.

"Scaling up battery storage is critical for the development of RE whether in Malaysia or Indonesia.

"The Energy Commission of Malaysia has made known its intentions of adopting up to 500MW of battery storage technology.

"With Malaysia's strategic location for high solar power potential, our government has been very proactive in choosing areas that are suited for solar power adoption, especially for BESS," said Citaglobal executive chairman and president Tan Sri Dr Mohamad Norza Zakaria.

**Hong Leong Asset Management Bhd** (Hong Leong AM) has launched its syariah-compliant ESG fund, the Hong Leong global syariah ESG fund.

In a statement, Hong Leong AM said the fund aims to provide investors with medium to long-term capital growth by investing in a globally diversified syariah-compliant portfolio of securities with focus on ESG criteria during its investment process.

It added that Hong Leong Islamic Asset Management Sdn Bhd (Hong Leong Islamic AM) has been appointed as the external fund manager for the fund.

### Jan 12

**Gamuda Bhd** has earmarked RM2bil to invest in the Malaysian and international renewable energy (RE) space over a five-year period.

Group managing director Datuk Lin Yun Ling said the investments would entail several types of RE sources and "not so much on solar".

Lin highlighted that Gamuda was looking at developing some hydro pump projects in Australia, describing the country as a "very important and key market" for Gamuda.

**Sime Darby Plantation Bhd** (SDP) has unveiled its net-zero emission commitment with a clear roadmap, aiming to achieve 100% absolute overall emission reduction under Scope 1 and 2 by 2050 with all unabated Scope 3 emissions balanced by an appropriate amount of carbon removals or offsets.

In a filing with Bursa Malaysia, the world's largest producer of certified sustainable palm oil said it has aligned its action plans with the Paris Agreement targets to limit global temperature rises to no more than 1.5°C.

### Jan 13

**The International Trade and Industry Ministry** aims to attract RM20bil in investments in electric vehicles (EV) by 2025.

Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz said the ministry is also targeting investments to rise to RM40bil by 2030.

"We need to look at the EV ecosystem and the supply chain as a whole and we will also discuss efforts to further strengthen the EV industry through further discussions with the task force," he said after witnessing the memorandum of agreement signing ceremony between Artroniq Bhd and US-based Beno Inc.

**Tenaga Nasional Bhd's** (TNB) venture into the setting up of the electric vehicle (EV) charge point infrastructure (CPI) is set to benefit its ESG rating and investor perception.

The investment into the EV charging ecosystem has a lot of potential but TNB's management has told TA Research that the CPI business is not expected to break even until EV usage gains scale in the country.

The research house stated that over the longer term, TNB would benefit via the increased utilisation of its electricity transmission and distribution network and maiden profits from EV charging stations.

"Based on TNB's projections, the EV market will generate annual electricity revenue of RM1.25bil by 2030.

"Additionally, unit sales of electricity from EV charging stations are expected to reach 15% of TNB's revenues by 2040," TA Research said in a report.

### Jan 14

**Tenaga Nasional Bhd** (TNB) is keen to explore opportunities involving energy solutions related to gas, solar, wind and hydro as well as battery storage in Indonesia's future capital of Nusantara in East Kalimantan on Borneo Island.

TNB said in a statement it was also eager to explore any opportunity in the grid interconnection business through collaboration with Indonesia's PT Perusahaan Listrik Negara (PLN) to develop a secure and reliable high-voltage transmission infrastructure in Nusantara.

The utility company recently handed over a letter of intent (LoI) to Nusantara Authority chairman Bambang Susantono through International Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz.

TNB president and chief executive officer Datuk Baharin Din said the LoI would help strengthen the bilateral relations and cooperation of both countries and expedite the development of clean energy in both countries.

**PTT Synergy Group Bhd** has inked a memorandum of understanding with Sary International developing (M) Sdn Bhd and Rootcloud Technology (Singapore) Pte Ltd to explore a collaboration in an electric vehicle (EV) project.

In a filing with Bursa Malaysia, PTT Synergy stated the parties intend to explore opportunity leasing services and provision of renewable energy and zero-carbon logistics instruments.