



MINISTRY OF NATURAL RESOURCES AND
ENVIRONMENTAL SUSTAINABILITY

SPECIAL ADDRESS

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MINISTER OF NATURAL RESOURCES AND
ENVIRONMENTAL SUSTAINABILITY**

FOR

**SIDC SUSTAINABLE AND RESPONSIBLE INVESTMENT
CONFERENCE 2024**

20 JUNE 2024 (THURSDAY)

**SECURITIES COMMISSION,
KUALA LUMPUR**

Bismillahirrahmanirrahim

Yang Berbahagia Dato' Mohammad Faiz Azmi

Executive Chairman of Securities Commission Malaysia

Yang Mulia Tengku Zarina Tengku Chik

Chief Executive Officer of Securities Industry Development Corporation (SIDC)

Professor Tan Sri Dr. Jemilah Mahmood

Executive Director, Sunway Centre for Planetary Health,
Sunway University

Board of Directors and Senior Management Members of SIDC

Distinguished guests, ladies and gentlemen.

Assalamualaikum Warahmatullahi Wabarakatuh and Salam Malaysia
Madani

INTRODUCTION

1. Let me begin by congratulating Dato' Mohammad Faiz Azmi on his new role as the Chairman of the Securities Commission Malaysia. It is a pleasure for me to share the stage with him in his first public engagement as the SC Chairman.
2. I also want to extend my appreciation to the Securities Industry Development Corporation (SIDC) for giving me the opportunity to deliver the *Special Address* as well as to speak at the *Planetary Health and Sustainability Discourse* session at this important conference.

3. The SIDC must likewise be commended for steering the Sustainable and Responsible Investment Conference 2024 to its fifth instalment this year. This conference has arguably taken on great significance to the Malaysian capital market as it has addressed issues and trends in sustainable and responsible investment over the last five years. Most of all, it brings together key stakeholders and business leaders from the industry to discuss critical issues on sustainability to drive long-term economic growth in the country.

Ladies and gentlemen,

INVESTMENT IN CLEAN ENERGY

4. The total energy investment worldwide is expected to exceed USD3 trillion in 2024 for the first time, with some USD2 trillion set to go toward clean technologies – including renewables, electric vehicles, nuclear power, grids, storage, low-emissions fuels, efficiency improvements and heat pumps – according to the International Energy Agency's annual World Energy Investment 2024 report released this month. The report warns, however, that there are still major imbalances and shortfalls in energy investment flows in many parts of the world.
5. The current global emissions reduction is still far below the target necessary to limit global warming to 1.5°C by 2030, according to the Global Stocktake (GST) in 2023.

6. In addition, the mounting impacts of climate change, from floods and droughts to hurricanes and heat waves, of which most of us in Malaysia can readily relate to, are taking a major toll on human lives and economies. Today, a single generation has arguably experienced the acceleration of global warming. We are not talking about centuries or millennia, but just a few years.
7. But I would argue it is still within our power to reverse this trend. The 10 member economies of ASEAN are among the world's fastest-growing nations. Their accelerated transition to sustainable energy would not only cut carbon dioxide (CO₂) emissions and fossil fuel imports, but also speed up universal access to electricity and clean cooking for their citizens, as well as provide greater business opportunities in the emerging clean energy economy. This is as outlined by the International Energy Agency's Southeast Asia Energy Outlook 2022.

MALAYSIA COMMITTED TO THE ENERGY TRANSITION

8. For Malaysia, let me affirm that we stand ready to play our role in supporting the energy transition within and beyond our borders through commitment and collaboration, both local and global.
9. Malaysia has committed its Nationally Determined Contributions to an unconditional reduction of greenhouse gas (GHG) emission intensity by 45% in 2030 (as compared to 2005 level) while expanding the GHG coverage to seven types from the initial three.

10. Against a backdrop of an imminent climate crisis, the theme for today's conference, '*Investing in Human Wellbeing and the Planet*' is one that every organisation in Malaysia should embrace urgently.
11. As we face an increasingly uncertain climate and a rapidly changing world, it is more important than ever to shift our collective consciousness towards a deeper understanding of humanity's role in this crisis.
12. To fully realise a sustainable future for Malaysia, we need a whole-of-nation approach encompassing federal and state governments, industry, and the general public to catalyse the growth of the green economy, create a resilient community, and nurture a sustainable planet.

Ladies and gentlemen,

TOWARDS NET ZERO VIA NATIONAL ENERGY TRANSITION ROADMAP

13. Malaysia's National Energy Transition Roadmap (NETR) establishes the pathway for our nation's energy mix, GHG emission reduction, and energy transition initiatives. The roadmap reinforces our commitment to net-zero emissions by 2050 as well as increasing the share of renewable energy in power installed capacity from 25% to 70%.

14. Achieving Malaysia's net zero targets require careful balancing of an energy trilemma to ensure sustainable, secure, and affordable energy for the future.
15. As you may have also heard, the recent **National Climate Change Action Council (MTPIN)** meeting agreed to set up a **National Decarbonisation Committee**, which I will chair. Made up of the state governments and other stakeholders, its role is to ensure Malaysia's transition to low-carbon development is orderly and inclusive. The MTPIN also agreed that there should be a speeding up of various policies such as NETR, as well as the New Industrial Masterplan (NIMP) 2030, and the Hydrogen Economy and Technology Roadmap (HETR).
16. We will also expedite new policies like the **National Climate Change Bill** and the MTPIN has agreed to approve **the National Climate Change Policy 2.0** which shall complement other initiatives like the **National Adaptation Plan** and the **National Carbon Market Policy**. I have outlined these points to highlight how central sustainability is to the mission of the current government and our determination to see this through.

Ladies and gentlemen,

IMPORTANCE OF SUSTAINABLE AND RESPONSIBLE INVESTMENT

17. Financing Malaysia's sustainability mission is an ambitious undertaking that requires an adept utilisation of a wide spectrum of funding channels.

It is estimated that Malaysia will need USD270 billion for energy transition and USD135 billion for a renewable energy switch, while industrial transformation requires financing to the tune of USD20 billion.

18. To address on-going climate change-induced disasters such as flood mitigation and adaptive initiatives, a further USD85 billion investment is required.
19. Given the huge financing needs, reliance on government funding alone will not be sufficient. As such, a well-developed capital market with a vibrant sustainable and responsible investment ecosystem is therefore pivotal in intermediating private sector investment and bridging the gap in public sector financing.
20. For that, we also need to further improve sustainable finance accessibility as well as enhance capital market alignment with the sustainability agenda.
21. The investment community as the stewards of capital needs to also step in, playing its role in shaping a sustainable future. Their expertise in risk assessment, financial structuring, and market access is crucial in ensuring the right sustainable projects are well-funded.

SUSTAINABILITY: THE WAY FORWARD

22. We are all aware that climate change impacts are complex and multifaceted. The accelerating threat raises the urgency of commitment to climate transition, including the important role capital markets play to align investments with net zero. It demands our attention now.
23. Sustainable investment fuels innovation in clean technologies and renewable energy sources. By directing capital towards these sectors, we accelerate the development of solutions that will help combat climate change and create a more sustainable future for all.
24. Through Sustainable and Responsible Investment, we want to push for more organisations to adopt greener practices and reduce negative environmental impacts. And I urge all of you to join this effort. We must hold ourselves accountable for what we do in advancing or regressing in financing for environment and social impact.

FUTURE-READY WORKFORCE FOR GROWTH IN SUSTAINABILITY

25. Meanwhile, the success of Sustainable and Responsible Investment (SRI) initiatives in Malaysia also hinges very much on the knowledge base and competency of our capital market intermediaries and stakeholders.

26. And that is why it is so crucial that statutory bodies as well as capital market industries in Malaysia continue to develop strong technical capacity at both institutional and individual levels to scale up efforts in building a facilitative and vibrant SRI ecosystem.
27. We need insights to understand the direction, requirements and support that our industry needs on sustainable skills and capacity-building.
28. It is critical to ensure we have a ready workforce to support the growth in the industry, especially in identifying the skill gaps in areas that use new and emerging technologies.
29. With SIDC's expertise in capacity building, I hope your organisation can share the experiences with industries beyond the capital market and shorten the time-to-market in developing resources on learning and development, certification and qualifications.
30. This is especially to assist with upskilling and developing certification programmes in line with the requirements of various industries involved in our drive towards net-zero carbon emission goals.
31. I am therefore pleased to hear that later this afternoon, SIDC will launch a new certification programme, the CCMP-SRI or Certified Capital Market Professional in Sustainability and Responsible Investment.

32. I would encourage sustainability and ESG practitioners to take up the certification to acquire industry knowledge, standards and skills needed to excel in their work. This is in addition to staying abreast of the latest advancements and adapting to evolving industry trends.

CONCLUSION

33. I am confident that the SIDC Sustainable and Responsible Investment Conference 2024 today will spark discussions and facilitate exchange of ideas among capital market stakeholders and the larger business community. I hope it will result in greater collaboration in investment communities, especially in areas that could preserve our planet for the sake of our future generations.

34. The future will be challenging. But there is much to gain if we can work together. We must green our finance and finance the greening of our economy. I hope this conference will be able to help us find ways to do this.

35. Together, let us chart a path towards a sustainable, vibrant and resilient future for Malaysia. I wish you all a fruitful conference ahead. Thank you.