

## **Wahid Omar: Businesses must adopt sustainable practices, invest in biodiversity-friendly supply chains**

By **Bernama** - October 25, 2023 @ 1:56pm



Businesses need to adopt sustainable practices, reduce their environmental footprint, and invest in biodiversity-friendly supply chains, said WWF-Malaysia chairman Tan Sri Abdul Wahid Omar. - NSTP file pic

**KUALA LUMPUR:** Businesses need to adopt sustainable practices, reduce their environmental footprint, and invest in biodiversity-friendly supply chains, said WWF-Malaysia chairman Tan Sri Abdul Wahid Omar.

He said current initiatives such as the Blueprint for Accelerating Biodiversity Action: A Strategic Roadmap for the Business and Private Sector in Malaysia are commendable.

"We need an inclusive 'whole of society' approach that empowers each of us to act," he said in a statement today (October 25).

Abdul Wahid was speaking at the Joint Committee on Climate Change (JC3) Journey to Zero conference 2023 on 'Navigating the Next Environmental Challenge: Understanding and Managing Nature-related Risks'.

In September 2023, 27 of the world's largest nature conservation organisations, institutes, business, and finance coalitions came together to launch a new initiative called "Nature Positive Initiative" aimed at supporting longer-term efforts to deliver nature-positive outcomes.

Abdul Wahid said, with the current global biodiversity conservation financing gap estimated at an average of US\$711 billion (RM3.4 trillion) per year, there is an urgent need to mobilise private finance at scale for the restoration and protection of the world's natural capital.

He added that, in the 2024 Budget, the government introduced innovative financial instruments such as the RM1 billion biodiversity sukuk, an increase in allocations for Ecological Fiscal Transfer (for biodiversity conservation) and doubling conservation rangers.

On another note, Abdul Wahid said Malaysia could experience a six per cent Gross Domestic Product (GDP) annual loss by 2030 in a worst-case scenario of partial ecosystem collapse.

Citing a recent World Bank (WB) study, he said the losses would be driven by a decline in export demand and adverse impacts of the partial collapse of forestry and fishery ecosystem services.

Based on a Biodiversity Risk Filter (BRF) study conducted by the Sustainable Finance Team of WWF-Malaysia, he said seven out of the top 20 companies in the benchmark FTSE Bursa Malaysia KLCI are highly exposed to nature-related risks, while the remaining 13 companies are moderately exposed.

"These companies are mostly operating in the agriculture sector, healthcare and pharmaceuticals, chemicals and oil and gas where business activities are very likely to be impacted by extreme heat, landslides and water scarcity," said Abdul Wahid, who is also Bursa Malaysia Bhd chairman.

Besides that, he said the BRF study also shows that 13 (65 per cent) of companies acknowledged biodiversity in their materiality analysis, but only seven (35 per cent) integrated it into their long-term business strategy.

"Without tangible and urgent action to curb the degradation of nature-related risks, Malaysian businesses are at high risk of loss of productivity and increased cost of production," he added. – BERNAMA