



PLF CEO FORUM 2021 - Business in the New Normal

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Keynote Speech: "The Environmental Imperative and What It Means for Businesses"

Distinguished Guests, Ladies and Gentlemen

Thank you for the invitation to join you here today on a topic so relevant to our times as we slowly but surely recover from the impact of the pandemic. This term 'new normal' has been associated throughout the COVID-19 pandemic with a sudden change in how we live; from wearing face masks, to hand sanitising and deliberate social distancing - and how it has impacted and changed our relationship with the environment around us. Now that we have reached the point where Malaysia is learning that we have to live with the virus – to treat it as endemic with the travel restrictions gradually being lifted and a cautious yet systematic return to a state of being closer to the 'normal' we knew pre-March 2020, it's time to admit to ourselves and to each other that what we defined as normal was, in all honesty, pretty unhealthy. The business-as-usual attitude that has spanned entire generations, is one the main reasons that the pandemic happened in the first place, with zoonotic leaks spurred on by the human-created, human-generated imbalances in our relationship with the natural ecosystem.

The environmental imperative argues that the environment is not external to social life but 'thoroughly penetrated and reordered by it'. In 2020 approximately 77.16 percent of Malaysians lived in urban environments – towns and cities. As we urbanise the tendency is to think we have

conquered the natural environment, bent it to our collective will and made it entirely subservient to our wants and needs. But there is growing awareness that our avarice means that we are overusing and destroying it in the process. We are taking more from it than it can give back – and in no decent measure are we definitely giving back.

Businesses talk about “sustainability” – it’s the latest trendy word, following on from “resilience” which was yesterday’s catchy word. But what do we actually mean? Sustainability was defined by the 1987 Bruntland Commission as “meeting the needs of the present without compromising the ability of future generations to meet theirs”, and primarily consists of three pillars which are: economic, environmental, and social.

Take, for example sustainable packaging and other eco-conscious operations - such as the evolution of drinking straws; from plastic, to metal, to paper and now edible straws that are made of biodegradable materials. In this case, the barrier for businesses to take an eco-friendlier approach is primarily due to costs and profits, and the usage of alternative materials might influence the premium that customers must pay for non-plastic materials. Plastic’s appeal as a packaging material is primarily due to its low cost and ease of use. But when people make the connection between straws and turtles having them stuck in their noses, business decisions become based not only on costs and profit but also reputation. Businesses are rethinking their mission and how they assess their impact: should it be just based on profit, or should social and environmental factors be considered as well? A relatively recent focus on Environmental, Social, and Governance values conscientious evaluation and identifies sustainable growth opportunities within businesses. According to an Ernst & Young survey, the “Global Institutional Investor Survey 2018”, 90 percent of global institutional investors have started to revise investment decisions based on whether companies do or do not consider ESG criteria within their business model.

But, and it’s a big but, sustainability can be a bit random, a bit all over the place – a hodgepodge as well. You’ve heard about “greenwashing”, often in the context of fast fashion brands. It refers to communication and marketing strategies which sell an environmentally friendly image of the brand even when that brand’s ESG credentials may not be of a high standard or where a deeper investigation of ESG claims may reveal gaps between words and deeds. And so, transparency and social accountability should be playing a greater and more central role in ensuring that businesses, both big and small, work on ESG in ways that engender consumer confidence and trust through open communication between the business itself and its clients. But how to achieve

this? Actually, the pressure needs to come from us. Remember my point about the straws and the turtles? If we don't make a conscious effort to enquire about and reflect on the long-term impact of our short-term choices on the environment, then nothing will change. So, it's about us – it's about the way we work, about the clothes we buy, about the way we live our lives – sustainability starts with us.

Now, let me turn to the pandemic – this quite literally life-changing event or series of events. What impact has the change in our lifestyles had on how we engage with our environment? Maybe a few facts to start with:

We saw a massive and immediate shift online. This rapid digitisation of business likely will be seen in the future as a huge leap forward in processes which would have otherwise taken years. Let me give you a few numbers to think about: 23.5, 8.6, and 30.

The first week of the MCO alone saw a 23.5 percent rise in internet traffic,

That was followed by an 8.6 percent increase in the second week.

There was a 30 percent increase in orders on food delivery platforms such as GrabFood and Foodpanda on the first day of the MCO alone.

And then there was the challenge to the internet infrastructure. According to an Opensignal report, Malaysia's 4G download speeds dropped from 13.4Mbps in early February to 8.8Mbps in the last week of March due to increased use of video conferencing, learning and online shopping, which indicates heavy usage and the side-effect of people staying at home. So, what have we learned?

Firstly, apps multiplied very quickly, not just for business purposes but in many other walks of life. For example, Bayu Harvest, which aims to assist Sabah's small-scale farmers to obtain access to a wider audience and sell to larger marketplaces or restaurants looking for high-quality products, to the recent student built 'Bendera Putih App' which allowed its users to upload white flags and food banks on the map to quickly help people in need, shortly following the #BenderaPutih movement. This rapid tech advancement, working with businesses, SMEs, civil society organisations, has also enabled platforms to keep people safe (just think of the role MySejahtera has played) and ultimately ensured that these entities could stay competitive in this new business and economic environment.

Secondly, for those who fell behind, one of the main challenges was poor digital skills and overreliance on physical rather than digital branding. An example of business stepping in to help these digitally challenged sellers and consumers comes from Maybank. First launched in April 2020, Maybank Malaysia created the Sama-Sama Lokal, which takes SMEs online to a zero-commission platform that allows small local businesses to set up their stores online. It offers third-party delivery assistance and real-time updates at zero fees, allowing businesses to keep 100 percent of their sales, and allows the Bank to support local businesses while, in turn, these businesses establish an online presence to better reach more customers each day. Consequently, there are a growing number of people on online marketplaces, such as Shopee with 46.66m visitors/month. The development of Instagram Shop enables companies to tag items in their postings and articles. When a client discovers a product they like on Instagram, they can buy it without having to leave the app and can browse for additional goods their Instagram profile's Shop tab. The data shows that more than 70 percent of shopping enthusiasts use Instagram to find new products, and a report by Bain & Company and Facebook found that between 2018 and 2020, the number of digital users rose by about 60 million, representing a 12 percent compound annual growth rate. Almost 70 percent of Indonesia's, Malaysia's, Philippines', Singapore's, Thailand's, and Vietnam's 443 million people are now digital consumers. With those percentages it is inevitable that the economy is following suit.

Thirdly, online channels of businesses and staying home amid the global lockdown, because of the rapid halt to economic and social activity global carbon emissions fell by 6.4 percent, or 2.3 billion tonnes, in 2020. So that was good.

Fourthly, the pandemic has created another environmental disaster – face masks and PPE. These little blue lifesavers, so easily discarded at the end of each day, release harmful chemical pollutants, nano-plastics and biological substances, on land and into our oceans. It's estimated that 7,200 tons of medical waste are generated on the planet every day, most of that coming from disposable face masks. There has been some adaptation - with the development of reusable masks, starting from our own batik face masks with a built-in filter or by using decontaminating regular N95 masks which can last for longer than a single day. But the connection between masks and our natural environment is not yet made – it doesn't yet make economic, social or environmental sense for businesses to stop making disposable masks – because people are still buying them. So – it's down to our behaviour again.

And it's not just face masks; within the health care system, ever since the COVID-19 outbreak started, there has been an increase in clinical waste generation, which pre-pandemic, averaged around 167 metric tons per month. During the pandemic the highest quantity of clinical waste recorded was 4,082 metric tons in January 2021 compared to 2,478 metric tons in January 2020. To mitigate this Malaysia developed the Green Vaccination Program, as KASA estimates that an additional 2,079 metric tonnes of clinical waste are being generated per month during the 12 months of the implementation of the immunization program itself. The Green Vaccination Program provides guidelines on clinical waste management procedures, cultivating green practices and Greenhouse Gas emission balancing initiatives at all vaccination centres and health facilities running the National COVID-19 Immunization Program. Notably, it is the only one of its kind globally. Implementing this successfully will be a huge achievement as will sharing our lessons with others so that the global waste burden can be mitigated.

Fifthly, COVID has highlighted the importance of ventilation, especially indoors. After COVID-19 was deemed air-borne, it sparked conversations on indoor air quality and ventilation in buildings, with COVID-19 clusters linked to the workplace. Enclosed spaces with air-conditioners that simply recycle the same air can facilitate the transmission of the virus - particles can remain in the air for over eight hours. Proper maintenance of air-conditioning and ventilation systems is crucial for workplace safety, especially as people are returning to their offices again and no longer working from home. Whilst the prices to change ventilation systems or ensure proper and regular maintenance can be high it's important that businesses see the bigger picture, the need to protect their staff and to thus ensure sustainable outputs.

So – I'm sorry if that was a bit gloomy. It's intended to be because we are in trouble – be in no doubt about that. But I am an eternal optimist and I want to provide at least some positivity Maybe it's best to explain it like this. Sustainability needs to be seen as a universal concept. The sustainability of a business in Malaysia is dependent on a number of factors, most of which are, if you think about it, outside the business owner's control. Perhaps key amongst these is the state of health of the planet. A sick planet ultimately means sick people equals damaged economies and bankrupt or at the least under-performing business. Our endless quest for economic growth needs to be tempered with acknowledgement that nothing lasts forever, that this economic model is actually NOT sustainable, by any definition that you choose, and that it's way past time to think about a new way of ensuring that the human race can survive on this planet.

And in this context please understand that I am not advocating anything impossible or air headed. The answer is still economics – but differently interpreted, explained and practiced. The Doughnut Economic Model, conceptualised by my friend Kate Raworth, builds an economic model, shaped like a doughnut, which maps our planetary and social boundaries – establishing an ecological ceiling that we must not break through, and a social foundation that we must not drop below. We need to live inside the ring of the doughnut – to slip into the hole means to not provide humanity with what it needs to thrive. To exceed our planetary boundaries means to find us where we are today – facing a future of climate change, polluted air, land and water depletion, and a host of other factors where our excesses continue to cause us existential danger. For humanity to thrive, we can no longer just view the declining state of the Earth, we need to act in order to get ourselves into the safe space that the doughnut provides. And to do that – to exercise the environmental imperative - we need to recognise that our economy cannot be designed just for the rich to get richer and the cost be damned. The economy should be embedded within, and dependent upon, society and the living world.

So, what am I talking about. “Come on”, I can almost hear you all thinking, “give us some examples!” How about rethinking supply chain management – which help farmers resource efficiency in production, encourage economic growth, and minimise environmental damage by teaching farmers sustainable agricultural methods.

What about teaching communities how to plan and benefit from renewable energy sources to power facilities, such as what Maizakiah Ayu Abdullah, the Co-Founder and Co-Executive at Energy Action Partners has done, which I found out about when I judged the Iclif Leadership Energy Awards (ILEA) recently. Energy Action Partners created a software-based tool called the Community Energy Toolkit (COMET) and mini-grid simulators called the Minigrid Game, which enables communities to test and learn through gamification, such as ‘playing out’ their energy consumption while maintaining an energy budget affordable for individual household usage and system prices. The game is played on networked digital devices, making it simple to set up in remote areas and it has been experimented in a micro-hydro community in Borneo and a small fishing village on Pyinsalu Island in Myanmar, with the community’s input, resulting in rich evidence as the basis for more research. The game also highlights topics such as tariff setting, electricity theft and conflict resolution within the community.

How about a greater focus on community building within our society? This is vital as communities play a significant role in tackling the environmental problems of today. Think about Garrett Hardin's Tragedy of the Commons. It focuses on what happens when people disregard society's well-being in pursuit of personal wealth. Overconsumption and, eventually, depletion of the shared resources are the result; a problem that we are living here and now – and which is causing our current existential crisis. Hardin's analysis was published in 1968, but why haven't we learned from it?

Our rapacious demand for things, for ease of use, our throwaway society and the apparent invisibility of the damage we are doing needs to change – our eyes need to be opened. People are trying. In the words of Greta Thunberg, "Our house is on fire" – but how many of us are actually listening rather than scrolling on down our social media feeds or checking what's on the other TV channel, when it all seems so overwhelming. But we need to learn, think and act - the rapidly changing and deteriorating natural environment around us, from the rise in temperatures to climate change, clearly demonstrates that we haven't learned enough. We are trying, but our efforts need to be radically accelerated.

As we approach COP26, we need to up our game. Pressing buttons on social media, participating in meetings like this one where most of you are already aware of the importance of ESG and are doing something to contribute to saving humanity, though your actions aren't sufficient. Having comfortable discussions about how awful things are, while enjoying our steak at lunch, which took 2,400 gallons of water to make and caused 250 kg of carbon emissions simply won't do anymore. The stakes (pun intended) are far too high. This is why it is fundamental that we talk about planetary health, which is a solutions-oriented, transdisciplinary field and social movement focused on analyzing and addressing the impacts of human disruptions to Earth's natural systems on human health and all life on Earth. We must learn to live within environmental limits. There is no Planet B for us to move to.

So, in conclusion – people like me and institutions like the Sunway Centre for Planetary Health want to work with you and others on this – on addressing the urgency through the application of knowledge and learning – to engage with normal folk and influence change; change that will break down the silos between health, crises, and economy, between individual, community, city, state and nation and help us all to arrive at a common understanding of the way forward.

This is my call to action – which I will repeat again and again. It is a call for all of us, because, be in no doubt, this sick planet that we are privileged to call home will recover – the question is, will we be here to see and support that recovery.....or not? It's past time to act