

Companies urged to treat ESG as a business investment

KUALA LUMPUR: Environmental, social and governance (ESG) must be treated as an investment that is integrated into the business strategy and not as a separate division or additional operating costs of companies.

UEM Sunrise Bhd head of sustainability Sarimah Talib said this integration comprised all parts of the business, including the management, operations and financial plans of the company.

"You must inhale and exhale ESG. To chief financial officers and financial analysts, you must ensure that ESG is not an expense that you need to lock into your finances because it is wrong.

"Besides, ESG can be further explored to create new business opportunities. For the real estate businesses, for example, you can have an expansion of your renewable energy, an extension of clean energy businesses, and not only to purchase electricity from the utility provider," she said.

Sarimah was presenting a paper titled "Adopting ESG in Property Development and Asset Facilities Management" at a panel session in conjunction with the 30th National Real Estate Convention, themed "Navigating the Property Revival", organised in a hybrid and physical mode by the Royal Institution of Surveyors Malaysia yesterday.

In a separate panel session, Synergistic Real Estate & Network Pte Ltd chief executive officer and founder Kelvin Ng, who presented a paper titled "Re-purposing Malls", said with the rising development and funding cost in the property sector, property developers and managers need to be more innovative in managing current and future products to stay sustainable and relevant.

He said the integration of the offline and online experience for customers using big data analysis and extensive research could support in bringing down operational costs and maximising investment returns.

11 March 2022

"We need to create new sources of revenue and create new ways to help customers by embracing technologies. This could range from various initiatives such as implementing green design, utilising new energy sources and recycling. We also need to work with the local community and city planners to address what are the missing gaps in the market, meaning what is needed within the community to create a better customer experience and enhance social interaction among consumers," he said.

Ng noted that cross-border marketing through multi-channels such as the use of social media, creating a safe and healthy environment (for example, a Covid-19 free environment), as well as proper training in human resources, were also crucial.

"It is not just about making the malls beautiful and nice but details and functions of the mall must also be financially and operationally sustainable," said Ng. — Bernama