



BUILDING A SUSTAINABLE FUTURE



PETRONAS Licensee for
Business Sustainability Consultancy
SC3080104



Ministry of Finance Malaysia Registered
Social & Economic Impact Assessment
Consultancy Firm



Global Reporting Initiative



AGV SUSTAINABILITY AND ESG SERVICES

AGV Sustainability is a specialist consulting firm that provides complete range of services that enhance the sustainability performance of businesses. Our services range from preparing sustainability and carbon footprint reports as well as Integrated Reports, formulating sustainability strategies, developing Sustainability Roadmaps, Internal Sustainability Guidelines & Stakeholder Engagement Plans and providing sustainability assurance services/audits.

Our strength is our technical knowledge and experience in field of environmental and social impact assessment consulting. This enables us to understand the implications of the environmental and the social issues in achieving sustainable development. Our senior consultants have more than 25 years of experience in environmental and social impact studies, and are registered with the Department of Environment and PlanMalaysia.

> Experience

AGV Sustainability has to date prepared more than 150 sustainability reports as of December 2019 based on GRI's G4 Guidelines, GRI Standards and the United Nations' Sustainable Development Goals (17 UNSDGs) in compliance with the requirements of Bursa Malaysia Sustainability Reporting Guidelines.

- ▶ Our experience includes Sustainability Report Assurance & Verification, in-depth Materiality Assessment and Stakeholder Engagement surveys.
- ▶ We have also produced Integrated Reports for clients based on IIRC framework and BURSA guidelines.

- ▶ We have conducted capacity building sessions and workshops on sustainability-related topics to members of the Board in public listed companies as well as to senior management and operational level personnel.

AGV's experience in the area of social impact studies include preparation of Social Impact Assessments and Social Impact Management Plans based on PlanMalaysia guidelines. We have more than 25 years of experience in this field and the sectors covered include land development, infrastructure development and industrial development projects.





SUSTAINABILITY REPORTING SERVICES

Our Sustainability Reporting Services include the following:

- ▶ Preparation of Sustainability Report to GRI Standards in accordance to BURSA Malaysia Sustainability Reporting Guidelines.
- ▶ Preparation of Integrated Sustainability Report to IIRC Framework based on the 6 Capitals.
 - Developing Sustainability Policy and Strategy for organisations inline with its vision, mission and corporate QHSE policies.
 - Developing Stakeholder Engagement Programs
 - Carrying out Materiality Assessment exercise for organisations that includes stakeholder surveys, Focus Group Discussions, Workshops and Interviews
 - Mapping the selected GRI Indicators to the United Nations Sustainability Development Goals and the organisation's activities.
 - Developing the Sustainability Report using GRI Standards' Recommended Sector Indicators, UNSDGs and BURSA Framework.
 - Developing Data Collection & Monitoring programs
- ▶ Training and capacity building for internal sustainability team
- ▶ Sustainability Report Assurance and Verification to the principles of GRI Standards and AA1000 AccountAbility Principles and Assurance Standard.

CARBON FOOTPRINT ASSESSMENT

Development of an emissions inventory is the first step to manage carbon emissions, this exercise can be done at a corporate level, or for a piece of equipment, a facility, and event or even for a specific product.

- ▶ For a company, direct emissions (known as Scope 1 emissions) and/or indirect emissions resulting from imported energy like electricity, heat and cooling (known as Scope 2 emissions) can either be calculated on an operational basis (the sum of all emissions from operations under the control of that company) or an equity basis (the company's share of emissions for an operation they don't control but do have a financial interest in).
- ▶ Scope 3 emissions that are generated by others as a result of a company's activities (e.g., purchase of raw materials, purchase of goods and services, use of products by consumers etc.) can also be included in carbon footprint calculations to get a view on the complete impact of a company. Scope 3 emissions are key for analysing exposure to climate change risk as the most material risk exposure is often in an organisation's supply chain.
- ▶ Emissions associated with individual pieces of equipment or for facilities are useful to determine emissions that a company or facility operator is directly responsible for, using an operational control basis. These emissions, which can be Scope 1 or Scope 2 emissions, provide information of the direct impact of an operation and are often covered by regulatory reporting.
- ▶ To calculate the emissions associated with a specific product, a life cycle assessment methodology is used to determine emissions associated with the entire supply chain from raw materials to manufacturing the actual product and potentially transport, distribution, use and end of life treatment. This information can be used as a market distinguisher for a product, or to claim carbon neutrality for that product if the appropriate offsets are obtained.

With all of these calculations, preparation is key. We will assist with determining the reason why a footprint calculation is required. This assessment will then inform the type of footprint required, the boundaries of the analysis and which emissions types to include (Scope 1, 2 or 3). Our in depth knowledge of emissions estimation techniques will be used to complete the calculations and assess the carbon footprint of the equipment, facility, company or product. We can also assist by creating forecast models to estimate future emissions and complete what if analysis - which are then used as a key input to overall climate change strategy.

All emissions calculations are completed using defined international standards and processes and are aligned with either national reporting requirements, the GHG Protocol or ISO 14064. Emissions factors relevant to the location of the company, operation or product are used to determine overall emissions.

Another benefit of the carbon footprint assessment is that comparisons and benchmarking can be completed and performance against peer companies assessed if desired. Carbon footprints of products can be compared to similar products, or competing products and used as a distinguishing feature in marketing.





TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Task Force on Climate-Related Financial Disclosures, TCFD is a market-driven initiative, set up to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings.

TCFD framework based reporting is fast becoming a de-facto standard within the investment and finance communities as a means of analysing and disclosing their exposure to climate risk. It helps investors, businesses and financial institutions evaluate the climate risks in their decisions. The impact is greater on companies that have large emissions footprint across their value chain.

The growing support for the The TCFD framework has over 850 public supporters globally, the majority of which are investors and financial institutions. This presents a potential risk to businesses by not disclosing exposure to climate change risk

Our Scope of Services

- ▶ **Review of Emissions**
 - Review of emissions estimation method and data for Scope 1, 2 and 3 emissions across the value chain
- ▶ **Baseline Assessment**
 - Review of current performance of the company against climate change strategy checklist
 - Develop the Roadmap for TCFD Disclosure compliance
- ▶ **TCFD-Consistent Risk Analysis**
 - Develop potential climate change scenarios, assess climate related risks in workshop mode
 - Quantify the financial impact of climate related risks
- ▶ **Reporting**
 - Reporting on the methodology employed in analyzing climate related risk analysis and its results,
 - Final report on the TCFD disclosure for inclusion in the annual report.

Core Elements of Recommended Climate-Related Financial Disclosures



Governance

The organization's governance around climate-related risks and opportunities.

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

Risk Management

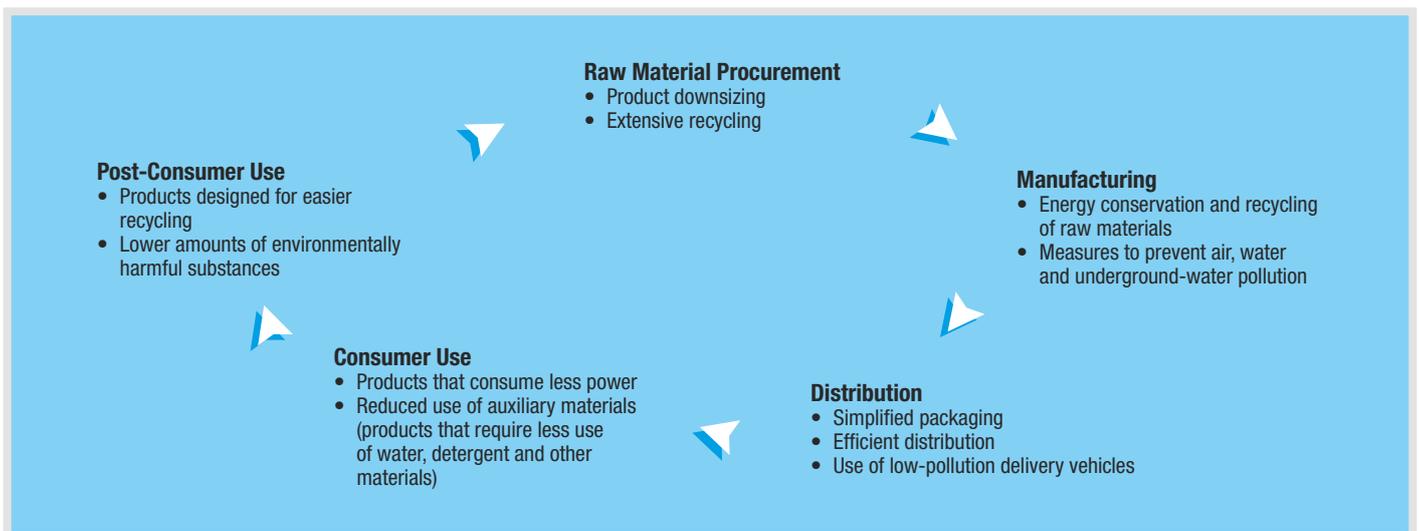
The processes used by the organization to identify, assess and manage climate-related risks.

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

LIFE CYCLE ASSESSMENT

Life Cycle Assessment (LCA) a cradle-to-grave or cradle-to-cradle analysis technique to assess environmental impacts associated with all the stages of a product's life, which is from raw material extraction through materials processing, manufacture, distribution, and use.



> There are four linked components of LCA:

- ▶ Goal definition and scoping: identifying the LCA's purpose and the expected products of the study, and determining the boundaries (what is and is not included in the study) and assumptions based upon the goal definition;
- ▶ Life-cycle inventory: quantifying the energy and raw material inputs and environmental releases associated with each stage of production;
- ▶ Impact analysis: assessing the impacts on human health and the environment associated with energy and raw material inputs and environmental releases quantified by the inventory;
- ▶ Improvement analysis: evaluating opportunities to reduce energy, material inputs, or environmental impacts at each stage of the product life-cycle.

Keeping all three in balance is key if we are to make sustainable products. It is important to note that social and economic factors are as critical as environmental factors if we are to create industries and societies which are truly sustainable.

Life cycle assessment is an essential aspect of sustainability in production. While LCA is typically applied to environmental sustainability, an 'integrated life cycle approach' can also be used to measure the social and economic impact (life cycle costing, LCC) of products.





**SOCIAL
IMPACT
ASSESSMENT**

SOCIAL IMPACT ASSESSMENT

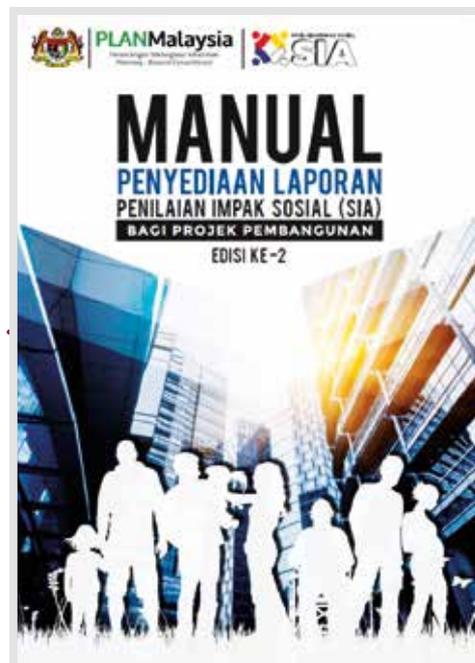
Social Impact Assessment (SIA) is carried out to ascertain the impacts both positive and negative on the society that arises from the implementation of a certain development programme or project. The assessment process involves public participation and engagement with project proponent and local authorities.

As a result of the SIA, the impacts are clearly identified and detailed mitigation and management plans are developed prior to the implementation of the project or programme.

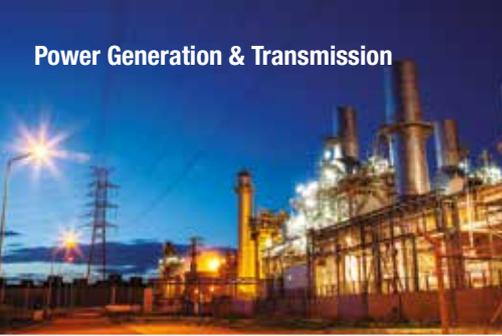
AGV has carried out SIA for infrastructure development projects – port, airport and land transportation infrastructure, property development projects, industrial development projects, , plantation projects and waste management projects. We are well-versed with PlanMalaysia's Social Impact Assessment Guidelines 2018 and have prepared many SIAs in accordance to this guideline.

Following the Social Impact Assessment, a **Social Impact Management Plan (SIMP)** is developed that serves as the working guide for the implementation stage of the project or programme.

AGV's Social Impact Assessment consultants are registered with Plan Malaysia and have more than 30 years of experience in social impact studies and socio-economic studies.



Power Generation & Transmission



Steel & Iron



Infrastructure & Construction



Manufacturing sector



Water Reservoir & Dam



Housing & Commercial Development



Plantation



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SC3080104



Malaysia Ministry of Finance (MOF)
Registered Sustainability Consultancy Firm



Affiliate Member



Member of GRI Gold Community Since 2017



United Nations
Global Compact

Member of UN Global Compact



AGV Sustainability & ESG Services is a member of the AGV Group that consists of AGV Environment Sdn Bhd and AGV Environment Asia Pte. Ltd.

We are environmental and sustainability consultants offering insightful guidance to our clients in meeting the demands of more environmentally compliant and sustainable organisations. Our consultants have more than 200 years of combined experience, and are registered with the Department of Environment, Department of Occupational Health & Safety, and other professional bodies. AGV is registered with the Ministry of Finance Malaysia.

We also have strategic partnerships with leading multinational engineering & environmental consultancies. Together with our strategic partners, we can take on the most challenging environmental projects and in the areas of sustainability, offering benchmarking against our clients' peers internationally and making continuous improvements to their sustainability reports.

AGV Sustainability & ESG Services is best placed to assist clients ranging from the largest listed firms to newly listed SMEs throughout their sustainability journey, be it in preparing the client's first sustainability report or making improvements to the tenth sustainability report. We work closely with our clients to bring clarity to their sustainability journey and making it part of the continuous business improvement plans.

We have presence in Malaysia, Singapore and Indonesia, in Malaysia we are in Petaling Jaya, Penang, Johor Bahru and Kota Kinabalu.



Environment, Health, Safety & Sustainability Consultancy Group

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