Risk Beyond 2023
Into the Unknown: Charting the Future Agenda

Global Dynamics, Local Impact: Addressing Social Challenges

Session 8
8 December 2023

Setting the Context: Global Dynamics Influencing Local Social Challenges

Global dynamics

The complex network of connections spanning economic, political, cultural, and technological networks highlights the significant impact that global events and trends can wield on local communities

Economic globalization: Global economic changes i.e. recessions, trade policies, and financial crises, can lead to local problems such as unemployment, poverty, and economic instability.

Cultural influence: Globalization allows the sharing of cultural ideas, values, and norms. This can enrich local cultures but may also cause conflicts as communities navigate changes in traditions and identities.

Technology and communication: Global technology connects people, creating awareness of global issues but also posing challenges such as digital access, cyberbullying, and misinformation for local communities

Environmental impact and resource depletion: Climate change (extreme weather events, rising sea levels) and resource depletion (scarce resources) may affect local communities causing displacement and health challenges

Political changes and conflicts: Global political events, including conflicts and international policies, can impact local communities through political ideologies and may affect local governance

Global health crises: Health crises including the Covid-19 pandemic has severely affected health systems, economies, and social structures

Human Rights: Worldwide movements for human rights may inspire local activism exposing to new requirements and expectations from the local communities

Social challenges

Social challenges can arise in various contexts, from individual relationships to societal structures

Poverty: Economic disparities and lack of access to basic resources resulting in poverty issues

Inequality: Social, economic, and gender inequalities may lead to discrimination and limited opportunities for certain groups

Discrimination and prejudice: Racism and other forms of discrimination can contribute to social divides and deter inclusivity

Access to education: Limited access to quality education may spread cycles of poverty and inequality

Health disparities: Differences in access to healthcare and health outcomes among different social groups may contribute to social challenges

Unemployment: Economic factors can lead to unemployment, impacting individuals and families and contributing to social instability

Crime and violence: High crime rates and violence may create an atmosphere of fear and insecurity within communities

Migration and displacement: Forced migration, refugee crises, and displacement can result in social challenges for both the affected populations and the host communities

Environmental justice: The unequal distribution of environmental benefits and burdens, often affects marginalized/disadvantaged communities more significantly

Setting the Context: Global and Malaysia

🟩 Environment　🟦 Social　🟧 Governance　⬜ Others

According to World Economic Forum's Global Risk Report 2023, the world is facing a set of risks that feel both wholly new and eerily familiar

Similarly, Malaysia is also exposed to existing and emerging risks with cost of living crisis leading the list

How can these risks lead to the social challenges?

Top 10 Global risks according to their severity

Risk	Rank
Cost of living crisis	1
Natural Disaster and extreme weather events	2
Geoeconomic confrontation	3
Failure to mitigate climate change	4
Erosion of social cohesion and societal polarisation	5
Large-scale environmental damage incidents	6
Failure of climate change adaptation	7
Widespread cybercrime and cyber insecurity	8
Natural resource crises	9
Large-scale involuntary migration	10

Top 5 Malaysia Risks according to their severity

Risk	Rank
Cost of living crisis	1
Rapid and/ or sustained inflation	2
Debt crisis	3
Geoeconomic confrontation	4
Human-made environmental damage	5
Severe commodity supply crises	5
Severe commodity price shocks	5
Prolonged economic stagnation	5
Failure of cybersecurity measures	5

Cost of living has shown gradual increase over the years, making it difficult for individual to meet their basic needs e.g., housing, healthcare

Inflation will lead to reduction in purchasing power as household tends to save more than to spend

Climate change consequently led to natural disaster (e.g., flood, landslide) which could affect household's safety and health. This includes spread of disease, heat-related illness and limited access to medical/healthcare support

Water scarcity resulted from the extreme heat led to the insufficient water level in Malaysia's dam which disrupt the agricultural and manufacturing operations

Insufficient cyber security can contribute to privacy breaches, identity theft, and denial of access. This could reduce the efficiency at workplace and breach of human rights

Malaysia's National Roadmaps towards 2030

National Energy Transition Roadmap
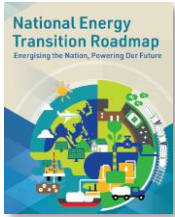
Launched in July 2023, the NETR outlines **10 flagship catalyst projects** to drive **energy transition** and change the energy mix to **improve climate resilience.**

Targets

- Reduce annual GHG of over 10,000 Gg CO_2eq
- Over RM25bil investments
- 23,000 job opportunities

MADANI Economy

EKONOMI MADANI *Memperkasa Rakyat*

As the 30 largest economy and top 12 in global competitiveness, MADANI aims to further boost Malaysian economy and achieve quality GDP growth.

Focus Areas

- Regionalizing businesses, transforming & enhancing economic competitiveness
- Championing social justice to improve quality of life
- Rebuilding trust via good governance & delivery

National Budget 2024

Belanjawan 2024 MALAYSIA MADANI

"Economic Reforms, Empowering the People"

The Budget 2024 is themed around 3 key pillars:

1. *Good Governance for Service Excellence*
2. *Economy Restructuring to Boost Growth*
3. *Enhancing Rakyat's Standard of Living*

New Industrial Master Plan 2030

NEW INDUSTRIAL MASTER PLAN 2030

Aims to build a **robust industrial sector** as prerequisite to **socioeconomic prosperity.**

Targets

- **GDP**: RM 364bil to RM 588bil ▲ 61%
- **Jobs:** 2.7mil to 3.3mil pax ▲ 20%
- **Pay**: RM 1.9k to RM 4.5k ▲ 128%

Twelfth Malaysia Plan

TWELFTH MALAYSIA PLAN 2021-2025 A PROSPEROUS, INCLUSIVE, SUSTAINABLE MALAYSIA

3 Themes

- Resetting the economy
- Strengthening security
- Advancing sustainability

4 Policy Enablers

- Develop Future Talent
- Enhance Connectivity & Transport Infra
- Tech. Adoption & Innovation
- Strengthening Public Service

Mid-term review with 17 big bolds :

- Gov & Institutional Framework
- Fiscal Sustainability & Financial System
- Corruption Legislation
- HGHV industry based on Energy Transition
- Targeted Subsidies
- Social Protection Reform
- Strengthen Healthcare Services
- Housing for the Rakyat
- Strengthen National Security & Defence
- Enculturation of MADANI Society
- Digital & Tech based HGHV Industry
- High Value E&E HGHV Industry
- HGHV Agri. & Agro-Based Industry
- Streamline Public Transport Network
- Empowering MSMEs & Social Ent.
- Future-ready Talent
- Rare Earths HGHV Industry

Big Corporations Support

The Government has an expectation for **big corporations to support** the **nation building agenda,** through the following:

1. Supporting various **Governments plans** and **transition roadmaps**
2. Partnering with Government to **provide infrastructure & services**
3. Co-managing **cost of living crisis**
4. **Upskilling**, providing **employment** and **development of future-ready workforce**

Introduction to PLUS Malaysia Berhad

- PLUS Malaysia Berhad (PLUS) was incorporated on 29 November 2010 and is the **largest tolled expressway operator in Malaysia and one of the largest in Southeast Asia**. PLUS has been the essential source of transportation in peninsular Malaysia, with a **footprint covering 9 states, 2 federal territories spanning over 1,130km,** and is dubbed as the 'backbone' of Peninsular Malaysia.

- As the largest toll expressway operator in Malaysia, PLUS is committed on a path of sustainable growth by balancing profitable growth and social and environmental responsibilities through provision of safe transportation of goods & services, enabling job creation and ensuring freedom of movement for all citizens.

Our Activities

- Highway operations
- Highway maintenance
- Toll collection
- Health & Safety
- Marketing
- Corporate Communications
- Risk & Compliance
- Big Data Analysis
- Sustainability
- Financing

- Traffic Management
- GRC
- Procurement
- Commercial Development
- Land Development
- Right of Way
- Rest Stop Services
- Technology Integration
- Innovation & Development
- Security

Legend:
- ── PLUS Highway
- Highway Name
- City
- International Airport
- Domestic Airport
- Seaport

Legend:
1. Toll Plaza Closed-Circuit Television (CCTV)
2. High Mast Lighting
3. Automated License Plate Recognition (ALPR) Camera
4. Street Lighting
5. Directional Signage
6. Rest Service Area (RSA)/ Overhead Bridge Restaurant (OBR)/ Lay-By
7. Landscaping
8. Speed Limit Road Sign
9. Highway CCTV
10. Weigh-in-Motion (WIM)
11. Motorcycle Shelter
12. Oversized Vehicle Detection (OSVD) System
13. Variable Messaging Sign (VMS)
14. Unmanned Aerial Vehicle (UAV)
15. Vista Point
16. SMARTLane Signage
17. PLUSRonda Patrol Vehicle
18. Emergency Telephone

Facilities

104	Toll Plazas	50	Lay-bys
128	Interchanges	173	Public Restrooms
29	Rest Service Areas	132	Suraus
4	Overhead Bridge Restaurants		

Assets

5,100	Lane-KM Pavement	705	Bridges
1,721	High Mast Lightings	39,624	Street Lightings
2	Tunnels	4,136 KM	Highway Guardrail Barriers
88	Variable Message Signs	2,770	Closed-circuit Television Cameras
1,119	Emergency Telephones		
60 KM	Wire Rope Safety Barriers	4,055 KM	Highway Fencing
3	Unmanned Aerial Vehicle	8,346	Slopes
6,036	Culverts		

Patrolling Services

590	Patrolmen
90	Traffic Monitoring Support Personnel
140	Patrol Vehicles
39	Motorbikes
28	Slide Decks
17	Tow Trucks

Supporting our Business Associates in a Post COVID-19 Ecosystem

- We have built **29 R&Rs** and **50 lay-bys**, providing essential services such as surau, stalls and public restrooms along our highways.
- As such, we are able to provide business opportunities to **over 500 Business Partners who operate along our rest stops**. This includes Malaysian brands and local operators who live within 30km of the highway radius providing them an opportunity to participate in providing services that lead to income generation

Business Partners Incentive Programme (BPIP)

- We assist these Business Partners through our structured **Business Partner Incentive Program (BPIP)** to nurture entrepreneurs in effectively adopting new business and operational models to stay competitive and strive for success in their businesses. Our training program cover areas of **digital adaptation, entrepreneurship, operational optimization and customer service excellence.**
- The training topics include, but not limited to:

Menu Engineering & Digital Marketing Training	**Price Control & Anti-Profiteering Act** Briefing	**Financial Management** Training	**Anti-bribery & Corruption** Refresher Sessions

- Over the last 5 years, we have awarded more than **RM 900 million** worth of contracts annually to more than **600 qualified vendors** which include a mix of large-scale, medium and small G1 & G2, vendors ensuring a fair coverage of income distribution.
- In supporting the Nation's digitalization efforts, we play our role in providing **digital literacy** to these stall operators and at the same time, providing our highway customers with convenient **digital payment options**. As of today, **99% of our R&R outlets and kiosks** across our highway footprint have successfully provided cashless payment options.

440+
business partners participated in each training programme we organized annually.

Vendor Development Programme (VDP)

- We have established a **five (5)** year **Vendor Development Programme (VDP)** aimed at propelling Malaysian MSMEs towards becoming locally and globally competitive.

- In an effort to ensure **holistic development for our participating vendors**, the VDP contains several key activities that include:

  ✓ Vendor consultancy and site visit
  ✓ Vendor assessments based on MPC' Business Excellence Framework
  ✓ Technical training by technical partners.
  ✓ Networking and business matching sessions
  ✓ Vendor exhibitions
  ✓ Competitions and awards

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Vendors are part of our VDP.

Strengthening Safety of Personnel, Highway User and Fence Line Community

MALAYSIA
Youths record the highest road accident fatalities in Malaysia, says PM Ismail Sabri

- In Malaysia, road accident was among the main cause of deaths nationwide with an average of **4,769 lives** lost each year between 2019 - 2021.
- Youths accounted for almost **50% of the road accident death cases,** due to a **lack of safety awareness**.

MALAYSIA
HR Ministry: 34,216 cases of occupational injuries recorded in 2022

- The **National Occupational Accident and Disease Statistics** recorded a total of **34,216 occupational injury cases** in 2022, with **312 fatal cases**.
- This highlights the need for **organization intensify their health and safety programmes** to safeguard their employee.

Workplace

Organised Annual Safety Day to inculcate a culture of health and safety among Warga PLUS.

Developed **Expressway Operations Safety Passport (EOSP)** to **provide safety knowledge** for Warga PLUS, business associates and contract workers.

Institutionalisation of **24 safety audits annually**, with HSSE representatives deployed at our offices across the country.

Offered **Defensive Driving Course** to increases **driving competency** among our **patrolman** and ensure their safety on the job.

Highway Users

AI Alert System for Detection of Suicide Attempt
- Enhanced Suicide Alarm & Alert System (SAAS) at Penang Bridge to provide real time audio earning

PLUSRonda Intelligent management (PRIME)
- Digitalised PLUSRonda logging activities enabling swift monitoring and real-time notification

Safety Vehicles
- Utilisation and enhancement of safety vehicles to reduce fatality cases in planned and emergency works e.g., Truck-Mounted Attenuator (TMA)

Social Media Communication
- Dissemination of regular social media posting to improve public's safety awareness

Fence Line Community

Upgraded vehicular box culvert in Kampung Sari Baru, Pagoh, by conducting pavement rehab and installing solar lights. **Benefitted** around **7,000 residents from 5 villages**, enhancing safe passage and accessibility.

Collaborated with PDRM for road safety awareness, benefiting **200** students at SMK Guar Cempedak, Kedah, and **144** students and staff at Taiping Vocational College, Perak.

Also, conducted **road safety webinars with JPJ** for **261** UTM students in Johor and a safety outreach program for **194** students at Japan-Malaysia Technical Insitute, Selangor.

Responding to Climate Change Vulnerability is Essential

Our Vulnerability to Climate Change

Hazards & Climate Change
While Malaysia vulnerability to natural hazards are lower, the country still suffers high average annual losses attributable to flooding.

Climate Risk Exposure
Largely dependent on local topography, soil conditions or by regional weather and distance from the coast.

Physical Vulnerability
The various hazards affecting urban regions.

Climate Action Interventions
Climate change adaptation and sustainable development require significant support and investments from all relevant stakeholders.

Coherence with Sustainable Development Goals and the Paris Climate Agreement

Photos from public sources

Preventive efforts:
- Regular inspections and routine maintenance
- Initiated flood wall extensions at locations with high vulnerabilities.
- Prepared rescue equipment and temporary shelters

Detective efforts:
- Deployed UAV drones for air surveillance
- Installed flood markers to monitor rises in water levels.
- Capitalised on CCTVs along our highways for better visual inspection.

Corrective efforts:
- Activated ERPs to ensure safety during rescue
- Established alternative route plans and temporary traffic diversions
- Communicate through various communication channels

While addressing climate incidents, it is crucial for us to **demonstrate social responsibility towards both our highway users and the communities** along the fence line

We collaborated with External Response Agencies (ERAs) to execute the evacuation of highway customers and Warga PLUS who were stranded due to floods.

We provided financial and food assistance as well as visited those affected to help them in cleaning up their homes

Upholding Human Rights for internal and external stakeholders

Human Rights Risk Assessment (HRRA)

- Human Rights Risk Assessment (HRRA) is a globally recognised methodology to facilitate organisations in identifying potential human rights impacts on external & internal stakeholders arising from their business and operations.

- We have undertaken a HRRA exercise, guided by the following references:

1	Universal Declaration of Human Rights (UDHR)
2	UN Guiding Principles on Business and Human Rights
3	The Danish Institute on Human Rights
4	Global Compact Network Germany

Primary Guidance

Universal Declaration of Human Rights (UDHR)	UN Guiling Principles on Business & human Rights (UNGP)	Danish Institute for Human Rights	Global Compact Network Germany

- As a socially responsible organisation, we strive to consistently drive, uphold & integrate human rights principles into our business and operations.

Human Resources	Health & Safety	Community Impact	Contractors and Supply Chain
Physical Security Arrangements	Business Integrity	Product Quality and Marketing Practices	

Human Rights Policy

HRRA Stakeholders

NGOs · PMB Staff · Business Partners · Vendors · Fence Line Community · Security Personnel · Customers · Human Rights Holders

Addressing Social Issues within our Footprints through Innovative Solutions

Revolutionizing highway infrastructure for the environment and enhanced safety

- Our mission is to develop a digitally-infused highway ecosystem, enabling seamless collection and synthesis of information, supported by artificial intelligence (AI) to aid decision-making, revolutionize operations & maintenance and enhance customer journeys. This includes transitioning our toll operations to Multi Lane Fast Flow (MLFF) to improve customer experience and congestion management

- This will be a catalyst in living our mission in *connecting communities to shape a safe and sustainable future*

- Over the years, we have implemented various innovative solutions into our highway operations including but not limited to :

Suicide Alarm & Alert System (SAAS)

Customer Footfall Counter

Prime

PLUS Mobile Application

Facilitating vendors to transition into the green economy

- We are committed to transition towards a sustainable supply chain, which includes developing and engaging vendors that are ESG-compliant

CERTIFIED | **29** vendors | With MyHijau Certification

5 vendors | MyHijau certified organizations that have transacted with PLUS

- We are finalizing our Green Procurement Framework to align our procurement practices with our mission to ensure procurement is conducted in an environmentally conscious manner

- The framework plans to institutionalize the following actions:

Encourage MyHijau/ ISO certified companies to register as PLUS' vendor

Prescribe an evaluation weightage for environmental criteria for vendor assessment

Evaluate vendors' performance annually to determine alignment to sustainable KPIs

Uplifting the social status of our fence line communities

- We are committed in taking care of our fence line community well being through continuous CSR programme. This year, PLUS has conducted a "Community Day" involving 25 community projects with participation of 3, 700 Warga PLUS

- The organization-wide campaign focuses on promoting greater awareness and comprehension in regards to road safety and sustainability

- We are also active in distributing zakat and donations to our fence line community. To improve our approach, we will be strengthening our CSR initiatives including:

  - To collaborate with Pusat Zakat to diversify zakat distribution approach

  - To establish long-term partnership with selected NGOs to participate in their upcoming initiatives

Building resilience towards future trends & opportunities

- To strengthen our resilience, we continuously identify and assess potential threat (via internal and external risk scanning) that may disrupt our operations and business impacting our internal and external stakeholders. This helps us to identify preventive, detective and corrective measures to mitigate and minimize the impact
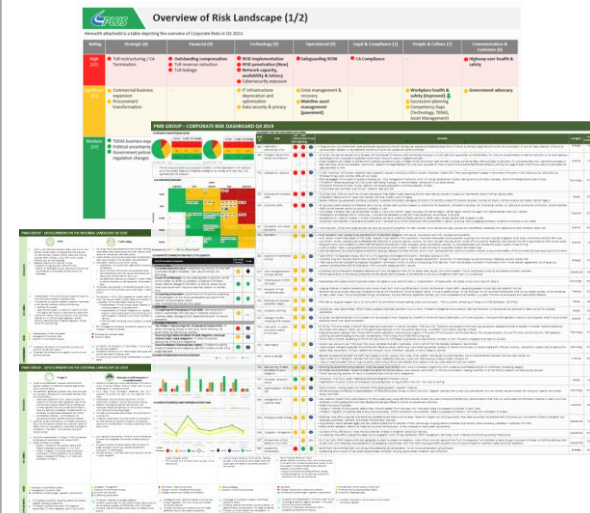
- Similarly, we are also actively identifying opportunities that may benefitted the company and our people incl. employees, business partners, customers and fence line communities e.g. flood preparedness plan our stakeholders, changes in government policies on overtime claims

THANK YOU

PLUS