



GLOBAL CONFERENCE 2025

ENTERPRISE RISK MANAGEMENT:
RISING FROM THE ASHES

INTEGRATING ESG AND GOVERNANCE
EXCELLENCE TO POWER THE NEXT
ERA OF BUSINESS

SARIMAH TALIB
VICE PRESIDENT OF SUSTAINABILITY &
EXTERNAL RELATIONS
BUMI ARMADA BERHAD

Agenda



Decoding ESG



Sustainability Governance



ESG Risk Management



Excellence Through Integration

What is ESG?

ESG decoded



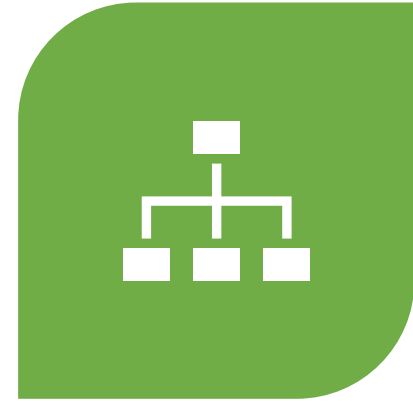
ENVIRONMENT:

HOW DOES THE COMPANY ADDRESS
ENVIRONMENTAL CONCERNS?



SOCIAL:

HOW DOES THE COMPANY TREAT EMPLOYEES,
CONSUMERS, AND THE COMMUNITY?



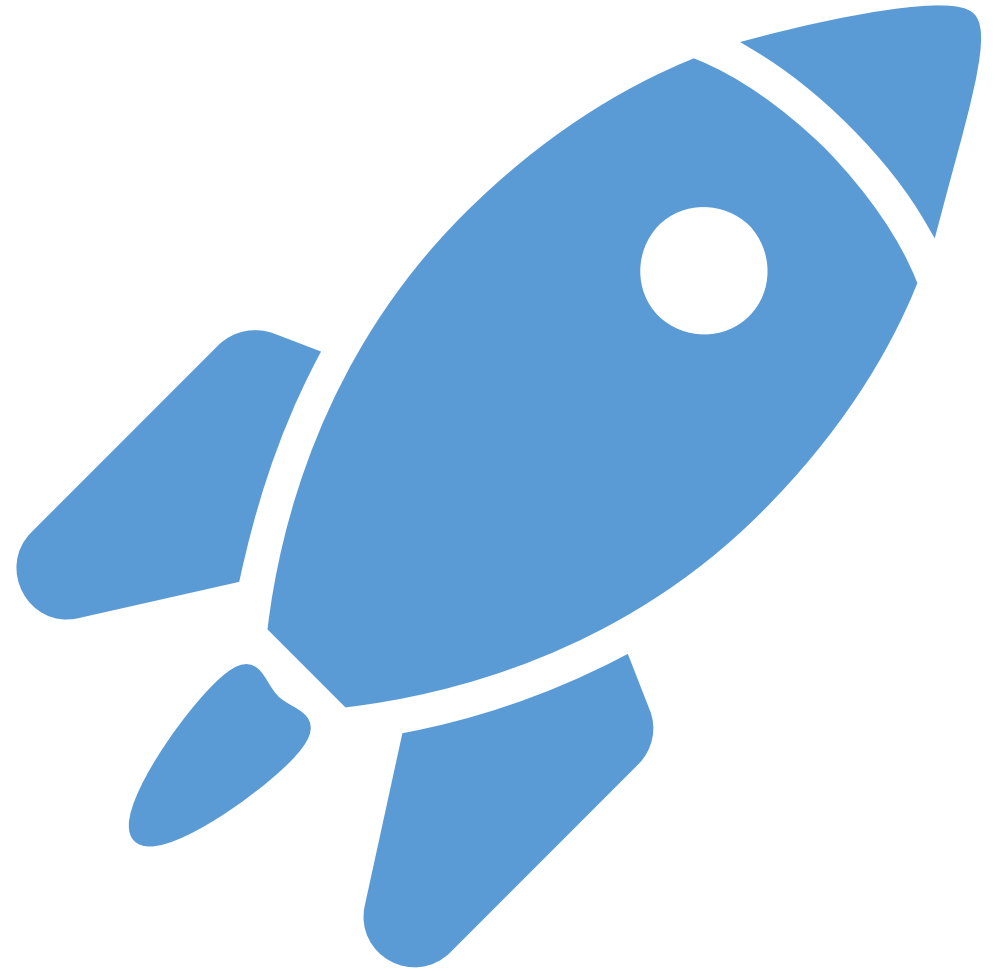
GOVERNANCE:

HOW IS THE COMPANY BEING MANAGED?

THE SYNERGY BETWEEN ESG, ETHICS AND COMPLIANCE



Why ESG is
gaining
momentum?



Growing stakeholders' expectations

01

Investors are aware that ESG factors affect overall risk and return portfolio, pressuring companies to adopt ESG strategies that are “fit for purpose”, accurate and forward-focused.

02

Consumers expect companies to demonstrate a commitment to being good corporate citizens and to be transparent about managing ESG issues through effective reporting and disclosures.

03

Regulators - legislation requires companies to address ESG issues, and new regulations are continually being introduced.

04

Directors and executives play a crucial role in the corporate agenda of companies.

Sustainability Governance



Crucial for business resilience and long-term value.



Key components of business strategy for responsible growth.



Effective governance is essential for integrating sustainability.



Navigates complexities and fulfils regulatory and stakeholder requirements.

Sustainability Governance at Bumi Armada

- Bumi Armada promotes sustainability by using Environmental, Social, and Governance (ESG) principles in its operations.
- The Sustainability Council, led by the CEO, defines strategic objectives and prioritises ESG matters for the company.
- The board of directors regularly assesses ESG topics to ensure accountability and uphold effective governance practices.
- Risks are integrated into the company's risk management framework.
- BAB aligns with international standards, including the GRI, ISSB, and UN SDGs, demonstrating its commitment to transparency and responsible growth.



Sustainability Policy

We have established a Sustainability Policy which steers Bumi Armada in shaping its ESG strategies and outlines our commitment towards achieving Net Zero by 2050.

Bumi Armada is fully committed to embedding sustainability in our operations. Our unwavering commitment entails the conscientious execution of operational efficiency, mitigation of environmental impact and contribution to the well-being of our employees and the communities where we operate.

ENVIRONMENTAL STEWARDSHIP

1. CLIMATE ACTION

- Commitment to reduce GHG emissions through improved operational efficiencies, energy conservation and opportunities in low-carbon technologies.
- Implementation of measures to monitor, report and reduce the carbon footprint of our operations.

2. BIODIVERSITY CONSERVATION

- Adherence to environmental regulations and standards to minimise impact on local ecosystems and biodiversity.
- Support for conservation efforts and sustainable land management practices in areas of operation.

3. RESOURCE EFFICIENCY

- Optimisation of resource use and energy consumption through innovative technologies and industrial practices.
- Implementation of waste management and pollution prevention programmes to minimise environmental impact in line with applicable regulatory requirements, as well as exploring opportunities for continuous improvement.

SOCIAL PROSPERITY

1. COMMUNITY ENGAGEMENT

- Active engagement with local communities to understand their needs and concerns.
- Investments in community development projects, education and healthcare to support local well-being.

2. HEALTH AND SAFETY

- Commitment to protect the health and safety of our employees, contractors and those (including local communities) who could be directly impacted by our business activities.
- Implementation of industrial recognised standards and regular training programmes to ensure effective health and safety management system and proactive culture in safety.

3. HUMAN RIGHTS

- Upholding and respecting human rights throughout the supply chain and operations.
- Zero tolerance for any form of discrimination, child labour or forced labour.

CORPORATE INTEGRITY

1. ETHICAL BUSINESS CONDUCT

- Adherence to high ethical standards in all business activities and interactions.
- Implementation of anti-corruption policies and procedures to ensure transparency and integrity.

2. BOARD ACCOUNTABILITY

- Clear delineation of roles and responsibilities within the Board to ensure accountability.
- Regular reporting on sustainability performance to stakeholders, including shareholders.

3. STAKEHOLDER ENGAGEMENT

- Regular communication and engagement with stakeholders, including investors, employees, communities and regulatory bodies.
- Integration of stakeholder feedback into decision making processes.

By adopting and adhering to our Sustainability Policy, Bumi Armada aims to be a leader in environmentally responsible oil and gas operations, contributing positively to the communities where we operate and upholding a sustainable future for generations to follow.

Climate Change Policy



BUMIARMADA

CLIMATE CHANGE POLICY

As a member of the energy industry, Bumi Armada recognises that ESG risks are one of the key material areas that are important to our business. The Group strongly believes it has the responsibility to work towards minimising and mitigating ESG related impacts and, where possible, implementing sustainable practices across our operations. Bumi Armada accomplishes this by collaborating with our clients to engineer solutions which maximise the sustainable value of their assets while reducing the environmental impact of their operations.

The Company acknowledges that climate change, one of the key ESG risk areas, affects all our stakeholders, including our shareholders, clients, employees and the communities. The Company approaches the challenge of climate change as an opportunity to do what we do best: innovate, collaborate, and drive efficiencies across our operations. Our Board of Directors and Management Team oversees all climate-related risks and opportunities, as part of our Enterprise Risk Management ("ERM") framework. In line with our ERM framework, Bumi Armada is committed to addressing identified climate related risks, including public policy and regulations that are material to our business.

In line with commitments from the United Nation Climate Change Conference ("COP 26") and our Sustainability Philosophy, the Company aspires to achieve **Net Zero Emissions by 2050** through our "Sustainable Quality Progress" strategy.

The principles of the Climate Change Policy include the following:

Innovation

- Embedding consideration of climate change risks and sustainability in the design of our vessels.
- Collaborating with clients in providing cleaner and more reliable energy solutions through the adoption of green technology.
- Applying emergent green technologies on new projects where applicable and practicable.
- Continue to fund progress engineering studies and pursue business developments for:
 - Zero GHG emissions FPSOs and Floating Liquefied Natural Gas (FLNG) vessels.
 - Post combustion carbon capture and storage facilities.

Operation

- Innovate, collaborate, and drive efficiencies to reduce GHG emissions.
- Measure emissions accurately, prioritising and incentivising GHG reductions.
- Engaging our employees on climate change issues and the actions which they can take to help reduce GHG emissions.
- Ensure GHG emissions management plan are prioritised across the business.

Value Chain

- Prioritise minimum lifecycle carbon footprint throughout our supply chain.
- Collaborate with our clients and contractors to help reduce GHG from their operations.
- Prioritise the development of offshore carbon sequestration business.
- Expand our LNG regasification business to drive cleaner energy alternatives.

Compliance & Transparency

- Ensuring compliance with all applicable environmental laws and regulations.
- Report regularly to our shareholders on our progress in sustainability and stewardship of our business.
- Develop strategic partnerships with clients and contractors that are COP26 committed.

GARY CHRISTENSON
Executive Director / Chief Executive Officer
Date: 20th June 2022

Other Policies



Human Rights Policy



ABC Policy



Code of Business Conduct & Ethics
(COBCE) Policy



Speak Up Policy

ESG Risk management





Climate- related risks and opportunities



Integrate climate risks and opportunities into our decision-making processes.



Collaborates with clients, suppliers, and regulators to enhance climate resilience.



Partners with clients in compliance and adheres to industry standards to reduce carbon emissions over the long term.

Overview of climate-related risks and opportunities



Physical



Regulatory



Technology



Market

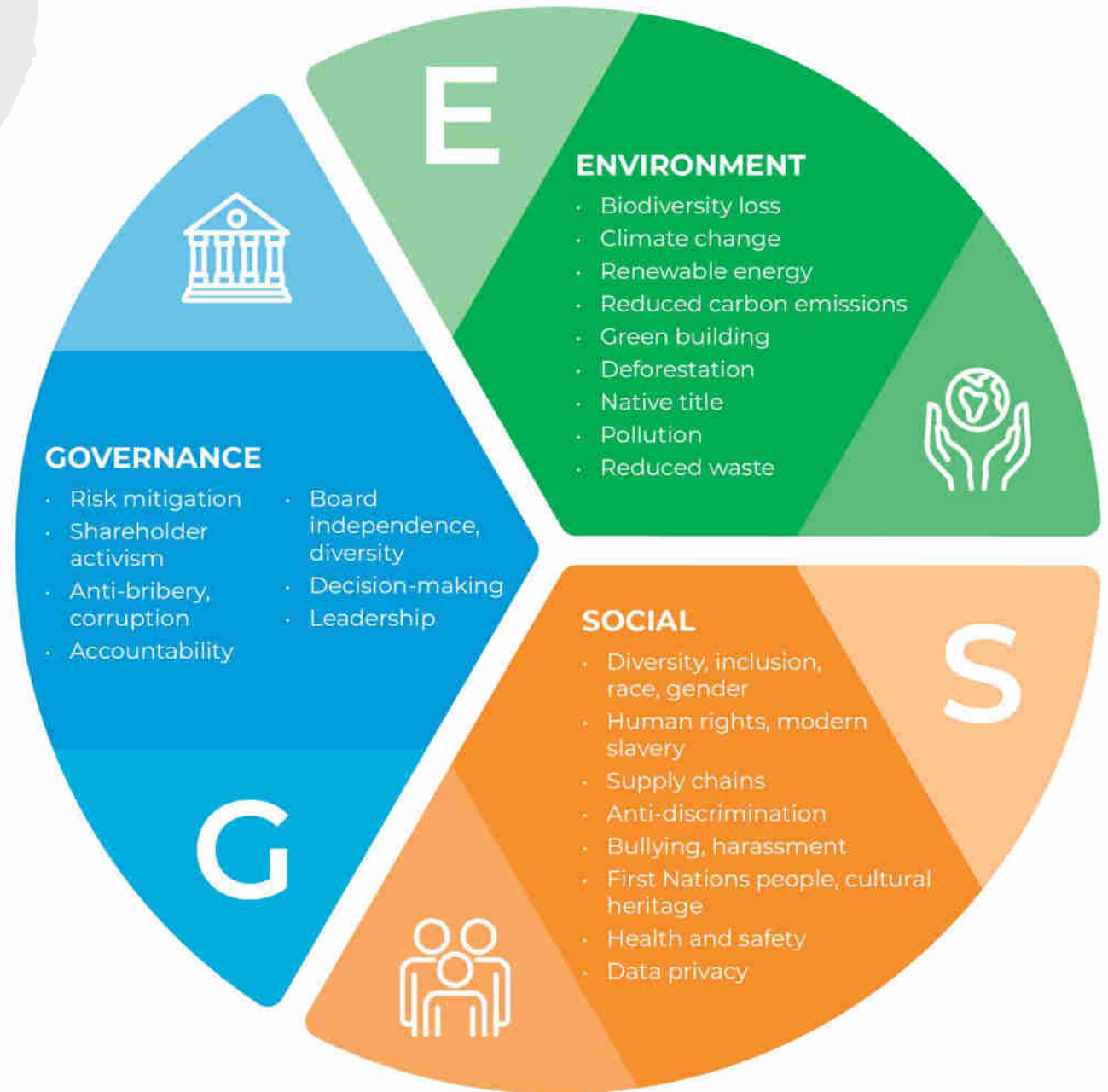


Reputation and social

We will purposefully integrate material risks and opportunities into our strategic priorities to strengthen our business plan and drive positive outcomes.

ESG Materiality

- Generic
- Industry-specific
- Country-specific



An aerial photograph showing a vibrant blue river meandering through a lush, dense green forest. The river's path is irregular, creating a series of loops and bends. The surrounding forest is thick and uniform in color, suggesting a healthy, undisturbed ecosystem. The lighting is bright, highlighting the textures of the water and the foliage.

Environmental Risks

- Climate change
- Carbon emissions
- Energy use and efficiency
- Water stress and usage
- Waste management
- Pollution
- Biodiversity and ecosystem impact
- Raw material sourcing
- Product lifecycle impact

Social Risks

- Labor practices and human rights
 - Occupational health and safety
 - Diversity, equity, and inclusion (DEI)
 - Community relations
 - Indigenous rights
 - Supply chain risks
 - Customer privacy
 - Product safety & quality
 - Access & affordability
-



Governance Risks

Board
governance

Executive
compensation

Business
ethics

Regulatory
compliance

Transparency
& disclosure

Risk
management

Tax practices

Stakeholder
engagement

Cybersecurity
governance



Categories of climate related risks

Physical risks created by a changing climate.

Transitional risks resulting from the global shift towards a low-carbon economy.

- The risks present an opportunity for BAB to improve its business strategies and support its key stakeholders.
- The financial impact will vary based on the pace and nature of the upcoming changes, allowing for proactive planning.
- This timeline emphasises the urgent global challenge of climate change, encouraging industries to adapt and innovate in response.

Risk Assessment Methodology

- **Likelihood** of the climate issue impacting business objectives
- **Severity**/financial impact of climate risks on business objectives.

Effective ESG risk management



Strong governance enhances regulatory compliance, boosts reputation, engages stakeholders, and reduces ESG-related financial risks.



Integrating ESG factors into the risk management framework is essential for effectively addressing global challenges.



Efforts to address climate change are gaining momentum through rising litigation. Investors, consumers, and advocacy groups are increasingly working together to encourage governments and companies to take meaningful action on climate risks.

Strengthening governance & risk management

Business resilience, transparency,
and accountability.

Business continuity

Regulatory readiness : NSRF, ISSB
(S1, S2), carbon tax

Ensuring informed, timely
decisions.

Integration of ESG risks

01

Reputational damage—a good ESG profile protects against scandals, backlash, and loss of trust.

02

Loss of competitive edge – ESG leadership positions a company ahead of regulatory and market shifts.

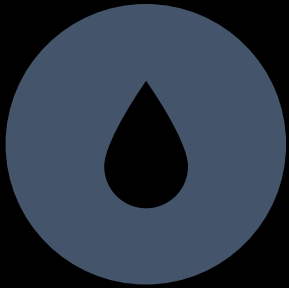
03

Reduced valuation – ESG impact credit ratings, share price, and investor appetite

04

Operational disruptions – proactive risk mapping, scenario analysis, and ESG integration enhance resilience.

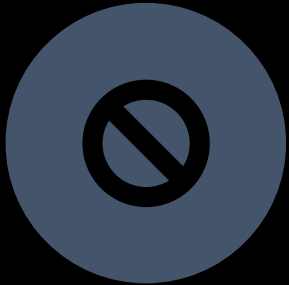
Trends of Global ESG Scandals



Oil spills



Product safety issues



Data breaches,
workplace harassment



Accounting scandals

The *Shift*

From scandal

To social and environmental
stewardship



The new era of sustainable investment landscape

ESG- conscious investing safeguards against future risk



- Stakeholders expect companies to incorporate ESG goals into their operations and value chains.
- They demand profitability alongside measurable ESG strategies and transparent reporting.

Act of balance



1. Sustainable solutions
2. Capex investment
3. Setting a threshold on ROI

Benefits of integration



Enhanced investor confidence



Better access to sustainable finance



Strengthened partnerships with stakeholders.



Positioning BAB as a responsible player in the offshore energy sector.

Sustainability: From cost to OPPORTUNITY

Call To Action:

Sustainability is the core business driver.
Embed climate transition plan into overall business strategy.



Benefits:

Ensures regulatory compliance.
Enhance access to finance.
Strengthens credibility with stakeholders.
Accelerate decarbonisation efforts.

Green Funds

Green bonds, sustainability-linked loans, and other ESG-focused financial products are creating new opportunities for companies and investors.

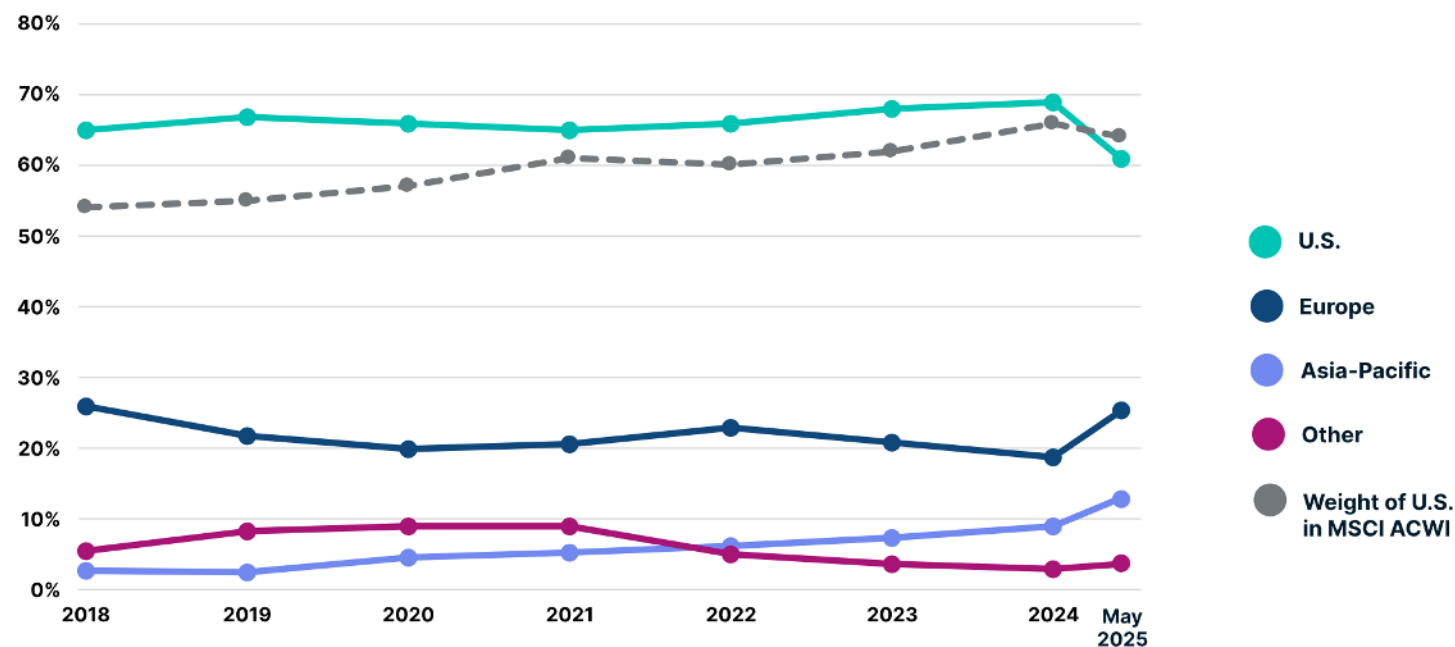
Reshaping the financial landscape and enabling companies to fund sustainability initiatives.

Strong ESG performance metrics and transparent reporting are crucial to avoid 'greenwashing' and maintain credibility.

Investments of climate-themed funds by region (%)



Investments of climate-themed funds by region (%)

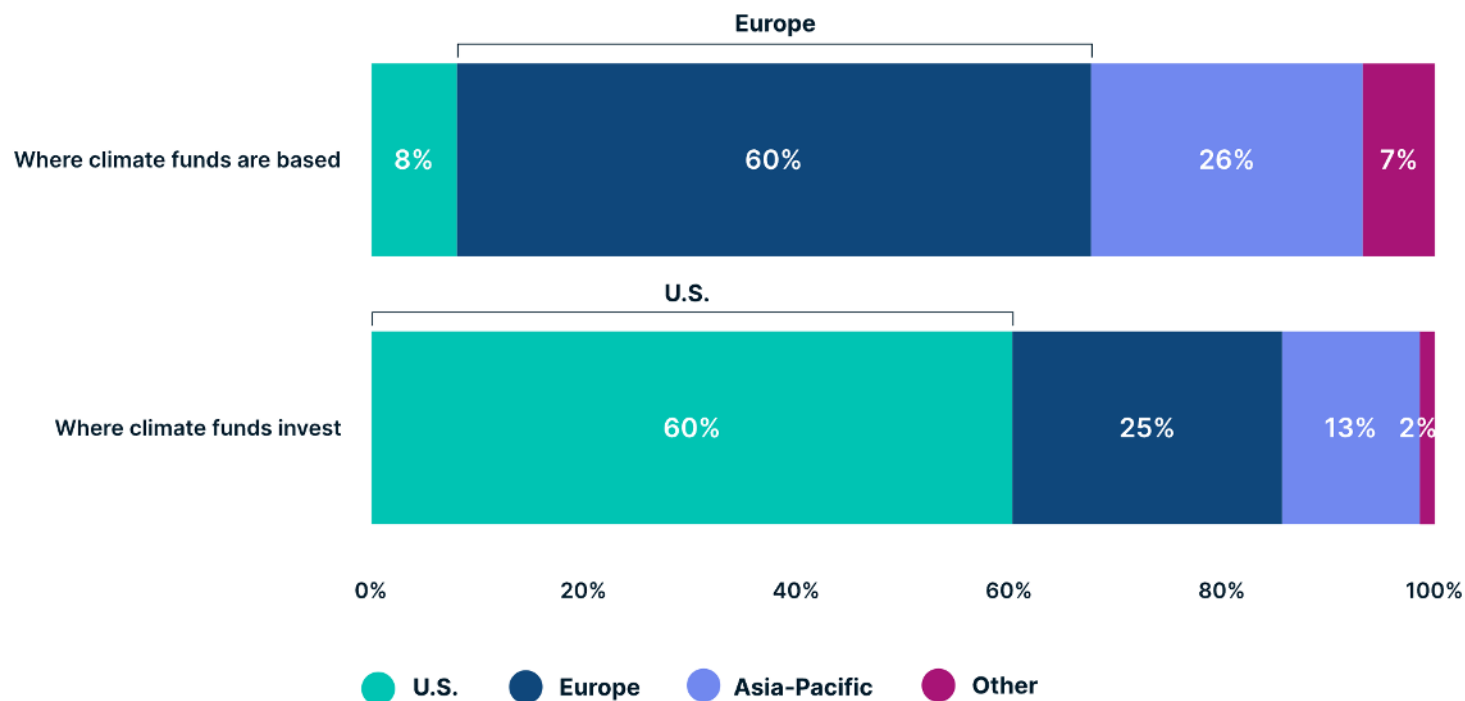


Source: MSCI ESG Research, data based on asset-weighted exposures of 1,528 climate funds as of May 31, 2025.

Destination and source of climate-themed funds by region (%)

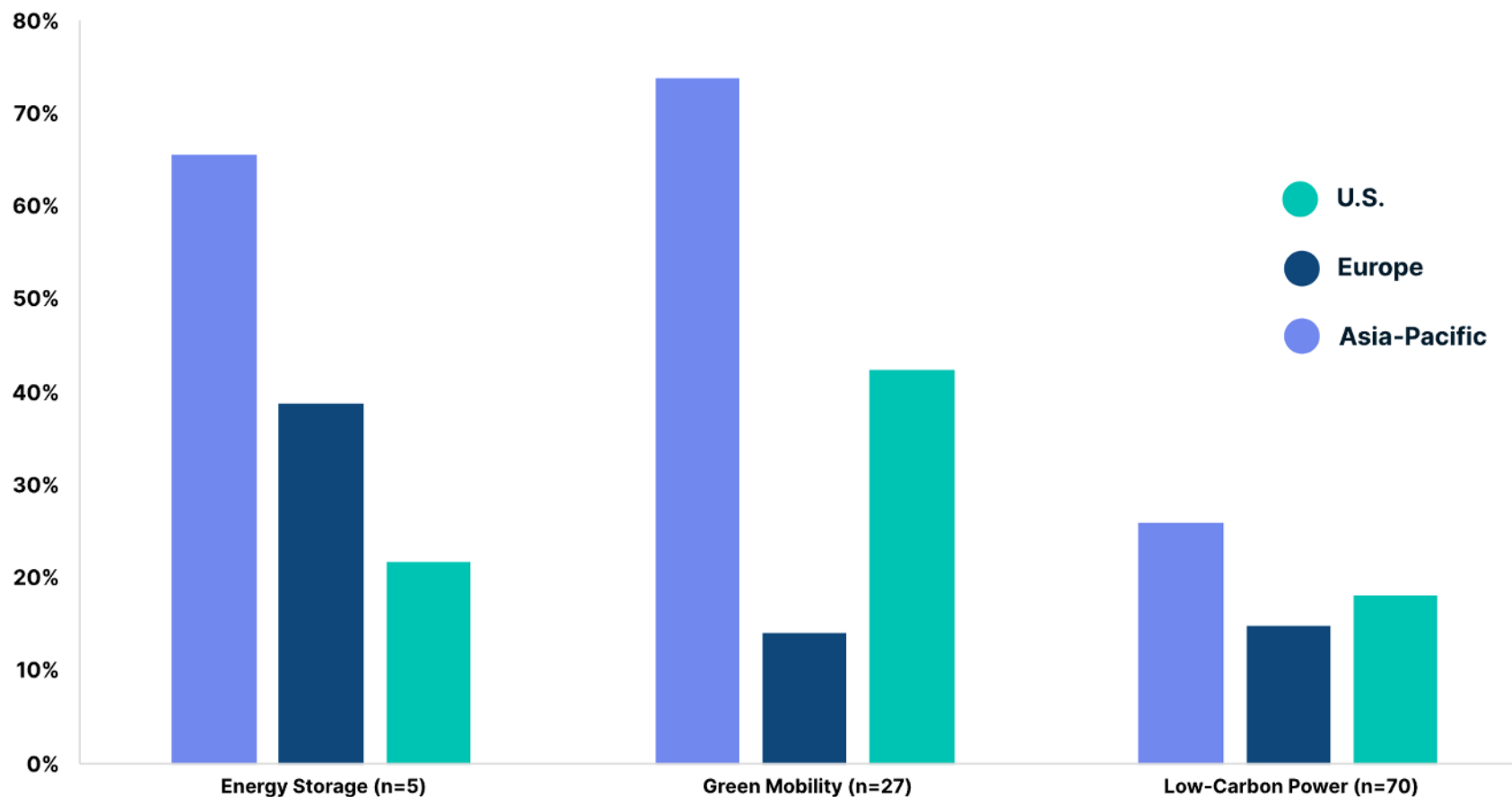


Destination and source of climate-themed funds by region (%)



Source: MSCI ESG Research, data based on asset-weighted exposures of 1,528 climate funds as of May 31, 2025.

Pure-play providers, year-over-year revenue growth (2019-2024, revenue-weighted)



Pure-play
providers, year-
over-year
revenue growth
(2019-2024,
revenue-
weighted)

Source: MSCI ESG Research, FactSet. Pure-play solutions providers are defined as those that earn more than 50% of their revenues from the identified low-carbon business lines based on the MSCI Sustainable Impact Metrics methodology, as of the latest assessed financial report. Low-carbon solutions providers (excluding pure players) are identified using a low threshold of 5% to include companies that are potentially transitioning and positioning for growth from the identified low-carbon business lines. Energy storage includes fuel cells and other energy storage solutions, such as battery energy storage. Green mobility includes zero emissions and hybrid vehicles and clean transport infrastructure (e.g., railway infrastructure). Low-carbon power includes renewable energy (solar, wind, wave tidal, small hydropower, geothermal, waste-to-energy and biomass) and nuclear power. Revenue growth is calculated in USD. Weights are derived using the average revenue of companies between 2019 and 2024. Winsorization of the average year-over-year growth rates was done at the 5th and 95th percentile to reduce the influence of extreme values.



Growing ESG focus

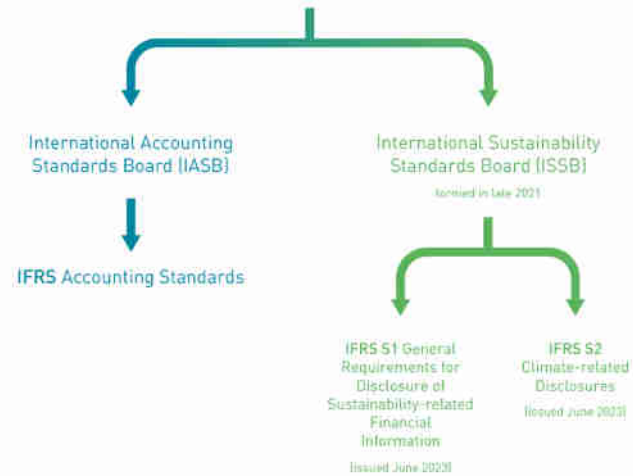
AI and Machine Learning
analyse ESG data to
identify trends and
predict risks.

Blockchain technology to
improve the traceability
and authenticity of ESG
data throughout supply
chains.

ESG Disclosure:

Transparency matters





IFRS
S2








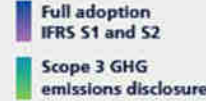



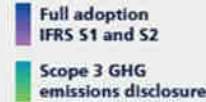
Governance

Strategy

Risk Management

Metrics

Bursa Timeline for IFRS Compliance

Implementation of the NSRF							
Applicable entities		Timeline ²					
		2025	2026	2027	2028	2029	2030
	Group 1 Main Market listed issuers with market capitalisation of RM2 billion and above	IFRS S1 and S2 			Full adoption IFRS S1 and S2 Scope 3 GHG emissions disclosures 		
	Group 2 Main Market listed issuers (other than listed issuers in Group 1)		IFRS S1 and S2 		Full adoption IFRS S1 and S2 Scope 3 GHG emissions disclosures 		
	Group 3 • ACE Market listed issuers • Non-listed companies (NLCos) with annual revenue of RM2 billion and above ³			IFRS S1 and S2 			Full adoption IFRS S1 and S2 Scope 3 GHG emissions disclosures 
Assurance <small>*Assurance framework will be subject to further consultation</small>		<ul style="list-style-type: none">• Aim for reasonable assurance for Scope 1 and Scope 2 GHG emissions starting 2027• Accounting and non-accounting practitioners					
Location of disclosures and timing of reporting		Applicable entities shall adhere to their respective regulator's requirements on location and timing of reporting.					

Bursa Timeline for IFRS Compliance

Reliefs and exemptions to facilitate adoption

Additional transition reliefs commencing from the first annual reporting period of the respective applicable entities	Group 1 & 2	Group 3
<ul style="list-style-type: none"> ● Permissible to disclose information on only climate-related risks and opportunities (in accordance with IFRS S2) 	2 years	3 years
<ul style="list-style-type: none"> ● Permissible to focus climate-related disclosures specifically on principal business segments 		
<ul style="list-style-type: none"> ● Permissible to not disclose Scope 3 emissions, except for categories already required by respective regulators 		

Large NLCos whose holding company:

- already reports using ISSB-aligned standards or equivalent standards such as the European Sustainability Reporting Standards (ESRS)⁴ may leverage on the holding company's sustainability- and climate-related disclosures.
- reports using other international standards and frameworks may be given exemption from reporting for three reporting periods, subject to the policy decision of the Registrar.



Key Takeaways

1. The journey toward effective ESG integration and reporting is a constructive one, presenting a wealth of opportunities for growth and enhancement.






Key Takeaways

-
2. It calls for a transformative approach in the way businesses operate, assess success, and generate value.





Key Takeaways

3. As this transformation unfolds, the integration of ESG, risk management, and core business strategy will enhance clarity and pave the way for sustainable and resilient business practices.
- 



Key Takeaways

4. In this new era, success will be defined not just by financial performance, but by a company's ability to create value for all stakeholders while operating within planetary boundaries.



A large orange circle occupies the left side of the slide, partially cut off by the edge.

Key Takeaways

5. Sustainability initiatives should be seen as valuable opportunities rather than financial burdens. They serve as catalysts for innovation, resilience, and the creation of long-term value in today's business landscape.



Critical Success Factors

Aspiration

Boldness

Commitment

Determination

Excellence

Future – sustainability at its core

Resilience
Reputation
Growth



Building a Sustainable Future at Bumi Armada

We are committed to achieving Net Zero by 2050 and advancing our sustainability agenda.

By balancing our portfolio, embracing technology, and prioritising decarbonisation, we are working towards a more sustainable future.

[Bumi Armada Corporate Video 2025](#)



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ENTERPRISE RISK MANAGEMENT:
RISING FROM THE ASHES

THANK YOU

-  InstituteOfEnterpriseRiskPractitioners
-  institute-of-enterprise-risk-practitioners
-  ierp_official