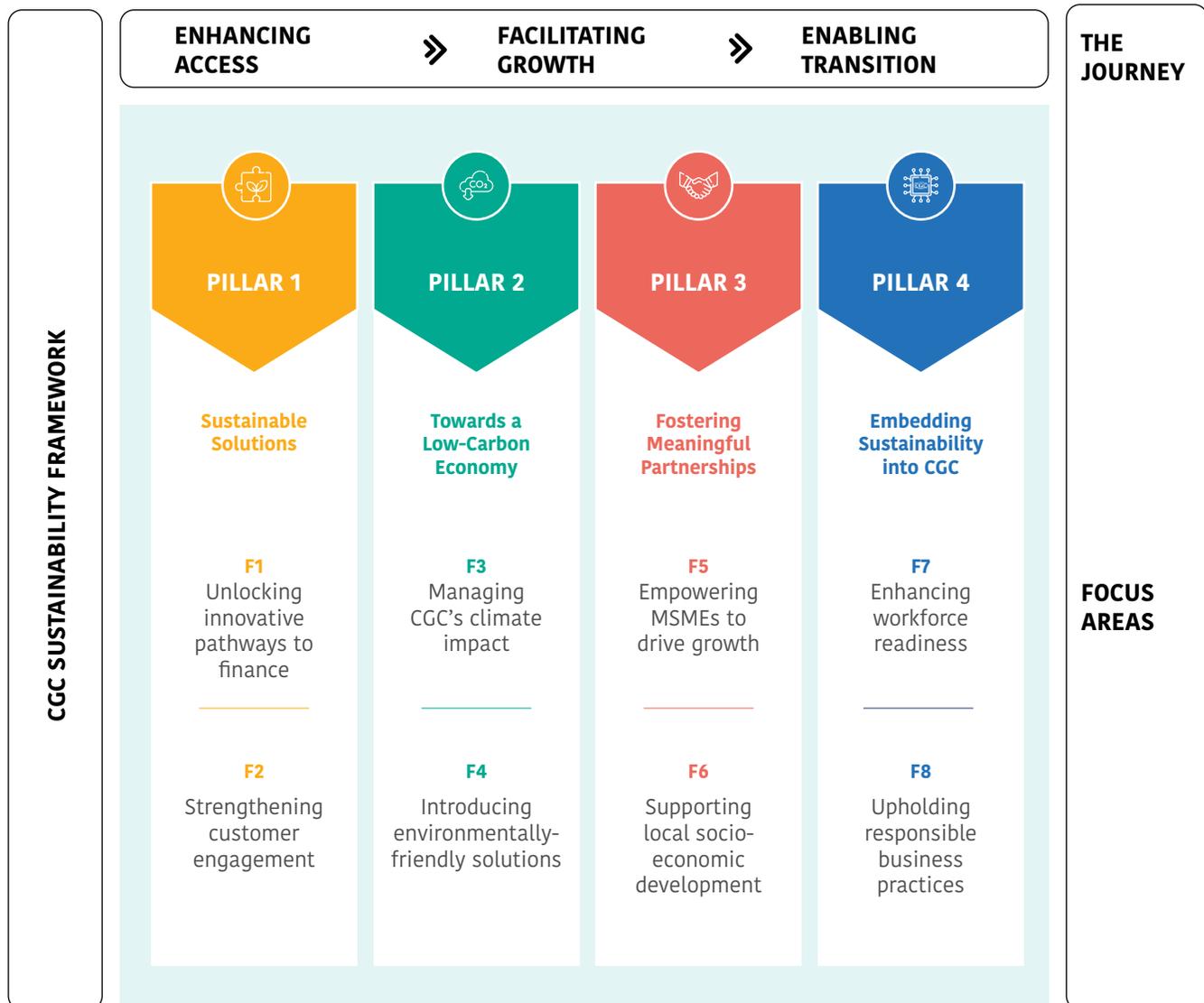


# CGC SUSTAINABILITY FRAMEWORK

Embarking on a sustainability journey is an essential step towards reducing our environmental impact, improving our social responsibility, and ensuring strong governance practices. To guide us on this pathway, we have identified four pillars - Economic, Environmental, Social and Governance (EESG) - each dedicated to addressing the specific challenges related to these areas. These pillars will provide a framework for us to identify and implement sustainable solutions, customised to our unique needs and goals.



The CGC Sustainable Framework comprises four pillars, each with a specific focus on addressing material issues through tailored initiatives. Pillar 1 provides sustainable economic solutions, while Pillar 2 guides our transition to a low-carbon economy to address environmental issues. Pillar 3 fosters meaningful collaboration with internal and external stakeholders to address social sustainability, and Pillar 4 integrates sustainability into our governance.

Developed as a three-year process up to 2025, the CGC Sustainability Framework aligns with our 5-Year Strategic Plan to increase the visibility and empowerment of MSMEs by addressing key challenges and obstacles.

## MSMES' SUSTAINABILITY CHALLENGES

SUSTAINABILITY

CHALLENGE	DESCRIPTION	MITIGATION
1	<p><b>SURVIVAL FOCUS</b></p> <p>For MSMEs, survival and business continuity are top priorities. Therefore, they may be hesitant to adopt sustainable practices unless they can see clear and proven financial benefits.</p>	<ul style="list-style-type: none"> <li>Enhancing MSMEs' business resilience to foster sustainable growth through digital upskilling.</li> <li>Providing clarity on market access opportunities, offering MSMEs access to overseas markets to expand their reach.</li> </ul>
2	<p><b>LACK OF AWARENESS</b></p> <p>MSMEs may lack understanding of what sustainability entails, including their key environmental and social risks. Unfortunately, available sustainability training for MSMEs is often inadequate and insufficient.</p>	<ul style="list-style-type: none"> <li>Promoting knowledge transfer and knowledge-sharing on sustainability through establishing support forums or groups on specific topics.</li> <li>Implementing mentoring and educational programmes on financial costs and benefits of both digital and offline sustainability practices.</li> </ul>
3	<p><b>LACK OF RESOURCES</b></p> <p>MSMEs often face resource and capacity constraints that hinder their progress on their sustainability journey. Financial limitations are particularly prominent, alongside a lack of knowledge or know-how regarding effectively implementing sustainable practices.</p>	<ul style="list-style-type: none"> <li>Providing access to financing to assist MSMEs on their sustainability journeys.</li> <li>Providing MSMEs with access to informative resources that may help address their technical concerns, such as quantifying greenhouse gas (GHG) emissions.</li> <li>Mentoring and educational programmes that provide MSMEs with ongoing support during their sustainability journey.</li> </ul>
4	<p><b>ACCREDITATION COSTS</b></p> <p>The cost of attaining sustainability accreditations, standards or certifications can be prohibitively high. Additionally, the bureaucratic process of achieving these accreditations can create a significant administrative burden for MSMEs.</p>	<ul style="list-style-type: none"> <li>Providing financial assistance to MSMEs, or providing them with access to programmes that can help offset costs of becoming more sustainable.</li> <li>Providing MSMEs with access to programmes that can help decrease the administrative burden of attaining sustainability certifications.</li> </ul>

CHALLENGE	DESCRIPTION	MITIGATION
5	<p><b>LACK OF DATA</b></p> <p>MSMEs may not have a clear understanding of what sustainability data to use or how they should gather it or calculate it. This is often due to a lack of standard methodologies or processes for collecting sustainability data. MSMEs may lack the capacity and knowledge to address this issue effectively.</p>	<ul style="list-style-type: none"> <li>• Providing MSMEs with access to informative resources that may help to address their more technical concerns, e.g., quantification of GHG emissions.</li> <li>• Assisting MSMEs in identifying key sustainability metrics and setting clear goals to enable them to demonstrate progress.</li> </ul>
6	<p><b>COST-BENEFIT IMPLICATIONS</b></p> <p>If MSMEs are unable to see the financial benefits of adopting sustainability or offering sustainable products, they are less likely to prioritise sustainability alone. It is essential that MSMEs understand the cost-benefit implications of adopting sustainable practices.</p>	<ul style="list-style-type: none"> <li>• Mentoring and educational programmes to educate MSMEs on the financial costs and benefits of digital and offline sustainability practices.</li> <li>• Providing clarity on market access opportunities, including internationalisation opportunities.</li> <li>• Mentoring and education programmes that provide MSMEs with ongoing support during their sustainability journey.</li> </ul>