

**KEYNOTE ADDRESS
BY
HIS ROYAL HIGHNESS
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**AT THE
ASEAN CAPITAL MARKETS DINNER**

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'Prosperity through balance'

1. As a keen student of history, I have often observed that civilisations rise to meet challenges not through luck, and certainly not by standing still, but rather through knowledge, courage, and collective effort. And across time, the human spirit's constant drive for progress has allowed us to overcome immense difficulties, and produce innovative solutions that continue to inspire awe.
2. The Pyramids of Giza stand as one lasting testament to human ingenuity, built using only the most basic ropes, levers, rollers, and sledges, yet executed with vision and discipline. Human ingenuity has also carved rice terraces into the hillsides of Asia, telling an age-old story of harmony between human aspiration and nature's design. The

Longji terraces of China, the paddy fields of Bali, and the ancient terraces of Tambunan in the interiors of Sabah, all reflect the interdependence between human survival and the vitality of the natural world.

3. What we now describe as **planetary health** has, in essence, always been understood by our ancestors; that humanity and the earth share a single fate; that human wellbeing is intrinsically linked to the health of the planet.
4. And it is this same instinct for creativity, balance, and renewal, that must guide us as we face the defining challenge of our own time: building a climate change-resilient world.
5. Some estimates suggest that if global temperatures rise by 3.2 degrees Celsius by 2048, Malaysia's economy could contract by as much as 46%.¹ Such projections may be worse case scenarios, but they cannot be ignored. They serve as warnings of the devastating cost of inaction. And the speed with which we now move to mitigate and adapt will be our defining legacy for those who come after us. For if we do not act, and urgently, they will surely suffer the consequences.

¹ Source: Swiss Re Institute, 2021

Moving the Needle on Climate Change

6. Extreme weather is no longer something unusual or rare. It is recurrent, intensifying, and reshaping economies and societies alike. So we must now urgently direct our scientific and financial resources to understanding and addressing it.
7. The Planetary Boundaries Framework, developed by the Stockholm Resilience Centre and Potsdam Institute for Climate Impact Research, identifies nine critical bio-physical systems that together regulate earth's stability. These include climate, biodiversity, land use, freshwater, and the flow of nutrients through soils and oceans. Crossing even one of these boundaries poses irreversible risks of cascading change.
8. But just last month, Potsdam confirmed that seven have now been breached, the latest being ocean acidification. This means humanity has already moved beyond the safe space for long term resilience. Our task, therefore, is not simply to tackle climate change, but to bring our entire economies back within these boundaries in all nine areas.
9. Around the world, countries are investing billions into renewable energy – from solar and wind farms, to hydropower and hydrogen. Businesses are reducing their emissions through energy efficiency,

greener buildings, and electric vehicle fleets. Some have gone further, developing carbon capture, utilisation, and storage facilities.

10. Carbon markets are emerging as powerful mechanisms to fund emission reduction, protect ecosystems, and empower communities. From renewable energy projects to nature-based solutions, these markets help provide pathways for lower-carbon growth.

11. Yet, as with any intervention aimed at improving planetary health, their success depends on credibility and transparency. I commend the ASEAN Capital Markets Forum for its foresight in developing a region-wide Voluntary Carbon Market Development Plan – an essential step towards a trustworthy regional framework for decarbonisation.

12. But avoidance and mitigation are insufficient. Our adaptation capacity, to withstand and recover from climate shocks, has lagged far behind. And mitigation, transition, and adaptation are not unconnected pillars; together they form one structure. To safeguard the planet and its people, we must advance all three in unison. So science and technology must now focus more fully on this less glamorous but equally vital task of adaptation.

The Economics of Adaptation

13. Globally, adaptation remains severely underfunded, attracting less than ten percent of current climate finance flows. Paradoxically, adaptation is not only essential, but economically sound. The Global Commission on Adaptation estimates that US\$1.8 trillion invested in resilience could yield US\$7.1 trillion in net benefits, mainly in avoided losses. But without sufficient investment, the world's largest companies could face annual climate-related costs of up to US\$1.2 trillion by 2050.²

14. Yet, inertia persists. Governments alone cannot meet these needs. The business community, with its innovation, capital, and reach, must also lead. This demands new skills, and redesigned frameworks, to better identify and fund adaptation projects. I commend ASEAN regulators for their work on the Mitigation Co-benefit and Adaptation for Resilience Guide (“mARs” Guide)³, which strengthens the ASEAN Framework, and provides practical pathways for financing resilience.

² Source: Reuters opinion piece by The Reverend Kristen Spalding, Vice President of the Ceres Investor Network titled “Investing in climate adaptation is no longer optional. It's business-critical”, (3 July 2025).

³ The mARs Guide will ultimately be a reference document that provides a list of climate adaptation measures (i.e. activities and technologies) in addressing climate hazards, most pertinent to ASEAN. This Guide will inform investors of a detailed description of the measure, its role in adaptation, scalability, target beneficiaries, environmental, social and economic benefits, among others.

15. And corporate Malaysia, too, must think creatively about adaptation. The most enduring solutions may be those rooted in local wisdom. Consider again the rice paddy terraces found across Asia and beyond. Their very design slows down water flows, reducing flooding, and harnessing the natural balance of ecosystems. Inspired by this, Thammasat University in Bangkok has created a rooftop of cascading paddy fields, to capture rainwater and cool the surroundings.

16. Floods remain Asia's most frequent and damaging climate hazard. By designing rooftops in this way, to mimic natural systems, we could build our cities to better withstand heavy rains, thereby helping to prevent disasters. Such interventions contribute not only to human well-being, but also to the integrity of our planetary boundaries. Urban greening reduces heat stress and pollution, while restoring wetlands strengthens our water and nutrient cycles, and reforestation rebuilds biodiversity and soil fertility.

17. Adaptation, therefore, is not an act of retreat, but a strategy for renewal. It is about how we bring our societies back into balance with the natural systems that sustain them.

The Duality of Islamic Finance's Role

18. Translating scientific understanding into real-world impact requires scale. And scale requires capital. I believe Malaysia holds a unique advantage in this area, particularly in relation to Islamic finance. Guided by the principles of stewardship and justice, this provides a moral and practical framework to advance sustainability and planetary health.
19. At its heart, Islamic finance is about an economy of balance: between wealth creation and moral duty, between profit and purpose. These principles mirror the essence of planetary health, which recognises that the health of human societies is intertwined with the health of the earth's ecosystems.
20. The Securities Commission Malaysia's (SC) SRI Sukuk Framework has already mobilised billions of ringgit for projects that deliver both climate and social benefits. The 2022 SRI-linked Sukuk Framework built upon this by linking financing to measurable sustainability outcomes, and by extending eligibility to transition strategies. The first ever renmimbi-denominated climate sukuk was also recently issued here in Malaysia, based on carbon credits generated by ultra-efficient residential lighting.

21. These instruments must now be further leveraged to support adaptation as well as mitigation. Islamic finance can and should be a catalyst for planetary health; channelling investment into initiatives that regenerate ecosystems, strengthen community resilience, and secure the natural foundations of progress.

22. Innovative structures could extend adaptation finance to support rural and low-income communities, restore degraded land, or provide rapid recovery funds for small and medium sized businesses affected by climate shocks.

23. Finance alone is not enough, however. We must also assert a greater sense of moral accountability in how we define our prosperity. For too long, profit has been pursued without regard for environmental and social consequences. But profit without purpose is fragile; it undermines the very systems that sustain it.

24. Placing human dignity and empathy at the heart of finance, and protecting the well-being of future generations, are central to the aspirations and principles embodied in the SC's 2023 Maqasid Al-Shariah Guidance for the Islamic Capital Market Malaysia. This guidance provides the ethical compass for aligning financial systems with the principles of planetary health.

25. These are not abstract ideals. They are the building blocks of a new economic paradigm — one where capital serves both human prosperity and ecological integrity. Doing good and doing well are not opposing objectives; they reinforce each other. And through principled finance, we can build an economy that nourishes both people and planet.

The National Planetary Health Action Plan

26. We stand at a decisive moment. The health of our planet is not some peripheral issue – it is the foundation upon which all prosperity, security, and peace depend. The choices we make in this decade will determine whether we will manage to remain within the safe operating space for humanity, or move further toward systemic risk. Will our children inherit a world of abundance, or scarcity? Of stability, or of struggle?

27. Malaysia has now charted its own path forward through the National Planetary Health Action Plan, a national framework, the first of its kind in the world, that translates the science of planetary health and planetary boundaries into practical governance and economic action. It is a roadmap of how business, government and society can work together to realign growth with the earth's limits.

28. But the Action Plan also signals a deeper shift – one that challenges how we measure success itself. The pursuit of return on investment has long guided business strategy. The next frontier demands a broader lens, however: a return on values approach. This means judging progress not only by financial profit, but by the social, environmental, and moral good that flows from it.

29. A return on values approach recognises that the true wealth of nations lies in healthy ecosystems, cohesive communities, and a stable climate. It values trust, equity, and regeneration alongside innovation and efficiency. It rewards those who contribute to resilience rather than extraction; who prioritise stewardship rather than short-term gain.

30. The Action Plan provides the scaffolding for such a transformation. It offers businesses a national framework through which to redefine value, directing capital towards ecosystem restoration, sustainable food systems, circular production, and resilient supply chains. These are not acts of charity, but strategic investments in long-term planetary stability – and therefore, in enduring prosperity.

Concluding Points

31. Let us therefore unite science with values, capital with conscience, and progress with compassion. Let our region be a model of climate resilience and planetary stewardship. A region that grows not at the expense of the earth, but in harmony with it.