

SUSTAINABILITY FRAMEWORKS: FROM POLICY TO PRACTICE

19 AUGUST 2025



The 2030 Agenda for Sustainable Development

Provides a shared blueprint for peace and prosperity for people and the planet, now and into the future

What is Sustainability?

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs

(Brundtland Report of the World Commission on Environment and Development, 1987)

Sustainable Development Goals (SDGs)

- In 2015, 193 countries set the Sustainable Development Goals (SDGs) – 17 goals, 169 targets and 248 indicators to achieve a better and more sustainable future for all
- The blueprint provides a coherent, holistic, integrated framework for <u>addressing the most urgent global</u> <u>sustainable challenges</u> – protecting environment, tackling climate change, ending poverty and hunger, reducing inequalities, improving access to healthcare and education as well as building strong institutions and partnership
- It calls join action by <u>governments</u>, <u>businesses</u> and <u>civil</u> <u>societies</u> worldwide to solve the pressing global sustainable issues.

Sustainability challenges



World consume 1.8x faster than production by the ecosystem



60% loss of world's biodiversity



Melting of 415 billion tones of ice



75 tones loss of fertile soil annually

Benefits of Achieving SDGs

Generate at least **USD12t** worth of market opportunities by **2030**

Unlock 50% of the value of business opportunities in developing countries

Create **380 m** jobs by 2030, almost **90%** of which would be in developing countries

What is ESG?

ESG is here to stay ESG: **HOW COMPANIES...**

Respond to climate change



Treat their workers



Build trust and foster innovation



Manage their supply chains



Forbes, The remarkable rise of ESG, 11 July 2018 conducted by the IFC



The term ESG was first coined in **2005** in a landmark study entitled "Who Cares Wins"



ESG investing is estimated at over **USD20 trillion** in AUM



In 2018, over 80% of the world's largest corporations use GRI standards

GHG emissions, Deforestation Biodiversity, Waste Management, Pollution, EE, RE

Corruption, Board Diversity and Structure, Exec. Remuneration, Tax Strategy, Regulatory Policies, Whistleblower Programme

Seek an equilibrium between economic objectives and environmental considerations while making company decisions and adopt ecologically compatible conduct, technology and methods



Implement best practice governance principles to operate an ethical business that are trusted by stakeholders

Environmental



Governance

Contribute to meaningful change in business by fully utilising local resources and strengthening employees, supplies, customers and communities

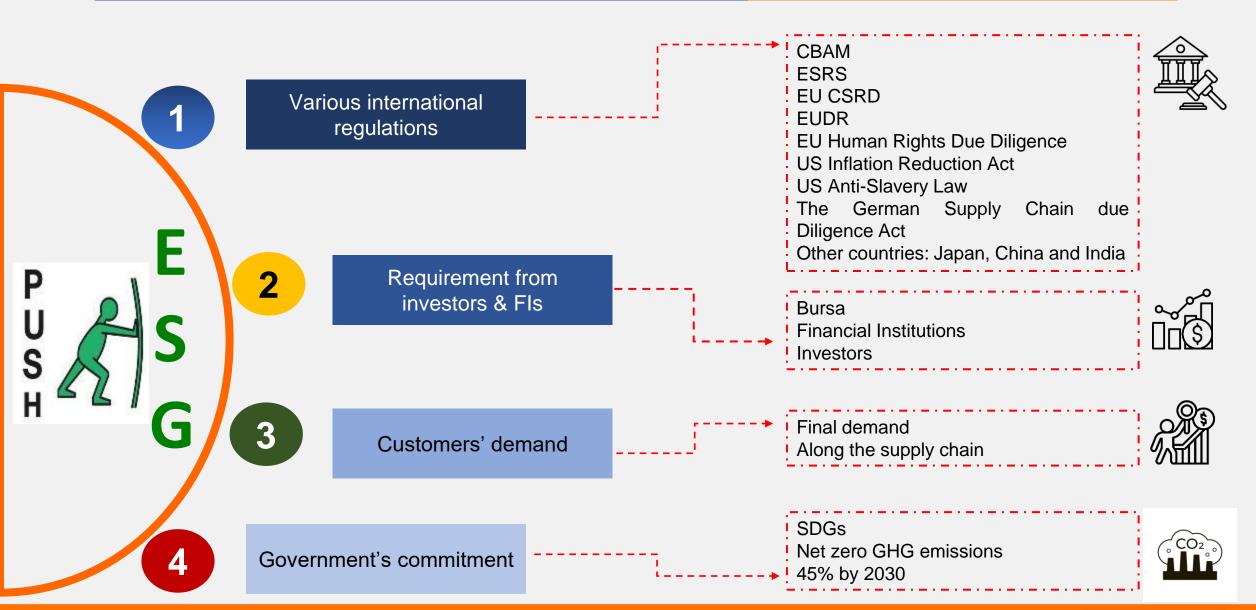


Migrant workers, Child Labour, Forced Labour, Working Condition, Employees relations & Diversity, Training, Health & Safety, Local Communities





The Diverse Factors Behind ESG Adoption





Identified Issues and Challenges

Lack of awareness on the impact of, need for, industries to adopt ESG practices

Limited understanding of policies and regulations and own readiness to embark on ESG practices







Difficulty in

understanding, managing and quantifying ESG risks as the topic is so broad and covers many facets emission, waste management, production, consumption, supply chain, HR, equity, data, governance

Training, adoption of technology and digital platform are additional cost to organizations, especially **MSMEs**



Thus, raising cost of doing business which is then transmitted to higher prices of products and services





International standards are quickly changing and organizations will have to continuously update their data management and transform it into meaningful disclosure



The **mix bag of** competing standards and frameworks is a big challenge for organisations as 85% of companies are using, not one, but multiple ESG

reporting frameworks¹





Launch of the i-ESG Framework

Ministry of Investment, Trade & Industry (MITI) launched the National Industry Environmental, Social and Governance Framework (i-ESG Framework) on 2 October 2023 to facilitate and enhance ESG practices within the manufacturing sector as well as to tap into a US\$12-trillion global market on ESG-focused opportunities.



i-ESG Framework: An Overview

SDGs (17 Goals)

12 MP

(Advancing Sustainability and NDC target)

NIP

(De-risk non-compliance with ESG practices while maximizing the ESG-related opportunities)

NIMP

(Enhance ESG practices)

i-ESG Framework

(Foster economically beneficial, environmentally sustainable and socially equitable manufacturing sector)

Standards Capacity Financing Market
Building Mechanism

Aligned with other national policies — Malaysia Madani, Mid-term Review of 12MP, NDC Roadmap, LT-LEDS, National Energy Transition Roadmap, Malaysian Green Technology Master Plan, National Energy Policy, National Renewable Energy Policy & Action Plan, Low Carbon Mobility Blueprint, National Anti-Corruption Plan, National Community Policy, Business & HR, National Women Policy, National Action Plan on Forced Labour, etc

A set of principles and guidance for how information is structured

17 Strategies 50 Deliverables

6 Enablers

Stakeholder Engagement Human capital & capabilities

Financing & Incentives

Digitalisation

Technology

Policy & Regulations

i-ESGStarter Kit

There is 'no one size fits for all' standard

Objective: To support manufacturing firms in their journey to comply with internationally recognised sustainable reporting



Part A: About the organization

- Vision, Mission,
- Progress in the Readiness Assessment
- Describe position in the supply chain
- Describe employees
- Describe governance structure

Part B: Stakeholder Engagement

- Identifying Stakeholders
- How to conduct stakeholder engagement

Part C: Materiality Assessment

- Identifying material topic and the relevant indicators¹
- Setting target
- Collecting data
- Tracking & reporting
- Disclosing measures to close the gap

Commonly required 10 indicators



- 1. Energy Management
- 2. Waste Management
- **3.** Emission Management
- **4.** Environment Management



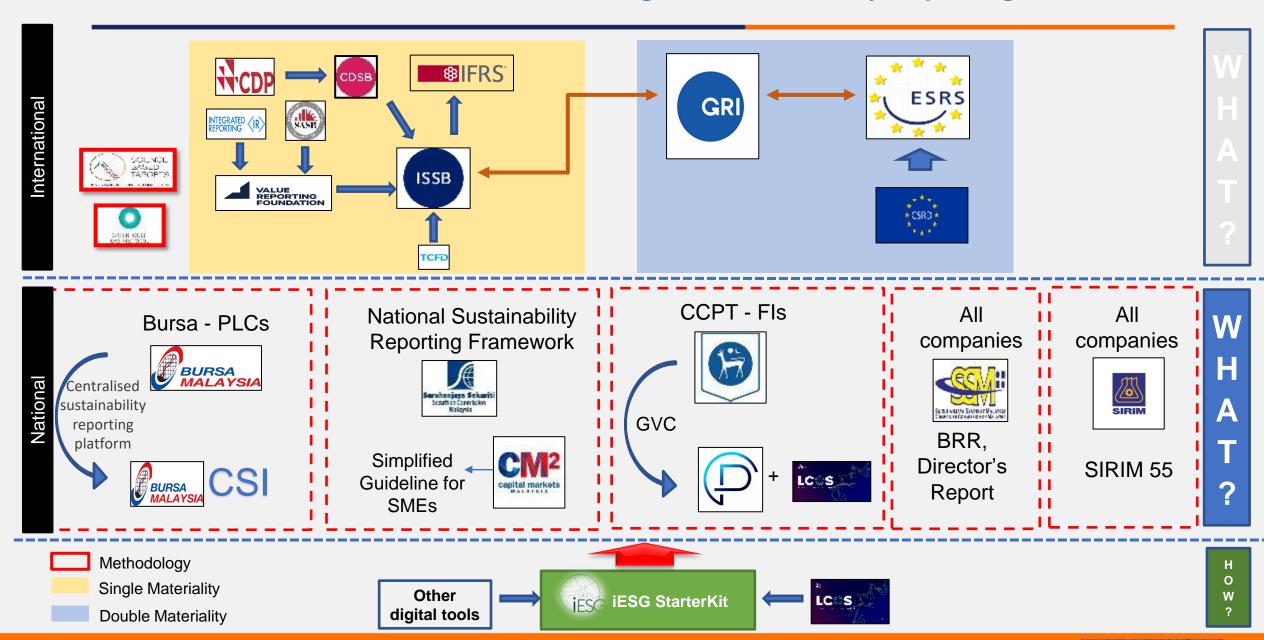
- 5. Health & Safety
- 6. Labour Practices & Standards



- 7. Anti-Corruption
- 8. Data Privacy & Security
- 9. Ecosystem Approach
- 10. Supply Chain Management



Standards, Frameworks and Ratings of Sustainability Reporting





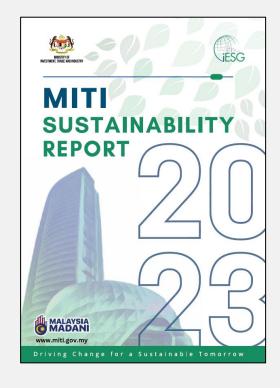
MITI'S SUSTAINABILITY REPORT 2023





The Launching of MITI Sustainability Report 2023





MITI launched its inaugural Sustainability Report on 1st October 2024, during the 2024 MITI Day, making it the first ministry in Malaysia to produce such a report. The report was produced in reference with Global Reporting Initiative (GRI) and aligned with the Global Goals. This achievement showcase MITI's dedication to setting new benchmarks in sustainability and advancing ESG progress across Malaysia's public and private sectors.

About The MITI Sustainability Report 2023



SCOPE

Inaugural report: 1st January 2023 – 31st December 2023

Covering only MITI HQ (exclude agencies, regional and overseas offices)



REPORTING USING

in reference with GRI Sustainability Reporting Guidelines

Aligning with UN-SDGs

Reference to i-ESGStart (Starter Kit developed by MITI)

GHG Protocol for emission calculations



CONTENT OF THE REPORT

Contribution to economic growth

Organization structure

Functions, objectives and values

Stakeholder engagements

Materiality Assessment

Disclosure of ESG practices

Alignment with SDGs



EXTERNAL ASSURANCE

The report has been externally assured



MITI Sustainability Report 2023

Stakeholder Engagement

Collaborate with diverse stakeholders (industry players, employees, suppliers, communities, media and other government agencies and ministries) to foster inclusivity and address pertinent concerns.

Transparency and Reporting

Dedicate to transparent sustainability practices and employs robust reporting mechanisms:

- Comprehensive Sustainability Reports
- Independent Assurance

01

02

03

04

Governance Structure

- Sustainability Committee chaired by KSU
- Sustainability officer.

Materiality Assessment

Identifies materiality topics through the stakeholder engagements.





ESG Indicators for the Sustainability Report







- GHG Emission
- Energy and Water Consumption
- WasteManagement

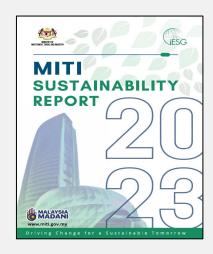
- Occupational Safety and Health
- Labour Practice
- CareerDevelopment
- Employee Benefits

- Anti Corruption
- Cybersecurity and Data Privacy
- Government Procurement



Notable ESG Achievements by MITI

- **Carbon Emissions**: MITI's carbon emissions per capita stood at 7,668 kgCO2e, below the national average of 8,600 kgCO2e.
- **Empowering Women in Leadership**: 69% of top management positions (JUSA and above) are held by women.
- Sustainable Infrastructure Recognition: MITI's headquarter received the prestigious Green Building Index (GBI) Gold Rating.
- **Zero corruption cases reported** regarding MITI to MACC and zero confirmed corruption cases (conviction).
- **Declaration of Assets**: 97.7% of MITI's staff and officers (including Minister's office have declared their assets).
- Supporting Local Economy: 100% of the procurement was sourced locally.



START YOUR ESG JOURNEY TODAY







THANK YOU

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