

# Private Sector Position Paper for the Voluntary National Report 2021 - MALAYSIA

15 March 2021



**Global Compact**  
Network Malaysia



# Foreword



The SDGs are the world's foremost bipartisan and multistakeholder strategic framework to achieve the world we want. As such the Private Sector must play a leading role in contributing and achieving the 17 goals and its supporting targets and indicators.

Key to this is making such Private sector led impact data available and as an essential plug-in for national sustainability reporting. Through this position paper engagement, we sought to understand Malaysian businesses position on SDGs and the related data collation and reporting approach currently available. Based on gained inputs, we then looked to identify SDG reporting gaps and opportunities for the Private Sector in alignment with the Voluntary National Report 2021.

By design, an SD- centric application can inform national priorities and help determine the most effective paths for action on national sustainable development issues. The adoption of a more streamlined approach to data on the SDGs presents a strategic opportunity to build on the post pandemic sustainability momentum.

It is my sincerest hope that moving forward, Private Sector SDG data will be readily available, used as a key basis for policy making and a significant part of any National reporting leading to achieving the 2030 Agenda. On behalf of UNGCMYB, I wish to extend our thanks to EPU and stakeholder participants that enabled the development of this position paper.

A handwritten signature in black ink that reads "Faroze Nadar".

**Faroze Nadar**  
*Executive Director*  
UN Global Compact Network Malaysia &  
Brunei



# Participants and Contributors



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1. Acacia Blue Sdn Bhd
  2. AGV Sustainability & ESG Services Sdn Bhd
  3. Aichmi Group
  4. AirAsia Berhad
  5. Airestec Innovations Sdn Bhd
  6. Atech Energy (M) Sdn Bhd
  7. Axiata Group Berhad
  8. Bank Kerjasama Rakyat Malaysia Berhad
  9. Boardroom Corporate Services Sdn Bhd
  10. Bursa Malaysia Berhad
  11. Climate Governance Initiative
  12. Deloitte Risk Advisory Sdn Bhd
  13. Duopharma Biotech Berhad
  14. Eco World Development Group Berhad
  15. Engage SEA Sdn Bhd
  16. ESB
  19. FGV Holdings Berhad
  20. FSC Malaysia
  21. Gamuda Berhad
  22. GCOM Asia
  23. Genashtim Sdn Bhd
  24. Hartalega Holdings Bhd
  25. International Centre for Education in Islamic Finance
  26. IOI Corporation Berhad
  27. LeapEd Services Sdn Bhd
  28. Lembaga Tabung Haji
  29. Malaysia Airports Holding Berhad
  30. Mermaid Development Group Sdn Bhd
  31. Malaysian Industrial Development Finance Berhad
  32. Malaysian Resources Corporation Berhad
  33. Nawawi Tie Leung Real Estate Consultants Sdn Bhd
  34. Nextgreen Global Berhad
  35. Permodalan Nasional Berhad
  36. Petroliaam Nasional Berhad
  37. REI Group of Companies
  38. Sarawak Energy Berhad
  39. Sarawak Oil Palms Berhad
  40. Sun Pharmaceutical Sdn Bhd
  41. Taylor's University
  42. Tata Consultancy Services Malaysia Sdn Bhd
  43. The Iskandarian (True Soul Media)
  44. UMW Corporation Sdn Bhd
  45. UNIDO - MAESTA
  46. Universiti Sains Malaysia
  47. Westports Holdings Berhad
  48. YTL Corporation Berhad
  49. Zofar Mechanical Engineering

NOTE: 60 participants representing the 49 companies above attended the consultation session. Out of the 49 companies, only 46 participated in the survey.

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Today, as established in practice, relevant data on companies' contribution towards the SDGs is found to be critical for assessing the progress of SDG implementation; enhancing the SDG-oriented corporate governance mechanisms, decision-making by investors and other key stakeholders, as well as promoting behavioural change at the enterprise level.

Following the adoption of the 17 SDGs in 2015, the UN General Assembly called for the Goals and targets to be pursued and reviewed using a set of global indicators focused on measurable outcomes. Consequently, a high-level working group was established to develop a global indicator framework to monitor implementation of the 2030 Agenda.

In its report, the group called for global monitoring to be based, to the greatest possible extent, on comparable and standardised national data, obtained through well-established mechanisms for country reporting to the international statistical system.

The intention is to improve international comparability through the increased adoption of internationally agreed standards at

the national levels, strengthening of national statistical capacities and improved reporting mechanisms.

In response, the UN Conference on Trade and Development (UNCTAD) launched its initiative on selecting a limited number of relevant core SDG indicators to ease and encourage company sustainability reporting.

These core indicators are intended as a starting or entry point in relation to sustainability and SDG reporting by enterprises, and therefore, they would represent the minimum disclosures that companies would need to provide in order for Governments to be able to evaluate the contribution of the private sector to the implementation of SDGs.



# 2 Voluntary National Report



NOTE: Malaysia was one of 43 countries that presented a Voluntary National Review (VNR) of its SDG progress at the 2017 session of the High-level Political Forum on Sustainable Development (HLPF).

Malaysia published its [1st Voluntary National Report](#) (VNR) in 2017. The purpose of the VNR is to periodically report on progress on the SDG 2030 Agenda on Sustainable Development. The next review will be presented at the 2021 High Level Political Forum in New York this July.

The theme for the 2021 VNR is Sustainable and resilient recovery from the COVID 19 pandemic that promotes the economic, social and environmental dimensions of sustainable development: building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development.

The report includes reviewing of SDG performance (current data versus indicator targets) and means of implementation to deliver the-

goals within national contexts (covering issues of governance, service delivery, enabling partnerships and resourcing). The focused SDGs are:

- Poverty and Nutrition : Goal 1 (End Poverty) & Goal 2 (End Hunger)
- Covid-19 Health Recovery : Goal 3 (Health)
- Inclusive Economic Growth : Goal 8 (Decent Work and Economic Growth) & Goal 10 (Reduced Inequality)
- Sustainability & Climate Change : Goal 12 ( Sustainable Consumption and Production) & Goal 13 (Climate Change)
- Governance, Social Cohesion and Partnership : Goal 16 (Peace, Justice and Strong Institutions) & Goal 17 ( Partnership for the Goals).

## AIM

- Establish Private-Sector and Government connection under the global indicator framework to monitor the 2030 Agenda.
- To provide guidance to private sector on reporting against UNCTAD recommended core indicators to enable international comparability.
- Make recommendations to the Government (VNR committee) based on the Private-Sector's position in relation to the SDGs reporting.
- Bring a-whole-of-private-sector approach to engaging the government on the SDGs.
- To inform participating sectors of UNGCMYB's upcoming events in 2021.

## OBJECTIVES

- Map Private-Sector SDG contributions to the VNR against UNCTAD Guidelines for international comparability.
- Identify gaps and opportunities between Government and Private sector indicators to make recommendations on enhancing data collation for VNR.

## INVITATIONS:

Stakeholders were invited and informed on the purpose of the consultation session through various electronic channels.

## Consultation Session Platform:

- The 2-hour online consultation session was conducted via the Zoom platform.
- Real-time survey was conducted using Menti meter (menti.com)

## Analysis:

A comparative analysis is used to identify gaps and opportunities in the current status of Government and Private-Sector SDG reporting.

## SESSION AGENDA:

1. Welcome Message by Faroze Nadar, Executive Director, UNGCMYB
2. Opening Remarks By Pn. Afiza Idris (EPU)
3. Malaysia VNR 2021 Introduction Mr. Alizan Mahadi (VNR Consultant)
4. Survey Session (Breakout)  
Corporates (Room 1), SMEs (Room 2)
5. Conclusion & Closing Session (Plenary)



The purpose of the consultation session was to provide the government with a snapshot of the *Private Sector Position on Contributions Towards Implementation of the SDGs*.

Using a focus group approach, the anonymous online survey served to provide visualisation of the group's current position and additionally as discussion points.

The following documents were referenced to provide comments in the survey notes.

1. [MALAYSIA: Sustainable Development Goals Voluntary National Review 2017The 2017 VNR report.](#)
2. [MALAYSIA: SDG Index 2020.](#)
3. [Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals.](#)

## Consultation Session Highlights

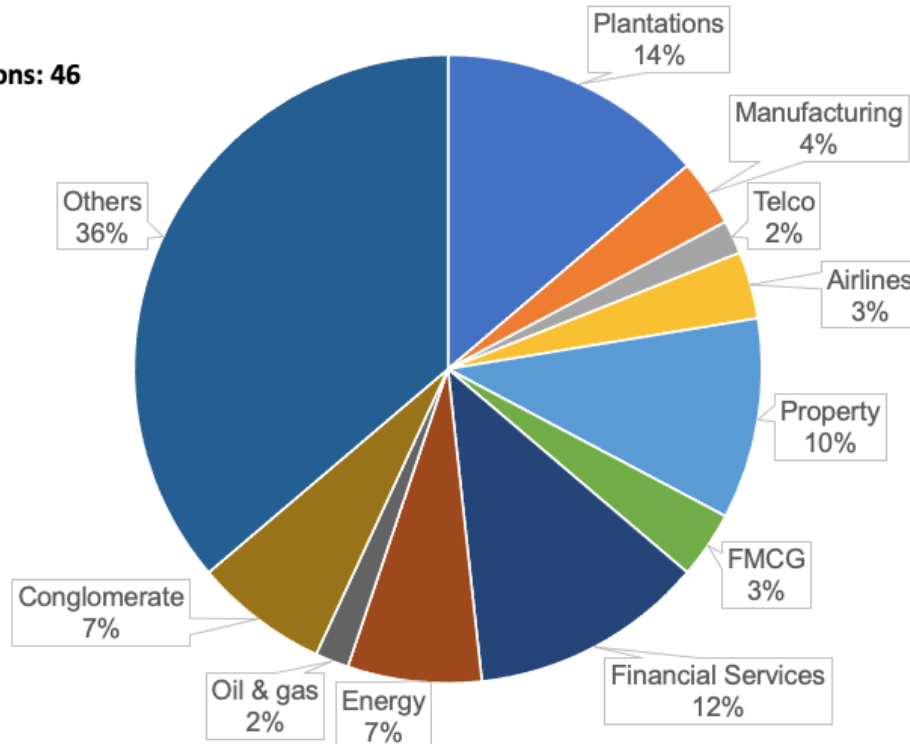
Participants, a willing partner to help  
Provide data for the VNR.

Participating companies making preparations  
to raise SDG Ambition for 2022.

Good convergence of UNCTAD and VNR  
indicators, but gaps exists.

Which sector does your organisation operate in (Combined)

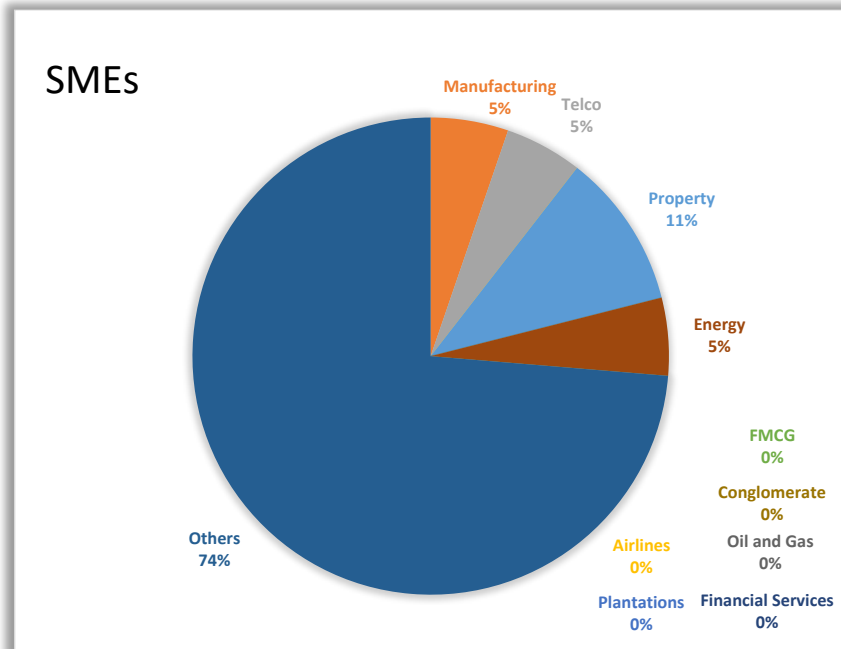
Total Organisations: 46



## Overall

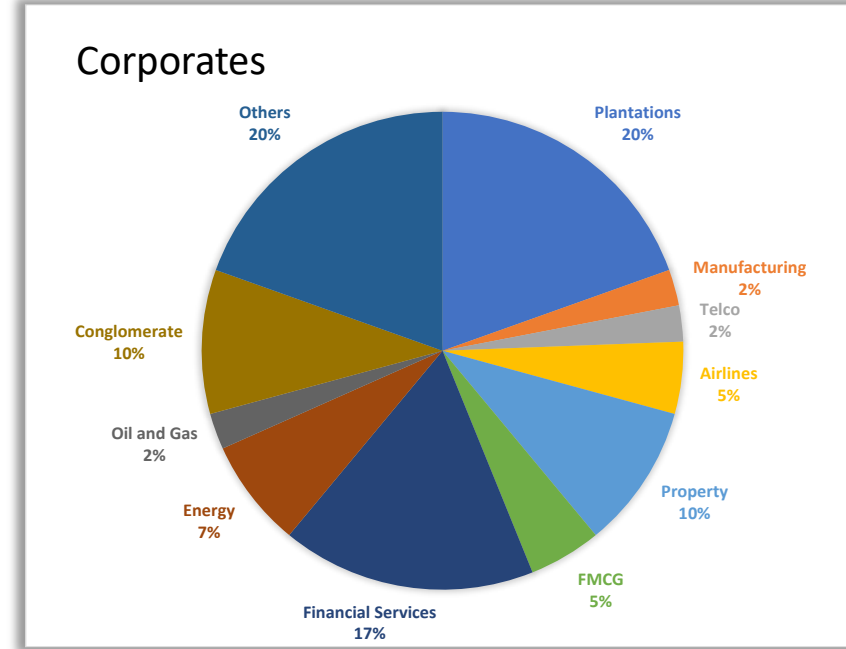
- “Others” dominate the group. Due to our anonymous survey system, we were unable to specify the sectors some of the organisations operate in. However, they may consist of Education, Food & Beverage, Services sectors to name a few.

## Which sector does your organisation operate in? (Breakdown to SMEs and Corporates)



### SMEs

- ❑ Total SMEs present: 19.
- ❑ Most of them fall into the "Others" sector as they claim that their business models fit into none or a combination of the sectors listed in this survey.

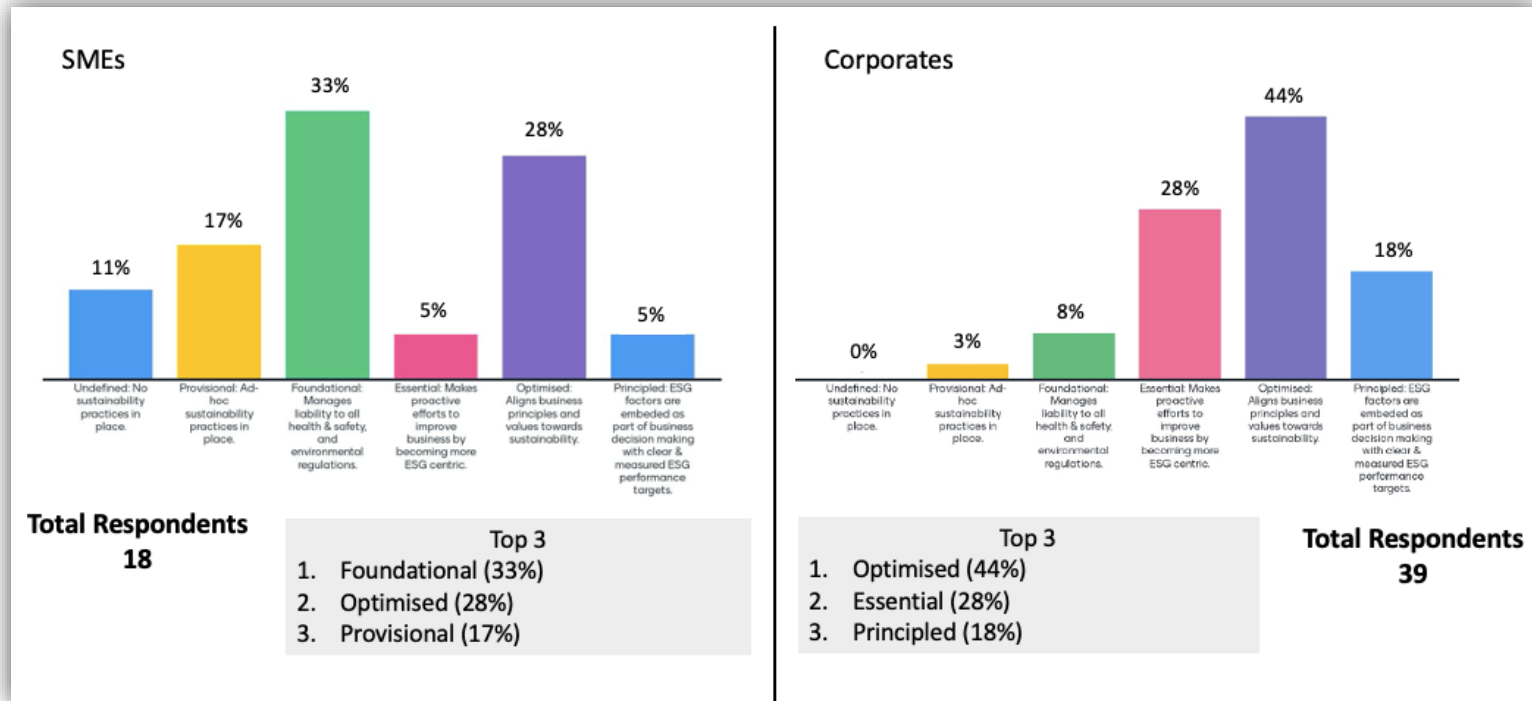


### Corporates

- ❑ Total Corporates present: 27.
- ❑ Corporate representatives that were present consisted of all the sectors listed in the Survey, therefore having more input variety compared to SMEs.
- ❑ Plantations and Financial Services make up 39% of respondents which may influence the survey outcomes.



### Sustainability Maturity Self assessment: select the level most appropriate to your organisation



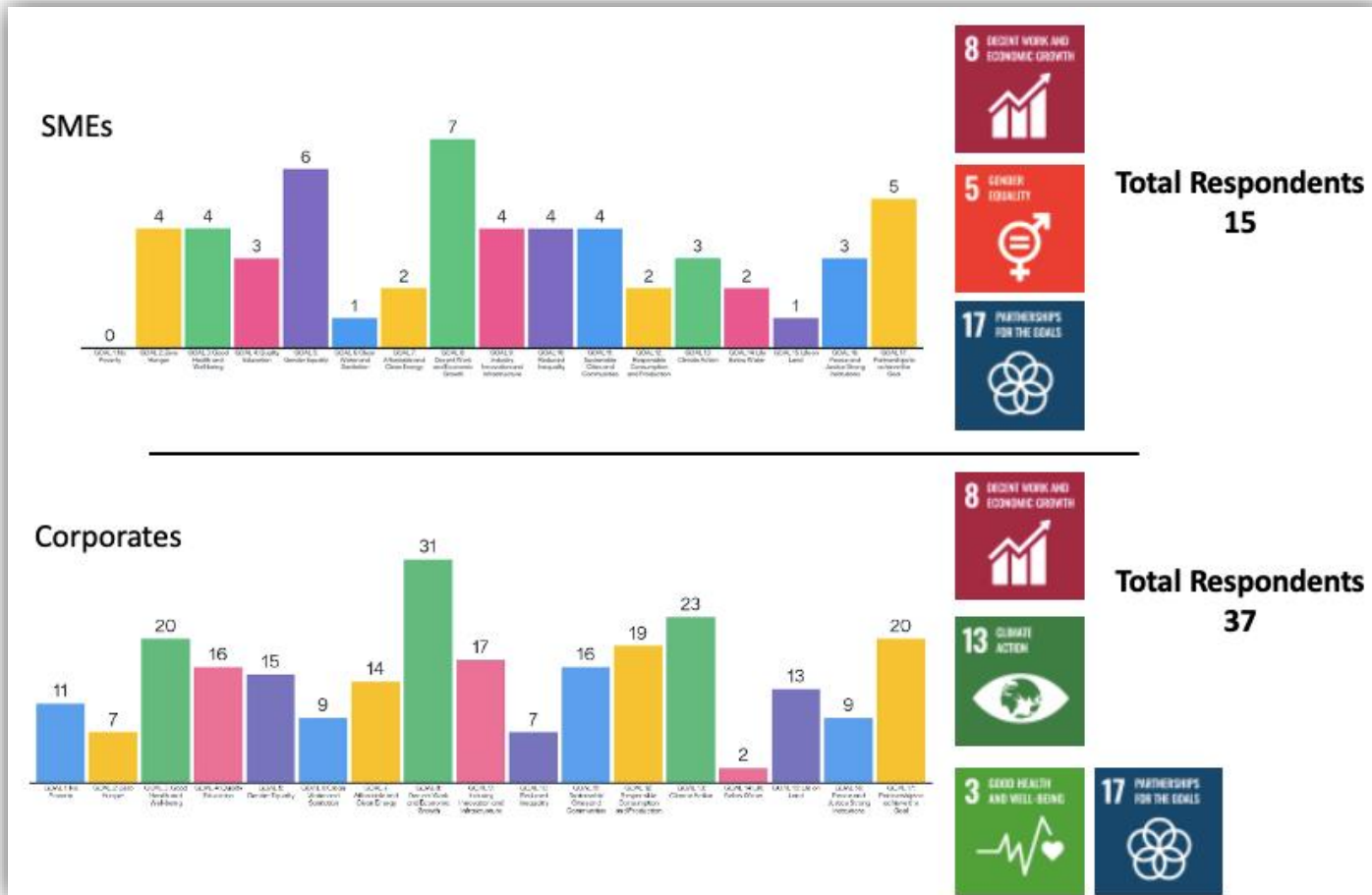
#### SMEs

- ❑ Majority SMEs claim that they fall into the “Foundational” sustainability maturity – which sustainability-related actions are primarily to address risk management.
- ❑ The second most prevalent group claim themselves to have “Optimised” sustainability maturity level, indicating that they are embedding sustainability into their business practices.
- ❑ However, there are quite a significant portion of SMEs that fall into the “Undefined” and “Provisional” – meaning they do not yet have sustainability practices embedded into their business practices. This may also be due to little exposure to the idea of corporate sustainability among SME owners.

#### Corporates

- ❑ Majority of Corporates claim to fall into the “Optimised”, “Essential” and “Principled” levels of maturity.
- ❑ Sustainability as a broad discipline is well entrenched in business strategies of the Corporates.

## What are the prioritised SDGs for your company?



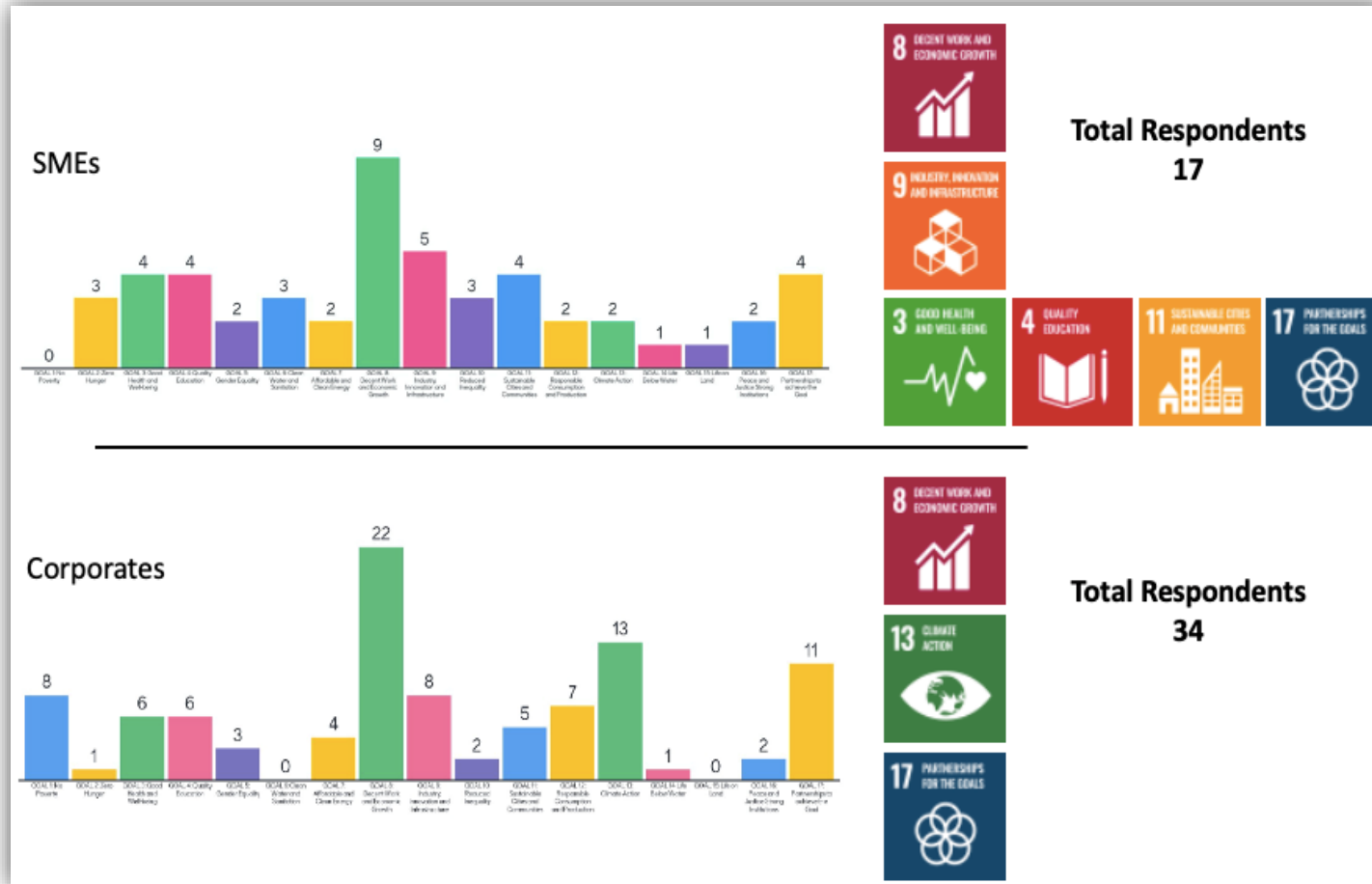
### SMEs

- ❑ SMEs prioritise SDGs that are social and institutional more than environmental as the top 3 SDGs comprises of having decent work and economic growth, gender equality and partnerships for the goals.
- ❑ It is interesting, however, that SMEs make serious efforts in ensuring gender equality as a priority as it is an emerging issue especially in workforces.
- ❑ SMEs would do well to continue with SDG 8 and 5 as the country is making good progress on these fronts.

### Corporates

- ❑ Corporates prioritise a more universal view of the SDGs which are decent work and economic growth, addressing climate action, good health and well-being as well as partnerships for the goals.
- ❑ Albeit having similar focus on the economic and social sides of the SDGs as SMEs, corporates also address their efforts in participating in climate action and health issues.
- ❑ Since corporates are larger than SMEs, their business models tend to have more serious impacts on the environment, both intrinsic (ie. employees' health) and extrinsic (ie. carbon footprint).
- ❑ Malaysia is on track to achieve SDG8 whilst moderately improving on SDG3, stagnating on SDG13 and decreasing on SDG17 based on the Malaysia SDG Index Report 2020.

Please select the top 3 SDGs that was your organization focus for the past 2 years.



### SMEs

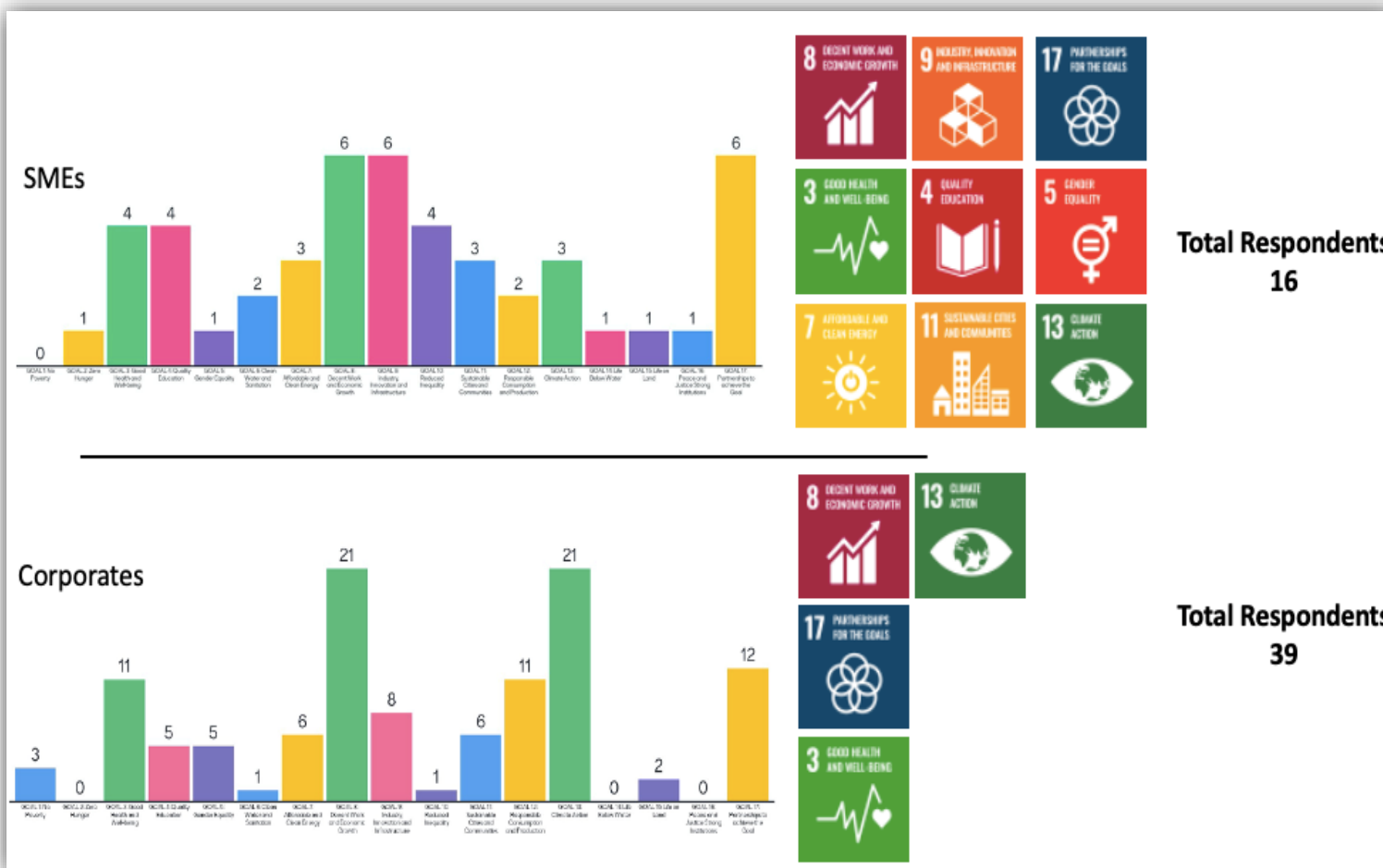
- Prior to the Covid-19 outbreak, SMEs mainly focused on six SDGs, in particular SDGs that bring internal profitability such as ensuring economic stability and innovation. This is then followed by equal priorities of health, education, sustainable communities and partnerships.
- This is in line with Malaysia's efforts of moving towards industrial innovation where the national policy framework was released in 2018 (Industry4WRD). In the framework, sustainable innovation was also addressed.
- SDGs 8 and 9 is on track, 3 and 11 are moderately improving, whilst more needs to be done on SDG 17 which is decreasing as reported in the SDG Report 2020.

### Corporates

- Pre-pandemic, corporates mainly focused on SDGs that are social and environmental.
- This is explanatory as corporations' nature lies in maximising profitability and therefore make collaborative efforts to do so. Thus, their lens in sustainability often look at work-centric improvements.
- Environmentally, corporates have started reporting on their sustainability roles in mitigating environmental crises more seriously in the last decade – potentially due to risk management as climate change may have affected their overall economic growth.
- As of 2020, Malaysia is reported to be stagnating on SDG 13 Climate Action. Partnerships for the Goals (SDG17)SDGs is decreasing.



Please select the top 3 SDGs that was your organization focus for the next 2 years.



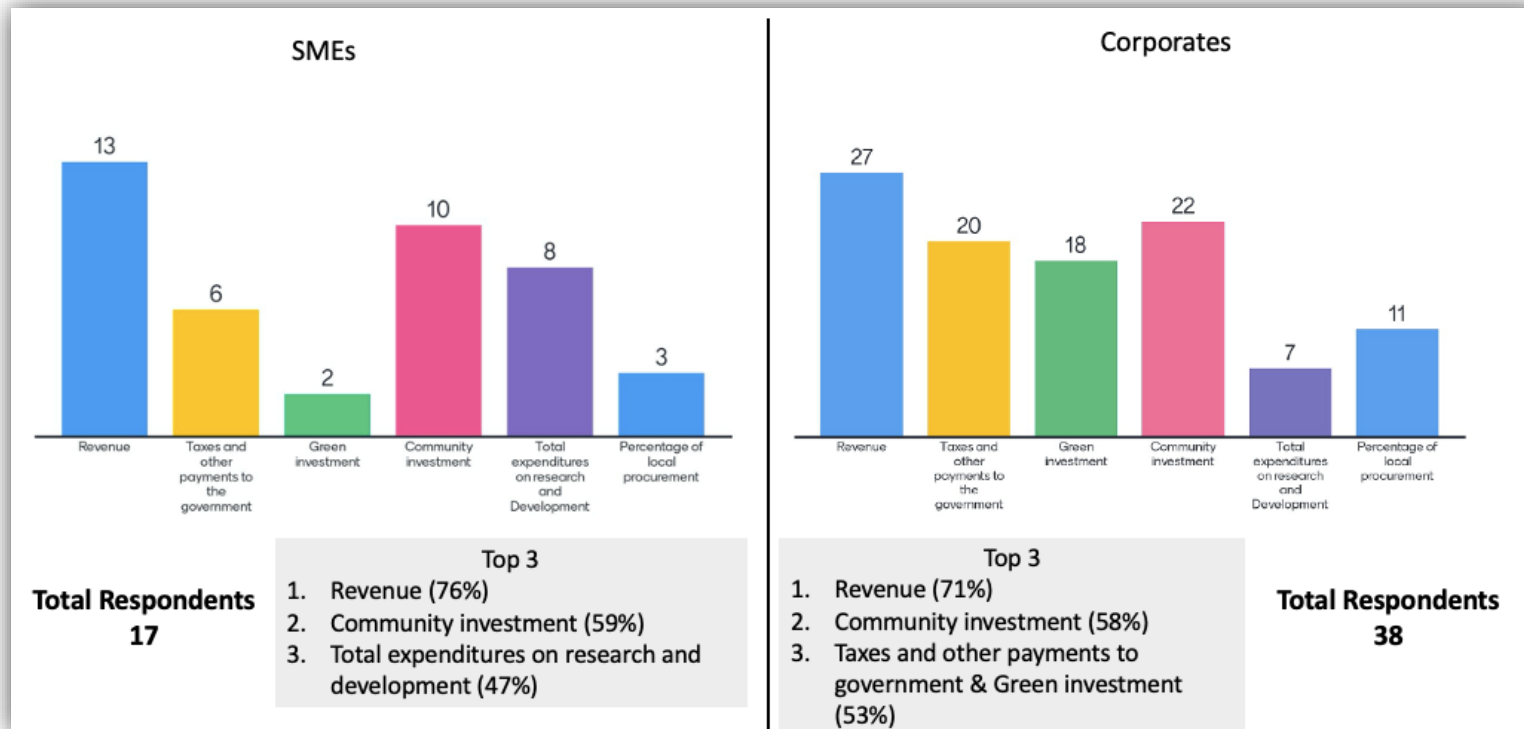
### SMEs

- During and after Covid-19 outbreak, SMEs have been putting their focus on more SDGs than before the outbreak. Although the initial SDG focus are still prioritised, they have opened up views on other goals including those addressing social and environmental issues.
- SDG 3 (health and well-being) awareness is inclusive of SMEs focus as they see potential collaborative efforts that not only bring profitability into their business but also a good responsibility exposure to support communities that require aid.

### Corporates

- SDG 3 focus increased from 19% (pre-) to 31% (post-pandemic). Due to Covid19 outbreak and the emergence of health risk awareness.
- Similar to SMEs, corporates have integrated SDG 3 into part of their efforts in mitigating health issues brought by the pandemic.
- Corporate focus has largely remained consistent in the last two years and moving forward.

Select the relevant "ECONOMIC" core indicators that your organisation discloses to stakeholders.



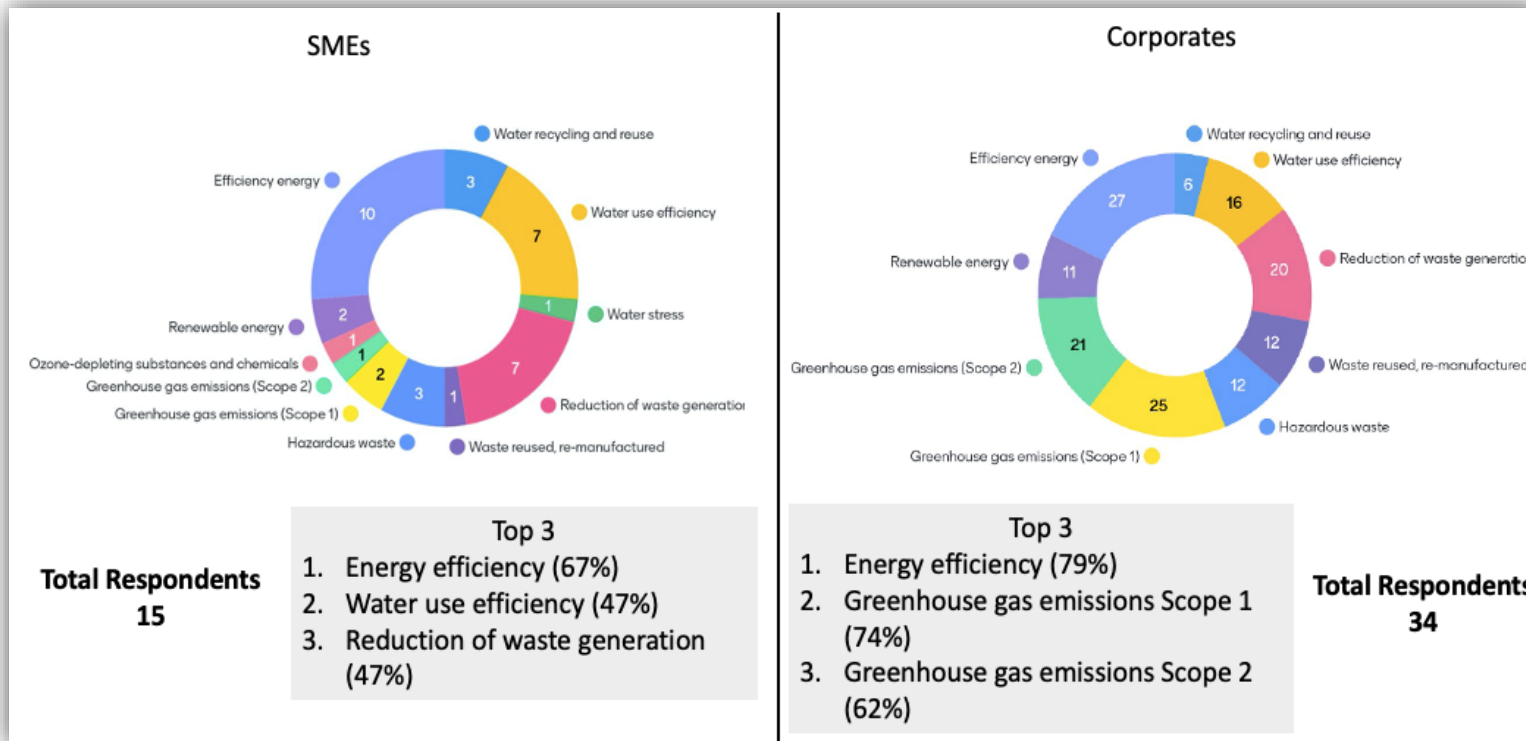
## SMEs

- Like Corporates votes, majority SMEs mandate disclosure of revenue and community investment in their report. Other relevant economic indicators include investment on their R&D. These indicators are prevalent across businesses to report.
- A small portion claim they disclose green investment figures into their reports which is observed as a steppingstone towards sustainability.
- While SMEs may not produce Sustainability Reports, other channels and formats are used to disclose their sustainability impact. To relevant stakeholders.

## Corporates

- Prevalence among corporates economic indicators disclosure include the typical finance sheet elements. This suggests transparency which contributes to stakeholder's trust to the company.
- A fairly significant portion of corporates adopt green investment figures into their disclosure, indicating efforts to adopt sustainable financing into their business models.
- Reporting of investment figures on R&D is not as prevalent among corporates – this may be due to the priority shift towards green investment.
- Corporate sustainability data is readily available due to their disclosures under various standards such as GRI, SASB, TCFD and CDP.

Select the relevant "ENVIRONMENTAL" core indicators that your organisation discloses to stakeholders.



**SMEs**

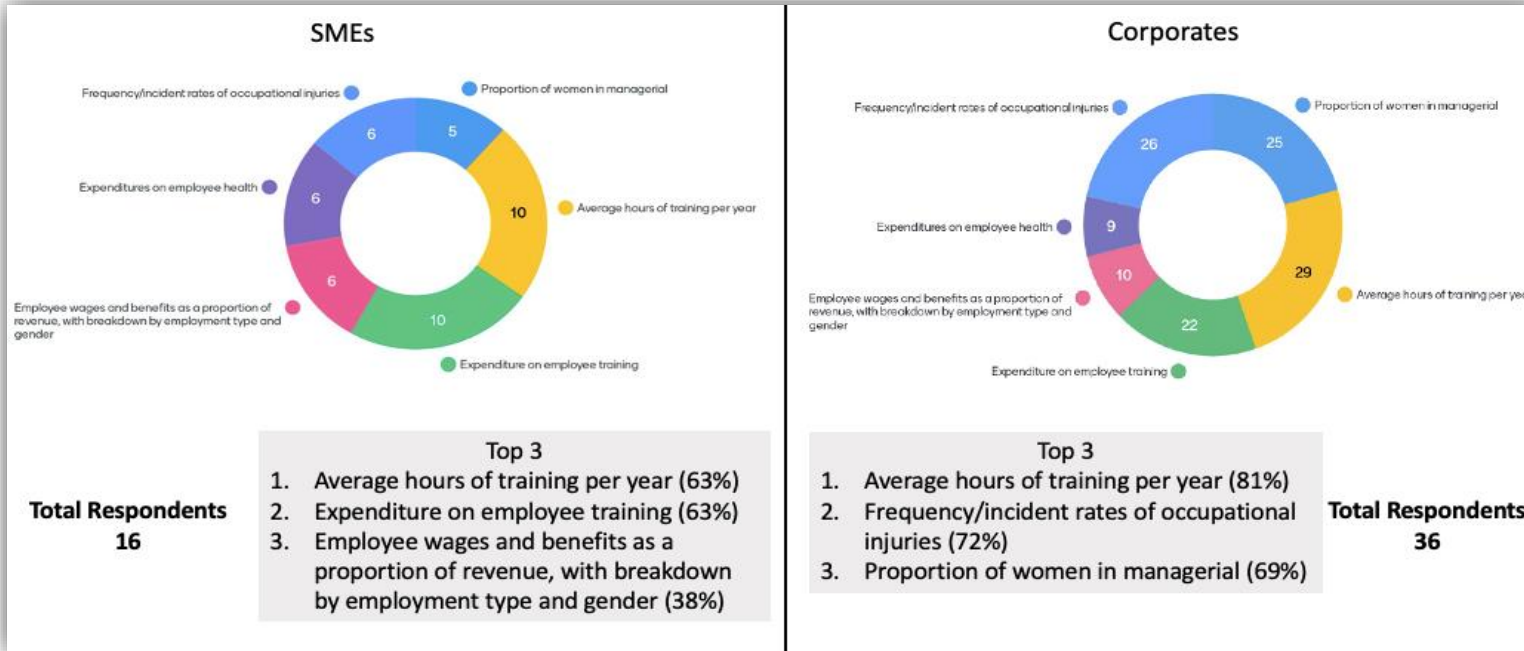
- SMEs environmental indicator reporting is observed as more industry-specific than those reported by corporates. This is possibly due to their small-scale business nature which focuses on certain specific products or services they offer within their business models.
- Energy efficiency is prioritised alongside water use and waste reduction. Overall, SMEs focus on disclosing and attempting cost reduction related initiatives possibly to reduce overall expenditures.

**Corporates**

- Corporates disclose indicators in a broader manner than SMEs as they are large-scale companies that typically generate more than one product or service in their company.
- Similarly, prevalence fall into energy efficiency reporting among corporates followed by GHG emissions of both scopes. This may be due to GHG emissions and carbon footprint measurements being most easily accessible data.
- In spite of the encouraging level of environmental disclosures, SDG 13 (Climate Action) has stagnated as reported in the SDG Index Report. More needs to be done to move the needle.
- Corporate sustainability data is readily available due to their disclosures under various standards such as GRI, SASB, TCFD and CDP.



Select the relevant "SOCIAL" core indicators that your organisation discloses to stakeholders.



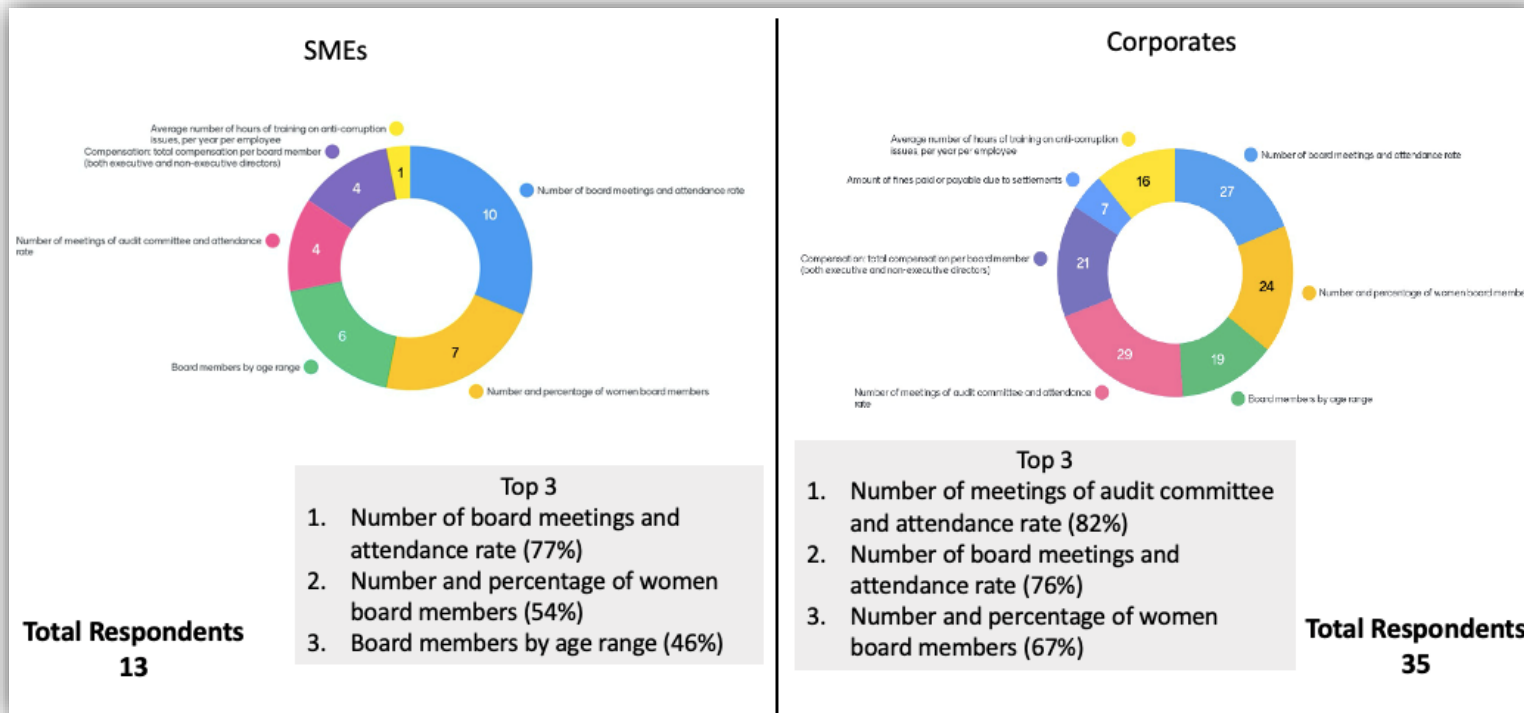
### SMEs

- ❑ The most prevalent social indicators reported among SMEs are tangible data that can be measured by definite figures like training hours, training expenditures and wages and added benefits. This implies that SMEs view social welfare can be directly reflected by tangible factors.
- ❑ However, there is no obvious discrimination on any indicators listed as SMEs votes are evenly distributed across all mentioned social indicators.

### Corporates

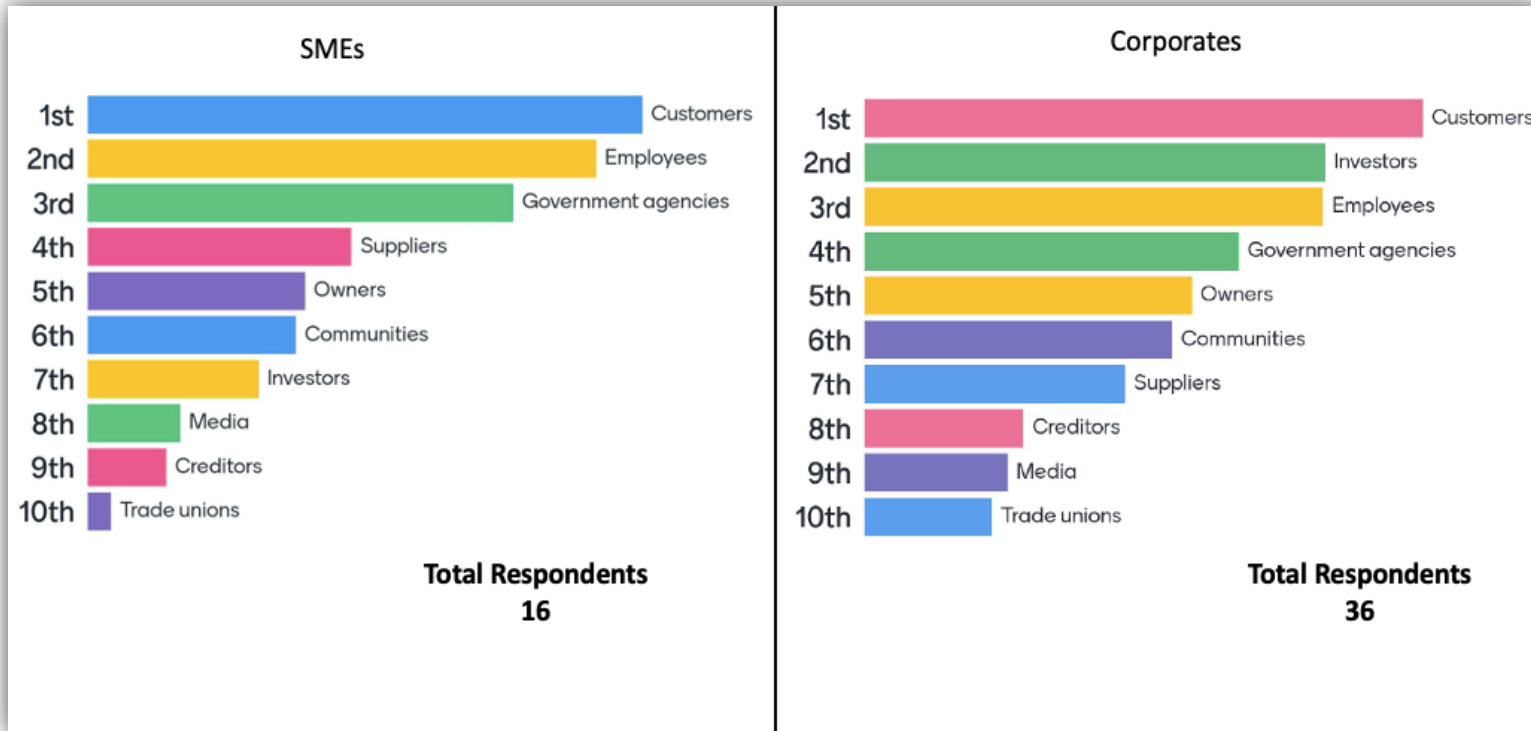
- ❑ Similarly, majority corporates find importance in disclosing tangible figures such as average training hours and occupational injury incident rates. This indicates similar viewing on measuring social welfare among business stakeholders.
- ❑ Additionally, corporates have made efforts to disclose women involvement into managerial roles, indicating importance of overcoming gender discrimination in managerial positions.
- ❑ Corporate sustainability data is readily available due to their disclosures under various standards such as GRI and SASB.

Select the relevant "INSTITUTIONAL" core indicators that your organisation discloses to stakeholders.



- ### SMEs
- ❑ SMEs currently disclose mainly on tangible indicators such as number of board meetings and number of women as board members within their organisations. As these are measurable therefore it is easy to monitor and disclose.
  - ❑ They also disclose board members' age range possibly to track eligibility and presence of youth among their stakeholders.
  - ❑ The least focused is the training on anti-corruption as SMEs may not have been exposed as much to bribery and internal corruption. However, trainings should be implemented more as bribery is a serious issue and is important to prevent across all classes of business organisations.
- ### Corporates
- ❑ Like SMEs, corporates focus on interaction-centric indicators i.e. having regular meetings and updates among internal stakeholders (internal factors).
  - ❑ Corporates prioritise timely audit meetings as large-scale corporations should always ensure efficient management across all business departments. Conducting audit meetings can help monitor such efficiency.
  - ❑ Followed by the high prevalence of audit meetings, corporates should consider leveraging on audit sources to identify and improve SDG reporting.
  - ❑ Corporate sustainability data is readily available due to their disclosures under various standards such as GRI and SASB.

Rank the category of stakeholders in terms of their significance to your organisation's materiality assessment.



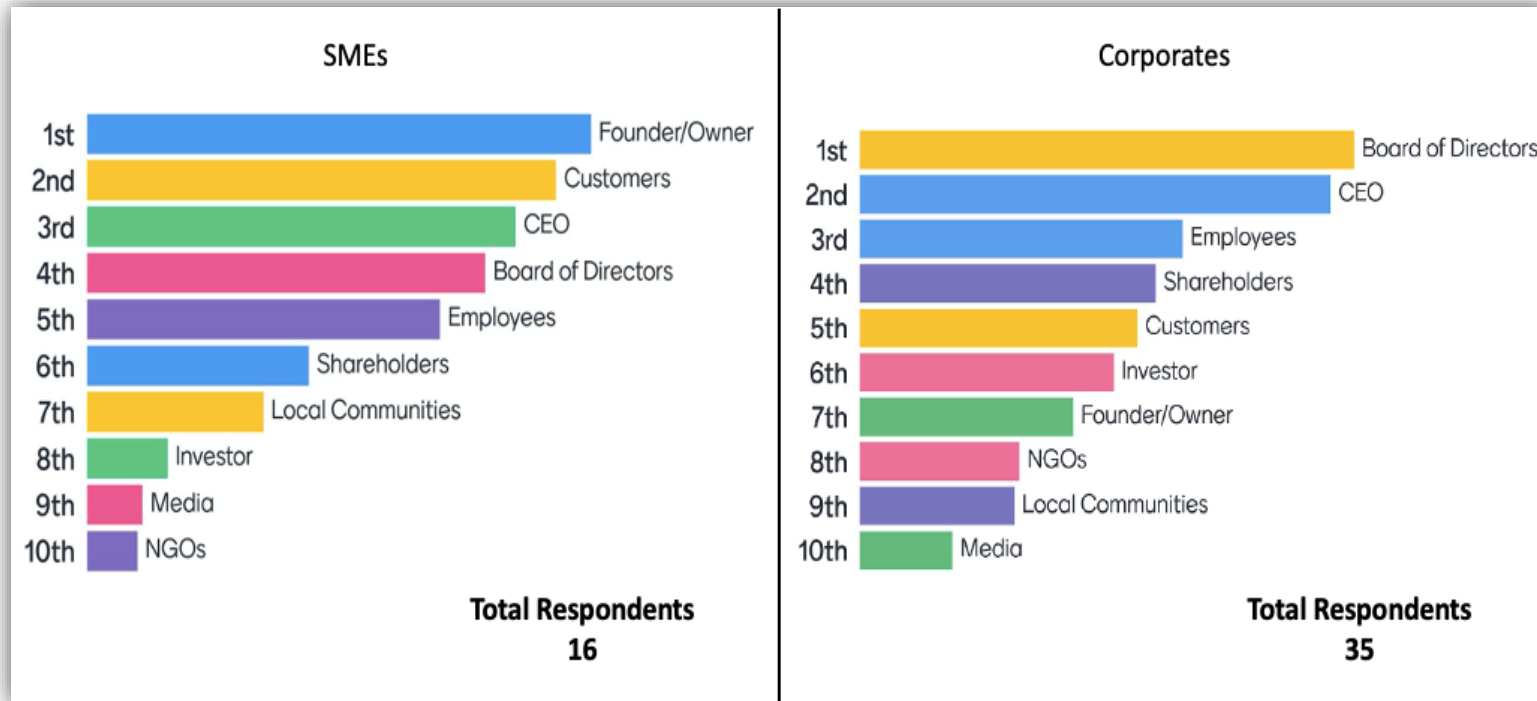
### SMEs

- ❑ SMEs claim external stakeholders to be significant value drivers in assessing their materiality ie. customers and government agencies. Interestingly, SMEs observe customers as primary stakeholders contributing to their internal growth.
- ❑ Internally, they see employees to have high significance to materiality assessment, which is true as employees are direct contributors to an excellent business.

### Corporates

- ❑ Like SMEs, corporates claim external stakeholders to have high significance to their materiality assessment ie. customers and investors. Typically, corporates would observe customers and investors trends and in turn would give them insights to strategise future business actions.
- ❑ Employees are also seen as key value drivers to the corporations' overall growth which may be due to the increasing voice of the younger generation.

Rank the following stakeholders in terms of their influence on the selection of your organisation's chosen SDGs.



### SMEs

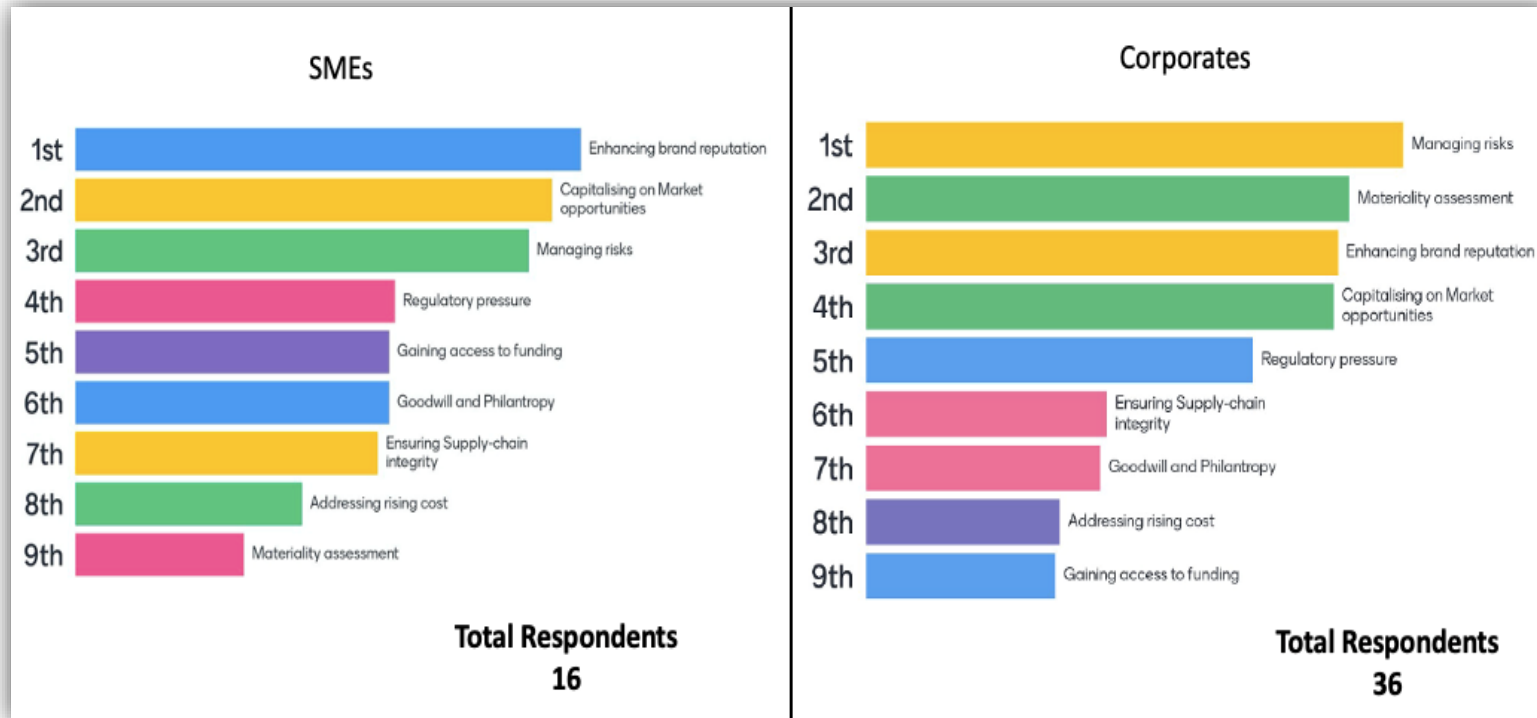
- Interestingly, in terms of influence, SMEs show strong internal influences on SDG selection for their business strategies ie. founder/owner, CEO and board of directors. This implies that decision making is still strongly influenced and carried out by the organisation's internal forces due to the nature of their products or services.

### Corporates

- Similarly, corporates also focus primarily on internal forces ie. Board of Directors, CEO and employees as key drivers to making decisions pertaining business actions including those related to SDGs. This suggests that no matter how significant customers are in driving their business strategies, it is still up to the internal business leaders to decide the direction of strategy.



Rank the following drivers in terms of their influence on the selection of your organisation's chosen SDGs.



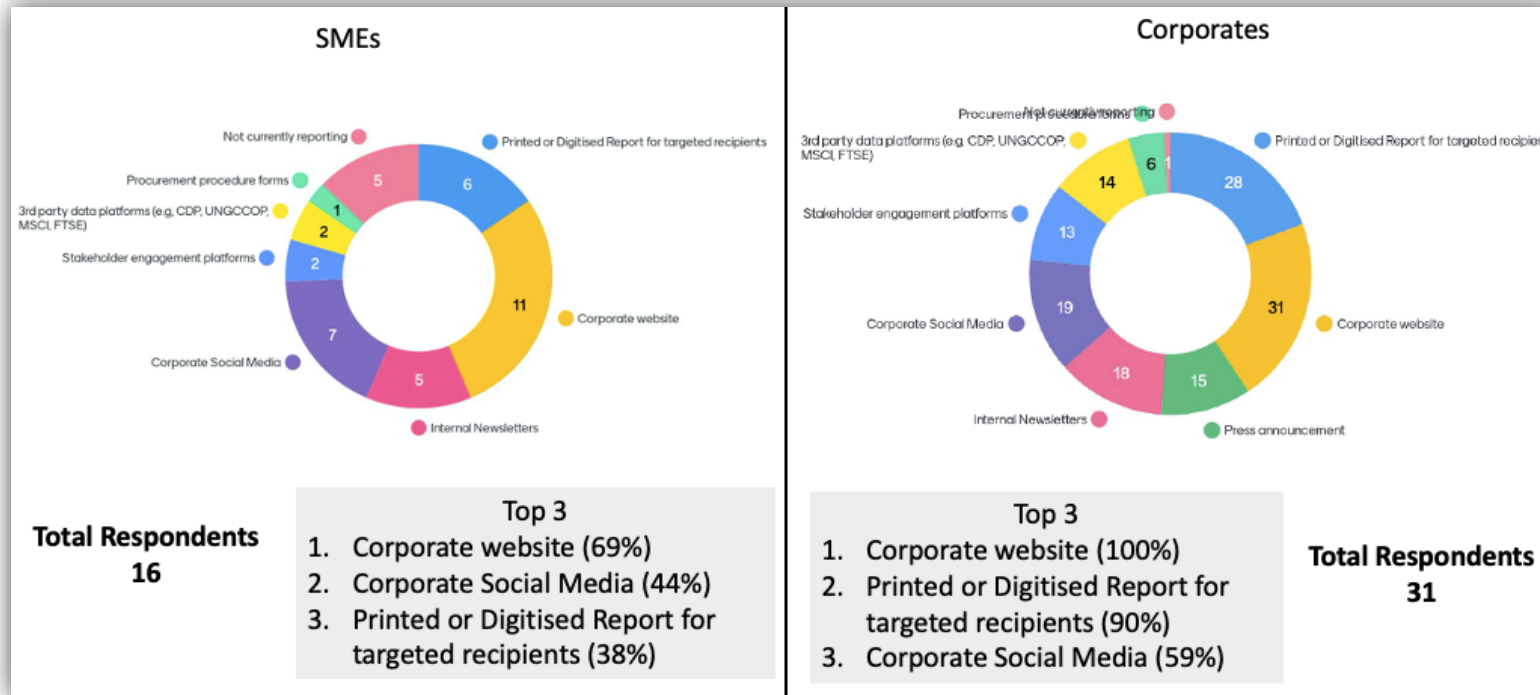
## SMEs

- ❑ SMEs observe value drivers are prioritised and focused on internal benefits. This suggests SMEs select their focus for recognition purposes and to appear more competitive in the global market.
- ❑ Additionally, risk management is also selected implying SDG selection is influenced by the rise of climate issues over the years.

## Corporates

- ❑ Like SMEs, corporates prioritise intrinsic value drivers to select their SDGs focus. Potential reasons to prioritising risk management include to ensure business survival and longevity in the long run with risk reduction mindset. They may be shifting towards more meaningful drivers (ie. ensuring supply chain integrity) in the near future.
- ❑ Enhancing and maintaining brand reputation is also seen as crucial as external stakeholders (ie. customers) are always monitoring companies' performances in particular the level of ethics integrated into their business practices.

## How are your organisation's Sustainability reports and disclosures disseminated?



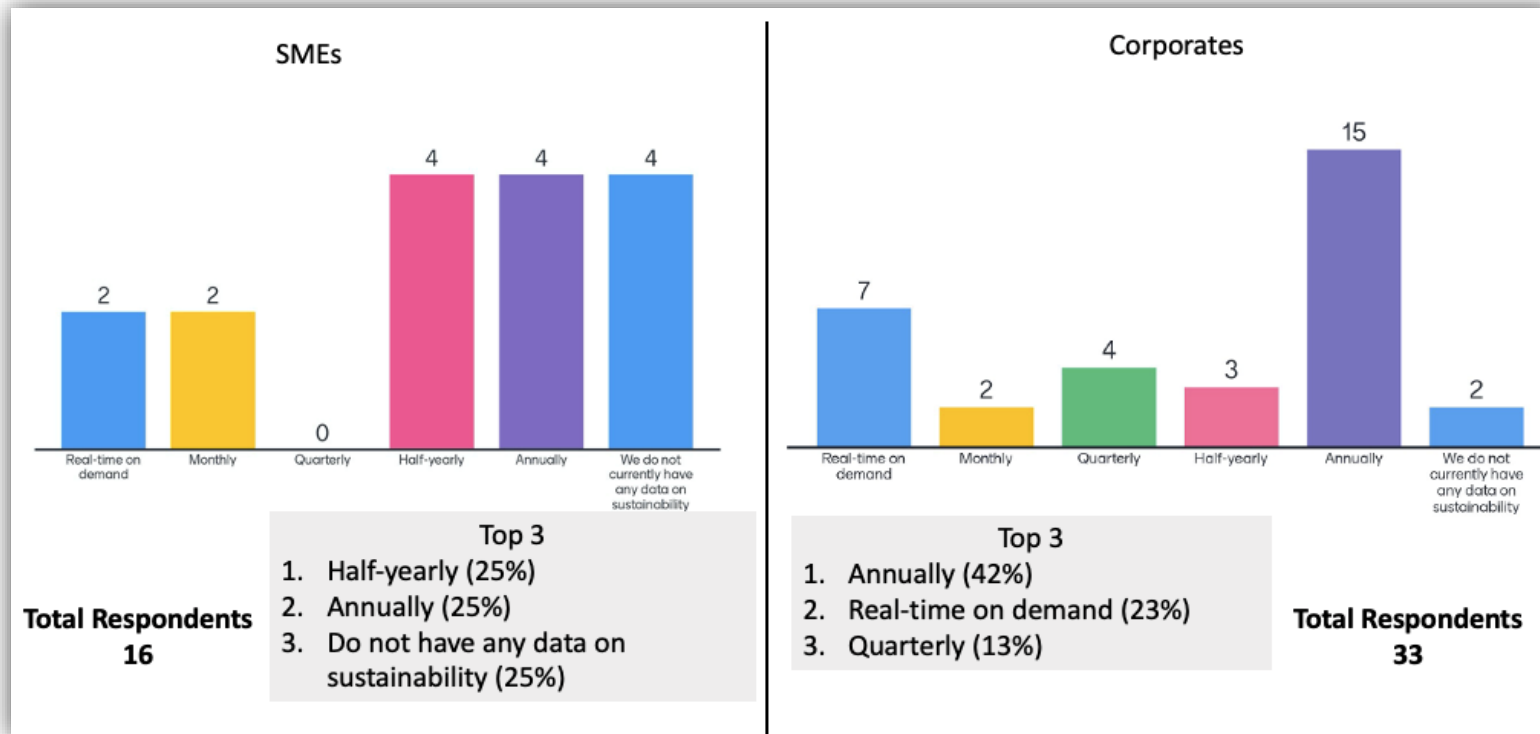
**SMEs**

Majority SMEs disseminate sustainability reports via website, social media and online and offline reports. This is relevant as today's emerging digital world promotes online dissemination as they are the easiest mediums to reach public audience and most feasible.

**Corporates**

Similarly, corporates disseminate their reports via their website, printed or digitised report and respective social media platforms. This is arguably the best way to connect and reach audience of various categories (age, location, backgrounds, etc), overcoming distance and other barriers.

## How frequently is Sustainability-related data accrued?



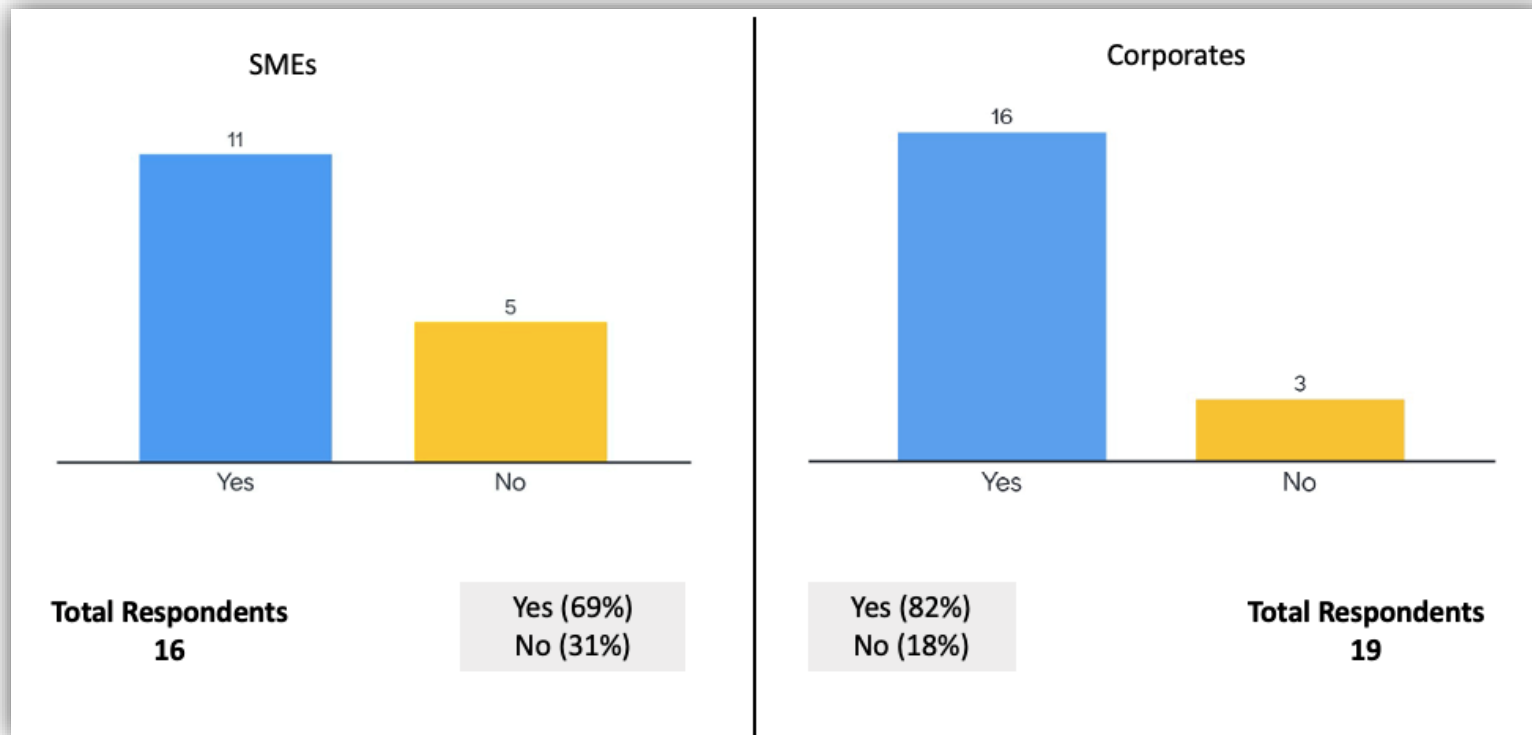
### SMEs

- ❑ A significant portion of SMEs claim they do not have any data on sustainability while others obtain data annually and twice a year. This signifies a certain degree of inaccessibility to obtain data on sustainability.
- ❑ There may be a disparity in terms of data accessibility particularly those related to sustainability. Some SMEs may not have the knowledge or guidance to obtain such data that might have caused this.

### Corporates

- ❑ Majority corporates accrue sustainability data annually, which is logical considering their reports are typically published yearly.
- ❑ The rest accrue sustainability related data on demand which may indicate a more sophisticated approach to sustainability management, coinciding with their higher position in the Sustainability Maturity Map.

Would you commit to submitting your sustainability disclosures to a UN-based digital platform to ease future VNR?



### SMEs

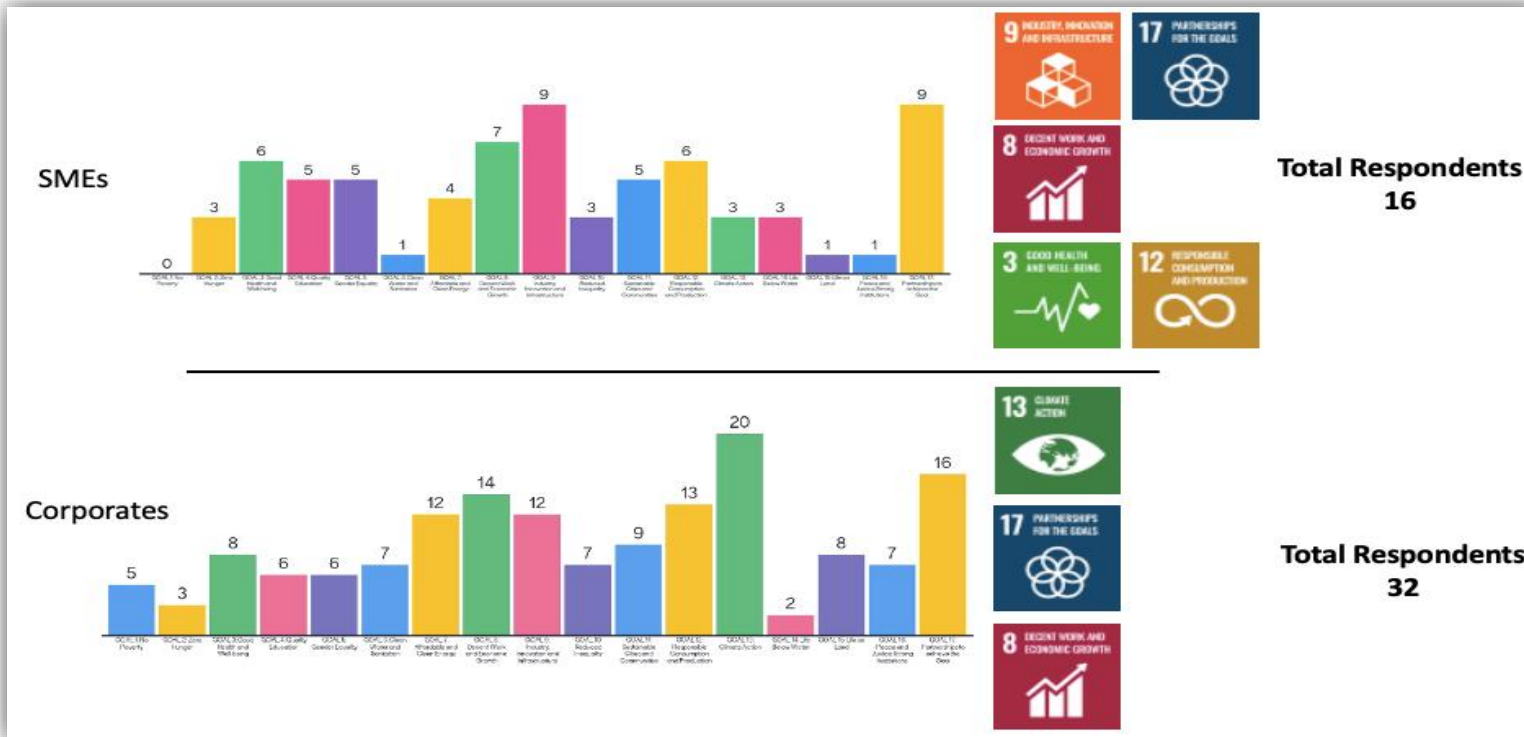
- Majority SMEs agree to submit sustainability disclosures to a UN-based platform to improve future VNR with a fair portion not willing to do so. Some may be inclined to agree for guidance purposes and that they are willing to give serious efforts in integrating sustainable development into their (intrinsic and extrinsic) business practices.
- Those who think otherwise may have issues with transparency in disclosing their data, fearing that their data would cause more harm than help to the public audience.

### Corporates

- Corporates are more willing to commit to disclosing sustainability data to UN-based digital platforms than SMEs.
- Considering the size of Corporates (large) when compared to SMEs (small to medium), reporting such data is greater in commitment. This is possibly to maintain good sustainability image as well as greater diagnosis to current underlying issues in the business and thus greater solutions.



Please select the SDGs that could represent a business opportunity for your organisation in the future



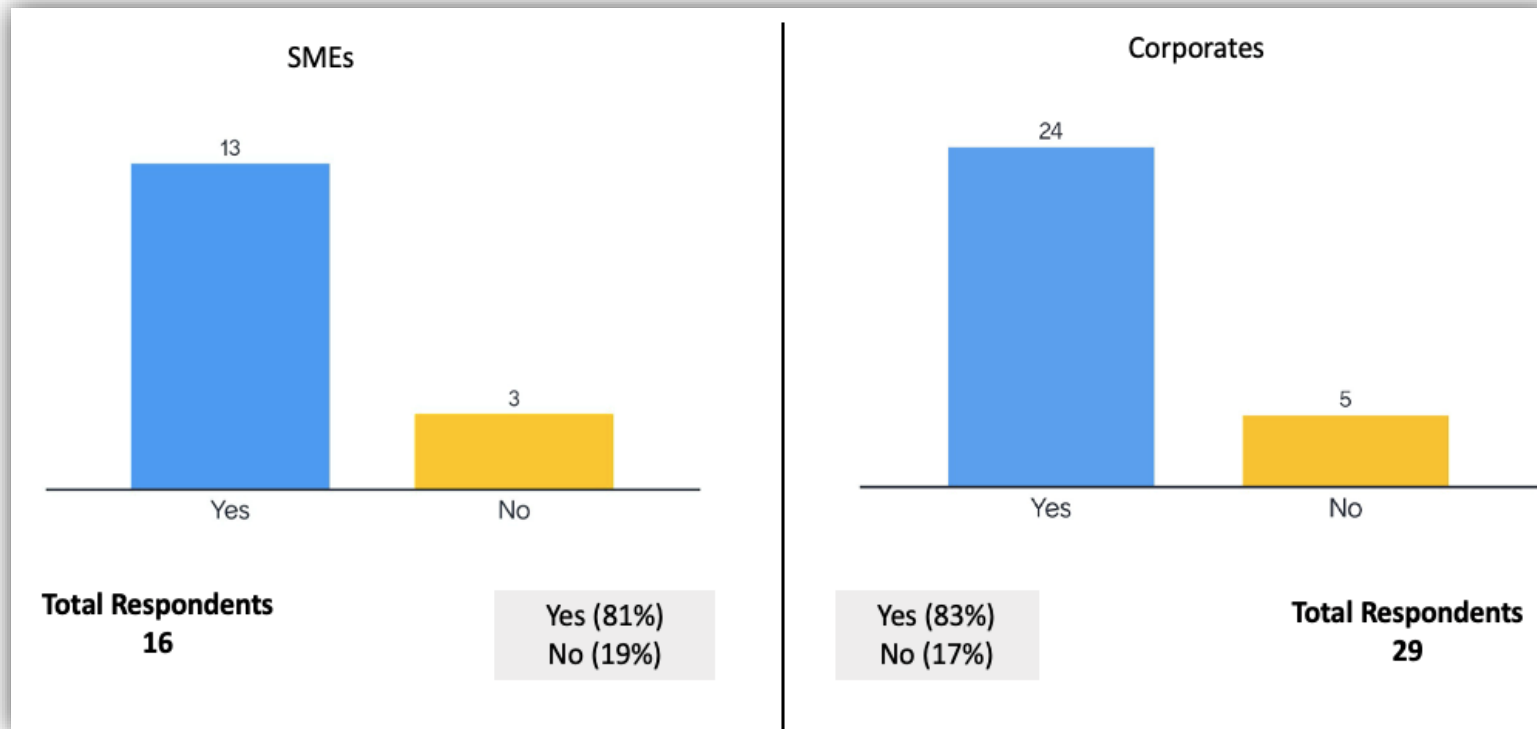
**SMEs**

- ☐ SMEs foresee internal growths as emerging business opportunities including innovation driven by the emergence of Industry 4.0, global collaborations and decent economic growth. The current rapid growth of smart technology and IoT may be the main drivers for such SDG focus.
- ☐ In line with the current events (covid-19 pandemic) and trends (ethical consumption), it is logical that SMEs foresee these specific goals potentially being the value drivers for business opportunities.

**Corporates**

- ☐ Slight differences in how SMEs and Corporates view and foresee business opportunities – corporates predict opportunities lie in environment-centric roles i.e. environmental officer, provisional climate law and regulations.
- ☐ Both SMEs and Corporates, however, acknowledge the importance of establishing partnerships and synchronicity with other organisations in order to overcome the barriers of networking.

Is your organisation willing to commit to set ambitious SDGs targets in the coming 2 years?



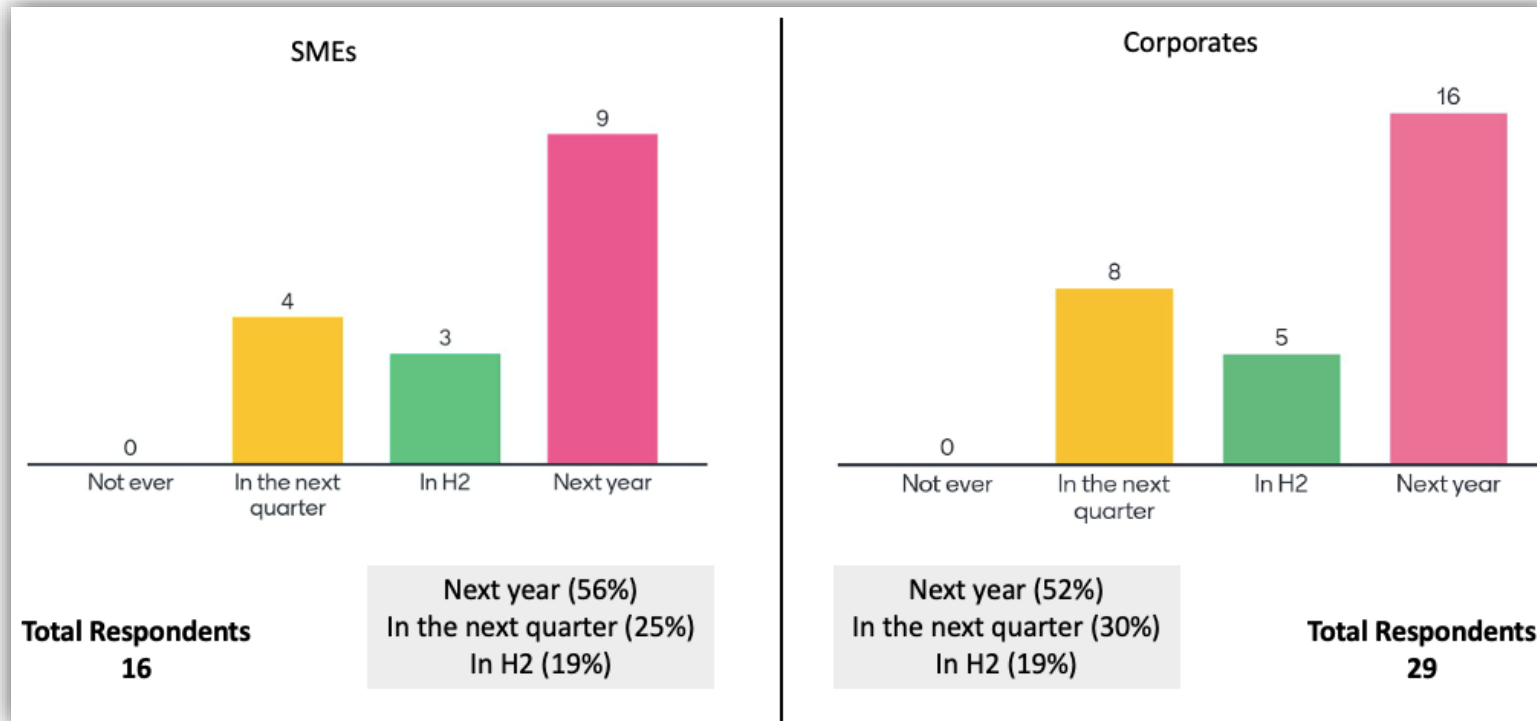
### SMEs

- Majority SMEs claim to drive serious commitments to set ambitious SDGs targets in the coming 2 years, suggesting that their reporting will be more sustainability-centric than at present.
- Although not many, there are still SME representatives who do not see themselves committing to SDGs target reporting in the next 2 years. This may be due to a lack of awareness around evidencing the value and benefits of embedding sustainability in business strategy.

### Corporates

- Similarly, majority corporates are willing to commit in setting ambitious SDGs targets soon. Some corporates are already setting their targets to drive sustainability into their business value drivers.
- There are a small portion who do not see themselves committing to set ambitious SDGs target reporting in the coming 2 years – possibly due to the same reasons as SMEs, as some corporates prioritise revenue generation and secure breakeven albeit to what extent sustainability would be involved in their effort to do so.

When do you foresee your organisation increasing resources to deliver on its new sustainability commitments?



## SMEs

- ❑ Majority of SMEs foresee increasing resources for sustainability next year, suggesting that there will be demands for better data accessibility and guidance for sustainability reporting starting next year.
- ❑ Some SME representatives voted for half yearly and quarterly improvements on resourcing, indicating that they are increasing efforts in committing towards sustainability.

## Corporates

- ❑ Similarly, majority corporates foresee better data sourcing for sustainability reporting in the next year. This is aligned with the typical frequency of reporting which occurs annually.
- ❑ Like SMEs, some corporates foresee acceleration in obtaining resources for sustainability actions. Since we are nearing the 2030 Agenda for Sustainability, it is crucial for corporations to enhance their pace in ensuring efficient monitoring of achieving targets by then and achieving them in the most accurate manner.

		Recommended UNCTAD SDG Focus																
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
VNR 2021 SDG Focus	1	x																
	2		x															
	3			✓														
	4				x													
	5					x												
	6						x											
	7							x										
	8								✓									
	9									x								
	10										✓							
	11											NA						
	12												✓					
	13													x				
	14														NA			
	15															NA		
	16																✓	
	17																	✓

x = convergence; x = gaps; NA = SDGs not covered by both recommendations

Using the 2021 VNR focused SDGs in juxtaposition to the UNCTAD recommendations, the map provides a simple depiction of the convergence points, gaps (where there is no convergence) and lastly SDGs not covered (NA) by the two documents.

The VNR 2021 SDG Focus covers 9 SDGs (left hand column) while the UNCTAD SDG focus recommended 11 SDGs (top row). The 17 SDG Boxes are shown as reference.

#### Gaps

- ❑ The gaps in the data availability imply that more mediation work needs to be done to align the VNR to the negotiated UNCTAD framework SDG indicators.
- ❑ This shows that there are still unalignment occurring possibly due to the lack of mediation between private sector and government reporting.
- ❑ Another possibility is that some of the SDG indicators recommended by the VNR framework is not relevant to the individual private sector's business practices.

#### Convergences

- ❑ Presence of convergence indicates that private sectors were able to deliver according to what was recommended by the VNR framework.
- ❑ In this consultation session, there are less convergences than gaps, indicating gaps should be addressed and improved in the next session.



Key findings	Highlights
<p>The need to actively promote and expand awareness of sustainability and the move toward SDGs among SMEs</p>	<p>Issues raised among SME representatives include the following:</p> <ol style="list-style-type: none"> <li>1. Lack of awareness and promotion of SDGs to SME owners and public audience.           <ul style="list-style-type: none"> <li>• Suggestion is to involve a more active engagement via social media platforms such as Facebook, LinkedIn, WhatsApp group networks to name a few.</li> <li>• Possible to establish stronger engagements using public figures and platforms such as SME Digital Communication Platform, a series of talks related to SDGs, shoutouts by public influencers and the Ministry of Education (enforce compulsory learning and exposure to SDG-linked pedagogy as early as primary education).</li> </ul> </li> <li>2. Overlooking the importance of SDG 11: Sustainable Cities and Communities, which is an integral part of sustainable growth especially within Malaysia.           <ul style="list-style-type: none"> <li>• Currently, we do not have a strong reporting framework for SDG 11.</li> </ul> </li> <li>3. Gain support from interested SMEs to support the events to be launched by UN Global Compact Malaysia &amp; Brunei. This is to enhance engagement among SMEs nationwide as they are integral to the country's economic growth and innovation.</li> <li>4. Troubles working in silos among different sectors (ie. Government vs education vs private sectors) as there are different levels of maturity and knowledge on SDGs. Sustainability ecosystem exists in isolation from one another. Need to tackle on how to assimilate and align action plans across different sectors (SDG 17: Partnerships for the Goals). Suggestion on action plan is to interconnect all stakeholders and value drivers together.</li> </ol>

# 8 Corporates – Key Findings

Key findings	Highlights
<p>Current policies that influence the attainment of SDGs as of 2020</p>	<p>The Corporates representatives discussed issues pertaining current policies that influence the attainment of SDGs, which include:</p> <ol style="list-style-type: none"> <li>1. Unsupportive carbon financing environment – sustainability-linked loans (SLL) like green bonds are innovative mechanism. However, rates are unattractive at present.</li> <li>2. It is difficult to align corporate indicators to government’s goals. For example: The current practice of reporting is that corporates set their own targets ie. To achieve GHG emission reductions to 45% by 2025. While data is quantifiable, it is not aligned with any standardised reference target provided by the government. Therefore, difficult to make cross-reference among other sectors.             <ul style="list-style-type: none"> <li>• Suggestion is to translate these indicators that are referable to both government and private corporations.</li> <li>• How to achieve this?                 <ol style="list-style-type: none"> <li>i. To have inter-ministerial agencies to provide unified pool of data accessible to either sectors for better decision making and alignment.</li> <li>ii. To increase guidance for corporate sectors and increase alignment for corporates to understand their contributions to national/global level targets better.</li> </ol> </li> </ul> </li> </ol>

Key findings	Highlights
<p>Data Availability Mapping: Future Data Sourcing Targets &amp; The Road to Synchronicity</p>	<p>Issues pertaining Data Availability:</p> <ol style="list-style-type: none"> <li>1. Various existing sub-platforms for acquiring ESG data. <ul style="list-style-type: none"> <li>• The current practice for the government to obtain private sectors' (also known as non-public listed companies, non-PLCs) sustainability-linked data is to refer to corporate websites. However, not all non-PLCs data are available in one platform.</li> </ul> </li> <li>2. Challenges to access data from non-PLCs as data disclosure and reporting is currently not mandatory for them. <ul style="list-style-type: none"> <li>• Suggestion is to incorporate mandatory data submission and consistent reporting among non-PLCs.</li> </ul> </li> <li>3. Lack of corporates who are ensuring sustainability data legitimacy. <ul style="list-style-type: none"> <li>• Suggestion is to address this issue to ensure data validity.</li> </ul> </li> <li>4. Challenge in comparing and cross-referencing data across various corporations. <ul style="list-style-type: none"> <li>• Attempt to revise and improve reporting framework.</li> </ul> </li> <li>5. Reporting is one important aspect, engagement is as equally important. <ul style="list-style-type: none"> <li>• Suggestion is to establish stronger public-private partnerships (PPPs). There is a need for stronger voices as enablers to achieve prioritised SDGs.</li> </ul> </li> <li>6. Importance of 2-way influence: <ul style="list-style-type: none"> <li>• Private corporations should also take the lead to influence the government, communicate with various key stakeholders, establish partnerships with and bring together like-minded sectors towards achieving SDGs.</li> </ul> </li> </ol>

## Recommendations from SMEs:

- Improve SDG awareness via social media platforms such as Facebook, LinkedIn, WhatsApp group networks.
- Using public figures and utilising existing SME platforms to communicate the SDGs.
- Shared responsibility to rollout National SDG campaign.

## Recommendations from Corporates:

- To have inter-ministerial agencies to provide unified pool of data accessible to all sectors for better decision making and alignment.
- To increase guidance for corporate sectors and increase alignment for corporates to understand their contributions to national/global level targets better.
- Data Availability Mapping: Future Data Sourcing Targets & The Road to Effective Standardisation.
- To incorporate mandatory data submission and consistent reporting among non-PLCs.
- Reporting is one important aspect, engagement is as equally important. Suggestion is to establish stronger public-private partnerships (PPPs). There is a need for stronger voices as enablers to achieve prioritised SDGs as addressed in VNR 2021 framework.
- Private sectors to take the lead in promoting SDGs.



# 10 Next Steps



1

Formalise platform under the SDG Reporting Framework as recommended by the Inter-agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs).

2

Align private sector SDG reporting along the UNCTAD recommended indicators to baseline Private Sector contribution to the VNR.

3

Close gaps on existing UNCTAD indicators and explore opportunities for SDG impact to improve SDG Index.



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# SDG Stories

*Private Sector Action*

*(submitted by consultation participants)*



# SDG Stories



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Taylor's Business School (TBS) operates in different contexts and its societal is largely recognized at the local and national level. Precisely, TBS directly contributes to a sustainable future by embedding world-class teaching in a contextually meaningful world. Such an approach takes the form of the organisation of different projects aiming at improving society as a whole by promoting sustainability, ethics, and social engagement for staff and students. TBS established a UN SDGs-based matrix detailing the major societal initiatives achieved by our staff and students. In addition to the number of initiatives, our key metrics to value our societal engagement are the number of students and staff involved in these projects as well as the number of underprivileged people positively affected by our engagement.



"Transforming Higher Education for a Sustainable Tomorrow" is a vision of Universiti Sains Malaysia, also known as "University in a Garden". USM aims at becoming a pioneering, trans-disciplinary research intensive university that empowers future talents and enables the bottom billions to transform their socio-economic well-being. On 4th of September 2008, USM was granted the APEX (Accelerated Programme for Excellence) status by the Ministry of Higher Education of Malaysia. USM under REDAC (River Engineering and Urban Drainage Research Centre) awarded the "UNESCO Chair Eco-hydraulics for Sustainable Water Infrastructures for SDG6 in the Asia and Pacific Region"



# Appendix – SDG Stories



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Eco World Development Group Berhad (“EcoWorld”)’s vision of ***Creating Tomorrow and Beyond*** places sustainability at the core of everything we do. As we progress on this journey, we have adopted 8 of the 17 United Nations Sustainable Development Goals (SDGs 3, 4, 5, 8, 9, 11, 13 & 16) and continue to identify areas where we can make a positive economic, social and environmental impact. Through our extensive investments in improving the infrastructure surrounding our projects we have been able to provide better connectivity and access to a comprehensive range of amenities for our residents and also created multiple opportunities for the surrounding communities to thrive and develop alongside us. Our desire to positively impact society is further expressed through the Eco World Foundation which actively works to provide equal access to education for the underprivileged through its Students Aid Programme which funds the education of approximately 3,000 school children. EcoWorld’s commitment to sustainability is an ongoing progression and while we acknowledge that we still have much to learn, we are committed to continually improve ourselves in order to fulfil our aspiration of building a sustainable future for all.



We effectively digitalised the MRT construction process using intelligent Building Information Modelling (BIM) integration and drones to acquire large volumes of data rapidly. For efficiency in tunnelling and to reduce human error or erratic machine operation, we designed the world’s first autonomous Tunnel Boring Machine comprising artificial intelligence control algorithms. This promotes UN SDG 9: industry innovation and resource saving (energy, manpower and time). We have a Wetlands Arboretum that acts as a natural sanctuary to promote wildlife conservation, nature research and as a recreational ground. We leverage on the native knowledge from Orang Asli community in Kuala Langat and the scientific research of arborists. This promotes UN SDG 15: ensuring the protection and management of biodiversity. We established Tunnelling Training Academy and Gamuda Plant Operator School to produce qualified and skilled workforce in the highly specialised field of tunnel construction and machine operation. We set up Enabling Academy (EA) to prepare people with autism for gainful and sustainable employment. This promotes UN SDGs 4, 8 and 10, that value education without discrimination. We established Malaysia’s first private reverse transcription polymerase chain reaction (RT-PCR) testing lab to allocate sufficient control measures in mitigating the risk of spreading the virus and ensure business continuity.

# Appendix – SDG Stories



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MFI Mermaid is the world's first organisation writing for professional mermaid courses. From a leisure sport, to professional underwater performer, instructors' training and schools management. Mermaiding underwater brings us out of our daily worries and stress, and to enjoy the quietness and calmness within yourself. Through our professionally written mermaid educational courses, we are committed to foster Gender Equality and raise awareness and enact actions towards our environment especially Life Below Water. We believe that only by collaborating effectively with different stakeholders in the market is the only way to achieve Partnership for Goals and Sustainable Economic Growth.



Duopharma Biotech Berhad aligns to SDG 3 in terms of access to medicine by providing cost effective treatments to all. We produce biosimilars that create competition with innovators and this helps to drive down prices giving the middle- and lower-income population access to affordable medicines. We also align with SDG 16 by implementing a corruption risk management to identify structural weaknesses that could facilitate corruption. Our strict adherence to anti-corruption is evident when Duopharma Biotech Berhad was honoured with the Five Petals Gold Ethics Award by the Business Ethics Institute of Malaysia ("BEIM") and obtained the ISO 37001 (Anti-Bribery Management System) certification. Duopharma Biotech Berhad also aligns with SDG 17 as well by collaborating with multiple business partners for future endeavours. This is evident in our partnership with the United Nation Global Compact Malaysia and Brunei to further improve our alignment of our businesses to the SDGs.



# Appendix – SDG Stories



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FGV remains steadfast in fulfilling its commitment to human rights. Various efforts and initiatives have been implemented to strengthen FGV's labour practices in line with SDG 8. On SDG 5, we have recently established a Committee on Gender Equality and Women Empowerment, which seeks to promote full respect and support for the rights of women under FGV's duty of care. In support of SDG 4, FGV has established 11 Community Learning Centres (CLCs) in Sabah as alternative learning centres to provide education to children of plantation workers who are not enrolled in formal education. We will also continue to play our part to help the global community achieve SDG 13 on climate action. Our 30 biogas plants alone help to offset most of our GHG emissions, in addition to generating and supplying electricity to the local communities in several townships. The Sun Bear Conservation Programme, Rafflesia Conservation & Interpretation Centre and Mega Biodiversity Corridor Conservation Project, as well as our commitment to implementing the No Deforestation, No Peat and No Exploitation (NDPE) Policy and protecting High Carbon Stock (HCS) areas throughout our supply chain, are part of our conservation efforts to contribute to the achievement of SDG 15.



In line with SDG13: Climate Action, AirAsia took its first step towards reducing GHG emissions by voluntarily participating in the global market-based measure (MBM) scheme, Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) by the International Civil Aviation Organisation (ICAO). CORSIA is a global offsetting scheme to stabilise net aviation CO2 emissions from 2020 levels through carbon-neutral growth. Airlines are required to offset any increase in emissions above the baseline set by ICAO. In 2019, we began our journey by setting up procedures and dashboard to monitor, track and record our carbon emissions and completed our first year of CORSIA's carbon Monitoring, Reporting and Verification (MRV). AirAsia will also be reviewing its carbon offsetting strategy to reinvest its carbon finances into countries where it has significant operations. One avenue being explored is to support the carbon credit certification of the environmental social enterprises within the region so that these organisations can benefit from eventual carbon credit financing of the AirAsia Group. In addition to CORSIA, AirAsia is committed to support Task Force on Climate-related Financial Disclosures (TCFD), this is supported by our collaboration with Imperial College London on AirAsia's Climate Risk Scenario Analysis.



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