

This report is intended for a restricted audience only, i.e., the individuals and organisations having received this draft. The report may not be reviewed, abstracted, quoted, reproduced, transmitted, distributed, translated, or adapted, in part or in whole, in any form or by any means outside other than by these individuals and organisations without permission. The report should not be displayed on any website.



GREEN PRACTICES GUIDELINE FOR FISHERIES SECTOR (AQUACULTURE)



# GREEN PRACTICES GUIDELINE FOR FISHERIES SECTOR (AQUACULTURE)





# GREEN PRACTICES GUIDELINE FOR **FISHERIES SECTOR** (AQUACULTURE)

Malaysian Green Technology And Climate Change Corporation

## PROJECT TEAM (MGTC)

Ts. Shamsul Bahar Mohd Nor  
Kamaradzaman Mohd Bakri  
Abd. Malik Atan

Azlina Hashim  
Muhammad Faiz Abdul Rahman  
Nur Amalina Hasanudin

## TECHNICAL EXPERT & AUTHOR

Dr. Rozihan Mohamed  
Ts. Raja Shazrin Shah bin Raja Ehsan Shah  
Ts. Sr. Dr. Mohamad Ridzuan bin Yahya  
Prof Madya Dr. Atikah Kadri  
Prof. Madya Dr. Norol Hamiza Zamzuri  
Prof. Madya Dr. Rasidah Hamid

Prof. Madya Dr. Yusfida Ayu Abdullah.  
Prof. Madya Ir. Dr. Nofri Yenita Dahlan  
Tn. Haji Abdullah Abd Rahim  
Prof. Madya Ir. Dr. Siti Shawalliah Idris  
Dr. Marfiah Ab Wahid  
Dr. Natrina Mariane P. Toyong

Dr. Siti Ayu Jalil  
Dr. Zadariana bt Jamil @ Osman  
Noor Azlin Mahat  
Zakiah Hasan

## PROJECT SUPPORT

Dr. Adibi Rahiman Md Nor	UM	Rahimah Osman	DOF	Lili Suhana Adnan	DOE
Dr. Che Zulkifli Che Ismail	FRI	Kamarul Anwar Mohamed Zabri	DOF	Muhammad Syamsul Hazry Yahya	MOHR
Dr. Mohd Zafri Hassan	UPM	Mohd Azrul Mahmud	DOF	Marlinda Anim Wan Drahman	DOF
Ir. Rosmaria Abu Darim	FRI	Mohamad Azlan Amran	DOF	Muhammad Thaqif Mohamad Bakri	DOF
Anuar Salam Sulaiman	DOF	Syed Yusuf Wan Drahman	DOF	Giva Kuppusamy	GK Aqua
Aishah Hj. Yusoff	DOF	Kamaruzzaman Muhd Ming	DOF	Amir Asyraf Zainudin	GK Aqua

## ACKNOWLEDGEMENTS

We wish to express appreciation to all stakeholders who have provided feedback and comments on the draft versions of this document.

### STAKEHOLDERS

Ts. Raja Shazrin Shah bin Raja Ehsan Shah (Galaxy Tech Solutions (KL) Sdn. Bhd.)  
Department of Aquaculture, Faculty of Agriculture, UPM  
Institute for Advanced Studies, UM  
Department of Fisheries Malaysia  
Department of Environment  
Fisheries Research Institute Malaysia  
Malaysian Fisheries Society  
Ministry of Human Resources  
GK Aqua Sdn. Bhd.

## ABBREVIATIONS

GDP	Gross Domestic Product
OECD	Economic Co-operation and Development
KDNK	'Keluaran Dalam Negara Kasar'
PCC	Per Capita Consumption
SSL	Self Sufficiency Level
BOT	Balance of Trade
COP	Code of Practice
UNEP	United Nations Environment Programme
UNIDO	United Nations Development Organisation

## ABBREVIATIONS

ICT	Information and Communication Technology
AI	Artificial Intelligence
NAP3	Third National Agricultural Policy
NGO	Non-Governmental Organisation
SME	Small and Medium Enterprise
FDI	Foreign Direct Investment
LCA	Life Cycle Analysis
R&D	Research & Development

## TERMINOLOGIES

Gross Domestic Product	The standard measure of the value added created through the production of goods and services in a country during a certain period. As such, it also measures the income earned from that production, or the total amount spent on final goods and services (less imports).
Per Capita Consumption	The yearly use of goods and services by each person, derived by dividing the quantity of goods and services used by the total population. This variable serves as a direct measure of personal economic well-being.
Self Sufficiency Level	Calculates the percentage of food consumed and produced domestically. It defines whether the production of agricultural commodities for a country is sufficient to meet domestic needs. The higher the ratio, the greater the self-sufficiency.
Balance of Trade	The difference between the value of a country's exports and the value of a country's imports for a given period.
Code of Practice	A set of written rules which explains how people working in a particular profession should behave.
Overexploitation	Also known as overfishing, is the removal of marine living resources to levels that are too low for sustaining viable populations
Policy maker	A broad term that covers all the people responsible for formulating or amending policy.
Sociocultural	Used to describe the differences between groups of people relating to the social class and culture in which they live
Stakeholders	Is either an individual, group or organisation that's impacted by the outcome of a project or a business venture. Stakeholders have an interest in the success of the project and can be within or outside the organisation that's sponsoring the project.
Fisheries	Refers to the enterprise of raising or harvesting fish and other aquatic life, or more commonly, the site where such enterprise takes place
Green Practices	Environmentally friendly actions, which promote environment protection and sustainable development
Green Fisheries	Activities involving the fisheries sector which are environmentally friendly.





# FOREWORD

---

The development of green practice guidelines is a continuation of the implementation of the MyHIJAU Programme under the Ministry of Environment and Water (KASA) and the Malaysian Green Technology and Climate Change Corporation (MGTC) which is a coordinating agency and secretariat for the program. This programme has been approved by the National Council for Green Technology and Climate Change (MTHPI) which was held on 23 October 2012. This is one of the Government's initiatives in the development of Green Technology in Malaysia. It is in line with the implementation of the National Green Technology Policy as well as the direction of Sustainable Consumption & Production (SCP) to encourage

local manufacturers, producers and suppliers, especially to companies and Small and Medium Enterprises (SMEs). In addition, it will also focus on the Government's initiatives and direction in the development of the country's SMEs.

The development of Green Practice Guidelines is to provide guidance to the green industry in implementing green practices at the preliminary stage, during and after construction is implemented. These guidelines also have an implementation direction to ensure that these Guidelines will continue to be referred to and used by all parties, especially industry players to help achieve the government's goal of implementing green development in Malaysia. This green practice can

help the industrial sector to have the potential to venture into the field of green technology, especially in the production of green products and services, as well as increase the encouragement of producers, manufacturers and suppliers to apply green technology in the premises, production process and operation. These Guidelines are more towards the requirements that need to be put into practice so that industries, companies and organisations have green practice guidelines that can be referred to as well as help companies achieve the government's goal of using green practices in line with SDG 12.6, which is to encourage the industry to use sustainable practices and integrate information sustainability into the reporting cycle.

Referring to the twelfth Malaysia plan under the eighth main focus which is to accelerate green growth, where this green practice development programme is able to play a very important role in being a catalyst to ensure that these green practices are more practical and applicable to all parties in the green industry whether directly or indirectly for local companies and businesses to gain exposure to this green industry practice guide.

Therefore, increasing productivity and long-term profits through environmental, social and governance (ESG) elements should be applied in decision-making by ensuring that companies focus on reducing the negative impact on the environment. Although Malaysia only contributes 0.7 percent to greenhouse gas emissions, the Government will continue to fulfil its commitment to reduce GHG emission intensity up to 45 percent to GDP in 2030, based on emission intensity in 2005, in line with the aspiration to become a low carbon country.

It is hoped that this goal can be achieved by focusing on the industry to understand the importance of green practices in business by applying knowledge about the benefits and applications of green technology as well as the implementation strategy of the green practice monitoring mechanism in business management to obtain the recognition of the green industry.

# ABOUT THE GUIDELINE

The Green Practices Guideline was officially endorsed by the Ministry of Environment and Water in 2021 as part of the Twelfth Malaysia Plan (RMKe-12) under SDG 12.6. This particular goal aims to promote the adoption of sustainable practices and the integration of sustainability information into the reporting cycle of companies.

This governmental initiative strongly aligns with Malaysia's commitment to fostering green technology policies and driving sustainable development across various industries and organisations within the country.

The initial implementation of the Guideline primarily focuses on enhancing exposure, perception, knowledge, and capacity building regarding green resources, processes, and technologies. Collectively known as "green practices," these measures are intended to drive positive changes within the industry.

The envisioned outcome of implementing green practices in the industry is the promotion of cleaner, more efficient, and environmentally-friendly operations, processes, and premises throughout Malaysia.

## KEY POINTS:

- Mandate** : The Ministry of Environment and Water granted approval through the Twelfth Malaysia Plan (RMKe-12) in 2021.
- Green Policy** : The Guideline supports the advancement of green technology policies to facilitate sustainable development within industries and organisations in Malaysia.
- Purpose** : To provide guidance and recommendations for fisheries sector industries in the implementation of green practices.
- Approach** : The Guideline emphasises the optimisation of natural resource consumption, energy usage, and water management, while concurrently reducing toxic emissions and waste generation.
- Optimise** : Focus on optimising the consumption of natural resources, including raw materials, water, energy, and land use.
- Circularity** : Encourage the adoption of circular economy principles by increasing the reuse, recycling, and reduction of materials, energy, and water.
- Reduce** : Place emphasis on reducing the emissions of toxic or hazardous waste.
- Implement** : Promote the utilisation of innovative green technologies to enhance processes and operations.



# INTRODUCTION

1



## PART 1: INTRODUCTION

### 1.1 ABOUT THE SECTOR



01

According to data from the **Department of Statistics Malaysia**, **OUR POPULATION** reached

**32.7**  
**MILLION**

in 2021



02

The **fisheries sector** remains an **IMPORTANT INSTRUMENT** to **produce food and nutrition**, generate **incomes**, and indirectly **improves the welfare of its communities**



03

The **fisheries sector** also plays an important role in the **ECONOMY'S COUNTRY** through its **contribution to national income** and **turnover exports** and **job creation**

The fisheries sector in Malaysia plays a crucial role in ensuring food security, supporting the income of fishermen, fish breeders, and fishery entrepreneurs, and driving the sustainable growth of the industry. However, to ensure the long-term viability and sustainability of the fisheries sector, the adoption of green practices is imperative. The integration of green practices in the fisheries sector aligns with the objectives of the Green Technology Master Plan (GTMP) in Malaysia and supports the overall sustainability goals of the country.

One example of green practices in the fisheries sector is the promotion of sustainable fishing methods and practices. This involves implementing measures to prevent overfishing, such as setting catch limits, implementing fishing seasons, and establishing protected areas. Additionally, the use of selective fishing gear and techniques can minimise bycatch and reduce the impact on non-target species and marine ecosystems. By adopting these sustainable fishing practices, the fisheries sector can ensure the long-term health and abundance of fish populations and maintain the ecological balance of marine ecosystems.

Another aspect of green practices in the fisheries sector is the implementation of responsible aquaculture practices. This includes adopting sustainable fish farming methods that minimise environmental impacts, such as using environmentally friendly feeds, managing water quality effectively, and minimising the discharge of pollutants into surrounding ecosystems. By implementing these practices, the fisheries sector can ensure the sustainable production of aquaculture products while minimising negative environmental consequences.

Furthermore, the fisheries sector can embrace resource efficiency and waste reduction measures. This includes optimising energy usage in fish processing and storage facilities, reducing water consumption, and implementing proper waste management practices to minimise pollution. By adopting resource-efficient practices, the fisheries sector can reduce its environmental footprint and contribute to the conservation of natural resources.

Incorporating traceability and certification systems is another important aspect of green practices in the fisheries sector. Traceability systems help ensure the legality and sustainability of seafood products, providing consumers with information about the origin and production methods of the seafood they consume. Certification schemes, such as the Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC) certifications, can provide assurance that seafood products have been sourced from sustainable and responsible fisheries or aquaculture operations.

By adopting these green practices, the fisheries sector in Malaysia can enhance the environmental sustainability of the industry while supporting the achievement of GTMP objectives. These practices promote the conservation of fishery resources, protect marine ecosystems, and contribute to the overall sustainability of the sector. Additionally, green practices can enhance the reputation and marketability of Malaysian seafood products, as there is a growing global demand for sustainably sourced and certified seafood.

Integrating green practices in the fisheries sector is essential for ensuring the long-term viability and sustainability of the industry in Malaysia. By promoting sustainable fishing methods, responsible aquaculture practices, resource efficiency, and traceability, the fisheries sector can contribute to the preservation of fishery resources, protection of marine ecosystems, and meet the objectives of the GTMP. Adopting green practices in the fisheries sector not only supports the economic growth of the industry but also ensures the well-being of fishermen, fish breeders, and fishery entrepreneurs while preserving the natural resources on which the sector depends.

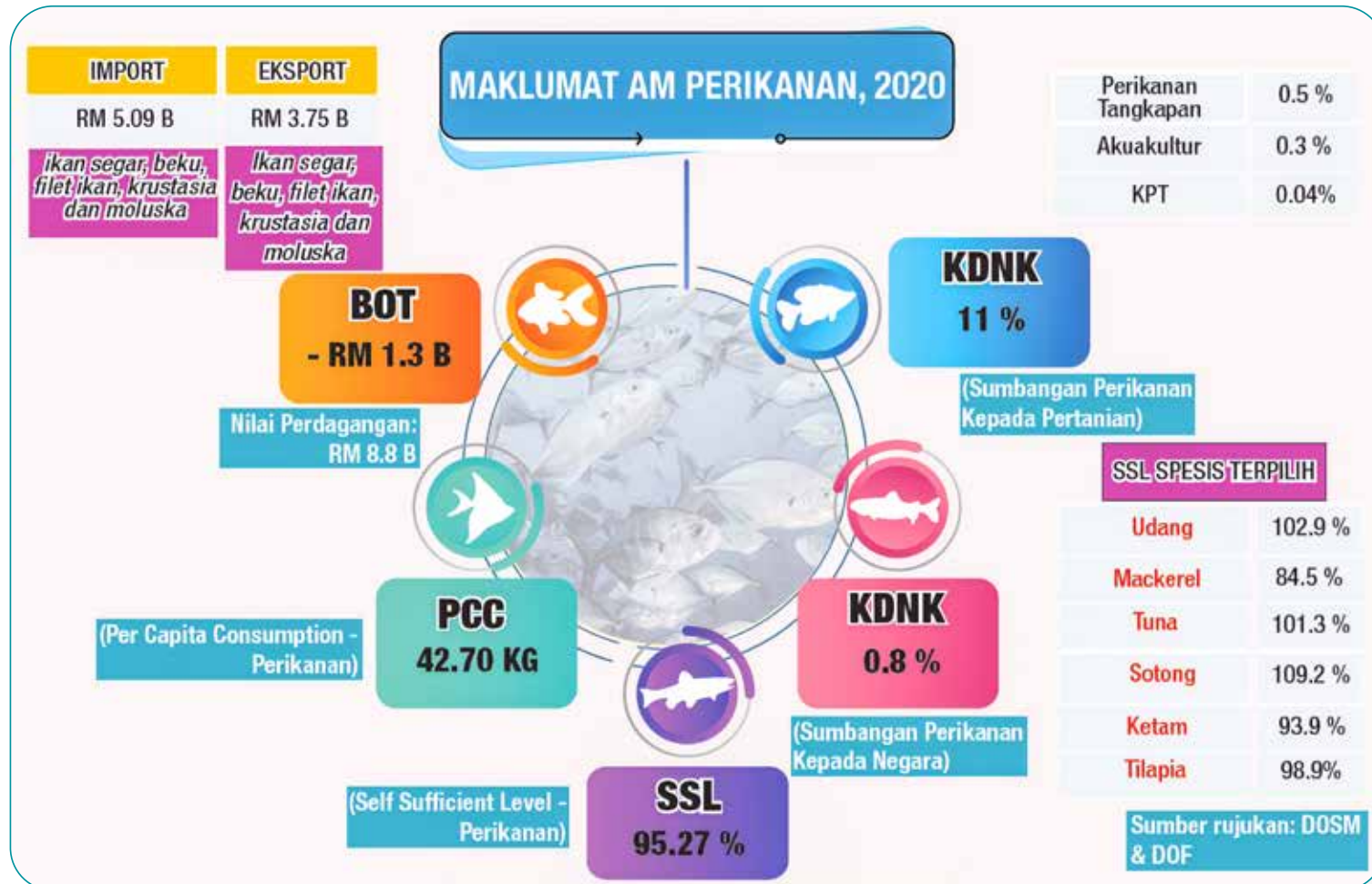


FIGURE 1.1.

INFORMATION REGARDING MALAYSIA'S FISHERIES SECTOR IN 2020

## 1.2 SCOPE AND APPLICATION

The Green Practices Guidelines for the Fisheries Sector in Malaysia aim to address the challenges posed by the processes, phases, and techniques in the sector that have historically boosted output but also had negative impacts on the environment. These guidelines have been developed to overcome the social, financial, and policy barriers that hinder the implementation of green initiatives in the fisheries sector. By incorporating a broad spectrum of issues and involving both government and non-government stakeholders, these guidelines underscore the need for strong institutional integration and supporting policies.

The scope of the Green Practices Guidelines encompasses various aspects of the fisheries sector, including resource management, fishing practices, aquaculture, processing, and distribution. It emphasises the need to align these activities with green practices to ensure environmental sustainability and the long-term viability of the sector.

The implementation of green practices in the fisheries sector can be guided by six indicators: Materials, Waste, Water, Energy, Innovation, and Management. These indicators provide a framework for assessing and improving the environmental performance of fisheries operations in Malaysia.



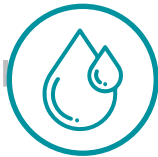
### MATERIALS:

Green practices in the fisheries sector focus on the responsible use of materials, such as sustainable fishing gear, environmentally friendly aquaculture feeds, and packaging materials that are recyclable or biodegradable.



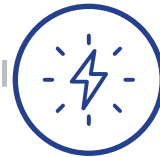
### WASTE:

Efforts should be made to minimise waste generation and implement proper waste management practices in fisheries operations. This can involve measures such as reducing packaging waste, promoting recycling and reuse, and implementing responsible disposal methods for fish processing by-products.



### WATER:

Sustainable water management is crucial in the fisheries sector. Practices should aim to minimise water usage, optimise water quality in aquaculture systems, and reduce the discharge of pollutants into aquatic environments.



### ENERGY:

Green practices in the fisheries sector focus on energy efficiency and the use of renewable energy sources where feasible. This can include adopting energy-efficient technologies in fish processing facilities, optimising energy consumption in aquaculture systems, and exploring the use of solar or wind power in fishing vessels.



### INNOVATION:

Embracing innovation is vital for the adoption of green practices in the fisheries sector. This can involve the development and application of new technologies, such as remote monitoring systems to reduce illegal fishing practices, or the use of data analytics to optimise fishery management and resource conservation.

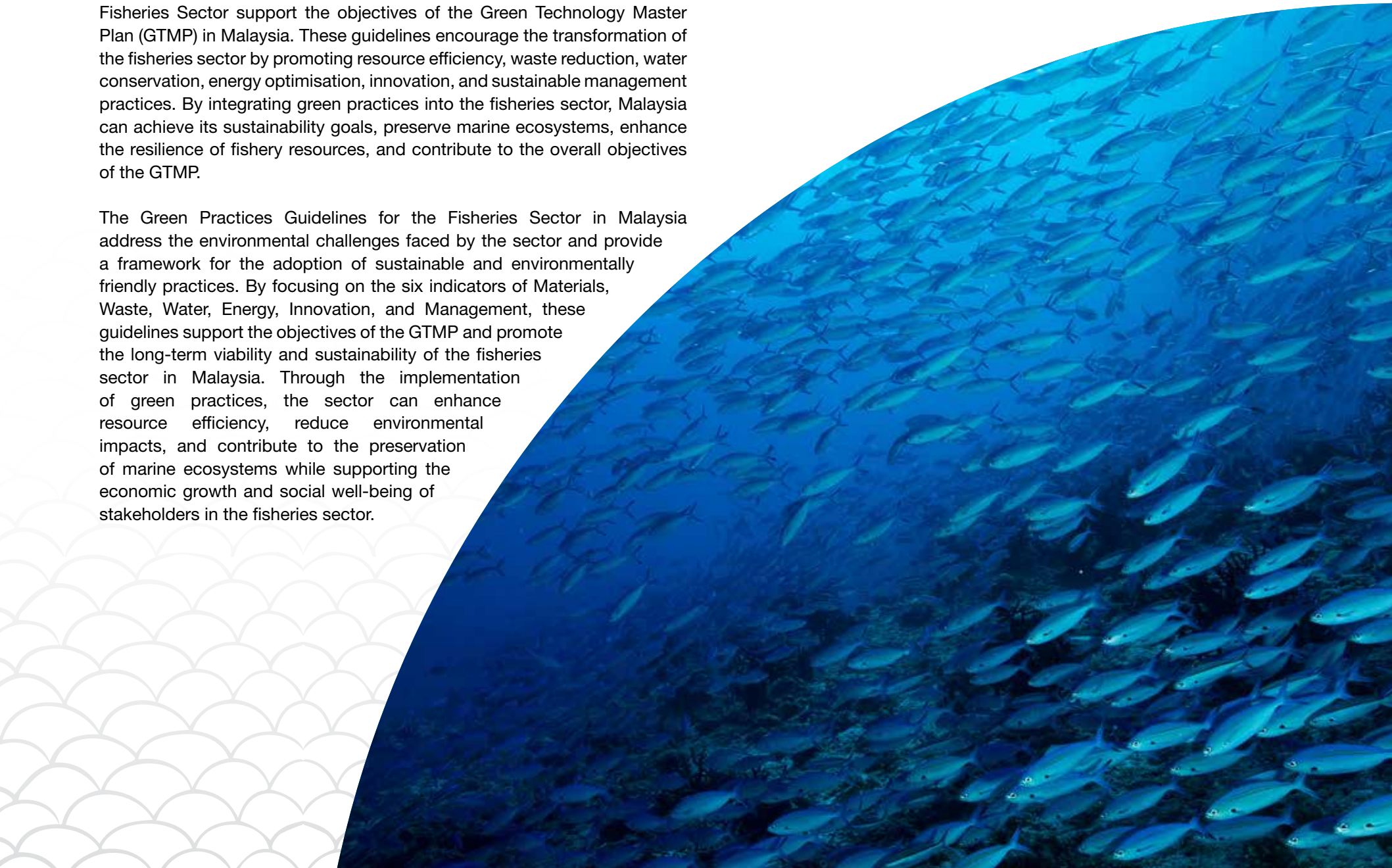


### MANAGEMENT:

Effective management practices are essential for the implementation of green initiatives in the fisheries sector. This includes adopting sustainable fishing practices, implementing traceability systems to ensure responsible sourcing, and promoting stakeholder engagement and collaboration in decision-making processes.

By utilising these six indicators, the Green Practices Guidelines for the Fisheries Sector support the objectives of the Green Technology Master Plan (GTMP) in Malaysia. These guidelines encourage the transformation of the fisheries sector by promoting resource efficiency, waste reduction, water conservation, energy optimisation, innovation, and sustainable management practices. By integrating green practices into the fisheries sector, Malaysia can achieve its sustainability goals, preserve marine ecosystems, enhance the resilience of fishery resources, and contribute to the overall objectives of the GTMP.

The Green Practices Guidelines for the Fisheries Sector in Malaysia address the environmental challenges faced by the sector and provide a framework for the adoption of sustainable and environmentally friendly practices. By focusing on the six indicators of Materials, Waste, Water, Energy, Innovation, and Management, these guidelines support the objectives of the GTMP and promote the long-term viability and sustainability of the fisheries sector in Malaysia. Through the implementation of green practices, the sector can enhance resource efficiency, reduce environmental impacts, and contribute to the preservation of marine ecosystems while supporting the economic growth and social well-being of stakeholders in the fisheries sector.



## 1.3 MOTIVATION TO SUSTAINABILITY

Sustainability holds significant importance in today's global business landscape, particularly in the fisheries sector. This sector plays a crucial role in economic development, making it essential for companies to embrace sustainable practices. By doing so, they can not only protect the environment but also unlock a range of benefits that contribute to long-term success and competitiveness.

### ENVIRONMENTAL STEWARDSHIP:

Fisheries companies have a responsibility to be environmentally responsible. Adopting sustainable practices allows them to minimise their ecological footprint, protect marine ecosystems, and conserve fish stocks. Demonstrating environmental stewardship showcases a commitment to safeguarding the oceans and supports global efforts to preserve marine biodiversity.

### COST SAVINGS AND EFFICIENCY:

Sustainability practices in the fisheries sector often result in long-term cost savings. Implementing measures to reduce fuel consumption, optimise fishing gear, and minimise waste can lower operational expenses, enhancing financial resilience. Embracing sustainable fishing practices improves resource efficiency, reducing overfishing and promoting the long-term viability of fish populations.

### MARKET DEMAND AND REPUTATION:

Consumers increasingly prioritise sustainably sourced seafood. Embracing sustainability in the fisheries sector allows companies to tap into the growing market demand for eco-conscious and socially responsible products. Adhering to sustainable fishing practices and obtaining certifications such as Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC) enhances reputation, builds trust with stakeholders, and fosters brand loyalty.

### REGULATORY COMPLIANCE AND MARKET ACCESS:

Sustainability practices in the fisheries sector align with and exceed environmental regulations. Proactively complying with fishing regulations and conservation measures helps companies avoid fines and legal issues. Adhering to sustainable fishing standards opens access to international markets with stringent environmental requirements, expanding reach and export opportunities.

### INNOVATION AND COMPETITIVENESS:

Sustainability drives innovation in the fisheries sector, prompting exploration of new fishing technologies, aquaculture techniques, and fisheries management practices. Companies investing in sustainable fishing methods gain a competitive edge. Sustainable practices foster creativity and problem-solving, enabling fisheries to adapt to changing environmental conditions and evolving market demands.

### EMPLOYEE ENGAGEMENT AND PRODUCTIVITY:

Commitment to sustainability boosts employee morale and engagement in the fisheries sector. Working for environmentally responsible organisations is a source of pride for employees. Companies prioritising sustainability attract and retain top talent, leading to increased productivity and job satisfaction among fishers and other industry professionals.

### RESILIENCE TO CLIMATE RISKS:

Incorporating sustainability practices in the fisheries sector builds resilience to climate-related risks. Strategies to mitigate and adapt to climate change impacts, such as ocean acidification and sea-level rise, ensure the long-term viability of fisheries. By implementing measures to protect habitats and ecosystems, the industry can secure the livelihoods of fishing communities and protect marine resources for future generations.

By embracing sustainable practices, the fisheries sector can contribute to the preservation of marine ecosystems, ensure the sustainable use of fishery resources, and support the livelihoods of fishing communities, all while maintaining long-term viability and competitiveness in a rapidly changing world.

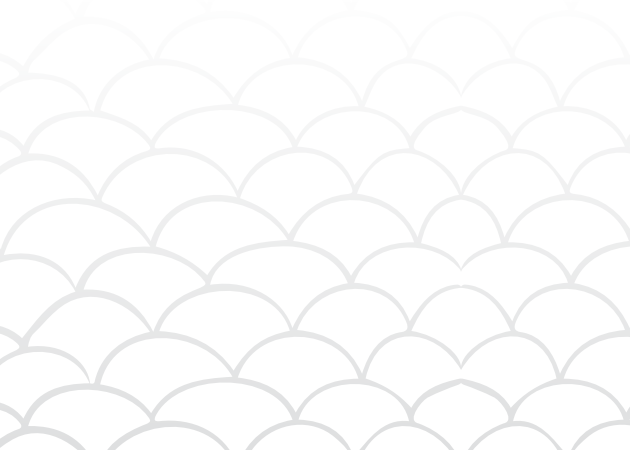
### 1.3.1 CLIMATE CHANGE

Climate change stands as one of the most formidable challenges of the 21<sup>st</sup> century. Central to addressing this challenge is the recognition that economic development must not come at the expense of the environment, and that controlling greenhouse gas (GHG) emissions is crucial to mitigating the impacts of climate change for the well-being of present and future generations.

Currently, the fisheries sector in Malaysia plays a significant role in contributing to the country's GHG emissions. It is important for the sector to recognise its responsibility in addressing climate change and adopting sustainable practices. Malaysia's commitment to becoming a low-carbon nation by 2050 presents an opportunity for the fisheries industry to contribute to this goal while ensuring its long-term viability.

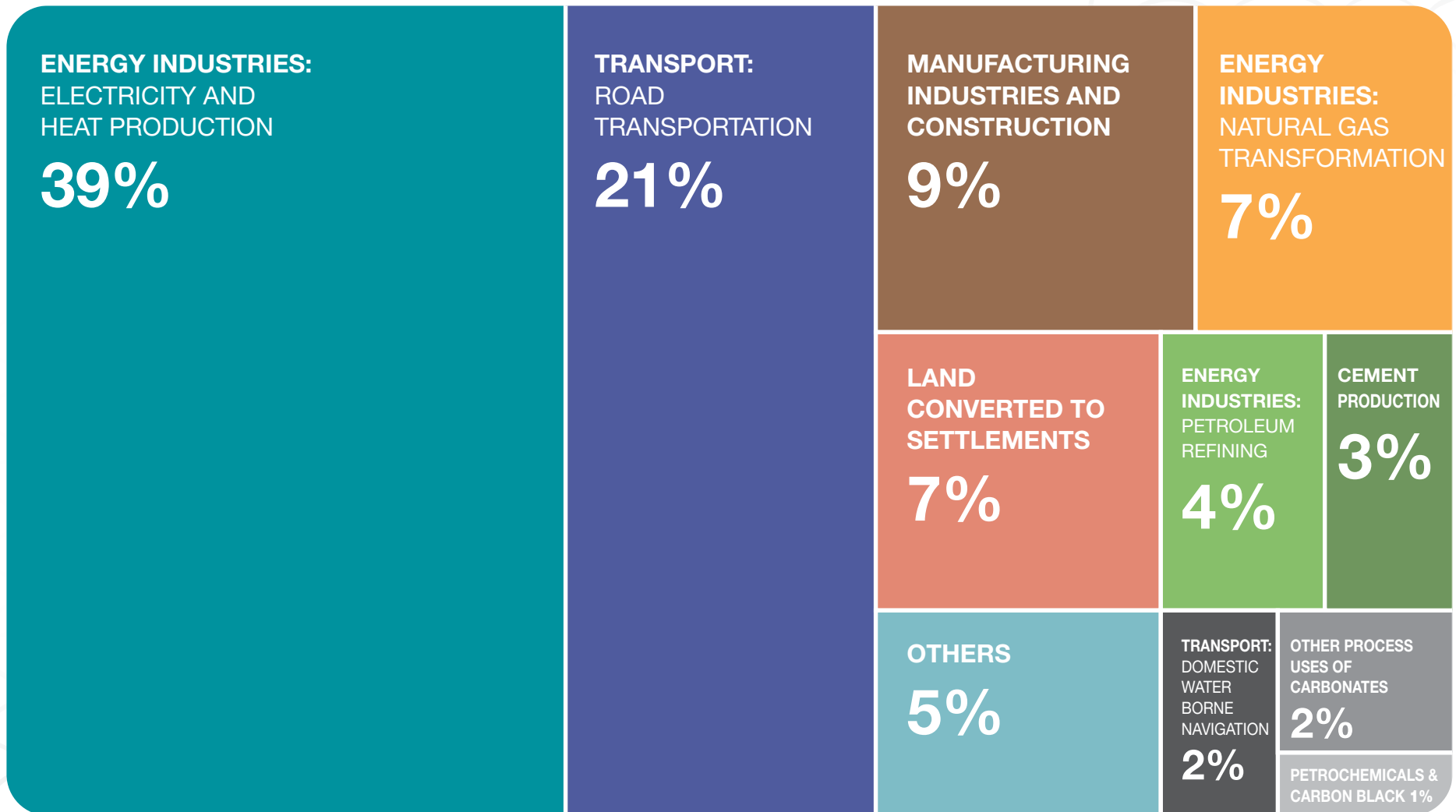
Examples of initiatives and actions that can be taken by the fisheries sector in Malaysia include:

1. **SUSTAINABLE FISHING PRACTICES:** Implementing sustainable fishing practices such as size and catch limits, gear modification, and seasonal closures can help preserve fish stocks, protect marine ecosystems, and reduce the carbon footprint of fishing operations.
2. **RENEWABLE ENERGY INTEGRATION:** Exploring and adopting renewable energy sources for fisheries-related activities, such as using solar panels for powering vessels or utilising wind energy for aquaculture operations, can reduce reliance on fossil fuels and decrease GHG emissions.
3. **EFFICIENT VESSEL DESIGN AND OPERATIONS:** Investing in energy-efficient vessel designs and technologies, optimising navigation routes, and adopting fuel-saving measures can significantly reduce fuel consumption and emissions associated with fishing activities.
4. **WASTE MANAGEMENT AND RECYCLING:** Implementing proper waste management practices, including the recycling and proper disposal of fishing gear, plastics, and other waste materials, can minimise pollution and contribute to a circular economy approach in the fisheries sector.
5. **MANGROVE CONSERVATION AND RESTORATION:** Protecting and restoring mangrove forests, which serve as vital carbon sinks and nurseries for marine life, can contribute to carbon sequestration, enhance biodiversity, and support sustainable fisheries.
6. **EDUCATION AND AWARENESS:** Promoting education and awareness programs among fishers, seafood consumers, and stakeholders about the importance of sustainable fishing practices, climate change impacts on marine ecosystems, and the benefits of responsible seafood consumption can drive positive change and support sustainable fisheries management.





By embracing these and other sustainable practices, the fisheries sector in Malaysia can play a crucial role in addressing climate change, protecting marine resources, and ensuring the long-term viability of the industry. Furthermore, these actions can contribute to Malaysia's broader sustainability goals, enhance the sector's reputation, and meet the expectations of environmentally conscious consumers and investors.



## RENEWABLE ENERGY (RE)

### FIT-IN-TARIFF

Mechanism under the Renewable Energy Policy & Action Plan to catalyse generation of Renewable Energy (RE) up to 30MW in size.

#### Emission avoidance:

460.52 Gg CO<sub>2</sub> eq

### HYDROPOWER

Hydropower is poised to play an increasingly important role in meeting Malaysia's energy and climate goals.

#### Emission avoidance:

6,535.99 Gg CO<sub>2</sub> eq

## NATIONAL ENERGY EFFICIENCY ACTION PLAN (NEEAP)

This plan was introduced targeting the residential, commercial and industrial sectors. Key initiatives under NEEAP:

- 5 star rated appliances
- Minimum Energy Performance Standard (MEPS)
- Co-generation
- Energy audits and energy management in buildings and industries
- Energy Efficient Building Design

#### Emission avoidance:

458.02 Gg CO<sub>2</sub> eq

## ENERGY EFFICIENT VEHICLES (EEVs)

Malaysia aims to become a regional hub for energy efficient vehicles (EEVs) through strategic investments and adoption of high technology. The EEVs include fuel-efficient internal combustion engines (ICE) vehicles, electric vehicles, hybrid & alternative-fueled vehicles.

#### Related policy:

The National Automotive Policy 2014

#### Emission avoidance:

90.65 Gg CO<sub>2</sub> eq

## GREEN BUILDING RATING SCHEME

Focus on promoting natural-gas vehicles in the public transport sector, in particular for taxis and buses.

### EXISTING STANDARD:

- Malaysian Carbon Reduction & Environmental Sustainability Tools (MyCREST)
- Green Performance Assessment System (PASS)

#### Emission avoidance:

143.47 Gg CO<sub>2</sub> eq

### GREEN CERTIFICATION:

- Green Building Index (GBI)
- GreenRE

## URBAN RAILED-PUBLIC TRANSPORT

The implementation of public transport initiatives is important to reduce the use of private vehicles on the road.

#### Existing plan:

- National Land Public Transport Master Plan
- The Tenth and Eleventh Malaysia Plan

#### Emission avoidance:

212.93 Gg CO<sub>2</sub> eq

## NATURAL GAS VEHICLES (NGVs)

Focus on promoting natural-gas vehicles in the public transport sector, in particular for taxis and buses.

### Benefits of programme:

- Lower retail prices
- Incentives
- Road tax reduction
- Import duty and sale tax exemption

### Emission avoidance:

114.77 Gg CO<sub>2</sub> eq

## BIODIESEL

Biodiesel has received great attention as an alternative fuel, considering its abundant resources and environmental benefits.

### Related policies and Acts:

- The National Biofuel Policy
- Malaysian Biofuel Industry Act

### Emission avoidance:

1,127.34 Gg CO<sub>2</sub> eq

## OIL & GAS OPERATIONS

PETRONAS, as the national oil and gas company of Malaysia is committed towards a loer carbon footprint.

### Emission reduction in oil & gas operations can be achieved through:

- Zero continuous flaring and venting in all operations for fugitive emissions
- Continuous improvement and plant efficiency in natural gas transformation
- Enhance improvement in plant efficiency of oil refining industries

## WASTE PAPER RECYCLING

Target of 40% waste redirection from waste disposal sites:

- 22% through recycling
- 18% through waste treatment

### IMPACT:

Increase of recycling rate materials from 17% in 2015 to 21% in 2017.

### Emission avoidance:

3,937.76 Gg CO<sub>2</sub> eq

### RELATED POLICY:

- National Solid Waste Management Policy 2006
- Eleventh Malaysia Plan

## BIOGAS RECOVERY FROM PALM OIL MILL EFFLUENT (POME)

- Biogas plays a crucial role in driving Malaysia that is moving towards adopting renewable energy and environmental sustainability.
- Target include equipping mills with biogas entrapment facilities to generate electricity for supply to the grid or for self-consumption.

### IMPACT:

As of 2017, out of 454 palm oil mills, 104 of them were fully equipped with biogas capture facilities.

### Emission avoidance:

2,377.84 Gg CO<sub>2</sub> eq

### RELATED POLICY:

Entry Point Project  
– Developing Biogas  
Facilities at Palm Oil  
Mills

### RELATED PROGRAMME:

Economic  
Transformation  
Programme 2010

## AGRICULTURE

Malaysian Organic Scheme (SOM) or Malaysia Organic (MyOrganic) is a certification that recognises farms that practice good agricultural practices and organic farming based on Malaysian Standard MS 1529:2015.

### IMPACT:

253 farms have been certified with MyOrganic certification with an area of 2,045.60 ha as for now.

## CONSERVATION OF BIODIVERSITY AND ECOSYSTEM SERVICES

### RELEVANT INITIATIVE:

Malaysia's Protected Area (PA) Network

### TARGET:

Increase the Protected Area to at least 20% by 2025.

### IMPACT:

Protected Area increased from 2.757 to 3.171 million ha between 2014 and 2016

## SUSTAINABLE MANAGEMENT OF FOREST

Forest certification scheme that allow the annual allowable cut in the Permanent Reserved Forest (PRF) is capped at 85 m<sup>3</sup>/ha for the period of tenth & eleventh Malaysia Plan.

### IMPACT:

Malaysian Criteria and indicators for Forest Management Certification 2001.

### Emission avoidance:

20,307.50 Gg CO<sub>2</sub> eq

## FOREST ENRICHMENT PROGRAMMES

### AIMS:

- Improve degraded forests sequestration capacity
- Enhance connectivity between forests through two distinct initiatives

### EXAMPLES:

- Central Forest Spine (CFS) Programme in Peninsular Malaysia
- Heart of Borneo (HoB) Programme in Sabah and Sarawak

### 1.3.2 CIRCULAR ECONOMY

The fisheries sector in Malaysia has a significant role to play in embracing the principles of the circular economy, leading to enhanced sustainability and economic growth. By adopting circular economy practices, the fisheries sector can optimise resource utilisation, reduce waste, and promote responsible fishing practices. Here are some specific examples of how the circular economy can be applied in the fisheries sector:

# 1

#### **SUSTAINABLE FISHING GEAR:**

Embracing circular economy principles involves designing and using fishing gear that is durable, repairable, and recyclable. For instance, fishermen can adopt innovative fishing nets made from biodegradable materials or use gear that can be easily repaired, extending their lifespan. This reduces the need for frequent replacement and minimises waste generation.

# 2

#### **FISH WASTE UTILISATION:**

Fish processing generates substantial amounts of waste, such as fish heads, bones, and scales. Instead of disposing of these byproducts, circular economy practices encourage their utilisation. Fish waste can be processed into value-added products like fishmeal, fish oil, or collagen for use in various industries, such as animal feed, cosmetics, and pharmaceuticals.

# 3

#### **CLOSED-LOOP AQUACULTURE SYSTEMS:**

Circular economy principles can be applied in aquaculture operations by implementing closed-loop systems. In these systems, fish waste and uneaten feed are recycled as fertilisers for growing plants or as nutrients for other aquatic organisms. This approach minimises nutrient loss and prevents water pollution, creating a sustainable and self-contained production cycle.

# 4

#### **SUSTAINABLE SEAFOOD PACKAGING:**

Packaging plays a crucial role in the fisheries sector, and adopting circular economy practices involves using eco-friendly and recyclable materials. Companies can explore alternatives to single-use plastic packaging, such as biodegradable or compostable materials. Additionally, promoting reusable packaging options for seafood delivery or encouraging customers to bring their own containers reduces packaging waste.

## 5

### RESOURCE-EFFICIENT PROCESSING:

Circular economy practices in fish processing focus on minimising waste generation and optimising resource utilisation. Companies can implement technologies that improve processing efficiency, reduce energy consumption, and recover valuable byproducts. For example, fish processing facilities can install equipment that maximises fish yield, extracts fish oil, or recovers protein from processing byproducts for use in other food products.

## 6

### RESPONSIBLE FISHERIES MANAGEMENT:

Circular economy principles align with sustainable fisheries management practices. This involves setting catch limits, implementing effective monitoring systems, and promoting responsible fishing techniques that minimise bycatch and protect vulnerable species. Sustainable fisheries management ensures the long-term availability of fish stocks, supporting both the environment and the livelihoods of fishing communities.

## 7

### COLLABORATION AND STAKEHOLDER ENGAGEMENT:

Successful implementation of circular economy practices in the fisheries sector requires collaboration among various stakeholders. This includes government agencies, fishermen, seafood processors, retailers, consumers, and non-governmental organisations. Collaborative initiatives can focus on knowledge sharing, resource pooling, and joint projects to address sustainability challenges and promote circular practices.

By embracing circular economy principles, the services sector in Malaysia, including industries such as hospitality, logistics, and consulting, can optimise resource use, minimise waste, and promote sustainable practices. This will lead to long-term environmental and economic benefits, contributing to a more resilient and sustainable future.

### 1.3.3 IMPACTS OF ESG TOWARDS THE INDUSTRY

# ESG

ESG (Environmental, Social, and Governance) criteria play a vital role in assessing the ethical and sustainability impacts of investments across various industries, including the fisheries sector. In Malaysia, the consideration of ESG factors is crucial for the long-term sustainability and success of fisheries businesses. Here are some specific examples of how ESG principles can be applied in the fisheries sector:

#### ENVIRONMENTAL RESPONSIBILITY:

Fisheries companies can prioritise environmental responsibility by implementing sustainable fishing practices that minimise the impact on marine ecosystems. This includes adhering to catch limits, avoiding overfishing, and adopting fishing techniques that reduce bycatch and protect sensitive habitats. Implementing measures to mitigate climate change impacts, such as reducing greenhouse gas emissions from fishing vessels, can also contribute to the sector's environmental performance.

#### SOCIAL RESPONSIBILITY:

ESG principles in the fisheries sector encompass social responsibility, which involves ensuring fair labor practices, respecting the rights of fishing communities, and supporting their well-being. This can be achieved by providing adequate safety training for fishermen, promoting gender equality and diversity, and establishing mechanisms for transparent and fair wages. Engaging with local communities and supporting initiatives that promote their social and economic development further demonstrates social responsibility.

#### GOVERNANCE PRACTICES:

Good governance practices are essential for the sustainable management of fisheries. This includes transparent decision-making processes, effective regulatory frameworks, and collaboration among stakeholders. Fisheries companies can enhance their governance practices by implementing traceability systems to ensure the legality and origin of their seafood products. Additionally, adopting best practices in data collection and sharing can improve the accuracy of stock assessments and support informed decision-making.

#### SUSTAINABLE FINANCING:

Access to sustainable financing is crucial for the growth and development of the fisheries sector. Companies can explore funding options aligned with ESG principles, such as impact investment funds that specifically support sustainable fisheries projects. Green bonds and loans can also be utilised to finance initiatives that promote sustainable fishing practices, resource conservation, and environmental protection.

#### STAKEHOLDER ENGAGEMENT:

Engaging stakeholders is key to the successful implementation of ESG principles in the fisheries sector. This includes collaborating with government agencies, non-governmental organisations (NGOs), fishing communities, and consumers. Stakeholder engagement can foster knowledge sharing, capacity building, and the development of collaborative initiatives that promote sustainable fishing practices and ensure the sector's long-term viability.

By embracing ESG principles, fisheries companies in Malaysia can enhance their environmental performance, social responsibility, and governance practices. This not only contributes to the sector's long-term sustainability but also aligns with global sustainability goals and expectations of responsible investors and consumers. Embracing ESG principles ensures the fisheries sector's resilience and competitiveness in a sustainable-focused global landscape while safeguarding the marine environment and supporting the well-being of fishing communities.

### 1.3.4 SUSTAINABLE DEVELOPMENTS GOALS

The fisheries sector in Malaysia plays a significant role in contributing to the achievement of the United Nations Sustainable Development Goals (SDGs). The SDGs provide a comprehensive framework for addressing global challenges and promoting sustainable development. By embracing sustainable practices, the fisheries sector can actively contribute to several SDGs. Here are specific examples of how the fisheries sector in Malaysia can align with and support the SDGs:



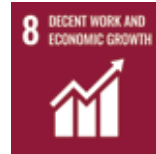
#### SDG 2: ZERO HUNGER -

Businesses can promote the generation and use of clean and renewable energy sources, reducing reliance on fossil fuels.



#### SDG 14: LIFE BELOW WATER -

Sustainable fisheries management is essential for the conservation and sustainable use of marine resources. The sector can contribute to SDG 14 by adopting ecosystem-based approaches, implementing fishing regulations and controls, and promoting sustainable aquaculture practices. These efforts help preserve marine biodiversity, protect vulnerable species, and maintain the health and resilience of marine ecosystems.



#### SDG 8: DECENT WORK AND ECONOMIC GROWTH -

The fisheries sector provides employment opportunities and contributes to economic growth. By promoting responsible labor practices, ensuring fair wages, and fostering decent working conditions, the sector can contribute to SDG 8. Supporting small-scale fishers and coastal communities through capacity building and sustainable livelihood initiatives further enhances economic growth and inclusivity.



#### SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION -

The fisheries sector can support SDG 12 by promoting sustainable and responsible fishing practices, reducing waste and post-harvest losses, and ensuring traceability in the seafood supply chain. Educating consumers about sustainable seafood choices and promoting sustainable aquaculture can also encourage responsible consumption patterns.



#### SDG 17: PARTNERSHIPS FOR THE GOALS -

Collaboration among stakeholders is crucial for achieving the SDGs. The fisheries sector can engage in partnerships with government agencies, NGOs, research institutions, and local communities to promote sustainable fisheries management, exchange knowledge and best practices, and develop innovative solutions. These partnerships foster collective action towards achieving the SDGs and create a shared responsibility for sustainable development.

By aligning with the SDGs, the fisheries sector in Malaysia can contribute to the country's progress in achieving sustainable development, addressing social and environmental challenges, and ensuring the long-term viability of marine resources. Embracing sustainable practices, responsible fishing, and collaboration with stakeholders will enable the fisheries sector to play a vital role in conserving marine ecosystems, supporting livelihoods, and promoting a sustainable future for all.





# SUSTAINABLE DEVELOPMENT GOALS



## 1.4 THE NEED FOR GREEN PRACTICES

### 1.4.1 WHAT ARE GREEN PRACTICES (GP)?

Green Practices are any target or initiative set out by industries that is in line with target outlined in Green Technology Master Plan (GTMP).

Examples of green practices in services sector are:

- Implementation of programmes to reduce energy consumption in the premise
- Adoption of technologies to reduce energy consumption
- Adoption of sustainability elements in building design and orientation
- Improving ventilation and thermal comfort in buildings
- Implementation of waste reduction strategies such as 3Rs
- Implementation of green procurement within business operation

### 1.4.2 GP IN THE SERVICES SECTOR

The fisheries (aquaculture) sector in Malaysia recognises the importance of adopting green practices to ensure the sustainability of its operations and contribute to global conservation efforts. In addition to the previously mentioned cleaner production, lean manufacturing, and circular economy principles, several other renowned approaches are being implemented in the fisheries sector. These approaches further exemplify the commitment of Malaysia's fisheries industry to environmental stewardship. Here are some notable examples:

# 1

## SUSTAINABLE AQUACULTURE CERTIFICATION:

Malaysia's fisheries sector is embracing internationally recognised certification programmes such as the Aquaculture Stewardship Council (ASC) and GlobalG.A.P. These certification schemes establish standards for responsible aquaculture practices, including habitat protection, water quality management, feed sourcing, and social welfare. By obtaining these certifications, aquaculture producers demonstrate their commitment to sustainable practices and gain access to global markets that prioritise environmentally responsible products.

# 2

## MARINE PROTECTED AREAS (MPAS):

Malaysia has established a network of marine protected areas to conserve and sustainably manage its coastal and marine resources. These areas serve as sanctuaries for marine biodiversity, allowing fish populations to thrive and replenish. By protecting key habitats and implementing fishing restrictions within MPAs, Malaysia promotes sustainable fishing practices and helps safeguard vulnerable species and ecosystems.

# 3

## FISHERIES IMPROVEMENT PROJECTS (FIPs):

Collaborative efforts are underway in Malaysia's fisheries sector to implement Fisheries Improvement Projects. FIPs aim to address specific sustainability challenges and work towards achieving internationally recognised standards, such as those set by the Marine Stewardship Council (MSC). These projects involve engaging stakeholders along the seafood supply chain to promote responsible fishing practices, improve stock assessments, enhance traceability, and reduce bycatch and habitat impacts.

# 4

## COMMUNITY-BASED FISHERIES MANAGEMENT:

Malaysia recognises the importance of involving local communities in fisheries management decisions. Community-based fisheries management approaches empower fishing communities to actively participate in resource conservation and management. Through co-management arrangements, local knowledge and traditional practices are integrated with scientific expertise, ensuring the sustainable use of fisheries resources while considering the socio-economic well-being of fishing communities.

# 5

## RESEARCH AND INNOVATION:

Malaysia's fisheries sector actively promotes research and innovation to develop and adopt advanced technologies and practices that enhance sustainability. This includes initiatives such as the development of environmentally friendly aquafeed formulations, the use of advanced monitoring systems to optimise water quality and minimise waste, and the application of genetic technologies for selective breeding of healthier and more resilient fish stocks.

By incorporating these various approaches alongside cleaner production, lean manufacturing, circular economy principles, and sustainable supply chain practices, Malaysia's fisheries (aquaculture) sector is striving to achieve the objectives outlined in the Green Technology Master Plan (GTMP). These efforts not only contribute to environmental conservation but also enhance the sector's long-term viability, promote market access for sustainably produced seafood, and support the well-being of fishing communities and the broader economy.

### 1.4.3 EXISTING NATIONAL POLICIES & GUIDELINES

The fisheries sector in Malaysia operates within a framework of national policies and guidelines that promote sustainable development and ensure the protection of marine ecosystems. These policies and guidelines provide a regulatory foundation for responsible fisheries practices. Here are some key policies and guidelines relevant to the sector:

**NATIONAL FISHERIES POLICY:** The National Fisheries Policy sets the direction for sustainable fisheries management in Malaysia. It aims to ensure the sustainable utilisation of fisheries resources, conservation of marine biodiversity, and the socio-economic well-being of fishing communities. The policy emphasises the need for responsible fishing practices, ecosystem-based approaches, and the promotion of sustainable aquaculture.

**FISHERIES ACT 1985:** This act serves as the primary legislation governing fisheries management in Malaysia. It provides regulations for the conservation, protection, and management of fisheries resources, including licensing requirements, fishing gear restrictions, and closed fishing seasons. The act also addresses the prevention of illegal, unreported, and unregulated (IUU) fishing activities.

**MARINE PARKS ACT 2006:** The Marine Parks Act establishes a framework for the establishment and management of marine parks in Malaysia. It aims to conserve and protect the unique marine ecosystems and biodiversity found within these designated areas. The act regulates fishing activities within marine parks to ensure sustainable use of resources while preserving the integrity of the marine environment.

**CODE OF CONDUCT FOR RESPONSIBLE FISHERIES:** Malaysia adheres to the Code of Conduct for Responsible Fisheries, developed by the Food and Agriculture Organisation (FAO) of the United Nations. The code provides guidelines for sustainable fisheries management, addressing issues such as overfishing, habitat destruction, and the protection of endangered species. It encourages the adoption of responsible fishing practices, including the reduction of bycatch and the promotion of selective fishing methods.

**SUSTAINABLE SEAFOOD CERTIFICATION:** In recent years, Malaysia has seen the emergence of sustainable seafood certification programmes, such as the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certifications. These programmes assess and certify fisheries and aquaculture operations that meet strict sustainability criteria. By obtaining these certifications, fisheries in Malaysia can demonstrate their commitment to sustainable practices and access premium markets that prioritise sustainability.

**COLLABORATION AND STAKEHOLDER ENGAGEMENT:** The success of sustainable fisheries management relies on collaboration among various stakeholders, including government agencies, fishers, NGOs, and academia. Malaysia encourages partnerships and engagement through platforms such as the National Fisheries Council and fisheries co-management initiatives. These collaborations foster knowledge sharing, best practices exchange, and the development of joint conservation and management strategies.

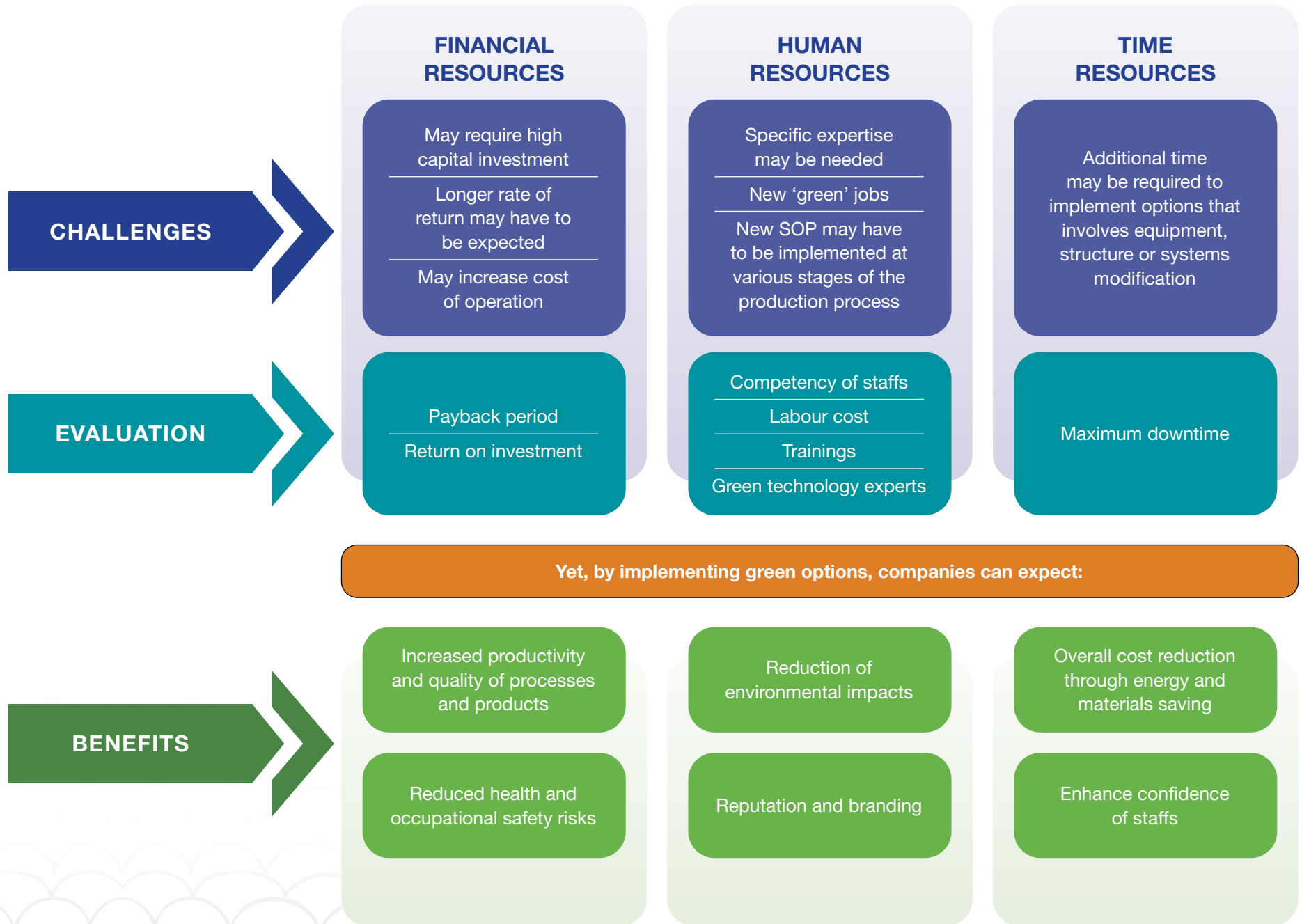
By adhering to these national policies and guidelines, the fisheries sector in Malaysia can ensure the responsible and sustainable management of fisheries resources. Compliance with these regulations is vital for the sector's long-term viability, conservation of marine ecosystems, and the well-being of fishing communities. Embracing sustainable practices and engaging stakeholders will enable the fisheries sector to contribute to global sustainability goals, such as the United Nations' Sustainable Development Goals (SDGs), and ensure a prosperous future for the sector and the nation as a whole.

#### 1.4.4 BENEFITS OF GREEN PRACTICES

Green practices in the fisheries sector in Malaysia offer numerous benefits that contribute to improved efficiency, reduced resource consumption, and enhanced sustainability. By adopting these practices, the industry can achieve the following advantages:

- 1. INCREASED EFFICIENCY AND RESOURCE CONSERVATION:** Green practices result in improved efficiency, reducing the consumption of materials, energy, and water. Through optimised processes and technologies, businesses can minimise waste generation and achieve a lower intensity of resource usage. Examples include implementing energy-efficient equipment, adopting sustainable procurement practices, and optimising water usage, leading to cost savings and reduced environmental impact.
- 2. SUPPORT FOR GREEN INNOVATIONS:** Embracing green practices in the fisheries sector fosters innovation in technology and processes. For example, the development and use of sustainable fishing gear, such as biodegradable or escape-friendly nets, contribute to reducing bycatch and ecosystem impacts. Similarly, exploring alternative fishing methods, such as aquaculture or sustainable fish farming practices, can enhance the industry's sustainability goals and promote responsible fish production.
- 3. ENHANCED HUMAN RESOURCE UTILISATION:** Green practices in the fisheries sector promote better utilisation of human resources by prioritising sustainable and responsible fishing practices. Investing in training programs that educate fishermen on sustainable fishing techniques, marine conservation, and ecosystem protection ensures a skilled workforce capable of driving efficiency and adapting to evolving sustainability requirements. This, in turn, improves productivity, job satisfaction, and long-term employment opportunities for fishing communities.
- 4. INCREASED PRODUCTIVITY AND REVENUE:** Adopting green practices in the fisheries sector often leads to increased productivity and revenue. Implementing sustainable fishery management strategies, such as setting catch limits and implementing fishing seasons or marine protected areas, helps maintain healthy fish stocks and ensures long-term sustainability. This can lead to higher catch volumes, improved product quality, and access to premium markets that prioritise sustainably sourced seafood.
- 5. SUPPORT FOR ESG ASPIRATIONS AND SUSTAINABILITY REPORTING:** Green practices in the fisheries sector align with Environmental, Social, and Governance (ESG) aspirations and sustainability reporting. By integrating the specific indicators outlined in green practice guidelines, fisheries can review, manage, and plan for more sustainable business decisions. This includes assessing and reporting on the environmental impact of fishing activities, promoting social responsibility within fishing communities, and practicing transparent governance to ensure responsible fishery management.
- 6. ADAPTATION TO GLOBAL INITIATIVES:** The global trend towards sustainable fishing practices and responsible seafood consumption requires closer scrutiny of greener and more sustainable practices in the fisheries sector. Initiatives such as sustainable seafood certification programs and eco-labeling schemes are gaining traction worldwide. By proactively adopting green practices, the fisheries sector in Malaysia can position itself for compliance with evolving regulations, access new markets that prioritise sustainability, and contribute to the global efforts for sustainable fisheries management.

Implementing green practices in the fisheries sector brings direct and indirect benefits, ranging from environmental protection and resource conservation to improved productivity, profitability, and resilience. By achieving ESG objectives and aligning with global sustainability goals, fisheries companies can ensure their long-term survival, enhance their reputation, and contribute to a sustainable future for the industry and the nation as a whole.



## 1.5 OUTCOME FROM GREEN PRACTICES

In order to determine level of GP implemented in an organisation, the initiatives related to GP shall be assessed according to the method described in Chapter 2 in the guideline and results from the assessment shall be translated into the following Star-Rating System:



**(60% - 70%)**

Comply to all regulatory requirements

---

Demonstrate leadership in developing systematic environmental reporting practical



**(71% - 80%)**

Exhibit characteristics of being resource efficient

---

Demonstrating positive impacts from green practices

---

Incorporate and implement continuous quality improvement initiatives throughout business operations



**(81% - 100%)**

Demonstrate integration of governance framework related to sustainability and circular economy

---

Demonstrate capacity in contributing towards achieving national decarbonisation targets

---

Demonstrates leadership in developing, expanding and applying new tech related to green practices

# ASSESSMENT

2





## PART II: ASSESSMENT

### 2.1 ABOUT THE ASSESSMENT OF GREEN PRACTICES

Green practices in the fisheries sector in Malaysia aim to foster innovation, minimise resource usage, eliminate or minimise toxic substances, reduce waste generation, and achieve sustainable fishing practices throughout the entire fishing life cycle. While facing certain constraints, the industry recognises the importance of embracing sustainable practices to ensure long-term viability and environmental stewardship.

This guideline has been specifically developed considering the unique capacities, operations, and environmental impacts of the fisheries sector. It provides a framework for implementing green practices that are applicable and beneficial across various fisheries operations in Malaysia.

The goals of green practices in the fisheries sector include:



#### RESOURCE CONSERVATION:

The industry aims to conserve valuable resources such as fish stocks, aquatic habitats, and marine ecosystems. By implementing sustainable fishing practices, including setting catch limits, implementing size restrictions, and employing selective fishing techniques, fisheries can minimise overfishing, protect biodiversity, and maintain the health of aquatic ecosystems.



#### REDUCTION OF HARMFUL PRACTICES:

Green practices focus on minimising the use of harmful fishing practices that can negatively impact marine life and ecosystems. This includes measures such as reducing bycatch through the use of selective fishing gear, minimising ghost fishing by properly disposing of lost or discarded fishing gear, and avoiding destructive fishing methods that damage marine habitats.



#### SUSTAINABLE AQUACULTURE:

The fisheries sector can embrace sustainable aquaculture practices, such as responsible fish farming and mariculture, to meet the growing demand for seafood while reducing pressure on wild fish stocks. This includes ensuring proper site selection, managing waste and effluents, and using sustainable feed sources to minimise environmental impacts.

The guideline provides general recommendations that can be applied across different sectors within the fisheries industry. It emphasises the importance of adopting and implementing green practices in Malaysia's fisheries sector. These recommendations enable companies and fishing communities to develop action plans and implementation strategies tailored to their specific capabilities, operations, and long-term sustainability goals.

By following the outlined steps, fisheries companies and fishing communities can develop comprehensive action plans for integrating green practices into their existing and future fishing operations. The approach takes into account the sector's current capabilities and strategies, ensuring a practical and achievable transition towards sustainability and responsible resource management.

Overall, embracing green practices in the fisheries sector in Malaysia is crucial for conserving fish stocks, protecting marine ecosystems, reducing environmental impacts, and promoting the sector's long-term viability in alignment with global sustainability goals. By adopting sustainable fishing practices, the fisheries sector can contribute to the sustainable management of marine resources and ensure a thriving and resilient fishing industry for future generations.

## 2.2 GUIDELINE IMPLEMENTATION

To successfully integrate green practices into existing operations and processes, manufacturers in the fisheries industry are recommended to follow the following three steps:



### STAGE 1: ASSESSMENT

**Understand the Assessment Requirements:** Familiarise yourself with the assessment criteria outlined in the Green Practices Data Collection Form (Appendix 2) for the six indicators described in Section 2.3. For the fisheries sector, these indicators may include sustainable fishing methods, habitat conservation, bycatch reduction, community engagement, traceability, and responsible aquaculture. Refer to the Indicator Instrument Factsheet (Appendix 3) for detailed information on each indicator, including goals, targets, terminologies, data sources, and collection methods specific to the fisheries sector.

**Prepare Relevant Documents:** Gather the necessary documents and records as evidence of green practices implementation in the fisheries sector. These may include catch records, fishing licenses, habitat monitoring reports, community engagement plans, traceability documentation, and certifications such as Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC). These documents serve as proof of compliance with sustainable fishing practices.

**Conduct Assessment:** Evaluate green practices according to the criteria established for each sub-indicator specific to the fisheries sector. Present the relevant documents as proof of implementation during the assessment process. Scores will be assigned based on the criteria, and the overall mark for each indicator will be calculated by multiplying the sum of sub-indicator scores with their assigned weightage. The weightage reflects the applicability and importance of the indicator to the fisheries sector. The total score can be translated into a rating system, such as a star rating or a certification label, to communicate the level of sustainability achieved.



## STAGE 2: SET TARGETS FOR IMPROVEMENT

**Define Clear Objectives:** Based on the assessment conducted in Stage 1, establish clear objectives that describe the desired outcomes of implementing green practices in the fisheries sector. These objectives may include rebuilding overfished stocks, reducing bycatch mortality, improving habitat conservation, promoting sustainable aquaculture, and strengthening community engagement. Identify areas of improvement required to achieve the objectives based on the assessment results and stakeholder input.

**Set Realistic and Attainable Targets:** Align targets for each sub-indicator with the goals and targets outlined in the Indicator Instrument Factsheet and the scoring criteria in the Green Practices Data Collection Form specific to the fisheries sector. Assign deadlines or timelines to each target to ensure progress can be measured effectively. These targets may include reducing bycatch by a certain percentage, obtaining certification for sustainable fishing practices, or implementing specific habitat restoration projects.

By following these steps, fisheries companies, fishing communities, and stakeholders can effectively integrate green practices into their operations, promoting sustainability, minimising environmental impact, and contributing to the long-term viability of the fisheries sector in Malaysia. Through responsible fishing practices and engagement with stakeholders, the fisheries sector can support the conservation of marine resources, protect ecosystems, and ensure a sustainable livelihood for fishers and coastal communities.



## STAGE 3: IMPLEMENT GREEN PRACTICES

**Formulate an Action Plan:** Develop a detailed action plan that outlines the necessary steps and timelines for implementing green practices in the fisheries sector. Refer to the examples provided in Section 2.3 for guidance. Break down the goals into smaller, manageable tasks and assign responsibilities to individuals or teams. Include milestones and performance indicators to track progress effectively. Allocate resources, such as budgets and personnel, to support the implementation efforts, such as investing in more selective fishing gear, conducting habitat restoration projects, or supporting community-based initiatives.

**Engage Fishers and Stakeholders:** Foster engagement and collaboration with fishers, fishing communities, and other stakeholders in the fisheries sector to drive successful implementation of green practices. Raise awareness about the importance of sustainability in fishing practices and provide training and education on sustainable fishing techniques. Encourage fishers to contribute ideas and suggestions for improving sustainability efforts,

such as implementing gear modifications or participating in fisheries improvement projects. Recognise and reward environmentally conscious behaviors and achievements to cultivate a culture of sustainability within the fisheries sector.

**Collaborate with Suppliers and Buyers:** Engage with suppliers, buyers, and seafood distributors to promote sustainable practices throughout the fisheries supply chain. Encourage them to source from fisheries that follow responsible fishing practices and prioritise suppliers with strong sustainability credentials, such as MSC or ASC certifications. Collaborate on initiatives such as sharing best practices, supporting traceability systems, and promoting consumer education on sustainable seafood choices.

**Measure, Evaluate, and Improve:** Establish a system for measuring and evaluating the effectiveness of green practices in the fisheries sector. Monitor key performance indicators (KPIs) specific to sustainable fishing, such as catch limits, bycatch reduction rates, habitat health indices, and community satisfaction surveys. Regularly review and analyse data to identify areas for improvement and track progress towards sustainability goals. Use this information to refine strategies and adjust implementation plans as needed, ensuring continuous improvement in the fisheries sector's green practices.

## 2.3 INDICATORS

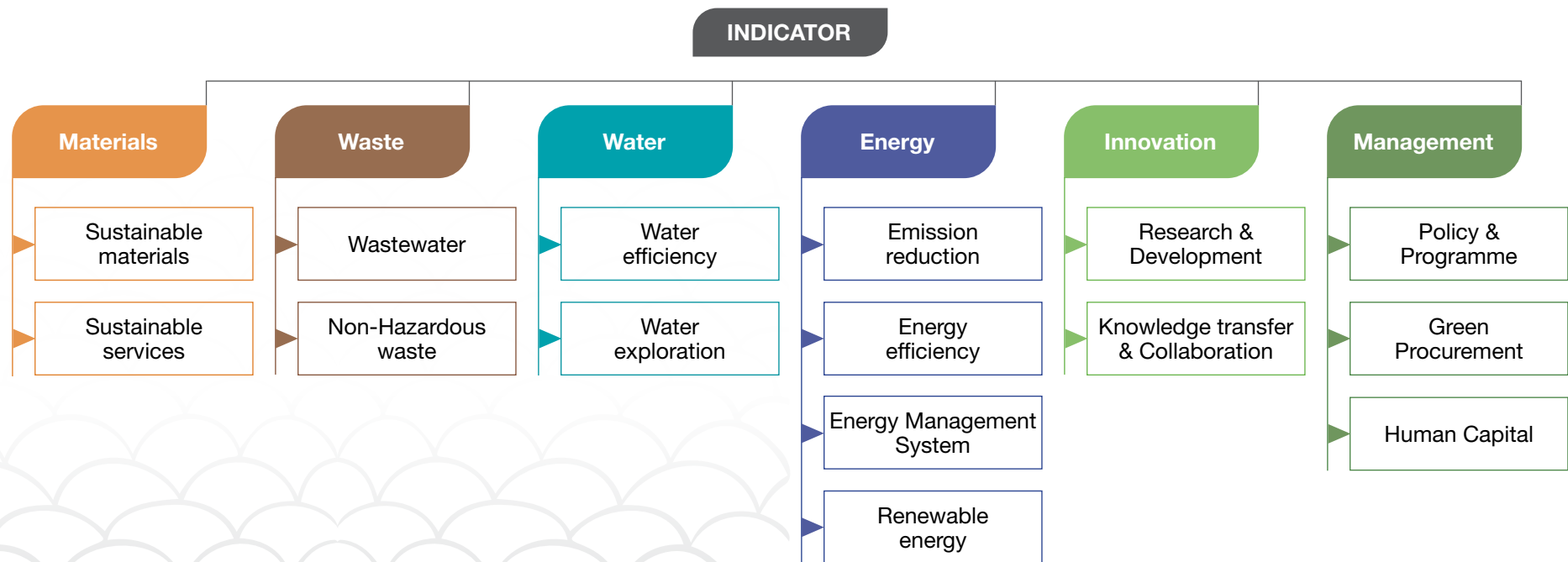
Indicators are crucial for evaluating and comparing the performance of industries in adopting green practices. These indicators provide a standardised framework for assessing the environmental sustainability efforts across various sectors. In order to ensure a comprehensive and meaningful evaluation, a set of six indicators and sixteen sub-indicators have been identified based on three key requirements: applicability, measurability, and representativeness.

The selected indicators and sub-indicators were carefully chosen to capture the key aspects of green practices and their impact on sustainability. Applicability ensures that the indicators are relevant and applicable to a wide range of industries, allowing for consistent evaluation across different sectors. Measurability ensures that the indicators can be quantified or assessed using objective criteria, enabling meaningful comparisons between industries. Representativeness ensures that the indicators encompass a comprehensive set of factors that reflect the overall performance of green practices.

By utilising these indicators, stakeholders can effectively gauge the extent to which industries are implementing green practices and contributing to sustainable development. The indicators provide a structured approach to measure and monitor progress in key areas such as resource conservation, emissions reduction, waste management, and sustainable operations.

These indicators serve as a valuable tool for decision-making, enabling industries to identify areas for improvement, set targets, and track their performance over time. Furthermore, they facilitate benchmarking exercises, allowing industries to compare their performance against sector peers and best practices.

The use of indicators promotes transparency and accountability, enabling stakeholders to assess the environmental performance of industries and make informed choices. It also provides an opportunity for recognition and incentives, as industries that demonstrate strong performance in adopting green practices can be acknowledged and rewarded for their efforts.



### 2.3.1 MATERIALS

The Material Indicator for Green Practices focuses on the responsible and sustainable management of materials utilised across industries. Industries use various types of materials in their processes, with some relying exclusively on virgin materials while others incorporate recycled materials. The efficient consumption of materials is essential for the long-term survival and success of industries, as it directly impacts resource availability and overall material efficiency.

The Material Indicator within the Green Practices framework encompasses two sub-indicators: Sustainable Materials and Sustainable Services.

#### SUSTAINABLE MATERIALS:

This sub-indicator assesses the demonstration of purchasing and utilisation practices related to sustainable materials within industries. It requires industries to showcase a clear direction and vision towards sustainable material utilisation, along with the implementation of self-regulation measures that align with sustainability goals. Additionally, recognition or certification from reputable third-party entities or certification bodies further validates the commitment to sustainable material practices.

#### SUSTAINABLE SERVICES:

This sub-indicator evaluates the purchase and utilisation of sustainable services within industry operations. It encourages industries to demonstrate a specific direction and vision regarding the use of sustainable services. The implementation of self-regulation measures that align with sustainability goals should be evident, and recognition or certification from reputable third-party entities or certification bodies can further validate the adherence to sustainable service practices.

By addressing the Material Indicator and its sub-indicators, industries can enhance their material management practices, promoting the use of sustainable materials and services. This not only supports environmental conservation and resource preservation but also aligns with industry-wide sustainability goals. It demonstrates a commitment to responsible material utilisation and contributes to the long-term viability and success of industries across diverse sectors.

SUB-INDICATOR	REQUIREMENT	OBJECTIVE EVIDENCE FOR ASSESSMENT	EXAMPLE GREEN PRACTICES
<b>SUSTAINABLE MATERIALS</b>	Demonstration on purchase or use of sustainable materials	<ul style="list-style-type: none"> <li>• Company sustainability report</li> <li>• Organisation sustainability policies</li> <li>• Sustainability monitoring activity</li> <li>• Certification or recognition of sustainable material</li> </ul>	<ul style="list-style-type: none"> <li>• Use of sustainable materials such as natural product (i.e. using biochar as water filter, replacement of antibiotics to probiotic enzymes) in aquaculture operations to reduce carbon emissions and meet global planetary health goals.</li> <li>• Use bio-based materials (replacing plastic net to biodegradable net, replace fish/prawn feeds with sustainable feed: Soil pellet, fermented food-based feed)</li> </ul>
<b>SUSTAINABLE SERVICES</b>	Demonstration on purchase or use of sustainable services	<ul style="list-style-type: none"> <li>• Company sustainability report</li> <li>• Organisation sustainability policies</li> <li>• Sustainability monitoring activity</li> <li>• Certification or recognition of sustainable material</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of inventory for sustainable service in aquaculture operations</li> </ul>

### 2.3.2 WASTE

Waste refers to any material that is discarded or released by the generator or holder, posing various environmental risks based on its chemical composition and physical state. In green practices, the focus is on prevention or reduction of waste at its source, employing strategies and approaches distinct from end-of-pipe treatment.

The definition of industrial waste, as stated in Section 2 of the Environmental Quality Act 1974 (Act 127) and Regulations, encompasses matter prescribed as scheduled wastes or any solid, semi-solid, liquid, gas, or vapor emitted, discharged, or deposited in the environment in quantities, compositions, or manners that cause pollution.

Implementing an effective waste management plan necessitates strategic measures that encompass all stages of waste management. Manufacturers should conduct a thorough analysis of the current collection, handling, treatment, and disposal processes to identify existing or potential issues. Based on this assessment, specific goals and action plans can be developed and implemented, with regular monitoring and review to ensure progress.

The waste management plan should also prioritise the enhancement of stakeholders' knowledge through the effective dissemination of technical information and research findings concerning the environmental impacts of the waste generated. By promoting awareness and understanding, stakeholders can actively participate in waste reduction and proper waste management practices.

To guide waste management efforts, the following goals and targets have been established:

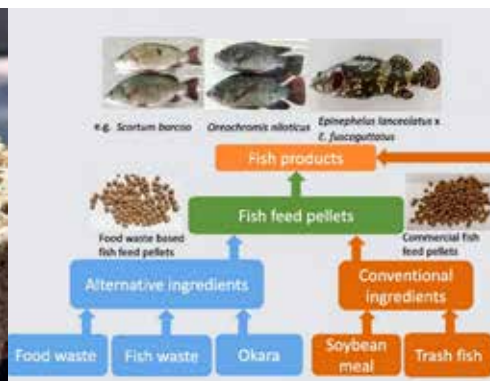
- By 2030, achieve 100% recycling of sludge.
- By 2030, recycle 33% of treated effluent.
- By 2025, achieve a 40% recycling rate of solid waste from total non-hazardous waste generated.
- By 2030, achieve a 50% recycling rate of hazardous waste from the total hazardous waste generated.
- By 2025, completely eliminate waste disposal in landfills.
- By 2030, establish 180 biogas capture facilities.

These goals provide clear targets for waste reduction, recycling, and resource recovery, contributing to the overall objective of sustainable waste management. By striving to meet these targets, manufacturers can significantly reduce their environmental impact, conserve resources, and promote a circular economy approach in the handling of waste.



The scope for Waste in Services sector includes two (2) sub-indicators; Non-hazardous and Hazardous Waste.

SUB-INDICATOR	REQUIREMENT	OBJECTIVE EVIDENCE FOR ASSESSMENT	EXAMPLE GREEN PRACTICES
<b>WASTEWATER</b>	<ul style="list-style-type: none"> <li>Targeted percentage of water recycling achieved by the organisation</li> <li>Targeted percentage of wastewater sludge recovery achieved by the organisation</li> </ul>	Records on monitoring effluent discharge flow, recycling flow, and sludge recovered	<ul style="list-style-type: none"> <li>Treating wastewater effluents using green technologies/biotechnologies such as probiotic enzymes to comply the standard effluents.</li> <li>Reuse wastewater for watering plants.</li> <li>Sludge treats using green technologies/ biotechnologies such as probiotic enzyme/ EM bacteria/effective microbes to reduce sludge formation or organic waste and comply the standard.</li> <li>Sludge recycles – use for biogas production from sludge.</li> </ul>
<b>NON-HAZARDOUS WASTE</b>	<ul style="list-style-type: none"> <li>Targeted percentage of non-hazardous waste recycled achieved by the organisation</li> <li>Number of biogas capture facility within the organisation</li> </ul>	<ul style="list-style-type: none"> <li>Records on monitoring non-hazardous waste generated and recycled in the organisation</li> <li>Number of biogas facility</li> </ul>	<ul style="list-style-type: none"> <li>Recycling or composting the non-hazardous waste such as left-over fish food.</li> <li>Build a proper storage and disposal practice in the operational area to prevent leachate leak into the groundwater and aquaculture system.</li> </ul>



### 2.3.3 WATER

Water scarcity and quality issues are prevalent despite water covering over two-thirds of the Earth’s surface and being renewable on a global scale. Local shortages and degradation of water bodies occur frequently, posing significant challenges. With increasing demand, the withdrawal of water for industrial processes without returning it to the same water source in its original quantity and quality can lead to severe depletion of rivers, lakes, and groundwater tables.

Certain industrial processes and products necessitate the use of water, which may vary in quality requirements. While water may not be directly consumed in the production process, it is often indirectly utilised for cooling, heating, or washing purposes. Enhancing the rate of recirculation and minimising evaporation can substantially reduce the overall water consumption, lessening the reliance on municipal water supplies, groundwater sources, or surface waters. It is recommended that facilities accurately measure and monitor the amount of water being recycled or recirculated within their operations.

By prioritising water conservation measures, industries can mitigate the impact on local water resources and contribute to sustainable water management. Implementing efficient water usage practices, such as optimising recirculation systems, reducing water losses, and implementing technologies that minimise water requirements, can help decrease water consumption and preserve water resources. Additionally, adopting water management strategies that prioritise water reuse and recycling can further contribute to sustainable water practices.

Considering the finite nature of freshwater resources, industries play a crucial role in promoting responsible water stewardship. By implementing measures to reduce water demand, enhance recycling and recirculation, and monitor water usage, industries can contribute to the conservation and sustainable management of this vital resource, ensuring its availability for future generations.

The scope for Water in Fisheries sector includes two (2) sub-indicators; Water Efficiency and Water Exploration

SUB-INDICATOR	REQUIREMENT	OBJECTIVE EVIDENCE FOR ASSESSMENT	EXAMPLE GREEN PRACTICES
<b>WATER EXPLORATION</b>	Targeted percentage of alternative water used by the organisation	Records on monitoring city water and alternative water use	<ul style="list-style-type: none"> <li>Use of other water sources such as rivers, streams, lakes, reservoirs, springs, and ground water for business operation.</li> </ul>
<b>WATER EFFICIENCY</b>	Targeted percentage of water consumption reduction achieved by the organisation	Records on monitoring city water use	<ul style="list-style-type: none"> <li>Usage of water fitting/appliances such as pumping system, auto metering system, auto feeding system</li> </ul>





### 2.3.4 ENERGY

Energy consumption plays a pivotal role in achieving decarbonisation and driving green practices in industries. Globally, electricity and power generation continue to be major contributors to greenhouse gas (GHG) emissions. Therefore, focusing on energy efficiency and transitioning to low-carbon energy sources is crucial for sustainable development.

The adoption of electrification is gaining momentum in numerous decarbonisation efforts. By shifting from traditional fossil fuel-powered systems to electric alternatives, industries can significantly reduce their carbon footprint. Electric vehicles (EVs), for instance, offer a greener transportation solution compared to internal combustion engine (ICE) vehicles. Furthermore, integrating renewable energy sources such as solar, wind, hydro, and geothermal power into electricity generation is essential for reducing reliance on fossil fuels and achieving a cleaner energy mix.

In Malaysia, the planned National Energy Policy includes ambitious targets to increase the generation of renewable energy from sources like solar, biomass, and biogas. This renewable energy capacity expansion aligns with the nation's commitment to reducing carbon intensity and achieving sustainable energy practices.

To drive decarbonisation and achieve long-term environmental sustainability, industries must prioritise energy-saving measures and the adoption of energy-efficient technologies. This includes optimising manufacturing processes, implementing smart energy management systems, and investing in energy-efficient equipment. Additionally, exploring innovative solutions like energy recovery systems, waste heat utilisation, and energy conservation initiatives can contribute to significant energy savings and emissions reduction.

By setting clear goals and targets, such as those outlined in the Nationally Determined Contribution (NDC), industries can actively contribute to the national and global efforts of reducing carbon intensity. Meeting the NDC target of carbon intensity reduction by a certain percentage compared to a baseline year demonstrates the commitment to sustainable practices and aligns with the broader goals of the Paris Agreement.

Energy plays a critical role in decarbonisation and achieving green practices in industries. By embracing electrification, adopting renewable energy sources, and implementing energy-saving measures, industries can drive the transition to a low-carbon economy, reduce GHG emissions, and contribute to a sustainable and resilient future.



The scope for Energy in Fisheries sector includes four (4) sub-indicators; Energy Efficiency, Renewable Energy, Energy Management System and Emission Reduction.

SUB-INDICATOR	REQUIREMENT	OBJECTIVE EVIDENCE FOR ASSESSMENT	EXAMPLE GREEN PRACTICES
<b>ENERGY EFFICIENCY</b>	Targeted percentage of electricity and fuel consumption reduction achieved by the organisation	<ul style="list-style-type: none"> <li>• Meter energy usage readings</li> <li>• Bills of quantities for fuels</li> <li>• COA for fuels</li> </ul>	<ul style="list-style-type: none"> <li>• Use any energy efficient appliances or automation system such as meter energy, real-time water quality monitoring in order to reduce the energy cost of aquaculture farms</li> </ul>
<b>RENEWABLE ENERGY</b>	Targeted percentage of renewable energy used by the organisation	<ul style="list-style-type: none"> <li>• Meter energy usage readings</li> <li>• Bills of quantities for fuels</li> <li>• COA for fuels</li> </ul>	<ul style="list-style-type: none"> <li>• Use any renewable energy technology such as solar or biogas for aquaculture operations</li> </ul>
<b>ENERGY MANAGEMENT SYSTEM</b>	Demonstration of an Energy Management System setup within the organisation	Records supporting the setup, operation, and performance achieved by the Energy Management System	<ul style="list-style-type: none"> <li>• Implement policy or guideline specifically energy saving/ energy efficiency i.e., implementation of waste-to-energy practice</li> </ul>
<b>EMISSION REDUCTION</b>	Targeted percentage of emissions reduction achieved by the organisation	GHG Inventory reports	<ul style="list-style-type: none"> <li>• Implement GHG Inventory for aquaculture sector (conduct monitoring and suggest continual improvement for emission reduction)</li> </ul>

### 2.3.5 INNOVATION

Innovation plays a crucial role in driving green practices within the industry as manufacturers strive to adapt their business processes and activities to meet the demands of a competitive global market. By prioritising innovation, businesses can develop marketable, viable, and effective products that align with sustainability objectives.

One of the key indicators of innovation in green practices is research and development (R&D) efforts focused on green technology. Manufacturers invest in R&D to explore and develop innovative solutions that improve environmental performance and reduce the ecological footprint of their operations. This includes advancements in energy-efficient processes, waste reduction techniques, sustainable materials, and eco-friendly manufacturing methods.

Additionally, innovation in green practices encompasses the product development phase, which involves incorporating green product design principles. Manufacturers aim to create products that have minimal environmental impact throughout their lifecycle, from sourcing and production to use and disposal. This involves considering factors such as energy efficiency, recyclability, reduced resource consumption, and the use of environmentally friendly materials.

Setting goals and targets for innovation in green practices can drive organisational progress. Establishing robust research and development processes, output, and policies enables organisations to streamline their innovation efforts and focus on sustainable solutions. Increasing investment and incentives to support innovation in green practices further promotes the commercialisation of environmentally friendly products. This can involve securing intellectual property rights, receiving awards and recognition, and fostering a culture of innovation within the organisation.

Strategic partnerships, collaborations, joint ventures, and knowledge transfer programs are also vital for fostering innovation in green practices. By collaborating with other organisations, sharing knowledge and expertise, and leveraging collective resources, manufacturers can accelerate the development and implementation of sustainable solutions. These partnerships can lead to the commercialisation of innovative green products, technologies, and practices.

In conclusion, innovation is a critical measure of green practices in the industry. By prioritising research and development efforts, incorporating green product design principles, and establishing strategic partnerships, manufacturers can drive the adoption of sustainable solutions, reduce their environmental impact, and contribute to a greener and more sustainable future.

The scope for Innovation in Fisheries sector includes two (2) sub-indicators; Knowledge Transfer and Collaboration and Research and Development (R&D).

SUB-INDICATOR	REQUIREMENT	OBJECTIVE EVIDENCE FOR ASSESSMENT	EXAMPLE GREEN PRACTICES
<b>KNOWLEDGE TRANSFER AND COLLABORATION</b>	Demonstration of knowledge transfer and strategic collaboration occurring in the organisation	Records and documentations such as MOUs, MOAs, IPs, etc.	<ul style="list-style-type: none"> <li>Develop strategic of partnership/collaborated project MoU/MoA and proved of ROI in aquaculture operations to optimise lifetime of fisheries product.</li> </ul>
<b>RESEARCH AND DEVELOPMENT (R&amp;D)</b>	Demonstration of R&D activities occurring in the organisation	Records and documentations such as organisation chart, procedures, blueprints, proposals, etc.	<ul style="list-style-type: none"> <li>Availability of R&amp;D process/initiative/output related aquaculture operations to improve the operation towards Green Practices/ sustainable.</li> </ul>

### 2.3.6 MANAGEMENT

Management plays a crucial role in driving and implementing green practices within the industry. The administration of an organisation, company, or business is responsible for creating forward-thinking policies and strategies that support the development of a more sustainable form of business. By embracing environmentally responsible practices, businesses can minimise the negative impacts of their manufacturing processes on the environment and contribute to a greener future.

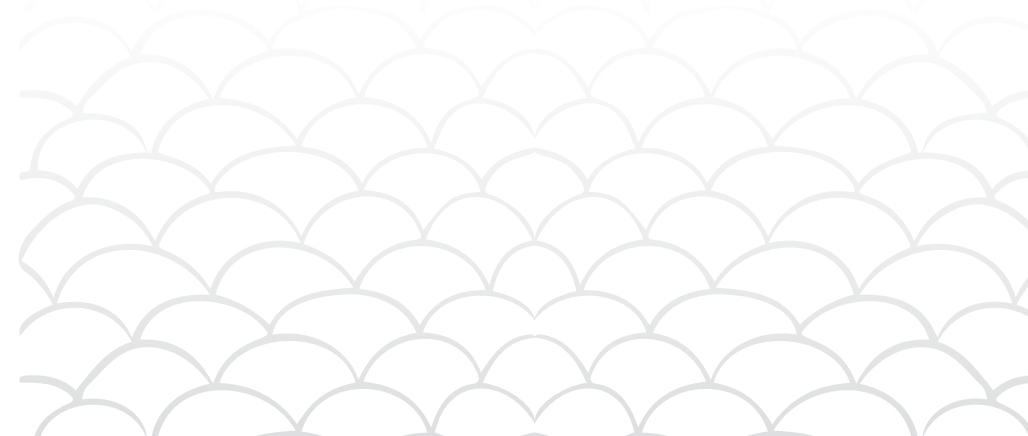
Going beyond compliance with legal requirements, being environmentally responsible means investing in human capital and adopting management practices that actively contribute to the industry's green initiatives. This involves fostering a culture of sustainability within the organisation, where all stakeholders, including employees and customers, are engaged in reducing environmental impacts. Effective management practices focus on integrating sustainable principles into decision-making processes, resource allocation, and operational strategies.

The global shift towards a green economy, driven by ESG frameworks and investment systems, is transforming the landscape of job creation, skills development, and job quality. Businesses that prioritise green practices and demonstrate commitment to environmental sustainability are better positioned to thrive in this evolving economic landscape. By proactively adopting green manufacturing principles, manufacturers can align their initiatives with the goal of achieving a greener future.

Manufacturers have the flexibility to choose and prioritise their initiatives within the realm of green manufacturing based on their level of readiness and business objectives. This includes focusing on green energy solutions, developing green products, and implementing green processes. By incorporating renewable energy sources, reducing carbon emissions, and optimising resource usage, manufacturers can enhance their environmental performance while improving operational efficiency.

The government has developed various initiatives to support and propel the adoption of green practices in the industry. Programmes such as the MyHijau SME & Entrepreneur Development Programme, Energy Audit Grant for the industrial sector, Energy Management Gold Standard (EMGS), Enhanced Time of Use tariff (EToU), and ISO14001 certification provide valuable resources and incentives for businesses to embrace sustainability. These initiatives encourage manufacturers to actively engage in green practices, implement energy-saving measures, adopt environmentally friendly technologies, and strive for continuous improvement in their environmental performance.

In conclusion, effective management practices are essential for driving green practices within the industry. By adopting forward-thinking policies, fostering a culture of sustainability, and embracing green initiatives, businesses can minimise their environmental footprint, meet the demands of a changing economic landscape, and contribute to a more sustainable future.



The scope for Energy in Fisheries sector includes four (4) sub-indicators; Energy Efficiency, Renewable Energy, Energy Management System and Emission Reduction.

SUB-INDICATOR	REQUIREMENT	OBJECTIVE EVIDENCE FOR ASSESSMENT	EXAMPLE GREEN PRACTICES
<b>GREEN PROCUREMENT</b>	Demonstration of green procurement practices occurring in the organisation	Records and documentations such as policies and standards, agreements, purchase records, etc.	<ul style="list-style-type: none"> <li>• Incorporate return policy into green procurement contract.</li> <li>• Incorporate green procurement into the existing procurement practice.</li> <li>• Record keeping the green purchasing documents.</li> </ul>
<b>POLICY AND PROGRAMME</b>	Demonstration of policies and programmes practices occurring in the organisation that support Green Practices	Records and documentations such as MOUs, MOAs, IPs, etc.	<ul style="list-style-type: none"> <li>• Develop return policy related to sustainable practices in aquaculture.</li> <li>• Prepare proper documentation or record related to sustainable practices in aquaculture.</li> <li>• Prepare SOP for chlorination to standardise the amount of Chlorine release to the water environment of the aquaculture operation.</li> </ul>
<b>HUMAN CAPITAL</b>	Demonstration of a human capital development programme in the organisation that support Green Practices	Records and documentations such as policies and standards, records of training, etc.	<ul style="list-style-type: none"> <li>• Develop return policy related to human capital development for sustainable aquaculture operations.</li> </ul>






# IMPLEMENTATION OF GREEN PRACTICES





3








### 3.1 INDICATOR ALIGNMENT

In this section, a framework is introduced to help industries in recognising the various certificates, recognitions and benefits that exists within Malaysia. Using this framework, businesses can refer to the specific guidelines and best practices that support the application of green practices in the industry. Businesses can also refer to the indicators that align with the various existing initiatives.

EXISTING INITIATIVES	AGENCY/ INSTITUTIONS REFERENCE	DESCRIPTION	CRITERIA FOR ASSESSMENT	GREEN PRACTICES INDICATOR	BENEFITS	SCAN FOR LINK
<b>GREEN INVESTMENT TAX ALLOWANCE (GITA)</b>	MIDA	Incentive or companies that undertake Green Technology projects involving capital investments.	Renewable Energy RE Energy Efficiency (EE); Green Building; Green Data Centre; Integrated Waste Management		Tax allowance	
<b>GREEN INCOME TAX EXEMPTIONS (GITE)</b>	MIDA	Incentive for companies that carry out services which support the implementation and operation of Green Technology projects.	Renewable Energy (RE); Energy Efficiency (EE); Green Building; Green Data Centre; Green Certification and Verification; Green Township; Electrical Vehicle		Tax exemptions	
<b>MyHIJAU MARK</b>	MGTC	A government initiative to promote the sourcing and purchasing of green products and services in Malaysia.	Existing Green Label Certification, or Performance Standard Compliance report from an independent certification body that meets the minimum standards recognised by MGTC		Eligibility for Government Green Procurement (GGP), Green Private Purchasing (GPP), and may be eligible for GITA or GITE	
<b>ECO-LABELLING SCHEME</b>	SIRIM	This labelling gives eco-friendly products a competitive advantage over similar products.	Compliance with product standards or specifications and the relevant eco-labelling criteria, as well as relevant provisions in the Environmental Quality Act		Boost acceptance of products in international "green markets" that favour green products with a price premium	

EXISTING INITIATIVES	AGENCY/ INSTITUTIONS REFERENCE	DESCRIPTION	CRITERIA FOR ASSESSMENT	GREEN PRACTICES INDICATOR	BENEFITS	SCAN FOR LINK)
<b>ANUGERAH INDUSTRI HIJAU</b>	Dept. of Environment (DOE)	An initiative by the DOE to provide special recognition and encouragement to SMEs for the efforts of implementing green industry practices.	Green activities and initiatives on water usage, electricity, fuel, raw materials, packaging materials, waste production, product lost, raw materials lost and wastewater production		Improved reputation and branding	
<b>NATIONAL ENERGY AWARDS</b>	MGTC	A platform to provide recognition and rewards to Malaysia's industry leaders in the growing green technology related products, services and energy services sectors for adopting and implementing sustainable energy practices.	Energy Efficiency (EE), Renewable Energy (RE)		International recognition and eligible to represent Malaysia at the annual ASEAN Energy Awards, Southeast Asia's highest energy awards	
<b>PRIME MINISTER'S HIBISCUS AWARDS</b>	ENSEARCH, FMM & MICCI with recognition from KASA	Provide an opportunity for public recognition of businesses and industry's environmental commitment, management, and performance	Leadership; Priority and commitment; Managing environmental issue; Training and communication; Legal and other compliance; Environmental emergencies; Employee participation; Supply chain; Environmental social programme; Environmental accounting; Eco-design; Carbon footprint		National recognition with a Plaque and Certificate of Participation, and eligibility to include award's logo for promotional activities	
<b>NATIONAL GREEN TECHNOLOGY POLICY (NGTP)</b>	KASA *previously developed under KeTTHA	This policy recognises green technology as a driver to accelerate the national economy and promote sustainable development	Energy sector; Building sector; Water and waste management sector; Transportation sector		Reduction in the rate of GHG emission	



EXISTING INITIATIVES	AGENCY/ INSTITUTIONS REFERENCE	DESCRIPTION	CRITERIA FOR ASSESSMENT	GREEN PRACTICES INDICATOR	BENEFITS	SCAN FOR LINK
<b>LOW CARBON CITIES FRAMEWORK (LCCF)</b>	KASA	Provide framework to achieve sustainable development that will help in reducing carbon emissions by measuring the impact of development decisions in terms of carbon emissions and abatement.	Urban Environment; Urban Transport; Urban Infrastructure; Building		Reduction performance will be awarded an environmental performance rating	
<b>FEED-IN TARIFF (FIT)</b>	SEDA	Mechanism under the Renewable Energy Policy to catalyse generation of Renewable Energy (RE) up to 30 MW in size.	Biogas; Biomass; Small Hydropower; Solar Photovoltaic		Reduce CO <sub>2</sub> emissions and secure domestic energy supply, and guarantee investment security for renewable energy investors	
<b>GREEN ELECTRICITY TARIFF (GET)</b>	KeTSA	Encourage the use and purchase on green electricity from large scale solar and hydroelectric plants along with supporting the nation aspiration in reducing the net-zero GHG emission by 2050.	Residential customer (100kWh per block); Non-residential customer (1000kWh per block)		Subscribers able to receive Malaysia Energy Certificate (mREC) based on international REC standards and exempted from ICPT charge	
<b>MALAYSIA ELECTRICITY SUPPLY INDUSTRY TRUST ACCOUNT (MESITA)</b>	KeTSA	Funding for programmes or projects that support the development of national power industry including renewable energy R&D, human resource and energy efficiency.	Electricity supply		Funding for programmes and projects	
<b>ENERGY MANAGEMENT GOLD STANDARD (EMGS)</b>	MGTC	Certification system delivered under the ASEAN Energy Management Scheme (AEMAS) based on excellence in energy management.	Energy management		Recognised as a leader in energy management	

## 3.2 TOWARDS GREEN RECOGNITION

This guideline presents recommendations and proposed actions for the fisheries sector to implement green practices in their daily operations. It is driven by the vision of establishing a Sustainable Fisheries Certification that recognises and rewards sustainable practices within the industry.

To support the fisheries industry in implementing green practices, a comprehensive Sustainable Fisheries Certification Roadmap has been developed. This roadmap serves as a strategic guide, assisting industry players in adopting and implementing sustainable practices within their operations. It provides a structured approach to ensure that the industry is equipped with the necessary knowledge and resources to effectively integrate green practices.

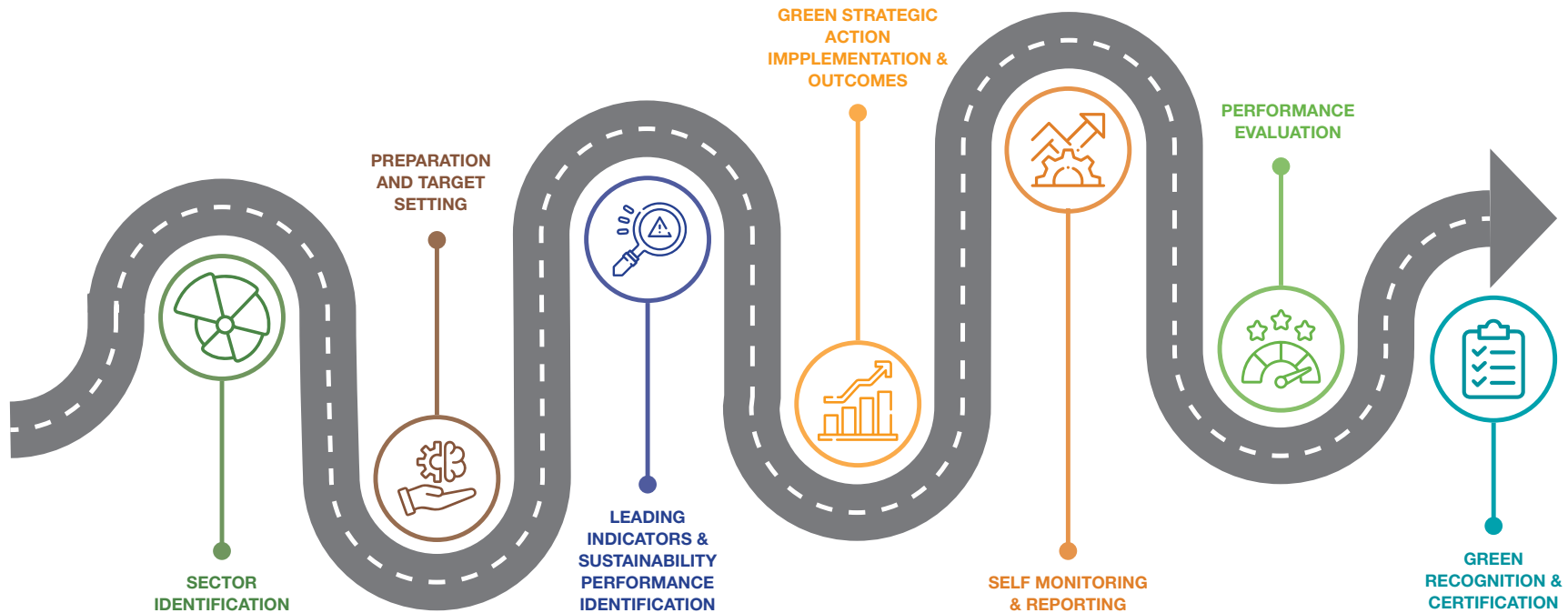
The long-term goal is to enable fisheries players who have successfully implemented green and best practices to apply for the Sustainable Fisheries Certification. This certification would serve as a formal recognition of their commitment to sustainability and environmental stewardship. As part of the proposed roadmap, fisheries players meeting the eligibility criteria for the Sustainable Fisheries Certification may also benefit from proposed financing incentives and support.

By establishing the Sustainable Fisheries Certification and associated benefits, the industry is encouraged to prioritise and embrace sustainable practices. This initiative not only acknowledges the efforts of the fisheries industry in adopting green practices but also serves as a catalyst for knowledge sharing and collaboration across the sector. Ultimately, the Sustainable Fisheries Certification aims to drive widespread adoption of sustainable practices, promote environmental protection, and contribute to the overall sustainability goals of the fisheries sector in Malaysia.

Examples of recommended green practices for the fisheries sector include::

1. **SUSTAINABLE FISHING METHODS:** Encouraging the use of selective fishing gear, such as circle hooks or escape panels, to reduce bycatch and minimise harm to non-target species.
2. **HABITAT CONSERVATION:** Implementing measures to protect and restore critical habitats, such as coral reefs, seagrass beds, and mangroves, to maintain ecosystem health and support sustainable fish populations.
3. **TRACEABILITY AND CERTIFICATION:** Establishing robust traceability systems that track fish from catch to consumer, ensuring transparency and verifying sustainable sourcing. Seeking certification from recognised programs, such as the Marine Stewardship Council (MSC), to provide independent verification of sustainable fishing practices.
4. **COMMUNITY ENGAGEMENT:** Collaborating with local communities and indigenous groups to incorporate traditional knowledge and ensure the social and economic well-being of fishing communities. Supporting initiatives that promote responsible fishing practices and sustainable livelihoods.
5. **CLIMATE CHANGE ADAPTATION:** Developing strategies to address climate change impacts on fisheries, such as changing migration patterns and ocean acidification. Implementing measures to enhance the resilience of fish populations and fishing communities.
6. **RESPONSIBLE AQUACULTURE:** Encouraging sustainable aquaculture practices, including minimising environmental impacts, ensuring responsible feed sourcing, and managing water quality and waste discharge.

By adopting these green practices, the fisheries sector in Malaysia can enhance environmental sustainability, protect fish stocks and habitats, support local communities, and contribute to the achievement of national and global sustainability goals.



### 3.3 WAY FORWARD

To remain competitive and contribute to environmental protection in the fisheries sector, businesses must proactively adopt green practices and integrate ESG factors into their operations. This includes implementing sustainable fishing practices, disclosing ESG initiatives, transitioning to renewable energy sources for fishing vessels, reducing carbon emissions, and exploring green financing and investment opportunities.

The integration of ESG disclosure in the fisheries sector allows companies to communicate their environmental initiatives, such as implementing sustainable fishing techniques, reducing bycatch, protecting marine habitats, and promoting responsible aquaculture. Effective ESG disclosure enhances a company's reputation, attracts socially conscious investors, and ensures compliance with regulatory requirements.

By considering ESG factors alongside financial performance, the fisheries sector can assess its environmental impact, social responsibility, and governance practices. This holistic approach ensures alignment with sustainable development goals, investor expectations, and industry requirements, strengthening the long-term sustainability and resilience of businesses.

Embracing ESG factors and integrating green practices in the fisheries sector not only demonstrates environmental stewardship but also provides a competitive edge in the market. By adopting sustainable fishing practices, reducing environmental impact, and addressing ESG considerations, businesses can secure their long-term viability, attract investment, and contribute to a sustainable and resilient fisheries industry.

## REFERENCES

- Department of Statistics Malaysia. (2021). Selected agricultural indicators significantly narrowing down in 2020. Retrieved on 3 December 2021 at <https://www.dosm.gov.my>.
- FAO (2022). Malaysia. Text by Skonhofs, A.. Fisheries and Aquaculture Division [online]. Rome. Retrieved from: <https://www.fao.org/fishery/en/legalframework/my/en>
- Jabatan Perikanan Malaysia. (2022) Skim Pensijilan MyGAP Sektor Akuakultur. Retrieved from: Aquaculture Sector MyGAP Certification Scheme - Department of Fisheries Malaysia Official Portal ([dof.gov.my](http://dof.gov.my))
- Jabatan Perikanan Malaysia. (2022). Akta dan Peraturan Perikanan. Retrieved from <https://www.dof.gov.my/en/services/enforcement-legislation/fisheries-acts-rules/>
- Kementerian Alam Sekitar dan Air (KASA). (2002). Dasar Alam Sekitar Negara. Retrieved from: <https://www.doe.gov.my/dasar-alam-sekitar-negara/>.
- Kementerian Sumber Asli dan Alam Sekitar Malaysia (2009). Dasar Perubahan Iklim Negara. Retrieved from: <https://www.climate-laws.org/geographies/malaysia/policies/national-policy-on-climate-change-d99de8fd-a724-40b1-bec5-daa9604427ea>
- Kementerian Tenaga, Teknologi Hijau dan Air (KeTTHA). (2008). National Renewable Energy Policy & Action Plan. Retrieved from: <https://www.seda.gov.my/policies/national-renewable-energy-policy-and-action-plan-2009/>.
- Kementerian Tenaga, Teknologi Hijau dan Air (KeTTHA). (2017). Green Technology Master Plan Malaysia 2017-2030. ISBN 978-967-5893-09-4. Retrieved from: <https://www.pmo.gov.my/wp-content/uploads/2019/07/GreenTechnology-Master-Plan-Malaysia-2017-2030.pdf>.
- Kementerian Tenaga, Teknologi Hijau dan Air (KeTTHA). (2018). Garis Panduan Perolehan Hijau Kerajaan 3.0. Retrieved from: <https://www.myhijau.my/green-procurement/>.
- Overview of the Fisheries Sector of Southeast Asia in 2017. (2020, February 24). Fishery statistics summary 2017. SEAFDEC. <http://www.seafdec.org/fishstat2017/>
- Perangkaan Perikanan 2020. (2020, February 25). Jilid 1, Vol 1, Department of Fisheries. <https://www.dof.gov.my/sumber/perangkaan-perikanan-i/>
- UNEP (United Nations Environment Programme). 2011. Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication, A Synthesis for Policy Makers. [www.unep.org/greeneconomy](http://www.unep.org/greeneconomy)
- UNIDO, 2011 UNIDO Green Industry, Policies for Supporting Green Industry, United Nations Industrial Development Organisation (UNIDO)
- Warta Kerajaan Persekutuan (2017). Kaedah-Kaedah Perikanan (Akuakultur Perikanan Darat) (Wilayah Persekutuan Kuala Lumpur dan Wilayah Persekutuan Labuan) 2017. Retrieved from: <http://extwprlegs1.fao.org/docs/pdf/mal198059.pdf>



## SUSTAINABLE FISH PELLETS



### CASE STUDIES

#### DESCRIPTION:

The study focused on the development of a new formulated fish feed pellet using household waste and its impact on water quality. The feed pellets are prepared through an extrusion method, incorporating ingredients such as fish waste, sugarcane fibre waste, chicken fats, and used palm oil. The study aimed to evaluate the effectiveness of these pellets in preserving water quality compared to commercial fish feed.



#### RESULTS:

The formulated fish feed pellets demonstrated positive outcomes in maintaining water quality. The composition ratios for pellet production ranged from 50% to 100% fish waste. Observations showed that compositions with 70% to 100% fish waste had a well-built structure without any crumble formation. Turbidity tests revealed that after three hours, formulations ranging from 50% to 70% exhibited low turbidity values below 5.00 NTU, while commercial fish feed and 80% to 100% formulations had higher turbidity levels. pH testing showed that commercial fish feed and 100% formulation had slightly alkaline values, while other compositions exhibited acidic properties due to the leaching of natural ingredients. BOD analysis indicated that the 60% formulation resulted in the highest depletion of dissolved oxygen, suggesting a higher amount of organic matter available for bacterial activity.

#### CONCLUSION:

The study concludes that the newly formulated fish feed pellets, utilising household waste, offer improved water quality preservation compared to commercial fish feed. The composition of 60% fish waste demonstrated the best combination, showing low turbidity and BOD levels. These results highlight the potential for further optimisation of fish feed pellet production and large-scale implementation to enhance sustainable aquaculture practices. By utilising natural ingredients and adhering to Shariah compliance, the environmental impact of fish farming can be minimised, contributing to the preservation of water resources and aquatic ecosystems.



# APPENDIX



# GLOSSARY

## ASSESSOR

An individual or a group of people being assigned to conduct a green practices assessment to measure level green practices performance of an organisation.

## CIRCULAR ECONOMY

A circular economy is an economic system in which resources are used, reused, and recycled in a closed loop, rather than being extracted, used, and then discarded as waste. It is based on the principles of reducing, reusing and recycling, and it is designed to minimise waste and pollution while conserving natural resources.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Set of criteria that measures the ethical and sustainability impacts of an investment in a company or business.

## GREEN PRACTICES GUIDELINE

A document that provides guide for the industry in implementing green practices within their operations.

## GREEN PRACTICES

Environmentally friendly actions, which promote environment protection and sustainable development.

## GREENHOUSE GAS

Any gas that absorbs infrared radiation in the atmosphere. Greenhouse gases include, but are not limited to, water vapor, carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrochlorofluorocarbons (HCFCs), ozone (O<sub>3</sub>), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>). See carbon dioxide, methane, nitrous oxide, hydrochlorofluorocarbon, ozone, hydrofluorocarbon, perfluorocarbon, sulfur hexafluoride.

## INDICATOR

A metrics concerning energy, water, waste, material, innovation and management that measures level of green practices of an organisation.

## INSTRUMENT

A tool comprises of data collection form, instrument factsheet and rubric that is used by assessor to evaluate level of green practices in an organisation.

## RUBRIC

A set of sustainable criteria for assessing level of green practices in an organisation.

## SUSTAINABLE DEVELOPMENT GOALS

A universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

# ACRONYM

<b>3R</b>	Reduce, reuse, recycle	<b>IPCC</b>	The Intergovernmental Panel on Climate Change
<b>CO<sub>2</sub></b>	Carbon dioxide	<b>LCA</b>	Life Cycle Analysis
<b>COP26</b>	The 2021 United Nations Climate Change Conference	<b>LCC</b>	Life Cycle Costing
<b>CQI</b>	Continuous Quality Improvement	<b>MGTC</b>	Malaysian Green Technology and Climate Change
<b>DSTIN</b>	Dasar Teknologi dan Inovasi Negara	<b>NDC</b>	Nationally Determined Contribution
<b>ESG</b>	Environmental, Social and Governance	<b>SDG</b>	Sustainable Development Goals
<b>FGD</b>	Focus Group Discussion	<b>SME</b>	Small Medium Enterprise
<b>GDP</b>	Gross Domestic Product	<b>SOP</b>	Standard Operating Procedure
<b>GHG</b>	Green House Gas	<b>SPAN</b>	Suruhanjaya Perkhidmatan Air Negara
<b>GP</b>	Green Practice	<b>TE</b>	Technical Expert
<b>GT</b>	Green Technology	<b>UN</b>	United Nation
<b>GTMP</b>	Green Technology Master Plan	<b>UNFCC</b>	The United Nations Framework Convention on Climate Change



## DATA COLLECTION TEMPLATE

GENERAL INFORMATION		
AUDIT INFORMATION		
AUDIT	ITEMS	DESCRIPTION
1	Objective	:
2	Scope	:
3	Auditor's Name	:
INFORMATION OF PREMISE		
AUDIT	ITEMS	DESCRIPTION
1	Name of Premise	:
2	Address	:
3	Total No. of Employee	:
4	Operation Hours	:
5	Type of Sector	:
6	Year of Operation	:
7	History of DOE Enforcement Involvement	:

## INDICATOR MATRIX

INDICATOR SUB INDICATOR		WEIGHTAGE BY SUB-INDICATOR	WEIGHTAGE BY INDICATOR
<b>MATERIALS</b>	Sustainable materials	50	10
	Sustainable services	50	
<b>Waste</b>	Wastewater	60	20
	Non-Hazardous	40	
<b>WATER</b>	Water Efficiency	30	30
	Water Exploration	70	
<b>ENERGY</b>	Emission Reduction	30	20
	Energy Efficiency	30	
	Energy Management System	10	
	Renewable Energy	30	
<b>INNOVATION</b>	Research and Development	50	10
	Knowledge transfer & Collaboration	50	
<b>MANAGEMENT</b>	Policy & Programme	30	10
	Green Procurement	40	
	Human Capital	30	
		TOTAL	100

## EVALUATION INDICATOR MATRIX

INDICATOR	SUB INDICATOR	WEIGHTAGE BY SUB-INDICATOR	MARK BY SUBINDICATOR (A)	INPUT MARKS HERE	WEIGHTAGE BY INDICATOR (B)	MARK BY INDICATOR $\Sigma(A)*(B)/100$
MATERIALS	Sustainable materials	50	x / 4 * 50	x	10	
	Sustainable services	50	x / 4 * 50	x		
WASTE	Wastewater	60	x / 4 * 60		20	
	Non-Hazardous	40	x / 4 * 40	x		
WATER	Water Efficiency	30	x / 4 * 30	x	30	
	Water Exploration	70	x / 4 * 70	x		
ENERGY	Emission Reduction	30	x / 4 * 30	x	20	
	Energy Efficiency	30	x / 4 * 30	x		
	Energy Management System	10	x / 4 * 10	x		
	Renewable Energy	30	x / 4 * 30	x		
INNOVATION	Research and Development	50	x / 4 * 50	x	10	
	Knowledge transfer & Collaboration	50	x / 4 * 50	x		
MANAGEMENT	Policy & Programme	30	x / 4 * 30	x	10	
	Green Procurement	40	x / 4 * 40	x		
	Human Capital	30	x / 4 * 30	x		
TOTAL					100	
<b>STAR RATING</b>					1-Star	
<i>(Please tick based on the star rating assessment criteria)</i>					2-Star	
					3-Star	

## STAR RATINGS (ASSESSMENT CRITERIA)



**(60% - 70%)**

Comply to all regulatory requirements

Demonstrate leadership in developing systematic environmental reporting practical



**(71% - 80%)**

Exhibit characteristics of being resource efficient

Demonstrating positive impacts from green practices

Incorporate and implement continuous quality improvement initiatives throughout business operations



**(81% - 100%)**

Demonstrate integration of governance framework related to sustainability and circular economy

Demonstrate capacity in contributing towards achieving national decarbonisation targets

Demonstrates leadership in developing, expanding and applying new tech related to green practices

MARKS	STAR RATING
0	No Star
60	1 Star
71	2 Star
81	3 Star
100.1	Invalid

## DATA COLLECTION FORM

## MATERIAL INDICATOR

## INDICATOR: MATERIAL

## SUB-INDICATOR: SUSTAINABLE MATERIALS

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	Demonstration on purchase/utilisation of sustainable materials utilisation with specific direction/vision; with self-regulation on implementation (evidence of correlation on sustainability goals); and received recognition/certification from third party/ies/certificate body	<i>Company Sustainability Report:</i> A report published by a company or organisation about environmental, social, and governance (ESG) impacts containing specific policy statements or guidelines or instructions for green material application as well as the practice of self-regulation on the application (through monitoring) to show the correlation with the sustainability goal and to provide evidence of related certificate or proof recognition.	
	3	Demonstration on purchase/utilisation of sustainable materials utilisation with specific direction/vision; with self-regulation implementation (evidence of correlation on sustainability goals)	<i>Company Sustainability Report:</i> A report published by a company or organisation about environmental, social, and governance (ESG) impacts containing specific policy statements or guidelines or instructions for green material application as well as the practice of self-regulation on the application (through monitoring) to show the correlation with the sustainability goal.	
	2	Demonstration on purchase/utilisation of sustainable materials utilisation with specific direction/vision	<i>Company Sustainability Report:</i> A report published by a company or organisation about environmental, social, and governance (ESG) impacts containing specific policy statements or guidelines or instructions for green material application.	
	1	Demonstration on purchase/utilisation of sustainable materials utilisation	<i>Company Sustainability Report:</i> A report published by a company or organisation about environmental, social and governance (ESG) impacts.	
	0	None	No initiative at all	

INDICATOR: MATERIAL

SUB-INDICATOR: SUSTAINABLE SERVICES

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	Demonstration on purchase/utilisation of sustainable services utilisation with specific direction/vision; with self-regulation on implementation (evidence of correlation on sustainability goals); and received recognition/certification from third parties/certificate body	<i>Company Sustainability Report:</i> A report published by a company or organisation about environmental, social, and governance (ESG) impacts containing specific policy statements or guidelines or instructions for green services application as well as the practice of self-regulation on the application (through monitoring) to show the correlation with the sustainability goal and to provide evidence of related certificate or proof recognition.	
	3	Demonstration on purchase/utilisation of sustainable services utilisation with specific direction/vision; with self-regulation implementation (evidence of correlation on sustainability goals)	<i>Company Sustainability Report:</i> A report published by a company or organisation about environmental, social, and governance (ESG) impacts containing specific policy statements or guidelines or instructions for green services application as well as the practice of self-regulation on the application (through monitoring) to show the correlation with the sustainability goal.	
	2	Demonstration on purchase/utilisation of sustainable services utilisation with specific direction/vision	<i>Company Sustainability Report:</i> A report published by a company or organisation about environmental, social, and governance (ESG) impacts containing specific policy statements or guidelines or instructions for green services application.	
	1	Demonstration on purchase/utilisation of sustainable services utilisation	<i>Company Sustainability Report:</i> A report published by a company or organisation about environmental, social and governance (ESG) impacts.	
	0	None	No initiative at all	

## WASTE INDICATOR

## INDICATOR: WASTE

## SUB-INDICATOR: WASTEWATER

## A. TREATED EFFLUENT

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	Wastewater recovery initiative/technology available (e.g., IETS, biogas capture facility and etc.); implemented; WITH monitoring in place; $\geq 33\%$ treated effluent recycle; WITH continuous quality improvement (CQI); WITH certification/recognition/validation	<i>Validation/certification/recognition:</i> Refers to documents issued by third party that confirms performance and achievement in meeting certain standard or criteria.	
	3	Wastewater recovery initiative/technology available (e.g., IETS, biogas capture facility and etc.); implemented; WITH monitoring in place; WITH achievement of Treated effluent recycle $\geq 33\%$	<i>Monitoring records:</i> Refers to documents/records used as evidence and primary data for the purpose of calculating the intended goals and targets. Examples of records that can be referred to are record of wastes generated, recycled, reused, repurposed, disposed. Example of continuous quality improvement (CQI) evidence including positive outcome to cost saving; OR profit generation; OR reduce environment impact.	
	2	Wastewater recovery initiative/technology available (e.g., IETS, biogas capture facility and etc.); WITH monitoring in place	<i>Relevant contract agreements:</i> Documents referred to as evidence for indicating mutual obligations between the parties. Examples are agreement made by the organisation with the intention to manage hazardous waste in a sustainable manner.	
	1	Wastewater recovery initiative/technology available (e.g., IETS, biogas capture facility and etc.)	<i>Purchasing records and documents:</i> Documents that serve as evidence of the organisation acquiring services or/and products/system.	
	0	NO initiative of wastewater recovery	<i>Installation/maintenance records:</i> Documents that serve as evidence for installation of technologies in the organisation.	

INDICATOR: WASTE

SUB-INDICATOR: WASTEWATER

B. SLUDGE RECOVERY

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	Sludge recovery initiative/technology available WITH monitoring in place; WITH continuous quality improvement (CQI); WITH achievement of 100% sludge recovery; WITH certification/recognition/validation	<i>Validation/certification/recognition:</i> Refers to documents issued by third party that confirms performance and achievement in meeting certain standard or criteria.	
	3	Sludge recovery initiative/technology available; implemented; WITH monitoring in place; WITHOUT continuous quality improvement (CQI); WITH achievement of 100% sludge recovery	<i>Monitoring records:</i> Refers to documents/records used as evidence and primary data for the purpose of calculating the intended goals and targets. Examples of records that can be referred to are record of wastes generated, recycled, reused, repurposed, disposed. Example of continuous quality improvement (CQI) evidence including positive outcome to cost saving; OR profit generation; OR reduce environment impact.	
	2	Sludge recovery initiative/technology available, but NOT implemented	<i>Relevant contract agreements:</i> Documents referred to as evidence for indicating mutual obligations between the parties. Examples are agreement made by the organisation with the intention to manage hazardous waste in a sustainable manner.	
	1	Initiative/technology available (e.g., biogas capture facility and etc.)	<i>Purchasing records and documents:</i> Documents that serve as evidence of the organisation acquiring services or/and products/system.	
	0	NO initiative of waste diversion to disposal	<i>Installation/maintenance records:</i> Documents that serve as evidence for installation and maintenance of technologies in the organisation.	



## WASTE INDICATOR

## INDICATOR: WASTE

## SUB-INDICATOR: NON-HAZARDOUS

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	Initiative/technology available (e.g., biogas capture facility and etc.); implemented; WITH monitoring in place; $\geq 40\%$ recycle rate; and WITH validation/certification/recognition/	<i>Validation/certification/recognition:</i> Refers to documents issued by third party that confirms performance and achievement in meeting certain standard or criteria.	
	3	Initiative/technology available (e.g., biogas capture facility and etc.); implemented; WITH monitoring in place; WITH $\geq 40\%$ recycle rate	<i>Monitoring records:</i> Refers to documents/records used as evidence and primary data for the purpose of calculating the intended goals and targets. Examples of records that can be referred to are record of wastes generated, recycled, reused, repurposed, disposed. Example of CQI evidence including positive outcome to cost saving; OR profit generation; OR reduce environment impact.	
	2	Initiative/technology available (e.g., biogas capture facility and etc.); implemented; WITH monitoring in place	<i>Relevant contract agreements:</i> Documents referred to as evidence for indicating mutual obligations between the parties. Examples are agreement made by the organisation with the intention to manage hazardous waste in a sustainable manner.	
	1	Initiative/technology available (e.g., biogas capture facility and etc.)	<i>Purchasing records and documents:</i> Documents that serve as evidence of the organisation acquiring services or/and products/system.	
	0	NO initiative of waste diversion to disposal	<i>Installation/maintenance records:</i> Documents that serve as evidence for installation of technologies in the organisation.	

## WATER CONSERVATION INDICATOR

### INDICATOR: WATER

#### SUB-INDICATOR: WATER EXPLORATION

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	30% of Alternative Water used	Metered water usage readings (i.e., m <sup>3</sup> ), utility bills (i.e., m <sup>3</sup> ), or any other documents recording the water consumption for the organisation.	
	3	20% of Alternative Water used	Meter alternative water consumption readings (i.e., m <sup>3</sup> ), utility bills (i.e., m <sup>3</sup> ), or any other documents recording the alternative water consumption for the organisation. In the event that consumption data for alternative water is not available, alternative water production readings can be used.	
	2	10% of Alternative Water used		
	1	5% of Alternative Water used		
	0	No Renewable Energy used		

### INDICATOR: WATER

#### SUB-INDICATOR: WATER EFFICIENCY

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	30% of energy savings	Metered water usage readings (i.e., m <sup>3</sup> ), utility bills (i.e., m <sup>3</sup> ), or any other documents recording the water consumption for the organisation.	
	3	20% of energy savings		
	2	10% of energy savings		
	1	5% of energy savings		
	0	No energy savings		



## ENERGY INDICATOR

### INDICATOR: ENERGY

#### SUB-INDICATOR: EMISSION REDUCTION

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	45% emission reduction achieved	GHG Inventory reports prepared in accordance to nationally or internationally recognised standards.	
	3	35% emission reduction achieved		
	2	25% emission reduction achieved		
	1	15% emission reduction achieved		
	0	No emission reduction achieved		

### INDICATOR: ENERGY

#### SUB-INDICATOR: ENERGY EFFICIENCY

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	8% of energy savings	<i>Energy consumption:</i> Meter energy usage readings (i.e., kWh, kJ, MMBTU), utility bills (i.e., kWh, kJ, MMBTU), or any other documents recording the energy consumption for the organisation	
	3	6% of energy savings	<i>Fuel consumption:</i> Bills of quantities for fuels (i.e., litres, of fuel, kg of fuel, cu.ft of gases), or any other documents recording the fuel consumption for the organisation	
	2	4% of energy savings	<i>Certification of analysis (COA):</i> COA for fuels shall be referred to determine calorific values of fuels used (if applicable).	
	1	2% of energy savings		
	0	No energy savings		

INDICATOR: ENERGY

SUB-INDICATOR: ENERGY MANAGEMENT SYSTEM

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	External certification received for energy management system	<i>Organisation energy policies:</i> Organisation policies or guidelines specific to energy or main policy documents which specifically address energy efficiency plan and target.	
	3	Energy saving measure implemented; WITH systematic reporting and monitoring system; WITH energy policies in place	<i>Organisation mission and vision statements:</i> Organisation mission and vision statements specific to energy or main policy documents which specifically address energy efficiency.	
	2	Energy saving measure implemented; WITH systematic reporting and monitoring system; WITH energy policies in place	<i>Energy management activity:</i> Records and documentation related to energy management activity that include the energy management committee and energy audit.	
	1	Energy saving measure implemented; WITHOUT systematic reporting and monitoring system; WITHOUT energy policies in place	<i>Data related to energy management activity:</i> Records and documentation of energy consumption, renewable energy, energy saving and performance within the organisation.	
	0	No energy savings	Reports, reviews by third parties, or certifications received by the organisation based on locally or internationally recognised standards.	

## INDICATOR: ENERGY

## SUB-INDICATOR: RENEWABLE ENERGY

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	40% of Renewable Energy used	<i>Energy consumption:</i> Meter energy usage readings (i.e., kWh, kJ, MMBTU), utility bills (i.e., kWh, kJ, MMBTU), or any other documents recording the energy consumption for the organisation.	
	3	30% of Renewable Energy used	<i>Renewable energy consumption:</i> Meter renewable energy production readings (i.e., kWh, kJ, MMBTU), utility bills (i.e., kWh, kJ, MMBTU), or any other documents recording the renewable energy consumption for the organisation.	
	2	20% of Renewable Energy used	<i>Fuel consumption:</i> Bills of quantities for fuels (i.e., litres of fuel, kg of fuel, cu.ft of gases), or any other documents recording the fuel consumption for the organisation.	
	1	10% of Renewable Energy used	<i>Certificates of analysis (COA):</i> COA for fuels shall be referred to determine calorific values of fuels used (if applicable).	
	0	No Renewable Energy used		

## INNOVATION INDICATOR

INDICATOR: INNOVATION				
SUB-INDICATOR: RESEARCH AND DEVELOPMENT (R&D)				
SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	<b>Visible Return on Value</b> based on R&D process/initiative/output managed by innovation unit/department/personnel, <b>resulting in commercialisation/ intellectual property filling/registration and award</b>	<b>Proof of in-house R&amp;D Process:</b>	
	3	Established in house R&D process to Green Practice/Sustainable initiative <b>with proven investment</b> managed by innovation unit/department/personnel	<i>Organisational Structure:</i> Refers to systems which outlines how innovation activities are formalised through functions within an R&D unit within the boundaries of the organisations under evaluation, OR	
	2	Established inhouse R&D process to Green Practice/Sustainable initiative <b>managed by innovation unit/department/personnel</b>	<i>Appointment letter or Minute Meeting</i> indicating specific person-in-charge of an R&D project related to Green Practice, OR	
	1	Established inhouse R&D process relating to Green Practice/Sustainable initiative	<i>Project Charter:</i> A document that describes an innovation project in its entirety. Overview, an outline of scope, an approximate schedule, a budget estimate, anticipated risks, and key stakeholders.	
	0	No Renewable energy used	<b>Proof of R&amp;D Investment</b>	
			<i>Grant Proposal:</i> A document proposing a research project requesting for sponsorship of that research, OR	
			<i>Grant Award Document:</i> A written agreement between the organisation and a grantee as the official notification of grant approval with evidence for contractual grant reporting, OR	
			<i>Investment records:</i> Financial documents/records used as evidence for internal and external investment of technology or system which enables innovation process/research/practice/development in the organisation	

## INDICATOR: INNOVATION

## SUB-INDICATOR: RESEARCH AND DEVELOPMENT (R&amp;D)

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
			<b><i>Proof of R&amp;D Outcome</i></b>	
			<i>Intellectual Property (IP):</i> Provisional IP application document/E-Filing document/published detailed on invention on intellectual protection within copyright, trademark, patents, geographical indications, plant varieties, industrial designs and semiconductor integrated circuit layout designs, OR	
			<i>Recognition/Award/Certification:</i> Refers to the state or quality innovation product/process/service that are recognised or acknowledged by certified bodies, OR	
			<i>Proof of Return on Value</i> <i>Economic Value:</i> Project completion report or Financial accounting report outlining investment, revenue and net profit based on commercialisation/marketing attribution success of innovative green products/services, OR	
			<i>Proof of Return on Value</i> <i>Social Value:</i> Project completion report with evidence of applied/implemented/reviewed innovation practices which leads to, preset goals that are measurable improvements on existing practices of identified community.	
			<i>Proof of Return on Value</i> <i>Project completion report with evidence of improvement on productivity/practice/System and resource and material-efficiency leading to improved air and water quality/fewer waste/more renewable energy sources and other sustainable conditions.</i>	

INDICATOR: INNOVATION				
SUB-INDICATOR: KNOWLEDGE TRANSFER AND COLLABORATION				
SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	Strategic partnership/Collaborative project <b>with signed MOU+MOA and visible Return on Value</b>	<i>Contract agreements:</i> Documents indicating mutual obligations between two or more parties such as LOI/NDA/MOU/MOA.	
	3	Strategic partnership/Collaborative projects <b>with signed MOU+MOA</b>	<b><i>Proof of R&amp;D Outcome</i></b>	
	2	Strategic partnership/Collaborative projects <b>with signed MOU</b>	<i>Intellectual Property (IP):</i> Documents related to intellectual protection such as copyrights, trademarks, trade secret, industrial design, utility innovation or patent, OR	
	1	Strategic partnership/Collaborative projects <b>with NDA/LOI</b>	<i>Proof of Return on Value</i> <i>Economic Value:</i> Project completion report or Financial accounting report outlining investment, revenue and net profit based on commercialisation/marketing attribution success of innovative green products/services, OR	
	0	None	<i>Proof of Return on Value</i> <i>Social/Value:</i> Project completion report with evidence of applied/implemented/reviewed innovation practices which leads to preset goals that are measurable improvements on existing practices of identified community.	
			<i>Proof of Return on Value</i> <i>Project completion report with evidence of improvement on productivity/practice/System and resource and material efficiency leading to improved air and water quality/fewer waste/more renewable energy sources and other sustainable conditions</i>	





## MANAGEMENT INDICATOR

### INDICATOR: MANAGEMENT

#### SUB-INDICATOR: POLICY AND PROGRAMME

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	A present of policy related to sustainability, participate in any sustainability programme, produce a report related to the sustainability programme, and receive recognition at National and International level.	<i>Policy or standards:</i> Refers to a written policy and/or international/national standards used/implemented within the boundaries of the organisation.	
	3	A present of policy related to sustainability, participate in any sustainability programme, produce a report related to the sustainability programme and receive recognition or certification.	<i>Monitoring records:</i> Refers to documents/records used as evidence and primary data for the purpose of achieving the intended goals.	
	2	A present of policy related to sustainability, participate in any sustainability programme, and produce a report related to the sustainability programme.	<i>Contract agreements:</i> Documents referred to as evidence for indicating mutual obligations between the parties.	
	1	A present of policy related to sustainability and participate in any sustainability programme.		
	0	None		

INDICATOR: MANAGEMENT

SUB-INDICATOR: GREEN PROCUREMENT

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	A present of policy and practice of green procurement, record of purchases as evidence including eco-label certified services or/and products/system.	<i>Policy or standards:</i> Refers to a written policy and/or international/national standards used/implemented within the boundaries/organisations.	
	3	A present of policy and practice of green procurement and record of purchases as evidence.	<i>Monitoring records:</i> Refers to documents/records used as evidence and primary data for the purpose to achieve the intended goals.	
	2	A present of policy and practice of green procurement.	<i>Contract agreements:</i> Documents referred to as evidence for indicating mutual obligations between the parties.	
	1	A present of green procurement policy.	<i>Purchasing records and documents:</i> Documents that are serve as evidence of the organisation acquiring services or/and products/system.	
	0	None		

## INDICATOR: MANAGEMENT

## SUB-INDICATOR: HUMAN CAPITAL

SCORE PLEASE TICK (/)	POINT	SCORE CRITERIA	DATA SOURCES/EVIDENCE	ATTACHMENT REFERENCE
	4	A present of human capital policy development to establish lifelong learning culture.	<i>Policy or standards:</i> Refers to a written policy and/or international/national standards used/implemented within the boundaries/organisations.	
	3	Key performance indicator documented related to human capital development.	<i>Monitoring records:</i> Refers to documents/records used as evidence and primary data for the purpose to achieve the intended goals.	
	2	Mission and vision of the organisation related to human capital development.	<i>Contract agreements:</i> Documents referred to as evidence for indicating mutual obligations between the parties.	
	1	Minutes of meetings related to human capital development.	<i>Purchasing records and documents:</i> Documents that are serve as evidence of the organisation acquiring services or/and products/system.	
	0	None		

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: MATERIAL

## SUB-INDICATOR: SUSTAINABLE MATERIALS

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal 1: Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Sustainable Development Goal 12: Ensure sustainable consumption and production patterns

- a) Goal 12.4: Responsible management of chemical and waste
- b) Goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (target at Sustainable reporting in companies).

## 1.2. INDICATOR

Material

## 1.3. SUB-INDICATOR

Sustainable Materials

## 1.4. LAST UPDATE

3 January 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Services
- Fisheries (Aquaculture)
- Manufacturing
- Livestock

- Mining
- Forest operation
- Construction
- Agriculture & Plantation

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITION

*Organisation:* The entity undergoing the evaluation.

*Baseline year:* A reference point in time against which measure of consumption and/or in the future are measured.

*Sustainable material:* Sustainable materials are materials that are produced and used in a way that minimises environmental impact and reduces the depletion of natural resources. These materials are often produced using renewable resources, are nontoxic, and are biodegradable or recyclable, for example, clay, rock, sand, bamboo, or materials with eco-label.

*Circular economy:* A circular economy is an economic system in which resources are used, reused, and recycled in a closed loop, rather than being extracted, used, and then discarded as waste. It is based on the principles of reducing, reusing and recycling, and it is designed to minimise waste and pollution while conserving natural resources.

*Life Cycle Assessment:* Life Cycle Assessment (LCA) is a methodology used to evaluate the environmental impact of a product or service over its entire life cycle. This includes the extraction of raw materials, production, transportation, use, and disposal or recycling of the product.

*ESG:* ESG stands for Environmental, Social and Governance. It is a set of criteria used to evaluate the sustainability and societal impact of an investment in an organisation.

*Certification:* Certification is the provision by an independent body or an authorised agency of written assurance that the product, service, or system in question meets specific requirements.

*Reporting period:* The time span for which the instrument assesses the organisation. Unless required otherwise time span should be one year.

## 2.2. CONCEPT

Not applicable.

## 2.3. UNIT OF MEASURE

Not applicable.

## 3. METHODOLOGY

### 3.1. DATA SOURCES

*Company sustainability report:* A report published by a company or organisation about environmental, social and governance (ESG) impacts

*Organisation sustainability policies:* Organisation policies or guidelines specific to sustainability addressed in the company sustainability report.

*Sustainability monitoring activity:* Self-regulation implementation to show correlation with sustainability goals.

*Certification or recognition of sustainable material:* Certifications attained by the organisation (including from third parties) related to sustainable material.

### 3.2. DATA COLLECTION METHOD

Reference and citation to sections, parts, and/or entire documents as evidence. Documents cited shall specifically address the following aspects:

1. Evidence of company sustainability report
2. Evidence of policy for the application of green material.

3. Evidence of self-regulation implementation relating to sustainability goals
4. Evidence of certification or recognition from other parties including third parties

### 3.3. ASSUMPTIONS AND UNCERTAINTIES

Not applicable.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1. COMMENT AND LIMITATION

There are no limitations to this indicator.

### 4.2. VALIDATION

1. GRI Standards
2. SASB Standards

### 4.3. QUALITY MANAGEMENT

ISO 14040:2006 Environmental management — Life cycle assessment — Principles and framework

ISO/CD 59004 Circular Economy – Terminology, Principles and Guidance for Implementation

## 5. REFERENCES

1. National Energy Efficiency Action Plan 2016-2025
2. Malaysia Renewable Energy Roadmap (MyRER)
3. Malaysia National Energy Policy (NEP) 2022-2040
4. The Sustainable Development Goals (SDGs)

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: MATERIAL

## SUB-INDICATOR: SUSTAINABLE SERVICES

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal 1: Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Sustainable Development Goal 12: *Ensure sustainable consumption and production patterns*

- a) Goal 12.1: Implement the 10-year sustainable consumption and production framework
- b) Goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (target at Sustainable reporting in companies).
- c) Goal 12.8: Promote universal understanding of sustainable lifestyles

## 1.2. INDICATOR

Material

## 1.3. SUB-INDICATOR

Sustainable Services

## 1.4. LAST UPDATE

18 January 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Services

- Fisheries (Aquaculture)
- Manufacturing
- Livestock
- Mining
- Forest operation
- Construction
- Agriculture & Plantation

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITION

*Organisation:* The entity undergoing the evaluation.

*Baseline year:* A reference point in time against which measure of consumption and/or in the future are measured.

*Sustainable material:* Sustainable service is a service that fulfils customer needs and can be perpetuated for a long period of time without negatively influencing the natural and social environments. For example, certification or recognition like ISO 14000 or MyHijau, strategy/planning, technical support, testing, and verification.

*Sustainable framework:* A written document describing a framework for action to enhance international cooperation and accelerate the shift towards sustainable consumption and production (SCP) patterns in both developed and developing countries.

*Life Cycle Assessment:* Refers to increasing the sustainable management of resources and achieving resource efficiency along both production and consumption phases of the lifecycle, including resource extraction, the production of intermediate inputs, distribution, marketing, use, waste disposal and re-use of products and services.

*Sustainable development:* Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

*Reporting period:* The time span for which the instrument assesses the organisation. Unless required otherwise time span should be one year.

## 2.2. CONCEPT

Not applicable.

## 2.3. UNIT OF MEASURE

Not applicable.

## 3. METHODOLOGY

### 3.1. DATA SOURCES

*Company sustainability report:* A report published by a company or organisation about environmental, social and governance (ESG) impacts

*Organisation sustainability policies:* Organisation policies or guidelines specific to sustainability addressed in the company sustainability report.

*Sustainability monitoring activity:* Self-regulation implementation to show correlation with sustainability goals.

*Certification or recognition of sustainable material:* Certifications attained by the organisation (including from third parties) related to sustainable services.

### 3.2. DATA COLLECTION METHOD

Reference and citation to sections, parts, and/or entire documents as evidence. Documents cited shall specifically address the following aspects:

5. Evidence of company sustainability report
6. Evidence of policy for the application of green services.
7. Evidence of self-regulation implementation relating to sustainability goals
8. Evidence of certification or recognition from other parties including third parties

### 3.3. ASSUMPTIONS AND UNCERTAINTIES

Not applicable.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1. COMMENT AND LIMITATION

There are no limitations to this indicator.

### 4.2. VALIDATION

1. GRI Standards
2. SASB Standards
3. House Rule

### 4.3. QUALITY MANAGEMENT

ISO 14040:2006 Environmental management – Life cycle assessment – Principles and framework

ISO/CD 59004 Circular Economy – Terminology, Principles and Guidance for Implementation

## 5. REFERENCES

1. National Energy Efficiency Action Plan 2016-2025
2. Malaysia Renewable Energy Roadmap (MyRER)
3. Malaysia National Energy Policy (NEP) 2022-2040
4. The Sustainable Development Goals (SDGs)

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: WASTE

## SUB-INDICATOR: WASTEWATER

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal 1: 100% sludge to be recycled by 2030.

Goal 2: 33% of treated effluent to be recycled by 2030.

These goals are aligned with the GTMP 2017-2030 emphasising on the wastewater treatment recycling targets. It has been outlined that by 2030, 100% of sludge shall be recycled and 33% of treated effluent shall be recycled. These goals also map to SDG #12 - Sustainable consumption and production, specifically addressing target #12.3 - Substantially reduce waste generation through prevention, reduction, recycling, and reuse by 2030.

## 1.2. INDICATOR

Water

## 1.3. SUB-INDICATOR

Wastewater

## 1.4. LAST UPDATE

9 May 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Fisheries (Aquaculture)
- Manufacturing
- Livestock
- Mining

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITION

*Baseline year:* A reference point in time against which a measure of consumption and/or production in the present and/or future are measured.

*Boundary:* A defined border that accounts and limits the key business activities and processes which forms a basis of the study or analysis within the reporting period.

*Functional Unit:* A specific/selected amount of feed or product or service defined as a basis of calculation, such as mass (weight), volume, and units.

*Reporting period:* The time span for which the instrument assesses the organisation. Unless required otherwise time span should be one year.

*Wastewater:* Effluent generated after the use of any water related resources in a variety of applications or processes.

*Sludge recovery:* It is the process of extracting useful components from sludge. Dewatering, thickening, and digesting are just a few of the processes that can be used to recover the sludge and make them ready for repurposed process.

## 2.2. CONCEPTS

Not applicable.



### 2.3. UNIT OF MEASUREMENT

1. Percentage (%) of recycling of water from the wastewater processing unit within the organisation.
2. Percentage (%) of sludge recovery from the wastewater processing unit within the organisation.

## 3. METHODOLOGY

### 3.1. DATA SOURCE

*Validation/certification/recognition:* Refers to documents issued by third parties that confirms performance and achievement in meeting certain standards or criteria.

*Monitoring records:* Refers to documents/records used as evidence and primary data for the purpose of calculating the intended goals and targets. Examples of records that can be referred to are record of wastes generated, recycled, reused, repurposed, disposed.

*Relevant contract agreements:* Documents referred to as evidence for indicating mutual obligations between the parties. Examples are agreement made by the organisation with the intention to manage hazardous waste in a sustainable manner.

*Purchasing records and documents:* Documents that serve as evidence of the organisation acquiring services or/and products/ system.

*Installation records:* Documents that serve as evidence for installation of technologies in the organisation.

*Maintenance records:* Documents that serve as evidence of maintenance activity of the wastewater processing unit.

### 3.2. DATA COLLECTION METHOD

*Observations:* Observations are made during the site visit to understand the actual case scenario of the green initiative implementation within the boundaries of the organisation.

*Interviews:* Interviews with respondent carried out to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Questionnaires/surveys:* A set of questions designed for respondent to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Documents reviews:* Documents reviewed during the site visit to support the observation.

*Evidence:*

1. Initiative proposal: Business or project planning with budget allocation.
2. Evidence of initiatives-  
Purchasing record, or installation record; presence of initiative/unit / facility/equipment/system being validated.
3. Monitoring record – look for current record and check for frequency monitoring.
4. Data availability at selected baseline year:
  - a. Data on:
    - i. Amount of discharge from the stream leaving the treatment unit to water bodies;
    - ii. Amount of discharge from the stream leaving the treatment facility that is utilised elsewhere in the organisation;
    - iii. Amount of wastewater generated from the process unit.

At least any two data listed above must be available to allow calculation on treated recycled effluent.
  - b. Data on amount of sludge leaving the treatment unit and amount of sludge sent for disposal.
5. Evidence of recycling by third parties e.g., receipt/invoice/financial report etc.
6. Validation of recycling by third parties e.g., contract/validation report/ audit report.
7. Evidence of continuous quality improvement (CQI) exercise such as minute of meeting/CQI report. Example of CQI is performance of the selected contractor.
8. Evidence of recognition by third party such as validation or certification or award.

### 3.3. COMPUTATION

The renewable energy percentage and renewable fuel percentage for the reporting period can be calculated using the following equations:

a) Percentage (%) of alternative consumption =

$$\frac{\text{Amount of recycled water}}{\text{Total amount of wastewater generated}} \times 100\%$$

Where:

Amount of recycle of water = Amount of discharge from the stream leaving the treatment facility that is utilised elsewhere in the organisation within the baseline year.

Total amount of wastewater generated = Amount of wastewater discharge from the stream leaving the process unit within the baseline year.

Note: In the case of stream meter is not available the secondary data in the form of size (volume) of the following storage may be used: pond, tank, dam etc.

b) Percentage (%) of alternative consumption =  $\frac{(A-B)}{(A)} \times 100\%$

Where:

A = Amount of sludge produced from the wastewater treatment facility and leaving the wastewater treatment unit.

B = Amount of sludge produced from the wastewater treatment facility and sent for disposal.

### 3.4. ASSUMPTIONS AND UNCERTAINTIES

Instrument applicability is limited to the activities within the defined boundary.

Secondary data will be used in the event of primary data is unavailable.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1. COMMENT AND LIMITATION

Not applicable.

### 4.2. VALIDATION

Not applicable.

### 4.3. QUALITY MANAGEMENT

National Water Quality Standard.

## 5. REFERENCES

1. Green Technology Master Plan (GTMP) 2017 – 2030.
2. Sustainable Development Goals (SDG) 2030.

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: WASTE

## SUB-INDICATOR: NON-HAZARDOUS

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

1. Goal 1: 40% recycling rate of solid waste from total non-hazardous waste generated by 2025.
2. Goal 2: 100% avoidance of waste to landfills by 2025.
3. Goal 3: 180 unit of biogas capture facility by 2030.

These goals are aligned with the world convention COP 26 by the UNFCCC emphasising on the solid wastes recycling target, landfill avoidance, and reduction of carbon intensity (against GDP) in 2030 compared to 2005 level. It has been outlined that by 2030, 40% of the solid wastes generated shall be recycled, 100% avoidance of waste to the landfill, and there shall be 180 unit of biogas capture facility. These goals also map to SDG #12 - Sustainable consumption and production, specifically addressing target #12.3 - Substantially reduce waste generation through prevention, reduction, recycling, and reuse by 2030.

## 1.2. INDICATOR

Waste

## 1.3. SUB-INDICATOR

Non-hazardous waste

## 1.4. LAST UPDATE

11 April 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Services
- Fisheries (Aquaculture)
- Manufacturing
- Livestock
- Mining
- Forest operation
- Construction
- Agriculture & Plantation

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITION

*Baseline year:* A reference point in time against which a measure of consumption and/or production in the present and/or future are measured.

*Biogas Capture Facility:* A facility that capture biogas released as a result of waste degradation.

*Boundary:* A defined border that accounts and limits the key business activities and processes which forms a basis of the study or analysis within the reporting period.

*Functional Unit:* A specific/selected amount of feed or product or service defined as a basis of calculation, such as mass (weight), volume, and units.

*Non-Hazardous Wastes:* Any form of materials that are discarded from a process/activity, and in this document, specifically refers to solid form of waste materials.

*Non-hazardous waste loss:* Any leakage/spills along the waste stream before or after treatment process.

*Recycling:* Process in converting waste materials into new materials or objects.

*Reporting period:* The time span for which the instrument assesses the organisation. Unless required otherwise time span should be one year.

## 2.2. CONCEPTS

Not applicable.

## 2.3. UNIT OF MEASURE

1. Percentage (%) of recycling of non-hazardous waste within the organisation.
2. Number of biogas capture facility

## 3. METHODOLOGY

### 3.1. DATA SOURCES

*Validation/certification/recognition:* Refers to documents issued by third party that confirms performance and achievement in meeting certain standard or criteria.

*Monitoring records:* Refers to documents/records used as evidence and primary data for the purpose of calculating the intended goals and targets. Examples of records that can be referred to are record of wastes generated, recycled, reused, repurposed, disposed. Example of CQI evidence including positive outcome to cost saving; OR profit generation; OR reduce environmental impact.

*Relevant contract agreements:* Documents referred to as evidence for indicating mutual obligations between the parties. Examples are agreement made by the organisation with the intention to manage hazardous waste in a sustainable manner.

*Purchasing records and documents:* Documents that serve as evidence of the organisation acquiring services or/and products/system.

*Installation/maintenance records:* Documents that serve as evidence for installation and maintenance of technologies in the organisation.

### 3.2. DATA COLLECTION METHOD

*Observations:* Observations are made during the site visit to understand the actual case scenario of the green initiative implementation within the boundaries of the organisation.

*Interviews:* Interviews with respondent carried out to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Questionnaires/surveys:* A set of questions designed for respondent to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Documents reviews:* Documents reviewed during the site visit to support the observation.

*Evidence:*

1. Initiative proposal: Business or project planning with budget allocation.
2. Evidence of initiatives-  
Dedicated space/storage of non-hazardous waste; purchasing record, or installation record; transportation record (e.g., no trips/schedule to transport the waste to dedicated disposal/recycling premise) presence of initiative/unit/facility/equipment/system being validated.

3. Policy in place, documented (e.g., minutes of meeting/policy document/annual budget approval) and disseminated.
4. Monitoring record– look for current record and check for frequency monitoring.
5. Data availability at selected baseline year on the amount of non-hazardous waste recycled, amount of non-hazardous waste disposed, and amount of nonhazardous waste generated. At least any two data listed must be available to allow calculation on non-hazardous waste recycle.
6. Evidence of recycling by third parties e.g., receipt/invoice/financial report etc.
7. Validation of recycling by third parties e.g., contract/validation report/audit report.
8. Evidence of continuous quality improvement (CQI) exercise such as minute of meeting/CQI report. Example of CQI is performance of the selected contractor.
9. Evidence of recognition by third party such as validation or certification or award.

### 3.3. COMPUTATION

Selecting a baseline year;

Percentage (%) of recycling non-hazardous waste = [Amount of recycling nonhazardous waste/Total amount of non-hazardous waste generated] × 100; where:

Amount of recycling non-hazardous waste = Amount of non-hazardous waste generated – Amount of non-hazardous waste disposed.

Total amount of non-hazardous waste generated is the summation of all wastes generated from the process/activity within the boundary.

### 3.4. ASSUMPTIONS AND UNCERTAINTIES

Non-hazardous waste loss during the activities within the defined boundary is assumed to be negligible.

Secondary data will be used in the event of primary data is unavailable.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1. COMMENT AND LIMITATION

There are no limitations to this indicator.

### 4.2. VALIDATION

Not applicable.

### 4.3. QUALITY MANAGEMENT

ISO 14040:2006 Environmental management – Life cycle assessment – Principles and framework

## 5. REFERENCES

1. Green Technology Master Plan (GTMP) 2017 – 2030.
2. Sustainable Development Goals (SDG) 2030.

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: WATER

## SUB-INDICATOR: WATER EXPLORATION

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal 1: To reduce dependency on potable water by exploring the consumption of other water resources such as rainwater and recycled water.

The goal of this instrument is mapped to the following global goals and National targets:

*Sustainable Development Goal 12:* Ensure sustainable consumption and production patterns.

Goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (target at Sustainable reporting in companies).

## 1.2. INDICATOR

Water

## 1.3. SUB-INDICATOR

Water Exploration

## 1.4. LAST UPDATE

16 March 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture
- Aquaculture
- Construction
- Livestock
- Manufacturing
- Mining
- Services

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITION

*Organisation:* The entity undergoing the evaluation.

*Water:* Refers to water that meets quality standards for various processes and applications within the industry.

*Potable water:* Refers to clean and safe drinking water that meets quality standards for various processes and applications within the industry – for the purpose of this Guideline, this also refers to water supplied as city water.

*Water conservation:* Refers to the practice of reducing water usage, improving efficiency, and implementing sustainable strategies to minimise the overall water footprint within processes.

*Water efficiency:* Refers to the optimisation and reduction of water usage throughout industrial processes to minimise waste and improve resource conservation.

*Water saving:* A water consumption reduction measured against a baseline year.

*Water consumption:* An energy usage by the organisation and its sub-entities for its operations and activities.

*Alternative water:* Refers to water from alternative sources such as rainwater or reclamation processes.

*Baseline year:* A reference point in time against which a measure of consumption and/or production in the present and/or future are measured.

*Reporting period:* The time span for which the instrument assesses the organisation. Unless required otherwise time span should be one year.

## 2.2. UNIT OF MEASUREMENT

Percentage (%) of alternative water used with reference to the total water used within the organisation

## 3. METHODOLOGY

### 3.1. DATA SOURCE

*Water consumption:* Metered water usage readings (i.e., m<sup>3</sup>), utility bills (i.e., m<sup>3</sup>), or any other documents recording the water consumption for the organisation.

*Alternative water consumption:* Meter alternative water consumption readings (i.e., m<sup>3</sup>), utility bills (i.e., m<sup>3</sup>), or any other documents recording the alternative water consumption for the organisation. In the event that consumption data for alternative water is not available, alternative water production readings can be used.

### 3.2. DATA COLLECTION METHOD

*Water consumption:*

- Meter usage reading showing a consumption of water over a period of time. Typically, meter reading is provided with a monthly time span. The total water consumed shall be computed by taking the total meter readings for individual months over the period of the reporting year. In the event that more than one water source is available, the sum of the meter readings shall be considered.

- Bills of quantities of water purchased shall be used to represent consumption of water over a period of time. The total water consumed shall be computed by taking the total quantities for the period of the reporting year. In the event that more than one water source is consumed, the sum of the quantities of water consumed shall be considered.
- Other forms of evidence acceptable include, purchase invoices, bill of lading, and other similar documents.
- Other documents that can be used as evidence are purchase invoices received by utility providers or suppliers for water purchased with the assumption that the water purchased is consumed within the reporting period.

*Alternative water consumption:*

- Meter usage reading showing a consumption of alternative water over a period of time. Typically, meter reading is provided with a monthly time span. The total alternative water consumed shall be computed by taking the total meter readings for individual months over the period of the reporting year. In the event that more than one alternative water source is available, the sum of the meter readings shall be considered.
- Bills of quantities of alternative water purchased shall be used to represent consumption of alternative water over a period of time. The total alternative water consumed shall be computed by taking the total quantities for the period of the reporting year. In the event that more than one alternative water source is consumed, the sum of the quantities of alternative water consumed shall be considered.
- Other forms of evidence acceptable include, purchase invoices, bill of lading, and other similar documents.
- Other documents that can be used as evidence are purchase invoices received by utility providers or suppliers for alternative water purchased with the assumption that the water purchased is consumed within the reporting period.

*Observations:* Observations are made during the site visit to understand the actual case scenario of the green initiative implementation within the boundaries of the organisation.

*Interviews:* Interviews with respondent carried out to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Questionnaires/surveys:* A set of questions designed for respondent to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Documents reviews:* Documents reviewed during the site visit to support the observation.

### 3.3. COMPUTATION

The renewable energy percentage and renewable fuel percentage for the reporting period can be calculated using the following equations:

Percentage (%) of alternative consumption =

$$\frac{[\text{Alternative water consumption (i.e., m}^3\text{)}]}{[\text{Total water consumption (i.e., m}^3\text{)}]} \times 100\%$$

### 3.4. ASSUMPTIONS AND UNCERTAINTIES

Any and all averaging approach to consumption data shall be noted and wherever practicably possible the uncertainties shall be quantified.

Total water consumed for the reporting period shall be calculated based on the actual consumption of water for each month within the reporting period. In the event of data unavailability, average consumptions can be provided. Averaging approaches and assumptions made should be described in sufficient detail.

Total water consumed for the year of reporting shall be calculated based on the actual consumption of fuel for each month within the reporting period. Each source of water should be calculated separately.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1. COMMENT AND LIMITATION

Not applicable.

### 4.2. VALIDATION

Measurement and Verification (M&V) report to verify savings endorsed by certified M & V professional.

### 4.3. QUALITY MANAGEMENT

Not applicable.

## 5. REFERENCES

1. SO 46001:2019 Water efficiency management systems.
2. Green Technology Master Plan Malaysia 2017–2030.
3. The Sustainable Development Goals (SDGs).



## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: WATER

## SUB-INDICATOR: WATER EFFICIENCY

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal 1: To increase water efficiency and improve water saving in operations.

The goal of this instrument is mapped to the following global goals and National targets:

*Sustainable Development Goal 12: Ensure sustainable consumption and production patterns*

*Goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (target at Sustainable reporting in companies).*

## 1.2. INDICATOR

Water

## 1.3. SUB-INDICATOR

Water Efficiency

## 1.4. LAST UPDATE

16 March 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture
- Aquaculture
- Construction
- Forest operation
- Livestock
- Manufacturing
- Services

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITION

*Organisation:* The entity undergoing the evaluation.

*Water:* Refers to water that meets quality standards for various processes and applications within the industry.

*Water conservation:* Refers to the practice of reducing water usage, improving efficiency, and implementing sustainable strategies to minimise the overall water footprint within processes.

*Water efficiency:* Refers to the optimisation and reduction of water usage throughout industrial processes to minimise waste and improve resource conservation.

*Water saving:* A water consumption reduction measured against a baseline year.

*Water consumption:* An energy usage by the organisation and its sub-entities for its operations and activities.

*Baseline year:* A reference point in time against which a measure of consumption and/or production in the present and/or future are measured.

*Reporting period:* The time span for which the instrument assesses the organisation. Unless required otherwise time span should be one year.

## 2.2. UNIT OF MEASUREMENT

Percentage (%) of water consumption reduction measured against the baseline year.

## 3. METHODOLOGY

### 3.1. DATA SOURCE

Water consumption: Metered water usage readings (i.e., m<sup>3</sup>), utility bills (i.e., m<sup>3</sup>), or any other documents recording the water consumption for the organisation.

### 3.2. DATA COLLECTION METHOD

*Water consumption:*

- Meter usage reading showing a consumption of water over a period of time. Typically, meter reading is provided with a monthly time span. The total water consumed shall be computed by taking the total meter readings for individual months over the period of the reporting year. In the event that more than one water source is available, the sum of the meter readings shall be considered.

- Bills of quantities of water purchased shall be used to represent consumption of water over a period of time. The total water consumed shall be computed by taking the total quantities for the period of the reporting year. In the event that more than one water source is consumed, the sum of the quantities of water consumed shall be considered.
- Other forms of evidence acceptable include, purchase invoices, bill of lading, and other similar documents.
- Other documents that can be used as evidence are purchase invoices received by utility providers or suppliers for water purchased with the assumption that the water purchased is consumed within the reporting period.

*Observations:* Observations are made during the site visit to understand the actual case scenario of the green initiative implementation within the boundaries of the organisation.

*Interviews:* Interviews with respondent carried out to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Questionnaires/surveys:* A set of questions designed for respondent to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Documents reviews:* Documents reviewed during the site visit to support the observation.

### 3.3. COMPUTATION

The water saving for the reporting period can be calculated using the following equations:

Percentage (%) of energy saving =

$$\frac{\text{Total water consumed for the year of reporting (m}^3\text{)} - \text{Total water consumed for the baseline year (m}^3\text{)}}{\text{Total water consumed for the baseline year (m}^3\text{)}}$$

*Remark: Negative (%) indicates there is savings, positive (%) indicates there is no savings*

### 3.4. ASSUMPTIONS AND UNCERTAINTIES

Any and all averaging approach to consumption data shall be noted and wherever practicably possible the uncertainties shall be quantified.

Total water consumed for the reporting period shall be calculated based on the actual consumption of water for each month within the reporting period. In the event of data unavailability, average consumptions can be provided. Averaging approaches and assumptions made should be described in sufficient detail.

Total water consumed for the year of reporting shall be calculated based on the actual consumption of fuel for each month within the reporting period. Each source of water should be calculated separately.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1. COMMENT AND LIMITATION

Not applicable.

### 4.2. VALIDATION

Measurement and Verification (M&V) report to verify savings endorsed by certified M & V professional.

### 4.3. QUALITY MANAGEMENT

Not applicable.

## 5. REFERENCES

1. ISO 46001:2019 Water efficiency management systems.
2. Green Technology Master Plan Malaysia 2017–2030.
3. The Sustainable Development Goals (SDGs).

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: ENERGY

## SUB-INDICATOR: EMISSION REDUCTION

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

*Goal 1:* Nationally Determined Contribution (NDC) of 45% carbon intensity reduction in 2030 compared to 2005 level.

The goal of this instrument is mapped to the following global goals and National targets:

*Sustainable Development Goal 12: Ensure sustainable consumption and production patterns*

Goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (target at Sustainable reporting in companies).

*National Commitment at COP* – Nationally Determined Contribution (NDC) of 45% carbon intensity reduction in 2030 compared to 2005 level.

## 1.2. INDICATOR

Energy

## 1.3. SUB-INDICATOR

Emission Reduction

## 1.4. LAST UPDATE

3 January 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture & Plantation
- Aquaculture
- Construction
- Forest operation
- Livestock
- Manufacturing
- Mining
- Services

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITION

*Organisation:* The entity undergoing the evaluation.

*Energy:* Energy resources, which refer to substances like fuels, petroleum products, heating and cooling, and electricity in general, because a significant portion of the energy contained in these resources can easily be extracted to serve a useful purpose.

*Energy consumption:* Energy usage by the organisation and its sub-entities for its operations and activities.

*Energy savings:* Energy consumption reduction measured against a baseline year.

*Emission:* Emission herein refers to greenhouse gas (GHG). GHG is a gas that absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect. The primary greenhouse gases in Earth's atmosphere are water vapor, carbon dioxide, methane, nitrous oxide, and ozone. GHG emissions herein refers to all the GHGs and are collectively reported in carbon dioxide equivalent (CO<sub>2</sub>e).

*Baseline year:* A reference point in time against which measure of consumption and/or in the future are measured.

*Reporting period:* The time span for which the instrument assesses the organisation. Unless required otherwise time span should be one year.

*GHG inventory:* A list of emission sources and the associated emissions quantified using standardised methods.

*Scope 1:* Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organisation (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).

*Scope 2:* Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.

*Scope 3:* Indirect GHG emissions associated with activities from assets not owned or controlled by the reporting organisation.

## 2.2 UNIT OF MEASURE

Percentage (%) reduction in emissions by an organisation within its operations in percentage with reference to a selected baseline year.

## 3. METHODOLOGY

### 3.1 DATA SOURCES

GHG Inventory reports prepared in accordance to nationally or internationally recognised standards.

### 3.2 DATA COLLECTION METHOD

*GHG Inventory:*

1. The emissions for the reporting period shall be the total GHG emissions generated by the organisation for the reporting period in CO<sub>2</sub>e.
2. The total GHG emissions generated shall consider the total of Scope 1 and Scope 2 emissions generated by the organisation for the reporting period.
3. If present, the Scope 3 emission shall be considered for computing the total emissions.
4. Reports generated by the “Sistem Pengurusan dan Pemantauan Industri Hijau” provided by Department of Environment Malaysia can serve as evidence to represent the total GHG emissions for the organisation for the reporting period.
5. Reports and certification by national or international standards such as the ISO 14064 can serve as evidence to represent the total GHG emissions for the organisation for the reporting period.

*Observations:* Observations are made during the site visit to understand the actual case scenario of the green initiative implementation within the boundaries of the organisation.

*Interviews:* Interviews with respondent carried out to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Questionnaires/surveys:* A set of questions designed for respondent to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Documents reviews:* Documents reviewed during the site visit to support the observation.

### 3.3 COMPUTATION

The emission reduction can be calculated using the following equation:

$$\text{Emission reduction} = \frac{\left[ \begin{array}{r} \text{Total emissions} \\ \text{for the reporting} \\ \text{period (kg CO}_2\text{e)} \end{array} - \begin{array}{r} \text{Total emissions} \\ \text{for the baseline} \\ \text{year(kg CO}_2\text{e)} \end{array} \right]}{\text{Total emissions for the} \\ \text{baseline year (kg CO}_2\text{e)}}$$

### 3.4 ASSUMPTIONS AND UNCERTAINTIES

The uncertainties reported within the organisation's GHG inventory shall be noted.

Any and all averaging approach to GHG data shall be noted and wherever practicably possible the uncertainties shall be quantified.

GHG emissions shall account for Scope 1 and Scope 2 emissions for the organisation.

Scope 3 emissions may be included in the calculation. If Scope 3 emissions are included, values of Scope 3 emissions shall be considered throughout all the expressions.

Any omissions shall be clearly noted with justifications.

Calculation methods to comply with GHG Protocol Standards or IPCC standards or ISO 14064 standards or any other internationally recognise standards.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1 COMMENT AND LIMITATION

There are no limitations to this indicator.

### 4.2 VALIDATION

The review or validation of information and GHG inventory by the organisation shall be noted.

### 4.3 QUALITY MANAGEMENT

Any certification obtained with regard to the organisation's carbon emissions and management shall be noted.

## 5. REFERENCES

1. National Energy Efficiency Action Plan 2016–2025.
2. Malaysia Renewable Energy Roadmap (MyRER).
3. Dasar Tenaga Negara (DTN) 2022–2040.
4. The Sustainable Development Goals (SDGs).

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: ENERGY

## SUB-INDICATOR: ENERGY EFFICIENCY

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal 1: Energy saving meeting the National energy savings target of 8% by 2025.

The goal of this instrument is mapped to the following global goals and National targets:

*Sustainable Development Goal 12: Ensure sustainable consumption and production patterns*

Goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (target at Sustainable reporting in companies).

*National Energy Efficiency Action Plan 2016–2025:*

1. 52,233 GWh of energy savings (8.0%)
2. 37,702 kt CO<sub>2</sub> equivalent reduction

## 1.2. INDICATOR

Energy

## 1.3. SUB-INDICATOR

Energy Efficiency

## 1.4. LAST UPDATE

3 January 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture & Plantation

- Fisheries (Aquaculture)
- Construction
- Forest operation
- Livestock
- Manufacturing
- Mining
- Services

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITION

*Organisation:* The entity undergoing the evaluation..

*Energy:* Energy resources, which refer to substances like fuels, petroleum products, heating and cooling, and electricity in general, because a significant portion of the energy contained in these resources can easily be extracted to serve a useful purpose.

*Energy consumption:* An energy usage by the organisation and its sub-entities for its operations and activities.

*Energy savings:* An energy consumption reduction measured against a baseline year.

*Baseline year:* A reference point in time against which a measure of consumption and/or production in the present and/or future are measured.

*Reporting period:* The time span for which the instrument assesses the organisation. Unless required otherwise time span should be one year.

*Certified M & V Professional:* A certified professional that qualifies to conduct measurement and verification activities according to guidelines or standards for reporting energy savings.

## 2.2. CONCEPT

Not applicable.

## 2.3. UNIT OF MEASURE

Percentage (%) of electricity and fuel consumption reduction measured against the baseline year.

## 3. METHODOLOGY

### 3.1. DATA SOURCES

*Energy consumption:* Meter energy usage readings (i.e., kWh, kJ, MMBTU), utility bills (i.e., kWh, kJ, MMBTU), or any other documents recording the energy consumption for the organisation.

*Fuel consumption:* Bills of quantities for fuels (i.e., litres of fuel, kg of fuel, cu. ft of gases), or any other documents recording the fuel consumption for the organisation.

*Certificates of analysis (COA):* COA for fuels shall be referred to determine calorific values of fuels used (if applicable).

### 3.2. DATA COLLECTION METHOD

*Energy consumption:*

1. Meter usage reading showing a consumption of energy over a period of time. Typically, meter reading is provided with a monthly time span. The total energy consumed shall be computed by taking the total meter readings for individual months over the period of the reporting year. In the event that more than one energy source is available, the sum of the meter readings shall be considered.
2. If there are more than one type of energy being consumed, a common energy unit shall be utilised. (e.g., MWh, MJ)
3. Other documents that can be used as evidence are purchase invoices received by utility providers or suppliers for energy purchased with the assumption that the energy purchased is consumed within the reporting period.

*Fuel consumption:*

1. Bills of quantities of fuel for fuels purchased shall be used to represent consumption of fuel over a period of time. The total fuel consumed shall be computed by taking the total quantities for the period of the reporting year. In the event that more than one fuel source is consumed, the sum of the quantities of fuel consumed shall be considered.
2. Other forms of evidence acceptable include, purchase invoices, bill of lading, and other similar documents.
3. If there are more than one type of fuel being consumed, a common energy unit shall be utilised. (e.g., MWh, MJ)
4. The energy unit of fuels shall be computed by multiplying the calorific value (e.g., J/kg, kJ/l) of the fuel with the quantity (e.g., kg, l). Refer to the Appendix for the list of common calorific value that can be used as reference. In the event of fuels not listed in the Appendix, the assessor shall request from the organisation for such information accompanied by respective reference document (e.g., certificates of analysis for fuel calorific value, literature reference).
5. Other documents that can be used as evidence are purchase invoices received by utility providers or suppliers for fuel purchased with the assumption that the energy purchased is consumed within the reporting period.

*Observations:* Observations are made during the site visit to understand the actual case scenario of the green initiative implementation within the boundaries of the organisation.

*Interviews:* Interviews with respondent carried out to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Questionnaires/surveys:* A set of questions designed for respondent to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Documents reviews:* Documents reviewed during the site visit to support the observation.



### 3.3. COMPUTATION

The energy and fuel saving for the reporting period can be calculated using the following equations:

Percentage (%) of energy saving =

$$\frac{\text{Total energy consumed for the year of reporting (units for energy)} - \text{Total energy consumed for the baseline year (unit for energy)}}{\text{Total energy consumed for the baseline year (unit for energy)}} \times 100\% \quad (1)$$

Percentage (%) of fuel saving =

$$\frac{\text{Total energy consumed for the year of reporting (unit for fuel)} - \text{Total energy consumed for the baseline year (unit for fuel)}}{\text{Total energy consumed for the baseline year (unit for fuel)}} \times 100\% \quad (2)$$

*NB: Negative (%) indicates there is savings, positive (%) indicates there is no savings*

### 3.4. ASSUMPTIONS AND UNCERTAINTIES

Wherever fuel characteristic information is used for calculations, it shall be noted that the averaging of such characteristics (i.e., calorific value) contributes to uncertainties.

Any and all averaging approach to consumption data shall be noted and wherever practicably possible the uncertainties shall be quantified.

Total energy consumed for the reporting period shall be calculated based on the actual consumption of energy for each month within the reporting period. In the event of data unavailability, average consumptions can be provided. Averaging approaches and assumptions made should be described in sufficient detail.

Total fuel consumed for the year of reporting shall be calculated based on the actual consumption of fuel for each month within the reporting period. Each type of fuel should be calculated separately.

Suggested unit for fuel as follows:

- Liquid fuel (i.e., petrol, diesel, oil, etc.): litres of fuel
- Solid fuel (i.e., coal, woodchip, etc): kg of fuel
- Gaseous fuel (i.e., natural gas, LPG, etc.): MMBTU or cu. ft. of gases

If the organisation is reporting both energy and fuels, the energy units should be standardised in MWh or MJ and reported in combination.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1. COMMENT AND LIMITATION

There are no limitations to this indicator.

### 4.2. VALIDATION

Measurement and Verification (M&V) report to verify savings endorsed by certified M & V professional.

### 4.3. QUALITY MANAGEMENT

Not applicable.

## 5. REFERENCES AND DOCUMENTATION

1. National Energy Policy (2022–2040).
2. National Energy Efficiency Action Plan 2016–2025.
3. The Sustainable Development Goals (SDGs).

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: ENERGY

## SUB-INDICATOR: ENERGY MANAGEMENT SYSTEM

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal 1: Energy saving meeting the National energy savings target of 8% by 2025.

The goal of the Energy: Energy Efficiency instrument is mapped to the following global goals and National targets:

*Sustainable Development Goal 12: Ensure sustainable consumption and production patterns*

Goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (target at Sustainable reporting in companies).

*National Energy Efficiency Action Plan 2016-2025*

1. Target of 52,233 GWh of energy savings (8.0%)
2. Target of 37,702 kt CO2 equivalent reduction

*Malaysia Renewable Energy Roadmap (MyRER)*

*National aspiration of 31% renewable energy (RE) capacity by 2025 and 40% by 2035*

*Dasar Tenaga Negara (DTN) 2022-2040*

National target set for RE at 18,431MW in 2040.

## 1.2. INDICATOR

Energy

## 1.3. SUB-INDICATOR

Energy Management Systems.

## 1.4. LAST UPDATE

3 January 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture & Plantation
- Aquaculture
- Construction
- Forest operation
- Livestock
- Manufacturing
- Mining
- Services

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITION

*Organisation:* The entity undergoing the evaluation.

*Energy:* Energy resources, which refer to substances like fuels, petroleum products, heating and cooling, and electricity in general, because a significant portion of the energy contained in these resources can easily be extracted to serve a useful purpose.

*Renewable energy:* Energy resources that is collected from renewable resources that are naturally replenished on a human timescale. It includes sources such as sunlight, wind, the movement of water, and geothermal heat.

*Energy consumption:* An energy usage by the organisation all it any sub-entities for its operations and activities.

*Energy Management System:* A set of policies and procedures integrated and put into practice to track, analyse, and plan for energy usage in an organisation.

*Energy savings:* An energy consumption reduction measured against a baseline year.

*Baseline year:* A reference point in time against which measure of consumption and/or in the future are measured.

*Reporting period:* The time span for which the instrument assesses the organisation. Unless required otherwise time span should be one year.

## 2.2. CONCEPT

Not applicable.

## 2.3. UNIT OF MEASURE

Not applicable.

# 3. METHODOLOGY

## 3.1. DATA SOURCES

*Organisation energy policies:* Organisation policies or guidelines specific to energy or main policy documents which specifically address energy efficiency plan and target.

*Organisation mission and vision statements:* Organisation mission and vision statements specific to energy or main policy documents which specifically address energy efficiency.

*Energy management activity:* Records and documentation related to energy management activity that include the energy management committee and energy audit.

*Data related to energy management activity:* Records and documentation of energy consumption, renewable energy, energy saving and performance within the organisation.

Reports, reviews by third parties, or certifications received by the organisation based on locally or internationally recognised standards.

Company policies, mission, and vision statements for continuous improvement.

## 3.2. DATA COLLECTION METHOD

*Organisation energy policies:*

1. Organisation policies or guidelines specific to energy or main policy documents which specifically address energy efficiency plan and target.
2. Statements within the policy describing energy management systems can be used as evidence. Statements describing targets for energy reduction, energy efficiency efforts, and any statements describing efforts or targets in achieving energy efficiency, increasing renewable energy mix, increasing renewable fuel mix shall also be considered.

*Organisation mission and vision statements:*

1. Organisation mission or vision statements specific to energy or organisation aspiration documents which specifically address energy efficiency plan and target.
2. Statements within the mission or vision statements describing energy management systems can be used as evidence. Statements within mission or vision statements describing targets for energy reduction, energy efficiency efforts, and any statements describing efforts or targets in achieving energy efficiency, increasing renewable energy mix, increasing renewable fuel mix shall also be considered.
3. Organisation mission and vision statements specific to energy or main policy documents which specifically address energy efficiency.

*Energy management activity:*

1. Documents, records, logbooks, minutes of meetings, and any written documentation related to energy management activity. This may also include documents describing activities by the energy management committee and energy audit.
2. Any form of documentation, including media such as videos and pictures related to energy management activity may also be considered as evidence.

*Data related to energy management activity:*

1. Records and documentation of energy consumption, renewable energy, energy saving and performance within the organisation.
2. Documents, records, logbooks, minutes of meetings, and any written documentation of data related to energy management activity. This may also include documents recording data activities by the energy management committee and energy audit.

*Organisation mission and vision statements:* Organisation mission and vision statements specific to energy or main policy documents which specifically address energy efficiency.

*Energy management activity:* Records and documentation related to energy management activity that include the energy management committee and energy audit.

*Data related to energy management activity:* Records and documentation of energy consumption, renewable energy, energy saving and performance within the organisation.

Reports, reviews by third parties, or certifications received by the organisation based on locally or internationally recognised standards.

Company policies, mission, and vision statements for continuous improvement.

Reference and citation to sections, parts, and/or entire documents as evidence. Documents cited shall specifically address the following aspects:

1. Evidence of a policy for more efficient use of energy.
2. Evidence of fixed targets and objectives to meet the policy.
3. Evidence of the usage data to better understand and make decisions about energy use.
4. Evidence of the performance of the policy.
5. Evidence of a continuous improvement in energy management.

**3.3. ASSUMPTIONS AND UNCERTAINTIES**

Not applicable.

**4. OTHER METHODOLOGICAL CONSIDERATIONS****4.1. COMMENT AND LIMITATION**

There are no limitations to this indicator.

**4.2. VALIDATION**

1. ISO 50001:2018 Energy Management System.
2. AEMAS Energy Management Gold Standard.

**4.3. QUALITY MANAGEMENT**

Not applicable.

**5. REFERENCES**

1. National Energy Efficiency Action Plan 2016–2025
2. Malaysia Renewable Energy Roadmap (MyRER).
3. Dasar Tenaga Negara (DTN) 2022–2040.
4. The Sustainable Development Goals (SDGs).

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: ENERGY

## SUB-INDICATOR: RENEWABLE ENERGY

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal 1: National target of 31% RE (renewable energy) capacity mix in 2025, and 40% by 2035.

The goal of this instrument is mapped to the following global goals and National targets:

*Sustainable Development Goal 12: Ensure sustainable consumption and production patterns.*

Goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (target at Sustainable reporting in companies).

*National Energy Efficiency Action Plan 2016 – 2025:*

1. 52,233 GWh of energy savings (8.0%)
2. 37,702 ktCO<sub>2</sub> equivalent reduction

*Malaysia Renewable Energy Roadmap (MyRER)*

National aspiration of 31% renewable energy (RE) capacity by 2025 and 40% by 2035.

*Dasar Tenaga Negara (DTN) 2022 – 2040*

National target set for RE at 18,431MW in 2040.

## 1.2. INDICATOR

Energy

## 1.3. SUB-INDICATOR

Renewable Energy

## 1.4. LAST UPDATE

13 May 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture & Plantation
- Aquaculture
- Construction
- Forest operation
- Livestock
- Manufacturing
- Mining
- Services

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITION

*Organisation:* The entity undergoing the evaluation.

*Energy:* Energy resources, which refer to substances like fuels, petroleum products, heating and cooling, and electricity in general, because a significant portion of the energy contained in these resources can easily be extracted to serve a useful purpose.

*Renewable energy:* Energy resources that is collected from renewable resources that are naturally replenished on a human timescale. It includes sources such as sunlight, wind, the movement of water, and geothermal heat.

Renewable fuel: Fuel resources that is produced from renewable resources. Examples include biofuels and Hydrogen fuel. This is in contrast to non-renewable fuels such as natural gas, LPG, petroleum, coal, and other fossil fuels and nuclear energy.

*Energy consumption:* An energy usage by the organisation and all its sub-entities for its operations and activities.

*Energy savings:* An energy consumption reduction measured against a baseline year.

*Reporting period:* The time span for which the instrument assesses the organisation. Unless required otherwise time span should be one year.

## 2.2. UNIT OF MEASURE

Percentage (%) of renewable energy used with reference to the total energy used within the organisation.

Percentage (%) of renewable fuel used with reference to the total fuel used within the organisation.

## 3. METHODOLOGY

### 3.1. DATA SOURCES

*Energy consumption:* Meter energy usage readings (i.e., kWh, kJ, MMBTU), electricity bills (i.e., kWh, kJ, MMBTU), or any other documents recording the energy consumption for the organisation.

*Renewable energy consumption:* Meter renewable energy production readings (i.e., kWh, kJ), utility bills (i.e., kWh, kJ, MMBTU), or any other documents recording the renewable energy consumption for the organisation.

*Fuel consumption:* Bills of quantities for fuels (i.e., litres of fuel, kg of fuel, cu.ft of gases), or any other documents recording the fuel consumption for the organisation.

*Certificates of analysis (COA):* COA for fuels shall be referred to determine calorific values of fuels used (if applicable).

### 3.2. DATA COLLECTION METHOD

*Energy consumption:*

1. Meter usage reading showing a consumption of energy over a period of time. Typically, meter reading is provided with a monthly time span. The total energy consumed shall be computed by taking the total meter readings for individual months over the period of the reporting year. In the event that more than one energy source is available, the sum of the meter readings shall be considered.
2. If there are more than one type of energy being consumed, a common energy unit shall be utilised. (e.g., MWh, MJ)
3. Other documents that can be used as evidence are purchase invoices received by utility providers or suppliers for energy purchased with the assumption that the energy purchased is consumed within the reporting period.

*Renewable Energy consumption:*

1. Meter usage reading showing a generation of renewable energy over a period of time. Typically, meter reading is provided with a monthly time span. The total renewable energy generated shall be computed by taking the total meter readings for individual months over the period of the reporting year. In the event that more than one energy source is available, the sum of the meter readings shall be considered.
2. If there are more than one type of renewable energy being generated, a common energy unit shall be utilised. (e.g., MWh, MJ)
3. Other documents that can be used as evidence are purchase invoices received by utility providers or suppliers for energy purchased with the assumption that the energy purchased is consumed within the reporting period.

*Fuel consumption:*

1. Bills of quantities of fuel for fuels purchased shall be used to represent consumption of fuel over a period of time. The total fuel consumed shall be computed by taking the total quantities for the period of the reporting year. In the event that more than one fuel source is consumed, the sum of the quantities of fuel consumed shall be considered.
2. Other forms of evidence acceptable include, purchase invoices, bill of lading, and other similar documents.
3. If there are more than one type of fuel being consumed, a common energy unit shall be utilised. (e.g., MWh, MJ)
4. The energy unit of fuels shall be computed by multiplying the calorific value (e.g., J/kg, kJ/l) of the fuel with the quantity (e.g., kg, l). Refer to the Appendix for the list of common calorific value that can be used as reference. In the event of fuels not listed in the Appendix, the assessor shall request from the organisation for such information accompanied by respective reference document (e.g., certificates of analysis for fuel calorific value, literature reference).
5. Other documents that can be used as evidence are purchase invoices received by utility providers or suppliers for fuel purchased with the assumption that the energy purchased is consumed within the reporting period.

*Fuel consumption coming from renewable sources:*

1. Bills of quantities of fuel for fuels coming from renewable purchased shall be used to represent consumption of renewable fuel over a period of time. The total renewable fuel consumed shall be computed by taking the total quantities for the period of the reporting year. In the event that more than one renewable fuel source is consumed, the sum of the quantities of fuel consumed shall be considered.

2. Other forms of evidence acceptable include, purchase invoices, bill of lading, and other similar documents. Documents and records of renewable fuels consumed (e.g., biomass, biogas) can also serve as evidence.
3. If there are more than one type of renewable fuel being consumed, a common energy unit shall be utilised. (e.g., MWh, MJ)
4. The energy unit of renewable fuels shall be computed by multiplying the calorific value (e.g., J/kg, kJ/l) of the fuel with the quantity (e.g., kg, l). Refer to the Appendix for the list of common calorific value that be used as reference. In the event of fuels not listed in the Appendix, the assessor shall request from the organisation for such information accompanied by respective reference document (e.g., certificates of analysis for fuel calorific value, literature reference).
5. Other documents that can be used as evidence are purchase invoices received by utility providers or suppliers for fuel purchased with the assumption that the energy purchased is consumed within the reporting period.

*Observations:* Observations are made during the site visit to understand the actual case scenario of the green initiative implementation within the boundaries of the organisation.

*Interviews:* Interviews with respondent carried out to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Questionnaires/surveys:* A set of questions designed for respondent to acquire insight of the processes/activities involved within the boundaries of the organisation.

*Documents reviews:* Documents reviewed during the site visit to support the observation.

### 3.3. COMPUTATION

The renewable energy percentage and renewable fuel percentage for the reporting period can be calculated using the following equations:

Percentage (%) of renewable energy consumption =

$$\frac{\left[ \begin{array}{l} \text{Energy consumption coming from} \\ \text{RE sources (i. e. , kWh, kJ, MMBTU)} \end{array} \right]}{\left[ \begin{array}{l} \text{Total energy consumption} \\ \text{(i. e. , kWh, kJ, MMBTU)} \end{array} \right]} \times 100\%$$

Percentage (%) of renewable fuel consumption =

$$\frac{\left[ \begin{array}{l} \text{Fuel consumption coming from} \\ \text{renewable sources (unit for fuel)} \end{array} \right]}{\left[ \begin{array}{l} \text{Total fuel consumption} \\ \text{(unit for fuel)} \end{array} \right]} \times 100\%$$

### 3.4. ASSUMPTIONS AND UNCERTAINTIES

Wherever fuel characteristic information is used for calculations, it shall be noted that the averaging of such characteristics (i.e., calorific value) contributes to uncertainties.

Any and all averaging approach to consumption data shall be noted and wherever practicably possible the uncertainties shall be quantified.

Total energy consumed for the reporting period shall be calculated based on the actual consumption of energy for each month within the reporting period. In the event of data unavailability, average consumptions can be provided. Averaging approaches and assumptions made should be described in sufficient detail.

Total fuel consumed for the year of reporting shall be calculated based on the actual consumption of fuel for each month within the reporting period. Each type of fuel should be calculated separately.

Suggested unit for fuel as follows:

Liquid fuel (i.e., petrol, diesel, oil, etc.) - litres of fuel

Solid fuel (i.e., coal, woodchip, etc) - kg of fuel

Gaseous fuel (i.e., natural gas, LPG, etc.) – MMBTU or cu.ft of gases

If the organisation is reporting both renewable electricity and renewable fuels, the energy units should be standardised in MWh or MJ and reported in combination.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1. COMMENT AND LIMITATION

There are no limitations to this indicator.

### 4.2. VALIDATION

Renewable Energy Certificate (REC) issued by Tenaga Nasional Berhad (TNB) or GSPARX Sdn. Bhd. to validate total amount of renewable energy subscribed.

### 4.3. QUALITY MANAGEMENT

Not applicable.

## 5. REFERENCES

1. National Energy Efficiency Action Plan 2016 – 2025
2. Malaysia Renewable Energy Roadmap (MyRER)
3. Dasar Tenaga Negara (DTN) 2022 – 2040
4. The Sustainable Development Goals (SDGs)



## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: INNOVATION

## SUB-INDICATOR: KNOWLEDGE TRANSFER AND COLLABORATION

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal 1: Establishment of strategic partnership/collaboration/JV/ knowledge transfer programme for innovation in green practices and commercialisation initiatives.

Sustainable Development Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

Sustainable Development Goal 9: Build resilient infrastructure, promote sustainable industrialisation, and foster innovation

Sustainable Development Goal 12: Ensure sustainable consumption and production patterns

**Green Technology Master Plan (GTMP) 2017 – 2030 Strategic Thrust**

**ST2: Market Enablers**

8.3.6 Introducing Roll-Out Plans Comprising Human Capital Development and Public - Private Collaboration to Green the Cities

8.3.7 International Collaborations

**ST3: Human Capital Development**

8.4.2 Greater Collaboration with Tertiary Institutions for Upskilling of Graduates

**Dasar Sains, Teknologi, Inovasi Negara (DSTIN) 2021 – 2030**

**ST1: Advancing Scientific and Social Research Development and Commercialisation**

1. Increase Gross Expenditure on R&D (GERD) to at least 2.0% of GDP by 2020
2. Enhance the performance of public and private Research, Development & Commercialisation funding

## 1.2. INDICATOR

Innovation

## 1.3. SUB-INDICATOR

Knowledge transfer and collaboration

## 1.4. LAST UPDATE

13 May 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture & Plantation
- Aquaculture
- Construction
- Forest operation
- Livestock
- Manufacturing
- Mining
- Services

## 2. DEFINITIONS AND CONCEPTS

### 2.1. DEFINITION

*Knowledge transfer:* Method of sharing information, abilities, ideas, discoveries, and skills across different areas/community that encourages innovation and boost efficiency in the organisation system. The activity involves research, academic engagement for technology transfer or commercialisation through the relationship between collaborative partners, with outcomes of successful knowledge or technology transfer and commercialisation.

*Strategic collaboration:* Strategic actions or programs in innovation practice to achieve specific goals and objectives of mutual benefit to the parties involved, creating values for intended audience/clients/consumers/stakeholders.

### 2.2. UNIT OF MEASURE

Not applicable

## 3 DATA SOURCE AND DATA COLLECTION METHOD

### 3.1 DATA SOURCES

*Contract agreements:* Documents indicating mutual obligations between two or more parties such as Letter of Intent (LOI)/Non-Disclosure Agreement (NDA)/Memorandum of Understanding (MOU)/Memorandum of Agreement (MOA).

*Intellectual Property (IP):* Documents related to intellectual protection such as copyrights, trademarks, trade secret, industrial design, utility innovation or patent.

*Proof of Return on Value:*

*Economic Value:* Financial accounting report indicating outlining investment, revenue and net profit based on commercialisation/marketing attribution success of innovative green products/services.

*Social Value:* Project completion report with evidence of applied/implemented/reviewed innovation practices which leads to pre-set goals that are measurable improvements on existing practices of identified community.

*Other related Value:* Project report or document information improvement on productivity/practice/System and resource and material-efficiency leading to improved air and water quality/fewer waste/more renewable energy sources and other sustainable conditions.

### 3.2 DATA COLLECTION METHOD

*Contract agreements*

Evidence indicating a formal contract or agreement within collaborative parties:

1. Letter of Intent (LOI)/Non-Disclosure Agreement (NDA)/Memorandum of Understanding (MOU)/Memorandum of Agreement (MOA).

*Intellectual Property (IP)*

1. Provisional IP application document or;
2. E-Filing document or;
3. Published detailed of invention or;
4. IP Award certificate/letter or;
5. IP filing number

*Organisation may present proof of Economic ROI and/or Social Value ROI*

*Proof of Return on Investment (ROI) or Return on Value (ROV):*

Proof of Economic ROI

1. Financial accounting report of commercialised product/service solution resulting from innovation project. (e.g., commercial activities, transactions, order, invoice)

2. Proof of positive return on investment (ROI) is not necessary. However, organisation will only need to proof that commercialised product/service is going to or actively being promoted to market.

#### Proof of Social Value ROI

1. Project completion report (clearly shows measurable pre-set goals to improve existing practices related to community engagement outlining innovation product/service/process applied/implemented/system/management/productivity reviewed on identified community).
2. In the event of an ongoing project, proof of actual goals is not yet necessary. However, proof plan or ongoing engagement with community must be present through official project documents.

#### Proof of Other ROV

1. Project completion report with evidence of improvement on productivity/practice/System and resource and material-efficiency leading to improved air and water quality/fewer waste/more renewable energy sources and other sustainable conditions.

### 3.3 COMPUTATION

Not applicable

### 3.4 ASSUMPTIONS AND UNCERTAINTIES

Not applicable

## 4 OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1 COMMENT AND LIMITATION

Not applicable

### 4.2 VALIDATION

Not applicable

### 4.3 QUALITY MANAGEMENT

1. Malaysian Standards (MS) - Standards Malaysia
2. Local or International Product Certification – SIRIM
3. Good Design Mark – Malaysia Design Council
4. MyHIJAU Mark - MGTC

## 5. REFERENCES

1. Green Practice Guideline for Services Sector (Final Report Draft 2022)
2. Green Technology Master Plan Malaysia/GTMP (2017 – 2030)
3. Dasar Sains, Teknologi dan Inovasi Negara/DSTIN (2021 – 2030)
4. Dasar Keusahawanan Negara/DKN (2030)
5. Sustainable Development Goals (SDG) 2030
6. Dasar Perubahan Iklim Negara

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: INNOVATION

## SUB-INDICATOR: RESEARCH AND DEVELOPMENT (R&amp;D)

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal 1: Establishment of Research & Development (R&D) process, output, and policy for organisation.

Goal 2: To increase investment or incentive received to support innovation in green practice to promote commercialisation, Intellectual Property and award/recognition within the organisation.

Sustainable Development Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

Sustainable Development Goal 9: Build resilient infrastructure, promote sustainable industrialisation, and foster innovation

Sustainable Development Goal 12: Ensure sustainable consumption and production patterns

**Green Technology Master Plan (GTMP) 2017 – 2030 Strategic Thrust**

**ST4: Research & Development & Commercialisation (R&D&C)**

8.5.1 A key steppingstone towards an innovative Green Technology (GT) hub

8.5.1.1 R&D&C Projects

8.5.2 Encouraging more localised and demand driven R&D&C

**ST2: Market Enablers**

8.3.2 Funding GT project development

8.3.3 Exploring Alternative GT Financing Ecosystem

8.3.4 GT Incentives

**Dasar Sains, Teknologi, Inovasi Negara (DSTIN) 2021 – 2030**

**ST1: Advancing Scientific and Social Research Development and Commercialisation**

1. Enhance commercialisation and increase uptake of home-grown R&D innovative products through clear guidelines and standards compliance
2. Increase Gross Expenditure on R&D (GERD) to at least 2.0% of GDP by 2020

## 1.2. INDICATOR

Innovation

## 1.3. SUB-INDICATOR

Research and Development (R&D)

## 1.4. LAST UPDATE

13 May 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture & Plantation
- Aquaculture
- Construction
- Forest operation
- Livestock
- Manufacturing
- Mining
- Services

## 2. DEFINITIONS AND CONCEPTS

### 2.1 DEFINITIONS

*Research & Development (R&D):* Activities that organisation undertakes to innovate and introduce new improvised products and services.

*Commercialisation:* The process of bringing new products and services to market.

*Innovation:* Innovation refers to activity that contribute to the creation of key products, services, or processes to reduce the harm, impact, and deterioration of the environment while optimising the use of natural resources.

*Products:* Product innovation involves creating new products or improved versions of existing products that increase their uses or impact in green solution/environment. It applies the concept of green to the entire process of product innovation by increasing resource utilisation, efficiently promoting green production design, and positively promoting corporate financial performance.

*Services:* Green service innovation includes elements such as green invention, environmental service portfolio, environmental service delivery, and environmental service design. Distinct from other service innovations, green service innovation focuses on environmental social responsibility and customer experience.

*Intellectual Property:* Form of property that includes any tangible/intangible creations of human intellect, green practices, or green innovation initiatives. Namely patents, copyrights, industrial design, utility innovation, trademarks, and trade secrets.

*Social innovations:* New solutions (products/services/models/markets/processes) that simultaneously meet a social need and lead to new or improved capabilities and relationships and better use of assets and resources.

### 2.2 UNIT OF MEASURE

Not applicable

## 3. DATA SOURCE AND DATA COLLECTION METHOD

### 3.1 DATA SOURCES

*Innovation Management Procedure:* Sets of policies, processes and procedures used by organisations to ensure fulfilment of tasks required to achieve operational objective for innovation (including financial success, safe operation, product quality, client relationships, legislative and regulatory conformance, and worker management).

*Organisational Structure:* Refers to systems which outlines how innovation activities are formalised through functions within an R&D unit and within the boundaries of the organisations under evaluation.

*Product/Design/System/Solution Blueprint/Refers* to related standard documents/record/proof of concept and pertaining innovation outcome.

*Project Charter:* A document that describes an innovation project in its entirety. (Overview, an outline of scope, an approximate schedule, a budget estimate, anticipated risks, and key stakeholders.

*Grant Proposal:* A document proposing a research project requesting for sponsorship of that research.

*Grant Award Document:* A written agreement between the organisation and a grantee as the official notification of grant approval with evidence for contractual grant reporting.

*Investment Records:* Financial documents/records used as evidence for internal and external investment of technology or system which enables innovation process/research/practice/development in the organisation.

*Intellectual Property (IP):* Provisional IP application document/E-Filing document/published detailed of invention on intellectual protection within copyright, trademark, patents, geographical indications, plant varieties, industrial designs and semiconductor integrated circuit layout designs.

*Recognition/Award/Certification:* Refers to the state or quality innovation product/process/service that are recognised or acknowledged by certified bodies.

*Proof of Return on Value:*

*Economic Value:* Financial accounting report indicating outlining investment, revenue and net profit based on commercialisation/marketing attribution success of innovative green products/services.

*Social Value:* Project completion report with evidence of applied/implemented/reviewed innovation practices which leads to pre-set goals that are measurable improvements on existing practices of identified community.

*Other related Value:* Improvement on productivity/practice/System and resource and material-efficiency leading to improved air and water quality/fewer waste/more renewable energy sources and other sustainable conditions.

### 3.2 DATA COLLECTION METHOD

The data to be collected should prove the existence of a Research and Development (R&D) unit/dept/personnel with proof of project document and R&D result that includes any one of the suggested types of evidence.

*Proof of in-House R&D Process (any of the following):*

*Existence of R&D unit/dept/personnel/appointment*

1. A unit or section or department that has a role on promoting innovation (e.g: R&D department, testing department, incubation unit) or;
2. Appointment letter or minute meeting indicating specific Person in Charge for a R&D project related to green practices.
3. Position or job title in charge in R&D, testing or innovation (e.g: Project manager, Research Supervisor,) or;

4. A project or an activity promoting innovation in management procedure within the reporting period. (e.g: new product development, Innovation Competition, Design improvement, product or service refinement) or;
5. In the event of unit or section specifically promoting innovation is not present, a specific team that work on innovation project can be considered as evidence of innovation management system in place.

*Product/Design/System/Solution Blueprint*

1. Evidence illustrates the outcome from R&D, Commercialisation, or Innovation (eg: Technical Drawing, System Drawing or chart, Layout, Product blueprint, Prototype, Model Making, Mock-ups, Proof of Concept Development).
2. A proof of service system (eg: System Flowchart, Apps, Software Development).

*Project Charter:* Project Plan and Proposal or Project Roadmap outlining the overview of project, scope, schedule, estimated budget.

*Proof of Research & Development Investment (any of the following):*

*Grant Proposal:*

1. Proof of submitted grant proposal outlining context, objectives, and methods leading to research and development project for innovation activities/product/services/process. or;
2. Grant proposal draft that will be submitted within the year of reporting period. (With proof of call for submission poster/email/letter)

*Grant Award Document:*

1. Grant agreement for research and development project – active grant. (eg: Grant letter, Contract agreement, grant certificate, Proof of grant/financial) or;
2. Grant payment (eg: Proof of grant/financial record or transaction) or;
3. Grant Monitoring records (eg: Project progress report, financial statements)

*Investment Records:*

1. Financial documents/records used as evidence for internal and external investment of technology or system which enables innovation process/research/practice/development in the organisation.
2. A written agreement between the organisations as the official notification of grant/fund/sum value invested with evidence for contractual investment reporting.

*Internal/external investment of innovation-enabling technology or system:*

1. Agreement, subscription, assignment, or other document evidencing in physical form an investment appointing the organisation as custodian.
2. Purchase or installation record of system or technology.

*Proof of Research & Development Outcome/Project Report (any of the following):**Proof of Return on Investment (ROI) or Return on Value (ROV):**Proof of Economic ROI*

1. Financial accounting report of commercialised product/service solution as a result of innovation project. (e.g commercial activities, transactions, order, invoice)

2. Proof of positive return on investment (ROI) is not necessary, organisation will only need to proof that commercialised product/service is going to or actively being promoted to market.

*Proof of Social Value ROI*

1. Project completion report (clearly shows measurable pre-set goals to improve existing practices related to community engagement outlining innovation product/service/process applied/implemented/system/management/productivity reviewed on identified community).
2. In the event of an ongoing project, proof of actual goals is not yet necessary. However, proof plan or ongoing engagement with community must be present through official project documents.

*Proof of Other ROV:* Project completion report with evidence of improvement on productivity/practice/System and resource and material-efficiency leading to improved air and water quality/fewer waste/more renewable energy sources and other sustainable conditions.

*Intellectual Property (IP):*

1. Provisional IP application document/E-Filing document/published detailed of invention on intellectual protection within copyright, trademark, patents, geographical indications, plant varieties, industrial designs and semiconductor integrated circuit layout designs.
2. E-Filing document or;
3. Published detailed of invention or;
4. IP Award certificate/letter or;
5. IP filling number.

*Recognition/Award/Certification:*

1. Recognition of achievement, label, standards or special acknowledgment on Innovative solution, product or services. (eg: MyHIJAU mark, Eco-label mark, MS mark, or significant recognition promoting innovation).
2. Certificate for Research & Development outcome from local or international agencies, association, government bodies and authorities (eg: Product Certification from SIRIM, Standards Malaysia, MGTC, MRM or MyIPO).
3. Proof of award received from R&D&C&I initiative, projects, programs, or venture. (eg: Local or International recognised award/organiser/provider).

**3.3 COMPUTATION**

Not applicable

**3.4 ASSUMPTIONS AND UNCERTAINTIES**

Not applicable

**4. OTHER METHODOLOGICAL CONSIDERATIONS**

Not applicable

**4.1 COMMENT AND LIMITATION**

Not applicable

**4.2 VALIDATION**

Not applicable

**4.3 QUALITY MANAGEMENT**

- Malaysian Standards (MS) – Standards Malaysia
- Local or International Product Certification – SIRIM
- Good Design Mark – Malaysia Design Council
- MyHIJAU Mark – MGTC

**5. REFERENCES**

1. Green Practice Guideline for Services Sector (Final Report Draft 2022)
2. Green Technology Master Plan Malaysia/GTMP (2017 – 2030)
3. Dasar Sains, Teknologi dan Inovasi Negara/DSTIN (2021 – 2030)
4. Sustainable Development Goals (SDG) 2030
5. Dasar Keusahawanan Negara/DKN (2030)



## INDICATOR INSTRUMENT FACTSHEET

# INDICATOR: MANAGEMENT

## SUB-INDICATOR: GREEN PROCUREMENT

### 1. INDICATOR INFORMATION

#### 1.1. GOALS AND TARGETS

Goal: Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle.

This goal is mapped to SDG #12 - Sustainable consumption and production, specifically addressing target #12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (Sustainable target reporting in companies).

#### 1.2. INDICATOR

Management

#### 1.3. SUB-INDICATOR

Green Procurement

#### 1.4. LAST UPDATE

13 May 2023

#### 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture & Plantation
- Aquaculture
- Construction
- Forest operation
- Livestock

- Manufacturing
- Mining
- Services

### 2. DEFINITIONS AND CONCEPTS

#### 2.1. DEFINITIONS

*Boundary:* A defined border that accounts for and limits the key business activities and processes which form the basis of the study or analysis.

*Baseline year:* A reference point in time against which a measure of consumption and/or production in the present and/or future are measured.

*Reporting period:* The period for which the instrument assesses the organisation. Unless required, otherwise period should be one year.

*Management:* Management from an organisational perspective refers to planning, organising, and administering its resources and activities effectively to achieve specific objectives efficiently.

*Green Procurement:* The acquisition of environmentally friendly products and services, including setting environmental requirements in selecting suppliers, contractors, and contract agreements.

#### 2.2. CONCEPTS

Not applicable.

#### 2.3. UNIT OF MEASURE

Not applicable.

### 3. METHODOLOGY

#### 3.1. DATA SOURCES

*Policy or standards:* Refers to a written policy and/or international/national standards used/implemented within the organisation's boundaries.

*Monitoring records:* Refers to documents/records used as evidence and primary data to achieve the intended goals.

*Contract agreements:* Documents are evidence for indicating mutual obligations between the parties.

*Purchasing records and documents:* Documents indicate the organisation acquiring services or/and products/systems.

#### 3.2. DATA COLLECTION METHOD

*Policy or standards:*

1. A green procurement written document that states services or/and products/systems.
2. A description of company guidelines related to services or/and products/systems.
3. Strategic action plan document of a company on green procurement commitments.
4. Green procurement policy document related to the organisation's services or/and products/systems.

*Monitoring Records:*

1. A statement of green practices activities related to green procurement that are shared in minutes of meetings, mission & vision, website, social media, and others.
2. Recognition of certificate and award on green procurement activities in national and international organisations.

*Contract agreements:* A documented agreement on green procurement related to services or/and products/systems (LoI/MoU/MoA).

#### 3.3. ASSUMPTION AND UNCERTAINTIES

Not applicable.

### 4. OTHER METHODOLOGICAL CONSIDERATIONS

#### 4.1. COMMENT AND LIMITATION

Not applicable.

#### 4.2. VALIDATION

Any nationally and internationally recognised eco-label certification.

#### 4.3. QUALITY MANAGEMENT

ISO 20400:2017 (Green Procurement)

### 5. REFERENCES AND DOCUMENTATION

1. Sustainable Development Goals (SDG) 2030.
2. ISO 20400:2017 Guideline

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: MANAGEMENT

## SUB-INDICATOR: POLICY AND PROGRAMME

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal: Encourage small, medium, and large companies to adopt sustainable practices and reporting.

This goal is aligned with the Sustainable Development Goals (SDGs) created by the United Nations in its 2030 Agenda. Sustainable Development #12.6 focuses on small, medium, and large companies adopting sustainable practices by integrating sustainable information into their reporting cycle. This goal is crucial to ensure that the pattern of Consumption and Production should be sustainable as the key to sustaining the livelihoods of current and future generations.

## 1.2. INDICATOR

Management

## 1.3. SUB-INDICATOR

Policy and Programme

## 1.4. LAST UPDATE

13 May 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture & Plantation
- Aquaculture
- Construction

- Forest operation
- Livestock
- Manufacturing
- Mining
- Services

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITIONS

*Boundary:* A defined border that accounts for and limits the key business activities and processes which form the basis of the study or analysis.

*Baseline year:* A reference point in time against which a measure of consumption and/or production in the present and/or future are measured.

*Reporting period:* The period for which the instrument assesses the organisation. Unless required, otherwise time span should be one year.

*Management:* Management from an organisational perspective refers to planning, organising, and administering resources and activities effectively to achieve specific objectives efficiently.

*Policy:* Documented statement to achieve specific goals by the organisations.

*Programme:* An activity that supports the achievement of the stated goal. The results of the project activities must have a direct, real, and measurable impact on achieving the intended purpose

## 2.2. CONCEPTS

Not applicable.

### 2.3. UNIT OF MEASURE

Not applicable.

## 3. METHODOLOGY

### 3.1. DATA SOURCES

*Policy or standards:* Refers to a written policy and/or international/national standards used/implemented within the organisation's boundaries.

*Monitoring records:* Refers to documents/records used as evidence and primary data to achieve the intended goals.

*Contract agreements:* Documents are evidence for indicating mutual obligations between the parties.

### 3.2. DATA COLLECTION METHOD

*Policy or standards:*

1. Policy or standards comply with local, national, and international legislation and regulations (e.g., Environmental Quality Act 1974).
2. Policy or standards of green practice by the organisation (e.g., ISO standards).
3. Developed guidelines or standard operating procedures of any green practice by the organisation (e.g., MyHIJAU Guidelines).
4. A planned roadmap and implemented strategy of new green practices (e.g., National Green Growth Roadmap).

*Monitoring Records:*

1. Reports of participation in any sustainability programs on the website, social media, posters, and minutes of meetings.
2. Recognition of certificate and award received on sustainability programs at national and international levels.

*Contract agreements:*

1. A written agreement of green practices commitment among employees and top management (e.g., Vision and missions of organisation).
2. A written agreement of green practices commitment with industries (e.g., MOU/MOA/LOI/LOA/NDA).
3. A written agreement of green practices commitment for corporate social responsibility (CSR) (e.g., Community).

### 3.3. ASSUMPTION AND UNCERTAINTIES

Not applicable.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1. COMMENT AND LIMITATION

Not applicable.

### 4.2. VALIDATION

Not applicable.

### 4.3. QUALITY MANAGEMENT

ISO 9001:2015 (Quality Management Systems)  
ISO 14001:2015 (Environmental Management System)  
ISO 45001:2018 (OSHA)

## 5. REFERENCES

1. Sustainable Development Goals (SDG) 2030.
2. ISO 9001:2015 Guideline
3. ISO 14001:2015 Guideline
4. ISO 45001:2018 Guideline

## INDICATOR INSTRUMENT FACTSHEET

## INDICATOR: MANAGEMENT

## SUB-INDICATOR: HUMAN CAPITAL

## 1. INDICATOR INFORMATION

## 1.1. GOALS AND TARGETS

Goal: Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle.

This goal is mapped to SDG #12 - Sustainable consumption and production, specifically addressing target #12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (Sustainable target reporting in companies).

## 1.2. INDICATOR

Management

## 1.3. SUB-INDICATOR

Human Capital

## 1.4. LAST UPDATE

3 May 2023

## 1.5. RELATED SECTORS

This indicator instrument applies to the following sectors:

- Agriculture & Plantation
- Aquaculture
- Construction
- Forest operation
- Livestock
- Manufacturing
- Mining
- Services

## 2. DEFINITIONS AND CONCEPTS

## 2.1. DEFINITIONS

*Boundary:* A defined border that accounts for and limits the key business activities and processes which form the basis of the study or analysis.

*Baseline year:* A reference point in time against which a measure of consumption and/or production in the present and/or future are measured.

*Reporting period:* The period for which the instrument assesses the organisation. Unless required, otherwise period should be one year.

*Human Capital:* A productive wealth embodied in labour, skills, and knowledge that can be developed, recruited, trained, and managed to achieve organisational goals.

## 2.2. UNIT OF MEASURE

Not applicable.

## 3. METHODOLOGY

### 3.1. DATA SOURCES

*Policy or standards:* Refers to a written policy and/or international/national standards used/implemented within the boundaries/organisations.

*Monitoring records:* Refers to documents/records used as evidence and primary data to achieve the intended goals.

*Contract agreements:* Documents are evidence for indicating mutual obligations between the parties.

*Purchasing records and documents:* Documents indicate the organisation acquiring services or/or products/systems.

### 3.2. DATA COLLECTION METHOD

*Policy or standard:*

1. Human capital development document that stated key performance indicators related to green practices.
2. A strategic action plan on human capital development that the organisation undertakes to meet its green practices.
3. Policy on human capital development related to green practices applied in the organisation.

*Monitoring Records:*

1. Minutes of meetings related to human capital development.
2. A statement of documented human capital development that the organisation shares on its website, social media, and other media of communications.
3. Recognition of organisational human capital development activities (e.g., certificate, award at national and international levels).

*Contract agreements:* A documented agreement indicating mutual obligations between the parties that is related to human capital development.

### 3.3 ASSUMPTIONS AND UNCERTAINTIES

Not applicable.

## 4. OTHER METHODOLOGICAL CONSIDERATIONS

### 4.1 COMMENT AND LIMITATION.

Not applicable.

### 4.2 VALIDATION

Not applicable.

### 4.3 QUALITY MANAGEMENT

ISO 30414:2018 (Human Resource Management)

## 5. REFERENCES AND DOCUMENTATION

1. Sustainable Development Goals (SDG) 2030.
2. ISO 30414:2018 Guide

# QUESTIONNAIRE

1. Cost-benefit analysis: This involves comparing the costs of implementing the evaluation method with the potential benefits that it is expected to produce.
  - (a) On a scale of 1-5, how expensive is it to implement this evaluation method?  
(1 = very inexpensive, 5 = very expensive)
  - (b) On a scale of 1-5, how much of a benefit is this evaluation method expected to produce?  
(1 = no benefit, 5 = significant benefit)
  - (c) On a scale of 1-5, how likely is it that the benefits of this evaluation method will outweigh the costs?  
(1 = not likely at all, 5 = extremely likely)
  - (d) On a scale of 1-5, how confident are you that the costs of this evaluation method can be financed?  
(1 = not confident at all, 5 = extremely confident)
  - (e) On a scale of 1-5, how well does this evaluation method compare to other evaluation methods in terms of cost-benefit ratio?  
(1 = much worse, 5 = much better)
  - (f) On a scale of 1-5, how much of an impact does this evaluation method have in terms of unintended consequences?  
(1 = no impact, 5 = significant impact)
  - (g) On a scale of 1-5, how much of an impact does this evaluation method have in terms of long-term costs or benefits?  
(1 = no impact, 5 = significant impact)
  - (h) On a scale of 1-5, how much of an impact does this evaluation method have in terms of regulatory or legal considerations?  
(1 = no impact, 5 = significant impact)
2. Feasibility study: This is a comprehensive analysis of the potential risks, challenges and opportunities of the evaluation method, including the resources required and the potential impact on the stakeholders.
  - (a) On a scale of 1-5, how easy is it to implement this evaluation method?  
(1 = very difficult, 5 = very easy)
  - (b) On a scale of 1-5, how well does this evaluation method fit within the available resources and constraints?  
(1 = not well at all, 5 = extremely well)
  - (c) On a scale of 1-5, how likely is it that this evaluation method will be successful given the available resources and constraints?  
(1 = not likely at all, 5 = extremely likely)
  - (d) On a scale of 1-5, how much time is required to implement this evaluation method?  
(1 = very little time, 5 = a significant amount of time)
  - (e) On a scale of 1-5, how well does this evaluation method perform during the pilot testing?  
(1 = not well at all, 5 = extremely well)
  - (f) On a scale of 1-5, how well does this evaluation method perform in terms of logistics?  
(1 = not well at all, 5 = extremely well)
  - (g) On a scale of 1-5, how well does this evaluation method perform in terms of data accessibility?  
(1 = not well at all, 5 = extremely well)
  - (h) On a scale of 1-5, how well does this evaluation method perform in terms of expert review?  
(1 = not well at all, 5 = extremely well)

3. Time analysis: This involves analysing the amount of time required to implement the evaluation method, including the time required for data collection, analysis, and reporting.
- (a) On a scale of 1-5, how much time is required to set up this evaluation method?  
(1 = very little time, 5 = a significant amount of time)
  - (b) On a scale of 1-5, how much time is required for data collection with this evaluation method?  
(1 = very little time, 5 = a significant amount of time)
  - (c) On a scale of 1-5, how much time is required for data analysis with this evaluation method?  
(1 = very little time, 5 = a significant amount of time)
  - (d) On a scale of 1-5, how much time is required for reporting with this evaluation method?  
(1 = very little time, 5 = a significant amount of time)
  - (e) On a scale of 1-5, how often does the data need to be updated with this evaluation method?  
(1 = rarely, 5 = frequently)
  - (f) On a scale of 1-5, how much of an impact does this evaluation method have on staff time?  
(1 = no impact, 5 = significant impact)
  - (g) On a scale of 1-5, how much of an impact does this evaluation method have on the project timeline?  
(1 = no impact, 5 = significant impact)
  - (h) On a scale of 1-5, how well does this evaluation method fit within the overall project schedule?  
(1 = not well at all, 5 = extremely well)
  - (i) On a scale of 1-5, how much flexibility is there to adjust the timing of data collection and analysis with this evaluation method?  
(1 = very little flexibility, 5 = a lot of flexibility)
  - (j) On a scale of 1-5, how much time is required for training personnel to use this evaluation method?  
(1 = very little time, 5 = a significant amount of time)
4. Pilot testing: This involves testing a small-scale version of the evaluation method to identify any potential issues or challenges that need to be addressed before full implementation.
- (a) On a scale of 1-5, how well did this evaluation method perform during the pilot test?  
(1 = not well at all, 5 = extremely well)
  - (b) On a scale of 1-5, how well did the evaluation method meet the needs of the test participants?  
(1 = not well at all, 5 = extremely well)
  - (c) On a scale of 1-5, how well did the evaluation method achieve the desired outcomes?  
(1 = not well at all, 5 = extremely well)
  - (d) On a scale of 1-5, how much feedback did test participants provide about the evaluation method?  
(1 = very little feedback, 5 = a lot of feedback)
  - (e) On a scale of 1-5, how well did the evaluation method perform compared to other similar methods tested?  
(1 = not well at all, 5 = extremely well)
  - (f) On a scale of 1-5, how feasible is it to implement this evaluation method on a larger scale?  
(1 = not feasible at all, 5 = extremely feasible)
  - (g) On a scale of 1-5, how much of an impact did the evaluation method have on the pilot test participants?  
(1 = no impact, 5 = significant impact)
  - (h) On a scale of 1-5, how well did the evaluation method perform in terms of data accuracy?  
(1 = not well at all, 5 = extremely well)
  - (i) On a scale of 1-5, how well did the evaluation method perform in terms of data reliability?  
(1 = not well at all, 5 = extremely well)
  - (j) On a scale of 1-5, how well did the evaluation method perform in terms of data validity?  
(1 = not well at all, 5 = extremely well)



5. Expert review: This involves consulting with experts in the field to gain their perspective on the feasibility of the evaluation method, including any potential challenges and opportunities.
- (a) On a scale of 1-5, how well does this evaluation method align with current industry standards and best practices?  
(1 = not well at all, 5 = extremely well)
  - (b) On a scale of 1-5, how well does this evaluation method address the research question or problem it is intended to solve?  
(1 = not well at all, 5 = extremely well)
  - (c) On a scale of 1-5, how well does this evaluation method utilise appropriate methods and techniques?  
(1 = not well at all, 5 = extremely well)
  - (d) On a scale of 1-5, how well does this evaluation method account for potential sources of bias?  
(1 = not well at all, 5 = extremely well)
  - (e) On a scale of 1-5, how well does this evaluation method account for potential confounding variables?  
(1 = not well at all, 5 = extremely well)
  - (f) On a scale of 1-5, how well does this evaluation method account for potential ethical concerns?  
(1 = not well at all, 5 = extremely well)
  - (g) On a scale of 1-5, how well does this evaluation method account for potential limitations?  
(1 = not well at all, 5 = extremely well)
  - (h) On a scale of 1-5, how well does this evaluation method account for potential uncertainties?  
(1 = not well at all, 5 = extremely well)
  - (i) On a scale of 1-5, how well does this evaluation method account for potential generalisability?  
(1 , not well at all, 5 = extremely well)
  - (j) On a scale of 1-5, how well does this evaluation method perform in terms of data quality?  
(1 = not well at all, 5 = extremely well)
6. Stakeholder analysis: This involves identifying and assessing the perspectives and needs of the stakeholders affected by the evaluation method, to understand the feasibility of the method in relation to their needs and concerns.
- (a) On a scale of 1-5, how important are the stakeholders in the success of this evaluation method?  
(1 = not important at all, 5 = extremely important)
  - (b) On a scale of 1-5, how satisfied are stakeholders with this evaluation method?  
(1 = not satisfied at all, 5 = extremely satisfied)
  - (c) On a scale of 1-5, how well does this evaluation method meet the needs of the stakeholders?  
(1 = not well at all, 5 = extremely well)
  - (d) On a scale of 1-5, how much input did stakeholders have in the development of this evaluation method?  
(1 = no input, 5 = significant input)
  - (e) On a scale of 1-5, how well does this evaluation method align with the goals and objectives of the stakeholders?  
(1 = not well at all, 5 = extremely well)
  - (f) On a scale of 1-5, how well does this evaluation method account for potential stakeholder conflicts?  
(1 = not well at all, 5 = extremely well)
  - (g) On a scale of 1-5, how well does this evaluation method account for potential stakeholder resistance?  
(1 = not well at all, 5 = extremely well)
  - (h) On a scale of 1-5, how well does this evaluation method account for potential stakeholder power imbalances?  
(1 = not well at all, 5 = extremely well)
  - (i) On a scale of 1-5, how well does this evaluation method consider the perspectives of diverse stakeholders?  
(1 = not well at all, 5 = extremely well)
  - (j) On a scale of 1-5, how well does this evaluation method involve stakeholders in the implementation and monitoring process?  
(1 = not well at all, 5 = extremely well)

7. Logistics: This involves assessing the logistical aspects of the evaluation method, including the availability of necessary equipment, personnel, and facilities required to implement the evaluation method.
- (a) On a scale of 1-5, how well does this evaluation method fit within the existing infrastructure and resources?  
(1 = not well at all, 5 = extremely well)
  - (b) On a scale of 1-5, how much additional infrastructure and resources are required for this evaluation method?  
(1 = no additional resources, 5 = significant additional resources)
  - (c) On a scale of 1-5, how well does this evaluation method account for potential logistical challenges?  
(1 = not well at all, 5 = extremely well)
  - (d) On a scale of 1-5, how well does this evaluation method account for potential geographical challenges?  
(1 = not well at all, 5 = extremely well)
  - (e) On a scale of 1-5, how well does this evaluation method account for potential seasonal challenges?  
(1 = not well at all, 5 = extremely well)
  - (f) On a scale of 1-5, how well does this evaluation method account for potential security challenges?  
(1 = not well at all, 5 = extremely well)
  - (g) On a scale of 1-5, how well does this evaluation method account for potential scalability?  
(1 = not well at all, 5 = extremely well)
  - (h) On a scale of 1-5, how well does this evaluation method account for potential sustainability?  
(1 = not well at all, 5 = extremely well)
  - (i) On a scale of 1-5, how well does this evaluation method account for potential adaptability?  
(1 = not well at all, 5 = extremely well)
  - (j) On a scale of 1-5, how well does this evaluation method account for potential data privacy?  
(1 = not well at all, 5 = extremely well)

Link to Google form:

[https://docs.google.com/forms/d/e/1FAIpQLSenOOok7nloLCSrkRLYF5CW0yX3\\_u5k\\_Jup7UM-1Vec9w5Zrw/viewform?usp=sf\\_link](https://docs.google.com/forms/d/e/1FAIpQLSenOOok7nloLCSrkRLYF5CW0yX3_u5k_Jup7UM-1Vec9w5Zrw/viewform?usp=sf_link)