



A WORKSHOP ORGANIZED FOR FOMCA/ERA

SEMINAR:

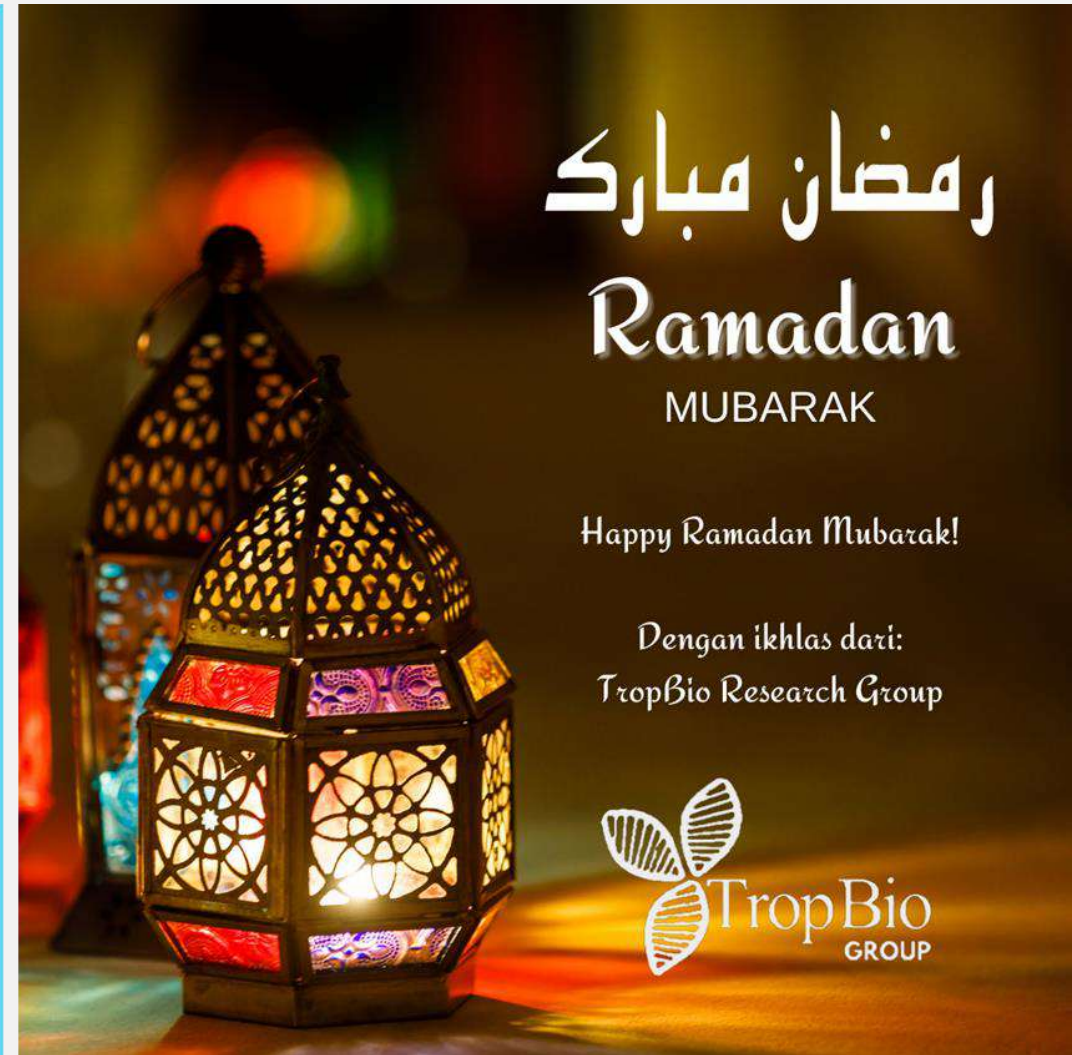
SUSTAINABILITY SDG | ESG ESG REPORTING

DATE	TIME
23/03/2023	2:00 PM

ADDRESS
NO. 24, JALAN SS1/22A,
47300 PETALING JAYA,
SELANGOR, MALAYSIA



DAVID LEO
ENTREPRENUER | SPEAKER
TROPBIO RESEARCH GROUP



رمضان مبارك
Ramadan
MUBARAK

Happy Ramadan Mubarak!

Dengan ikhlas dari:
TropBio Research Group



About Me.



DAVID LEO

- CEO & PARTNER AT TROPBIO RESEARCH SDN BHD
- SERIAL ENTREPRENEUR
- COMMERCIALISATION SPECIALIST
- PROGRAM & PROJECT MANAGER
- SIX SIGMA CONSULTANT
- COMMERCIAL SYSTEM CONCEPTUALIZATION & PLANNING PRACTITIONER



What We Do?

OUR MISSION



“To facilitate productive interactions between industry partners & academic faculty researchers”

#ACTION2023

**ADVISORY
&
CONSULTATION**

**COMMERCIALISATION
&
VENTURE BUILDING**

**TRAINING
&
CAPACITY BUILDING**

**IN-COUNTRY
PARTNERSHIPS**

**OUT-OF-COUNTRY
PARTNERSHIPS**

**NATION BUILDING
PROGRAMS**

Agenda.

- *INTRODUCTION TO SUSTAINABLE DEVELOPMENT GOALS (SDG'S)*
- *INTRODUCTION TO ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)*
- *DISTINGUISHING TERMINOLOGY: SUSTAINABLE FINANCE AND ESG REPORTING*
- *WHY COMPANIES REPORT? MANDATORY OR VOLUNTARY?*
- *HOW TO BRIDGE SDG PROGRAMS / PROJECTS WITH ESG REPORTING*
- *HOW TO REPORT: FRAMEWORKS, STANDARDS AND REPORTS*
- *WHERE ESG REPORTING IS HEADED*
- *Q&A*

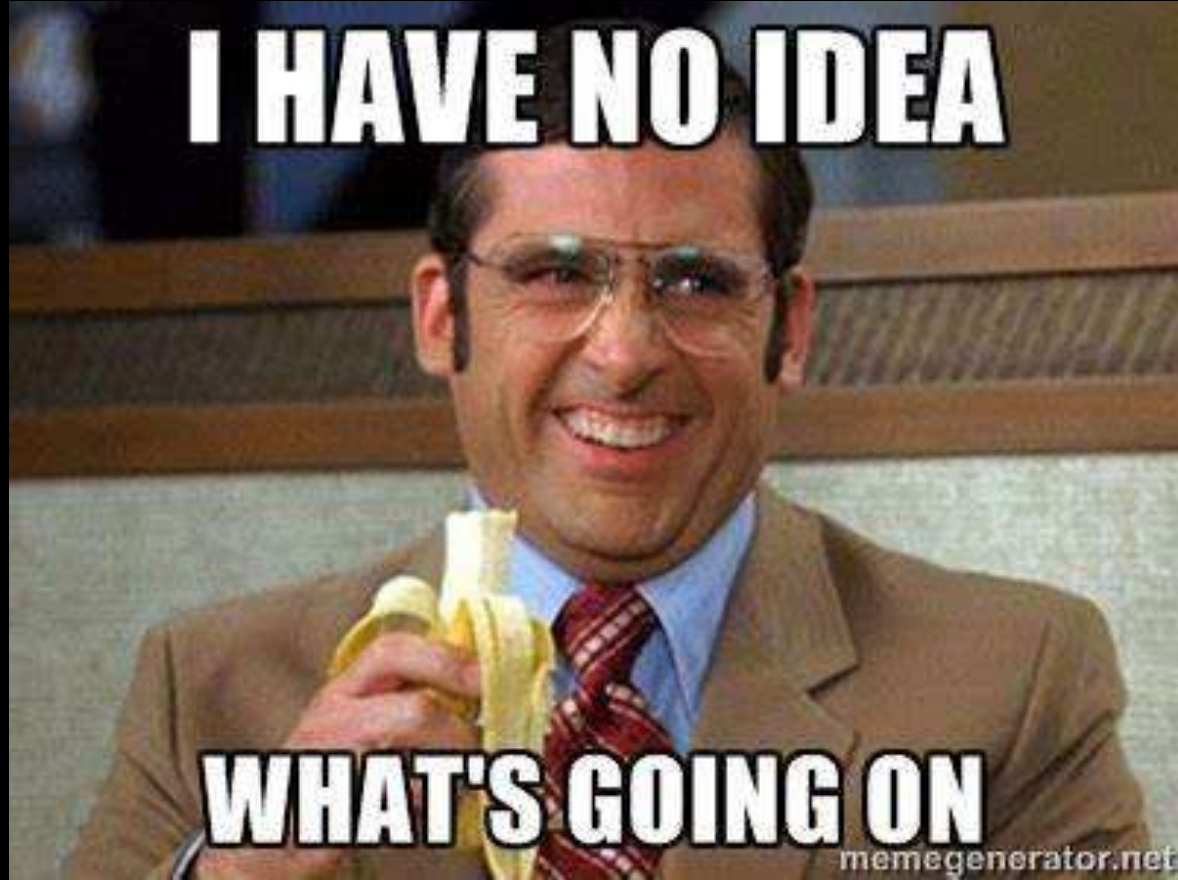
Introduction To SDGs.

RIDE BROOMS

NOT CARS

FourGreenSteps.com





I HAVE NO IDEA

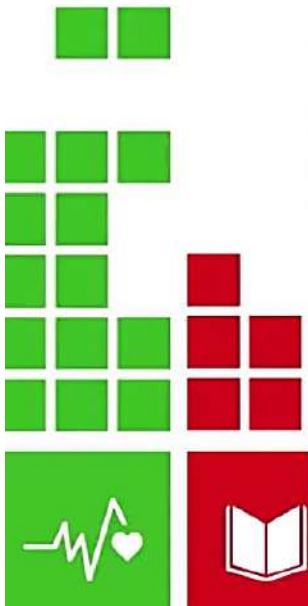
WHAT'S GOING ON

memegenerator.net

Introduction To SDGs.



Introduction To SDGs.



INTRODUCTION: 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT GOALS



193 World leaders who are members of the United Nations including Malaysia agreed to adopt the document *“Transforming Our World: The 2030 Agenda for Sustainable Development”* during the United Nations Sustainable Development summit on 27 September 2015, in New York, America.

This document serves as a political commitment at the global level towards sustainable development.



Introduction To SDGs.

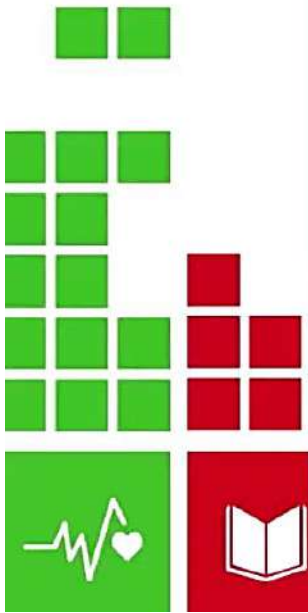
	MDGs		SDGs
GENERAL FOCUS	DEVELOPING COUNTRIES	➔	GLOBAL: DOMESTIC AND INTERNATIONAL
INDICATOR COVERAGE	8 / 21 / 60 <small>GOALS TARGETS INDICATORS</small>	➔	17 / 169 / 230 <small>GOALS TARGETS INDICATORS</small>
LEVEL OF DISAGGREGATION	NATIONAL	➔	LEAVE NO ONE BEHIND
FINANCING	LARGELY BILATERAL FINANCING	➔	DOMESTIC AND LOCAL RESOURCES, NEW FINANCIAL SOURCES AND MODELS

Introduction To SDGs.

They break down traditional silos between:

<p>Places.</p> <p><i>The SDGs are universal meaning that the goals apply to all countries regardless of their traditional development status.</i></p>	<p>Definitions.</p> <p><i>The SDGs define sustainability through Environment Economic And Social... ...dimensions</i></p>	<p>Issues.</p> <p><i>The SDGs feature 17 interconnected goals, 169 targets, and 232 indicators. They are integrated and indivisible.</i></p>	<p>Departments.</p> <p><i>The SDGs require policy coherence and a government-wide approach</i></p>	<p>Sectors.</p> <p><i>The SDGs were designed for all sectors and require participation from all sectors.</i></p>	<p>People.</p> <p><i>The SDGs require inclusiveness and participation from subpopulations, particularly the poorest and the most vulnerable.</i></p>
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Introduction To SDGs.



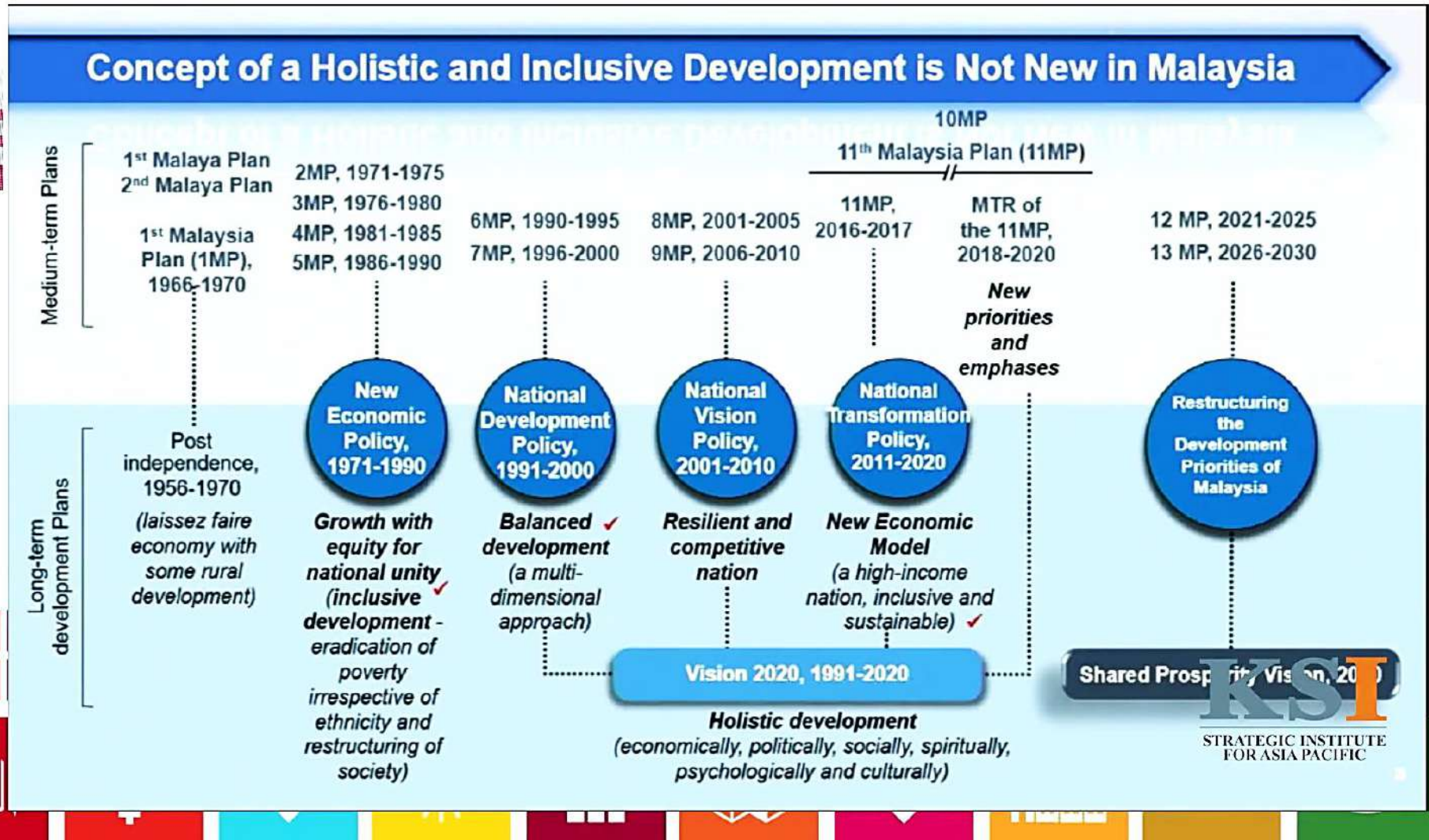

ECONOMIC PLANNING UNIT
PRIME MINISTER'S DEPARTMENT

**UPDATE ON THE STATUS
OF THE SDG IN MALAYSIA**

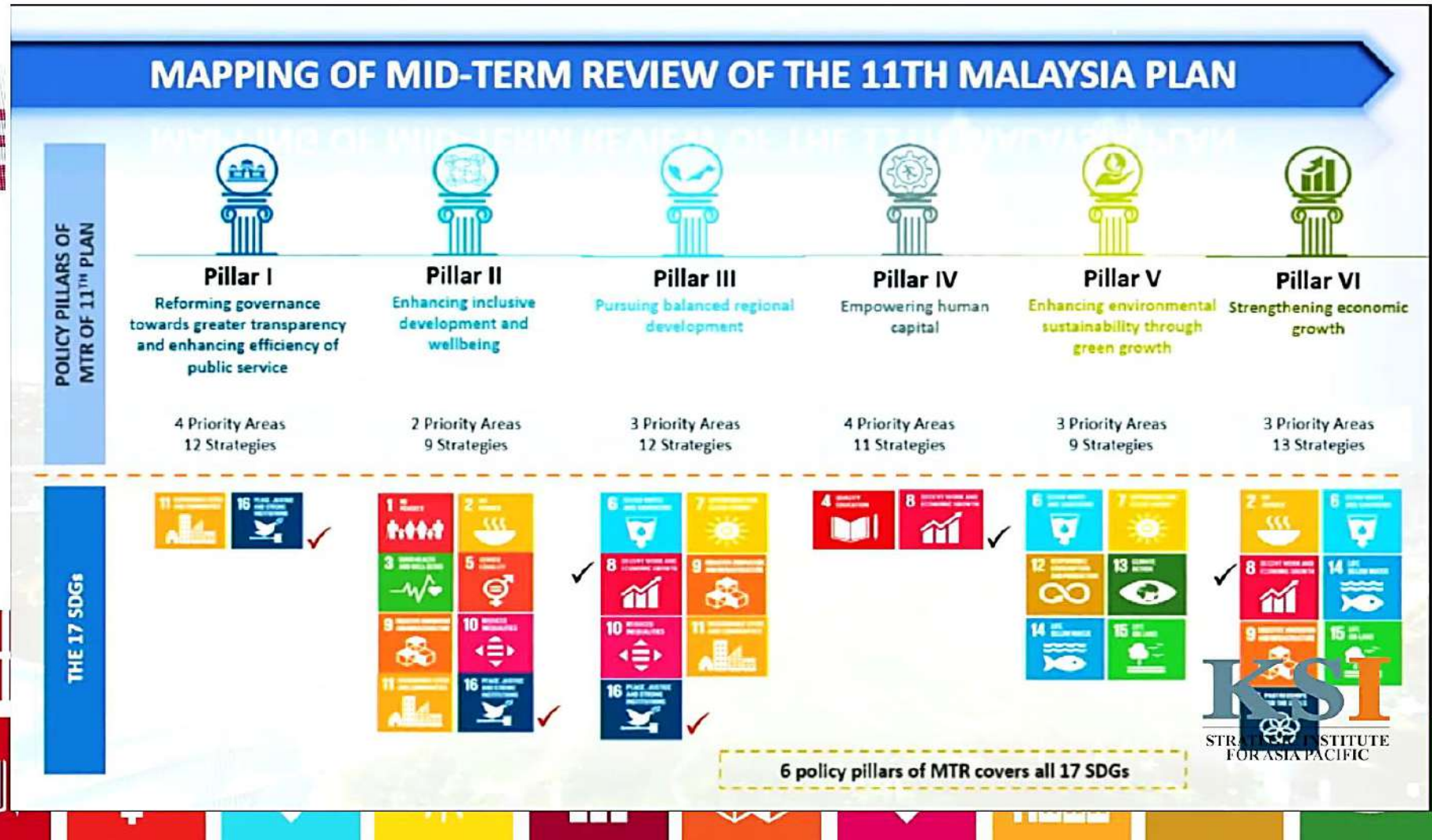
Economic Planning Unit
Prime Minister's Department



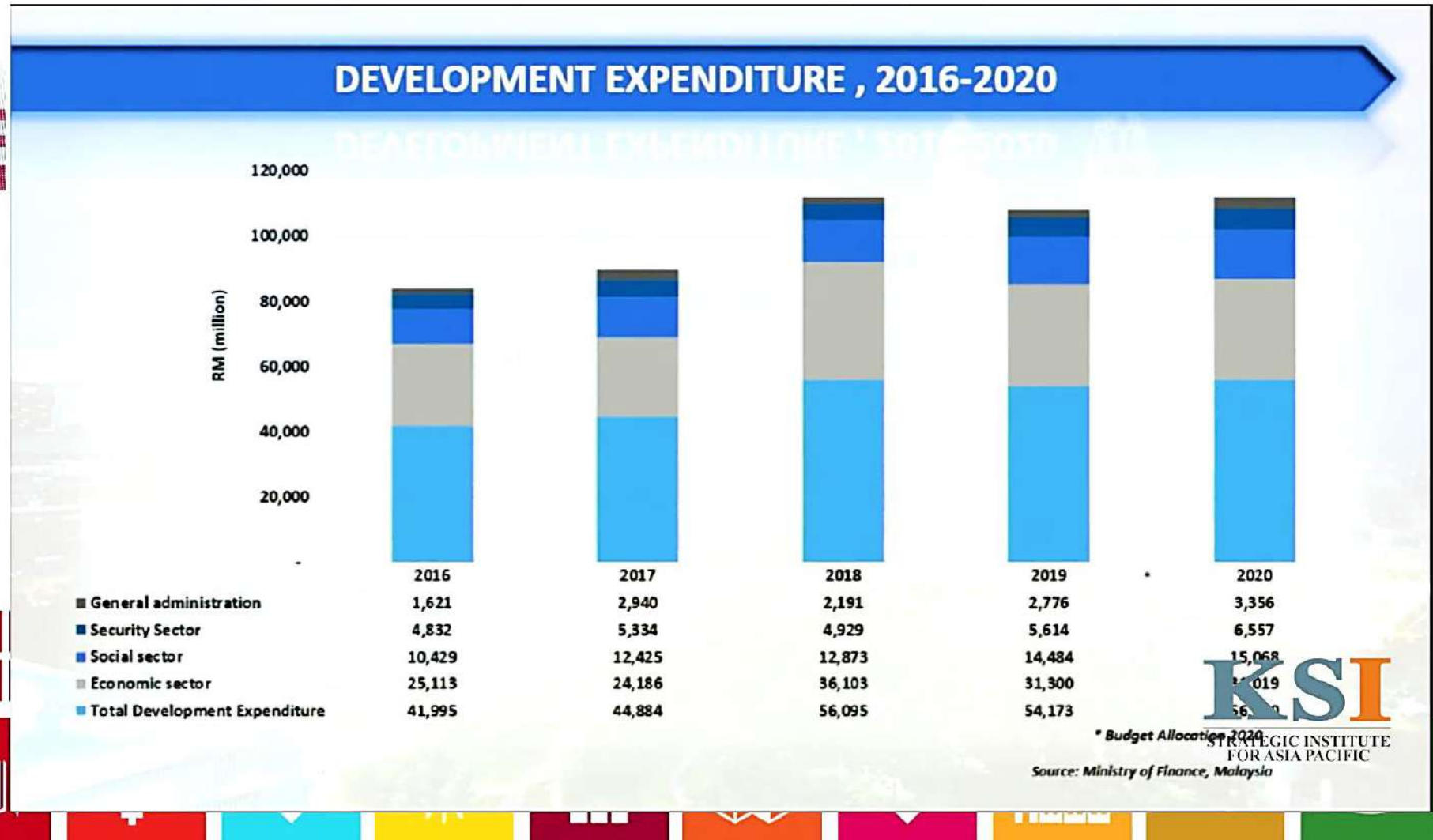
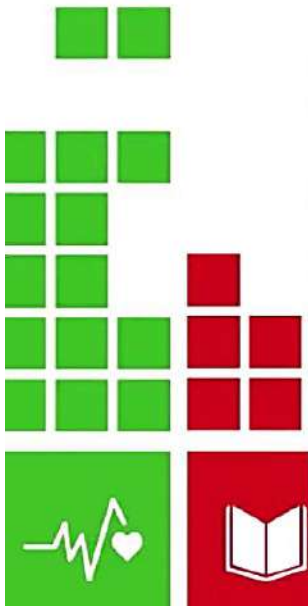
Introduction To SDGs.



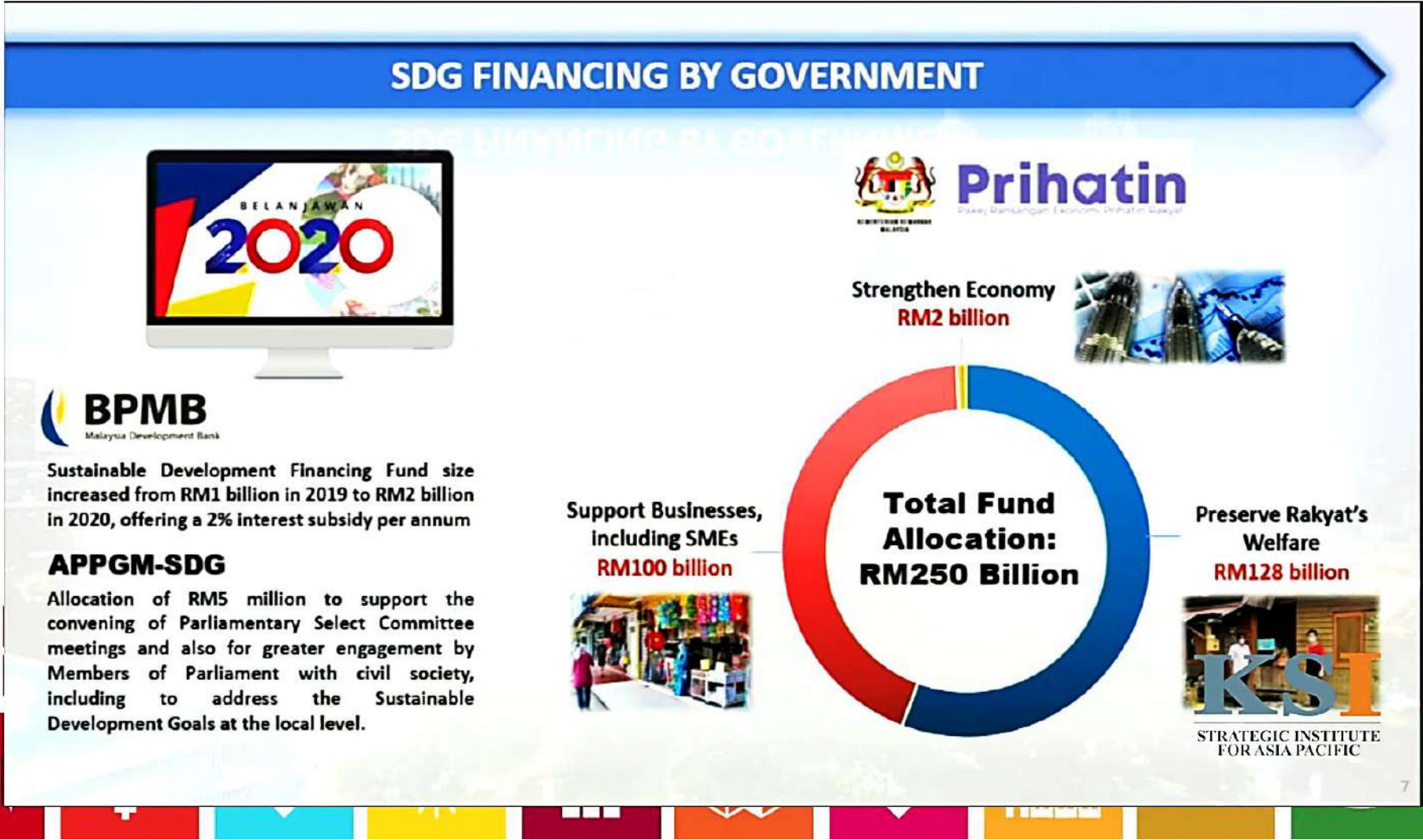
Introduction To SDGs



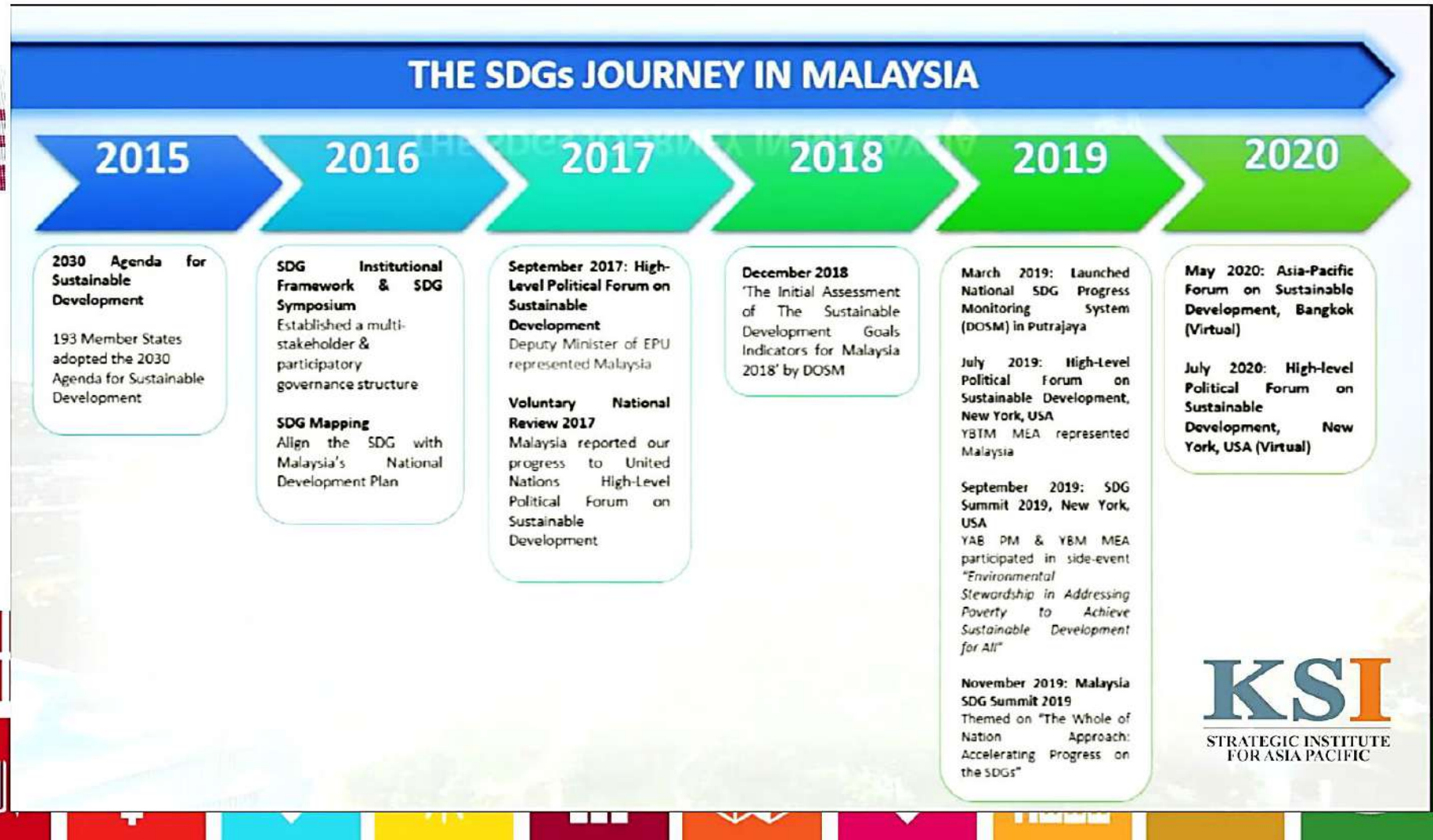
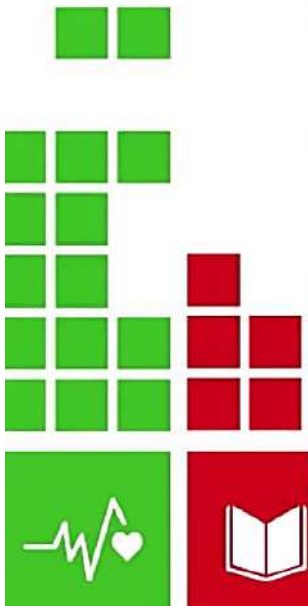
Introduction To SDGs



Introduction To SDGs.



Introduction To SDGs



Introduction To ESG.



ESG INVESTING

IT'S SO HOT RIGHT NOW

makeameme.org

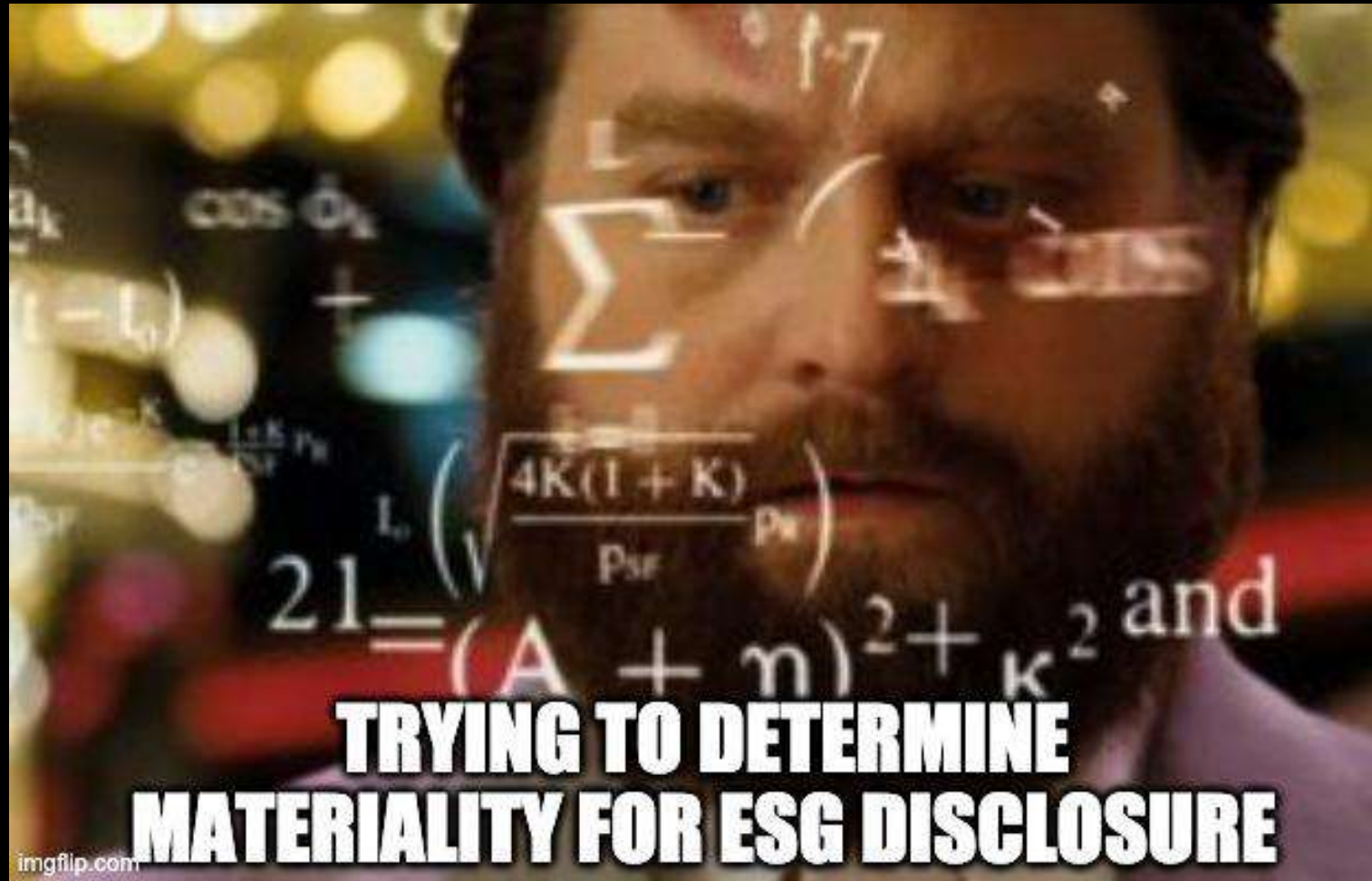


ESG



FOR EVERYONE!

makeameme.org



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Introduction To ESG.



Introduction To ESG.



Introduction To ESG.

an organization's impact on the climate like its greenhouse gas emissions, and its management team's stewardship over natural resources like fresh water



Introduction To ESG



Introduction To ESG.



Introduction To ESG.

It seeks to understand
how well leadership
manages relationships
with stakeholders



Introduction To ESG.



Introduction To ESG.



GOVERNANCE



Introduction To ESG.

Stakeholders are increasingly taking note that a healthy corporate governance function can make or break progress in the “E” and the “S” realms

Introduction To ESG.



Introduction To ESG.



Introduction To ESG.



Introduction To ESG.

A hand is shown balancing a black seesaw. The word 'OPPORTUNITY' is written in green on the left side of the seesaw, and the word 'RISK' is written in red on the right side. The hand is positioned under the center of the seesaw, with the index finger pointing upwards.

OPPORTUNITY




RISK

Introduction To ESG.



Introduction To ESG.

ESG INVESTMENT GRADE RATING

EXCELLENT	AAA, AA	
FAIR	A, BBB, BB	
POOR	B, CCC	



Distinguishing Terminology:

Sustainable Finance & ESG Reporting

Distinguishing Terminology:


Sustainable Finance & ESG Reporting



Distinguishing Terminology:

Sustainable Finance & ESG Reporting

“Sustainable Finance,” refers to how finance (investing and lending) interacts with economic, social, and environmental issues, or “ESG issues”. In other words, sustainable finance refers to the process of incorporating ESG factors into financial decision-making.



“ESG Reporting” means companies and other organizations providing information about 1) how ESG issues impact their business and 2) how the business impacts the environment, people, and society.

Why Companies Report? ■

Mandatory or Voluntary

Why Companies Report? :

Mandatory or Voluntary

Financial Reporting

- *Mandatory, long history of development*


ESG Reporting

- *Generally voluntary, moving towards mandatory, accelerated development*

Why Companies Report?

Mandatory or Voluntary

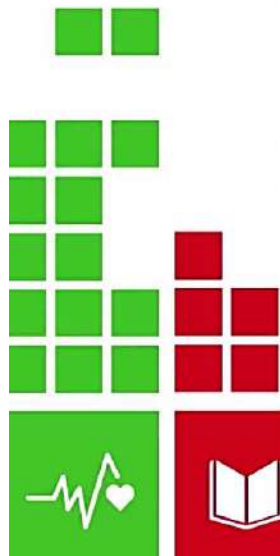
ESG Reporting is primarily voluntary, but there is a patchwork of mandatory reporting requirements across some jurisdictions.



There is a strong trend towards more mandatory and more specific ESG reporting requirements worldwide.

How To Bridge SDG Programs with ESG Reporting.

How To Bridge SDG Programs with ESG Reporting.

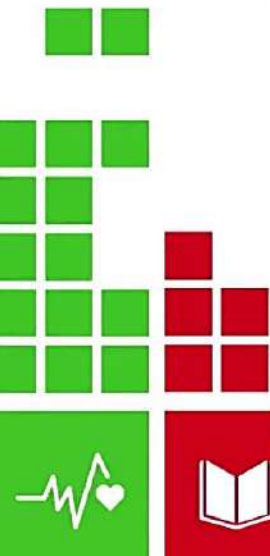


VOLUNTARY NATIONAL REVIEW (VNR)

In 2016, the Cabinet has agreed to report the development of the SDG implementation once in every 4 years through the *volunteer national review at the UN High-level Political Forum on Sustainable Development*.

VNR	2017	2021
Theme	Eradicating Poverty and Promoting Prosperity in a Changing World	"Sustainable and resilient recovery from the COVID-19 pandemic that promotes the economic, social and environmental dimensions of sustainable development: building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development"
Target	1,2,3,5,9,14,15 & 17	1, 2, 3, 8, 10, 12, 13, 16 & 17
Highlight	Poverty	Progress of Sustainable Development Post Covid-19 Pandemic
Report	Government initiative	Whole-of-nation approach <ul style="list-style-type: none"> Report from government and non-government sectors SDG Initiatives from NGOs, CSOs and the private sector

How To Bridge SDG Programs with ESG Reporting.



How To Bridge SDG Programs with ESG Reporting.

The screenshot displays the website mysdg.dosm.gov.my. The page features a navigation menu with links for HOME, INTRODUCTION, REPORTING STATUS, SDG INDICATOR, and NEWSLETTER. A prominent red box highlights the URL www.mysdg.dosm.gov.my. The main content area includes a map of Malaysia with a circular SDG indicator chart overlaid. A red callout box points to the URL. Below the map, a red box highlights the following information:

SUSTAINABLE DEVELOPMENT GOAL 1
Goal 1: End poverty in all its forms everywhere!

7	14
targets	indicators

[Read More](#)

Below this, the text "Sustainable Development Goals" is followed by a horizontal row of eight goal icons: 1 NO POVERTY, 2 ZERO HUNGER, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, and 8 DECENT WORK AND ECONOMIC GROWTH.

How To Bridge SDG Programs with ESG Reporting.



Goal 1 - End poverty in all its forms everywhere			
Goal/Target/Indicators	Status of Indicators	UNSC 51 st sessions	Sources
Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day			
1.1.1	Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban/rural)	Available	Refinement Household Income and Basic Amenities Survey, DOSM
Proxy: Proportion of households below the international poverty line by state and sex of head of households			
Target 1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions			
1.2.1	Proportion of population living below the national poverty line, by sex and age	Available	Remain Household Income and Basic Amenities Survey, DOSM
Proxy: Proportion of households below the national poverty line by state and sex of head of households			
1.2.2	Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Available	Remain i. Household Income and Basic Amenities Survey, DOSM ii. e-Kasih system, Implementation Coordination Unit
Target 1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable			
1.3.1	Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable	Available	Remain i. Department of Social Welfare Malaysia ii. Social Security Organisation iii. National Disaster Management Agency, Malaysia
Proxy: Number of recipients and total assistance by type of assistance			
Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance			
1.4.1	Proportion of population living in households with access to basic services	Available	Remain i. National Water Services Commission ii. Ministry of Environment and Water

How To Bridge SDG Programs with ESG Reporting.



Goal 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal/Targets/Indicators	Status of Indicators	UNSC 51 st sessions	Sources
Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round			
2.1.1 Prevalence of undernourishment <i>Proxy: Prevalence of underweight among children under 5 years of age</i>	Available	Remain	National Health and Morbidity Survey Report, 2015, 2019 Ministry of Health Malaysia
2.1.2 Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES) <i>Proxy: Prevalence of food insecurity at household, adult and child levels</i>	Available	Remain	National Health and Morbidity Survey Report, 2014, Ministry of Health Malaysia
Target 2.2: By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons			
2.2.1 Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age	Available	Remain	National Health and Morbidity Survey Report, 2015, 2019 Ministry of Health Malaysia
2.2.2 Prevalence of malnutrition (weight for height >=2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)	Available	Remain	National Health and Morbidity Survey Report, 2015, 2019 Ministry of Health Malaysia
2.2.3 Prevalence of anaemia in women aged 15 to 49 years, by pregnancy status (percentage)	Available	Additional	Ministry of Health Malaysia
Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment			
2.3.1 Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size	Not Available	Remain	i. Ministry of Agriculture and Food Industries ii. Department of Agriculture
2.3.2 Average income of small-scale food producers, by sex and indigenous status	Partially Available, Need Further Development	Remain	i. Department of Agriculture ii. Department of Veterinary Services, Malaysia
Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality			

How To Bridge SDG Programs with ESG Reporting.



Goal 3 - Ensure healthy lives and promote well-being for all at all ages			
Goal/ Targets/ Indicators	Status of Indicators	UNSC 51 st sessions	Sources
Target 3.1: By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births			
3.1.1 Maternal mortality ratio	Available	Remain	Vital Statistics, DOSM
3.1.2 Proportion of births attended by skilled health personnel	Available	Remain	Ministry of Health Malaysia
Target 3.2: By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births			
3.2.1 Under-5 mortality rate	Available	Remain	Vital Statistics, DOSM
3.2.2 Neonatal mortality rate	Available	Remain	Vital Statistics, DOSM
Target 3.3: By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases			
3.3.1 Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations	Available	Remain	Ministry of Health Malaysia
3.3.2 Tuberculosis incidence per 100,000 population	Available	Remain	Ministry of Health Malaysia
3.3.3 Malaria incidence per 1,000 population	Available	Remain	Ministry of Health Malaysia
3.3.4 Hepatitis B incidence per 100,000 population	Available	Remain	Ministry of Health Malaysia
Proxy: Hepatitis B notification rate per 100,000 population			
3.3.5 Number of people requiring interventions against neglected tropical diseases	Available	Remain	Ministry of Health Malaysia
Proxy: Mass Drug Administration (MDA) coverage among targeted population in filarial endemic states			
Target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being			
3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease	Available	Remain	Statistics Cause of Death, DOSM
3.4.2 Suicide mortality rate	Available	Remain	Statistics Cause of Death, DOSM
Target 3.5: Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol			
3.5.1 Coverage of treatment interventions (pharmacological, psychosocial and rehabilitation and aftercare services) for substance use disorders	Available	Remain	National Anti-drugs Agency
3.5.2 Alcohol per capita consumption (aged 15 years and older) within a calendar year in litres of pure alcohol	Available	Refinement	Ministry of Health Malaysia

How To Report:

Frameworks, Standards & Reports

How To Report?

Frameworks, Standards & Reports

Financial Reporting

- *Global IFRS Standards, small number of remaining national systems; comparable information for global investors*

ESG Reporting

- *No standardization and low comparability*

How To Report?

Frameworks, Standards & Reports

There are many different frameworks and standards for ESG reporting.

In the absence of clear mandatory requirements, companies are able to pick and choose 1) what they report and 2) what standards they use—which impacts how comparable and useful the information is.

Companies can also choose where they report the information. Most frequently it is reported in stand-alone sustainability reports; so it's not included with all the information that appears in the annual report.

**Where is ESG Reporting
Headed.**

Where is ESG Reporting Headed? ■

*International
Sustainability
Standards Board*


- COP26 Glasgow
- November 3, 2021

Trusted ESG
Reporting
Ecosystem

- Integration with financial information
- External review/verification

Where is ESG Reporting Headed?

There is significant momentum around building a global system for ESG reporting to increase quality and comparability.



As ESG reporting matures, there is growing realization that the information will have to be verified.



TropBio
GROUP