



PRESS RELEASE

DEPUTY PRIME MINISTER LAUNCHES A QUICK GUIDE TO SIMPLIFY ESG PRACTICES AMONG MSMEs

PUTRAJAYA, 7 February 2024 – YAB Dato' Seri Dr. Ahmad Zahid bin Hamidi, Deputy Prime Minister and Minister of Rural and Regional Development has launched the ESG Quick Guide for MSMEs to facilitate the adoption of environmental, social and governance (ESG) practices among Micro, Small and Medium Enterprises (MSMEs). The Quick Guide published by SME Corp. Malaysia that provides the steps for MSMEs to easily understand ESG, was launched by YAB Dato' Seri Dr. Ahmad Zahid after chairing the meeting of National Entrepreneur and SME Development Council (NESDC) No. 1 Year 2024 on 5 February 2024 in Putrajaya.

The Quick Guide is part of the ongoing efforts by the Ministry of Entrepreneur and Cooperatives Development (MECD) through its agency SME Corp. Malaysia in preparing MSMEs towards understanding the importance of sustainability and ESG practices. According to YB Datuk Ewon Benedick, Minister of Entrepreneur and Cooperatives Development, "MSMEs need to equip business operations with aspects related to sustainability or the adoption of ESG as it is gaining importance due to the fact that most large companies, multinational companies (MNCs) and Government-linked Companies (GLCs) have started to adopt ESG practices in their business operations. MSMEs that implement ESG practices will not only have a positive social and environmental impact, but also have the opportunity to be part of the supply chain due to the requirement of large firms for their suppliers to implement ESG practices".

"The Government with strong support from the corporate and private sector, is committed to continue assisting MSMEs in adopting ESG practices through this guide, which has been simplified specifically for MSMEs as well as aligned to various existing ESG guidelines by the Ministry of Investment, Trade and Industry (MITI), Bursa Malaysia and the Securities Commission", he added.

YBrs. Mr. Rizal bin Nainy, Chief Executive Officer of SME Corp. Malaysia said, "This Quick Guide comprises of eight (8) simple steps for firms to understand the importance of ESG in business, set objectives, identify related ESG indicators, produce a sustainability action plan and subsequently use an easy template for ESG reporting".

"This Guide also lists 13 basic indicators that can be used by all MSMEs. The selection of indicators is based on the suitability and minimum requirements of MSMEs business operations across all sectors, entity type and firm size. Moreover, it also includes important indicators for business sustainability such as employee benefits, culture, risk management and data protection that are less practiced by MSMEs", according to Mr. Rizal.

This ESG Quick Guide for MSMEs is published in both Malay and English languages. This Guide can be downloaded for free upon taking the ESG assessment on SME Corp. Malaysia's website.

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About SME Corp. Malaysia

SME Corporation Malaysia (SME Corp. Malaysia) is the central coordinating agency (CCA) under the Ministry of Entrepreneur and Cooperatives Development (MECD) that coordinates the implementation of development programmes for micro, small and medium enterprises (MSMEs) across all related Ministries and agencies. It acts as the central point of reference for research and data dissemination on MSMEs, as well as provides business advisory services for MSMEs throughout the country.

Beginning on 2 May 1996, SME Corp. Malaysia was formerly known as the Small and Medium Industry Development Corporation (SMIDEC), which aims to develop the small and medium industries that are capable and resilient to be able to compete in the global market. In 2007, SMIDEC was mandated by the National SME Development Council chaired by the YAB Prime Minister to formulate comprehensive policies and strategies for SMEs and drive SME programmes across Ministries and Agencies. Accordingly, SMIDEC has been officially rebranded as SME Corp. Malaysia on 2 October 2009.

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