



Simplified ESG Disclosure Guide (SEDG)

for SMEs in Supply Chains

DISCLOSURE GUIDANCE

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The SEDG Disclosure Guidance document is to be read together with the SEDG Additional Guidance document

ACKNOWLEDGEMENT

The Simplified ESG Disclosure Guide (SEDG) for SMEs in Supply Chains is developed by Capital Markets Malaysia (CMM), an affiliate of the Securities Commission Malaysia (SC). CMM would like to express its sincere appreciation to our consultants Thoughts in Gear and Lasaju Consulting.

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Queries and clarifications may be directed to general@capitalmarketsmalaysia.com

Disclaimer

The Simplified ESG Disclosure Guide (SEDG) for SMEs in Supply Chains is published to assist and provide guidance to SMEs in preparing to disclose Environmental, Social and Governance (ESG) data to their stakeholders, aligned with international standards. While the SEDG is intended to provide guidance on ESG disclosures and care has been taken to curate relevant and pertinent information in the SEDG, it is not exhaustive in its coverage. SMEs are expected to exercise discernment and diligence in relying on the SEDG to the extent that it commensurate with their respective business operations and activities as well as ESG risk profiles. CMM does not make any representation or warranty, whether implied or expressed as to the accuracy, adequacy, completeness, or reliability of any information provided in the SEDG, and SMEs are responsible to make their own assessment of the applicability and suitability of the SEDG for their purpose. In no event shall CMM be liable for any decisions made on the basis of the information provided in the SEDG or any other claim howsoever arising out of or in relation to the SEDG. CMM shall under no circumstances be liable for any type of damages including but not limited to direct, indirect, special, consequential, incidental, or punitive damages whatsoever or any loss of profits or lost opportunities. All rights reserved. © Copyright and published by Capital Markets Malaysia, October 2023.

OVERVIEW

What is the SEDG?

The SEDG is a guide to help your company decide what Environmental, Social and Governance (ESG) disclosures to track and report.

What are the objectives of the SEDG?



It provides SMEs (as the data preparers) with a simple and standard set of disclosures to track and report.



It provides stakeholders (as the data requesters) with a simple and standard set of disclosures to ask for.



It provides standard-setters with a simple and standard set of disclosures to support their policies.

What does the SEDG cover?

- It covers indicators that can be tracked and disclosed to measure ESG progress.
- It does not cover the adoption of sustainability, assessment and mitigation of risks, and identification of business opportunities.

Which are the target companies?

The target users are SMEs that are compelled to track and report on ESG data – usually because they want to, they are being asked to, or they want to qualify for incentives.

What references are included?

The standards and frameworks referenced include Bursa Malaysia's Listing Requirements and Sustainability Reporting Guide, FTSE4Good, GRI, IFRS S1 and S2, TCFD and CDP.

What about different industry sectors?

The 35 disclosures in the SEDG are applicable across all industries, with different levels of importance and priority.

Every company is encouraged to determine the materiality of these disclosures relevant to the company.

What about different sustainability capabilities?

The 35 disclosures are divided into Basic, Intermediate and Advanced to cater for the different levels of sustainability maturity in each company.

There is no mandatory adoption timeline for the disclosures.

INSTRUCTIONS

HOW TO USE THE SEDG

1

Review the full map of disclosures.

2

As guidance, the Basic disclosures are your starting point. Progress to the Intermediate disclosures if you have been on your sustainability journey for 1-2 years. Progress to the Advanced disclosures if you have been on your sustainability journey for 3-4 years.

3

Tick off the disclosures you can already report on now.

4

Identify those you will work on in the next one year.

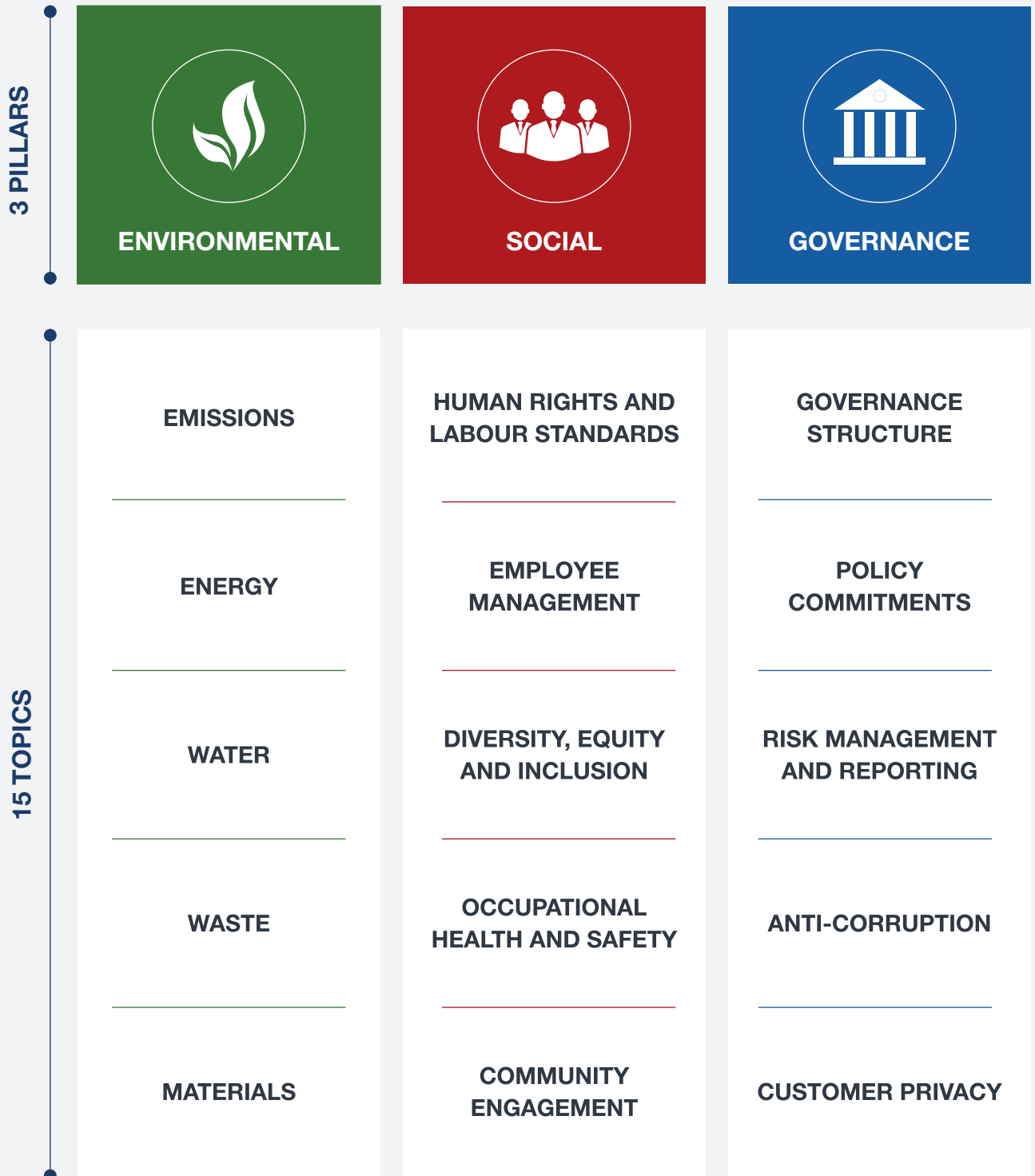
5

Refer to the additional guidance on what to report.

6

Track and report your disclosures using the template provided.

DISCLOSURES





ENVIRONMENTAL DISCLOSURES

	BASIC	INTERMEDIATE	ADVANCED
SEDG-E1 EMISSIONS	<p><input type="checkbox"/> SEDG-E1.1 : Report total Scope 1 (direct) GHG emissions in metric tonnes of CO₂ equivalent</p> <p><input type="checkbox"/> SEDG-E1.2 : Report total Scope 2 (indirect) GHG emissions in metric tonnes of CO₂ equivalent</p>	<p><input type="checkbox"/> SEDG-E1.3 : Report total Scope 1 GHG emissions reduced as a direct result of reduction initiatives, in metric tonnes of CO₂ equivalent</p> <p><input type="checkbox"/> SEDG-E1.4 : Report total Scope 2 GHG emissions reduced as a direct result of reduction initiatives, in metric tonnes of CO₂ equivalent</p>	<p><input type="checkbox"/> SEDG-E1.5 : Report total Scope 3 (other indirect) GHG emissions in metric tonnes of CO₂ equivalent</p> <p><input type="checkbox"/> SEDG-E1.6 : Report total Scope 3 GHG emissions reduced as a direct result of reduction initiatives, in metric tonnes of CO₂ equivalent</p>
SEDG-E2 ENERGY	<p><input type="checkbox"/> SEDG-E2.1 : Report the consumption of the following in joules or watthours:</p> <ul style="list-style-type: none"> • Renewable fuel sources • Non-renewable fuel sources • Electricity • Heating (if applicable) • Cooling (if applicable) • Steam (if applicable) 	<p><input type="checkbox"/> SEDG-E2.2 : Report the reduction in consumption of the following (achieved as a direct result of conservation and efficiency initiatives) in joules or watthours:</p> <ul style="list-style-type: none"> • Non-renewable fuel sources • Electricity • Heating (if applicable) • Cooling (if applicable) • Steam (if applicable) 	
SEDG-E3 WATER	<p><input type="checkbox"/> SEDG-E3.1 : Report the total water withdrawn from all areas, and a breakdown of this total by type in litres:</p> <ul style="list-style-type: none"> • Purchased water • Surface water (if applicable) • Groundwater (if applicable) • Seawater (if applicable) • Produced water (if applicable) 		

	BASIC	INTERMEDIATE	ADVANCED
SEDG-E4 WASTE	<input type="checkbox"/> SEDG-E4.1 : Report total waste in metric tonnes: <ul style="list-style-type: none"> • Generated • Diverted from disposal • Directed to disposal 	<input type="checkbox"/> SEDG-E4.2 : Report total waste generated, diverted from disposal, and directed to disposal, each broken down into metric tonnes of: <ul style="list-style-type: none"> • Hazardous and non-hazardous waste • Sector specific waste streams • Material composition 	<input type="checkbox"/> SEDG-E4.3 : Report total hazardous and non-hazardous waste diverted from disposal broken down into the following recovery streams in metric tonnes: <ul style="list-style-type: none"> • Preparation for reuse • Recycling • Other recovery options <input type="checkbox"/> SEDG-E4.4 : Report total hazardous and non-hazardous waste directed to disposal broken down into the following disposal streams in metric tonnes: <ul style="list-style-type: none"> • Incineration (with energy recovery) • Incineration (without energy recovery) • Landfilling • Other disposal options
SEDG-E2 MATERIALS	<input type="checkbox"/> SEDG-E5.1 : List the materials and total weights used to produce and package the company's primary products and services in metric tonnes	<input type="checkbox"/> SEDG-E5.2 : Report the percentage of recycled input materials used to manufacture the company's primary products and services	



SOCIAL DISCLOSURES

	BASIC	INTERMEDIATE	ADVANCED
SEDG-S1 HUMAN RIGHTS AND LABOUR PRACTICES	<input type="checkbox"/> SEDG-S1.1 : Report the number and nature of child labour and forced labour incidents, if any	<input type="checkbox"/> SEDG-S1.2 : List the operations and suppliers considered to have significant risk for incidents of child labour and forced labour, including: <ul style="list-style-type: none"> • Type of operation or supplier • Locations at risk 	
SEDG-S2 EMPLOYEE MANAGEMENT	<input type="checkbox"/> SEDG-S2.1 : Report the average hours of training per employee	<input type="checkbox"/> SEDG-S2.2 : Report the total number of employees and the turnover rate	
SEDG-S3 DIVERSITY, EQUITY AND INCLUSION	<input type="checkbox"/> SEDG-S3.1 : Report the percentage of the company's employees by: <ul style="list-style-type: none"> • Gender • Age 	<input type="checkbox"/> SEDG-S3.2 : Report the percentage of the company's directors by: <ul style="list-style-type: none"> • Gender • Age 	
SEDG-S4 OCCUPATIONAL HEALTH AND SAFETY	<input type="checkbox"/> SEDG-S4.1 : Report the number of fatalities and injuries in the company, if any	<input type="checkbox"/> SEDG-S4.2 : Report the total number and percentage of employees trained on health and safety standards	
SEDG-S5 COMMUNITY ENGAGEMENT	<input type="checkbox"/> SEDG-S5.1 : Report the total amount of community investments and donations		<input type="checkbox"/> SEDG-S5.2 : List the company's operations with negative impact on local communities



GOVERNANCE DISCLOSURES

	BASIC	INTERMEDIATE	ADVANCED
SEDG-G1 GOVERNANCE STRUCTURE	<input type="checkbox"/> SEDG-G1.1 : Report the number of directors in the company	<input type="checkbox"/> SEDG-G1.2 : List the governance structure of the board, including committees of the board and management, if applicable	
SEDG-G2 POLICY COMMITMENTS	<input type="checkbox"/> SEDG-G2.1 : List the company's policies; including but not limited to: <ul style="list-style-type: none"> • Code of Conduct • Anti-Corruption Policy • Whistleblowing Policy • Health and Safety Policy 		
SEDG-G3 RISK MANAGEMENT AND REPORTING	<input type="checkbox"/> SEDG-G3.1 : Report the year of the last submitted audited financial report	<input type="checkbox"/> SEDG-G3.2 : List the risk of company operations and activities, including but not limited to: <ul style="list-style-type: none"> • Regulatory compliance risk • Business continuity risk 	<input type="checkbox"/> SEDG-G3.3 : List the sustainability risks of the company if applicable, including but not limited to: <ul style="list-style-type: none"> • Climate-related physical risk • Climate-related transition risk
SEDG-G4 ANTI-CORRUPTION	<input type="checkbox"/> SEDG-G4.1 : Report the total number and nature of confirmed incidents of corruption, if any	<input type="checkbox"/> SEDG-G4.2 : Report the total number and percentage of employees who have received training on the company's anti-bribery and anti-corruption policy	<input type="checkbox"/> SEDG-G4.3 : List the significant risks related to corruption
SEDG-G5 CUSTOMER PRIVACY		<input type="checkbox"/> SEDG-G5.1 : Report the total number and nature of substantiated complaints received concerning breaches of customer privacy and loss of customer data, if any	

TEMPLATE

SEDG DISCLOSURE TABLE

This data report represents our company's disclosures as guided by the Simplified ESG Disclosure Guide (SEDG). It contains information that is true to the best of our knowledge at the time of publication.

GENERAL INFORMATION

Name of Organisation	
Date of Disclosure	
Disclosure Period	
Location of Headquarters	
Entities Included	
Locations Included	

TEMPLATE

 Basic

 Intermediate

 Advance

ENVIRONMENTAL DISCLOSURES

■ SEDG-E1.1	Total Scope 1 GHG emissions			metric tonnes
■ SEDG-E1.2	Total Scope 2 GHG emissions			metric tonnes
■ SEDG-E1.3	Scope 1 GHG emissions reduction			metric tonnes
■ SEDG-E1.4	Scope 2 GHG emissions reduction			metric tonnes
■ SEDG-E1.5	Total Scope 3 GHG emissions			metric tonnes
■ SEDG-E1.6	Scope 3 GHG emissions reduction			metric tonnes
■ SEDG-E2.1	Energy consumption	Renewable fuel sources		joules/watthours
		Non-renewable fuel sources		joules/watthours
		Electricity		joules/watthours
		Heating (if applicable)		joules/watthours
		Cooling (if applicable)		joules/watthours
		Steam (if applicable)		joules/watthours
■ SEDG-E2.2	Energy consumption reduction	Renewable fuel sources		joules/watthours
		Non-renewable fuel sources		joules/watthours
		Electricity		joules/watthours
		Heating (if applicable)		joules/watthours
		Cooling (if applicable)		joules/watthours
		Steam (if applicable)		joules/watthours
■ SEDG-E3.1	Total water withdrawn	Purchased water		litres
		Surface water (if applicable)		litres
		Groundwater (if applicable)		litres
		Seawater (if applicable)		litres
		Produced water (if applicable)		litres
■ SEDG-E4.1	Total Waste	Generated		metric tonnes
		Diverted from disposal		metric tonnes
		Directed to disposal		metric tonnes

TEMPLATE

Basic

Intermediate

Advance

ENVIRONMENTAL DISCLOSURES

■ SEDG-E4.2	Hazardous Waste	Generated		metric tonnes
		Diverted from disposal		metric tonnes
		Directed to disposal		metric tonnes
	Non-hazardous Waste	Generated		metric tonnes
		Diverted from disposal		metric tonnes
		Directed to disposal		metric tonnes
	Sector-specific Waste Streams	Generated		metric tonnes
		Diverted from disposal		metric tonnes
		Directed to disposal		metric tonnes
	Material Composition	Generated		metric tonnes
		Diverted from disposal		metric tonnes
		Directed to disposal		metric tonnes
■ SEDG-E4.3	Hazardous	Diverted from disposal (preparation for reuse)		metric tonnes
		Diverted from disposal (recycling)		metric tonnes
		Diverted from disposal (other recovery)		metric tonnes
	Non-hazardous	Diverted from disposal (preparation for reuse)		metric tonnes
		Diverted from disposal (recycling)		metric tonnes
		Diverted from disposal (other recovery)		metric tonnes
■ SEDG-E4.4	Hazardous	Directed to disposal (incineration with recovery)		metric tonnes
		Directed to disposal (incineration without recovery)		metric tonnes
		Directed to disposal (landfilling)		metric tonnes
		Directed to disposal (other disposal)		metric tonnes
	Hazardous	Directed to disposal (incineration with recovery)		metric tonnes
		Directed to disposal (incineration without recovery)		metric tonnes
		Directed to disposal (landfilling)		metric tonnes
		Directed to disposal (other disposal)		metric tonnes
■ SEDG-E5.1	List of materials for primary products and services		(list)	
■ SEDG-E5.2	Percentage of recycled input materials for primary products and services		percent	

TEMPLATE

 Basic

 Intermediate

 Advance

SOCIAL DISCLOSURES

■ SEDG-S1.1	Number of child labour incidents, if any		(number)
	Nature of child labour incidents, if any		(description)
■ SEDG-S1.2	Number of forced labour incidents, if any		(number)
	Nature of forced labour incidents, if any		(description)
	List of operations and suppliers with significant risk of child labour		(list)
	List of operations and suppliers with significant risk of forced labour		(list)
■ SEDG-S2.1	Average hours of training per employee		hours
■ SEDG-S2.2	Number of employees		(number)
	Turnover rate		percent
■ SEDG-S3.1	Percentage of employees by gender		percent
	Percentage of employees by age		percent
■ SEDG-S3.2	Percentage of directors by gender		percent
	Percentage of directors by age		percent
■ SEDG-S4.1	Number of fatalities		(number)
	Number of injuries		(number)
■ SEDG-S4.2	Number of employees trained in health and safety standards		(number)
	Percentage of employees trained in health and safety standards		percent
■ SEDG-S5.1	Total amount of community investment and donations		MYR
■ SEDG-S5.2	List of operations with negative impact on local communities		(list)

TEMPLATE

 Basic

 Intermediate

 Advance

GOVERNANCE DISCLOSURES

<input type="checkbox"/> SEDG-G1.1	Number of directors		(number)
<input type="checkbox"/> SEDG-G1.2	Governance structure		(structure)
<input type="checkbox"/> SEDG-G2.1	List of company policies		(list)
<input type="checkbox"/> SEDG-G3.1	Year of last submitted audited financial report		(year)
<input type="checkbox"/> SEDG-G3.2	List of company's operations and activities risks		(list)
<input type="checkbox"/> SEDG-G3.3	List of company's sustainability risks		(list)
<input type="checkbox"/> SEDG-G4.1	Number of confirmed incidents of corruption, if any		(number)
<input type="checkbox"/> SEDG-G4.1	Nature of confirmed incidents of corruption, if any		(description)
<input type="checkbox"/> SEDG-G4.2	Number of employees trained on anti-bribery and anti-corruption		(number)
<input type="checkbox"/> SEDG-G4.2	Percentage of employees trained on anti-bribery and anti-corruption		percent
<input type="checkbox"/> SEDG-G4.3	List of corruption risks		(list)
<input type="checkbox"/> SEDG-G5.1	Number of customer data privacy complaints, if any		(number)
<input type="checkbox"/> SEDG-G5.1	Nature of customer data privacy complaints, if any		(description)

BASIS FOR CONCLUSIONS

The SEDG was designed based on various sources that were compiled and simplified for SMEs. The process included exhaustive benchmarking exercises and consultations with stakeholder groups.

BENCHMARK

The benchmarking exercise for the SEDG included research into current standards and frameworks, and the needs of the market, including:

1. Global Sustainability Frameworks, Guidance, Benchmarks and Evaluations:

- Global Reporting Initiative (GRI)
- FTSE4Good (F4G)
- International Finance Reporting Standard (IFRS S1 & S2) by the International Sustainability Standards Board (ISSB), aligned to the Taskforce for Climate-Related Financial Disclosures (TCFD)
- Greenhouse Gas (GHG) Protocol

2. Local Sustainability Frameworks, Guidance, Benchmarks and Evaluations:

- Bursa Malaysia's Listing Requirements
- Bursa Malaysia's Sustainability Reporting Guide 3.0
- Principles-based Sustainable and Responsible Investment (SRI) Taxonomy for the Malaysian Capital Market
- Malaysian Code on Corporate Governance (MCCG)
- Principles on Good Governance (PGG) for Government Linked Investment Companies
- Malaysian Code for Institutional Investors (MCII)

3. Large Companies' Responsible Procurement Assessment Guidelines

- Various multinational and local large company assessments of their supply chain

STAKEHOLDER CONSULTATIONS

The consultations were conducted through targeted focus groups to ensure that the SEDG captures real-life best practices and yet remains practical to implement, including with:

1. Government Agencies and Regulators
2. Malaysian Public Listed Companies and Locally-based Multinational Companies
3. SMEs across Multiple Sectors
4. Governance Stakeholder Groups
5. Global and Domestic Financial Institutions
6. International Trade Commissions and Chambers of Commerce

